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## Teraplast Group overview – leading manufacturers of materials for construction market

Consolidated key financials 9M/2015  
vs 9M/2014, mil. LEI

- 9M 2015 **turnover** 282,74 mil lei + **19%**
- 9M 2015 **net profit** 24,16 mil lei + **114%**
- 9M 2015 **EBITDA** 35,67 mil lei + **47%**

Teraplast

Teraplast is the largest PVC processor in Romania and holds leading positions in the markets for PVC pipes (42% share), PVC granules (25% share).

Plastsistem

Plastsistem, is among the top three on thermal insulating panels and galvanized steel structures markets.

Politub

Politub manufactures tubes and pipes, of medium and high density for the transport and distribution networks of water, gas, and telecommunications, sewer or irrigation.

Teraglass

As of April 2015 Teraplast transferred the activity of PVC windows and doors to Teraglass. Teraplast owns 100% of Teraglass.

Teraplast Moldova

Teraplast owns 51% of Teraplast Moldova. The activity of the company in Moldova is to sell Group's products.

## Company overview – the largest PVC processor in Romania

Stand alone key financials 9M/2015  
vs 9M/2014, mil LEI

- 9M **turnover** - 198.51 million lei **+13%**
- 9M **net profit** – 17.52 mil lei **+ 201%**
- 9M **EBITDA** – 28.78 mil lei **+ 55%**

Installations & Decorations

- The main player on the external sewage market
- The second player on the internal sewage market

Window Profiles

- Among the key players in the market;
- The market share of TRP increased from 1% in 2010, to 8% in 2015

Compound

- The main producer of compound in Romania with a market share of 25%



## Teraplast Group overview – Significant events during January - September 2015

- In **March**, Teraplast decided to participate as a partner (51% shares) to build up a limited liability company in Republic of Moldova. The purpose of this action was to develop Teraplast's market share in this country and it is part of company's strategy to increase the value of exports.
- As of **April** 2015, Teraplast transferred its window & doors business line on a different company – Teraglass. This company is 100% owned by the parent company Teraplast.
- In **April**, the General Meeting of Shareholders set the value of maximum indebtedness that may contract the company in fiscal year 2015 – 68 million lei.
- The Board of Directors decided in **July** to renew the credit line and the bank guarantee multi-currency limit, in total value of 15,000,000 lei, accessed from Banca Transilvania SA.
- The Managing Board decided in **August** to participate as shareholder (with 51% of capital), for the establishment of a limited liability company. The other shareholder will be a legal person and the object of activity will be commerce. The new company is to develop the presence of Teraplast Group on the external markets.
- In **August** the General Meeting of Shareholders approved the nomination of the company General Consulting MGI as internal auditor of Teraplast.



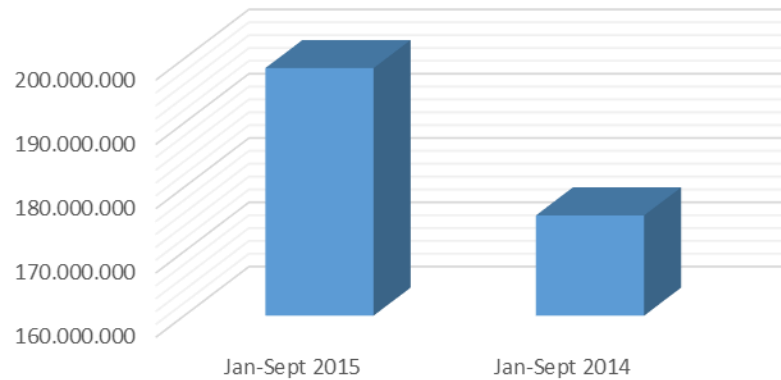
## Teraplast Group overview – Subsequent events

