INDIVIDUAL FINANCIAL STATEMENTS

SC UZTEL S.A. PLOIESTI

31.12. 2015

PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ORDER NO. 881/2012 AND OF ORDER NO. 1286/2012 OF MINISTRY OF PUBLIC FINANCE

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Statement of individual financial position

For the year ended on 31 December 2015

LEI	Note	31-December 2015	31-December 2014
Long-term Assets			
Tangible	10	58.309.744	64.049.643
Real Estate Investments		-	-
Intangible assets	10	54.973	52.541
Financial assets	10	-	-
Total long-term assets		**58.364.717**	**64.102.184**
Current assets			
Stocks	11	42.145.939	37.981.286
Trade receivables and other receivables	4	17.769.723	22.635.703
Deferred tax assets	4	-	-
Loans granted to related parties		-	-
Recoverable Taxes		-	-
Other assets		-	-
Cash and cash equivalents	4	7.359.311	14.674.514
Assets held for sale		-	-
Total current assets		**67.274.973**	**75.291.503**
Total Assets		**125.639.690**	**139.393.687**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	5	13.413.648	13.413.648
Adjustments of capital	5	3.453.860	3.453.860
Share preium account		-	-
Rezerations	5	69.335.973	71.913.463
Result for the year	6	(2.037.296)	2.403.349
Result reported (earnings)	8	7.952.819	7.694.744
Total Capital		**94.156.300**	**96.475.715**
Long term loans			
Loans	4	-	4.772.776
Financial leasing and interest bearing liabilities		-	-
Deferred tax liabilities		-	-
Trade payables and other payables	4	8.212.877	21.902.600
Provisions	9	250.638	253.538
Income in advance	4	-	-
Total current liabilities	4	**8.463.515**	**26.928.914**

Continued Individual financial position

LEI

Current liabilities			
Trade payables	4	9.612.345	4.457.126
Loans received from related parties		-	-
Loans	4	4.772.776	2.755.871
Financial leasing and interest bearing liabilities		-	-
Income in advance	4	1.618.884	2.332.919
Other liabilities	4	6.898.041	5.900.324
Current income tax	7	117.829	542.818
Total current liabilities		**23.019.875**	**15.989.058**
Total liabilities		**31.483.390**	**42.917.972**
Total equity and liabilities		**125.639.690**	**139.393.687**

The financial statements were approved by the Judicial Administrator and were authorized to be issued on 28.04.2016

Consortium:
Judicial Administrator,

Euro INSOL SPRL and Euroinsol Consulting SPRL
By Coordinator Practitioner Associated Coordinator
attorney PhD Adrian Remus Borza attorney Alina Mariana Maer

General Manager, Finance Manager, Head of General Acct. Dept. ,
Eng. Ion Zidaru Ec. Ileana Popescu Ec. Marian Ilie

The accompanying notes are an integral part of these financial statements

Individual Statement of consolidate income
for the year ended 31 December 2015

in LEI	Note	31-December 2015	31-December 2014
Income	12	45.806.332	73.512.397
Income from investments		-	-
Other income	12	1.039.353	736.774
Other gains / (losses) -net	12	447.337	(68.055)
Income cost of inventories of finished goods and Production in progress	12	15.164.297	10.194.844
Expenses with raw materials and consumables	12	(30.430.434)	(42.905.897)
Asset depreciation and amortization expense	12	(7.043.300)	(7.073.059)
Employee benefits expense	12	(15.892.809)	(17.783.306)
Expenditure on insurance contributions and social protection	12	(3.845.740)	(5.352.673)
Expenses with external supply	12	(5.678.456)	(7.409.627)
Other expenses	12	(1.574.929)	(1.012.756)
Other gains / (losses) -net	12	-	-
Operating profit	12	**(2.008.349)**	**2.838.643**
Financial income	12	1.754.570	2.225.844
Financial expenses	12	1.471.340	1.541.945
Other financial gains / (losses) -net		-	-
Financial costs - net		**283.230**	**683.899**
Profit / (loss) before tax		**(1.725.119)**	**3.522.542**
Current income tax expense	7	312.177	1.119.193
Expense / income with deferred income tax	7	-	-
Profit / (loss) for the year - net	6	**(2.037.296)**	**2.403.349**
Other items of comprehensive income			
Earnings / (loss) from revaluation of tangible assets			
Adjustment of deferred tax related to reserves from revaluation	10	-	-
Total consolidated income for the year			
Earnings per Share		-	-
Number of shares		**(2.037.296)**	**2.403.349**
Other items of comprehensive income	6	**(0,38)**	**0,45**
Earnings / (loss) from revaluation of tangible assets	6	**5.365.459**	**5.365.459**

