COUNTY: BUCHAREST	TYPE OF COMPANY: JOINT STOCK COMPANY
LEGAL ENTITY: S.A. PREFAB S.A.	MAIN ACTIVITY
ADDRESS: STR. DR. IACOB FELIX, NR. 17-19, SECTOR 1, BUCHAREST	(group name NACE): MANUFACTURE OF CONCRETE PRODUCTS FOR CONSTRUCTION PURPOSES
PHONE: 021/3315034	NACE CODE: 2361
TRADE REGISTER REGISTRATION NO.: 40/9212/04.07.2003	TAX ID NUMBER: 1916198

SITUATION OF ASSETS, LIABILITIES AND EQUITY
on 30.09.2015

RON

Name of element		Row no.	Balance on: 1 January 2015	Balance on: 30 September 2015
A		B	1	2
A.	**FIXED ASSETS**			
	I. INTANGIBLE ASSETS			
	1. Development costs	01	0	0
	2. Concessions, patents, licenses, trademarks and similar rights and assets	02	306,943	281,510
	3. Goodwill	03	0	0
	4. Intangible assets in progress	04	0	0
	TOTAL (rows 01 to 04)	**05**	**306,943**	**281,510**
	II. TANGIBLE ASSETS			
	1. Land and buildings	06	161,955,521	157,440,664
	2. Technical installations and machines	07	55,807,486	52,311,934
	3. Other plant, equipment and furniture	08	499,676	431,232
	4. Real estate investments	09	2,928,503	2,928,503
	5. Tangible assets in progress	10	0	1,424,275
	6. Real estate investments in progress	11	0	0
	TOTAL (rows 06 to 11)	**12**	**221,191,186**	**214,536,608**
	III. Biological assets	**13**	**14,328**	**13,556**
	IV. FINANCIAL ASSETS			
	1. Shares in related parties	14	9,439,669	9,439,669
	2. Loans granted to entities in the group	15	0	0
	3. Shares in related parties and jointly controlled entities	16	0	0
	4. Loans granted to associated entities and jointly controlled entities	17	0	0
	5. Other long term investments	18	0	0
	6. Other loans	19	0	0
	TOTAL (rows 14 to 19)	**20**	**9,439,669**	**9,439,669**
	FIXED ASSETS – TOTAL	**21**	**230,952,126**	**224,271,343**
B.	**CURRENT ASSETS**			
	I. INVENTORIES			
	1. Raw materials and consumables	22	3,829,450	4,868,893
	2. Assets held for sale	23	552,904	0
	3. Work in progress	24	2,270,841	2,703,905
	4. Finished goods and goods purchased for resale	25	9,380,958	9,494,532
	TOTAL (rows 20 to 23)	**26**	**16,034,153**	**17,067,330**
	II. DEBTS			
	1. Trade receivables	27	33,543,094	36,128,427
	2. Advance payments	28	329,153	76,220
	3. Outstanding payments from related parties	29	0	0
	4. Outstanding payments from jointly controlled entities	30	0	0
	5. Debts from derivatives operations	31	0	0

	Name of element	Row no.	Balance on: 1 January 2015	Balance on: 30 September 2015
	A	B	1	2
	6. Other receivables	32	157,369	80,492
	7. Subscribed and paid in share capital	33	0	0
	TOTAL (rows 27 to 33)	**34**	**34,029,616**	**36,285,139**
	III. SHORT TERM INVESTMENTS	35	0	0
	IV. PETTY CASH AND BANK ACCOUNTS	**36**	369,587	498,348
	CURRENT ASSETS - TOTAL	**37**	**50,433,356**	**53,850,817**
C.	**ACCRUED EXPENSES**	**38**	6,182	414,964
D.	**DEBTS: AMOUNTS TO BE PAID IN LESS THAN ONE YEAR**			
	1. Debenture loans	39	0	0
	2. Amounts owed to credit institutions	40	39,173,159	29,136,485
	3. Advances received on orders in progress	41	1,562,679	1,890,719
	4. Trade creditors – suppliers	42	9,424,932	15,094,736
	5. Bills of exchange payable	43	0	0
	6. Debts from financial leasing	44	0	0
	7. Debts towards group entities	45	0	0
	8. Debts towards associated entities and jointly controlled entities	46	0	0
	9. Debts from derivatives operations	**47**	0	0
	10. Other debts, including tax payable and debts related to social insurance	**48**	896,626	1,282,811
	TOTAL (rows 39 to 48)	**49**	**51,057,396**	**47,404,751**
E.	**NET CURRENT ASSETS / NET CURRENT LIABILITIES (rows 37 + 38 - 49– 68)**	**50**	**-617,858**	**6,861,030**
F.	TOTAL ASSETS MINUS CURRENT LIABILITIES (rows 21+50)	51	230,334,268	231,132,373
G.	**DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR**			
	1. Debenture loans	52	0	0
	2. Amounts owed to credit institutions	53	16,356,490	17,332,614
	3. Advances received on orders in progress	54	0	0
	4. Trade creditors – suppliers	55	0	0
	5. Bills of exchange payable	56	0	0
	6. Debts from financial leasing	57	0	0
	7. Debts towards group entities	58	0	0
	8. Debts towards associated entities and jointly controlled entities	59	0	0
	9. Debts from derivatives operations	60	0	0
	10. Other debts, including tax payable and debts related to social insurance	61	759,849	717,142
	TOTAL (rows 52 to 61)	**62**	**17,116,339**	**18,049,756**
H.	**PROVISIONS**			
	1. Provisions for employees benefits	63	0	0

