

2015

A N N U A L

R E P O R T

2015



Management System
ISO/TS 16949:2009
ISO 9001:2008
ISO 14001:2004
www.tuv.com
ID: 9105051939



compa s.a. ROMANIA, SIBIU, 550234, Henri Coandă, 8
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REPORT

OF THE BOARD OF DIRECTORS

According to National Securities Commission Regulation no. 1/2006 regarding issuers and operations with securities and Law 297/2004 on the capital market for 2015

Report date	28.03.2016
Name of the issuing entity	COMP A S.A.
Registered office	Sibiu, 8, str. Henri Coandă, cod 550234
Phone number	+40269 237 878
fax number	+40269 212 204; +40269 237 770
Sole Registration Code with the Trade Registry Office	RO 788767
Registration number in the Trade Registry	J 32/129/1991
Subscribed and paid share capital	218.821.038
Value of shares	0,10 lei
Regulated Market on which the issued securities are traded	Bucharest Stock Exchange, Standard Category, symbol CMP



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CONTENTS

1. **ANALYSIS OF THE ACTIVITY OF COMPA SOCIETY**
- 1.1. **Elements of general evaluation**
- 1.2. **Evaluation of the technical level of company COMPA**
 - a) Description of main products manufactured and / or services provided, share in earnings and turnover of the company, market positioning
 - b) New products taken into account which will affect a substantial volume of assets in the future financial year, as well as the developing status of these products
- 1.3. **Evaluation of the supply activity (domestic and import sources)**
 - a. Main domestic suppliers; share in purchasing total value
 - b. Main external suppliers; their share in total external purchasing
 - c. Value structure of purchase in terms of supply sources: domestic and import- for the main groups of products.
- 1.4. **Evaluation of sales activity**.....
- 1.5. **Evaluating aspects of the company's employees / personnel**
- 1.6. **Assessing the quality of the issuer and impact of its core business on the environment. Synthetic description of the impact of the issuer's core activities on the environment and of any existing or envisaged disputes regarding violations of legislation on environmental protection**
- 1.7 **Assesment of Research and Development activity**
- 1.8. **Assessment of risk management in the company's business**
- 1.9. **Perspective elements in the company's business**
 - a) Presentation and analysis of trends, elements, or events of uncertainty factors which affect or could influence the company's liquidity in comparison with the same period of the previous year
 - b) Presentation and analysis of the current or predicted capital cost effects concerning the financial situation of the company in comparison with the same period of the previous year
 - c) Presentation and analysis of events, transactions, economic changes, which highly affect revenues from the basic activity.
2. **TANGIBLE ASSETS OF COMPA S.A. SIBIU**
 - 2.1. Location and characteristics of the production capacity
 - 2.2. Degree of wear of the company's property
 - 2.3. Specifying potential issues related to ownership of tangible assets
3. **MARKET OF SECURITIES ISSUED BY COMPA SA**
 - 3.1. Markets in Romania and abroad where the securities issued by the company are negotiated
 - 3.2. Description of the company's policy regarding dividends. Specification of dividends due/ paid/ accrued during the past 3 year, and as the case may be, the reasons for a possible reduction of dividends during the past 3 years
 - 3.3. Description of any activities of the company to purchase own shares.
 - 3.4. If the company has subsidiaries, specifying the number and the nominal value of the shares issued by the parent company held by subsidiaries
 - 3.5. If the company has issued bonds and / or other debt instruments,- showing the way the company pays its obligations to the holders of such securities



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4. COMPA'S MANAGEMENT

4.1. The list of the managers of the society and the following information for each manager

- a. CV (name, surname, age, qualifications, professional experience, function and years of service in the function)
- b. Understanding or family relation
- c. Transaction between the manager and society
- d. The participation of the managers at the social capital.
- e. The list of the juridical persons affiliated to the society

4.2. The presentation of the list with the members of the executive management

- a. Executive management
- b. the period the person takes part in the executive management
- c. any kind of agreement, convention or family relationship between the respective person and another person due to whom the respective person was appointed as member in the executive management
- d. The participation of the respective person at the social capital of the society

5. FINANCIAL SITUATION- ACCOUNTING

- a). Balance sheet items: assets representing at least 10% from total assets; cash and other liquid availabilities; reinvested profit; total current assets; total current liabilities;
- b). Profit and loss account: net sales; gross revenues; elements of costs and expenses accounting for at least 20% in net sales or gross income; risk provisions for various expenses; reference to any sale or shutdown of a segment of activity done in the last year or that are to be made in the next year; dividends declared and paid
- c) cash flow: all changes in the level of cash in the core business, investment and financial activity, the level of cash at the beginning and end of the period

6. COMPLIANCE WITH CORPORATE GOVERNANCE BSE CODE

- 6.1. The Board of Directors
- 6.2. Executive management
- 6.3. The way the general meetings of the shareholders (GMS) take place, their competences, the shareholders' rights and how these can be exercised
- 6.4. Shareholders' rights
- 6.5. Other elements of Corporate Governance
- 6.6. The risk management
- 6.7. Conflict of interests
- 6.8. Social responsibility
- 6.9. Status of compliance with the provisions of the new BSE Corporate Governance Code as of 31 December 2015



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1. ANALYSIS OF THE ACTIVITY OF COMPA SOCIETY

1.1. Elements of general evaluation

According to the Constitutive Act of the society, COMPA society produces and commercializes components and parts for the machine building industry (cars, transport vehicles, buses, trailers, tractors, rail carriages and diverse industrial equipments), thermic energy, including services and technical assistance, effectuation of foreign trade operations ,engineering, direct collaboration with foreign trade banks ,effectuation of operation of currency, being able to take part and agree to credit operations; it also carries on social activities for the employees.

COMPA society was founded by H.G. nr1296/13.12.1990 according to Law nr.15/1990 and Law nr.31/1990. Starting with that date, the Machine Parts Factory / Plant ends its activity, the entire its patrimony being taken over by the new society.

COMPA society was registered at the Trade, Industry and Agriculture Chamber-The Trade Register Office at the Court of Sibiu, with the nr. J/32/129 from 12.02.1991;

COMPA is a society based on shares, with Romanian judicial personality, it is organized and functions in accordance with the Constitutive Act of the society and with the present legislation.

2015 represented for COMPA a year with a multitude of achievements in the majority of the domains of activity. It is the year in which development projects with European fund and with fund from the Norwegian Government were promoted, with significant impact in the growth and diversification of the production capacities.

☞ The production of fabrication " injector body" and other sub-components for the injection system for trucks was transferred from Delphi Sudbury England to COMPA ,transfer which will have a major impact on the growth of the business ciper as well as for the assurance of a supplementary number, over 200 working places, within this project;

☞ the ware production fabricated grew comparatively with the precedent year with over 14%; significant growths were registered at:

- "injector body" and afferent elements of the systems of injection for Delphi,
- the production of merchantable tools to different partners.
- the production of welded components components to Haulotte

☞ The consumption for the utilities grew and especially the electric energy, as a result of the growth of the business ciper and of the growth of number of machines and equipments put in function in 2015.

☞ A number of 5 suplimentary cells for the fabrication of the product "Common Rail" from the system of injection for partner Bosch were put in function. These machines and equipments, with numerical command of last generation, assure almost doubling the production of this product, starting with 2016.

The volume of investments achieved in 2015, amounting to 108.58 mil.lei (24.1 mil. Euro) is one of the largest in the last years. Investments from European funds and by financing from the Norwegian Government were achieved in a very great volume. The main indicators, as well as the main elements for general evaluation of the activity are presented in the dynamics of the tree years, in Table 1.1.

Table 1.1(lei)

EXPLANATION	2013	2014	2015	% 2015 / 2014	% 2015 / 2013
Net profit	21,123,591	23,886,130	28,354,626	118.71	134.23
Turnover, of which:	457,731,296	421,121,804	480,430,751	114.08	104.96
- export	330,705,380	292,345,157	341,223,964	116.72	103.18
Total Revenues	473,375,236	435,548,294	504,342,602	115.79	106.54
Total Expenses	448,334,302	406,938,915	473,650,353	116.39	105.65
Current assets	147,686,506	139,635,852	219,929,806	157.50	148.92
Total liabilities	75,610,550	75,736,632	121,467,264	160.38	160.65
Liquidity	1.95	1.84	1.81	98.21	92.70



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From the brief analyses of the main indicators presented in the Table 1.1., indicators which reflect the quintessence of the society activity in 2015, we can point out:

- the growth of the business cipher with 14% as in 2014
- the growth with 18.71% of the net profit in 2015 as in 2014;
- the growth of current actives with 57.5%, by transferring in the last part of the year 2015 of an important volume of produces for which material was achieved and were registered afferent debts of the produces delivered in the last two months of 2015;
- the current debts grew with 60% as a result of:
 - accession and putting in function of some lines of fabrication (line of forgery financed from European funds and line of galvanic covering Zn-Ni financed by the Norwegian Government)
 - the growth of the volume of cars buyings and the equipments by investments, as shown, the volume of investments achieved in 2015 were of 108.5 mil. lei (24.1 mil. euro); by an unprecedented growth of the investments achieved the debts to the car and equipments providers grew as well as those to the financing banks, as a result of the accession in a greater proportion of the credit lines.

1.2. Evaluation of the technical level of company COMPA

a) Description of main products manufactured and / or services provided, share in earnings and turnover of the company, market positioning

Synthetically, the situation of production of goods on product groups in 2015 as compared to the budget and previous years is shown in Table 1.2.1.

Table 1.2.1. (k RON)

PRODUCT GROUP	2013	2014	2015		% 2015 / 2015 REB	% 2015 / 2014	% 2015 / 2013
			REB	Carried out			
Stamped parts, cupping	8.551	6.893	7.700	6.822	88,59	98,96	79,77
Welded assemblies	15.349	25.340	26.700	25.665	96,12	101,28	167,20
Drive shafts, steering and brake equipment	4.171	2.466	2.400	2.005	83,55	81,32	48,08
Valves	1.718	790	0	10.754		1.360,95	625,88
Pinions, steering gears	22.868	28.324	28.700	27.897	97,20	98,49	121,99
Windscreen wiper components	140.400	121.726	122.500	118.870	97,04	97,65	84,67
Hot coiled and cold coiled springs	5.137	5.368	5.400	5.233	96,90	97,48	101,87
Components for turbochargers	96.387	71.749	76.000	55.635	73,20	77,54	57,72
Components for injection systems - Rail	0	13.732	31.000	37.818		121,99	
Components for air conditioning equipment	8.053	6.674	6.700	5.331	79,56	79,87	66,20
Injector body	123.209	108.359	132.300	153.957	116,37	142,08	124,96
Utilities supply	11.535	9.818	9.800	10.266	104,76	104,57	89,00
Valorization of reusable materials	2.605	3.362	3.300	2.517	76,26	74,84	96,60
Tooling	5.672	3.807	3.800	6.502	171,09	170,77	114,63
Miscellaneous	12.077	12.713	4.700	11.162	237,48	87,80	92,42
TOTAL MERCHANDISE PRODUCTION	457.731	421.122	461.000	480.431	104,21	114,08	104,96



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Production dynamics on group of products in 2015, as compared to the budget for 2015, and also to the carried out results of previous years 2013 and 2014, is presented in the table below, 1.2.1.:

- ☞ Overall increase of production in 2015 compared to 2014 and 2013; (19.08% in 2015 as compared to 2014 and almost 5% increase in 2015 as compared to 2013)
- ☞ In the structure of production divided on product groups the following aspects can be highlighted:
 - significant increase in the production of *injector body* for Delphi, following the expansion of traditional production of injector body and following the transfer of components for injection systems of large trucks from Delphi – England to COMPA;
 - introducing in production of a the high-tech product “Common rail” for the Bosch injection system, the production of which started in 2015 with a contribution of 37.8 mil RON to merchandize production and with increase perspectives also in the next years;
 - increase of production for welded structures and marketable tooling production;
 - volume reduction of requests from clients and accordingly of production in 2015 at the following product groups:
 - components for turbochargers, due to change of generation of turbochargers
 - components for Daikin air conditioning
 - other product groups.