- In **October** the General Meeting of Shareholders reconfirmed for another year the five members of the Board of Directors. The structure of the Board is the following: Mr. Dorel Goia (Chairman), Mrs. Magda-Eugenia Palfi-Tirau, Mr. Emanoil Ioan Viciu, Mr. Razvan Stefan Lefter and Mr. Teofil- Ovidiu Muresan.
- Teraplast acquired in **October** 19.29% of Plastsistem's shares. Teraplast holds at the moment 98% of Plastsistem, as compared to previous 78.71%.
- In **November** the Board of Directors called, for December 7th 2015, the General Meeting of Shareholders which will have on the agenda the share capital increase with 8,874,589 lei by issuing of 88,745,890 new shares, with a value of 0.10 lei/share, which will be distributed for free to all company's shareholders, registered in the Shareholders' Registry, at the registration date established by GMS (proposal December 23rd 2015). Every shareholder registered in the Shareholders' Registry at the registration date shall receive a number of 30.72111455 new shares for every 100 owed shares. Another point on the agenda will be the share buyback program with the following terms: maximum 2,000,000 shares (0.69% of total share capital) with nominal value of 0.1 lei/share, at a minimum price equal to the stock exchange price of the transaction day and a maximum price of 1 leu/share, in the limit of 1,000,000 lei, for a period of maximum 18 months, in order to implement an employee's loyalty program.

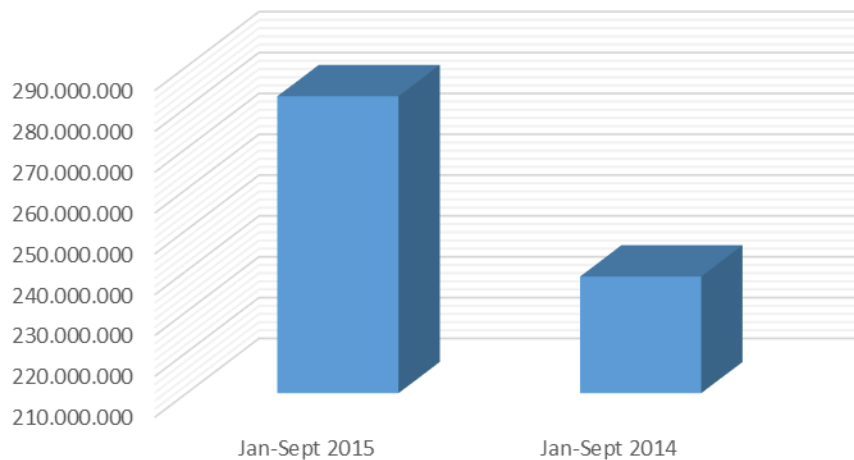


## Turnover evolution in the period Jan-Sept 2015 – stand alone and consolidated

Turnover evolution - stand alone



Turnover evolution - consolidated



**The consolidated turnover** of Teraplast Group increased by **18.5%** in the period January-September 2015 up to **282.74 million lei**.

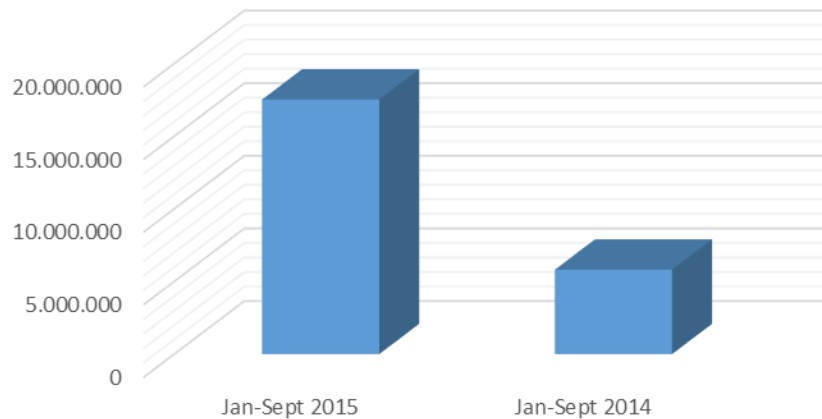
The evolution of the **Group's turnover** was supported on one hand by the construction market evolution, and on the other hand due to the gain of internal market share. Additionally, the export increased by approximately **10%** as compared to the similar period of the last year.

