

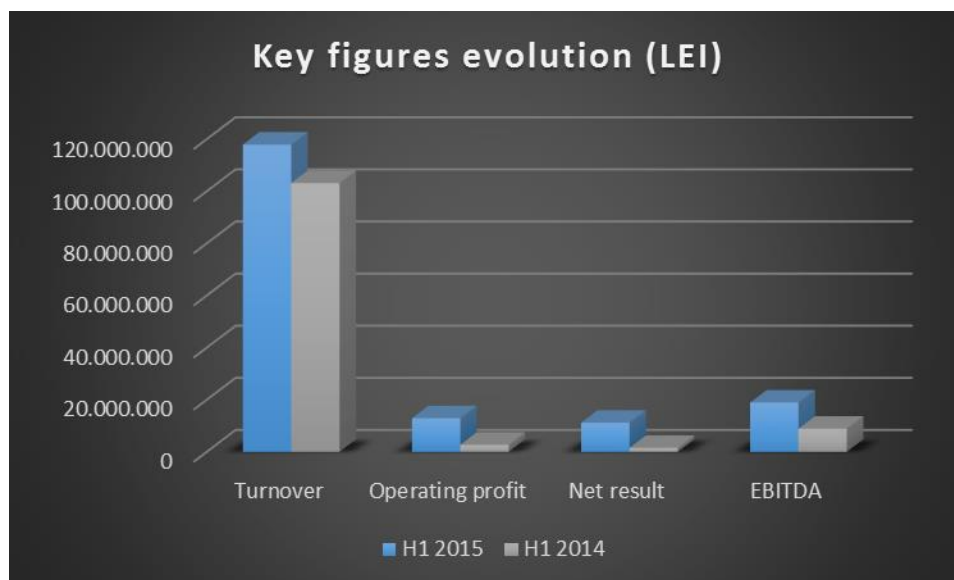
PRESS RELEASE

Teraplast Group: results for the period January - June 2015

Net profit of 14 million lei and a turnover increasing by 19%, as compared to the same period of the last year

Bistrita, August 13th 2015 – Teraplast Group, the largest PVC processor in Romania and one of the leading manufacturers of materials for construction and installation market, achieved in the second quarter of 2015 significant increases of all financial indicators, as in the first quarter achieved the best results for the low season period in 10 years.

Teraplast Group includes Teraplast Company, the subsidiary Plastsistem, the subsidiary Teraglass (as of April 2015, initially Teraglass activity was organized as a business line of the company Teraplast), the subsidiary Teraplast Moldova and Politub (joint-venture).



Dorel Goia, Chairman of the Managing Board: *“The results of Teraplast Group, in the first half of 2015, are according to our expectations, being obtained in an economic climate still quite volatile. The main challenges of this first half of 2015 were generated by the 50% increase in the price of the main raw materials, as well as their low availability. But, we successfully managed the purchasing processes, so we were able to deliver all our customer’s orders. We are still focused on optimizing Teraplast business model and our goals for the year to go are increased revenues and profitability in order to bring added value to the shareholders”*

Sediul central:

Parc Industrial Teraplast,
DN 15A, km 45+500
Cod. 427298, Jud. Bistrita-Nasaud
Tel. 0263-238202, Fax. 0263-231221
www.teraplast.ro

The total turnover of Teraplast Group increased by **19%** in the first half of 2015 up to **164.12 million lei**. *The consolidation includes 100% elements of revenues and expenses for the companies Teraplast, Plastsistem, Teraplast Moldova and Teraglass and excludes Politub. Being a joint venture Politub is consolidated only in profit level, by 50%.*

At individual level, Teraplast achieved a **117.93 million lei turnover**, increasing by **14%**, as compared to the same period of last year. For the first half of 2015 Teraplast's turnover **does not include revenues from the PVC windows & door business line, for the period April-June 2015**, as the business line was transferred on Teraglass starting with April 2015. The PVC windows & door business line had, in the first three months of 2015, a contribution of 13% in the total turnover of Teraplast. As of second quarter, Teraplast's revenues are generated by three business lines, as follows: installations, granules and window profiles.

The development of Teraplast Group's turnover was supported by the increases of the concordant markets, in the first six month of the year being recorded increases of over 10% in the construction works. All the business lines of Teraplast Group have had a relevant contribution in the turnover increase and most of them recorded increases above the market rate, fact occurred amid winning share in the domestic market, and due to increased **external markets** deliveries by over **12%**, as compared to the same period of last year.