The dynamics of merchandize delivered to export in 2015 compared to the level of 2014 and 2013, as well as compared to the provisions from the budget for 2015 is presented briefly in Table 1.2.2.

Table 1.2.2.(k Euro)

PRODUCT GROUP	2013	2014	2015		% 2015 / 2015 REB	% 2015 / 2014	% 2015 / 2013
			REB	Carried out			
Stamped parts, cupping	1.418	1.253	1.300	1.159	89,18	92,49	81,77
Welded assemblies	1.375	1.673	2.000	2.334	116,68	139,52	169,68
Drive shafts, steering and brake equipment	13	14		7		48,80	50,90
Valves	--		-	2.415			
Pinions, steering gears	5.126	6.487	6.450	6.315	97,90	97,35	123,20
Windscreen wiper components	31.783	27.547	27.530	26.744	97,15	97,09	84,15
Hot coiled and cold coiled springs	600	620	600	599	99,91	96,67	99,87
Components for turbochargers	22.337	15.729	17.080	12.079	70,72	76,80	54,08
Components for injection systems - Rail	0	3.098	6.970	8.510	122,09	274,70	
Components for air conditioning equipment	1.817	1.496	1.500	1.194	79,61	79,82	65,71
Injector body	9.455	6.732	7.640	13.202	172,80	196,12	139,62
Tooling	536	529	500	1.009	201,87	190,68	188,28
Other products and services	306	834	430	1.482	344,56	177,65	484,19
TOTAL EXPORT	74.767	66.011	72.000	77.049	107,01	116,72	103,05

As one can notice in table 1.2.2.the production intended for export increased in 2015 with more than 16.72%

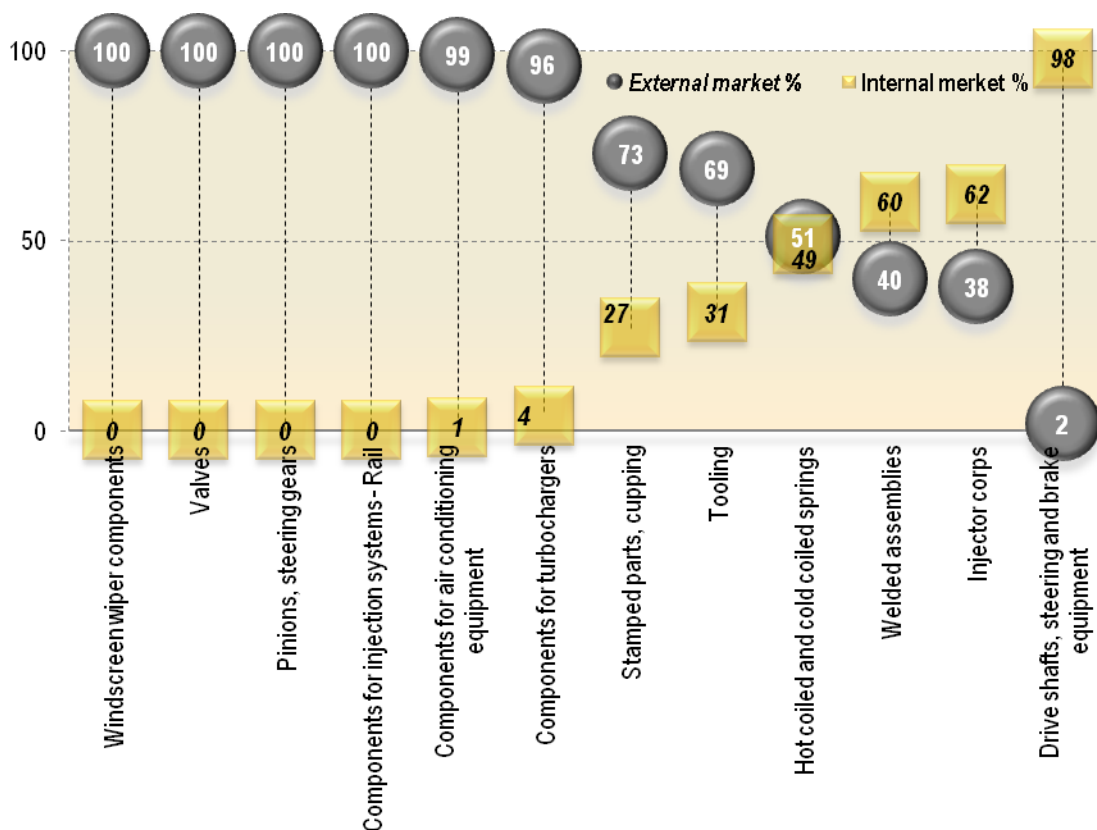
This increase is due to export delivery of the following product groups:

- production of “Common Rail” components for Bosch injection system;
- production of injector for Delphi France and Delphi England
- production of tooling for export.

In table 1.2.3. is presented the share of COMPA main product groups in export production and internal production:

Table 1.2.3.

PRODUCT GROUP	Export %	Internal market %
Windscreen wiper components	100	0
Valves	100	0
Pinions, steering gears	100	0
Components for injection systems - Rail	100	0
Components for air conditioning equipment	99	1
Components for turbochargers	96	4
Stamped parts, cupping	73	27
Tooling	69	31
Hot coiled and cold coiled springs	51	49
Welded assemblies	40	60
Injector body	38	62
Drive shafts, steering and brake equipment	2	98



Information from Table 1.2.3. is presented also graphically above, where the distribution of production registered for 2015, whether it is intended for export or internal market, can be easier observed.

The share in the total turnover of main product groups is presented in evolution in table 1.2.4.:

Table 1.2.4.

PRODUCT GROUP	% in turnover		
	2013	2014	2015
Injector body	26.3	25.7	32.0
Windscreen wiper components	30.7	28.9	24.8
Components for turbochargers	21.5	17.0	11.6
Components for injection systems - Rail	0.0	3.3	7.9
Pinions, steering gears	5.0	6.7	5.8
Welded assemblies	3.3	6.0	5.3
Different products	6.2	6.1	5.0
Valves	0.0	0.0	2.2
Stamped parts, cupping	1.8	1.6	1.4
Tooling	1.1	1.0	1.4
Components for air conditioning equipment	1.8	1.6	1.1
Hot coiled and cold coiled springs	1.1	1.3	1.1
Drive shafts, steering and brake equipment	0.9	0.6	0.4
TOTAL	100.0	100.0	100.0

Weight of the main products in turnover

2013; 2014; 2015

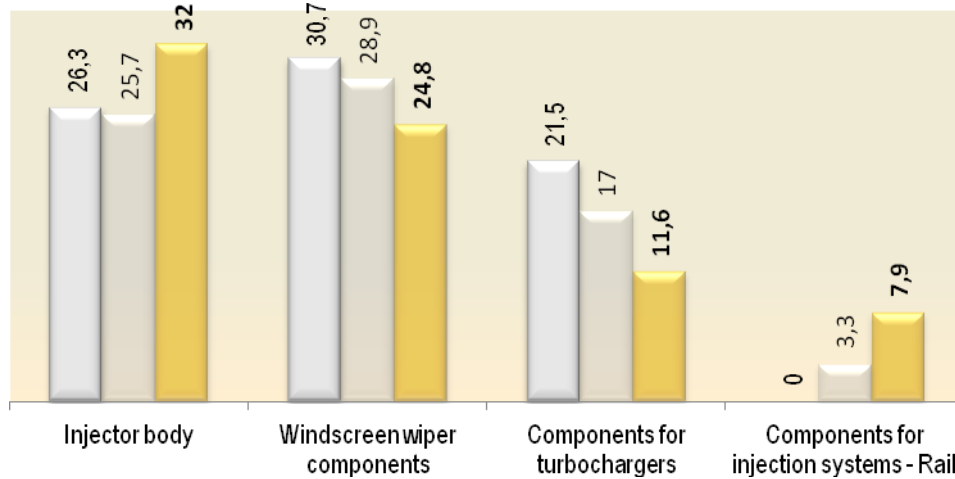




Table 1.2.4 as well as the above graphic, show the following:

-  3 main partners (clients) buy 68.4% of COMPA's production
-  these partners hold the following shares in total turnover:
 - 32.0% - Delphi
 - 24.8% - Bosch
 - 11.6% - Honeywell

b) New products taken into account which will affect a substantial volume of assets in the future financial year, as well as the developing status of these products

The technical and development function within COMPA plays a key role in the company's business system, because of the serious changes in the structure of orders during recent period. Along the year 2015 new products were introduced in production, products for which the production capabilities are assured and which will have a major impact on production in the following years. In terms of business ends, the share of new products in the turnover of the company has constantly surpassed the 20% target, denoting the dynamism and proficiency of the company when it comes to adapting to new requests, replacing existing products, and expanding its portfolio.

Thus, a completely new process has been set up, using the appropriate horizontal closed-die hot forging equipment. The resulting products are used in obtaining complex components (machined and assembled) for Honeywell Garret turbochargers components and gear system components for Dacia. In order to optimize the forging and tooling design and processes, the company implemented a software specialized in finite element analysis of forging, software that further reduces the number of tests, which are very cost and time-consuming processes.

A new, highly productive and complex heat treatment line has been set up.

New processes have been approved for the production of injector components for commercial vehicles for our customer Delphi England. These components are injector bodies, nozzles, and valves. The processes take place both before and after the heat treatment, on CNC machines, marking and assembly stations.

A new process for deburring and polishing with abrasive paste has been implemented.

In terms of new products, two new references have been approved for the Dacia Renault client, flange coupling which is a product obtained through a vast diversity of processes and water pump pulley- which is a water pump produced by stamping through transfer technology and KTL painting.

When it comes to the Bosch Germany client, 5 additional processing cells have been assimilated in production, reaching in this way an annual volume of 1.500.000 units of rails.

Furthermore, 15 additional mounting heads have been approved for Bosch Belgium.

Within the welded assemblies workshop, various products have been approved for several new projects (Prometeus, Alpha and Omega).

A tube reference has also been approved for a newly acquired client, Continental.

