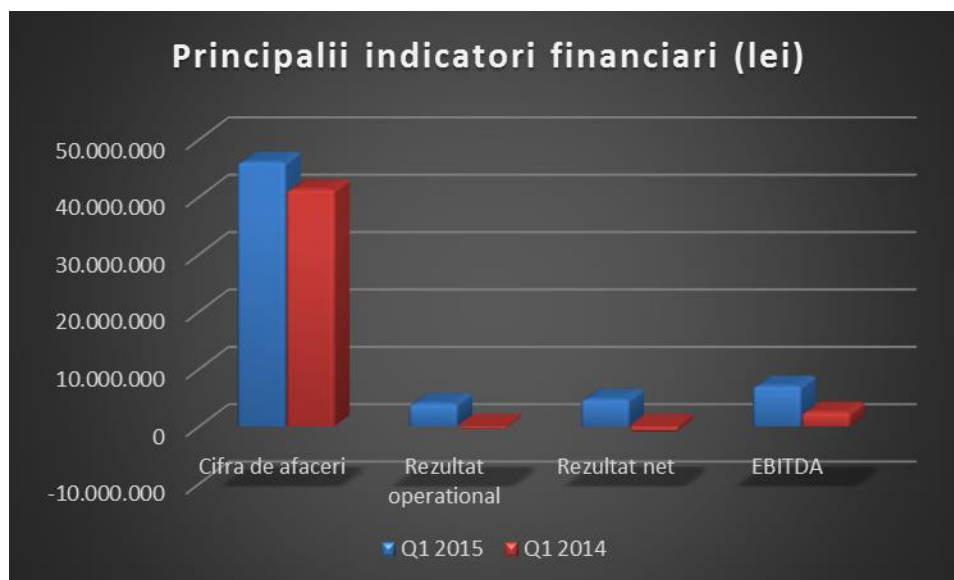


## PRESS RELEASE

### Financial results of Teraplast (TRP) as per 31st of March 2015

Net profit of LEI 4.7 million and a turnover increasing by 12% as compared to the same period last year

**Bistrita, May 14, 2015** - Teraplast Company (TRP), the largest PVC processor in Romania and one of the leading manufacturers of materials for construction and installation market, achieved in the first quarter of 2015 significant increases of all financial indicators, this being the best year Q1 for Teraplast, since the 2008 stock exchange listing. The context of the construction market and operational efficiency measures, implemented in the recent years, have had a positive impact on evolutions achieved.



**Alexandru Stănean, CEO of Teraplast:** "2015 has begun in a promising manner, thus we managed to grow over the budgeted estimates for the period January-March, the low season of the construction market. Teraplast evolution is due to the favorable market context and also to the significant improvement in operational performance. We are optimistic about the evolution of the market and, hence of the company, in the next period of the year, as signals are positive from both the public projects and private projects areas. We are convinced that we are over the downturn and that, in this moment, Teraplast is one of the powerful players in the market for construction materials and installations. However, there are threats related to the evolution of the main raw materials prices, which records steep increases, against the decreasing offer European wide. Several PVC and PE manufacturers have stopped or reduce the production".

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Teraplast achieved in the first three months of 2015 a total **turnover** of over **46 million lei, up by 12%** as compared to the value recorded in the same period last year and by **7%** higher than the value budgeted for this indicator in first quarter of 2015. The turnover for the period January-March 2015 incorporates income, including from the PVC windows & doors business line, as the transfer of activity to Teraglass being only performed as of April 2015. The PVC windows & doors business line had in the first three months of 2015 a contribution of 13% in total turnover of Teraplast, the remaining business being generated by installations, granules and window profiles.

Considering the analyzed period, the company's **net profit** amounted to **4.7 million lei**, compared to a loss of 1.2 million lei in the first quarter of 2014 and by more than 3.2 million versus the budgeted value for this period. Evolution of net profit was sustained by the significant improvement of operational performance, Teraplast achieving in the first months of 2015 an **operating profit** totaling nearly **4 million lei**, as compared to a loss of 0.6 million in the same period in 2014. Approximately 0.5 million lei of the operating profit represents income from nonrecurring transactions. The net profit was also sustained by the improvement of the financial result, due to the incomes from dividends. In the period January-March 2015, Teraplast cashed from the subsidiary Politub dividends in total value of 1.5 million lei, following the distribution of the 2014 profit. **EBITDA** is also increasing as compared to January-March 2014, this figure standing at over 7 million lei in the first three months of 2015, compared to 2.5 million last year.

