

PRESS RELEASE

Teraplast Group – sales will exceed EUR 100 de million in 2016

Bistrita, March 29th 2016 – Teraplast Group (TRP), the largest PVC processor in Romania established in 1896, aims in 2016 to significant increases in all business lines, while in 2015 the Group achieved the best results in its history.

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

Thousand, lei/ Thousand, EUR	2016	2016	2015	2015	▲%	2014	▲% 2015 vs 2014
Turnover	473,241	106,346	393,542	88,536	20%	329,487	19%
Total expenses	433,709	97,463	380,628	85,631	14%	329,606	15%
EBITDA	70,524	15,848	58,994	13,272	20%	35,335	67%
Net profit	44,707	10,046	35,247	7,930	27%	15,969	121%

The consolidated budget for 2016, which will be submitted for approval in the General Meeting of Shareholders, aims a turnover of **473.2 million lei**, increasing by 20% as compared to 2015. The budgeted net profit for this year has the value of **44.7 million lei**, increasing by 27% as compared to the figure accomplished in 2015.

Alexandru Stanean, CEO Teraplast: „Same as last year, in 2016 we set out an ambitious sales budget, because we are optimistic both regarding the evolution of the markets we are present on, and also regarding the commercial strategy of increasing market share by developing the products portfolio, started last year. We managed to develop strategic partnerships with suppliers of products and services, complementary to the basic products portfolio, produced by Teraplast and we aim to offer our clients complete solutions for their needs in constructions and installations. What we accomplished in 2015 is a solid ground for 2016, therefor we are confident that we can achieve the figures submitted for approval of the GMS. However there are some uncertainties, given that, although the European Union budget is effective by two years, we still don't have major environment infrastructure works started on this budgetary exercise. On the environment infrastructure we are still working on the former budget projects”.

Muresan, Nonexecutive Director Teraplast: „I found at Teraplast a motivated, dynamic and experienced management team. Alongside the shareholders which are very focused on business development, will make of 2016 a successful year for Teraplast Group”.

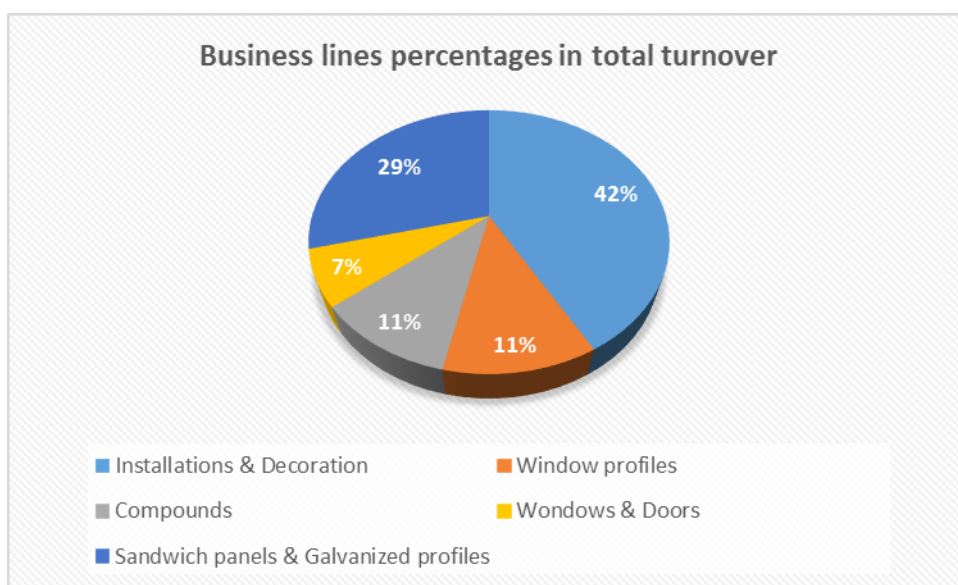
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Teraplast Group realized last year a consolidated turnover of 393.5 million lei, increasing by almost 20% as compared to 2014. The evolution of the **Group's turnover** was supported on one hand by the evolution of some segment of the construction market, and on the other hand due to the gain of internal market share, in the context in which the evolution of the business lines was above that of the relevant markets.

The net profit realized by Teraplast Group in 2015 was of **35.2 million lei**, as compared to 15.9 million lei, the value obtained in 2014. The evolution of the consolidated net profit was the result of a sustained process of operational performance improvement.

Premises of development on business lines in 2016:



Installations & Decoration business line includes sewage systems, supply and distribution systems for water and gas, interior sewage systems, rainwater and sewage management systems, interior design systems, electrical networks and individual connections to utilities systems.

This line of business has had a share of 42% in the consolidated turnover of Teraplast Group in 2015. In 2016 we rely mainly on the environmental infrastructure works (sewerage and water supply), where, although at the moment we don't have clear perspectives on the projects with European financing in the financial exercise 2014-2020, there are until June ongoing projects in which Teraplast is involved as supplier. In 2016 we also rely on the development of Teraplast presence on the interior sewage market, which we estimate will increase given that the residential segment indicates increases mainly on the new construction area.

Windows Profiles business line includes profile systems with 4, 6 and 7 chambers and constructive widths between 60 and 88 mm. This line of business has a share of 11% in the consolidated turnover of Teraplast Group and by 2016 we plan to improve the distribution on the domestic market, in order to increase the market share, and also to develop our presence in foreign markets.

Currently, Teraplast works with over 200 partners, which are producing PVC windows & doors by using our systems. In the last 5 years Teraplast gained market share from less than 1% to 10%.

Compounds business line includes plasticized and rigid compounds with applications in the processing industry for extrusion and injection. This division represents 11% of the Teraplast Group's consolidated turnover and for 2016 we plan to increase our share on the domestic market, but also to develop our presence in foreign markets.

On the segment of compounds, Teraplast is the leader on the domestic market with a share of over 30%, and delivers to the most important manufacturers of cables in Romania. In 2016 Teraplast aims to increase the turnover by capitalizing the investment in the new production capacities, cashing in the opportunities offered both by domestic and also by foreign markets.

Windows and doors business line includes windows and doors systems made with ecologic profiles with 4, 6, and 7 chambers. This business line represents 7% of the Teraplast Group's consolidated turnover.

Starting with April 2015 this business line was transferred from Teraplast to a separate entity – company Teraglass. These company is 100% own by the parent company Teraplast.

In 2015, over 75% of the Teraglass's turnover was generated by the foreign markets sales, from Germany, Austria, Hungary, Slovenia or Italy. On the foreign markets the company mainly works with the DIY stores, but after the 2015 spin-off, Teraglass also approaches the external dealers.

Sandwich panels and galvanized profiles business line

Plastsistem is one of the most important producer of complete systems for industrial spaces, logistic and storage spaces and commercial spaces. The company produces both sandwich panels and galvanized profiles of type Z, C, U or Sigma with sections high between 100 and 400 mm and widths from 1 to 4 mm, and this line of business represents 29% of the Teraplast Group's consolidated turnover.

We estimate that in 2015, Plastsistem had become the leader of the galvanized profiles market, with a market share of 30%. At the end of 2015 Plastsistem was among the first players in the sandwich panels market, and the strategy for 2016 aims to maintain the domestic market shares and to increase the foreign market shares.

Teraplast Group details:

With a tradition of 120 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.

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