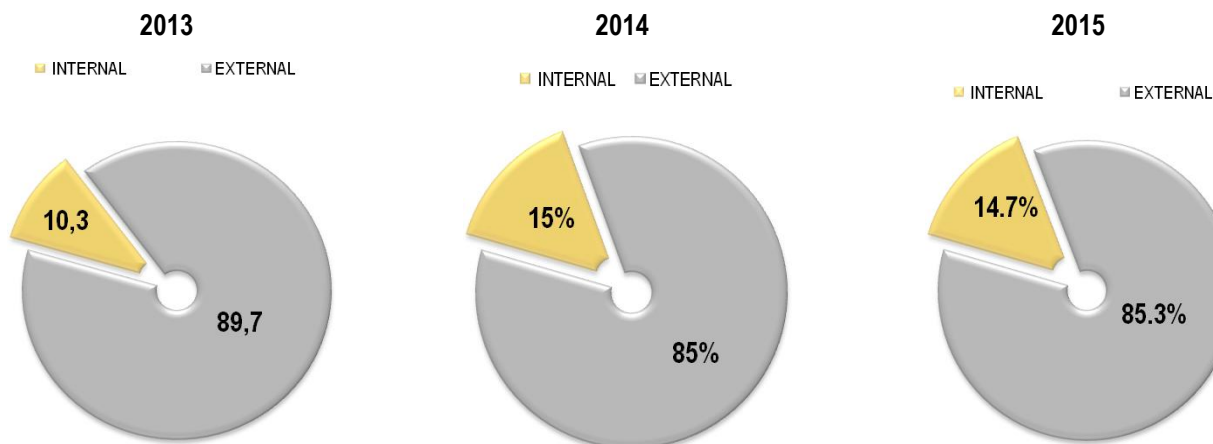
1.4. Evaluation of the supply activity (domestic and import sources)

The provision of the necessary raw materials for the manufacturing processes in COMPA is ensured from both the domestic market and import. A significant part of the necessary materials and components supplied from Romania come from foreign companies which have set up companies or branches in Romania.

Total purchasing volume and their share on domestic and import market in the total purchasing for 2015 as compared to 2013 and 2014 is presented in Table 1.3.1.

Table 1.3.1.

SUPPLY SOURCE	2013		2014		2015	
	Amount (k Euro)	%	Amount (k Euro)	%	Amount (k Euro)	%
INTERNAL	5.760,0	10,3	7.148,7	14,6	10.013,3	14,7
EXTERNAL	50.207,6	89,7	41.920,6	85,4	58.243,9	85,3
TOTAL	55.967,6	100,0	49.069,4	100,0	68.257,2	100,0



d. Main domestic suppliers; share in purchasing total value

Details on domestic purchasing and main suppliers are presented in Table 1.3.2.a, below:

Table 1.3.2.a

SUPPLIER NAME	Group of purchased products	Purchasing value 2013 (excl. VAT) k Euro	% in total purchasing 2013	Purchasing value 2014 (excl. VAT) K Euro	% in total purchasing 2014	Purchasing value 2015 (excl. VAT) K Euro	% in total purchasing 2015
Bamesa Topoloveni	sheet	203.08	3.53	305.85	4.28	415.55	4.15
Baurom Galați	sheet	0,00	0.00	942.08	13.18	701.74	7.01
TKT Timișoara	lubricants	247.58	4.30	255.56	3.57	322.16	3.22
Lokve Agriprod Ploiești	lubricants	247.58	4.30	309.27	4.33	523.65	5.23
Linde Gaz Timișoara	Industrial gas	133.74	2.32	147.59	2.06	147.69	1.47
Chevron București	lubricants	99.21	1.72	109.58	1.53	135.9	1.36
Tech Service Mediaș	Bearings, spare parts for maintenance	315.26	5.47	293.81	4.11	328.27	3.28
Emuge Romania Cluj	Tooling	149.87	2.60	106.61	1.49	468.84	4.68
Guhring Sibiu	tooling	113.62	1.97	175.33	2.45	156.35	1.56
Maxim București	tooling	116.90	2.03	630.33	8.82	898.55	8.97
Diaplast Pitești	packaging	202.12	3.51	187.29	2.62	128.55	1.28
Total		1,828.96	31.75	3,463.30	48.45	4,227.25	42.22
Total domestic purchasing		5,760.00	100.00	7,148.70	100.00	10,013.30	100.00
Total purchasing		55,967.18		49,069.40		68,257.23	

b) Main external suppliers; their share in total external purchasing :

Table 1.3.2.b

SUPPLIER NAME	Group of purchased products	Purchasing value 2013 (excl. VAT) K Euro	% in total purchasing 2013	Purchasing value 2014 (excl. VAT) K Euro	% in total purchasing 2014	Purchasing value 2015 (excl. VAT) K Euro	% in total purchasing 2015
RB Belgium	Rubber parts, components	5,639.89	10.08	4,605.21	9.39	5,042.74	7.39
Hirschvogel Germany	Semi-finished parts	5,025.40	8.98	5,475.35	11.16	6,814.66	9.98
SAM Viviez France	Semi-finished parts	4,643.34	8.30	1,601.11	3.26	1,174.55	1.72
Dogu Pres Turkey	Semi-finished parts	1,051.11	1.88	552.67	1.13	479.58	0.70
Saint Jean Industries Loraine France	Semi-finished parts	3,336.25	5.96	2,454.37	5.00	1,739.97	2.55
VDS Holland	components	1,846.82	3.30	1,192.47	2.43	1,462.46	2.14
Panne Belgium	components	3,080.58	5.50	1,905.17	3.88	2,068.42	3.03
Mahle Sarl France	Semi-finished parts	2,081.64	3.72	1,412.75	2.88	511.48	0.75
HPO Samat France	components	960.08	1.72	713.97	1.46	403.25	0.59
Ascometal Luchini France	Alloy steel bars	1,055.67	1.89	796.11	1.62	1,075.14	1.58
Wieland Germany	Copper tubes	772.55	1.38	698.72	1.42	337.07	0.49
Precision Resource USA	Components	2,390.76	4.27	1,583.01	3.23	1,023.33	1.50
DecoRec France	components	479.07	0.86	403.42	0.82	614.59	0.90
Marcegaglia Italy	Steel band	334.53	0.60	148.88	0.30	214.45	0.31
Sandviken Sweden	tooling	486.61	0.87	571.41	1.16	804.22	1.18
Schaub Israel	tooling	486.61	0.87	873.19	1.78	1,523.11	2.23
DIAGER France	tooling	268,47	0,48	234,93	0,48	424,06	0,62
CIMOS		584,05	1,04	617,59	1,26	1.249,22	1,83
Stoba Präzisionsteile GmbH & Co KG		0.00	0.00	0.00	0.00	3625.43	5,31
Selforge		0.00	0.00	676.62	1.38	2780.75	4,07
Total		34,523.43	61.69	26,516.95	54.04	33,368.5	48.89
Total external purchasing		50,207.60	50,207.60	89.71	41,920.60	85.43	58,243.9
Total purchasing		55,967.2	100.00	49,069.4	100.00	68,257.2	100.00

c) Value structure of purchase in terms of supply sources: domestic and import- for the main groups of products.

The structure of the purchases, both internal and import supply source on product groups is presented in the table below:

Table 1.3.2.c

PRODUCT GROUP	2013		2014		2015	
	Internal	External	Internal	External	Internal	External
	%	%	%	%	%	%
Sheet	94.9	5.1	94.35	5.65	90.79	9.21
Steel bars	14.6	85.4	17.91	82.09	9.79	90.21
Tubes	68.7	31.3	65.57	33.43	77.46	22.54
Wire	100.0	0.0	91.07	8.93	73.79	26.21
Band	12.0	88.0	1.97	98.03	25.81	74.20
Non Ferrous	3.7	96.3	1.33	98.67	2.81	97.19

PRODUCT GROUP	2013		2014		2015	
	Internal	External	Internal	External	Internal	External
	%	%	%	%	%	%
Semi-finished parts, components	0.2	99.8	0.17	98.83	0.26	99.74
Rubber seals	0.7	99.3	0.20	98.80	0.27	99.73
Fasteners	2.8	97.2	3.06	96.94	4.45	95.55
Standard tooling	19.3	80.7	26.04	73.96	34.59	65.41
Total purchase	12.1	87.9	14.57	85.43	14.67	85.33

1.4. Evaluation of sales activity

During the period of evaluation the marketing and sales activity was focused on two main directions:

1. Expanding and strengthening cooperation within projects already implemented with existing clients like DELPHI, BOSCH, HONEYWELL, JTEKT, HAULOTTE.

Within this group, we would like to highlight the expansion of cooperation in the manufacturing field of components for *injection systems* with companies DELPHI and BOSCH, and also in the field of mechanical welded structures with HAULOTTE.

2. Attracting new clients.

In 2015, the efforts of the Marketing Department were focused on attracting new clients and extending businesses with existing clients, like the following:

Dacia : several discussions and price offers for a multitude of references .

Haulotte: price offers finalized with both prototype orders and serial orders for welded structures.

Continental : several price offers for machining, springs, stamped parts, both for Brasov location and Germany subsidiary; we received nominalization for references with delivery to Brasov

Federal Mogul : we offered coating services for windshield wipers and prototypes were produced for validation; estimated start of first mass production: 2016.

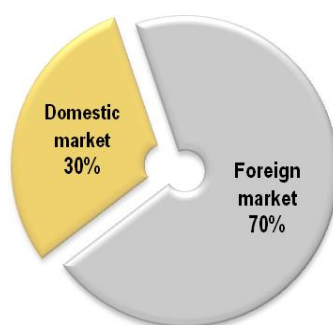
JTEKT + FUJI : several price offers for components for steering systems, for some of them we received nominalization

From the following clients: **TAKATA**, **SCHAEFFLER**, **FRITZMEIER**, **ATERA**, **HUTCHINSON**, **BOS**, **TKBC** we won new businesses for stamped parts, springs and coatings.

We have received new orders for tooling from: **TARTARUS**, **BIELOMATIC**, **SCHAEFFLER**, **BOSCH BLAJ**, **HONEYWELL Ploiesti**

We plan to develop the business of spring production, mechanical welded structures, stamped parts, tool shop and industrial equipment, machined parts, drive shafts repair services, surface protection and metrological services.

Market segmentation: In terms of geographical area, the sales structure in 2015 was the following:





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We are focusing in particular on finding new clients for forged parts.

The share of the major clients in turnover is reflected in Table 1.4.1:

Tab.1.4.1.

CLIENT	Share in Turnover 2013(%)	Share in turnover 2014 (%)	Share in turnover 2015 (%)
Bosch Diesel System	31.3	29.5	29.55
Delphi	27.2	27.2	35.46
Honeywell Garrett	20.8	16.4	10.32
JTEKT, Fuji Koyo	5.7	7.3	6.15
ThyssenKrupp Bilstein Compa	2.7	2.5	2.12
Haulotte	2.6	5.5	4.59
<i>Other clients</i>	9.7	11.6	11.81
TOTAL	100.0	100.0	100.0

1.5. Evaluating aspects of the company's employees / personnel

COMPAs human resources policy aims at transforming the institution into a continuous learning organization. The management team is well aware of the advantages that come with highly qualified human resources, familiarized with the needs of the industrial sector, able to handle and fulfill clients quality demands. Therefore, continuous improvement and training of employees is a high priority for the company's management.

COMPAs, as a "Learning organization", provides constant improvement opportunities for all its employees. It applies learning as a tool to achieve its business goals, assures the permanent connection between personal performance and organizational performance, supports career development and determines people to identify themselves with the organization.

The training goal of 2015, 33 training hours/employee, has been fulfilled.

The costs of trainings in 2015 amounted to 802.617 lei.

