



TURBOMECANICA

244 Iuliu Maniu Avenue, Sector 6 Postal Code 061126 Bucharest - Romania

Tel.: (+4) 021 434 32 06; (+4) 021 434 07 41 Fax: (+4) 021 434 07 94

Registry Number J40/533/1991

Fiscal Code RO3156315 Unique Registration Number 3156315

Subscribed paid up social capital 36.944.247,50 RON

www.turbomecanica.ro; e-mail: office@turbomecanica.ro

Ref no.: 34/01.11.2017

**QUARTERLY REPORT AS OF 30 SEPTEMBER 2017
IN ACCORDANCE WITH THE PROVISIONS OF
ART 67 OF THE LAW NO 24/2017 AND OF THE REGULATION NO 1/2006**

Our Reference: 381 Date:19/10/2017

Subject: REPORT AS OF 30 SEPTEMBER 2017

TURBOMECANICA SA is a Romanian entity having the legal form of open a joint stock Company according to the Constitutive Act and applicable regulations, privately owned, whose shares are listed on the Bucharest Stock Exchange.

Its field of activity is exclusively manufacturing and according to the classification of activities in the national economy, its main object of activity is the Manufacturing of engines, mechanical assemblies and equipment for aircraft – NACE CODE 3030.

The Company carries out its activity in a highly competitive environment according to the widely recognised principles of corporate governance, in accordance with Romanian legislation, the legislation of the European Union and international practices, supplying on domestic and foreign markets products and services both in the field of defence and civil aviation.

The Company has a long history of start-ups; it has experienced diversification and developments, but also restructures, falls, searches, new beginnings. However, throughout all this time, it has never stopped operating in the aviation and defence industry.

The financial results will be included in the financial statements of the year 2017, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

1. Statement of profit and loss:

	<u>30 SEPTEMBER</u> <u>2017</u>	<u>30 SEPTEMBER</u> <u>2016</u>
Revenues	73.537.647	- 45.428.027
Other gains and loss	5.618.039	- 2.635.275
Change in inventories of finished goods and work in progress	3.477.054	- 9.083.944
Raw materials and consumables used	(28.016.168)	- (21.952.193)
Employee benefits expense	(23.022.741)	- (18.513.408)
Depreciation and amortisation expense	(4.963.380)	- (4.260.835)
Finance cost, net	(2.683.732)	- 598.505
Othe operating expenses	(2.749.301)	- (4.154.794)
Gross profit/Profit before tax	21.197.420	8.864.521
Income tax expense/ benefit	3.328.959	1.375.324
<u>Net profit</u>	<u>17.868.461</u>	<u>7.489.197</u>

The Company recorded operating revenues in amount of Lei 77.899.371 and operating expenses in amount of Lei 57.177.723.

The largest share of this revenue was made through specific activities related to the production profile of the Company.

If we analyze the evolution of operating revenues we notice an increase compared to the same period of the previous year (30.09.2016) by 42,83%, the Company recorded net profit in amount of Lei 17.868.461, at the end third Quarter.

2. Statement of financial position:

	<u>30 SEPTEMBER</u> <u>2017</u>	<u>31 DECEMBER</u> <u>2016</u>
Assets		
Fixed assets		
Property, plant and equipment, net	58.062.611	58.036.177
Intangible assets, net	7.262.715	8.777.087
Other assets	1.000	604.960
Total fixed assets	<u>65.326.326</u>	<u>67.418.225</u>

Current assets		
Inventory	36.398.337	25.039.278
Trade receivables	7.875.930	2.684.621
Other receivables and prepayments	2.215.061	3.048.543
Cash and bank balances	4.402.981	11.501.493
Non current assets classified as held for sale	<u>7.048.889</u>	<u>7.048.889</u>
Total current assets	<u>57.941.198</u>	<u>49.322.823</u>
	123.267.52	
Total assets	<u>5</u>	<u>116.741.048</u>
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	1.024.571.055	1.024.571.055
Reserves	80.457.521	80.520.812
Retained earnings	(1.044.777.924)	(1.058.231.122)
Own shares	<u>-</u>	<u>(562.427)</u>
Total shareholder equity	<u>60.250.652</u>	<u>46.298.318</u>
Long term liabilities		
Borrowings LT	7.073.367	3.186.319
Deferred tax liabilities	3.698.929	3.698.929
Provisions LT	1.235.332	1.382.087
Other liabilities LT	<u>1.030.013</u>	<u>1.022.968</u>
Total liabilities TL	<u>13.037.641</u>	<u>9.290.302</u>
Current liabilities		
Short term loans	4.934.411	7.007.591
Borrowings ST	36.672.678	41.406.464
Income tax expense/benefit	2.198.168	1.252.348
Provisions ST	434.777	2.856.881
Defferend income	907.232	160.063
Other liabilities ST	4.831.966	8.469.080
Total current liabilities	<u>49.979.232</u>	<u>61.152.428</u>
Total liabilities	<u>63.016.874</u>	<u>70.442.730</u>
Total shareholder equity and liabilities	<u>123.267.525</u>	<u>116.741.048</u>

The share capital of the Company is in amount of Lei 60.250.652.

