

CASH FLOW STATEMENT

EXPLANATIONS			NO. In.	Correlation with forms from the fin. St.	Executed 30/06/2013	Executed 30/06/2014
	+	Rate of turnover	01	F20 ln. 01 col2	14.029.904	20.493.441
	+	Work in progress (+;-)	02	F20 ln. 05 or 06 col2	3.422.965	3.576.047
	+	Fixed manufacture	03	F20 ln. 07 col2	0	0
	+	Operating grant	04	F20 ln. 04 col2	0	0
	+	Other activity revenues from operating and provisions	05	F20 ln. 16 col2	575.073	49.964
	=	Total from activity revenue	06	F20 ln. 09 col2	18.027.942	24.119.452
	+	Expenses related to raw materials, supplies and goods.	07	F20 ln. (10+11+13) col.2	2.940.919	5.728.389
	+	Energy, fuels, etc.	08	F20 ln. 12 col2	741.417	767.305
	+	Personnel expenses	09	F20 ln. 14 col2	7.743.666	9.789.491
	+	Expenses related to external labour	10	F20 ln. 24 col2	868.912	2.073.720
	+	Expenses with other taxes, fees and similar payments	11	F20 ln. 25 col2	181.607	344.160
	+	Damping and provisions for the depreciation of fixed assets	12	F20 from ln. 17 col. 2	1.686.362	1.949.440
	+	Other operating expenses (reimbursements, transferred assets,	13	F20 ln.20+26 col. 2	2.096.099	561.234
	=	Total operating expenses	14	F20 from ln. 30 col. 2	16.258.982	21.213.739
		operating results (+/-)	15	F20 ln.31 or 32 col 2	1.768.960	2.905.713
	+	Financial revenues	16	F20 ln.40 col.2	1.198.447	2.960.496
	-	Financial expenses	17	F20 ln.47 col.2	2.776.340	6.758.688
	=	Financial result (+/-)	18	F20 ln.48 or 49 col 2	-1.577.893	-3.798.192
	+	Extraordinary income	19	F20 ln.52 col.2		
	-	Extraordinary expenses	20	F20 ln.53 col.2		

EXPLANATIONS		NO. In.	Correlation with forms from the fin. St.	Executed 30/06/2013	Executed 30/06/2014
=	Exceptional result (+/-)	21	F20 ln.54 or 55 col 2		
	Gross result (+/-)	22	F20 ln.58 or 59 col 2	191.067	-892.479
	Deferred tax	23	F20 ln.60 col.2		
	Net result (+/-)	24	F20 ln.65 or 66 col 2	191.067	-892.479
	CASH FLOW	25			
+	Profit or loss (+/-)	26	F20 ln.65 or 66 col 2	191.067	-892.479
+	Damping included in cost	27	F20 ln. 17 col 2	2.150.970	2.694.124
-	Stock variation (+/-)	28	F10 ln. 25(s2-s1)	2.685.482	-28.864.350
-	Receivables variation (+/-)	29	F10 ln. 31 (s2-s1)	-1.316.249	2.919.197
+	Variation of providers and creditors (+/-)	30	F10 ln.(41+42)(s2-s1)	-1.768.811	-1.050.848
-	Variation of other asset elements (+/-)	31	from F10 (s2-s1)	-4.470.526	-1.516.556
	TOTAL ASSETS		F10 ln.20+37+38 (s2-s1)	-2.690.233	-24.700.973
	TOTAL stock		F10 ln. 25(s2-s1)	2.685.482	-28.864.350
	TOTAL RECEIVABLES		F10 ln. 31 (s2-s1)	-1.316.249	2.919.197
	TOTAL RESERVES		F10 ln. 36 (s2-s1)	198.427	-191.721
	PURCHASED TANGIBLE ASSETS		turnover D ct 231+232+2	212.633	2.952.457
	INCOME FROM CAPITAL ASSETS PRODUCTION		F20 ln. 07 col2	0	0
+	Variation of other liabilities (+/-)	32	from F10 (s2-s1)	-6.290.950	-20.823.713
	TOTAL LIABILITIES		F10 ln. 47+ 58+ 61+62+82 (s2-s1)	-2.690.233	-24.700.973
	NET PROFIT		F20 ln.65 or 66 col 2	191.067	-892.479
	EXPENSES ON DAMPING AND PROVISIONS		F20 ln. 17 col 2	2.150.970	2.694.124
	PROVIDERS AND SIMILAR ACCOUNTS+creditors		F10 ln.(41+42)(s2-s1)	-1.768.811	-1.050.848
	INCOME FROM SELLING FIXED ASSETS		turnover D 461200	60.517	55
	LOANS AND OTHER DEBTS		F10 ln. 39+40 (s2-s1)	2.966.974	-4.628.112
	INVESTMENT GRANTS		F10 ln. 63 s2		
	PAYABLE DIVIDENDS				
=	Cash flow from operating (A)	33		-2.616.431	7.388.793
+	Income from selling assets and fixed assets	34		60.517	55
-	Purchase of tangible assets	35	turnover D ct 231+232+2	212.633	2.952.457

