

AEROSTAR S.A.

**HALF-YEAR REPORT
ON 30.06.2018**

According to Appendix 14 from Regulation no. 5/2018
issued by the Financial Supervisory Authority (FSA)

Content

- **Report of Board of Directors for the first semester of 2018**
- **Financial Statements on 30 June 2018**
- **Declaration of AEROSTAR S.A. management**
- **Independent auditor's report**

Identification data

Date of the report: 30.06.2018

Name of the company: **AEROSTAR S.A. Bacău**

Registered headquarter: Condorilor Street no. 9, Bacău, România

Telephone number/fax: +40234575070/ +40234572023

Individual Identification Number: RO 950531

Trade number in Bacau Trade Register: J04/1137/1991

LEI Code of identification: 315700G9KRN3B7XDBB73

Registered capital, subscribed and paid: 48.728.784 lei

Number of shares issued: 152.277.450

Nominal value: 0,32 lei / per share

The regular market on which the securities are traded:

Bucharest Stock Exchange (“ARS” indicator) – Standard Category

Introduction

The report of the Board of Directors for the first 6 months of 2018 of AEROSTAR S.A. Bacau is prepared in accordance with Regulation no. 5 from 2018 regarding the issuers of financial statements and market operations, issued by the Financial Supervisory Authority on 10 May 2018 and entered into force on 11 June 2018.

According to this regulation, the report must present the analysis of the actual economic-financial statement of the AEROSTAR company, in comparison with the similar period of the previous year; an analysis of the activity, of the events, transactions and economical amendments which significantly affect the income from the basic activity, as well as the amendments which affect the equity, the company's administration and the significant transactions.

The financial statements established on 30 June 2018 are accompanied by the review report of the independent financial auditor of the company AEROSTAR.

Chapter 1

Review of AEROSTAR's activity in the first semester of 2018

In the first six months of 2018, AEROSTAR's activity was performed in conditions of continuity and predictability, fulfilling the economic-financial objectives established in the budget foreseen for this period.

AEROSTAR continued its process of consolidation regarding its position in the aeronautical and defence market, in its three main business lines:

- Manufacturing of aviation products
- Maintenance of commercial aircraft
- Defence systems

According to the classification of activities in the Romanian economy, the main object of activity of AEROSTAR is manufacture of aircraft and spaceships – CAEN code 3030.

The main field of activity is production.

Starting with January 2018, AEROSTAR has operated organizational modifications for a better use and mobilization of the resources, to make better use of the market opportunities and to respond as much as possible to customer's requests.

The new organisational structure operates in accordance with the established objectives.

Key figures of the economic-financial data on 6 months 2018, in comparison with 6 months 2017

	UM	30.06.2018	30.06.2017
Registered capital	thousand lei	48.729	48.729
Turnover	thousand lei	160.081	162.706
- Export sales	thousand lei	135.097	136.726
The effective number of personnel, of which:	no.	2.044	2.128
- Own employees	no.	1.907	1.943
- Employees attracted through temporary labour agent	no.	137	185
Net profit	thousand lei	45.550	25.213
Cash - flow	thousand lei	159.938	145.932

General liquidity	-	5,44	4,89
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In the first semester of 2018 no events or other factors affected the liquidity of AEROSTAR.

Expenses for investments from company sources	thousand lei	12.352	8.031
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“AEROSTAR” shares (ARS)

The main characteristics of the shares issued:

152.277.450 shares, nominative, ordinary, of equal value, paid integrally, issued in dematerialized form and recorded by registration in the Register of Shareholders.

This is managed by the S.C. Depozitarul Central S.A. Bucharest.

The issuer AEROSTAR S.A. Bacau is registered with the following data:

Individual Identification Number 950531, ISIN ROAEROACNOR5 code, ARS stock exchange symbol, the issued shares being all in the standard category.