	Name of element		Row no.	Balance on: 1 January 2015	Balance on: 30 September 2015
	A		B	1	2
	2. Other provisions		64	0	0
	TOTAL (rows 63 to 64)		**65**	0	0
I.	**DEFERRED INCOME**				
	1. Investment subsidies		66	7,562,242	7,169,293
	2. Deferred income, of which		67	0	0
	Amounts to be recognized as income in less than one year		68	0	0
	Amounts to be recognized as income within a period exceeding one year		69	0	0
	Negative goodwill		70	0	0
	TOTAL (rows 66 + 67 + 70)		**71**	**7,562,242**	**7,169,293**
J.	**CAPITAL AND RESERVES**				
	I. CAPITAL				
	1. Subscribed and paid in share capital		72	24,266,709	24,266,709
	2. Subscribed and not paid in share capital		73	0	0
	3. Subscribed capital representing financial debts		74	**0**	**0**
	4. Adjustments of share capital	BC	75	**0**	**0**
		BD	76	**0**	**0**
	5. Other own capital	BC	77	**0**	**0**
		BD	78	**759,849**	**717,142**
	TOTAL		**79**	**23,506,860**	**23,549,567**
	II. PREMIUM RELATED TO CAPITAL		**80**	**14,305,342**	**14,305,342**
	III. REEVALUATION RESERVE		**81**	**125,207,389**	**123,393,976**
	IV. RESERVES				
	1. Legal reserve		82	4,192,217	4,192,217
	2. Statutory or contractual capital reserve		83	0	0
	3. Other reserves		84	29,621,437	30,719,324
	TOTAL (rows 82 to 84)		**85**	**33,813,654**	**34,911,541**
	5. Own shares		86	**0**	**0**
	Gains related to own capital		87	0	0
	Losses related to own capital		88	0	0
	V. RETAINED EARNINGS DUE TO THE ADOPTION OF IAS 29 FOR THE FIRST TIME	**Balance C**	**89**	**7,724,555**	**9,348,904**
		Balance D	**90**	**0**	**0**
	VI. RETAINED EARNINGS, EXCEPT RETAINED EARNINGS DUE TO THE ADOPTION OF IAS 29 FOR THE FIRST TIME	**Balance C**	**91**	**0**	**0**
		Balance D	**92**	**0**	**0**
	VII. PROFIT OR LOSS AT THE END OF REPORTING PERIOD	**Balance C**	**93**	**1,172,196**	**403,994**
		Balance D	**94**	**0**	**0**
	Profit appropriation		95	**74,309**	**0**
	OWN CAPITAL – TOTAL		**96**	**205,655,687**	**205,913,324**

Name of element		Row no.	Balance on: 1 January 2015	Balance on: 30 September 2015
A		B	1	2
	Public patrimony	97	0	0
	CAPITAL - TOTAL	**98**	**205,655,687**	**205,913,324**