EXPLANATIONS			NO. In.	Correlation with forms from the fin. St.	Executed 30/06/2013	Executed 30/06/2014
-		Expenses for tangible and intangible assets	36	F20 ln. 07 col2	0	0
=		Cash Flow from investments activity (B)	37		-152.116	-2.952.402
+		Loans variation (+/-), of wich :	38	F10 ln. 39+40 (s2-s1)	2.966.974	-4.628.112
+		recievable short-term credits	39			
-		refunds of short-term credits	40			
+		receivable medium and long-term credits	41			
-		refunds of medium and long-term credits	42			
+		Investment grants	43	F10 ln.63 col.2		
+		Payable dividends	44			
=		Cash flow from financial activity (C)	45		2.966.974	-4.628.112
		Cash reserves at the beginning of the period	46	F10 ln. 36 col. 1	166.882	365.309
		Net cash flow (A+B+C)	47		198.427	-191.721
		Cash reserves by the end of period	48	F10 ln. 365 col. 2	365.309	173.588

The cash flow has been calculated using the indirect method.

The paid and collected interest is presented at the "financial result", therefore it is a part of operational cash flow, through the absorption of net profit

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**STATUS OF CHANGES IN CAPITAL
ON 30th OF JUNE 2015**

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Elements of equity capital		Balance on 1st of January 2015	Growth		Decrease		Balance on 30th of June 2015
			Total, of which	through transfer	total, of which	through transfer	
A		1	2	3	4	5	6
Subscribed share capital		36,944,248					36,944,248
Adjustments of share capital		987,626,807					987,626,807
Assets							
Premium on capital							
Revaluation reserve		34,640,974			20,345		34,620,629
Legal reserves		14,613,210					14,613,210
Statutory or contractual capital reserves							
Reserves representing revaluation reserves surplus		27,847,269	20,345				27,867,613
Other reserves		31,290,748					31,290,748
Shares							
Income related to capital instruments							
Loss related to capital instruments							
Profit/loss carried forward	Balance C	858,690					858,690
	Balance D						
Retained earnings due to the adoption of IAS 29 for the first time	Balance C						
	Balance D	1,008,346,916					1,008,346,916
Retained earnings due to the adoption of IAS for the first time, except for IAS 29	Balance C	258,730					258,730
	Balance D						
Retained earnings due to the correction of accounting errors	Balance C	599,269					599,269
	Balance D	1,685,870					1,685,870
Retained earnings resulting from the adoption of Accounting Regulations according to the Fourth Directive of European Economic Community	Balance C						
	Balance D						

Elements of equity capital		Balance on 1st of January 2014	Growth		Decrease		Balance on 30th of June 2015
			Total, of which	through transfer	total, of which	through transfer	
A		1	2	3	4	5	6
	Balance C						
Profit or loss for the period	Balance D	92.523.948	892.479				93.416.427
Profit appropriation		0					0
TOTAL EQUITY		32.123.212	-872.134	0	20.345	0	31.230.733

The legal reserves are established according to the Law 31/1991 with subsequent amendments and completions and registered in accountancy according to the OG No. 64/2001 and OMFP No. 128/15.02.2005. These reserves have not been used.

Within "Other reserves" there are recorded the sums appropriated from the net profit as own finance sources. These reserves have not been used

On 30th of June 2015 the legal reserve was 14.613.210 lei. The legal reserve is established according to Romanian Law as a transfer from the net income. The transfer can represent a maximum of 5% from gross profit to 20% of the registered capital. The reserve must not be distributed among shareholders, but may be used to cover registered loss.