The accounting activity was conducted in accordance with the OMFP no. 2844/2016 for the approval of accounting regulations, in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market and in accordance with the Accounting Law no. 82/1991 with all its subsequent amendments.

All documents regarding economic and financial operations have been recorded correctly every day.

Economic and financial operations have been recorded based on financial documents. All accounting information has been posted in the correct accounting statement (assets, liabilities and equity) and corresponds to the real situation of the Companies patrimony.

The debt towards the State Budget has been correctly registered, paid and reflected in the balance sheet.

We state that the Financial Statements at 30 September 2017 are unaudited financial.

PRESIDENT OF THE BOARD OF DIRECTORS

RADU VIEHMANN

**STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2017**

	30 SEPTEMBER 2017	31 DECEMBER 2016
Assets		
Fixed assets		
Property, plant and equipment, net	58.062.611	58.036.177
Intangible assets, net	7.262.715	8.777.087
Other assets	1.000	604.960
Total fixed assets	65.326.326	67.418.225
Current assets		
Inventory	36.398.337	25.039.278
Trade receivables	7.875.930	2.684.621
Other receivables and prepayments	2.215.061	3.048.543
Cash and bank balances	4.402.981	11.501.493
Non current assets classified as held for sale	7.048.889	7.048.889
Total current assets	57.941.198	49.322.823
Total assets	123.267.525	116.741.048
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	1.024.571.055	1.024.571.055
Reserves	80.457.521	80.520.812
Retained earnings	(1.044.777.924)	(1.058.231.122)
Own shares	-	(562.427)
Total shareholder equity	60.250.652	46.298.318
Long term liabilities		
Borrowings LT	7.073.367	3.186.319
Deferred tax liabilities	3.698.929	3.698.929

Provisions LT	1.235.332	1.382.087
Other liabilities LT	1.030.013	1.022.968
Total liabilities TL	13.037.641	9.290.302
Current liabilities		
Short term loans	4.934.411	7.007.591
Borrowings ST	36.672.678	41.406.464
Income tax expense/benefit	2.198.168	1.252.348
Provisions ST	434.777	2.856.881
Defferend income	907.232	160.063
Other liabilities ST	4.831.966	8.469.080
Total current liabilities	49.979.232	61.152.428
Total liabilities	63.016.874	70.442.730
Total shareholder equity and liabilities	123.267.525	116.741.048

**GENERAL MANAGER,
RADU VIEHMANN**

**FINANCIAL & COMMERCIAL MANAGER,
ION DINCA**

**STATEMENT OF PROFIT AND LOSS
AT 30 SEPTEMBER 2017**

	30 SEPTEMBER 2017	30 SEPTEMBER 2016
Revenues	73.537.647	- 45.428.027
Other gains and loss	5.618.039	- 2.635.275
Change in inventories of finished goods and work in progress	3.477.054	- 9.083.944
Raw materials and consumables used	(28.016.168)	- (21.952.193)
Employee benefits expense	(23.022.741)	- (18.513.408)
Depreciation and amortisation expense	(4.963.380)	- (4.260.835)
Finance cost, net	(2.683.732)	- 598.505
Othe operating expenses	(2.749.301)	- (4.154.794)
Gross profit/Profit before tax	21.197.420	8.864.521
Income tax expense/ benefit	3.328.959	1.375.324
Net profit	17.868.461	7.489.197

**GENERAL MANAGER,
RADU VIEHMANN**

**FINANCIAL & COMMERCIAL MANAGER,
ION DINCA**

FINANCIAL-ECONOMIC INDICATORS
30 SEPTEMBER 2017

No.	Economic indicators	Formula	30 SEPTEMBER 2017	30 SEPTEMBER 2016
1	Current liquidity ratio	current assets / current liabilities	1,16	0,84
2	Total debt ratio	(Borrowed capital- Deferred tax liabilities /Share Capital)	13,45	0,19
3	Receivable turnover ratio	(Accounts Receivable / Turnover) * 270 days	19,39	14,74
4	Fixed assets turnover ratio	Turnover / Fixed assets	1,13	0,69

GENERAL MANAGER,

RADU VIEHMANN

**FINANCIAL & COMMERCIAL
MANAGER,
ION DINCA**