Evolution of ARS shares

	30.06.2018	30.06.2017	30.06.2016
Number of shares	152.277.450	152.277.450	152.277.450
Nominal value per share (lei)	0,32	0,32	0,32
Equity (lei)	281.966.899	225.481.238	203.363.067
Price at the end of the period ¹ (lei)	4,90	3,43	2,87
Stock exchange capitalization ¹ (lei)	746.159.505	522.311.654	437.036.282
Maximum price ¹ (lei)	5,36	3,70	2,99
Minimum price ¹ (lei)	4,65	3,25	2,24
Result per share (lei)	0,299	0,166	0,227

MBR Indicator (market to book ratio) (Stock exchange capitalization / equity).	2,6	2,3	2,1
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¹⁾ Source: Monthly newsletter issued by the Bucharest Stock Exchange

The trading price of AEROSTAR shares highlights a significant increase during the last reporting periods.

A significant increase of the stock exchange capitalization and of the interest for the company's shares is outlined.

AEROSTAR monitors the activity related to the evolution of the AEROSTAR shares on the Bucharest Stock Exchange without interfering in its operations with this activity.

Events of the timeperiod

- **The Ordinary General Meeting of the Shareholders** of AEROSTAR S.A. from 19 April 2018 approved the Financial Auditor's Report regarding the Auditing of the Financial Statements of 2017, as well as the Financial Statements of 2017.

The activities performed by the Board of Directors and by the executive management from year 2017 were approved, as well as the discharge of accountability of the members of Board of Directors and of the executive management for the activity performed until 31 December 2017.

The distribution of the net result of the financial year (profit in the amount of 53.169.632,90 lei), was approved as follows:

- distribution to the legal reserve of the reinvested profit: 9.337.715,64 lei;
- distribution to the reserve: 29.517.837,26 lei;
- distribution as dividends: 14.314.080,00 lei.

The distribution of the dividends for the year 2017 shall be performed in accordance with the applicable legal provisions and the costs related to the distribution activity shall be supported from the value of the net dividend due to each shareholder.

The date of **9 May 2018** was approved as **Registration Date**, according to Article 86, paragraph 1, from Law no. 24/2017 regarding the issuers of the financial statements and market operations, for the resolutions adopted on 19 April 2018, with the exception of the decision referring to the payment of the dividend. Related to the registration date proposed, the **ex date** will be **8 May 2018**.

The date of **20 September 2018** was approved as the **Payment date** of the dividends of the financial year 2017.

The date of **31 August 2018** was approved as the **Registration date** of the shareholders who will benefit from dividends for the financial year 2017. Related to this registration date, the **ex date** will be **30 August 2017**.

The same Ordinary General Meeting of Shareholders, according to art. 65 from Law no. 162/2017 regarding the statutory audit of the annual financial statements and of the consolidated financial statements, appointed the Audit Committee formed by Prof. Dr. Mihai DEJU and Prof. Dr. Daniel BOTEZ.

The time period approved for the contracts signed with the members of the Audit Committee is for a period between 19 April 2018 and 10 July 2020.

The net compensation of the audit's Committee members were established at the level of 50% from the compensation of a BoD member.

The Ordinary General Meeting of AEROSTAR's shareholders, from 19 April 2018, approved the appointment of the company MAZARS ROMANIA SRL as financial auditor and the conclusion of the financial audit contract with MAZARS ROMANIA SRL for a period of minimum 2 (two) years, with the possibility of extension through an amendment approved by the Board of Directors.

In the category of the current reports

- On 16 January 2018 AEROSTAR S.A. communicated to the shareholders the opening of a secondary headquarter with no legal personality (work point) in Iasi, on Aeroportului Street, no. 25B as a result of the fact that in 15 January 2018 the Trade Register of Bacau had issued the Resolution no. 469/12.01.2018 regarding the admission of the registration application of a secondary headquarter.
- Aerostar communicated to the shareholders the signing of a construction service contract, in the date of 24.05.2018, with the scope of performing the works of authorization, design, building an aircraft MRO hangar and the technical annex, installations, urban layout arrangement works and fencing for the work point opened in Iasi. The duration of this contract is 18 months and its total value is 5.600.000 Euro, without VAT. The financing of this acquisition is assured from company own sources.