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STATUS OF FIXED ASSETS

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Gross values						
Asset elements	No. In.	Initial balance	Accrual	Depression		Final balance (col 5=1+2-3)
				total	of which: dismantling	
A	B	1	2	3	4	5
Intangible assets						
Development expenses	01				X	
Other assets	02	16.677.673	16.890	7.114	X	16.687.449
Intangible assets in progress	03	78.130	176.861	96.164	X	158.828
TOTAL (ln. 01 to 03)	04	16.755.804	193.751	103.278	X	16.846.277
Fixed assets						
Lands	05	19.885.045			X	19.885.045
Buildings	06	10.465.086	448.720			10.913.806
Technical equipment and machinery	07	22.262.085	300.369	7.015		22.555.440
Other equipment, machinery and furniture	08	2.179.594	431.849			2.611.442
Investment securities	09					
Intangible assets in progress	10	193.970	2.310.482	1.685.383		819.069
Investment securities in progress	11	0				0
TOTAL (ln. 05 to 09)	12	54.985.780	3.491.419	1.692.397	0	56.784.801
Biological assets	13				X	
Financial assets	14				X	
FIXED ASSETS-TOTAL (LN 04+10+11)	12	71.741.584	3.685.170	1.795.676	0	73.631.078

STATUS OF FIXED ASSETS AMORTIZATION

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Asset elements	No. In	Initial balance	Amortization during the year	Amortization of derecognized assets	Amortization by the end of the year (col.9=6+7-8)
A	B	6	7	8	9
Intangible assets					
Development expenses	16				
Other non-current assets	17	6.310.381	865.174	2.371	7.173.184
TOTAL (rd. 16 la 17)	18	6.310.381	865.174	2.371	7.173.184
Fixed assets					
Lands	19				
Buildings	20	0	180.510		180.510
Technical equipment and machinery	21	37.124	1.646.584	734	1.682.974
Other equipment, machinery and furniture	22	24.134	1.855		25.989
Investment securities	23				
TOTAL (rd. 19 la 23)	24	61.258	1.828.949	734	1.889.474
Biological assets	25				
AMORTIZATIONS - TOTAL (ln.15+20)	26	6.371.639	2.694.124	3.105	9.062.657

STATUS OF ADJUSTMENT FOR DEPRECIATION

Asset elements	Nr. rd.	Initial balance	Provisions set during the year	Provizioane reluate la venituri	Final balance (col.13 = 10+11-12)
A	B				
Intangible assets					
Building and development expenses	22				
Other assets	23				
Advancements and intangible assets in progress	24				
TOTAL (ln. 22 to 24)	25				
Fixed assets					
Lands	26				
Buildings	27				
Technical equipment and machinery	28				
Other equipment, machinery and furniture	29				
Advancements and tangible assets in progress	30				
TOTAL (ln. 26 to 30)	31				
Financial assets	32				
PROVISIONS FOR DEPRECIATION-TOTAL (ln.25+31+32)	33				

The assets record is kept considering their net value.

All purchased fixed assets are recorded within the debit account 231 "TANGIBLE ASSETS IN PROGRESS". The amortization begins in the first month after their reception

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PROVISIONS FOR RISKS AND EXPENSES

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Title of the provision	Balance on 1st ianuarie 2015	Growth	Decrease	Balance on 30th of June 2015
0	1	2	3	4=1+2-3
Adjustment for customer receivables impairment				0
Adjustment for debtors receivables impairment				0
Adjustment for raw materials stocks impairment	1.458.992			1.458.992
Adjustment for supplies stocks impairment	230.670			230.670
Impairment of stocks in progress	2.413.085			2.413.085
Adjustment of materials and stocks at other partners				0
Adjustment for packaging material impairment				0
Adjustment for manufactured items impairment	520.314			520.314
Impairment of residual products	66.583			66.583
Provisions for restructuring costs	1.565.401		744.684	820.717
Provisions for retirement and similar obligations	1.046.305			1.046.305
Provisions for employees' obligations	448.505			448.505
TOTAL	7.749.855	0	744.684	7.005.171

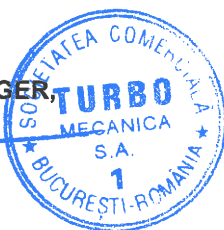
The company has established provisions for debts towards employees as a result of retirements and annual leave provided by Collective Labor Agreement(CCM).

The fair value of the debts regarding the retirement of the personnel where calculated from an independent valuer. To the value a coefficient of 30% was applied, representing expenses with social security.

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FISCAL LOSS

The calculation of fiscal loss is according with methodological Norms of application of Law 571/2003 (with all subsequent amendments).