#### **Investments in January – March 2015**

Teraplast performed in the first three months of 2015 a total **investments** of **over 2.3 million lei**. For the entire year, the Company has proposed an **investment program worth over 18.9 million lei**, most of these amounts being directed towards the purchase of equipment most of these amounts being directed towards the purchase of equipment. Teraplast Group has invested in 2007-2014 more than 200 million lei in the development and modernization of production capacities. Teraplast currently owns in Saratel production and storage facilities of more than 200.000 sqm, distributed as follows: PVC Products Factory (Division of PVC pipes, Division of PVC paneling, Division of PVC profiles, Division of PVC granules) and Polyolefins Factory (Division of PE manholes and tanks, Division of PVC and PP fittings and Division of PP pipes).

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#### **Teraplast details:**

*With a tradition of over 115 years, Teraplast (TRP) is currently the largest PVC processor in Romania and one of the leading manufacturers of materials for construction and installation market. The products portfolio of the company is structured in three business lines: Installations & Decorations, Windows profiles and Compounds. Installations & Decoration business line includes sewage systems, supply and distribution systems for water and gas, interior sewage systems, rainwater and sewage management systems, interior decoration systems, electrical networks and individual connections to utilities systems. Window profiles business line includes profile systems with 4, 6 and 7 chambers and*

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constructive widths between 60 and 88 mm, and the Granules business line includes plasticized and rigid granules with applications in the processing industry for extrusion and injection.

As of July the 2<sup>nd</sup>, 2008 Teraplast is listed on the Bucharest Stock Exchange under the symbol TRP.

**For further information, please contact the Marketing & Communications Department of Teraplast:**

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## Appendix – Investors release

14<sup>th</sup> of May 2015

### Profit and loss account

Indicators, LEI thousand	Q1 - 2015	Q1 - 2014	▲ %
<b>Turnover</b>	<b>46,053</b>	<b>41,280</b>	<b>11.56</b>
Changes in inventories of finished goods and work in progress	2,981	1,888	57.89
Other operating revenues	8,528	57	14,778.67
Raw materials, consumables used and merchandise	30,399	29,943	1.53
Employee benefits expenses	5,755	5,581	3.12
Provisions, depreciation and amortization expenses	4,213	3,167	33.05
Profit/(Loss) from sales of tangible or intangible assets	-	-	-
Other expenses	13,212	5,142	156.94
<b>Financial result</b>	<b>1,349</b>	<b>(585)</b>	<b>330.81</b>
Profit/(loss) before tax	5,333	(1,191)	547.93
<b>Net Profit/(Loss)</b>	<b>4,744</b>	<b>(1,191)</b>	<b>498.50</b>
<b>EBITDA</b>	<b>7,039</b>	<b>2,487</b>	<b>183.09</b>

\*The financials are unaudited and represent Teraplast's stand-alone results prepared according to International Financial Reporting Standards (IFRS);

\*The variation sign % indicates the effect on the company's activity;

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## Appendix – Investors release

14<sup>th</sup> of May 2015

### Balance sheet

Indicators, LEI thousand	Q1 - 2015	Q1 - 2014	▲ %
<b>ASSETS</b>			
<b>A. TOTAL noncurrent assets</b>	<b>119,509</b>	<b>127,223</b>	<b>(6.06)</b>
I. Intangible assets	507	806	(37.15)
II. Tangible assets	96,409	103,656	(6.99)
III. Real estate investments	13,357	13,547	(1.40)
VI. Investments in associated companies	9,221	9,199	0.24
V. Other financial assets	15	15	-
<b>B. TOTAL current assets – TOTAL</b>	<b>89,338</b>	<b>84,016</b>	<b>(6.34)</b>
I. Inventories	28,812	37,472	(23.08)
II. Receivable	57,214	43,941	30.20
III. Deferred tax liabilities	-	-	-
IV. Cash and bank accounts	3,303	2,603	26.91
V. Assets held for sale	-	-	-
<b>C. Prepayments</b>	<b>724</b>	<b>1,124</b>	<b>(35.60)</b>
<b>TOTAL ASSETS</b>	<b>209,571</b>	<b>212,363</b>	<b>(1.31)</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
Shareholders' equity	128,199	112,850	13.60
Interest-bearing debts	8,390	11,547	(27.34)
Provisions for pensions and similar obligations	346	286	21.02
Deferred tax	3,218	3,456	(6.89)
<b>TOTAL current liabilities - of which:</b>	<b>64,417</b>	<b>84,224</b>	<b>(17.58)</b>
Interests bearing debts	25,382	44,132	(42.49)
Trading liabilities	39,191	35,860	9.29
Provisions	3,992	4,232	(5.67)
Due profit tax	853	-	-
<b>TOTAL SHARE CAPITALS AND LIABILITIES</b>	<b>209,571</b>	<b>212,363</b>	<b>(1.31)</b>

\*The financials are unaudited and represent Teraplast's stand-alone results prepared according to International Financial Reporting Standards (IFRS);

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