



S.C. TURBOMECANICA S.A.

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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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MANAGING BOARD REPORT OF TURBOMECANICA S.A. FOR SEPTEMBER 2015

SC TURBOMECANICA SA ("the Company") is a Romanian open joint-stock company according to the Constitutive Act and applicable regulations, entirely privately owned, whose shares are listed on the Bucharest Stock Exchange.

The Company operates exclusively in the field of 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 widely recognised principles of corporate governance, in accordance with Romanian regulations, the regulations 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 development, but also restructuring, falls, searches, new beginnings. 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 2015, prepared in accordance with International Financial Reporting Standards (IFRS). Some of the elements are listed below:

PROFIT & LOSS	30 SEPTEMBER 2015	30 SEPTEMBER 2014
Revenues	34.323.473	28.108.520
Other gains and loss	(648.597)	(494.619)
Change in inventories of finished goods and work in progress	4.939.198	414.810
Raw materials and consumables expense	(10.364.667)	(7.914.724)
Employee benefits expense	(15.704.818)	(12.181.873)
Depreciation and amortization expense	(4.048.842)	(3.230.259)
Finance cost, net	(2.695.207)	(2.918.306)
Other operating expenses	(3.800.678)	(4.302.670)
Gross profit/Profit before tax	1.999.862	(2.519.121)
Income tax expense/ benefit		
Net profit	1.999.862	(2.519.121)

Economic performance indicators related to the volume and the profitability are reflected by the informational content of the above profit and loss statement.

The recorded operating revenues of the Company are 39.321.612 RON and the operating expenses: 33.058.570 RON.

The largest share of this revenue is related to specific production activities, in accordance with the Company's profile.

The turnover recorded in Q1, Q2 and Q3 of FY 2015 increased by 22,1 % compared to 30.09.2014

Statement of financial position:

BALANCE SHEET	30 SEPTEMBRE 2015	31 DECEMBER 2014
ASSETS		
Fixed assets		
Property, plant and equipment, net	55.250.188	54.924.522
Intangible assets, net	9.242.580	10.445.423
Total fixed assets	64.492.768	65.369.945
Current assets		
Inventory	35.517.065	29.736.898
Trade receivables	3.370.617	2.143.829
Other receivables and prepayments	1.197.92	1.047.431
Cash and bank balances	26.653	11.903.023
Non-current assets classified as held for sale	11.120.396	11.120.396
Total current assets	51.231.824	55.951.576
Total assets	115.724.591	121.321.521
Shareholder equity and liabilities		
Shareholder equity		
Share Capital	1.024.571.055	1.024.571.055
Reserves	80.524.586	80.544.931
Retained earnings	(1.072.972.566)	(1.072.992.773)
Total shareholder equity	34.123.074	32.123.213
Long term liabilities		
Borrowings LT	9.198.431	7.997.602
Deferred tax liabilities	4.737.497	4.737.497
Provisions LT	1.508.649	1.494.810
Other liabilities LT	5.933.563	5.933.563
Total liabilities TL	21.369.140	20.163.472
Current liabilities		
Short term loans	3.751.746	6.770.404
Borrowings ST	42.153.892	47.643.105
Provisions ST	573.076	1.565.401
Deferent income	673.185	4.953.313
Other liabilities ST	13.080.479	8.102.614
Total current liabilities	60.232.377	69.034.837
Total liabilities	81.601.517	89.198.309
Total shareholder equity and liabilities	115.724.591	121.321.521

Share capital of the company is of 34.123.074 RON.

The Company's financial reporting system for 2015 complies 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.

All documents related to the economic and financial operations are daily recorded correct.

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

Liabilities towards the state budget have been correctly registered, paid and reflected in the balance sheet.

We specify that the Financial Statements at 30 September 2015 are financially unaudited.

**PRESIDENT OF MANAGING BOARD
GENERAL DIRECTOR,**



RADU VIEHMANN