Strategic guidelines of the training process in 2015 were:

- ☞ retraining of employees to adapt to new processes;
- ☞ standardizing and enhancing the efficient integration and adaptation of new/ transferred employees, as well as people who do not have any qualifications;
- ☞ more efficient management in terms of professional integration and adaptation of new employees with higher education;
- ☞ effective use of "Systems, Applications and Products in Data Processing – SAP";
- ☞ improving the response procedure in case of emergencies and ensuring qualified staff for the protection of the company in such cases;
- ☞ providing an effective management of the production line;
- ☞ assimilation and application of policies, quality/environmental goals and health and safety management systems according to ISOTS 16949, SREN ISO 14001 and OHSAS 18001 standard requirements;
- ☞ job-specific skills development in order to validate/re-validate the position and increase multifunctionality;
- ☞ improving the relationship between school and enterprise through internships and scholarships;
- ☞ diversifying the educational opportunities in COMPAs while bearing in mind the needs of other economic agents;
- ☞ implementation of the COMPAs Business System;











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ISO 9001:2008
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Training objectives focused on:

-  employees developing new skills in the mechanical trades through training / retraining: MUCN operator, welder;
-  developing competences of administrative personnel to improve the response procedure in case of emergencies and ensure the protection of the company in such cases;
-  increasing skills of project managers, quality and process engineers for a better application of FMEA, PPAP, APQP;
-  skills improvement of setters for a more efficient management of production lines;
-  personnel annual certification for special processes;
-  improving job-specific knowledge and multifunctionality;
-  intensifying the knowledge required to utilize SAP;
-  training for the essential integration of the production system COMPA Business System;

Recruitment and selection policy

There were 1.879 employment offers (CVs, requests, motivation letters) throughout 2015 alone. 740 of these belonged to people with various backgrounds, different than the company's specific activity. Over 60 consisted of people with higher education degrees other than in the technical-economic field.

1.105 candidates applied for vacant positions and participated in psychological and working tests. 522 have been hired; 461 have been rejected by the working tests, and 122 gave up their offered position.

It should be noted, the nature of the interviewee who is applying for several positions (in different enterprises, in the same time frame), aiming in the end to accept the most favorable offer. This justifies why some applicants give up in the middle of the hiring process or don't show up at work (after all requirements have been fulfilled). This, unavoidable, leads to a rise in the personnel fluctuation in the second half of the term.

Social and wage policy

Following the negotiations between COMPA and unions, in November 2015 there was a wage increase of 4%. Consequently, this led to a rise in benefits (Christmas and Easter bonuses, holiday bonus, travel allowances, etc.).

Furthermore, employees received food tickets throughout the whole year. Strict labor relations in accordance with the legal Labor Code and contractual collective agreements exist between the COMPA management team and its employees. There is also a weekly correspondence between the management team and employee representatives.

The relationship between the two parties has improved compared to previous years. The communication and kinship have become much clearer and the two parties participated to joint meetings. Therefore, stagnation periods of the production process due to work conflicts have diminished.

The following table (Table 1.5.1.) is a representation of the analytic evolution of employed workers, in comparison with previous years and categorized on employment type, cost centers, and product groups.

Table 1.5.1. (avg. nr.)

WORKSHOP	TOTAL PERSONELL (TP)			Direct production workers (DPW)			Production support staff (PSS)			SGA		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
COMPA TOTAL, from which:	1720	1660	1743	1091	1063	1139	270	240	238	359	357	366
Pinions, steering gears	100	98	95	62	61	62	17	15	12	21	22	21



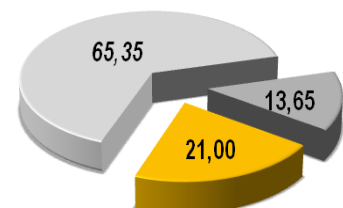
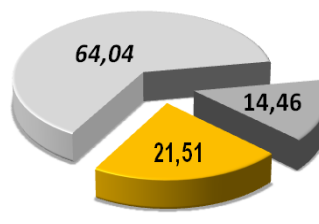
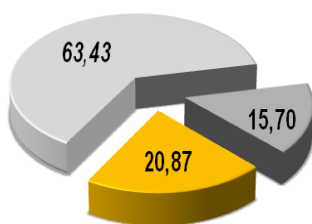
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WORKSHOP	TOTAL PERSONELL (TP)			Direct production workers (DPW)			Production support staff (PSS)			SGA		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Windscreen wiper components	335	304	274	256	230	211	39	38	32	40	36	31
Welded assemblies	75	136	152	53	105	121	10	13	13	12	18	18
Components for turbochargers	150	141	109	91	85	62	33	28	26	26	28	21
Components for air conditioning equipment	27	26	23	17	15	14	5	6	4	5	5	5
Valves	0	0	47	0	0	34			10			3
Components for injection systems - Rail	0	26	64	0	17	44	0	3	6	0	6	14
Injector body	520	456	559	347	311	397	104	85	98	69	60	64
Other products and services	513	473	420	265	239	194	62	52	37	186	182	189
	2013			2014			2015					
DPW	1091	63.43%	MDP	1063	64.04%	DPW	1139	65.35%				
PSS	270	15.70%	MIP	240	14.46%	PSS	238	13.65%				
SGA	359	20.87%	TESA	357	21.51%	SGA	366	21.00%				
TP	1720	100.00%	TP	1660	100.00%	TP	1743	100.00%				



■ Direct production workers (DPW)
■ Production support staff (PSS)
■ SGA



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Analyzing the evolution of average number of employed personnel in 2015 in comparison with 2014 and 2013, we conclude the following:

- ☞ the average number of employees increased from 1660 in 2014 to 1743 in 2015, leading to an increase in production and consequently an increased turnover;
- ☞ indirect labor has been decreasing yearly;
- ☞ the largest increase (from 1063 workers to 1139) has been recorded at direct workers, due to the essential production transfer from Delphi England and a rise in production for Bosch – Rail;
- ☞ due to COMPA's lack of engineers, indispensable personnel for new product lines and projects in this period, a rise in SGA personnel has been registered.

The evolution of productivity throughout 2015 compared to previous years can be seen in Table 1.5.2.

Table 1.5.2. (th.lei/person/year)

ACTIVITIES	2013	2014	2015
COMPA TOTAL, from which:	266.12	253.69	275.63
Pinions, steering gears	226.89	289.02	293.65
Windscreen wiper components	418.96	400.41	433.83
Welded assemblies	202.33	186.33	168.85
Components for turbochargers	655.03	508.86	510.41
Components for air conditioning equipment	297.30	256.68	231.76
Valves	-	-	228.80
Components for injection systems - Rail	-	528.15	590.90
Injector body	231.93	237.63	275.41
Other products and services	102.59	95.60	57.01

The labor productivity throughout 2015 amounting to 275.63 th.lei/employee is higher than in 2014 (253.69), as well as the productivity in 2013 (266.12). An important contribution to productivity in 2015 is due to the “Common Rail” product from the Bosch injection system, with a productivity/employee ratio of 590.90 lei/employee. This ratio is well above the total average recorded in COMPA and also far superior compared to other product groups.

1.6. Assessing the quality of the issuer and impact of its core business on the environment. Synthetic description of the impact of the issuer's core activities on the environment and of any existing or envisaged disputes regarding violations of legislation on environmental protection

The main achievements of 2015 in the field of quality and environment:

The functioning of integrated quality, environmental, occupational health and safety management system was improved and it has been recertified, following the audit of TUV Rheinland, based on the below standards:

- ☞ ISO 9001 for products and processes outside the automotive domain - certificate no. TRR 100 20778;
- ☞ ISO TS 16949 for the automotive domain - certificate no. 01 111 20778;
- ☞ ISO 14001 for all products, processes and activities of the company - certificate no. TRR 110 20778;
- ☞ SR OH SAS 18001, for all processes and activities of the company - certificate no. TRR 126 20778;
- ☞ SR EN ISO / IEC 17025 for metrology laboratory work - certificate no. BV-01/14/12;
- ☞ Additional requirements for major customers: Delphi, Bosch, Honeywell, JTEKT, Fuji Koyo, ThyssenKrupp Bilstein, INA, Dacia - Renault, Takata, Emerson, Daikin.



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All these requirements have been integrated under a unified quality, environment, occupational health and safety management system.






The implementation of ISO 26000 in the field of Social Responsibility has started.

Management of non-conforming products has been improved and streamlined through continuous improvement techniques: FMEA (Failure Mode and Effect Analysis), FTQ (First Time Quality), "5 Why" analysis, Pareto diagram, "Cause and effect" analysis and by improving the visual management at workstations, thus preventing the recurrence of nonconformities.

As a result of proper implementation and functioning of the integrated management system, we have maintained a performance level for global quality indicator external PPM to an average of 21 PPM by reducing non-conforming products claimed by customers, and also through resolving complaints in real time, which has increased customer satisfaction in relation with COMPA products and services.

Also, there were no field-failures due to original equipment supplied by COMPA.

Considering COMPA products and processes, the following environmental issues may occur:








-  evacuations of wastewater resulting from electroplating processes, painting and washing of the pieces;
-  air emissions resulting from heat treatment processes, painting, electroplating, welding, machining;
-  generating hazardous and non-hazardous industrial waste;
-  use of hazardous substances and mixtures;
-  use of energetic resources (electricity, gas, etc.).

All these aspects can generate environmental impacts when not kept under control. In order to prevent infringements relating to environmental protection legislation, COMPA has introduced an environmental management system that allows controlling all environmental aspects mentioned above, while acting preventively in the sense of avoiding generation of incidents and environmental accidents.

This is why we had no litigations with local administration and government bodies concerning the impacts on the environment.



Also for the scope of protecting the environment there was created "Green procurement" guide that directs buying activity towards green procurement, procurement of materials with minimal environmental impact.

In 2015 there were carried out 76 environmental objectives, regarding:

-  improving the quality of wastewater discharged into the sewage system;
-  improving air quality;
-  reducing energy consumption;
-  reducing the loss of compressed air, drinking water, industrial water, heat energy during transport and distribution system;
-  controlled collection, sorting, capitalization and disposal of hazardous waste;
-  environmentally safe management of hazardous substances and mixtures;
-  educating and training employees to operate in an environmentally responsible way;

COMPA made significant expenditures for environmental protection and personnel accountability regarding knowledge and understanding of environmental aspects and preventing significant environmental impacts. Environmental expenditures amounted to 492.215 lei.

These expenses were made for implementing environmental management programs and alignment with EU regulations and national legislation regarding the environment and consisted of the following programs and actions:

-  monitoring indicators of wastewater into the sewage system;
-  monitoring emissions into the atmosphere;






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-  disposal of hazardous and non-hazardous waste;
-  achievement of targets regarding recovery of packaging waste;
-  payment of environmental taxes and fees for environmental fund, environmental permits, media ads, etc.

There were no environmental incidents and complaints from authorized bodies or vicinities in 2015.

1.7 Assesment of Research and Development activity

During 2015 and 2014 respectively in the previous years 2013 spending in research and assimilation of new products registered an upward trend.

