

- Translation from the Romanian language –

COMELF SA Administrators' Report according to the CNVM Regulation no. 1/2006
Annex 31

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 on 30th June 2017: 13.036.325,34 lei

Regulated market trading issued securities: BVB

The Board of Directors of Comelf SA Bistrita, appointed by the General Meeting of Shareholders of Comelf SA, prepared for the financial year 2017 the present report on the balance sheet, the profit and loss account, the statement of changes in equity, the cash flow statement, Accounting and explanatory notes included in the individual financial statements of semester 1/2017.

These financial statements are presented together with this Administrator's Report and refer to:

Total equity: 70,452,254 RON

Total Income: 95,419,628 RON

Profit for the period: 2.457.025 RON

1. Economic and financial situation

1.1. Presenting an analysis of the current economic and financial situation compared to the same period last year:

a) Balance sheet items COMELF SA:

RON	31st December 2016	30th June 2017
ACTIVES		
Non-current actives	103.660.210	100.018.942
Total current actives, out of which:	78.613.135	83.260.594
Stocks	8.826.250	8.194.446
Creante comerciale si alte creante	64.303.156	68.688.963
Cash and short-term deposits	5.335.529	6.055.680
Total actives	182.273.345	183.279.536

Own equity and debts	182.273.345	183.279.536
Total Capital, of which:	71.862.676	70.452.254
Share capital	13.579.505	13.579.505
Adjustments of the share capital	8.812.271	8.812.271
Other equity items	(3.081.039)	(3.081.039)
Reserves	58.683.195	57.598.359
Reported result	(7.617.345)	(6.385.271)
The result of the exercise		
Total Liabilities of which:	30.443.448	26.476.424
Long-term bank loans	4.350.646	2.218.458
Provisions for risks and expenses	6.818.830	6.778.229
Deferred tax liabilities	10.932.280	10.725.644
Subsidies for long-term investment	8.341.692	6.754.093
Total current liabilities, of which:	79.967.221	86.350.858
Commercial and similar debts	37.861.532	43.873.236
Loans and interest-bearing loans	36.060.342	36.149.942
Provisions for risks and expenses	2.042.482	1.776.803
Subsidies for short-term investment	4.002.865	4.550.877
Total equity and liabilities	182.273.345	183.279.536

b) Profit and loss account COMELF SA:

RON	30 th June 2016	30 th June 2017
Income	93.423.906	95.419.628
Operating result	5.186.716	3.848.915
Financial result	(837.680)	(1.011.564)
Profit before tax	4.349.036	2.837.351
Profit tax expense	799.559	380.326

Profit of the financial year	3.549.477	2.457.025
Number of shares	23.412.940	23.412.940
Output per share	0,15	0,10

The operating revenues of COMELF SA were 95 million RON in S1 / 2017 compared to 93 million RON in S1 / 2016, up with 2.15%, due to the increase in revenues related to the core business.

The most important weightings in the total operational revenues were the operational revenues of the Territorial Equipment Factory (FUET), namely 33.08% of the total and the operational revenues generated by the Factory of stainless steel products FPI and 30.02% respectively, both Being the most cost-effective production entities of COMELF SA, followed by the Filter and Electrofilter Factory.

2. Analysis of the company's activity

2.1. The presentation and analysis of the trends, items, events or uncertainty factors that affect or could affect the company's liquidity, as compared to the same period last year.

Comelf SA was not unable to meet its financial obligations in the analyzed period.

2.2 The presentation and analysis of the effects on the financial position of the company of all capital expenditures, current or anticipated, compared to the same period last year.

Capital expenditures relating to the first semester 2017 were **1.6 million RON** (first semester of 2016 = 3.5 million RON).

2.3. The presentation and analysis of the events, transactions and economic changes that significantly affect earnings from core business. Specify the extent to which the revenue of each identified item has been affected. Comparison with the corresponding period last year.

The economic and financial operations related to the semester 1/2017 were recorded correctly, based on legal documents drawn up. The obligations stipulated by the law regarding the correct and up-to-date organization and management of accounting, compliance with the accounting principles, compliance with the rules and accounting methods provided by the regulations in force have been fulfilled.

The obligations to the state and local budgets, to the special funds, have been correctly established and the transfers were made in accordance with the legal provisions.

We also mention that individual income, expense and financial result for the first six months of 2017 are reliably reflected in the profit and loss account.

3. Changes affecting the capital and management of the company

3.1. Description of cases in which the company was unable to meet its financial obligations during that period:

It's not the case.

3.2. Description of any change in the rights of the holders of securities issued by the company:

It's not the case.

5. ANNEXES

It is attached to this report, in copy:

- the balance sheet, on 30.06.2017;
- Declaration of the General Manager of Comelf SA regarding the assumption of responsibility for the preparation of the financial and accounting statements related to semester 1/2017;
- the shareholding structure on 30.06.2017;
- copies of the supporting documents for all changes to the constitutive acts of the company, as well as to the management structures of the commercial company (administration, executive, etc.)

6. Note: Financial statements for the first semester of 2017 have been audited.

Annexes:

Shareholder Structure at the reference date June 30th , 2017:

	Number of shares	% holding
Uzinsider S.A.	18.171.045	77,61%
Other shareholders	5.241.895	22,39%
Total	23.412.940	100%

Management structures:

On 30th June 2017, COMELF S.A. company management had the following structure:

- Members of the Board of Directors of the Company:

Savu Constantin	president
Babici Emanuel	member
Mustata Costica	member
Maistru Ion	member
Parvan Cristian	member

- Members of the Executive Management of the Company:

Stoian Dorin	Executive Manager
Cenusa Gheorghe	Deputy General Manager

Tatar Dana
Cudrec Adrian
Jurje Valeriu
Timofte Antoniu
Pop Mircea
Oprea Paul

Economic Manager
Manager DIM
Factory General Manager
Factory General Manager
Factory General Manager
Factory General Manager

Statement of the management

According to the best available information, we confirm that the individual financial statements for the first semester of 2017, prepared in accordance with International Financial Reporting Standards, provide a true and fair view of the assets, liabilities, financial position and profit and loss of Comelf SA, as it is provided by the applicable accounting standards.

We also confirm that the operational performance situation and the information presented in this report provide a fair and consistent picture of the main events that took place during the first six months of 2017 and their impact on the financial statements.

President of the Board- eng. Savu Constantin

Executive Manager -eng. Stoian Dorin Radu

Economic Manager -ec. Tatar Dana

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