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Individual Statement of changes in equity

For the year ended on 31 December 2015

LEI	Note	Equity	Adjustment of equity	Legal reserve	Reserves from reassesement	Other reserves	Result reported	Total equity
Balance on 01 January 2014		**13.413.648**	**3.453.860**	**1.675.032**	**69.404.025**	**632.070**	**5.528.591**	**94.107.226**
Reasessment of tangible assets		-	-	-	-	-	-	-
Distribution of dividends		-	-	-	-	-	-	-
Reserve from Reassesement	5	-	-	-	-	-	-	-
Reserve Reclassification From Reassesement At reported Result	8	-	-	-	-	(937)	(237.196)	(238.131)
Transfer of result Of period To legal reserves	6	-	-	241.609	-	-	-	241.609
Net Profit of period	6	-	-	-	-	-	2.403.349	2.403.349
Removal Of application of IAS 29 On equity elements		-	-	-	-	-	-	-
Transfer between Equity accunts		-	-	-	(38.337)	-	-	(38.337)
Balance on 31 December 2014		**13.413.648**	**3.453.860**	**1.916.641**	**69.365.688**	**631.133**	**7.694.745**	**96.475.715**

Continued **Individual statement of changes in equity**

În LEI	Note	Equity	Adjustment of equity	Legal reserve	Reserves from reassessement	Other reserves	Result reported	Total equity
Balance on 01 January 2015		**13.413.648**	**3.453.860**	**1.916.641**	**69.365.688**	**631.133**	**7.694.745**	**96.475.715**
Reassessment of tangible assets		-	-	-	-	-	-	-
Distribution of dividends		-	-	-	-	-	-	-
Reserve from Reassesement	5	-	-	-	-	-	-	-
Reserve Reclassification From Reassesement At reported Result	8	-	-	-	-	-	2.295.370	2.295.370
Transfer of result of the year to legal reserves	6	-	-	-	-	-	-	-
Net profit of year	6	-	-	-	-	-	(2.037.296)	(2.037.296)
Removal Of application of IAS 29 On equity elements		-	-	-	-	-	-	-
Transfer between accounts		-	-	-	(2.577.489)	-	-	(2.577.489)
Balance on 31 December 2015		**13.413.648**	**3.453.860**	**1.916.641**	**66.788.199**	**631.133**	**7.952.819**	**94.156.300**

Continued **Individual statewment of changes in equity**

As a result of applying IFRS beginning with the fiscal year 2012 were restated financial statements, resulting from the application of IAS 29 an inflation adjustment to equity of 3,453,860 lei.

In 2015 the company has not revalued assets ranging from land and buildings.

There were not calculated deferred tax adjustments related to revaluation reserve.

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Individual Statement of Cash Flows