Other events of the timeperiod

The 65th anniversary since the establishment of the company highlighted the importance of the company for the development of the local community, of the Romanian aviation and defence industry and for Romania and hosted many activities and events.

- On 16 April 2018, the members of the County Council voted the granting of the title of an Honorary Citizen of Bacau county to Mihai Nicolae TONCEA, President – General Director IAROM S.A., the main shareholder of the company.
- On 17 April 2018 AEROSTAR celebrated 65 years from its establishment. Aerostar is a representative company for the Romanian and European aviation and defence industry and marked its 65th anniversary through a series of events. Most of them were organized and financed by the Cultural-Educational Association Aerostar Bacau.
- On 26 April 2018, the President of Romania, Mr. Klaus Werner JOHANNIS visited AEROSTAR. The management of the company presented a few of the production and maintenance centers from the civil aviation field, as well as the perspectives of the synergic development of the businesses from the civil aviation and defence industry, the existing potential and the advantages presented by AEROSTAR to realize competitive national solutions for the future programs of the Romanian Army.
- On 11 May 2018, a delegation led by the Ministry of Defence, mr. Mihai Fifor, accompanied by Mr. Nicolae Burnete, the Ministry of Research and Development, Mr. Hans Klemm, USA Ambassador and other parliamentary and local officials visited Aerostar. The management of the company presented the capabilities of the production and maintenance centers from the civil aviation field, as well as the perspectives of the synergic development of the businesses from the civil aviation and defence industry, the existing potential and the advantages presented by AEROSTAR to realize competitive national solutions for the future programs of the Romanian Army.

AEROSTAR market and business development

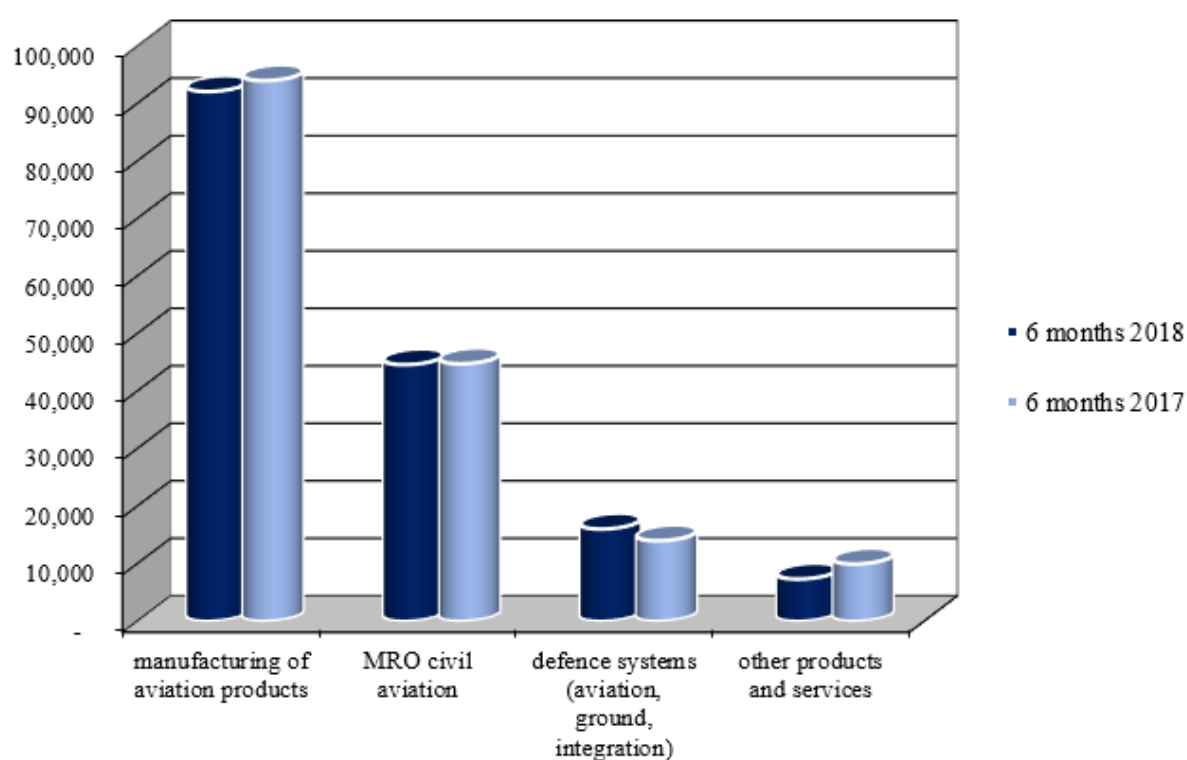
In the first six months of 2018, AEROSTAR continued the development of the three main business lines according to its mission, strategy and development directions presented:

