



TURBOMECANICA

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Trade Registry Code J40/533/1991

Fiscal Registration Code RO3156315 Sole Registration Code 3156315

Fully Paid Share Capital 36.944.247,50 RON

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Our Reference: 265 Date: 21/10/2016

Subject: REPORT OF THE BORD OF ADMINISTRATION OF TMB FOR SEPTEMBER 2016

TURBOMECANICA SA is a Romanian legal entity with legal form of open joint stock company according to the Constitutive Act and applicable regulations, entirely 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 diversifications and developments, but also restructures, falls, searches, new beginnings, but however, throughout all this time, it has never stopped operating in the aviation and defence industry

The results will be included in the financial statements of the year 2016, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

Statement of profit and loss

	30 SEPTEMBER 2016		30 SEPTEMBER 2015
Revenues	45.428.027	-	34.323.473
Other operating revenues	26.538		58.941
Other gains and loss	2.635.275	-	(707.538)

Change in inventories of finished goods and work in progress	9.083.944	-	4.939.198
Raw materials and consumables used	(21.952.193)	-	(10.364.667)
Employee benefits expense	(18.513.408)	-	(15.704.818)
Depreciation and amortisation expense	(4.260.835)	-	(4.048.842)
Finance cost, net	598.505	-	(2.695.207)
Other operating expenses	(4.181.331)	-	(3.800.678)
Gross profit/Profit before tax	8.864.521		1.999.862
Income tax expense/ benefit	1.375.324		-
Net profit	7.489.197		1.999.862

The informational content of Revenues and Expenses point out some indicators which characterized our activity in terms of the volume and the rentability.

The entity realised operating revenues in amounte of 54.538.509 and operating expenses in amount of 47.381.524.

The largest share of this revenue was made from specific productive activities of 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 (30.09.2015) by 38%, the company recorded net profit of 7.489.197 RON, at the end Third Quarter.

Statement of financial position:

	30 SEPTEMBRIE 2016	30 SEPTEMBRIE 2015
Assets		
Fixed assets		
Property, plant and equipment, net	56.937.259	55.047.738
Intangible assets, net	8.935.450	8.930.542
Other assets	1.000	1.000
Total fixed assets	65.873.710	63.979.280
Current assets		
Inventory	32.430.325	23.951.055
Trade receivables	2.710.433	2.250.180

Other receivables and prepayments	1.783.145	2.396.696
Cash and bank balances	716.547	7.118.858
Non current assets classified as held for sale	10.550.484	10.638.705
Total current assets	48.190.933	46.355.494
Total assets	114.064.643	110.334.774
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	1.024.571.055	1.024.571.055
Reserves	79.863.123	80.140.683
Retained earnings	(1.060.735.841)	(1.068.502.598)
Own shares	(481.398)	
Total shareholder equity	43.216.939	36.209.140
Long term liabilities		
Borrowings LT	4.905.781	4.905.781
Deferred tax liabilities	3.862.833	3.862.833
Provisions LT	968.649	968.649
Other liabilities LT	3.478.902	3.474.291
Total liabilities TL	13.216.165	13.211.554
Current liabilities		
Short term loans	9.403.320	4.145.741
Borrowings ST	42.279.474	44.518.895
Income tax expense/benefit	299.756	431.310
Provisions ST	929.644	2.558.999
Defferend income	193.501	515.658
Other liabilities ST	4.525.843	8.743.477
Total current liabilities	57.631.539	60.914.080
Total liabilities	70.847.704	74.125.634
Total shareholder equity and liabilities	114.064.643	110.334.774

Share capital of the entity is in amount of 43.216.939.

Accounting was organized in accordance with the Order of MFP no. 1286/2012 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated

market, published in the Official Gazette, Part I no. 687 of 10.04.2012 and Accounting Law no. 82/1991 with subsequent amendments.

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

Economic and financial operations were recorded based on financial document and posts submitted in the correct accounting statement of assets, liabilities and equity correspond to the data recorded in the books brought into line with the real situation of property items

State budget have been correctly registered, paid and reflected in the balance sheet.

We specify that the Financial Statements at 30 September 2016 are unaudited financial.

**PRESIDENT OF THE BOARD OF ADMINISTRATION
GENERAL DIRECTOR,**



RADU VIEHMANN