For the year ended 31 December 2015

	31-December 2015 lei	31-December 2014 lei	31-December 2013 lei
Net profit for the year	**(2.037.296)**	**2.403.349**	**1.711.914**
Net profit for the year	312.177	1.119.193	1.157.198
Amortization / depreciation of long term assets	7.043.308	7.513.542	10.433.155
Gain / loss on sale of fixed assets	-	-	-
Expenses / income with provisions for clients	(4.124.629)	(4.169.862)	(1.055.263)
Losses on receivables and sundry debtors	-	-	-
Provisions for stocks	(2.669.738)	(3.068.951)	(3.195.167)
Interest expenses	(176.486)	(361.280)	(827.379)
Interest income	258.873	688.688	1.109.318
Dividends income	-	-	-
Gain / loss from exchange rate differences	198.820	276.423	(197.200)
Movements in working capital	**842.324**	**1.997.754**	**7.424.662**
Increase / (decrease) in trade receivables and other receivables	4.866.322	(1.234.716)	(3.441.724)
Increase / (decrease) in other current assets	(342)	(604.506)	(155.718)
Increase / (decrease) in inventories	4.164.653	(2.891.152)	(43.106)
Increase / (decrease) intrade payables	858.206	(6.078.814)	1.575.021
Increase / (decrease) in deferred revenue	-	794.900	174.708
Increase / (decrease) inother liabilities	(10.576.377)	12.050.431	(8.101.356)
Cash used in operating activities	**(687.538)**	**2.036.143**	**(9.992.175)**
Income tax paid	(194.348)	(576.375)	(1.757.321)
Interest paid	(176.486)	(361.280)	(1.078.457)
Cash generated from operating activities	**(2.253.343)**	**5.499.591**	**(3.691.377)**
Net cash from investing activities	**(2.304.511)**	**(4.269.428)**	**(699.895)**
Cash payment for acquisition of land and assets	(2.304.511)	(4.269.428)	(699.895)
Net cash from financing activities	**(2.757.350)**	**(3.693.608)**	**(3.267.796)**
Cash repayments of borrowings	(2.755.871)	(3.658.177)	(3.182.551)
Dividends paid	(1.479)	(35.431)	(85.245)
Increase / decrease in net cash and cash equivalents	**(7.315.203)**	**(2.463.445)**	**(7.659.068)**

Continued **Individual Statement of Cash Flows**

	31-December 2015 lei	31-December 2014 lei	31-December 2013 lei
Cash and cash equivalents at beginning of period	14.674.514	17.137.959	24.797.027
Cash and cash equivalents at end of period	7.359.311	14.674.514	17.137.959
Increase / decrease in net cash and cash equivalents	(7.315.203)	(2.463.445)	(7.659.068)

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FIXED ASSETS - tangible

for the year ended 31 December 2015

	lands	Bulidings and constructions	Machines and equipments	Other tangible assets	Tangible assets in progress	Advances for intangible assets	Total
Cost	**Lei**	**Lei**	**Lei**	**Lei**	**Lei**	**Lei**	**Lei**
Balance on 01 January 2015	17.847.416	32.132.193	33.376.466	164.430	3.639.460	704.673	87.864.639
Increases	-	520.059	4.557.187	-	2.540.005	-	7.617.250
Outputs	534.551	-	2.020.224	3.800	3.577.770	581.553	6.717.897
Balance on 31 December 2015	17.312.865	32.652.252	35.913.429	160.630	2.601.694	123.120	88.763.992
Accumulated amortization							
Balance on 01 January 2015	-	3.397.468	20.356.721	60.808	-	-	23.814.997
Amortization of year	-	4.003.804	2.924.750	13.966	-	-	6.942.520
Amortiztion of outputs	-	-	298.448	4.821	-	-	303.269
Balance on 31 December 2015	-	7.401.272	22.983.023	69.953	-	-	30.454.248
Adjustement							
Balance on 01 January 2015	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance on 31 December 2015	-	-	-	-	-	-	-
Net book value							
Balance on 01 January 2015	17.847.416	28.734.726	13.019.746	103.622	3.639.460	704.673	64.049.643
Balance on 31 December 2015	17.312.865	25.250.980	12.930.406	90.677	2.601.694	123.120	58.309.744

OMFP no. 123 / 01.28.2016 concerning the rules for preparation and submission of financial statements / annual accounting reports changed (completed) accounting structure of presentation of the Assets, Liabilities and equity on 31.12.2015 (code 10) by including in the category of assets advances to suppliers of fixed tangible and intangible assets (account 4094 and 4093). To comply with this provision were included in the Letter of Intangible - Tangible assets related amounts of imprest accounts (ct. 4093) for the financial years 2015 and 2014