The following table presents the evolution of costs incurred:

Table 1.7.1.(thousand)

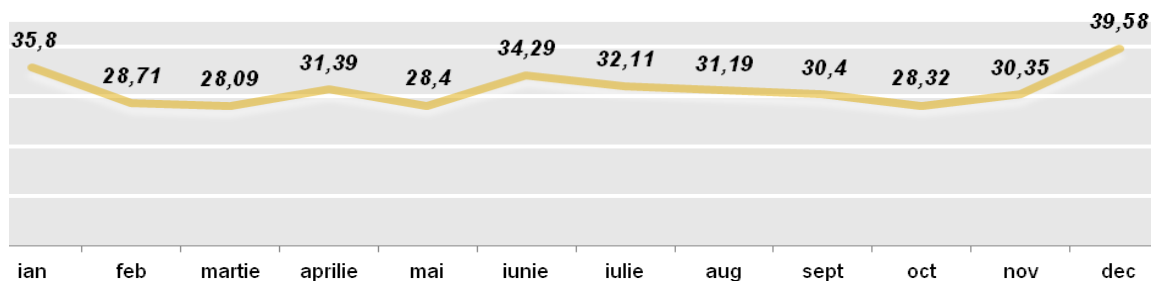
INDICATOR	2013	2014	2015
1) Expenditure on R & D	6,776.5	7,493.2	8,455.4
2) Turnover	457,731.3	421,121.8	480,430,8
3) % (Row 1 / Row 2)x100	1.48	1.78	1.76

Regarding the introduction of new or improved processes, 2015 was also a year in which important steps were taken , both by allocating significant funds for investment in new equipment and processes , as well as in modernizing and optimizing existing processes.

The share of new products in the fiscal value of the company has consistently exceeded the target of 20 %. This fact is one worth watching, it indicating the dynamism and competence of the company in terms of adapting to new requirements and replacement products from portfolio.

The table below presents the evolution of turnover for new products:

Table 1.7.2.(thousand)



Was put into operation a completely new process, using appropriate equipment for horizontal hot forging in closed die. The resulting products are used in the production of complex components (machined and assembled) for Honeywell Garrett turbine components and transmission parts for Dacia. To optimize the forging process and the tools design, the company implemented a specialized software for finite element analysis regarding. The program reduce necessary number of tests to achieve benchmark, tests witch are costly financially and in terms of the time.

Also it was put into operation an automated anneal line with high productivity.

They were approved new processes to achieve injector components for commercial vehicles, customer Deplhi England. The components which will be produced are injectors, nozzles "Nozzle" and valves. Processes contain three stages: before heat treatment (soft internship) thermic treatment and after treatment (tough stage) and include machining phases on CNC equipment, montage stages and phases of testing and control.

For this project were developed by the Technical Department deburring brushing machines, marking machines and automatic control stations.

Were approved new processes to achieve injector components for commercial vehicles, customer Deplhi England. Components are objects to be achieved injectors,"Nozzle" and valves. Processes are in three stages: before heat treatment



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ISO 9001:2008
ISO 14001:2004
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(soft internship), heat treatment and after treatment (tough stage), and include machining phases on digital equipment, installation stages and phases of testing and control. For this project were developed by the Technical Department deburring brushing machines, cash machines and automatic control stations.

Purchased heat treatment furnaces for heat treatment of carbonitriding applied realization of the injector components for commercial vehicles customer belonging Delphi England.

It implemented a new process for deburring and polishing with abrasive paste.

It performed adaptation processes to increase production by placing machinery and equipment with new machines for casing parts on lathes Magnetic Nozzle Emco and Okuma lathes and multi-ax DMG MORI.

It was succeeded achieving milestones magnetic casing and water pump pulley a process of punching automatic transfer which led to the possibility achieving a high volume production and minimizing the number of required staff.

In the assimilation of new products, for client Dacia Renault were approved two new landmarks namely Brida is a product made by a variety of processes and water pump pulley achieved through a transfer stamping and painting cataforetică.

In the manufacture of ramps for customer Bosch Germany have been approved yet by processing the cells 5, reaching an annual volume of 1.5 million units. Technical Department has developed for this project special deburring machines.

Were still 15 enterprises approved for customer Bosch Belgium.

In the welded assemblies were approved several products that are part of new projects (Prometheus, Alpha and Omega).

It started manufacturing pipes for Continental on a lathe DMG MORI automatically.

Over 2015 we were served a wide range of prototypes in all workshops Compa.





Company provides production diversification projects, renewal of serial products and increase turnover.

1.8. Assessment of risk management in the company's business

Evaluation of risk factors and risk management plays an important role in COMPA's business activity during this period. The most important risks to take into consideration are as follows:




1.8.1. Risks related to the Sales division

To mitigate or avoid such risks, COMPA took the following measures:

-  Conclusion of contractual agreements on the medium and long term;
-  manufacturing and delivery based strictly on a contractual agreement or firm orders;
-  quality improvements to avoid refusals;
-  respect delivery deadlines.



1.8.2. Risks affiliated with the negotiated sales price

In order to maintain within the market value and to assure profitability of products, in 2015 COMPA took the following measures:

-  skillful and cautious negotiations with clients, to secure comparative price levels for each product;
-  reduction of all cost categories (materials, administration cost, etc.)
-  constant engagement with suppliers to ensure material price sizing in respect with market fluctuations of steel and oil;

1.8.3. Credit Risks

The following steps were taken to diminish these risks:

-  skillful negotiations of financing credit costs with the financing banks;
-  usage of own resources and cautious use of credit lines;



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☞ renegotiation of payment deadlines with suppliers by expanding the payment period of bills.

1.8.4. Insolvency Risk

To avoid the occurrence of such a risk, COMPA adopted the following measures:

- ☞ keep financing relationships (loans) with esteemed banks (BRD and ING) in order to avoid possible insolvency situations throughout the crediting process;
- ☞ product delivery to internal clients (from Romania) only with payment insurance (promissory note or check);
- ☞ extend collaborations only with current, known, partners (clients), who were tested throughout the cooperation period and proved to have a stable financial situation (Bosch, Delphi, Honeywell, Haulotte).

1.8.5. Currency Risk

About 70% of COMPA production is dedicated to export, at prices negotiated in Euro.

Raw materials are mostly bought from foreign suppliers, negotiated in Euro. Credit lines are also acquired in Euro.

Currency fluctuations are monitored on a daily basis, exchanges from Euro in RON taking place only when the exchange rate benefits COMPA.

1.8.6. Development and investment Risks

In 2015 COMPA recorded a breakthrough in terms of investment costs, by taking advantage of the European funds POSCEE initiative and financing funds from the Norwegian Government, which also assures favorable costs for COMPA in the future.

The investment costs were known in advance, pursuing to insure the necessary resources by:

- ☞ assuring a superior level of own resources (profit + depreciation)
- ☞ accessing available credit lines (undrawn)
- ☞ credit at suppliers for specific time frames.

1.8.7. Theft Risks

Theft risks are diminishing on a yearly basis as a result to the constant expansion of security cameras in all sectors- manufacturing, shipping, storage.

1.9. Perspective elements in the company's business

a) Presentation and analysis of trends, elements, or events of uncertainty factors which affect or could influence the company's liquidity in comparison with the same period of the previous year

The very ambitious investment program of 108.58 thousand lei has had a major impact on the cash flow and liquidity rate throughout the year. The program had a stronger influence upon certain periods when the company had to pay in full the purchase of the "forging line", partially financed from European funds, and the "Zn-Ni alloy electroplating line", partially financed by the Norwegian government.

These payment methods have been previously acknowledged and measures were taken to assure there are no risks and dangers that could potentially affect the company's liquidity or cause payment delays towards creditors (suppliers, budget, etc.)

To fulfill the investment decisions, the company benefited from all financing options taken into account. Own financing sources have been exceeded (profit and depreciation taken into account in product prices).

Client receipts were pursued although there were no payment issues (COMPA's clients respect payment terms), and minor issues regarding unpaid invoices were handled in due time.

The management and optimization process of all types of stocks has been improved, with a favorable impact on the financial resources allocated for these stocks.



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ISO 9001:2008
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b) Presentation and analysis of the current or predicted capital cost effects concerning the financial situation of the company in comparison with the same period of the previous year

In 2015, the costs of accomplished investments amounting to 108.58 million Lei (24.1 million euro) aimed at fulfilling the following main goals:

-  acquisition of technological equipments, machinery, computing equipments;
-  machinery and building modernization;

In 2015 tangible assets amounting to a total of 105.678.826 lei were upgraded and put into operation.

Economic effects obtained through the acquisition of new machinery and technological lines are:

-  increase in production and turnover;
-  insure certain growth assumptions of the business volume in the upcoming years;
-  improve production technical level by acquiring CNC equipments with a higher accuracy rate;
-  increase productivity through the acquisition of machinery operated by a single person;
-  improve quality and competitiveness of products, as well as reduce non-conformed goods, costs related to quality;
-  reduce energy consumption;
-  safe operation of equipment;
-  reduce maintenance costs for these equipments which are more efficient and reliable.

In 2015, the company carried out projects financed from European funds. Implementing these projects materialized in purchasing the latest technological equipments. Thereby, within the project "Purchase of high performance equipment for sustainable development and economic competitiveness of the production sector in COMPA S.A Sibiu", the following equipments were put into operation:

- Horizontal Forging line Hatebur Hotmatic AMP 50XL;
- Induction heating equipment EloBar TM with 7 inductors;
- Continuous heated line UTTIS

Subsidized amount of these equipments was 16,932,245 lei.

Within the project "Be active and adapt yourself to the labor market" 2 HYUNDAI forklifts were purchased, totaling to 151,810 lei, from which the subsidized value was 141,836 lei.

c) Presentation and analysis of events, transactions, economic changes, which highly affect revenues from the basic activity.

Revenues coming from the core business activity, operating income, respectively the turnover carried out in 2015 compared to 2014 and 2013 are presented below: Table 1.9.c.

EXPLANATION	2013		2014		2015	
	Lei	Share in total %	Lei	Share in total %	Lei	Share in total %
Net Turnover	457,731,296	98.91	421,121,804	91.00	480,430,751	97.69
Sold production	446,556,815	96.81	410,674,824	89.03	473,454,380	96.27
Revenues from sold goods	7,023,558	1.52	9,914,782	2.15	4,861,998	0.99

EXPLANATION	2013		2014		2015	
	Lei	Share in total %	Lei	Share in total %	Lei	Share in total %
Revenues from operating subsidies	4,150,923	0.90	532,199	0.12	2,114,373	0.43
Other operating revenues	3,552,101	0.77	2,455,880	0.53	2,326,153	0.47
Production of fixed assets	1,503,656	0.33	5,775,918	1.25	9,024,078	1.84
Total operating revenues	462,787,053	100.00	429,353,602	100.00	491,780,982	100.00

Turnover evolution as well as the revenue structure for 2015, compared to previous years 2014 and 2013, is synthetically presented in table 1.9.c.

2. TANGIBLE ASSETS OF COMPA S.A. SIBIU

2.1. Location and characteristics of the production capacity

COMPA owns a diverse number of tangible assets, materialized in land, buildings, special constructions, cars and other means of transportation, other assets, assets in progress.

Their evolution over the past 3 years can be observed below:

Table 2.1.1.(Lei)

INDICATOR	2013	2014	2015	%	
				2015 / 2014	2015 / 2013
Land and buildings	186,097,585	187,798,079	138,766,021	73.89	74.57
Technical equipment and machines	74,117,789	79,935,209	152,656,347	190.98	205.96
Other equipment, machinery, furniture	260,082	242,625	257,991	106.33	99.20
Tangible assets in progress	16,073,844	39,931,707	43,462,372	108.84	270.39
TOTAL	276,549,300	307,907,620	335,142,731	108.85	121.19

The land and buildings have been reevaluated by an authorized independent evaluator in 2015. Following this evaluation, COMPA registered a decrease in land property with 35,889,605 lei, an increase in buildings with 1,212,947 lei, and a decrease in real estate investments with 55,000 lei.

