

- Translation from the Romanian language –

Report on semester I / 2017

Date of report: 11.08.2017
Name of the company: COMELF SA
Address: Bistrita , str. Industriei nr.4
Phone / fax : 0263.234462 / 0263.238024
ORC tax identification number: 568656
Order number at Trade Register: J06 /2 /1991
Share capital subscribed and paid : 13.579.505 lei
Regulated market trading issued securities: B.V.B

Main indicators, thousands lei	Semester 1- 2017	Semester 1- 2016	Δ %
Total project revenue, merchandise sales and others assimilated to the turnover out of which:	93.835	92.285	1,68
Income from construction contracts	88.084	86.877	1,39
Profit / (Loss) of the period	2.457	3.549	(30,77)
EBITDA	8.805	10.797	(18,45)
Interest-bearing loans	38.368	40.411	(5,06)

* The financial figures are audited and present the individual results of Comelf SA, prepared in accordance with International Financial Reporting Standards (IFRS);

- **COMELF SA's operating revenues** were 93.8 million RON in S1 / 2017, 1.68% higher than in S1 / 2016, due to the increase in revenues related to the core activity, an increase mainly due to the structure of the products sold in the first semester of 2017, whose average sales / ton of product were higher for their complexity.
- **The profit of the period** was lower in S1 / 2017 compared to the one realized in the same period of the previous year by 30.77%, the main factors that had unfavorable influence on the profit evolution were:

i) the price increase of the raw materials compensated only partially by the increase of the selling prices;

ii) the minimum wage increase to 1,450 lei / person since February 1, 2017, as well as the lack of qualified personnel on the local labor market, which indirectly generates additional costs with the salaries of the qualified, directly productive staff;

iii) the financial result in S1 / 2017 for COMELF SA remained negative, being mainly influenced by the differences generated by the evolution of the exchange rate;

The company's patrimony as of 30.06.2017 highlights the fact that:

- (i) the net asset value of the fixed assets decreased as a result of their amortization and the fact that the new investments made in the first half of 2017 did not cover the level of depreciation;
- (ii) current assets increased by 5.91% on 30.06.2017 as compared to 31.12.2016, due to the increase in trade receivables and cash assets of the company;
- (iii) equity decreased by 1.96% to 70 million RON in S1 / 2017 compared to 31.12.2016 due to the distribution of dividends related to the net result of 2016, amounting to 3.8 million lei, partially compensated by net result accumulated during the first 6 months of 2017;
- (iv) the interest-bearing loans of the company decreased from 40 million RON on 31.12.2016 to 38 million lei on 30.06.2017 as a result of the repayment of the term loan according to the maturity period between 01.01.2017-30.06.2017;

The working capital on 30.06.2017 is 31.877.300 lei (31.12.2016: 31.787.700 lei), the increase in receivables is balanced by the increase of the debts to the suppliers;

The audited financial statements on 30.06.2017, together with the Board of Directors' Report and the Audit Report, are posted on the www.comelf.ro website in the "Daily Information" section.

The financial statements and reports were sent to the BVB and the ASF and can be consulted on their websites.

General Manager,
eng. Dorin Stoian

Economic Manager,
ec. Dana Tatar

Undersigned, Magda Ionela Roxana, authorized translator by the Ministry of Justice, number of authorization 24666/2012, I certify the accuracy of this translation in English, according to the Romanian document handed to me.

Translator,

Magda I. Roxana