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FIXED ASSETS- Intangible

for the year ended 31 December 2015

	Development expenses	Other intangible assets	Intangible assets iin progress	Total
Cost	**Lei**	**Lei**	**Lei**	**Lei**
Balance on 01 January 2015	99.344	351.907	0	451.251
Inputs	27.055	77.354	0	104.409
Outputs	0	0	0	0
Balance on 31 December 2015	126.399	429.262	0	555.660
Accumulated amortization				
Balance on 01 January 2015	99.344	299.366	0	398.710
Amortization of year	660	101.318	0	101.978
Amortization of outputs	0	0	0	0
Balance on 31 December 2015	100.003	400.684	0	500.687
Net book value				
Balance on 01 January 2015	0	52.541	0	52.541
Balance on 31 December 2015	26.395	28.578	0	54.973

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Stocks

Foor the year ended on 31 December 2015

STOCKS	**31-December**	**31-December**
LEI	**2015**	**2014**
Raw material	2.090.109	2.217.493
Aditional material	960.452	976.200
Fuels	47.024	80.708
Packaging materials	13.702	13.969
Spare parts	5.931.062	6.009.832
Other consumables	635.747	579.432
Other consumables- protocol	36	-
Inventory items	718.462	727.806
Price difference at raw material and material	-	-
Product in progress	10.618.705	8.899.903
Semi- manufactured	2.145.746	2.222.735
Finished product	10.598.500	9.528.331
Difference of price of semi-finished products	706.454	298.620
Difference of price of finished products	10.021.995	8.953.754
Packing	5.087	15.280
Residual products	70.644	63.760
Adjustment for depreciation of raw material	(337.327)	(346.850)
Adjustment for depreciation of consumables	(1.624.422)	(1.996.788)
Adjustment for depreciation of other material	(234.870)	(246.833)
Adjustment for depreciation of semi-finished product	(287.521)	(290.912)
Adjustment for depreciation of finished product	(185.599)	(187.568)
Total	**41.893.988**	**37.518.872**
Advances for purchases assets such as stocks	251.951	462.414
Total General Inventory	**42.145.939**	**37.981.286**

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Trade payables and other payables

for the year ended on 31 December 2015

Debt situation on 31.12.2015				lei
LIABILITIES	Balance on 31.12.2015	maturity		
		less 1 an	1-5 years	More than 5 years
0	**31.483.389**	**23.019.874**	**8.463.515**	**-**
Total, of which:	**4.772.776**	4.772.776	-	-
Amounts owed to credit institutions	**1.618.884**	1.618.884	-	-
Advances collected for orders	**15.663.641**	9.612.345	6.051.296	-
Trade payables - suppliers	**117.829**	117.829	-	-
Income tax	**9.059.621**	6.898.040	2.161.581	-
Other creditors including tax and social security	**250.638**	-	250.638	-

Total liabilities , of which :	**Value - lei**	**Percent of total value liabilities (%)**
Budgetary debts	4.798.431	15,24
Trade payables	15.663.641	49,75
Bank loans	4.772.776	15,16
other payables (various creditors)	2.213.711	7,03
dividends	1.662.927	5,28
Customer creditors	1.618.884	5,14
Salary arrears	440.596	1,40
VAT under settlement expenses exceeded the social and protocol expenses	61.786	0,20
Provisions and deferred income	250.638	0,80
total liabilities	**31.483.389**	**100,00**

Continued Trade payables and other payables

Major Suppliers , depending on the volume of transactions for the year 2015 :

Domestic Suppliers	Total Invoices (lei) without VAT	Weight %
Forja Rotec SRL Buzau	3.623.041,83	14,18
Emsil Techtrans SRL Oradea	1.214.844,35	4,75
Electromagnetica SA Bucuresti	1.200.334,38	4,70
Edenred Romania SRL Bucuresti	1.117.549,43	4,37
Hany Industry SRL Ploiesti	1.099.418,76	4,30
GDF Suez Energy Romania SA Bucuresti	826.218,72	3,23
Forja Neptun SRL Baicoi	711.120,91	2,78
MSD COM SRL Buzau	641.593,88	2,51
Huttenes Albertus Romania SRL Bucuresti	588.346,70	2,30
Electrica Furnizare SA Bucuresti	560.050,81	2,19
TOTAL	**11.582.519,77**	**45,31**