Scrapping and depreciation have also led to a decrease of tangible assets in 2015. The inventory value of scrapped assets in 2015 was 872,799 lei, while the total depreciated value of scrapped assets turned out to be 63,579 lei. The linear method has been used to determine the depreciation rate of tangible assets.

The significant decrease of "Land, buildings, and real estate investments" in 2015 in comparison to 2014 is also due to the transfer of certain lands and buildings, valued at 21,498,458 lei, to the stocks category they belong to. The negotiations between COMPA and THYSSENKRUPP BILSTEIN COMPA regarding the transfer of several buildings and lands in 2015, and which are due for completion in 2016, the amount of 2,097,433 lei was already transferred in the "assets held for sale" category.

Moreover, the COMPA S.A. plant located at B-dul Victoriei, nr. 42, Sibiu, has been going through works of redevelopment even since 2014. In 2015, the project entered the next phase, obtaining all authorizations required to set up and sell 25 housing lots. The construction and development process will continue throughout 2016, and is expected to enter the selling stage by the end of the year. Following the process, in 2015 the redeveloping land has been transferred to the "Products in progress" category amounting to a total of 19,401,025 lei.

At 31.12.2015 all tangible assets pledged for contractual loans total to a book value of 163,733,974 lei.

2.2. Degree of wear of the company's property

Degree of wear of COMPA's tangible assets is as showed below:



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Table.2.2.(Lei)

INDICATOR	YEAR		
	2013	2014	2015
Construction			
Inventory Value	55,702,000	61,136,107	95,256,860
Remaining Value	55,702,000	57,402,495	95,256,860
Wear	0.00	3,733,612	0.00
Degree of Wear	0.00	6.11	0.00
Equipment and vehicles			
Inventory Value	269,111,486	294,592,728	387,795,262
Remaining Value	74,117,789	79,935,209	152,656,347
Wear	194,993,697	214,657,519	235,138,915
Degree of Wear	72.46	72.87	60.63
Other tangible assets			
Inventory Value	1,026,362	1,073,571	1,158,128
Remaining Value	260,083	242,625	257,991
Wear	766,279	830,946	900,137
Degree of Wear	74.66	77.40	77.72

2.3. Specifying potential issues related to ownership of tangible assets

COMP A owns 325.413 sq of tabulated land with no recorded problems related to the ownership of tangible assets, lands, buildings, or plant installations.

3. MARKET OF SECURITIES ISSUED BY COMP A SA

3.1. Markets in Romania and abroad where the securities issued by the company are negotiated

Company COMP A is listed at Bucharest Stock Exchange, Standard category, with symbol CMP.

At 31.12.2015 that company had 6482 shareholders, individuals and legal entities, Romanian and foreign. The shareholding structure is as follows.

Source of information: Depozitarul Central S.A.București

SHAREHOLDER	NUMBER OF SHARES	PERCENT
COMP A S.A. Sibiu Employees Association	119,474,505	54.60 %
LEGAL ENTITIES, from which:		
- Romanian	59,013,515	26.97 %
- foreign	22,329,018	10.20 %
INDIVIDUALS, from which:		
- Romanian	17,392,419	7.95 %
- foreign	611,581	0.28 %
TOTAL	218,821,038	100.00 %



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3.2. Description of the company's policy regarding dividends. Specification of dividends due/ paid/ accrued during the past 3 year, and as the case may be, the reasons for a possible reduction of dividends during the past 3 years

The policy of COMPA company not to allocate profit for the payment of dividends was adopted since 2004, the entire profit is assigned to own development sources. It adopted this policy knowing the company's exposure to banks and leasing companies to provide the necessary resources to new investments on the one hand, and on the other hand not to increase the indebtedness of the company.

3.3. Description of any activities of the company to purchase own shares.

During 2015, company COMPA S.A. Sibiu didn't redeem any of its shares.

3.4. If the company has subsidiaries, specifying the number and the nominal value of the shares issued by the parent company held by subsidiaries

The company RECASERV SRL, affiliated company of COMPA holds in the registry of COMPA's shareholders a number of 649,100 shares, 0.2966% of the share capital of company COMPA .











The other affiliated companies of COMPA SA do not hold any shares, therefore they are not included in the list of COMPA's shareholders.

3.5. If the company has issued bonds and / or other debt instruments,- showing the way the company pays its obligations to the holders of such securities

The company COMPA has not adopted until now the financing solution through bond issues. The only ways of financing used in previous years were capital increases and loan commitments, nevertheless since 2014 none of these two financing solutions were used and used instead only own financing sources.

4.COMPA'S MANAGEMENT

COMPA's company management has continuously developed modern management methods as tools used in the current activity :

-  change management, face interaction with the external environment that is very turbulent and creates the ability to anticipate and respond quickly to market trends through effective management of ideas, knowledge, skills and processes. Increasing the involvement of staff and effective management responsibilities facilitate efficient decision making and resulting changes ;
-  management based on objectives for encouraging and mobilizing the full potential of intellectual and practical employees at all levels to achieve maximum performance of the organization;
-  quality and environmental management in order to ensure that the requirements of quality demanded and expected by our customers , so as to achieve a partnership relationship that will lead to their full satisfaction in relation to production and our services ;
-  Occupational health and safety management , which aims to improve working conditions for workers by eliminating risks related activities , reducing and controlling those risks that cannot be removed by adopting technical and organizational measures to prevent ;
-  strategic management implemented by Balance Score Card tool, to establish the link between the environment opportunities and the company possibilities and firm management actions to fulfill strategic goals ;
-  project management to master efficient processes and achieving the goals ; combines a unique project with management by objectives ;
-  skills management, to permanently align skills to the strategic objectives of the organization;
-  cost management, for planning and monitoring the costs permanently in order to be able to reduce them ;
-  Kaizen management, continuous improvement.
-  performance management to a strategic and integrated approach to ensure long-term success in the organization activity by knowledge and performance management of people working in the organization , in the context of a framework which sets the general objectives, standards and criteria of competence.








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In COMPA's strategic plan the following strategic axes have been defined:






-  financial axis
-  customer axis
-  processes axis
-  personal axis
-  Environmental - Occupational Health and Safety axis

The general objectives that support the strategic axes are:











-  increasing company profitability,
-  increase customer value
-  reaching operational excellence
-  increasing staff performance .
-  increasing environmental performance and occupational health and safety .

The results of efforts in recent years have resulted in the development of projects started , which marked significant changes in the organizational structure , operations , professional competencies , allocation of resources , etc.

The business orientation continued with a new configuration characteristic to global automotive industry by:

-  high - volume series ;
-  high added value
-  flexible processes
-  innovation technologies
-  quality requirements to the highest standards ;

Thus, COMPA's efforts are directed towards:

-  focusing of resources on a limited number of projects developed by the company COMPA or in partnership with leading companies ;
-  investment programs in performant equipment;
-  substituting products that have completed their life cycle , with new products (brand COMPA) ;
-  increased integration processes , particularly with primary processes (forging)
-  Higher operational efficiencies ;
-  interventions for changing the organizational culture
-  achieving excellence in purchasing ; searching for new strategic suppliers to develop major projects
-  development of the maintenance management system by approaching the TPM concept ;
-  COMPA's Business System implementation (Agile concept) ;
-  Development of performance management; efficient communication.



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4.1. The list of the managers of the society and the following information for each manager

a. CV (name, surname, age, qualifications, professional experience, function and years of service in the function)

NAME AND SURNAME	Age	Qualification	Professional experience	Function	Years of service in the function
DEAC Ioan	66	Engineer	42	Chairman & CEO	26 year
MICLEA Ioan	71	Economist	42	Board member / Financial Director	26 year
BENCHEA Cornel	53	Economist	31	Board member	9 year
MAXIM Mircea-Florin	57	Engineer	34	Board member	11 year
VELȚAN Ilie-Marius	41	Economist	18	Board member	3 year

b. Understanding or family relation

There are not such cases within the members of the Administration Council of COMPA society

d. Transaction between the manager and society

Also, there is not any kind of transactions between the society and any member of the CA of COMPA society

d The participation of the managers at the social capital.

The managers took part in the taking over of the majority controlling interests from F.P.S. as members of the Employees Association COMPA.

e The list of the juridical persons affiliated to the society

COMPA - IT S.R.L.
COMPA EXPEDIȚII INTERNAȚIONALE S.R.L.
RECA SERV S.R.L.
THYSSENKRUPP BILSTEIN COMPA S.A.
TRANS CAS S.R.L.

4.2. The presentation of the list with the members of the executive management

a. Executive management:

NAME AND SURNAME	FUNCTION
Deac Ioan	Chairman & CEO
Miclea Ioan	Financial Director
Firiza Ioan	Management Director
Băiașu Dan-Nicolae	Purchasing Director
Bucur Tiberiu-Ioan	Sales Director
Acu Florin-Ștefan	Technical Director
Munteaș Bogdan-Vasile	Logistics Director
Țicu Liviu-Laurențiu	Quality – Environment Director
Suciu Ioan-Octavian	Quality & Environment and Health & Safety Systems Director
Țuțurea Mihai	Production Director



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NAME AND SURNAME	FUNCTION
Rotaru Petru-Liviu	Production Director
Morariu Mircea	Deputy Director
Oprîtoiu Dumitru	Chief Engineer - Energy Base
Dragomir Marius C-tin	Chief Engineer - Maintenance

d. the period the person takes part in the executive management

The members of the management on functions have individual working contracts on unlimited period of time; their designation and respectfully cancellation is made by the Council of Administration.

e. any kind of agreement, convention or family relationship between the respective person and another person due to whom the respective person was appointed as member in the executive management

There is no such family relationship between the present members of the Council of Administration and other important persons who can influence the election of the former in the Council of Administration.

d. The participation of the respective person at the social capital of the society

A part of the members of the Council of Administration and respectfully the members of the executive management of the society possess shares from the social capital of the COMPA firm, both by the shares they have as direct shareholders of the direct firm COMPA as well as indirectly through the portion they have in the Employers Association COMPA, the main shareholder of the firm COMPA.

5. FINANCIAL SITUATION- ACCOUNTING

a). Balance sheet items: assets representing at least 10% from total assets; cash and other liquid availabilities; reinvested profit; total current assets; total current liabilities

Annual accounts of the company COMPA are presented in detail in the notes to the financial statements which are submitted for review and approval. Synthetically presented in the table below are the main elements of assets and liabilities for 2015:

Table 5.a.

