

AD HOC REPORT

In accordance with Law no. 297/2004 and NSC Regulation no. 1/2006

Report date: **March 02nd 2017**

Name of issuer: **TERAPLAST S.A.**

Headquarters: **Teraplast Industrial Park, DN 15A, KM 45+500, Bistrita-Nasaud County**

Telephone/Fax: **0263/238.202 / 0263/231.221**

Trade Register No: **J06/735/1992**

Sole registration number at the Trade Register Office: **RO3094980**

Share capital: **56,643,266 lei**

Regulated market on which the issued shares are traded: **Bucharest Stock Exchange**

Major events to be reported

Teraplast, one of the biggest local industrial groups, concluded on 01.03.2017 an agreement for the purchase of the 50% of the stake held by the shareholders of Depaco SRL, the second player on the metallic sheet tiles market with the brand Wetterbest. The acquisition is a strategic one for Teraplast Group in the context in which TeraSteel subsidiary is the market leader for the galvanized steel structures market, and the new products which will enter the portfolio will be complementary.

The purchase of the stake is conditioned by the approval of the transaction by the General Meeting of Shareholders of Teraplast S and by the obtaining of the favorable approval of the Competition Council.

We specify that the amount at which the 50% stake of the company Depaco SRL is purchased does not exceed the threshold of 10% of the turnover of the latest annual financial statements of Teraplast SA and it will be paid both from internal sources and credit institutions financing.

The company Depaco was established in 1999 and it is the second producer of metallic sheet tiles in Romania. Currently the production process at the Depaco factory from Baicoi is conducted on more than 40 automated lines: for metallic sheet tiles with different profiles, for corrugated metallic sheet tiles, for the drainage system, for seamed metallic sheet tiles and for many other accessories. In 2016 the company realized a turnover of RON 130 million, EBITDA of RON 15.76 million and a net profit of In anul 2016 firma a avut o cifra de afaceri de RON 130 milioane, EBITDA de RON 15.76 milioane si un profit net de RON 11 million.

Following this transaction, Teraplast SA will purchase the 50% stake of Depaco SRL (which owns 51% of the company Cortina WTB SRL) and the founding shareholder, Mr. Dragos Irimescu will remain an important shareholder of the company. Depaco operations will be managed by Mr. Valeriu Irimescu as Chief Executive Officer.

Teraplast Group is developing an annual turnover of over 400 million LEI. 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, and is on top positions on most of the markets on which is present. The parent company Teraplast is market leader in exterior sewage drains and compound and on the second position in interior sewage. The subsidiary, TeraSteel, is the second player on sandwich panels market and the leader of the galvanized steel structures market.

For additional information please contact the Investor Relations Department of Teraplast, phone 0752-101.639, e-mail: anca.rif@teraplast.ro, contact person *Anca Rif – Investor Relations Manager*.