External Suppliers	Total Invoices (Eur)	Weight %
GPS Oil Tools Oilfield Equipment & Services GMBH Vechta Germania	68.274,77	37,38
Jaddy Carry Doo Belgrad Serbia	25.409,00	13,91
CF Service SRL Italia	23.061,63	12,63
Passion SRL Ploiesti	15.435,00	8,45
Continental Logistics SRL Otopeni	14.824,81	8,12
Whitford LTD Anglia	8.123,26	4,45
Quality Bearings Online LTD Marea Britanie	7.116,00	3,90
Keramtech s.r.o. Cehia	5.630,40	3,08
Bocchi SRL Italia	5.077,60	2,78
Hunting Energy Service B.V. Olanda	3.238,00	1,77
TOTAL	**176.190,47**	**96,47**

Continued Trade payables and other payables

External Suppliers	Total Invoices (USD)	Weight %
Parker Hannifin Corporation PGI USA	71.265,00	26,85
Continental Logistics SRL Otopeni	58.420,24	22,01
Trelleborg Sealing Solutions Sofia Bulgaria	34.758,40	13,10
Romtech LLC Houston USA	34.706,75	13,08
Shabum International LTD Tel Aviv Israel	25.805,89	9,72
Omni Valve LLC USA	17.354,00	6,54
Westcoast B.O.P. Products INC USA	14.150,00	5,33
Freudenberg Oil & Gas LLC Houston USA	4.700,00	1,77
American Petroleum Institut Washington USA	2.570,74	0,97
Thomson Ruters(Scientific) LLC New York USA	1.499,00	0,56
TOTAL	**265.230,02**	**99,93**

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Trade receivables and other receivables

for the year ended on 31 December 2015

Receivables on 31.12.2015			**lei**
RECEIVABLES	Balance on 31.12.2015	Liquidity term	
		sub 1 an	peste 1 an
0	1 = 2 + 3	2	3
Total, of which:	**17.769.723**	**11.555.570**	**6.214.153**
Domestic Client	**5.926.718**	5.926.718	-
External Client	**4.174.656**	4.174.656	-
Doubtful client, litigation	**10.338.783**	-	10.338.783
Payroll Deposit	**10.504**	10.504	-
Suppliers borrowers	**385.000**	385.000	-
Borrowers	**512.751**	512.751	-
Other receivables (VAT not due, accrued expenses and settlement systems in operation during clarification)	**545.940**	545.940	-
Impairment of receivables-customers	**(4.124.629)**	0	(4.124.629)

Deferred tax payables	**7.557**	-	7.557

The main customers, depending on the volume of transactions on 2015 :

Domestic Client	**Total Invoices (RON) without VAT TVA**	**weight %**
Cameron-Romania SRL Campina	4.810.819,93	19,35
OMV Petrom SA Divizia E&P Bucuresti	4.125.416,38	16,59
Drilling Equipment SRL Zalau	3.156.818,59	12,70
Multy Products Rom SRL Sighisoara Punct de Lucru Albesti Prahova	1.579.103,78	6,35
Atlantic Prod Impex SRL Ploiesti	1.568.508,00	6,31
Tehnomet SA Buzau	961.866,60	3,87
Automobile Dacia SA Mioveni	677.368,75	2,73
Petrofac Solutions & Facilites Support S.R.L. Bucuresti	526.025,98	2,12
Neptun SA Campina	493.920,39	1,99
TOTAL	**17.899.848,40**	**72,01**