NAME OF INDICATOR	2013	2014	2015		% 2015 / 2015 REB	% 2015/ 2014	% 2015/ 2013
			REB	Carried out			
A.TOTAL CURRENT ASSETS, of which:	289,331,580	318,250,439	366,296,279	344,818,526	94.14	108.35	119.18
Intangible assets	3,110,195	4,480,741	5,200,000	4,249,508	81.72	94.84	136.63
Tangible assets from which:	275,524,300	306,882,620	358,000,000	296,837,486	82.92	96.73	107.74
Land and buildings	185,072,584	186,773,079	189,300,000	106,141,661	56.07	56.83	57.35
Technical plants and machines	74,117,789	79,935,209	118,500,000	152,656,347	128.82	190.98	205.96
Other plant, tools and furniture	260,082	242,625	200,000	257,991	129.00	106.33	99.20
Tangible assets in progress	16,073,845	39,931,707	50,000,000	37,781,487	75.56	94.62	235.05
Real estate investment	1,025,000	1,025,000	0	38,305,245		3,737.1	3,737.1
Financial assets	5,384,578	2,584,578	2,608,932	2,584,578	99.07	100.00	48.00
Other financial assets	24,354	24,354	0	107,354		440.81	440.81
Receivables from AMPOSDRU and AMPOSCEE partnerships	548,691	487,347	487,347	0	0.00	0.00	0.00
Deferred income tax	3,714,462	3,790,799	0	2,734,354		72.13	73.61



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NAME OF INDICATOR	2013	2014	2015		% 2015 / 2015 REB	% 2015/ 2014	% 2015/ 2013
			REB	Carried out			
B. TOTAL CURRENT ASSETS, of which:	147,686,506	139,635,852	153,164,072	219,929,806	143.59	157.50	148.92
Stocks	47,093,777	59,973,203	66,000,000	91,951,077	139.32	153.32	195.25
Receivables, from which	95,897,455	77,577,271	85,000,000	112,814,890	132.72	145.42	117.64
Trade or other receivables	92,390,165	73,794,803	81,700,000	103,061,551	126.15	139.66	111.55
Other receivables	328,916	1,221,351	800,000	2,951,652	368.96	241.67	897.39
Receivables from European projects	3,178,374	2,561,117	2,500,000	6,801,687	272.07	265.58	214.00
Advance expenses	221,084	1,275,517	1,300,000	420,178	32.32	32.94	190.05
Cash and bank accounts	4,474,190	809,861	864,072	14,743,661	1,706.3	1,820.52	329.53
C. DEBT LESS THAN 1 YEAR, total , of which:	75,610,550	75,736,632	86,245,000	121,467,264	140.84	160.38	160.65
Financial liabilities	8,482,300	0	0	0			0.00
Commercial liabilities and similar	57,049,990	65,504,669	75,000,000	106,113,839	141.49	161.99	186.00
Current income tax liabilities	0	466,341	0	0		0.00	
Other liabilities	7,874,420	7,020,622	8,500,000	9,930,346	116.83	141.45	126.11
Deferred income and grants for investments less than one year	2,203,840	2,745,000	2,745,000	5,423,079	197.56	197.56	246.07
Provisions under 1 year	0	0	0	0			
D. DEBTS OVER A YEAR TOTAL, of which:	61,529,407	59,119,505	84,933,707	125,456,251	147.71	212.21	203.90
Financial liabilities	44,795,569	44,305,153	73,000,000	90,552,975	124.05	204.38	202.15
Commercial liabilities	0	0	0	0			
Other liabilities	451,447	118,196	118,196	0	0.00	0.00	0.00
Deferred income and grants for investments over one year	16,146,746	14,560,511	11,815,511	34,767,631	294.25	238.78	215.32
Provisions over a year	135,645	135,645	0	135,645		100.00	100.00
E. CAPITAL AND RESERVES	299,878,129	324,055,154	348,281,644	317,824,816	91.26	98.08	105.98
Share capital	21,882,104	21,882,104	21,882,104	21,882,104	100.00	100.00	100.00
Adjustment of share capital	0	0	0	0			
Revaluation reserves	166,278,820	166,037,208	166,037,208	82,151,679	49.48	49.48	49.41
Other reserves	55,596,349	73,775,864	134,662,332	125,281,903	93.03	169.81	225.34
Adjustments of other reserves	23,122,057	23,122,057	0	23,122,057		100.00	100.00
Retained earnings	11,875,208	15,351,791	0	65,387,073		425.92	550.62
Profit/ loss of the period	21,123,591	23,886,130	25,700,000	28,354,626	110.33	118.71	134.23
Profit repatriation	0	0	0	28,354,626			



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In the structure of the balance sheet, especially within the group of fixed assets there have been registered significant changes compared to the previous year, as it follows:

- ☞ land and buildings were revalued at fair value by an authorized assessor, the revaluation result is reflected in the accounts of fixed assets and their value was adjusted with the following amounts:
 - -35,889.605 lei – for lands
 - + 1,212,947 lei – for buildings
- ☞ following the decisions taken within COMPA relating to capitalization of fixed assets at a higher level, especially of the land existing at COMPA's premises in Sibiu, Bd.Victoriei no.42-44 the buildings were decommissioned and land was arranged for the scope of capitalization of these lands, which are in an attractive location in the center of the town. A first phase implies the preparation of part of the land for sale – there will be arranged 25 lots for housing construction; as a result of this intention it was proceeded to transfer the land to be sold in the category "products in progress". The amount transferred was of 19,401,025 lei; This was then followed by transfer from category "land and buildings" of these lands in the "investment property" in order to sell them. These changes are reflected in the Balance Sheet, *Structure of fixed assets*
- ☞ Inflow of *Tangible assets* also increased significantly due to investment made in technological equipment, like forging line and galvanizing lines, processing lines for Bosch injection system components and other equipment of last generation.
- ☞ Current assets like stocks and receivables increased due to increase of turnover in the last two months, due to production transfer of components for injection system for trucks from Delphi Sudbury to COMPA.
- ☞ The large increase of the positive balance of *Cash and Bank Accounts* are due to cashing in the last business day of an amount of over 11 million lei in grants under the EU-funded project POSCEE
- ☞ Debts less than a year increased due to the following:
 - The increase in trade payables, debts to suppliers of equipment for investments
 - The increase in trade payables to suppliers of materials and semi-finished goods, due to the increase in turnover, particularly in recent months and preparation for production considerably higher in the first months of 2016;
 - subsidies for investment projects of less than one year have increased
- ☞ Debts over a year record a significant increased due to:
 - Financial liabilities, respectively debts to banks have doubled due to accessing credit lines in a greater proportion for:
 - financing investment expenses
 - financing work capital necessary for COMPA's economic activity in the last months as well as in 2016
- ☞ In the *Capital* structure there were noticed significant changes, such as:
 - The amount of reserves from revaluation decreased due to adjustment of land value after revaluation at the end of 2015 by an authorized evaluator;
 - Transfer of reserves from revaluation corresponding to fully depreciated tangible assets to *Retained earnings*
- ☞ Distribution of net profit

b. Profit and loss account: net sales; gross revenues; elements of costs and expenses accounting for at least 20% in net sales or gross income; risk provisions for various expenses; reference to any sale or shutdown of a segment of activity done in the last year or that are to be made in the next year; dividends declared and paid

Income and expense statement for the period between 2013 and 2015 is the following :

Table 5.b

DENUMIRE INDICATOR	2013	2014	2015		% 2015 / 2015 REB	% 2015/ 2014	% 2015/ 2013
			REB	Carried out			
Turnover	457,731,296	421,121,804	461,000,000	480,430,751	104.21	114.08	104.96
From which export	330,705,380	292,345,157	320,400,000	341,223,964	106.50	116.72	103.18
% in turnover	72.25	69.42	69.50	71.02			
Other operating revenues	5,055,757	8,231,798	3,500,000	11,350,231	324.29	137.88	224.50
Total operating revenues	462,787,053	429,353,602	464,500,000	491,780,982	105.87	114.54	106.27
Material costs	260,775,261	230,988,380	263,000,000	273,101,993	103.84	118.23	104.73
% in total income	55.09	53.03	55.85	54.15			
Costs with energy	21,538,667	20,744,871	23,000,000	22,136,476	96.25	106.71	102.78
% in total income	4.55	4.76	4.88	4.39			
Costs with salaries	84,273,636	89,219,750	81,400,000	100,778,097	123.81	112.95	119.58
% in total income	17.80	20.48	17.29	19.98			
Amortization and depreciation of tangible assets	32,991,188	27,734,360	28,200,000	25,285,353	89.66	91.17	76.64
% in total income	6.97	6.37	5.99	5.01			
Other operating expenses	35,581,793	29,495,572	35,600,000	35,184,151	98.83	119.29	98.88
% in total income	7.52	6.77	7.56	6.98			
Total operating income	435,160,545	398,182,933	431,200,000	456,486,070	105.86	114.64	104.90
Operating result	27,626,508	31,170,669	33,300,000	35,294,912	105.99	113.23	127.76
Expenses with interest	1,769,248	963,897	1,200,000	791,592	65.97	82.12	44.74
% in total income	0.37	0.22	0.25	0.16			
Other financial expenses	11,404,508	7,792,085	7,900,000	16,372,691	207.25	210.12	143.56
% in total income	2.41	1.79	1.68	3.25			
Total financial expenses	13,173,756	8,755,982	9,100,000	17,164,283	188.62	196.03	130.29
Interest income	11,786.00	4,444.00	4,600	1,905.00	41.41	42.87	16.16
Other financial income	10,576,397	6,190,248	6,395,400	12,559,715	196.39	202.90	118.75
Total financial income	10,588,183	6,194,692	6,400,000	12,561,620	196.28	202.78	118.64
Financial result	-2,585,573	-2,561,290	-2,700,000	-4,602,663	170.47	179.70	178.01
Total income	473,375,236	435,548,294	470,900,000	504,342,602	107.10	115.79	106.54
Total expenses	448,334,301	406,938,915	440,300,000	473,650,353	107.57	116.39	105.65
Gross result	25,040,935	28,609,379	30,600,000	30,692,249	100.30	107.28	122.57
% in total income	5.41	6.66	6.59	6.24			
Current income tax	4,241,602	4,511,241	4,700,000	1,190,735	25.33	26.39	28.07
Current income tax ratio	16.94	15.77	15.36	3.88			
Deferred income tax	-324,258	212,008	200,000	1,146,888	573.44	540.96	-353.70
Net result	21,123,591	23,886,130	25,700,000	28,354,626	110.33	118.71	134.23

In the table above, one can observe a positive evolution of the indicators from the *Profit and loss account* achieved in 2015 compared to the years 2014 and 2013.

- *Turnover* and *operating income* have increased with over 14% compared to 2014, due to demand for new production capacities, to transfer to COMPA of some new projects from major customers;
- *Operating expenses* have also increased naturally with the same proportion with *operating incomes*;
- *Net profit* increased to a greater extent (18.71%) due to facility the company has benefited as a result of reinvesting the profit

c) **cash flow: all changes in the level of cash in the core business, investment and financial activity, the level of cash at the beginning and end of the period.**

Table 5.c.

INDICATOR	2013	2014	2015
Profit before tax	25,040,935	28,609,379	30,692,249
Adjustments for non-cash items	37,567,822	32,499,260	79,998,409
Changing in inventories	6,187,488	-12,879,426	-31,977,874
Variation of receivables	13,282,019	17,250,758	-32,921,488
Variation of financial obligations	-4,400,843	7,733,971	42,934,357
Profit tax payment	-4,241,602	-4,511,241	-1,190,735
Interest income	11,786	4,444	1,905
Purchase of tangible and intangible assets and advance payments for assets	-32,278,696	-60,938,822	-115,278,684
Profit loss from sale of tangible and intangible assets	128,215	105,799	32,407
Profit / from sale of financial assets	528,472	0	0
Variation in loan and borrowings	-38,234,716	-8,972,716	46,247,822
Interest payments	-1,769,248	-963,897	-791,591
Profit/ loss from exchange rate differences	-828,111	-1,601,838	-3,812,977
Cash availability at beginning of period	3,480,669	4,474,190	809,861
Cash availability at the end of period	4,474,190	809,861	14,743,661
Net cash flow	993,521	-3,664,329	13,933,800

When analyzing the cash flow we can highlight the following:

- ☞ elements generating positive cash flow are:
 - ☞ cash availabilities in the account
 - ☞ profit before tax;
 - ☞ adjustments of non-monetary items
- ☞ elements with negative impact on cash-flow are:
 - ☞ procurement for tangible assets (through investments)
 - ☞ increase of stocks and liabilities
- ☞ net cash flow at the end of 2015 was positive



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6. COMPLIANCE WITH CORPORATE GOVERNANCE BSE CODE

Starting with 2010, COMPA is in line with the demands BSE Code, when the first Corporate Governance Regulation was elaborated, regulation which transposed the principals and recommendations of the Bucharest Stock Exchange Code.