Administrator,

Name and first name
MILUT PETRE MARIAN

Signature
Stamp of the unit

Drafted,

Name and first name: BOITAN DANIELA
Title: Chief Financial Officer

Signature

	STATEMENT OF INCOME AND EXPENSES			Financial year	
	Indicators		**Row no.**	**30.09.2014**	**30.09.2015**
	A		**B**	**1**	**2**
1.	**Net turnover (row 02+03-04+05+06)**		**01**	**45,525,394**	**58,511,115**
	Production sold (ac.701+702+703+704+705+706+708)		02	45,549,962	60,004,040
	Sale of goods purchased for resale (ac. 707)		03	111,975	4,613
	Trade discounts offered (ac. 709)		04	136,543	1,497,538
	Subsidies related to the turnover (ac.7411)		05	0	0
2.	Revenues associated with the costs of the production (ac.711+712)	Balance C	2,943,526	0	0
		Balance D	0	1,949,624	4,585,733
3.	Capitalized costs of tangible and intangible non-current assets (ac. 721+ 722)		08	9,393,654	1,522,506
4.	Other operating revenues (ac.758+7417+7815)		09	410,737	3,404,328
	OPERATING REVENUES - TOTAL		**10**	**58,273,311**	**68,023,682**
5.	a) Expenses related to raw materials and consumables (ac.601+602-7412)		11	24,268,078	29,084,584
	Other expenses related to materials (ac.603+604+606+608)		12	2,279,695	2,473,429
	b) Other external costs (electricity and water) (ac.605-7413)		13	7,019,184	13,238,387
	c) expenses related to goods for resale (ac.607)		14	76,730	63,886
	Trade discounts received (ac. 609)		15	63,739	155,340
6.	Personnel expenses, of which:		16	6,742,065	7,342,782
	a) Salaries and benefits (ac.641+642+643+644-7414)		17	5,105,731	5,852,981
	b) Social security contributions (ac.645-7415)		18	1,636,334	1,489,801
7.	a) Value adjustments in respect of tangible and nontangible assets		19	5,896,248	6,679,703
	a.1) Expenses (ac.6811+6813)		20	5,896,248	6,679,703
	a.2) Income (ac.7813)		21	0	0
	b) Value adjustments in respect of current assets		22	0	0
	b.1) Expenses (ac.654+6814)		23	987	0
	b.2) Income (ac.754+7814)		24	0	0
8.	Other operational expenses		25	9,451,194	9,105,370
	8.1. expenses related to external services provided (ac.611+612+613+614+621+622+623+624+625+626+627+628-7416)		26	7,378,645	4,785,115
	8.2. Other taxes, duties and similar expenses (ac.635)		27	1,411,906	1,456,219
	8.3. Other expenses (ac.652+658)		28	660,643	2,864,036
	Adjustments on provisions		29	0	0
	- Expenses (ac.6812)		30	0	0
	- Income (ac.7812)		31	0	0
	OPERATIONAL COSTS – TOTAL (row 13 to 16 - 17 +18 + 21 + 24 + 27 + 32)		**32**	**55,670,442**	**67,832,801**
	OPERATING PROFIT OR LOSS				
	- Profit		**33**	**2,602,869**	**190,881**
	- Loss		**34**	**0**	**0**

STATEMENT OF INCOME AND EXPENSES		Financial year	
Indicators	Row no.	30.09.2014	30.09.2015
A	B	1	2
9. Foreign exchange gains	35	146,215	80,846
10. Interest income (ac.766*)	36	2,763	4
- of which, income from group entities	37	0	0
Income from shares in subsidiaries	38	0	1,531,790
FINANCIAL INCOME - TOTAL	**39**	**148,978**	**1,612,640**
11. Value adjustments in respect of financial assets and of investments held as current assets	40	0	0
- Expenses (ac.686)	41	0	0
- Income (ac.786)	42	0	0
12. Interest expenses (ac.666*-7418)	43	1,882,906	1,393,555
- of which, expenses related to group entities	44	0	0
Other financial expenses (ac.663+664+665+667+668)	45	-197,663	-103,684
FINANCIAL EXPENSES - TOTAL	**46**	**1,685,243**	**1,289,871**
FINANCIAL PROFIT OR LOSS:			
- Profit	**47**	**0**	**322,769**
- Loss	**48**	**1,536,265**	**0**
13. **CURRENT PROFITUL OR LOSS:**			
- Profit	**49**	**1,066,604**	**513,650**
- Loss	**50**		
TOTAL INCOME	**51**	**58,422,289**	**69,636,322**
TOTAL EXPENSES	**52**	**57,355,685**	**69,122,672**
GROSS PROFIT OR LOSS:			
- Profit	**53**	**1,066,604**	**513,650**
- Loss	**54**		
14. **Current income tax (ac.691)**	**55**	**187,365**	**109,656**
15. **Deferred income tax (ac.692)**	**56**	**0**	**0**
16. **Other taxes not included above (ac.698)**	**57**	**0**	**0**
17. **NET PROFIT OR LOSS OF FINANCIAL YEAR:**			
- Profit	**58**	**879,239**	**403,994**
- Loss	**59**	**0**	**0**

Administrator,

Name and first name
MILUT PETRE MARIAN

Signature
Stamp of the unit

Drafted,

Name and first name: BOITAN DANIELA
Title: Chief Financial Officer

Signature

I. Data on the recorded result	**Row no.**	**Unit no.**	**Amounts**	
A	B	1	2	
Units with recorded profit:	01	0	**403,994**	
Units with recorded loss:	02	1	0	
Units with no profit or loss	03	0	0	
II. Data on outstanding payments:	**Row no.**	**Total, of which**	**For current activity**	**For investing activities**
A	B	1=2+3	2	3
Outstanding payments –, of which:	04	0	0	0
Outstanding accounts payable – total, of which:	05	0	0	0
- after 30 days	06	0	0	0
- after 90 days	07	0	0	0
- after 1 year	08	0	0	0
Back payments to the national insurance fund – total, of which:	09	0	0	0
- social securities contributions owed by employers, employees and other similar persons	10	0	0	0
- contributions to health insurance	11	0	0	0
- contribution to supplementary pension	12	0	0	0
- contribution to unemployment fund	13	0	0	0
- other personnel-related debts	14	0	0	0
Outstanding liabilities towards special funds	15	0	0	0
Outstanding liabilities towards other creditors	16	0	0	0
Taxes not paid to the state budgets in due time	17	0	0	0
Taxes not paid to the local budgets in due time	18	0	0	0
Bank credits not reimbursed at maturity – total, of which:	19	0	0	0
- overdue after 30 days	20	0	0	0
- overdue after 90 days	21	0	0	0
Overdue after 1 year	22	0	0	0
Outstanding interest	23	0	0	0