Continued Trade receivables and other receivables

External client	Total Invoices (eur)	Weight %
Robke Erdol Und Erdgastechnk Gmbh Germania	271.250,12	20,65
Peseco Limited Aberdeenshire Marea Britanie	135.721,00	10,33
Hartmann Valves & Wellheads Germania	125.607,25	9,56
Grand Import D.O.O. Loznica Serbia	118.082,00	8,99
Deep Drill Equipment Olanda	89.280,00	6,80
Nis s.c. Novi Sad Serbia	88.164,75	6,71
ZT Valve ou Estonia	87.306,00	6,65
Jaddy Carry Doo Belgrad Serbia	77.241,00	5,88
Eagle Property Investments LP Scotia	54.780,00	4,17
ABB Process Industrie Aix-Les Bains Cedex Franta	40.949,00	3,12
TOTAL	**1.088.381,12**	**82,86**

External client	Total Invoices (USD)	Weight %
Omni Valve LLC USA	1.419.682,00	40,70
Ial Engineering Services LTD Trinidad	537.344,00	15,41
PT Epsicon Multidaya Utama Indonezia	502.480,00	14,41
Array Holdings Inc USA	259.530,85	7,44
Ibemo Kazakhstan LTD Kazakhstan	170.728,50	4,90
Walveworks USA	167.600,00	4,81
PPI Technology Services Middle Least LTD	164.413,00	4,71
Romtech LLC Houston USA	156.340,00	4,48
Wood Group Amesa S.A. Venezuela	44.725,00	1,28
PT Karismakarya Budimandiri Indonezia	29.340,00	0,84
TOTAL	**3.452.183,35**	**98,98**

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attorney PhD Adrian Remus Borza attorney Alina Mariana Maer

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Eng. Ion Zidaru Ec. Ileana Popescu Ec. Marian Ilie

The accompanying notes are an integral part of these financial statements

Income from operations
for the year ended 31 December 2015

Explanations	amount (lei)	Share of total income %	Share of turnover %
Revenue from the sale of finished products - domestic market	24.285.062,41	38,09	53,02
Revenue from the sale of finished products - abroad	20.813.166,09	32,64	45,44
Revenue from the sale of residual products	0,00	0,00	0,00
Revenue from services rendered- Laboratory services	46.794,00	0,07	0,10
Revenue from services rendered - internal transport	3.612,20	0,01	0,01
Revenue from services rendered - external transport	299.929,60	0,47	0,65
Income from royalties, locations management and rental	22.557,48	0,04	0,05
Income from rental of oilfield equipment	6.675,54	0,01	0,01
Income from different activities	89.086,53	0,14	0,19
Income from different activities - Internal	245.732,09	0,39	0,54
Income from different activities - Export	15.945,28	0,03	0,03
Trade discounts - internal	0,00	0,00	0,00
Trade discounts - external	22.229,50	0,03	0,05
Turnover - Total	**45.806.331,72**	**71,84**	**100,00**

Report on operating segment at 31 December 2015	Amount (lei)	Share Of total income %
Revenue from the sale of finished products - internal	24.285.062,41	38,09
Revenue from the sale of finished products - external	20.790.936,59	32,61
Income stocks of finished goods	15.164.297,00	23,78
Revenue from services rendered	612.013,17	0,96
Income from royalties, management and rental locations	29.233,02	0,05
Revenue from sale of goods	89.086,53	0,14
Total	**60.970.628,72**	**95,62**

Continued Income from operation

year 2014	Amount (lei)	Share of Total income %	Share In turnover %
Revenue from the sale of finished products - domestic market	38.138.694,59	44,00	51,88
Revenue from the sale of finished products - abroad	33.620.396,74	38,79	45,73
Revenue from the sale of residual products	51.651,60	0,06	0,07
Revenue from services rendered- Laboratory services	52.425,50	0,06	0,07
Revenue from services rendered - internal transport	0,00	0,00	0,00
Revenue from services rendered- external transport	283.668,08	0,33	0,39
Income from royalties, locations management and rental	44.728,29	0,05	0,06
Income from rental of oilfield equipment	1.070.264,77	1,23	1,46
Income from different activities	27.353,66	0,03	0,04
Income from different activities - Internal	248.066,03	0,29	0,34
Income from different activities - Export	11.307,73	0,01	0,02
Trade discounts - internal	0,00	0,00	0,00
Trade discounts - external	36.160,20	0,04	0,05
Turnover - Total	**73.512.396,79**	**84,82**	**100,00**

