

CURRENT REPORT

In accordance with Law no. 24/2017 and NSC Regulation no. 1/2006

Date of report: **31.01.2018**

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: **85.691.097 lei**

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

Important events to be reported: The TeraPlast Group obtains control over Depaco

Bistrita, January 31, 2018: TeraPlast Group, the largest PVC processor in Romania and one of the leading manufacturers of building and installation materials, announces obtaining of control over Depaco SRL. The price of 67% majority shareholding was 12,35 million euros.

Teraplast has concluded the option for the remaining stakes, up to 100% of the company, held by Depaco's minority shareholders. The transaction will take place within 4 years at a price correlated with Depaco's results in the upcoming years.

The TeraPlast Group takes full control over Depaco after receiving a favorable notice from the Competition Council. The notice comes after the TeraPlast Group has reached 67% stake in Depaco's share capital in November last year.

Depaco's business grew in 2017 with a turnover of 40 million euros, with a 45% increase compared to 2016. For 2018 we aim to continue this growth and achieve a 50% increase in Depaco business.

Depaco is currently carrying out development plans for the Baicoi (Prahova) and Podari (Dolj) plants in order to increase their production and logistics capacities.

Valeriu Irimescu, General Manager Depaco: "The new year is a representative one for Depaco which is more and more present on the European markets. Regarding the next period, we aim to expand our business in all areas where we are less present - both in Romania, especially in the northern area. Everything will be based on greater financial strength and a better sales force, which will help us achieve complete packages of products, tailored to the needs of our customers and thus bring complementarity to our business. "

Mirela Pop, General Manager TeraPlast: "The solid partnership we have with Depaco's shareholders shows a consolidated collaboration relationship based on a shared strategic vision. We are confident that the synergies created by good collaboration between us will lead to equally spectacular developments in company Depaco."

The TeraPlast Group proposes for 2018 a turnover of over 900 million lei. The Group's product portfolio is structured into seven business lines: Installations & Improvements, Joinery profiles, Granules, Thermal insulation panels, Zinc coated metal structures, Thermal Insulation Joinery and Metal Tile with the Wetterbest brand, holding top positions in most of these markets. The parent company TeraPlast is the market leader in both segments outdoors sewerage and granules, and is the second player on the indoors sewerage market. TeraSteel Subsidiary is the second player in the sandwich panels market and the market leader in galvanized metal structures.

Details TeraPlast Group:

With a tradition of 120 years, the TeraPlast Group is currently the largest PVC processor in Romania and one of the most important manufacturers of materials for the construction and installation market. The Group's product portfolio is structured on seven business lines: Installations & Improvements, Joinery profiles, Granules, Thermal insulation panels, Zinc coated metal structures, Thermal Insulation Joinery and Metal Tile with the Wetterbest brand. The TeraPlast Group is active on the foreign market since October 2017, after the opening of TeraSteel Serbia, the first factory inaugurated after 1990 and wholly owned by a Romanian company.

The manufacturing facilities of the Group companies are located in TeraPlast Industrial Park, spreading over an area of over 200.000 square meters, outside the build-up area of Bistrita municipality. In the last 10 years, TeraPlast Group has invested 246 million lei in the development and improvement of its manufacturing capacities, but also in expanding the product portfolio.

Starting from 2nd July 2008 the greatest part of the Group - TeraPlast is listed on Bucharest Stock Exchange under the TRP logo.

Chairman of the Board of Directors

Dorel Goia

For additional information please contact us at the phone number 0752-101.571, e-mail: diana.bretfelean@teraplast.ro, contact person Diana Bretfelean – Legal Adviser.