III. Average number of employees	**Row no.**	**30.09.2014**	**30.09.2015**
A	B	1	2
Average number of employees	24	307	328

The actual number of employees at the end of the period, meaning 30 September	25	345	377
IV. Payment of interests and royalties	**Row no.**	**Amounts (lei)**	
A	B	1	
Gross revenues from interests paid by Romanian legal persons to legal persons non-resident in the member states of the European Union, of which:	26	0	
- tax due to the state budget	27	0	
Gross revenues from interests paid by Romanian legal persons to related legal persons non-resident in the member states of the European Union, of which:	28	0	
- tax due to the state budget	29	0	
Gross revenues from interests paid by Romanian legal persons to related legal persons non-resident, of which:	30	0	
- tax due to the state budget	31		
Gross revenues from interests paid by Romanian legal persons to legal persons non-resident in the member states of the European Union, of which:	32	0	
- tax due to the state budget	33	0	
Gross revenues from dividends paid by Romanian legal persons to legal persons non-resident, of which:	34	0	
- tax due to the state budget	35	0	
Gross revenues from dividends paid by Romanian legal persons to legal persons non-resident, according to art.117 (h) of Law 571/2003 on the Tax Code, as amended and completed, of which:	36	0	
- tax due to the state budget	37	0	
Gross revenues from royalties paid de by Romanian legal persons to related legal persons non-resident in the member states of the European Union, of which:	38	0	
- tax due to the state budget	39	0	
Gross revenues from royalties paid de by Romanian legal persons to legal persons non-resident, of which:	40	0	
- tax due to the state budget	41	0	
Royalties paid within the reporting period for public property goods received in concession, of which:	42	112,666	
-royalties for public property goods paid from the state budget	43	5,850	
Mining royalty paid	44	106,816	
Gross revenues from services paid by Romanian legal persons to persons non-resident, of which:	45	0	
- tax due to the state budget	46	0	
Gross revenues from services paid by Romanian legal persons to persons non-resident in the	47	0	

member states of the European Union, of which:			
- tax due to the state budget	48	0	
Subsidies collected during the reporting period, of which:	49	0	
-subsidies collected during the reporting period related to assets	50	0	
-subsidies related to revenues, of which:	51	0	
-subsidies to stimulate employment	52	0	
Outstanding receivables not collected within the commercial terms stipulated in commercial contracts and/or normative documents, of which:	53	0	
-Overdue receivables from entities in the majority or wholly state-owned sector	54	0	
-Overdue receivables from private sector entities	55	0	
V. Lunch vouchers	**Row no.**	**Amounts (lei)**	
A	B	1	
Counter value of lunch vouchers granted to employees	56		
VI, Research and development costs, of which:	**Row no.**	**30.09.2014**	**30.09.2015**
A	B	1	2
Research and development costs, of which:	57	0	0
- from public funds	58	0	0
- from private funds	59	0	0
VII. Innovation expenses:	**Row no.**	**30.09.2014**	**30.09.2015**
Innovation expenses – total, of which:	60	0	0
- innovation expenses completed during the period	61	0	0
- innovation expenses to be completed during the period	62	0	0
- innovation expenses abandoned during the period	63	0	0
VIII. OTHER INFORMATION	**Row no.**	**30.09.2014**	**30.09.2015**
A	B	1	2
Advance payments for intangible non-current assets	64	0	0
Advance payments for tangible non-current assets	65	0	0
Financial assets, in gross amounts, of which:	**66**	**9,439,669**	**9,439,669**
Investments in related parties, investments in associates, other long term investments, in gross amounts, of which:	67	9,439,669	9,439,669
- listed shares issued by residents	68		
- unlisted shares issued by residents	69	9,420,750	9,420,750