Report on operating segment at 31 December 2014	Amount (lei)	Share of Total income %
Revenue from the sale of finished products - domestic market	38.138.694,59	44,00
Revenue from the sale of finished products - abroad	33.584.236,54	38,75
Income stocks of finished goods	10.194.844,00	11,76
Revenue from services rendered	595.467,34	0,69
Income from royalties, management and rental locations	1.114.993,06	1,29
Revenue from sale of goods	79.005,26	0,09
Total	**83.707.240,79**	**96,58**

Consortium:
Judicial Administrator,

Euro INSOL SPRL and Euroinsol Consulting SPRL
By Coordinator Practitioner Associated Coordinator
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Transactions with affiliated parties - IAS 24
for the year ended 31 December 2015

A Sales of finished products and services

Entity name	Sales year 2015 lei	Sales year 2014 lei
Aprodem SA Ploiesti	-	3.359,16
Axon SRL Ploiesti	-	3.919,11
Comis SRL Valeni de Munte	1.449,56	6.383,77
Ipsar SRL Valeni de Munte	24.987,67	1.590,86
Iulnicomnic SRL Ploiesti	-	182,28
Platus Com SRL Campina	-	7.252,74
Titancore SRL Ploiesti	-	1.054,00
Vaspet SRL Focsani	-	124,99

B) Purchase of goods and services

Entity name	Aquisitions 2015 lei	Aquisitions 2014 lei
Aprodem SA Ploiesti	9.163,70	51.400,20
Axon SRL Ploiesti	659.611,20	1.218.517,80
Comis SRL Valeni de Munte	71.177,24	226.470,24
Electroservice Onel & CO SRL Ploiesti	-	50.552,16
Ipromet Focsani	16.752,40	480.457,84
Ipsar SRL Valeni de Munte	-	462.970,19
Iulnicomnic SRL Ploiesti	-	89.125,66
Passion SRL Ploiesti	69.834,27	93.125,20
Platus Com SRL Campina	108.186,07	320.655,78
Romconvert SA Ploiesti	34.100,00	78.597,40
Titancore SRL Ploiesti	188.879,02	294.515,12
Vaspet SRL Focsani	317.740,80	264.152,93

Continued Transactions with affiliated parties – IAS 24

Entity name	Aquisitions 2015 usd	Aquisitions 2014 usd
Shabum International LTD Tel Aviv	25.805,89	49.048,64

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Income and Expenses

for the year ended 31 December 2015

OPERATING REVENUE

	31-December 2015	31-December 2014 lei
Total operating income, of which:	**62.009.982**	**84.444.015**
Turnover	45.806.332	73.512.397
Income cost of inventories of products	15.164.297	10.194.844
Revenues from production of tangible and intangible assets	278.865	313.000
Income from revaluation of tangible and intangible assets	-	-
Other operating income	760.488	423.774

OPERATING EXPENSES

	31-December 2015	31-December 2014 lei
Total operating expenses, of which:	**64.018.331**	**81.605.372**
Raw material and consumables costs	26.498.849	37.833.331
Other material expenses	938.594	1.202.474
Other external expenses	2.920.979	3.819.789
The expenditures on goods	72.012	51.891
Trade discounts received	-	1.588
Staff costs	19.738.549	23.135.979
Value adjustments on tangible, intangible assets, real estate investments and biological assets evaluated at cost	7.043.300	7.073.059
Value adjustments on assets	(444.437)	70.374
Other operating expenses	7.253.385	8.422.383
Expenses from revaluation of tangible and intangible assets	-	-
Adjustments for provisions	(2.900)	(2.320)