The gross profit or loss is defined according to the form "Profit and loss account" and we apply the stipulations of Law No. 571/2003 (with all subsequent amendments). All sums are expressed in LEI.

Gross profit	-892,479
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To establish the fiscal loss, the expenses that have overpassed the admitted deductibility limit and the non-deductible expenses are added to the gross profit or loss, according to Clause 21, (3) and (4) from the Law 571/2003

Non taxable income	759,319
Non-deductible expenses	3,525,835
Deductions (fiscal dampings)	915,814
Similar elements revenues (revaluation account 105 surplus)	9,804
Fiscal loss for years 2009-2014	18,178,977

The non taxable income results from the reverse provisions for restructuring.

The non deductible expences are mostly represented by damping and penalties related to unpaid debts to ANAF.

The similar elements income are constituted from the revaluation surplus reserve, taxed by the exit of the asset (cf. Ord 34/2009 item 22 paragraph 5 (1)).

FISCAL LOSS to be recovered next years:	17,210,950
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REVIEW OF EXPLOITATION RESULTS

No. crt.	Indicator	Period	Period
		6/30/2014	6/30/2015
1.	Net turnover	14,029,904	20,493,441
2.	The costs of goods and services provided	5,382,614	9,864,473
3.	Expenses of the basic activities	317,254	3,330,427
4.	Expenses of auxiliary activity	755,302	1,087,362
5.	Indirect manufacture expenses	4,310,058	5,446,684
6.	Gross result related to net turnover (1-2)	8,647,290	10,628,968
7.	Retail expenses	134,436	248,759
8.	General administration expenses	7,318,967	7,524,460
9.	Other exploitation expenses	575,073	49,964
10.	Exploitation results (6-7-8+9)	1,768,960	2,905,713

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STATUS OF RECEIVABLES AND DEBTS
on 30th of JUNE 2015

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Receivables	Balance on 30th of June (col.2+3)	Liquidity term	
		under 1 year	over 1 year
0	1	2	3
Total, of which:	4.529.408	4.528.323	
Suppliers-debtors	1.378.776	1.378.776	
Customers	3.065.009	3.065.009	
Personnel and social security receivables	40.686	40.686	
VAT under settlement	43.801	42.716	
Other receivables regarding state and public institutions receivables	1.136	1.136	
Debtors	0	0	
Provision for customer receivables impairment	0	0	

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Debts	Balance on 30th of June (col.2+3+4)	Chargeability term		
		under 1 year	1-5 years	over 5 years
0	1	2	3	4
Total, of which:	78.040.720	58.173.691	19.867.029	
Short term bank loans	38.334.614	38.334.614		
Long term loans	11.880.707	2.684.738	9.195.969	
Suppliers	3.811.329	3.811.329		
Creditors	10.891	10.891		
Expenses regarding with personnel and soc	7.185.059	3.081.475	4.103.584	
Tax for non-residents	0			
Tax of interest revenues	0			
VAT to pay	1.699.598	1.312.669	386.929	
Other debts regarding state and public institutions	1.745.039	301.989	1.443.050	
Deferred tax	4.737.497		4.737.497	
Other debts	3.755.987	3.755.987		
Other creditors	4.880.000	4.880.000		

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Bank loans	Balance on 30th of June
	2015
BRD – GSG	31.572.643
Banca Transilvania	9.446.709
Short term loans from Shareholders	4.880.000
Short term loans	45.899.352
Loans from Shareholders	
BRD – GSG	2.055.847
Banca Transilvania	7.140.122
Long term loans	9.195.969
Total	55.095.321

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PRINCIPLES, POLICIES AND ACCOUNTING METHODS

General provisions

The financial statements are set up according to the O.M.F.P. 1286/01.10.2012 (IFRS), to the Law on Accountancy No. 82/1991, amended and completed through the Law No. 259/2007.

The financial statements have been set according to the historic cost and presented in lei.

The costs of indebttness and the expenses related to maintenance of a state of functioning at projected parameters of fixed assets, do not capitalize.