- shares issued by residents	70	0	0
- bonds issued by residents	71	0	0
- shares issued by undertakings for collective investment issued by residents (including SIF)	72	0	0
- shares issued by non-residents	73	18,919	18,919
- bonds issued by non-residents	74	0	0
Long term receivables, in gross amounts, of which:	**75**	**0**	**0**
- long term receivables in lei and expressed in lei, whose settlement is based on a foreign currency rate (of ac. 267)	76	0	0
- long term receivables in foreign currency (ac. 267)	77		
Trade receivables, advance payments granted to suppliers and other similar accounts, in gross amounts (ac. 4092 + 411 + 413 + 418)	**78**	**37,828,642**	**36,960,977**
Receivables related to personnel and similar accounts (ac. 425 + 4282)	**79**	**5,373**	**0**
Receivables related to social insurance budget and state budget (ac. 431 + 437 +4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482)	**80**	**142,325**	**70,405**
Receivables of entity in relationship with affiliated entities (ac. 451)	**81**	**0**	**0**
Other receivables (ac. 451 + 453 + 456 + 4582 + 461 + 471 + 473)	**82**	**5,574**	**10,087**
Interest receivable (ac. 5187)	83	0	0
Short term investments, in gross amounts (ac. 501 + 505 + 506 + of ac.508), of which	84	0	0
- listed shares issued by residents	85	0	0
- unlisted shares issued by residents	86	0	0
- shares issued by residents	87	0	0
- bonds issued by residents	88	0	0
- shares issued by undertakings for collective investment issued by residents (including SIF)	89	0	0
- shares issued by non-residents	90	0	0
- bonds issued by non-residents	91	0	0
Other outstanding lodgments (ac. 5113 + 5114)	92	0	0
Petty cash in lei and in foreign currencies, of which	**93**	**2,067**	**319**
- in lei (ac. 5311)	94	2,067	319
- in foreign currencies (ac. 5314)	95	0	0
Cash at bank in lei and in foreign currencies, of which	**96**	**418,890**	**498,029**
- in lei (ac. 5121)	97	237,562	342,512
- in foreign currencies (ac. 5124)	98	181,328	155,517
Other current bank accounts and letters of credit, of which	**99**	**0**	**0**
- amounts under settlement, letters of credit and other outstanding lodgments, in lei (ac. 5112 +	100	0	0

5125 + 5411)			
- amounts under settlement and letters of credit in foreign currency (ac. 5125 + 5412)	101	0	0
Debts, of which:	**102**	**70,660,509**	**65,454,507**
- Debenture loans and related interest, in gross amounts (ac. 161 + 1681)	103	0	0
- in lei	104	0	0
- in foreign currency	105	0	0
- Domestic short-term bank loans and related interest (ac. 5191 + 5192 + 5197 + of ac. 5198), of which	**106**	**38,437,068**	**29,136,485**
- in lei	107	38,437,068	29,136,485
- in foreign currency	108	0	0
- Foreign short-term loans and related interest (ac. 5193 + 5194+ 5195 + of ac. 5198), of which	109	0	0
- in lei	110	0	0
- in foreign currency	111	0	0
- Long-term bank loans and related interest (ac. 1621 + 1622 + 1627 + of ac. 1682) of which	**112**	**17,208,929**	**17,332,614**
- in lei	113	0	7,250,000
- in foreign currency	114	17,208,929	10,082,614
- Foreign long-term loans (ac. 1623 + 1624 + 1625 + of ac. 1682) (88+89)	115	0	0
- in lei	116	0	0
- in foreign currency	117	0	0
- State Treasury loans (ac. 1626 + ac. 1682)	118	0	0
- Other loans and related interest (ac. 166 + 167 + 1685 + 1686 + 1687)	**119**	**0**	**0**
- in lei and expressed in lei, whose settlement is based on a foreign currency rate	120	0	0
- in foreign currency	121	0	0
- Trade creditors, advance payments received from customers and other similar accounts, in Gross amounts (ac. 401 + 403 + 404 + 405 + 408 + 419)	**122**	**12,857,035**	**16,985,455**
- Liabilities related to personnel and similar accounts (ac. 421 + 423 + 424 + 426 + 427 + 4281)	**123**	**510,334**	**548,095**
- Liabilities related to social insurance budget and state budget (ac. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481)	**124**	**1,537,061**	**1,344,610**
- Liabilities of entity in relationship with affiliated entities (ac. 451)	**125**	**0**	**0**
- Amounts owed to shareholders (ac. 455)	**126**	**0**	**0**

- Other debts (ac. 451 + 453 + 455 + 456 + 457 + 4581 + 462 + 472 + 473 + 269 + 509)	**127**	**110,082**	**107,248**
- Accrued interest payable (ac. 5186)	**128**	**0**	**0**
Subscribed and paid in share capital (ac. 1012) of which,	**129**	**24,266,709**	**24,266,709**
- quoted shares	130	24,266,709	24,266,709
- unquoted shares	131		
- shares	132		
- subscribed and paid in share capital by persons non-resident (ac. 1012)	133		
Patents and licenses (ac. 202)	134		
IX. Information related to externally contracted manpower	**Row no.**	**30.09.2014**	**30.09.2015**
A	B	1	2
Externally contracted manpower (ac. 621)	135	0	0

Administrator,

Name and first name
MILUT PETRE MARIAN

Signature
Stamp of the unit

Drafted,

Name and first name: BOITAN DANIELA
Title: Chief Financial Officer

Signature

Statement of S.C. PREFAB S.A. Board of Administration

S.C. PREFAB S.A. Board of Administration states hereby that it is liable for the financial statements issued on September 30th, 2015.