According to the available information the construction work volume in the first nine months registered an increase of 10.5%.

The data from the National Institute of Statistics show that in the period January-September 2015 the nonresidential construction works increased by 5.2% and on the residential segment decreased by 0.2%, while the infrastructure works had a positive evolution of 15.6%.

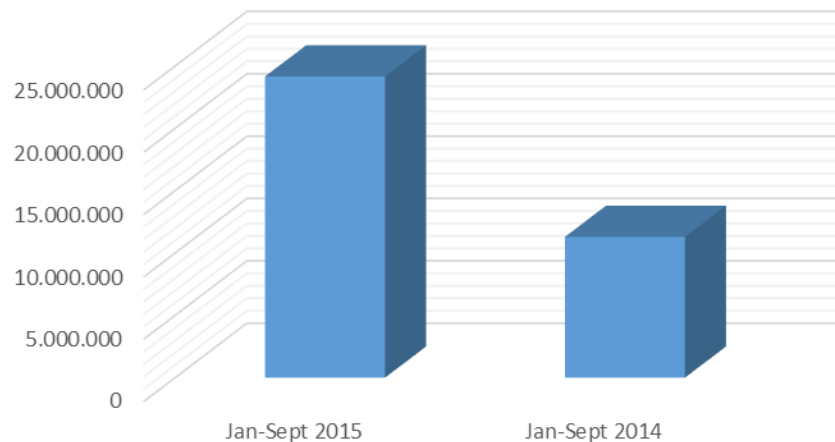
## Net profit evolution in the period Jan-Sept 2015 – stand alone and consolidated

Net profit evolution stand alone



During the analyzed period, Teraplast Group’s **net profit** amounted to **24.16 million lei**, compared to 11.29 million lei obtained in the same period last year.

Net profit evolution consolidated



Net profit evolution at consolidated level, was primarily supported by the significant improvement of the **operational performance**, Teraplast Group achieving in the period January-September 2015 an **operational profit** of almost **24.46 million lei**, as compared to 13 million lei in the same period of 2014. From the amount achieved from the operational activity, about 0.5 million represents non-recurring gains.

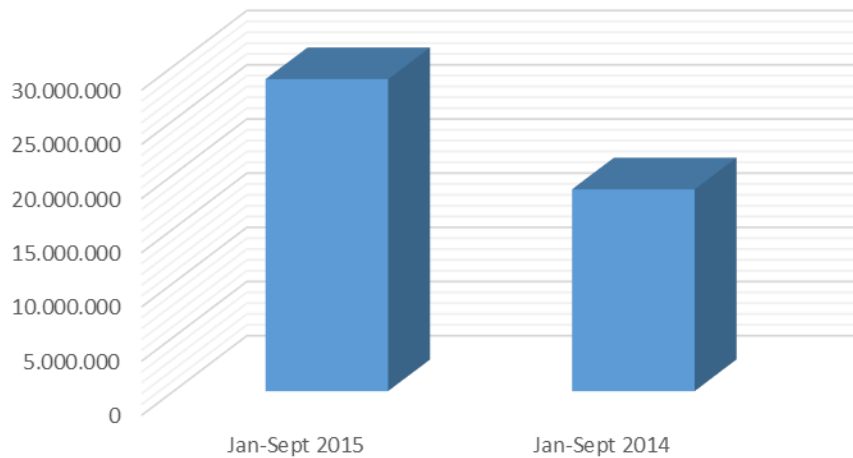
Net profit was also supported by the improvement of the **financial result**, due to income from dividends. In 2015, Teraplast cashed dividends, worth 1.95 million, from the subsidiary Politub, as a result of 2014 profit distribution.