The grounds for setting up financial statements

These are individual financial statements of S.C. TURBOMECANICA S.A. Company. These financial statements are the responsibility of the Company's management and are set up according to the accountancy norms of Romania, that is the Accountancy Law No. 82/1991, republished, the Order of the Ministry of Public Finances 1286/01.10.2012 (IFRS)

The use of estimations

The setting up of financial statements according to accountancy norms of Romania require the management to make some estimations and presumption that affect the value of assets and debts, and the description of assets and potential debts on the date of setting up the financial statements, as well as the value of income and expenses related to the accounting period. The actual results may be different from these estimations. These estimations are periodically reviewed and, if the need for adjustments appears, they are recorded later in the profit and loss account within the period they become known. Even if these estimations are somehow imprecise, the cumulated effect of the imprecision on financial statements is considered to be insignificant.

The operating continuity

These unconsolidated financial statements have been set up based on the principal of operating continuity, which states that the Company would continue its normal functioning in a predictable future, without confronting the impossibility to continue its operation or to significantly reduce its activity

Tangible assets

The tangible and intangible assets are recorded in accountancy according to the Accountancy Law No. 82/1991, with subsequent amendments and completions.

Following the revaluation applied in compliance with HG 1553/18.12.2003, HG 105/2007, O.M.F.P. 1286/2012 the tangible and intangible assets are registered at their net value.

The last revaluation was performed according to the International Standards for Evaluation and Regulations of International Standards of Financial Reporting, by an independent evaluator, authorized S.C. NEOCONSULT VALUATION S.A., based on the agreement No.3402 from 14.11.2015

The ledgers containing records on fixed assets are regularly updated both on net value, as well as on the historical costs (prior to revaluation). The historical costs prior to the year 2000 may be found on paper only. From 2000 on, the data on fixed assets from the patrimony may be found in the application "TURBOINF", in the FOX system, until the 1st of January 2009, when the data were transferred to an integrated IT platform SAP.

As intangible assets, the accountancy only registers licenses and IT programs purchased from the providers.

Within the profit and loss account, the amortization of intangible assets is included at "Amortizations and provisions for tangible and intangible assets impairment" and "Expenses" respectively.

The amortization related to the fixed assets revaluated in December 2009 and December 2012 is mentioned within the "non-deductible expenses" according to the methodological Norms for application of the Law NO. 571/2003 and OUG 34/2009

Tangible and intangible assets are subject to amortization in compliance with Law 15/1994. The amortization method is the linear one.

The classification of fixed assets and their normal terms of functioning are established by the committee for reception and commissioning of fixed assets according to H.G. 2139/30 November 2004 for the approval of the Catalogue of classification and normal functioning terms of fixed assets.

The expenses that occur once the fixed asset is commissioned, such as repair, maintenance and administrative costs, are registered within the profit and loss account for the period of their occurrence. If it's possible to demonstrate that these expenses resulted in a future growth of economic benefits expected to be obtained through the use of an element of fixed asset over the performance standards initially evaluated, the expense is capitalized as additional cost.

The tangible and intangible assets are subject to amortization in conformity with the Law 15/1994. The amortization method is the linear one, based on the estimated useful lifespan, from the moment of their commissioning, so as the cost shall decrease to the residual value estimated during the considered functioning period.

Within the profit and loss account, the amortization of intangible assets is included at "Amortizations and provisions for tangible and intangible assets impairment" and "Expenses" respectively. The amortization related to the fixed assets integrally amortized and revaluated in December 2006 is mentioned within the "non-deductible expenses" according to the methodological Norms for application of the Law NO. 571/2003.

The main lifetimes used with different categories of tangible assets are:

	Years
Buildings	10 - 50
Plants and machinery	3 - 15
Other equipment and furniture	3 - 15

The tangible assets that are scrapped or sold are cancelled from the balance together with corresponding cumulated amortization. Any profit or loss resulted from such an operation is included in the current profit and loss account.

According to the provisions of HG 2139/2004 related to the approval of the Catalogue for classification and normal durations of fixed assets' functioning, the Company has chosen to apply the minimal duration of fixed assets' functioning.

Any growth resulted from the revaluation of tangible assets is included in own capitals under reserves from revaluation, with the exception of those cases when such a growth compensates a decrease from the revaluation of the same asset, priorly registered within the profit and loss account, in which case the growth is registered in profit and loss account at the level of the previous decrease. A decrease of accounting value of the lands and buildings is registered in the profit and loss account as long as it exceeds the value, if it is the case, of the revaluation reserve, related to the previous revaluation of the relative asset.

Amortization of tangible assets is registered in the profit and loss account. In case of subsequent selling or scrapping the revaluated tangible assets, the surplus from the revaluation left within the revaluation reserve is transferred directly to the retained result. There won't be made any transfer from the revaluation reserve to the retained result, except for the case of derecognized asset. However, a part of the surplus may be transferred as the asset is used by the entity. In this case, the value of transferred surplus shall represent the difference between the amortization calculated based on revaluated accounting value and the value of amortization calculated based on the initial cost of the asset.

