



QUARTERLY REPORT

QUARTER I - 2017

ACCORDING TO REGULATION NO. 1/2006 OF THE ROMANIAN NATIONAL SECURITIES COMMISSION

SC TRANSILVANIA CONSTRUCȚII SA**Cluj Napoca, Strada Tăietura Turcului, nr. 47, etaj 3****Phone/Fax: 0264/416597; 0264-592229;****Trade Register Registration No. J12/8/1991****Tax Identification Code: RO 199044;****Subscribed and paid up capital: RON 26,391,783;**

Shares are traded on Bucharest Stock Exchange, standard category.

In the first three months of 2017 the share capital did not change.

In the first quarter of the financial year 2017, the company did not carry out significant transactions, the business being carried out normally.

1. Individual interim financial statements, prepared in accordance with the international financial reporting standards (applicable to interim financial reporting)

a) Statement of the financial position for March 31, 2017 - in RON

in RON	March 31, 2017	December 31, 2016
ASSETS		
Tangible assets	13,571,049	13,187,643
Investment properties	164,488,925	157,877,223
Intangible assets	18,292	21,293
Held-to-maturity investments	4,579,835	4,534,235
Long-term trade and similar receivables	10,738,186	8,993,358
Total fixed assets	193,396,287	184,613,752
Inventories	1,121,216	326,090
Short-term trade receivables	2,520,110	4,662,219
Other receivables	5,320,477	4,519,399
Accrued expenses	656,651	31,162
Cash and cash equivalents	3,530,526	2,684,550
Total current assets	13,148,980	12,223,420

TOTAL ASSETS	206,545,267	196,837,172
SHAREHOLDERS' EQUITY		
Share capital	26,391,783	26,391,783
Share capital adjustment	27,019,805	27,019,805
Reserves	6,614,889	6,593,780
Retained earnings	34,259,009	33,948,502
Own shares	-104,544	-104,544
Total shareholders' equity	94,180,942	93,849,326
LIABILITIES		
Long-term loans	81,950,416	75,506,191
Deferred income tax liabilities	11,458,997	11,479,691
Long-term provisions	83,126	83,126
Total Long-term liabilities	93,492,539	87,069,008
Trade payables	9,207,500	6,290,618
Short-term loans	8,009,853	8,156,211
Short-term provisions	0	0
Other payables	1,654,433	1,472,009
Total current liabilities	18,871,786	15,918,838
TOTAL LIABILITIES	112,364,325	102,987,846
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	206,545,267	196,837,172

b) Statement of comprehensive income for March 31, 2017 - in RON

in RON	March 31, 2017	March 31, 2016
Income from turnover	6,119,832	5,304,168
Other operating income	36,629	70,095
Changes in inventories of finished goods and work in progress	0	221
Total operating income	6,156,461	5,374,484
Expenses related to raw materials and consumables	890,100	987,085
Expenses related to services provided by third parties	745,533	514,671
Personnel related expenses	607,984	321,169
Amortization and depreciation expenses	2,301,608	1,763,434

Provision expenses	0	-43,705
Goods-related expenses	12,221	15,457
Other operating expenses	272,331	261,747
Total operating expenses	4,829,777	3,819,858
Operating income	1,326,684	1,554,626
Financial income	2,018	542,892
Interest expenses	689,240	589,103
Other financial expenses	217,265	0
Total Financial expenses	906,505	589,103
Financial loss	-904,487	-46,211
Profit before tax	422,197	1,508,415
Income tax expenses	111,276	266,765
Deferred tax revenue	20,694	21,148
Net profit of the period	331,615	1,262,798
Other items of comprehensive income	0	0
COMPREHENSIVE INCOME OF THE PERIOD	331,615	1,262,798
Income per share		
Basic	0.41	1.58
Diluted	0.41	1.58

Selected explanatory notes

Assets purchased and alienated

In the first three months of 2017, the company made the following purchases of fixed assets (purchased from third parties or made under private ownership)

1. Fixed Assets Received:

Asset type	Asset name	Value-RON	Transaction
Equipment and machinery	Car	804,878	New investment
Total investments made		804,878	

During the period January 1, 2017 - March 31, 2017 a series of fixed assets (IT equipment) came out of the company's patrimony, by decommissioning. The value of these decommissioned assets was RON 8,083.

Transactions with related parties

The Company has as related parties the following companies:

1. SC Melisa Prod SRL, with the registered office in Cluj Napoca, strada Orastiei, nr 10, judetul Cluj, Single Registration Number: RO 17597400, J12/1857/2005.

The share capital of the company consists of 20 shares of which 19 shares are held by SC Transilvania Constructii SA and one share is held by Mr. Timofte Andrei.

Starting from 2011, this company did not carry out any activity.

During the period January 1, 2017 - March 31, 2017 the company did not carry out transactions with SC Melisa Prod SRL.

2. SC Brieta Industrial Com SRL, with the registered office in Cluj-Napoca, strada Meseriilor, nr 27, Judetul Cluj, Single Registration Number RO 6839037, J12/4795/1994. The company has a share capital in the amount of RON 17,480 consisting of 1,748 shares held as follows:

874 shares: Mrs. Timofte Gabriela;

874 shares: Mr. Timofte Mircea

The company carried out the following transactions with SC Brieta Industrial Com:

- during the period January 1, 2017 - March 31, 2017 the company did not carry out transactions with Brieta Industrial Com.

- during the period January 1, 2016 - March 31, 2016 the company carried out the following transactions with SC Brieta Industrial Com SRL: payment of the interest related to the loan contracted from Brieta Industrial Com. The amount paid as interest in the first 3 months of 2016 was RON 4,275.76;

3. The company took out a loan from Mr. Timofte Andrei Iancu, a shareholder holding 57.72% of the share capital.

The situation of this loan in the first quarter of 2017 was as follows:

Opening credit balance: RON 4,070.60;

Debit account: RON 0.00;

Credit account: RON 0.00;

Final credit balance: RON 4,070.60

The shareholder loan is not interest-bearing.