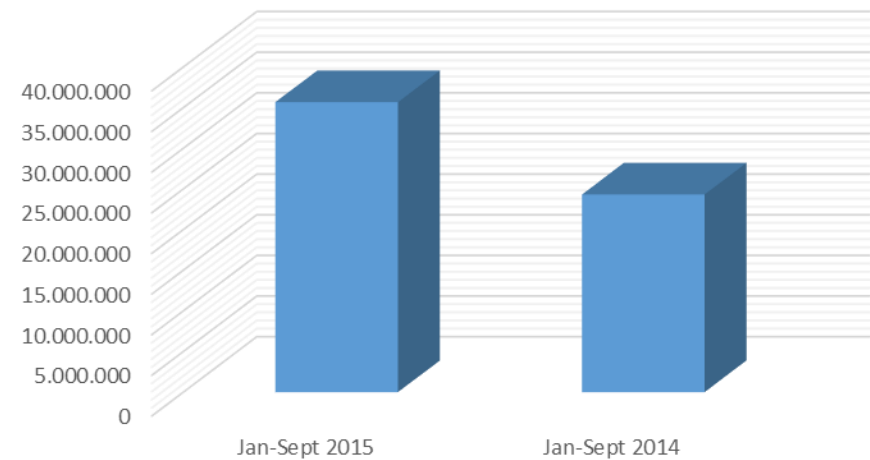
## EBITDA evolution in the period Jan-Sept 2015 – stand alone and consolidated

EBITDA evolution stand alone



**EBITDA of Group Teraplast**, is also increasing up to **35.67 million lei**, as compared to 24.30 million lei in the same period of 2014.

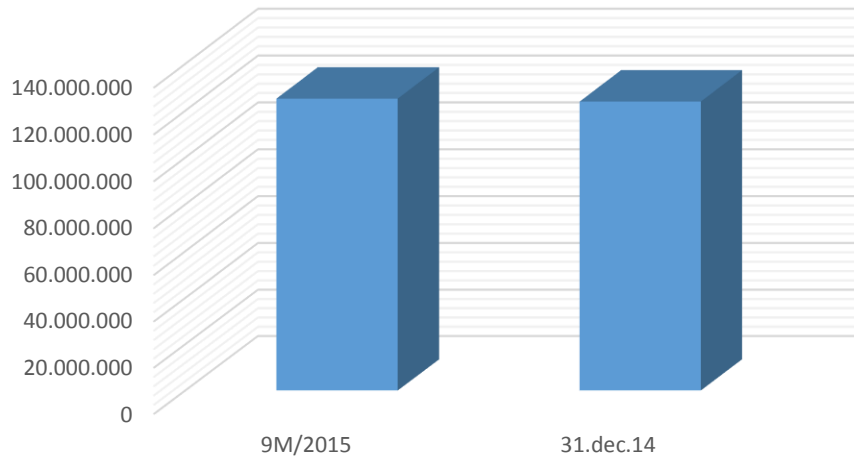
EBITDA evolution consolidated





## Non-current assets evolution in the period Jan-Sept 2015

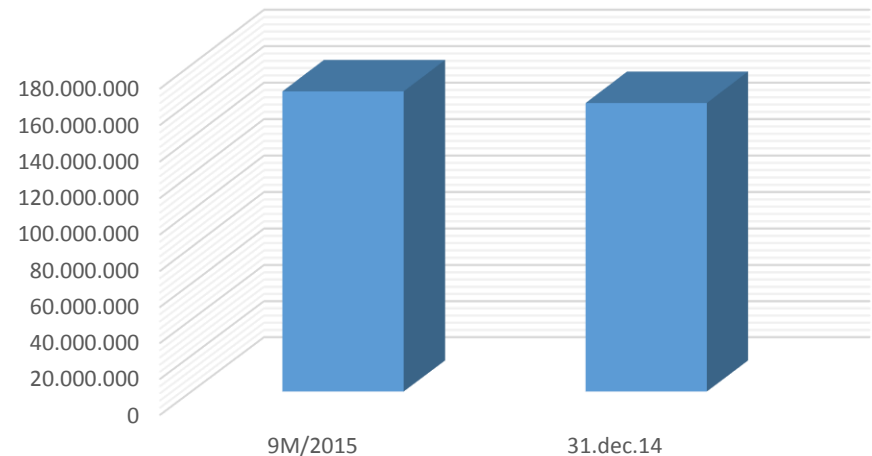
Non-current assets stand alone



At the parent company level, the non-current assets also increased to **125.09 million lei** in Jan-Sept 2015, as compared to 123.85 million lei in the same period of 2014.