Intangible assets

An intangible asset must be recognized if, and only if, it is estimated that the future economic benefits attributed to the asset shall be obtained by the Company and the cost of the asset may be precisely evaluated.

The costs related to the purchase of software are capitalized and amortized based on the linear method. If it is retained as necessary, the accounting value of each intangible asset is annually reviewed and adjusted for the decrease of its value.

Inventories

The record keeping of materials is organized based on quantities and values, grouped upon administrations, depending on the product for which they are designated within the manufacturing technologies.

By their entrance in the patrimony, the inventories (raw material, material, goods) are registered by their purchase prices. For imported materials, the acquisition price includes only expenses mentioned in Import Customs Declarations. For the materials purchased within the EU, the acquisition price includes the expenses recorded in the provider's invoice (or in an equivalent document) as well as expenses for transportation recorded in invoices issued by the transporter. The expenses related to the manipulation, deposit, etc. are registered in the account 308.1 "Differences in prices and materials" and is distributed upon materials consumed in the following period.

The record keeping of materials from own production is made by the planned cost. The cost does not include administrative and distribution expenses. The differences between actual and planned costs is registered in the account 308.2 "Price differences of unfinished goods" and 308.3 "Price difference of materials and inventories of own production" and are distributed upon materials of own production consumed in the following period.

The record keeping of manufacture in progress is made by the actual production costs. To distribute the expenses the orders method is being used. The indirect manufacture expenses are summarized monthly and distributed on the expenses related to direct workmanship, including related expenses registered within that month.

For inventories of finished goods, the cost does not include administration and distribution costs. The finished goods are registered by the ante calculation cost. The differences between the actual cost and the ante calculated one by the closure of the order is registered in account 348 "Price differences of finished goods" and are settled simultaneously with the finished goods.

By the exit of the inventories from administration, there has been used the method of

Receivables and debts

The record keeping of customers and providers, of other receivables and bonds is organized by categories, as well as by each legal entity or natural persons.

The commercial receivables are recorded by their nominal value.

The debts registered within the accountancy are current debts and are recorded by their nominal value.

The IT system

From the IT point of view, the accounting system is registered within the IT System SAP.

Availabilities and availability equivalents

To prepare the cash flow statements, the availabilities and availability equivalents include: cash at cash-desks, bank cash available any time, financial instruments in cash, without overdraft.

The treasury and treasury equivalents include liquidity assets and other equivalent values that include cash at cash-desks, current bank accounts and visible short-term bank deposits, with a three months maturity.

Revenues and expenses

The revenues have been evaluated and registered at the just value of the received means of payment. The company has not performed transactions that might provide commercial decrease.

There have been registered as revenues only transactions that have generated benefits to the company. Because the delivered products have different manufacture cycles for more than a month, the related expenses have been registered for the whole period related to the manufacture cycle and recognized simultaneously with the delivery of the products, and the registration of the revenues respectively.

The revenues are registered based on the "issued invoices" subsequently to the delivery of the products according to the "delivery notes". In special situations, if the client requires the deposit of the products within the plant and their delivery at a later reciprocally convenient date, a "minutes of custody" is being prepared, in which the customer recognizes that the property rights have been transferred to him.

The revenue registered in advance represent the consideration of transactions evaluated by the just value of the means of payment provided in the agreement, but for which the property rights have not been transferred through the transfer of goods in customer's property.

The record keeping of revenues and expenses is organized by types and nature of revenues and expenses.

The record keeping of expenses by destination is organized in administration accountancy.

Exchange rate differences

The differences in exchange rate are registered in the profit and loss account and are considered revenues and expenses of the period. Exchange rate differences are calculated according to BNR rate for debts, receivables and liquidity, and by the rate recorded in Customs Declarations for goods.