- Manufacturing of aviation products;
- Maintenance of commercial aircraft;
- Defence systems- aero, ground and navy.

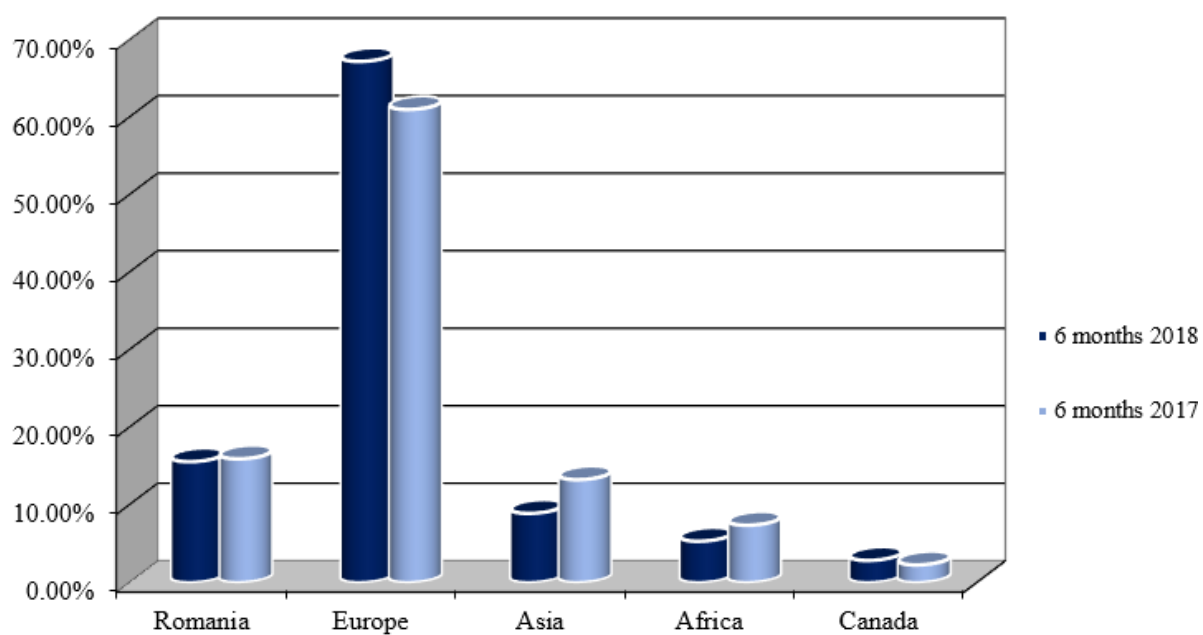
AEROSTAR maintained its top position on the Romanian and European market.

In the first semester of 2018, AEROSTAR had sales of 160.081 thousand lei, from which 135.097 thousand lei were export sales, with a high diversity of customers, in a large number of different production programs.

Comparative evolution of the sales on products and services:



Aerostar sales are realised on a global market of large geographical extent both in the civil and defence field.



Investments in equipment, infrastructure and IT

The expenses for the investments program in the first semester of 2018 recorded 12.352 thousand lei, representing 7,7% from the company's turnover in the reporting period.