At the group level, the non-current assets increased to **165.41 million lei** in Jan-Sept 2015, as compared to 159.04 million lei in the same period of 2014.

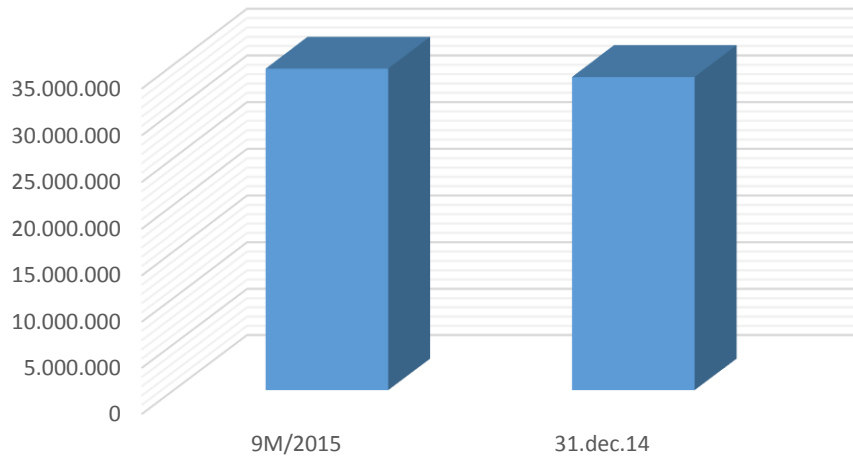
Non-current assets consolidated





## Inventories evolution in the period Jan-Sept 2015

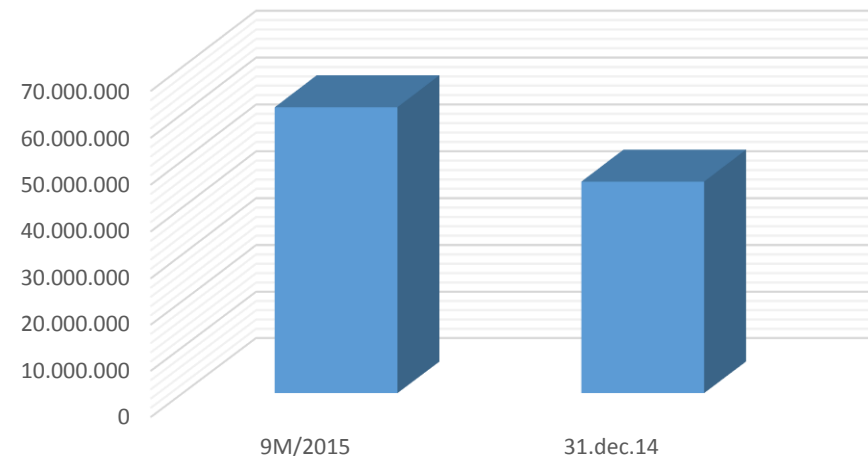
Stand alone inventories



Parent company's inventories also increased up to **34.55 million lei** in Jan-Sept 2015, as compared to 33.65 million lei in the same period of 2014.

At the Group's level, inventories increased up to **61.33 million lei** in the period Jan-Sept 2015, as compared to 45.46 million lei in the first nine months of 2014.