In 2014 on 30th of June the following differences of exchange rates have been registered:

	lei
at revenues (account 765)	2.960.129
at expenses (account 665)	5.046.878

Profit tax

The tax is calculated according to the Romanian Law and is based on the results retained in financial statements by the Company, prepared in compliance with the Order of the Ministry Public Finances 1286/01.10.2012 (IFRS) and after the corresponding deductions. The current profit tax is calculated as a percentage applied to the obtained profit, according to Romanian Law, adjusted for some positions in compliance with fiscal legislation, at a 16% rate for 2015. The loss registered in previous years may be covered in following periods

Value Added Tax

The Value Added Tax (VAT) related to the sales must be paid to fiscal authorities to the 25th of the next month, based on a declaration on VAT, regardless the collection of receivables from the clients. When the VAT related to the purchase is larger than the VAT related to sales, the difference shall be retrieved, on a request basis, from fiscal authorities and is object to a prior verification executed by these authorities. The VAT related to sales and purchase transactions unfinished by the date of balance, must be recognized on gross basis and presented separately as current asset or current liability. In case of depreciation adjustments for irrecoverable receivables, they are registered as related expenses, including VAT. The VAT collected is maintained in accountancy until the elimination of receivable for fiscal reasons.

Foreign currency transactions

The transactions expressed in foreign currency are registered in accountancy at the exchange rate on the date of transaction. The cash assets and liabilities expressed in foreign currency shall be converted in lei by the exchange rate from the date of accounting balance. The exchange rate on 30th of June 2015 has been of 4,0469 for 1 USD and 4,4931 for 1 Euro.

All the resulted differences on the discount and conversion of the sums in foreign currency are recognized within the profit and loss account for the year in which they have been executed. The loss realized and non-realized are registered as expenses, including those related to loans, and the profits from currency exchange or cash deposits are included in the profit and loss account for that year

Subsequent events

There has not been registered any subsequent event.

PRESIDENT GENERAL MANAGER

Ing.

VIEHMANN RADU



MANAGER OF ECONOMICAL AND
COMMERCIAL DEPARTMENT
Ec.

ANGHEL CLAUDIA

SHARES AND BONDS

Nr. crt		U.M.	6/30/2014	6/30/2015
1.	Share capital subscribed	ron	36,944,248	36,944,248
	The effects of inflation on share capital	ron	987,626,807	987,626,807
2.	Issued shares (by types)			
	number		369,442,475	369,442,475
	total value	ron	1,024,571,055	1,024,571,055
3.	Redeemable shares	number		
	the closest date or the deadline for ransom			
	mandatory or non-mandatory nature of ransom		facultative	facultative
	the value of an eventual ransom premium	ron		
4.	Shares issued during the period		Not applicable	Not applicable
	type of shares			
	number of issued shares		-	-
	total nominal value and the value collected at appropriation	ron	-	-
	legal appropriation rights		-	-
	number, description and value of corresponding shares		-	-
	rights exercise period		-	-
	price paid for appropriated shares	ron	-	-
5.	Issued bonds		Not applicable	Not applicable
	type of issued bonds		-	-
	issued value and sum collected for each type of bond	ron	-	-
	bonds issued by the company, held by a nominated or authorized person		-	-
	nominal value	ron	-	-
	value recorded by the time of payment	ron	-	-

SC Turbomecanica is a joint-stock company with private capital, with shares traded within the Bucharest Stock Exchange, under the TBM sign.

The share capital of the company has been inflated up to 31st of December 2003; until the economy of Romania has no longer been considered to be inflationist.

PRESIDENT GENERAL MANAGER,

Ing. 
VIEHMANN RADU



FINANCIAL & COMMERCIAL
MANAGER

Ec. 
ANGHEL CLAUDIA

STATUS ABOUT EMPLOYEES, ADMINISTRATORS AND MANAGERS

Nr. crt.		U.M.	6/30/2014	6/30/2015
1.	Employees			
	medium number related to the period-total, of which:	no	298	359
	exploitation personnel	no	191	221
	TESA	no	93	124
	management	no	14	14
	paid or to pay salaries related to the period	ron	6,023,212	7,989,403
	expenses with social security	ron	1,720,454	1,800,088
	other expenses with retirement contributions	ron		
2.	Management and administration salary	ron		
	contractual obligations related to retirement paid to former managers and administrators	ron		
	total obligation for each category	ron		
	value of advances and loans granted to managers and administrators during the accounting period	ron		
	interest rate	%		
	the main items of the loan			
	reimbursed amount to that date	ron		

The company has not granted loans to managers and administrators in 2015.

According to the provisions of Law no. 142/1998, the employees receive the legal amount of meal tickets.

PRESIDENT GENERAL MANAGER,

Ing.

VIEHMANN RADU



FINANCIAL & COMMERCIAL
MANAGER

Ec.