Teraplast Group is on top positions on its markets. The parent company Teraplast is among the top three players in the market segments of interior and exterior sewage drains, granules, paneling and its subsidiary, Plastsistem, is among the top three on thermal insulating panels and galvanized steel structures markets. In just two years, Plastsistem managed to position itself as the second largest producer of steel structural elements in the market with a share of 28% in 2014 (according to Neomar)

During the analyzed period, Teraplast Group's **net profit** amounted to **14.06 million lei**, compared to 4.52 million lei obtained in the same period last year.

At individual level, the parent company Teraplast achieved a **net profit of 11.19 million lei**, compared to 1.53 million lei in the first half of 2014. Net profit evolution of Teraplast, at individual level, was primarily supported by the significant improvement of the **operational performance**, achieving almost 12.93 million lei operational profit in the first months of 2015, compared to 2.73 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 January-June 2015, Teraplast earned from the subsidiary Politub dividends, worth 1.5 million, as a result of profit distribution in 2014.

EBITDA, of Group Teraplast, is also increasing up to **21.84 million lei** comparing to 11.48 million lei in the same period of 2014. At individual level, Teraplast achieved an **EBITDA of 18.94 million lei** in the first half of 2015 compared to 2.5 million lei last year.

Edit Orban, Chief Financial Officer Teraplast:” *The financial position of Teraplast is much more improved compared to the same period last year, on one hand due to the operational measures implemented and on the other hand from the actions of financial efficiency. Improving our products with the contribution of the research department and investments in productivity growth, were our main growing engines for operational results. As for the financial result, the transition from financial loss to financial profit has been made by reducing the interest expenses, due to the renegotiation of debt of*

existing credit agreements, and due also to weaker foreign exchange differences. We are currently financially balanced and we expect to achieve budgeted figures for this year. "

In the first half of 2015, Teraplast Group's **interest-bearing debts** decreased by almost **26%** compared to the same period in 2014. In the same period the **interest-bearing debts** of parent company Teraplast decreased by **22%** compared to the same period last year. In structure, Teraplast's **long-term debts** are lower by **0.54 million lei** compared to the first half of last year and the amount of **short-term debt** is reduced by **10.88 million lei**.

Besides implementing the operational projects, we have also focused, in the first half of 2015, on improving our Group's cash-flow and as a result, **the cash available in the accounts** increased to **5.82 million lei** in 2015, as compared to 1.16 million lei in the first half of 2014. Parent company's **availability of cash** increased to **4.04 million lei** in the half of the year, as compared to 0.79 million lei in the same period of 2014.

Teraplast's **receivables** have been increasing in the first half of 2015, with 14%, 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 half of 2015, Teraplast insured a part of the client portfolio, which allowed the extension of payment terms for these clients. However, the company continues to be prudent when offering trade credit and constantly analyzes clients' liquidity. At consolidate level, **Teraplast Group's receivables** recorded an increase of 21% in the first half of 2015 as compared to the same period in 2014.

Investments during January-June 2015

In the first half of 2015, Teraplast Group invested 9.94 million lei. Until the end of 2015, Teraplast Group forecasted investments worth over 19 million lei, most of these amounts being directed towards the purchase of equipment.

Significant events during January-June 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.

Teraplast Group details:

With a tradition of over 115 years, Teraplast Group 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 Group is structured in six business lines: Installations & Decorations, Windows profiles, Compounds, Sandwich panels, Galvanized profiles and PVC windows and doors.

The production facilities of the companies in the Group are located in the Teraplast Industrial Park, developed outside Bistrita, on a surface of over 200.000 sqm. During 2007-2014 Teraplast Group invested over 200 million lei in the development and the modernization of the production capacities, but also in the products portfolio extension.

Beginning with July 2nd 2008 the biggest company in the Group – Teraplast is listed at Bucharest Stock Exchange, symbol TRP.

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

Anca Rif - *Marketing & Communications Manager*

Tel: +40-752-101.639

Email: anca.rif@teraplast.ro; comunicare@teraplast.ro

Appendix – Investors release

13th of August 2015

Stand-alone Profit and loss account (Teraplast SA)

LEI thousand	June 30 th 2015	June 30 th 2014	▲ %
Turnover	117,930	103,148	14.33
Changes in inventories of finished goods and work in progress	1,225	2,790	(56.10)
Other operating revenues	8,610	113	7,520.02
Raw materials, consumables used and merchandise	(77,267)	(73,115)	5.68
Employee benefits expenses	(10,823)	(11,707)	(7.56)
Provisions, depreciation and amortization expenses	(6,805)	(7,058)	(3.58)
Profit/(Loss) from sales of tangible or intangible assets	32	(177)	117.98
Other expenses	(19,972)	(11,255)	77.45
Financial result	312	(523)	159.64
Profit/(loss) before tax	13,242	2,217	497.33
Net Profit/(Loss)	11,193	1,535	629.03
EBITDA	18,943	8,935	112.00