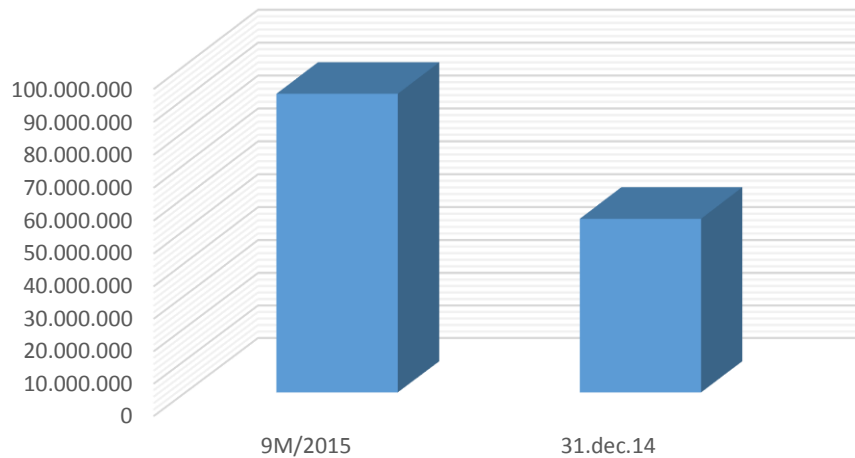
Consolidated inventories





## Receivables evolution in the period Jan-Sept 2015

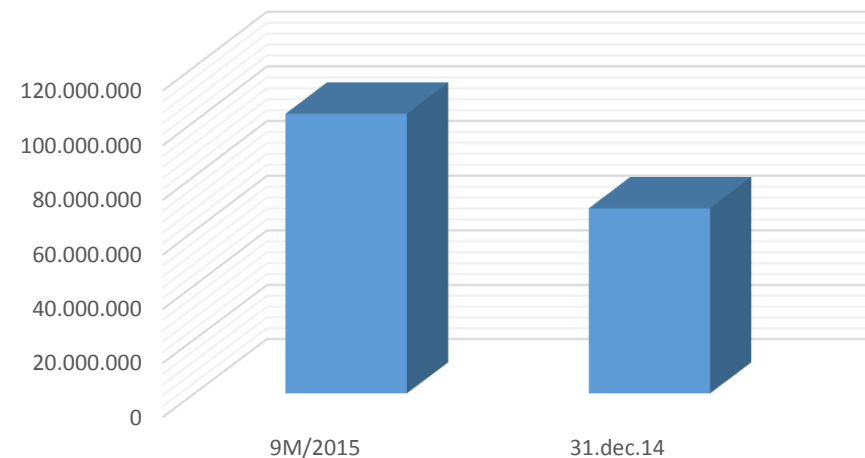
Stand alone receivables



Teraplast's **receivables** have been increasing in the first nine months of 2015, with 71%, on one hand due to turnover's evolution and on the other hand due to the transfer of PVC windows & doors business line on Teraglass, which had an impact of 9.18 million lei in the amount of receivables. In addition, in the first nine months of 2015, Teraplast insured a part of the client portfolio, which allowed the extension of payment terms for these clients.

At consolidate level, **Teraplast Group's receivables** recorded an increase of 51% in the first nine months of 2015 as compared to the same period in 2014.