Subject to the financial statements issued on September 30th, 2015, S.C. PREFAB S.A. Board of Administration confirms the followings:

a) The financial statements at September 30th, 2015 are issued according to the International Financial Reporting Standards as they were adopted by European Union.

b) The accounting policies used to issuing the financial statements at September 30th, 2014 are according to the applicable accounting regulations.

c) The financial statements issued on September 30th, 2015 offer an accurate image about financial position, financial performance and other information subject to the activity performed.

d) The company performs its activity under continuity conditions.

The statement hereby is according to the provisions of art.30 from Accounting Law no.82/1991 republished.

Board of Administration
President



eng. Milut Petre Marian

ECONOMIC AND FINANCIAL INDICATORS

Indicator	Calculation method	Result
1. Quick Ratio	**Current assets/Current liabilities**	**=53,850,817/47,404,751=1.14**
2. Indebtedness	**Borrowed capital (t0+t1)/Owner's equity (t0=t1)**	**[(68,173,735+65,454,507)/2]/ [(205,655,687+205,913,324/2] =0.32**
3. Days sales outstanding (DSO)	**Accounts receivables/net credit sales x 270**	**[(34,029,616+36,285,139)/2] / 58,511,115x270=162**
4. Fixed-asset turnover	**Net revenue/Fixed assets**	**58,511,115/224,271,343=0.26**

Department of Accounting,
Ec. Bratu Elena- Anca

Quarterly Report according to C.N.V.M. regulations no.1/2006
3rd QUARTER 2015
Date of report 2015

S.C. PREFAB S.A.
Head office: Bucharest
Phone number: 0242/311715; fax: 0242/318975
Trade Register Registration Number: J40/9212/2003
Tax ID number: RO 1916198

1. Economic and financial statement

a. STATEMENT OF FINANCIAL POSITION

	31 December 2014	30 September 2015
Tangible assets	218,262,683	211,608,105
Intangible assets	306,943	281,510
Property investments	2,928,503	2,928,503
Available-for-sale financial assets, of which:	9,439,669	9,439,669
Investments in related companies	9,439,669	9,439,669
Biological assets	14,328	13,556
FIXED ASSETS - TOTAL	**230,952,126**	**224,271,343**
Stocks	16,034,153	17,067,330
Trade receivables and other receivables	34,029,616	36,285,139
Cash and equivalents	369,587	498,348
Other assets (accrued expenses)	6,182	414,964
CURRENT ASSETS - TOTAL	**50,439,538**	**54,265,781**
1. ASSETS - TOTAL	**281,391,664**	**278,537,124**

Share capital	24,266,709	24,266,709
Adjustments in share capital	0	0
Other own share capital	(759,849)	(717,142)
Share premium	14,305,342	14,305,342
Revaluation reserves	125,207,389	123,393,976
Reserves	33,813,654	34,911,541
Retained earnings, except retained eranings due to the adoption of IAS 29 for the first time	7,724,555	9,348,904
Retained earnings due to the adoption of IAS 29 for the first time	0	0
Profit at the end of reporting period	1,172,196	403,994
Profit appropriation	(74,309)	0
2. OWN CAPITAL - TOTAL	**205,655,687**	**205,913,324**
Long-term loans	16,356,490	17,332,614
Deferred income tax liability	759,849	717,142
LONG-TERM RECEIVABLES - TOTAL	**17,116,339**	**18,049,756**
Trade receivables and other receivables	11,705,728	18,158,610
Short term loans	39,173,159	29,136,485
Current income tax liability	178,509	109,656
SHORT TERM LIABILITIES - TOTAL	**51,057,396**	**47,404,751**
Investments subsidies, of which:	**7,562,242**	**7,169,293**
3. LIABILITIES - TOTAL	**281,391,664**	**278,537,124**

b. STATEMENT OF INCOME AND EXPENSES

	30 September 2014	30 September 2015
1.1. NET TURNOVER	**45,525,394**	**58,511,115**
1.2.Variation in stocks of finished goods and in work in progress	2,943,526	4,585,733
1.3.Capitalized costs of tangible non-current assets	9,393,654	1,522,506
1.4.Other revenues	410,737	3,404,328
1. OPERATING REVENUES - TOTAL	**58,273,311**	**68,023,682**
2.1.Raw materials and used consumables	24,268,078	29,084,584
2.2.Other supplies expenses	2,279,695	2,473,429
2.3.Other external costs (energy and water)	7,019,184	13,238,387
2.4.Expenses related to goods	76,730	63,886
2.5.Trade discounts received	(63,739)	(155,340)
2.6.Personnel expenses	6,742,065	7,342,782
2.6.1. Salaries and benefits	5,105,731	5,852,981
2.6.2.Social security contributions	1,636,334	1,489,801
2.7.Value adjustments in respect of tangible, nontangible assets, property investments and biological assets valued at cost		
2.7.1.Expenses	5,896,248	6,679,703
2.7.2.Income	5,896,248	6,679,703
2.8.Value adjustments in respect of current assets	0	0
2.8.1.Expenses	987	0
2.8.2.Income	987	0
2.9.Other operational expenses	9,451,194	9,105,370
2.9.1.Expenses related to external services provided	7,378,645	4,785,115
2.9.2.Other taxes, duties and similar expenses	1,411,906	1,456,219
2.9.3.Other expenses	660,643	2,864,036

