



## 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: 88 Date:25/04/2016**

**Subject: REPORT OF THE BORD OF ADMINISTRATION OF TMB FOR MARCH 2016**

SC 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:

	<b>31 MARCH 2016</b>	<b>31 MARCH 2015</b>
Revenues	9.335.996	12.165.672
Other gains and loss	1.651.060	(2.440.665)
Change in inventories of finished goods and work in progress	5.384.272	557.976
Raw materials and consumables used	(5.635.346)	(3.272.078)

Employee benefits expense	(5.353.578)	(4.667.332)
Depreciation and amortization expense	(1.390.742)	(1.368.939)
Finance cost, net	(717.605)	(783.479)
Other operating expenses	(1.160.673)	(1.379.021)
<b>Gross profit/Profit before tax</b>	<b>2.113.383</b>	<b>(1.187.866)</b>
Income tax expense/ benefit	470.168	
<b>Net profit</b>	<b>1.643.215</b>	<b>(1.187.866)</b>

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 14.722.842 and operating expenses in amount of 13.346.015.

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 (31.03.2015) by 15%, the company recorded net profit of 1,643,215 RON, at the end First Quarter.

Statement of financial position:

	<b>31MARCH 2016</b>	<b>31 DECEMBER 2015</b>
<b>ASSETS</b>		
<b>Fixed assets</b>		
Property, plant and equipment, net	55.149.114	55.047.738
Intangible assets, net	8.728.681	8.930.542
Other assets	1.694.626	1.000
<b>Total fixed assets</b>	<b>65.572.421</b>	<b>63.979.280</b>
<b>Current assets</b>		
Inventory	31.526.285	23.951.055
Trade receivables	1.283.917	2.250.180
Other receivables and prepayments	2.040.892	2.396.696

Cash and bank balances	1.033.396	7.118.858
Noncurrent assets classified as held for sale	10.638.705	10.638.705
<b>Total current assets</b>	<b>46.523.195</b>	<b>46.355.494</b>
<b>Total assets</b>	<b>112.095.616</b>	<b>110.334.774</b>
<b>Shareholder equity and liabilities</b>		
<b>Shareholder equity</b>		
Share Capital	1.024.571.055	1.024.571.055
Reserves	80.114.766	80.140.683
Retained earnings	(1.066.833.466)	(1.068.502.598)
Own shares	(147.324)	
<b>Total shareholder equity</b>	<b>37.705.030</b>	<b>36.209.140</b>
<b>Long term liabilities</b>		
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	3.478.291	3.474.291
<b>Total liabilities TL</b>	<b>13.215.554</b>	<b>13.211.554</b>
<b>Current liabilities</b>		
Short term loans	8.268.046	4.145.741
Borrowings ST	45.676.846	44.518.895
Income tax expense/benefit	470.168	431.310
Provisions ST	2.329.979	2.558.999
Deferens income	665.537	515.658
Other liabilities ST	3.764.454	8.743.477
<b>Total current liabilities</b>	<b>61.175.030</b>	<b>60.914.080</b>
<b>Total liabilities</b>	<b>74.390.584</b>	<b>74.125.634</b>
<b>Total shareholder equity and liabilities</b>	<b>112.095.616</b>	<b>110.334.774</b>

Share capital of the entity is in amount of 37.705.030.

In the financial reporting system for 2015, **TMB** complied with accounting regulations, i.e., MoPFO 1286/2012 and Accounting Law no. 82/1991 (republished and amended), MoPFO no. 79/2014 on the main aspects related to the preparation and submission of the annual financial statements and annual accounting reporting of economic operators to the territorial units of the Ministry of Public Finance.

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 31 March 2016 are unaudited financial.

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

  
**RADU VIEHMANN**