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;*

Appendix – Investors release

13th of August 2015

Stand-alone balance sheet (Teraplast SA)

LEI thousand	June 30 th 2015	June 30 th 2014	▲ %
ASSETS			
A. TOTAL noncurrent assets	124,106	126,872	(2.18)
I. Intangible assets	482	680	(29.12)
II. Tangible assets	100,824	103,431	(2.52)
III. Real estate investments	13,358	13,547	(1.40)
IV. Investments in associated companies	9,427	9,199	2.48
V. Other financial assets	15	15	0
B. TOTAL current assets – TOTAL	118,455	96,397	22.88
I. Inventories	30,719	36,873	(16.69)
II. Receivable	83,689	58,730	42.50
III. Income tax receivable	-	-	-
IV. Cash and bank accounts	4,047	793	410.34
V. Assets held for sale	-	-	-
C. Prepayments	571	657	(13.09)
TOTAL ASSETS	243,132	223,926	8.58
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders' equity	134,648	115,576	16.50
Interest-bearing debts	10,660	11,203	(4.85)
Provisions for pensions and similar obligations	346	286	20.98
Deferred tax liabilities	3,432	3,536	(2.94)
TOTAL current liabilities - of which:	94,046	93,325	0.77
Interests bearing debts	29,734	40,617	(26.79)
Trading liabilities	52,464	47,656	10.09
Provisions	4,259	4,450	(4.29)
Income tax payable	7,589	602	1160.63
TOTAL SHARE CAPITALS AND LIABILITIES	243,132	223,926	8.58

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;

Appendix – Investors release

13th of August 2015

Consolidated profit and loss account (Teraplast Group)

LEI thousand	June 30 th 2015	June 30 th 2014	▲ %
Turnover	164,112	138,395	18.58
Changes in inventories of finished goods and work in progress	1,848	3,462	(46.62)
Other operating revenues	363	386	(5.81)
Raw materials, consumables used and merchandise	(112,783)	(101,000)	11.67
Employee benefits expenses	(15,089)	(14,307)	5.47
Provisions, depreciation and amortization expenses	(8,526)	(8,503)	0.27
Profit/(Loss) from sales of tangible or intangible assets	36	(255)	113.98
Other expenses	(15,525)	(14,188)	9.42
Financial result	88	(766)	111.53
Group share of the profit and loss of the joint venture	1,769	1,098	61.17
Profit/(loss) before tax	16,293	4,322	276.99
Net Profit/(Loss)	14,025	4,526	209.88
Attributable to stockholders of the parent	13,821	4,309	220.75
Non-controlling interests	205	217	(5.85)
EBITDA	21,841	11,486	90.15

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

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

Appendix – Investors release

13th of August 2015

Consolidated balance sheet (Teraplast Group)

LEI thousand	June 30 th 2015	June 30 th 2014	▲%
ASSETS			
A. TOTAL noncurrent assets	163,449	161,796	1.02
I. Intangible assets	1,010	838	20.53
II. Tangible assets	133,440	134,347	(0.68)
III. Real estate investments	13,358	13,547	(1.40)
IV. Investments in a joint venture accounted for using the equity method	15,539	13,048	19.09
V. Other financial investments	16	16	0
VI. Deferred tax assets	129	-	-
B. TOTAL current assets – TOTAL	141,524	122,225	15.79
I. Inventories	49,860	51,440	(3.07)
II. Trade and other receivables	85,836	69,625	23.28
III. Income tax receivable	-	-	-
IV. Cash and bank accounts	5,828	1,160	402.41
C. Prepayments	662	759	(12.78)
TOTAL ASSETS	305,634	284,780	7.32
EQUITY AND LIABILITIES			
Capital attributable to stockholders of the parent	161,149	135,180	19.21
Non-controlling interests	3,389	3,085	9.85
Loans and finance lease liabilities	13,533	10,667	26.87
Liabilities for employee benefits	389	329	18.24
Investment subsidies –non-current portion	3,634	4,068	(10.67)
Deferred tax liabilities	4,447	4,710	(5.58)
TOTAL current liabilities, of which:	119,093	126,742	(6.04)
Loans and finance lease liabilities	36,181	56,353	(35.80)
Trade and other payables	76,736	64,810	18,40
Provisions	4,259	4,450	(4.29)
Income tax payable	1,476	667	121.29
Investment subsidies –current portion	441	462	(4.55)
TOTAL EQUITY AND LIABILITIES	305,634	284,780	7.32

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

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