2. OPERATIONAL COSTS - TOTAL	**55,670,442**	**67,832,801**
3. OPERATING PROFIT OR LOSS	**2,602,869**	**190,881**
4.1.Other financial income	146,215	1,612,636
4.2.Interest income	2,763	4
4. Financial income	**148,978**	**1,612,640**
5.1.Interest expenses	1,882,906	1,393,555
5.2.Other financial expenses	(197,663)	(103,684)
5. FINANCIAL EXPENSES	**1,685,243**	**1,289,871**
6. FINANCIAL PROFIT OR LOSS	**(1,536,265)**	**322,769**
7. TOTAL INCOME	**58,422,289**	**69,636,322**
8. TOTAL EXPENSES	**57,355,685**	**69,122,672**
9. GROSS PROFIT	**1,066,604**	**513,650**
10. Income tax	**187,365**	**109,656**
11. NET PROFIT	**879,239**	**403,994**

EXPLANATORY NOTES

For PREFAB SA, the year of 2015 has started favorably compared to the last 2 years. Beyond the seasonal nature of the activity, all branches of the company have started again the production activity in February 2015.

The turnover on 30.09.2015 was 58,511,115 lei, compared to 45,525,394 lei recorded on 30.09.2014, which is a significant valuation, given that the gross profit recorded on 30.09.2015 was 513,650 lei.

The value of fixed assets decreased by 6,680,783 lei, from 230,952,126 lei (31.12.2014) to 224,271,343 lei (30.09.2015), mainly due to the effect of amortization but also to the alienation of some assets (unproductive) which were not cotributing to achieve the object of activity,

the resources obtained being used in prepayment of loans contracted and reduction of indebtedness to financial institutions.

The value of current assets increased by 3,417,461 lei from 50,433,356 lei (31.12.2014) to 53,850,817 lei (30.09.2015) – precisely because of resuming the production activity starting with February 2015 in conjunction with the increase of turnover by the amount of 12,985,721 lei – from **45,525,394** lei (30.09.2014), to **58,511,115** lei (30.09.2015); these values were determined by increasing the volume of sales after implementing a new marketing strategy, given that the building materials market is still unstable, characterized by insufficient demand and lack of liquidity in construction area.

The operating result on 30.09.2015 is 190,881 lei compared to 2,602,869 lei achieved on 30.09.2014, decreasing as compared to the same period in the previous year. The current economic context is still characterized by excessive taxation, increased costs on natural gas, iron, cement and other raw materials given that the selling price of the company's products did not undergo significant changes.

The financial result on 30.09.2015 is 322,769 lei, compared to -1,536,265 lei (loss) realized in the same period of 2014, recording a valuation in terms of exchange rate of Romanian leu against Euro, mainly determined by the decrease of company indebtedness but also the income from distribution of dividends from Prefab Invest SA company, where Prefab SA owns 99.9% of the share capital.

During 2015 there have been no merger or significant reorganization of the company nor have been alienated main assets of the company.

On 30.09.2015 were realized total revenues in the amount of 69,636,322 lei, representing 119.19% compared to revenues realized in the same period of 2014, and total expenses of 69,122,672 lei, representing 120.51% compared to the expenses incurred in the same period of 2014. In these circumstances, the gross result is 513,650 lei, down compared to the result recorded in the same period of 2014.

2. Analysis of the company's business

2.1. Specify and analyze all the events and uncertainty factors that affect or could affect the company's liquidity, compared to the same period of last year.

During 2015, there were different risks but they were predictable and properly managed by the company administration, thus this situation did not generate substantial additional costs.

The company is subject to the following risks:
• Credit risk
• Liquidity risk
• Market risk
• Foreign exchange risk
• Operational risk
• Risk related to balancing costs
• Tax risk

Credit risk

Credit risk is the risk that the company will incur a financial loss as a result of failure to fulfil contractual obligations by a customer or counterparty to a financial instrument, and this risk mainly results from trade receivables.

The company's exposure to credit risk is mainly influenced by the individual characteristics of each customer and country in which it operates. Most corporate customers operate in Romania.

The main financial instruments used by the company from which arise risks related to financial instruments are:

- Trade receivables and other receivables
- Cash and cash equivalents
- Investments in unquoted related parties, classified according to IAS 39 in 'available-for-sale financial assets'
- Trade creditors and other debts

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting obligations associated to liabilities that are settled in cash or by transfer of another financial asset. The approach of the company regarding the liquidity risk is to ensure, if possible, that it always holds sufficient liquidities to meet liabilities when they become due, both under normal and

stress conditions, without incurring unacceptable losses or endangering the company's reputation.