Other related parties:

ABC Facility Management, Single Registration Number: 35226834, with the registered office in Cluj Napoca, strada Orastiei, nr 10;

Invincible Real Estate, Single Registration Number: 35226842, with the registered office in Cluj Napoca, strada

Orastiei, nr 10;

Mega Property for Rent, Single Registration Number: 35226850, with the registered office in Cluj Napoca, strada Orastiei, nr 10;

Transilvania Constructii holds 95% of the share capital of these companies.

In the first quarter of 2017 the company carried out the following transactions with these companies:

a) Transactions carried out with SC Mega Property for Rent:

In the first quarter of 2017, the company increased its interest in the share capital of Mega Property for Rent from RON 190 to RON 45,790. As the minority shareholder also increased its interest, the share held in Mega Property for Rent remained unchanged, i.e. 95%.

- loan granted to Mega Property for Rent:

Opening debit balance account 4511: RON 8,599,701.83;
Debit balance account 4511: RON 1,699,100.00;
Credit balance account 4511: RON 0.00;
Final debit balance account 4511: RON 10,268,801.83

- service purchases made from Mega Property for Rent (space rent and re-invoicing expenses):

Opening credit balance account 401: RON 28,021.87;
Credit balance account 401: RON 195,534.98;
Debit balance account 401: RON 0.00;
Final credit balance account 401: RON 223,556.85

- services provided to Mega Property for Rent

Opening debit balance account 4111: RON 3,439,474.84;
Debit balance account 4111: RON 29,110.58;
Credit balance account 4111: RON 2,100,000.00;
Final debit balance account 4111: RON 1,368,585.42

In the first quarter of 2016, the company did not carry out transactions with the three companies mentioned above.

Segment reporting

Starting with 2017, the company manages the following business segments:

- Transilvania Logistic Park;
- TRC Park Cluj Logistic Park;
- Installation and Construction Division (provides general contracting for the developments carried out by the Company itself and maintenance activity in logistic parks operated by the company). It does not earn revenue

from foreign clients

Item	Business segments									
	Transilvania Logistic Park		TRC Park Cluj		Installation and Construction Works		Other segments		Total segments	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Income from foreign clients	5,124,286	5,058,101	736,429	0	0	0	259,117	246,067	6,119,832	5,304,168
Income from transactions with other segments	0	0	0	0	8,456,940	1,407,546	242,068	177,710	8,699,008	1,585,256
Profit per segment	1,518,361	1,514,458	-74,951	0	232,404	52,348	-88,964	4,941	1,586,850	1,571,747

Reconciliation of income, profit or loss related to reportable segments

Income

in RON

	2017	2016
Total income related to the reportable segments	14,317,655	6,465,647
Income related to other segments	501,185	423,777
Elimination of income from transactions with other segments	-8,699,008	-1,585,256
Consolidated income	6,119,832	5,304,168

Profit or loss

in RON

	2017	2016
Total profit or loss related to the reportable segments	1,675,814	1,566,806
Profit or loss from other segments	-88,964	4,941
Subtotal profit	1,586,850	1,571,747

Elimination of profit from transactions with other segments

Unallocated amounts:

Other income	38,275	632,222
Other expenses	-1,202,928	-695,554
Profit or loss before tax	422,197	1,508,415

Accounting policies

The financial statements for March 31, 2017 were prepared in accordance with the International Financial Reporting Standards and include information compared to previous periods.

In preparing the financial statements for the period January 1, 2017 - March 31, 2017 the provisions of IAS 34 on interim financial reporting were taken into account.

The accounting policies did not change compared to the accounting policies used to prepare the financial

statements for December 31, 2016.

The activity of the company is carried out in a continuous manner, having an uniform evolution during the financial year. The only accounting treatment that does not apply in the case of interim reports is the analysis of the uncertain or litigated clients. This operation is performed at the closing of the financial year, when the depreciation of receivables is also estimated.

2. Economic and financial indicators, in accordance with Annex 30B of the FSA Regulation no. 1/2006

Name of indicator	Calculation formula	Value
Current liquidity indicator	Current Assets/Current Liabilities	0.70
Indebtedness indicator	Borrowed Capital/Committed Capital*100	49.82%
Turnover speed for client debit items	Average Client Balance/Turnover*90	80
Turnover speed for fixed assets	Turnover / Fixed Assets	0.03

3. The financial statements for the first quarter of 2017 have not been audited.

4. Other relevant information:

In the first three months of 2017, the company has achieved a Turnover of RON 6,119,832

The operating income amounts to RON 6,156,461.

The company recorded an operating profit of RON 1,326,684. The operating profit rate was of 21.68%, with the company having a high return on the operating activity.

Regarding the financial activity, the company recorded a loss of RON 904,487, mainly due to interest costs related to bank loans, as well as unfavorable exchange rate fluctuations;

The net income of the company for the first three months was RON 331,615.

The Turnover was made in the majority of rents of spaces in Transilvania Logistic Park

The company also earned income from the management of TRC Park Cluj Logistic Park (inaugurated at the end of 2016), as well as of Transilvania Sports Club.

A breakdown of the Turnover for the main activities is presented below:

Activity	March 31, 2017	
	Value - RON	% of the total
Transilvania Logistic Park	5,130,329	83.83
TRC Park Cluj	736,365	12.03
Sports Centre	200,147	3.27
Miscellaneous	52,991	0.87
Total	6,119,832	100.00



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