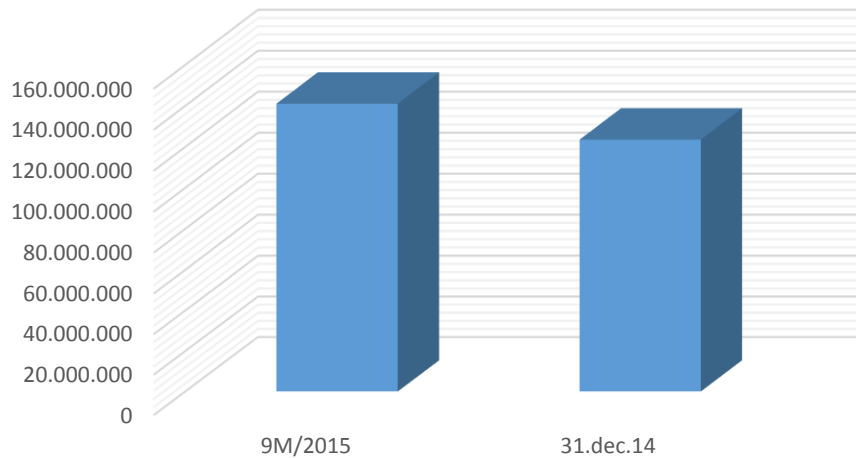
Consolidated receivables





## Shareholder's equity evolution in the period January-September 2015

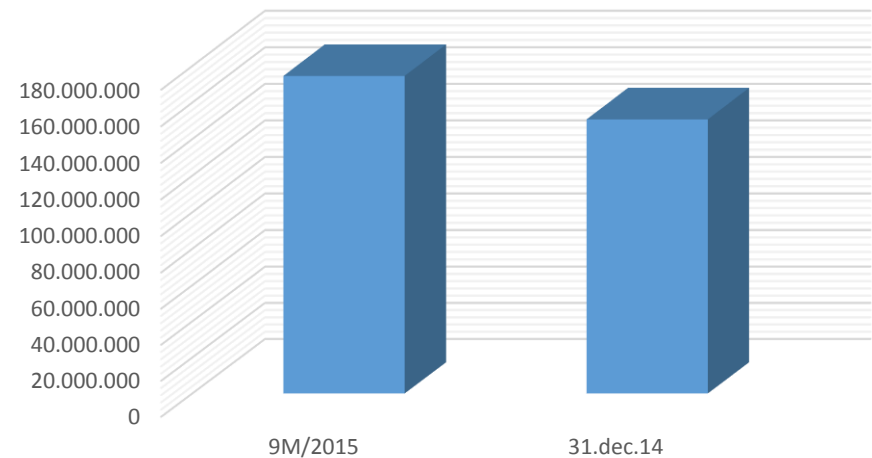
Shareholder's equity stand alone



At the parent company level, shareholder's equity increased to **140.98 million lei** in Jan-Sept 2015, as compared to 123.45 million lei in the same period of 2014.

At the group level, the shareholder's equity increased up to **174.53 million lei** in Jan-Sept 2015, as compared to 150.76 million lei in the same period of 2014.