According to the new BSE Code from September 2015," companies will include a corporate governance statement in the annual report in a separate section, which will include a self-assessment of how they fulfill " the requirements which must be respected "and measures adopted to observe the provisions which are not met fully".

COMPA aligned to the new demands by adopting a new form of the *Declaration concerning the conformity with the Code* and has sent, in this way, a current report regarding compliance, on 20.01.2016.The Declaration is presented in Annex 1.

6.1. The Board of Directors

According to the Constitutive Act , company COMPA is administrated under a unitary system; the administration of the company lies within a Board of Directors (CA)made up of 5(five) administrators/managers, chosen by cumulative vote by the Shareholders Ordinary General Assembly on 29.04.2013. The duration of mandate of the members of the Board of Directors is four years.

Out of the 5 managers, 3 are non-executive managers. The structure of the Board is presented in paragraph 4.1

The main competences of the Board of Directors are those of defining the strategy of the society, of the management policy, rational and efficient valorization of the resources, establishing and following the objectives of the company's managers. COMPA has an audit committee made up of 2 nonexecutive administrators.

The Board of Directors meets at least once every 3 months, or as often as it is necessary, and the decisions in the meetings are taken with simple majority.

6.2. Executive management

According to the Regulation of Corporative Governance of company COMPA S.A. Sibiu, whose financial situations represent the object of the financial audit/control, the executive management of the company is delegated to the managers of the society, appointed by the Board of Directors, who are responsible for all the measures taken related to their field of activity, in compliance with the granted competences.

The managers periodically inform the Board of Directors about the operations carried out for accomplishing the set objectives of not exceeding the given resources and with regard to the fulfillment of the given tasks. The executive management team and the their positions are presented in paragraph 4.2

6.3. The way the general meetings of the shareholders (GMS) take place, their competences, the shareholders' rights and how these can be exercised:

GMS is the management body, which decides on the activity and sets the economic and commercial policy.

General meetings of the shareholders (ordinary and extraordinary) are taking place according to the convenings sent to BSE and to the Authority for Financial Control.

The organization of the general meetings of the shareholders, their competences as well as the rights of the shareholders are carried out in accordance with the present legislation that is the Incorporation Article no.31/1990, republished, law which establishes the rules of organization and functioning of the commercial companies as well as the way of organization and functioning of different management bodies -The General Assembly of the Shareholders, The Board of Directors, The Regulations CNVMnr.1/2000 and the Regulations CNVM no.6/2009 which come to complete.



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6.4. Shareholders' rights

6.4.1. The right to participate and vote in the General Meeting of the Shareholders

Shareholders registered in the Register of the Company's Shareholders on the reference date may attend in person or may be represented at the GMS by their legal representatives or other persons granted a power of attorney, based on a special or general proxy provided by the company for each meeting.

The access of shareholders at the General Meeting is made with minimum 15 minutes before the beginning of the meeting, providing a simple proof of their identity, for individual shareholders- their identity card, and for the shareholders legal entities and empowered individuals- *the special/ general power of attorney* given to the individual who is representing them. If after 30 minutes after the hour at which the meeting was summoned it is observed that the quorum is not accomplished, the meeting is suspended and will take place at a second convening.

The right to vote can be exercised directly, by a representative or by correspondence. Each share entitles to one vote in the General Meeting of the Shareholders.

The shareholders can take part personally or can be represented at the meeting by their legal representatives or by other persons who were given the mandate for representation, on the basis of printed form of *Special/ general power of attorney* provided by the society on legal terms. The printed forms of Special/ general power of attorney in Romanian or English are available at the company's headquarters or can be downloaded from the company's website starting with the announced summon date.

An original copy of the Special/general power of attorney filled in and signed, together with a copy of the identity card of the shareholder (BI/ CI/passport/identification card for stay, for individual shareholders and certificate of registration for legal entities) will be laid down personally or send to the company's headquarters until the announced date.

6.4.2. The right to introduce new points on the agenda

One or several shareholders holding individually or collectively, at least 5% of the Company's share capital, have the right, under the law, to introduce new items on the agenda provided that each such item is accompanied by a justification or a draft resolution proposed for approval at the general meeting and to make draft resolutions for items , as well as to make new resolution for the items included or to be included on the agenda of the General Assembly which will be send to the company in written form until a date mentioned for each meeting. They also have the right to present resolution projects for the points already on the agenda or proposed to be included on the agenda, this right may be exercised in writing.

The proposals regarding the introduction of new point on the agenda of the day should be accompanied by the copies of the identity cards of the respective shareholders (identity card for individuals, registration certificate for legal entities) being necessary that each such item is accompanied by a justification or a draft resolution proposed for approval at the general meeting.

6.4.3. Presentation of resolution proposals

One or several shareholders holding individually or collectively, at least 5% of the Company's share capital, have the right, under the law, to introduce resolution projects for the points included or proposed to be included in the agenda of the GMS, accompanied by identity cards of the shareholders (BI/ ID card for the individuals, respectively registration certificate for legal entities), can be sent per post or by e-mail, until the date announced in the summon.

6.4.4. The right to ask questions

Any shareholder of the company, regardless of participation in the share capital is entitled to ask questions in written form (via e-mail or post office) related to items on the agenda, accompanied by a copy of a valid ID card (ID card/ passport/ identification card for stay, for individual shareholders and certificate of registration for the legal entities) so that they are registered by the company until the date announced in the convening notice. The company will elaborate a general answer for questions with the same content.

The answers will be available on the company's website www.compa.ro at section "Relations for investors" "General Meeting



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of the Shareholders” beginning with the date announced, in the format “Question/Answer” and/or during the meeting.

The right to ask questions and the obligation of the society to answer will be subject to confidentiality and interests of the company.

6.4.5. Voting by mail

The shareholders registered at the reference date in the Register of the shareholders are entitled to vote by mail, before the meeting, by using the printed form *Voting by mail*.

In this case *the Voting by mail* form filled in and signed, with legal signature by a public notary and the copy of the valid identity card of the shareholder (ID card for the individuals, respectively registration certificate for the legal entities) will be send via mail or e-mail, until the date announced for each meeting.

Voting by mail forms which are not received until the mentioned date in convening notice will not be counted towards the quorum and the vote in the E.G.M.

On the meeting day, when entering the meeting hall the designated representative will hand the original of *Special/general power of attorney / the Voting by mail* in case that these were sent by e-mail with electronic signature incorporated and a copy of the identity cards of the designated representative (BI / ID card).

















The shareholders have the obligation to respect the procedure established by the Board of Directors regarding the voting – according to the chosen modality-otherwise their vote may be cancelled.

In order that all shareholders may have access to information, this are posted on the company’s website www.compa.ro at the section **Relations for investors-General Meeting of the Shareholders**.

6.5. Other elements of Corporate Governance

6.5.1. Transparency and Reporting

In order to meet the obligations of transparency and reporting established by applicable legislation in force, COMPA made in 2015 the following statements, send them to BSE and ASF(CNVM), according to the financial calendar and published them on the company’s website www.compa.ro.

-  Financial communication calendar for 2015;
-  Current report on transactions of the type listed in art.225 of Law no.297 / 2004 at 31.12.2014;
-  Preliminary financial statements for 2015
-  Convening notice of General Meeting (Ordinary and Extraordinary) of Shareholders dated 29.04.2015;
-  Decisions of the General Meeting (Ordinary and Extraordinary) of the Shareholders dated 29.04.2015;
-  Annual report for 2014 unbound statements
-  Financial-economic unbound statements at 31.12.2014
-  Financial-economic bound statements at 31.12.2014
-  Income and expenditure budget for the year 2015;
-  The quarterly report (I st quarter - 2015);
-  Half-yearly report (I st semester - 2015);
-  The quarterly report (III rd quarter - 2015);
-  Current report at 30.06.2015 on transactions of the type listed in art 225 of Law no297 / 2004;
-  Releases on the availability of reports submitted
-  Convening notice of EGMS dated 14.12.2015 / 15.12.2015
-  Resolutions of the Extraordinary General Meeting dated 14.12.2015



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6.6. The risk management

Detailed information on the system of risk management is presented in paragraph 1.1.8 “The evaluation of the company’s activity with regard to the risk management”

6.7. Conflict of interests

The members of the Board of Directors made decisions for the benefit of the company COMPA. Each manager took care to avoid any kind of direct or indirect conflict of interests with company COMPA or with any company controlled by the latter.






To assure the procedural fairness of the transactions with the parts involved (“self transactions”), the Board of Directors has in view the following:

-  maintaining the competence of the Board of Directors or GMS, as the case may be, to approve the major transactions;
-  requesting a prior opinion on the most important transactions from internal control structures;
-  entrusting negotiations regarding these transactions to one or more independent directors or directors having no links with the parties concerned;
-  appeal to independent experts, possibly selected by independent directors.




6.8. Social responsibility

The efforts of company COMPA are directed towards reaching a high level of social cohesion, environment protection and fundamental human rights aiming to have a positive impact on community.

COMPA company applies consistently principles and rules of social responsibility which reflect the requirements of standard SA 26000 and also of the clients. These are defined both in the Collective Labor Agreement and other internal regulations and addresses both employees and other stakeholders:

-  responsibility for the law and to the environment;
-  health and safety of the employees;
-  social dialogue;
-  equal and non-discriminatory treatment;
-  ethics and principles in the business management;

At the same time, COMPA is a permanent presence in the consciousness of the community it belongs to and constantly supports it in several ways, as it follows:

-  assurance of technical and technological support necessary for the professional and specialized training in college and university education;
-  supporting sport competitions: cycling, rally;
-  contributions to providing resources for projects in the field of public health, culture and religious groups

6.9. Status of compliance with the provisions of the new BSE Corporate Governance Code as of 31 December 2015 – presented in Appendix 1 of the CURRENT REPORT dated 20.01.2016

**CHAIRMAN / CEO,
IOAN DEAC**

**FINANCIAL MANAGER,
IOAN MICLEA**



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APPENDIX

To the ANNUAL REPORT 2015

Article of incorporation, if this has been amended during the reporting year.

The article of incorporation was brought up-to-date on 08.06.2015, as a result of EGMS from 29.04.2015 and is posted on COMPA's website.

Major contracts concluded by the company during the reporting year:

Contracts are presented in:



Current report on 31.12.2014 regarding the transactions of the type listed in art.225 of law no.297/2004



Current report on 30.06.2015, regarding the transactions of the type listed in art.225 of law no.297/2004



Current report on 30.06.2015 regarding the transactions of the type listed in art.225 of law no.297/2004

Documents of resignation / dismissal, if there were such situations among administration members and executive management.

There were no situations of resignation /dismissal within the members of the Board of Directors or executive management.

The list of the companies controlled by COMPA

COMPANIES CONTROLLED BY COMPA SA

COMPA EXPEDIȚII INTERNAȚIONALE S.R.L.SIBIU

COMPA - IT S.R.L. SIBIU

RECA SERV S.R.L. SIBIU

TRANSCAS S.R.L. SIBIU