From this amount, Aerostar invested 12.010 thousand lei for the acquisition and upgrade of the technological equipment, hardware equipment, CMM measuring and control equipment, plants, transport vehicles for facilities and transportation of products, the plating of constructions with heat-retaining panels etc., for the on-going business – civil aviation maintenance programs, aerostructures, manufacturing of parts and sub-assemblies, special processes – and 342 thousand lei for the acquisition of software licences and for the development of the production management IT system.

Investments in IT remain the main target for Aerostar's management.

The digital transformation plays an important role in the growth of the profitability through the way in which the IT technology influences the operational excellence.

The progresses related to the continuous digital transformation are taking into account the adaptation to the main digital transformation services and products, requirements of optimization of the operations and evolutions specific to the domain.

The main investment objectives commissioned in the first semester of 2018 were:

- a TFSAA automated line; and a semi-automated line for chemical milling
- a Zn-Ni line to replace the cadmium plating process with the zinc-nickel electrochemical coating process on stainless non-alloy steel, copper and other alloys;
- multi axis CNC machinery; a laser system to remove the chrome anodizing layer of the areas of aviation parts made with tartaric sulphur anodizing;
- measuring and control equipment (universal testing machine Zvik, axis length measuring machine) etc.

These investments use advanced new and ecological technologies.

On 24 May 2018, Aerostar signed a contract for construction services for authorization, design and building of the MRO civil aviation hangar and technical annex, plants, urban layout arrangement works and fencing of the area for the work point opened in Iasi.

At this secondary place of business, Aerostar will perform activities of MRO civil aviation for Boeing 737 and Airbus 320.

The contract was signed for a period of 18 months and the total value is 5.600.000 Euro excluding VAT.

The financing of these investments is assured from the company's own sources.

Until the end of 2018 the objectives which will be completed are: fencing and urban layout arrangement works on the surface where the constructions will be executed.

Aspects regarding the Quality and Environment Management System

During the first six months of 2018, Aerostar has maintained the certifications and approvals obtained either from the certification bodies, or from customers and other regulatory authorities.

As regards quality, surveillance audits were carried out both by the Romanian Civil Aeronautical Authority for the continued Part 21G and Part 145 approvals, by AEROQ for the Recertification Audits of Quality Management System according to the requirements of SR EN ISO 9001 Standard from 2015, according to the AQAP 2110 requirements with OMCAS, as well as by DQS according to the requirements of AS 9100 Standard Rev. D from 2016.

As regards the environment, a thematic control from the Environment Guard Authority was performed regarding the verification of compliance with the environment legislation, EUTR Regulation and of H.G. 845/2015, as well as the validation audit of the number of GHG certificates relating to 2017. Also, GHG certificates have been handed over by assuring the conformity with the legislation in force.

During this period, the water, air and noise have been monitored in the entire company, according to the requirements imposed by the Integrated Environmental Authorisation.

Aspects related to the employees of the company

On 30.06.2018 Aerostar S.A. has **1.907** employees, from which 179 employees in management positions, the number of employees reducing until 30.06.2018 with 46 compared to 31.12.2017.

With reference to the background and skills, on 30.06.2018 the figures are the following:

1) employees with university degree:	582
– Doctor's degree:	11
– doctorands:	8
– master studies graduates:	137
2) employees with post highschool studies	9
3) high school employees	630
4) employees, vocational studies	616
5) employees, on job training qualifications	42
6) employees, gymnasium background	28

The average union membership of the company on 6 months 2018 was 74,64%.

Other personnel indicators on 30.06.2018:

- the average age of the employees in AEROSTAR is 46 years and the number of temporary manpower is 137;
- the average employment years in AEROSTAR is 17 years;

Description of the reports between the manager and the employees as well as of any conflictual elements which characterize these reports.