ANGHEL CLAUDIA

STATUS OF FINANCIAL- ECONOMIC INDICATORS

Nr. Crt	Indicator	Formula	UM	6/30/2014	6/30/2015
1.	Liquidity indicators				
a.	current liquidity indicator	current assets / current debts		1.08	0.81
b.	immediate liquidity indicator (the acid test)	current assets-stocks / current debts		0.03	0.25
2.	Risk indicators				
a.	indicator of indebtedness level	(loaned capital - Deferred profit tax / own capital) *100	%	79.49	63.61
3.	Indicatori de activitate (indicatori de gestiune)				
a.	stock rotation speed (stock turnover)	costs of selling / medium inventory	rotatii/ an	0.07	0.23
b.	rotation speed of customer debts	(medium customer balance / turnover) *180	zile	19.09	22.88
c.	rotation speed of provider loans	(medium providers balance / purchase of goods *180	zile	78.83	46.47
d.	rotation speed of fixed assets	turnover / fixed assets		0.22	0.32
e.	rotation speed of total assets	turnover / total assets		0.10	0.35
4.	Profitability indicators				
a.	return on equity	profit prior to interest and profit tax payment / equity capital		3.36%	1.59%
5.	Indicators of earnings per share				
a.	earnings per share	net profit attributed to common shares / calculated number of common shares	lei	0.00	-0.002

PRESIDENT GENERAL MANAGER,

Ing.

VIEHMANN RADU

FINANCIAL & COMMERCIAL
MANAGER

Ec.

ANGHEL CLAUDIA

INFORMATIVE DATA

a) Data presenting the company:

- legal form of the company: joint-stock company ;
- address of headquarters: Bd. IULIU MANIU no. 244, sector 6, BUCHAREST ;
- registered capital: 36.944.248 lei ;
- the effects of inflation on registered capital 987.626.807 lei ;
- amount of shares : 369.442.475 lei ;

VIEHMANN RADU (25,92 %), CIORAPCIU DANA MARIA (15,16%), CIORAPCIU SORIN TUDOR (9,10%), OTHER SHAREHOLDERS (49,82%).

b) Main activity:

- manufacture of engines and mechanical assemblies for aircrafts and helicopters ;

c) The modality used to express in national currency the patrimonial elements, revenues and expenses that initially appear in a foreign currency:

- BNR rate (for receivables, debts and cash);
- the rate recorded within the customs declaration (for goods)

d) **Net turnover, total** **20.493.441 lei ;**
 - of which : export **2.552.435 lei ;**

The structure of turnover on main manufactures is the following:

	lei	euro	usd
Engine Turmo IV C RK+ PSD	4.448.383	1.000.221	1.115.974
Main rotor hub RK+ PSD	3.073.556	691.091	771.068
Main transmission case RK+PSD	3.769.349	847.540	945.623
Repair Gearbox Assy, tail rotor RK+PSD	874.768	196.692	219.455
Repair Gearbox Assy Intermediate RK+ PSD	359.261	80.780	90.128
Current repair of engines, components, parts and spare parts for aircrafts	12.447	2.799	3.123
Repair transformation of VIPER engine	2.231.764	501.813	559.887
Bearing Inst, fan RK	215.491	48.453	54.061
Repair of orizontal and inclinate shafts	451.168	101.445	113.185
Repair of dumper streaks	157.927	35.510	39.619
Aggregate repair	1.065.970	239.684	267.422

TOTAL IAR + MApN	16.660.084	3.746.028	4.179.545
Aeroteh parts repair	391.643	88.061	98.252
Unison components and parts	448.363	100.815	112.482
Export aviation	2.546.403	572.560	638.821
Eurocopter	6.032	1.356	1.513
Industrial components	440.916	99.140	110.613
TOTAL SALES	20.493.441	4.607.960	5.141.226

On geographical zones, the turnover is distributed as follows:

EUROPE	2.308.473	519.061	579.131
USA	243.962	54.855	61.203
TOTAL EXPORT	2.552.435	573.916	640.334
 ROMANIA	 17.941.006	 4.034.044	 4.500.892
NET TURNOVER	20.493.441	4.607.960	5.141.226

- e) The gross result for the period: -892.479 lei ;
- there haven't been recorded any extraordinary revenues or expenses;

PRESIDENT GENERAL MANAGER,
Ing. 
VIEHMANN RADU



FINANCIAL & COMMERCIAL MANAGER
Ec. 
ANGHEL CLAUDIA