

PRESS RELEASE

TeraPlast SA, increases for all companies of the group in the first quarter

TeraPlast Group reported 97% increase in turnover in Q1 2018 as compared to Q1 2017

Bistrița, May 2nd, 2018 - TeraPlast Group, one of the main players in the construction market, posted a 131 million lei turnover in the first quarter of 2018 (1st quarter 2017: 67 million lei). The main contributors to this increase were the businesses that joined the group's portfolio in 2017: Depaco - Wetterbest, the sandwich panel factory in Serbia and the Politub business.

TeraPlast Group includes TeraSteel Romania and TeraSteel Serbia (producers of sandwich panels and galvanized metal structures), TeraPlast (manufacturer of PVC pipes, granules and profiles), Depaco (Wetterbest metal tile manufacturer), TeraGlass (PVC window and door manufacturer) and the distributor TeraPlast Hungary.

Key indicators, thousand lei	T1 - 2018	T1 - 2017	▲%
Turnover	130.955	66.578	97%
EBITDA	7.590	6.560	16%

Steel Division, TeraSteel Romania, TeraSteel Serbia and Depaco, generated 56% of the Group's turnover in the first quarter of this year. Therefore we are better prepared to overcome the challenges of the local infrastructure market that begun in the second half of 2016 and continues today.

One of the strategic directions of the Group was to reduce the impact of the public economic policies and the investments of state-owned companies, a goal achieved through the investment and M & A strategy.

Starting 2018, the Group's financial statements includes Depaco, a company controlled by TeraPlast since January. Depaco registered a turnover of 25,547 thousand lei, up with 13% compared to Q1 2017. Through its synergy with TeraSteel, Depaco also accessed industrial construction projects, for which it provided blackboards, registering a 65% increase in sales on this segment. On a growing residential building market, Wetterbest continues its market share growth strategy.

The segment of sandwich panels generated a turnover of 47,792 thousand lei (80% more than in Q1 2017). TeraSteel's performance is remarkable in the context of EBITDA growth of 42% compared to Q1 2017, which confirms the very good knowledge of the Eastern European market. In 2018, TeraSteel Serbia has signed important contracts with customers from Serbia, Kosovo, Montenegro, Macedonia and Croatia, following its strategy of becoming an important regional player.

Plastics Division registered a turnover of 58 million lei in Q1 2018, up with 44% compared to Q1 2017, the contribution of the polyethylene segment (by the Politub brand) in the turnover is 5 million lei. Currently, the division is in the process of implementing the strategy to increase competitiveness in the market of water and gas infrastructure systems.

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From the perspective of the TeraPlast Group's management team, 2018 began as a volatile year, and we do not have any reasons to believe that this volatility will decrease in the next quarters. In these first three months, the competition between manufacturers was primarily on price, as showed by the Group's EBITDA margin of 6% for Q1 2018.

The growth driver of the construction market will continue to be the private sector. For the infrastructure sector, which represents 12% of the group's turnover for the year 2018, there are no clear forecasts.

In this context, it turns out that the diversification of activities was a correct strategy. The Group will continue to integrate the purchased businesses in order to increase the overall business efficiency.

The report for the first quarter 2018 can be found on the website www.TeraPlast.ro / Investors / Financial Reports section and can be accessed in the following link: <http://www.TeraPlast.ro/investitori/rapoarte-financiare/>.