In the first semester of 2018, in Aerostar, the preoccupations for the quality of the present and future work force of the company have intensified and actions were made for:

- professional development of the employees, by including them in programs of professional training and by implementing a process of annual evaluation of their individual performances;
- non-discrimination both at the employment and at the work place;
- the integration of new employees, especially of young people by including them in professional trainings and by meeting the executive management of the company;
- assuring optimal conditions regarding work security and health for all employees, as well how to act in case of emergency situations;
- performing 53 processes to select personnel in order to occupy 145 open positions, where 454 candidates were invited, 284 participated and 140 persons were hired;
- performing internships for 100 high-school students from “Anghel Saligny” and “N. V. Karpen” college from Bacau, as well as 42 students from “Vasile Alecsandri” University from Bacau, “Universitatea Politehnică București” and “Transilvania” University from Brașov.

During the first semester of 2018 were organized professional training courses for the employees of the company, targeting mainly the training for the production activities:

24 courses (training programs) with external suppliers – with a number of 217 attendants and 109 professional training courses / internal certification – with a number of 2.079 attendants.

The costs registered during this period on the annual budget for professional training were of: 197.385 lei;

- in April 2018, on the occasion of the 65 years anniversary from the establishment of AEROSTAR S.A., were organized two events “Open Doors Day”, one dedicated to the students from Bacau and the other one for the employees and their families.
- granting distinctions (nominal plaques of honour) and bonuses for the performance during 2017.

Risk Management

AEROSTAR is exposed to a multitude of risks and uncertainties which can affect its financial performance. The business lines performed by AEROSTAR, the operational results or the financial situation, may be affected by the materialization of the risks presented further on.

AEROSTAR pursues to secure the average and long-term sustainability and the reduction of the uncertainty associated with its strategic and financial objectives.

Carrying out the risk management processes provides the identification, analysis, evaluation and administration of the risks in order to minimize their effects down to an agreed level.

Operational Risk

The risk of loss occurrence or of failure to make estimated profits is determined by:

- performance of certain inadequate processes, systems and manpower which failed to comply with their function
- external events and actions: deterioration of global economic conditions, natural catastrophes or other events which can affect AEROSTAR's assets.

To the **Operational Risk** it is also assimilated the **Legal Risk**, defined as the risk of loss, resulting from both the fines, penalties and sanctions of which AEROSTAR can incur in case of non-application or misapplication of dispositions, legal or contractual regulations, as well as the fact that the rights and contractual obligations of AEROSTAR and/or of the business partner are not established correspondingly.

Monitoring and disposal of the legal risk's effects is realised through a permanent information system regarding legislative amendments, as well as by organizing an analysis, endorsement and approval system of the terms and conditions included in the commercial agreements.

AEROSTAR allocates and will continue to allocate investment expenses and other operational expenses in order to prevent and manage the operational risk.

The management system performed in Aerostar associated with the digital transformation processes lead to a good control of the operational risk, confirmed by the operational indicators – supervised weekly, monthly, quarterly and annually.

In addition, AEROSTAR aims, through the establishment of provisions for risks and related expenses, to have its own funding to cover its risks of exposure.

Also, in order to minimize the operational risk, AEROSTAR annually renews, with 1st tier insurance-reinsurance companies, a civil liability insurance contract related to the main business lines (manufacturing of aircraft products and maintenance for commercial aircraft).

The **Credit Risk** is the risk of AEROSTAR bearing a financial loss as a result of the failure to meet the contractual business obligations by a customer, being determined mainly by the cash, cash equivalents (bank deposits) and trade receivables.

Cash and cash equivalents are placed only in 1st rank bank institutions, considered as having a high solvency.

The credit risk, including the risk of the country in which the customer operates its activity, is managed on each business partner. When necessary, specific instruments of credit risk mitigation are requested (advance payments, letters of bank guarantee, confirmed letters of credit).

AEROSTAR has no significant exposure towards a single partner and does not register a significant concentration of the turnover on a single geographical area.

However, there is a significant exposure towards the global market of Airbus programs, a high percentage from the company's products being incorporated in Airbus aircraft.