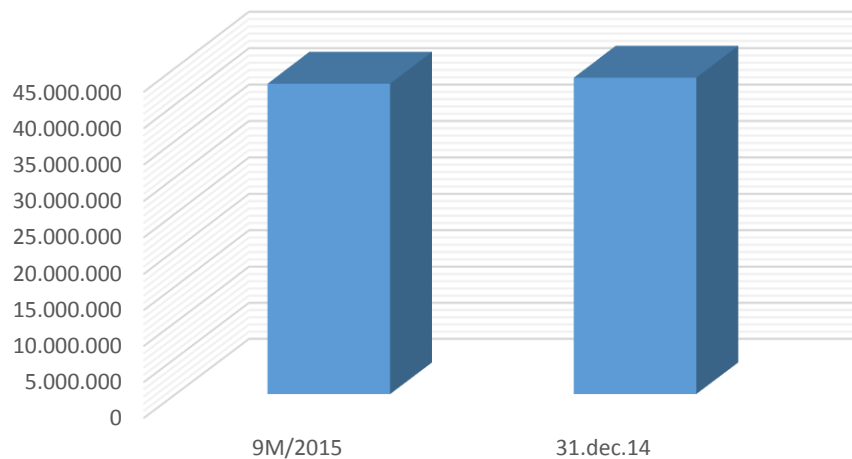
Shareholder's equity consolidated





## Interest-bearing debts evolution in the period January-September 2015

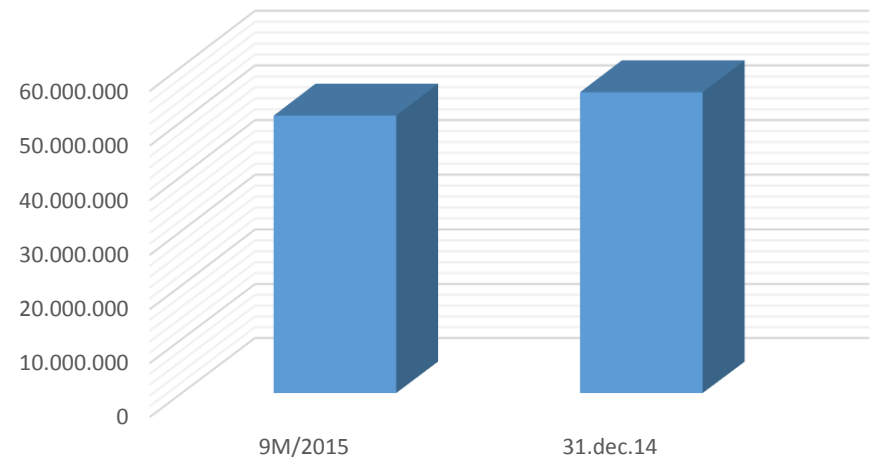
Stand alone interest-bearing debts



In the first nine months of 2015, the **interest-bearing debts** of parent company Teraplast decreased by **2%**, as compared to the same period last year.

In the same period, Teraplast Group's **interest-bearing debts** decreased by almost **8%** compared to the same period in 2014.

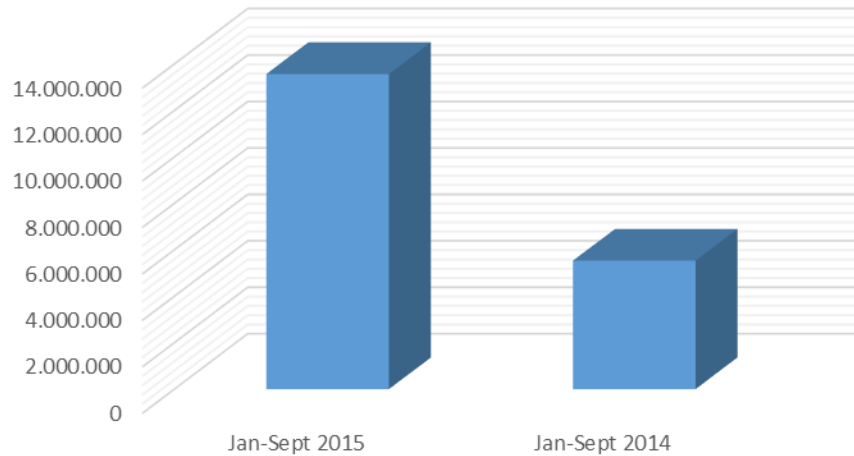
Consolidated interest-bearing debts





## Investments evolution in the period January-September 2015

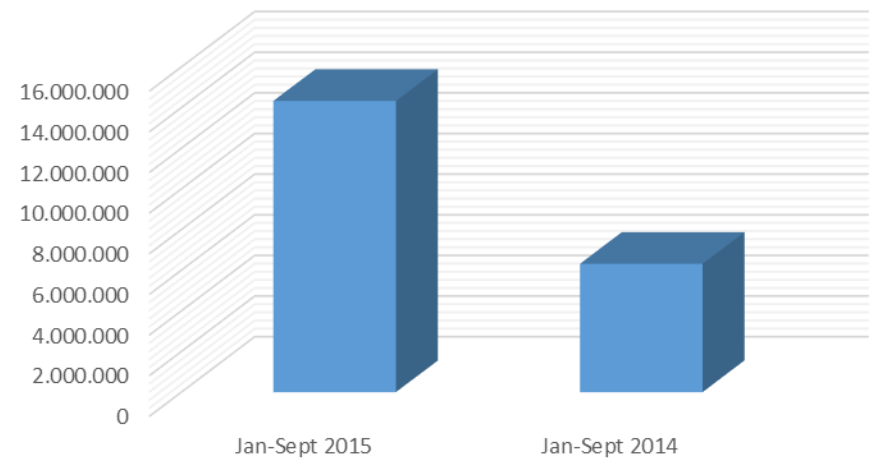
Stand alone investments



In the first nine months of 2015, the **investments** of parent company Teraplast increased by **145%**, as compared to the same period last year.

In the same period, Teraplast Group's **investments** increased by almost **127%** compared to the same period in 2014, most of these amounts being directed towards the purchase of equipment.

Consolidated investments





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