The company has long-term loans.

To counter this risk factor, the company applied restrictive policies of products delivery to uncertain customers. A main role was played by the company policy to require advance payments in some cases for the delivered products and a careful selection of new customers depending on their creditworthiness and financial discipline. They requested quarantees in relation to delivery contracts and they tried to reduce the number of days specified in the contract for the claims payment by company customers. There were extended the security contracts with mortgage in favor of banks with which we have open credit lines and letters of guarantee so that we can honour our obligations in the event of shortfalls.

Market risk

Market risk is the risk that variation in market prices, such as foreign exchange rate, interest rate and also market demand affects the company's revenues.

Market risk – instability in the outlet market for construction materials, characterized by a significant drop in demand, risk also prevented through market researches and marketing policies. The risk of price volatility in the electricity, gas, metals, oil, prevented by finding new suppliers or renegotiating contracts with traditional suppliers.

Interest-rate risk exposure

The company's exposure to the risk of changes in interest rate relates primarily to loans bearing floating interest rate that the company has in the long term.

Interest rate risk management

In order to manage interest rate risk, the company's liabilities are analyzed in terms of fixed and variable rate borrowings of currencies and maturities.

Market risk – instability in the outlet market for construction materials, characterized by a significant drop in demand, risk also prevented through market researches and marketing policies. The risk of price volatility in the electricity, gas, metals, oil, prevented by finding new suppliers or renegotiating contracts with traditional suppliers.

Foreign exchange risk

The company has transactions and loans in a currency other than the functional one (RON).

Transactions made in foreign currencies are converted in lei at the exchange rates at the transaction date.

Foreign exchange risk have been generally prevented by proper management during the present economic crisis.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide range of causes associated to processes, personnel, technology and company infrastructure, and also from external factors, other than credit, market and liquidity risks, such as those coming from legal and regulatory requirements and generally accepted standards regarding organizational behavior. The company is exposed to the risk of disasters. In these conditions, the company acted to conclude insurance policies against disasters that protect company assets.

Operational risks arise from all the company operations. The main responsibility of developing and implementing operational risk controls belongs to the unit management. Responsibility is supported by the development of Company generated standards for the management of operational risk in the following areas:

• Requirements for segregation of duties
• Compliance with legal and regulatory requirements
• Documentation of controls and procedures
• Requirements for periodic review of operational risk the company is exposed to and the adequacy of controls and procedures to prevent the risks identified
• Requirements for reporting operational losses and proposals to remedy the causes that generated them
• Development of business continuity plans
• Development and professional training
• Establishment of ethical standards
• Prevention of litigation risks, including insurance where applicable
• Risk mitigation, including the efficient use of insurance where applicable.

Risk related to balance costs

This risk is specific to the activity on the production and sale of electricity and is generated by any unrealistic forecasting of quantities and schedule volumes of energy delivery that may have impact on the financial

statement by the occurrence of additional balancing costs. It is estimated that this risk is reduced due to forecasting work carried out by the special department of the entity.

Tax risk

As of 1st January 2007, following the accession of Romania to the European Union, the company had to comply with EU regulations and therefore has prepared for the application of the changes to European legislation.

The company has implemented these changes, but the way of implementation remains open to tax audit for 5 years and even 7 years starting with 2009.

The interpretation of texts and practical implementation of procedures of new applicable tax regulations harmonized with European legislation may vary from entity to entity, and there is the risk that in some cases the tax authorities adopt a different position from that of the company.

It is likely that the company continues to be subject to the tax controls once the new tax rules are being issued.

2.2. Specify and analyze the effects of all capital expenditures, current or anticipated, on the company, compared to the same period of last year.

The modernization of existing production capacities, the acquisition of new equipment and means of transport, the expansion of outlet markets and scope of activity, the improvement of work microclimate, the automation of technological processes will increase labor productivity and thus the economic result of the company.

Investments were made from own and borrowed sources.

2.3. Specify and analyze the economic changes that significantly affect revenues from the basic activity.

Among the factors that exerted a negative influence on the company results, we mention:

- Excessive taxation continued also during 2015;
- Higher prices for some raw materials;
- Emphasis of macroeconomic imbalances with negative impact on outlet markets;
- The entry on the domestic market of some similar products to those imported by the company (fiber tubes – brick).
- Inconstancy in the legislative field

- Excessive bureaucracy in obtaining approvals and permits required for operation.

3. Changes affecting the company share capital and management.

Not applicable.

3.1. Describe any case in which the company was unable to meet its financial liabilities during that period.

Not applicable.

3.2. Describe any change in the rights of security holders issued by the company.

Not applicable.

5. Significant transactions

For share issuers, information about major transactions concluded by the issuer with the persons acting in a concerted way or in which these persons were involved during the relevant period.

Not applicable.

President of Board of Directors,
Eng. Milut Petre Marian

Chief Financial Officer,
Ec. Boitan Daniela