The **Liquidity Risk** is the risk for AEROSTAR to encounter difficulties in fulfilling its liabilities-related obligations as they become due.

To manage the liquidity risk, the cash flows are monitored and analysed weekly, monthly, quarterly and annually in order to establish the estimated level of net modifications of the cash. Such reviews provide the basis for the financing decisions and for the capital expenditures.

In order to reduce the liquidity risk, AEROSTAR keeps an annual cash-reserve in the form of a Credit Line usable under the form of an overdraft granted by banks of 2.500.000 USD. During the reporting period, AEROSTAR did not use the Credit Line, all the activities of the Company being financed from its own sources.

AEROSTAR is exposed mainly to the **price risk** determined by the fluctuations of the raw material and of the materials used in the manufacturing products.

The management of this risk is realised through:

- diversification of the suppliers' portfolio, which offers increased negotiation leverage when certain suppliers of raw materials increase the price;
- long-term agreements, with fixed price provision.

AEROSTAR is exposed to the exchange rate risk because 84% from the turnover is reported to USD and EUR, while a significant part of the operating expenses is denominated in LEI.

Thus, AEROSTAR is exposed to the risk that the exchange rate variations shall affect both its net incomes as well as its financial position, as they are expressed in LEI.

As far as the interest rate is concerned, due to the fact that AEROSTAR did not use the contracted Credit Line in the reported period, the incomes and cash flows are independent from the interest rate variation on the banking market.

Description of the main risks and uncertainties for the next 6 months of 2018

For the following 6 months AEROSTAR does not foresee other significant risks than the ones managed in the current period and presented further on:

Operational risk: the risk of loss registration or the failure to meet the estimated profits

Legal risk: the loss registration, resulting the fines, penalties and sanctions of which AEROSTAR can incur in case of non-application or misapplication of dispositions, legal or contractual regulations.

Credit risk: the risk of AEROSTAR to bear a financial loss as a result of the failure to meet the contractual obligations by a customer.

However, additional risks and uncertainties can exist, currently unknown or considered insignificant, but which can affect in the future the business lines performed by AEROSTAR.

**The main transactions between the affiliated parties
which occurred during the reporting date, their value,
nature of relationship with the affiliated parties**

In the first semester of 2018 no modifications of AEROSTAR shareholdings were performed.

On 30.06.2018 AEROSTAR has the following holdings in the registered capital of other companies:

Subsidiary / affiliated company	Basic activity	No. of shares	Voting rights	Contribution held (thousand lei)	Financial information for the last financial year (2017) for which the financial statements of the affiliated companies were approved (thousands lei)		
					Sales	Equity	Net profit
SC Airpro Consult SRL	Basic activity according to CAEN code 7820	100	100,00%	10	9.138	171	106
SC Foar SRL	Basic activity according to CAEN code 7739	408	51,00%	4	479	1.966	219
SC Aerostar Transporturi Feroviare S.A.	Basic activity according to CAEN code 2822	9.150	45,75%	92	-	273	1
			Total	106	9.617	2.410	326

The transactions between AEROSTAR and the affiliated parties in 01.01.2018 – 30.06.2018 consisted in:

- Services provided by SC Airpro Consult SRL Bacau to AEROSTAR SA Bacau for temporary manpower
- Machinery rental services provided by SC Foar SRL Bacau to AEROSTAR SA Bacau
- Services provided by AEROSTAR SA Bacau to SC Foar SRL Bacau for space rental and supply of utilities
- Dividends collected/to be collected by AEROSTAR SA Bacau from SC Airpro Consult SRL Bacau and from SC Foar SRL Bacau.

The value of the transactions between AEROSTAR and the affiliated parties which took place during the first semester of 2018 is presented as follows:

	Airpro Consult SRL Bacau	Foar SRL Bacau
Acquisition of goods and services (thousand lei)	3.872	270
Sales of goods and services (thousand lei)	-	1
TOTAL	3.872	271

During 01.01.2018 – 30.06.2018 no transactions were held with the company Aerostar Transporturi Feroviare SA Bacău, their activity being suspended since 2016.

Chapter 2

Economic & Financial Situation

a) Financial position

(thousand lei)	June 30 th 2018	Dec 31 st 2017
TOTAL ASSETS, of which:	473.482	443.192
Immobilized assets	153.633	153.686
Current assets - total, of which:	308.384	278.451
- inventories	91.603	67.925
- trade receivables and other receivables	56.843	46.640
- cash and cash equivalent	159.938	163.886
Other assets elements	11.465	11.055
TOTAL EQUITY, INCOME IN ADVANCE, LIABILITIES AND PROVISIONS, of which:	473.482	443.192
Total liabilities	71.665	52.331
Total provisions	108.369	125.189
Subsidies for investments	11.455	12.677
Total equity, of which:	281.968	252.967
- share capital	48.729	48.729
- result carried forward	57.931	57.524
- reserves	156.665	110.843
- other capital items (deferred income tax recognized on equity)	(10.603)	(7.961)
- profit distributed as legal reserve	(16.304)	(9.338)
- result of the period (profit)	45.550	53.170

b) Income and Expense Items

(thousand lei)	June 30 th 2018	June 30 th 2017
Total income	191.653	184.972
Operating income, of which:	187.074	182.676
~Turnover	160.081	162.706
~Income related to the inventories of finished goods and work in progress	25.186	17.630
Financial income	4.579	2.296
Total expenses	142.208	153.665
Operating expenses, of which:	(139.733)	(149.794)
~ Material expenses	(66.675)	(68.118)
~ Expenses with employees' benefits	(56.544)	(53.398)
~ Expenses regarding amortization of assets	(12.440)	(11.743)
~ Adjustments regarding current assets	(5.860)	(9.385)
~ Adjustments regarding provisions	16.820	8.104
~ Expenses regarding external services	(13.600)	(14.056)
~ Other expenses	(1.434)	(1.198)
Financial Expenses	(2.475)	(3.871)
Operating profit	47.341	32.882
Financial Profit / Loss	2.104	(1.575)
Profit before tax	49.445	31.307
Tax on current and deferred income	(3.895)	(6.094)
Net Profit of the period	45.550	25.213

c) Cash-flow items

(thousand lei)	June 30 th 2018	June 30 th 2017
Operating activities:		
- Collected amounts	160.119	154.503
- payments, of which:	150.696	161.206
- payments for suppliers and employees	(123.809)	(128.333)
- payments for dues and taxes to State Budget	(26.887)	(32.873)
A.Cash from Operations	9.423	(6.703)
Investments:		
-collected amounts, of which:	1.044	304
- instalments collected from loans granted	2	2
- interest received from bank deposits and loans granted	941	133
- amounts collected from sales of immobilizations	11	72
- dividends received from subsidiaries	90	97
- payments for acquisitions of immobilizations	(14.329)	(9.829)
B.Cash from Investments	(13.285)	(9.525)
Financing Operations:		
- Dividends paid but not collected, recovered	0	29
- Paid dividends	(34)	(32)
C.Cash from Financing Operations	(34)	(3)
Net Cash Increase (A+B+C)	(3.896)	(16.231)
Cash at the beginning of the period	163.886	163.153
Cash at the end of the period	159.938	145.932

Chapter 3

Aspects regarding the capital and the company's administration

There were no modifications which affect the capital and the administration of the company.

The company was not in the impossibility to respect its financial obligations during the period.

There are no modifications regarding the rights of the shareholders. There were no major transactions completed by the company with the persons with whom the company is operating in a concerted manner or in which these persons were involved during the relevant period.

FINANCIAL CALENDAR 2018 – the following events which will be performed

The presentation of the financial results of the first semester of 2018.	16.08.2018
Meeting with the press and the investors interested for the presentation of the financial results of the first semester of 2018.	16.08.2018
The presentation of the financial results on September 30 th 2018.	09.11.2018

On behalf of the Board of Directors,

Grigore FILIP

President – General Director