FINANCIAL INCOME

	31-December 2015	31-December 2014 lei
Total financial income, of which:	**1.754.570**	**2.225.844**
Income from exchange rate differences	1.493.584	1.416.443
Interest income	258.873	688.688
Other financial income	2.113	120.713

Continued Income and expenses

FINANCIAL INCOME

	31-December 2015	31-December 2014 lei
Total financial expenses , of which:	**1.471.340**	**1.541.945**
Interest charges	176.486	361.280
Other financial expenses	1.294.854	1.180.665

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Undersigned, Maria Coman, sworn interpreter and translator for the English and French languages under the license no. 5886/2001 of 11 December 2001 issued by the Ministry of Justice of Romania, certify the accuracy of the translation done from Romanian to English language that the text presented has been fully translated, without omissions, and that the translation did not distorted document content and meaning.

The document whose translation is required in full was issued by SC UZTEL SA , Ploiesti city, Romania and presented me completely .

The translation of the document submitted was executed according to a written request filed at no 66/15.03.2016 , kept in the archives of the undersigned.

SWORN NTERPRETER AND TRANSLATOR

MINISTERUL JUSTITIEI
COMAN MARIA
AUT.NR 5886/2001
TRADUCATOR AUTORIZAT

NOTES TO INDIVIDUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED on 31 December 2015

1. REPORTING ENTITY UZTEL S.A. (The "Company")

IAS 1.138 (a)-(b) UZTEL S.A. Ploiesti (the "Company") is a company in insolvency based in Romania.
IAS 1.51 The financial statements have been prepared under IFRS for the year on 31.12.2015 .
The company was organized as a joint stock company under *Law no. 15/1990 on the reorganization of state economic units as autonomous holdings and companies and the* Government Decision no. 1213/20 November 1990, act published in Official Gazette no. 13bis / January 21, 1991, operating under Law no. 31/1990 of the companies and its own statute.
The company is registered in the Trade Register related to Prahova Tribunal under no. J29 / 48/1991 and holds unique registration code - RO1352846.
The Company's main activity is the "Manufacture of machinery for mining, quarrying and construction" NACE classified code 2892.
As of May 22, 2008 the Company was admitted to trading on BSE category II with UZT symbol. Currently shares of UZT are traded.
In 2004, the company was privatized in PSAL I, by transferring shares held by the Romanian state to private shareholders , namely the Authority for State Assets Recovery sold the shareholding in the Company, equivalent to 76.8745% of the share capital at that time, to the consortium formed by association "UZTEL" and company ARRAY PRODUCTS CO.LLC – SUA.

Description of the Company's business.

SC "UZTEL" S.A. Ploiesti was founded in 1904 having an experience of over 110 years in the main activity: designing, manufacturing, repairing, selling on domestic and international market parts, assemblies and oil equipment and manufacture forgings and molded parts, spare parts for oil equipment, industrial machines, machine tools repair and others.
Since establishment "Company Romano - Americana" was meant to drilling, processing and distribution of petroleum products in Romania. The company was nationalized in 1948 and has expanded its business by embedding business of oilfield equipment repairs.
In 1950 it was renamed "Uzina Teleajen" and became an unit independent of the refinery sector.
In 1958 the company was taken over by the Ministry of Oil and Chemistry and in 1963 became a part of the General Directorate for Construction and Repair Oil Equipment. After 1966 the company was under the Ministry of Petroleum.
The company was founded and registered in the Trade Registry Prahova on 02.15.1991 , at no. J29 / 48/1991, with unique registration code RO 1352846 under the name S.C. UZTEL S.A. as a joint stock company, Romanian legal person with unlimited runtime in accordance with Law No.31 / 1990 - Companies Law.
Until 1990 it was called "Oil and Repair Equipment Company Teleajen" and then, based on Law No.15 / 1990, Law No.31 / 1990 H. G.no. 1213/1990 was reorganized as a company, registered with the name S.C. UZTEL S.A.
In 2004 the company was privatized as a result of the contract of sale of shares No.77 / 2004 signed between A.V.A.S. Bucharest as Seller and the Consortium Association UZTEL Ploiesti and

Array Products CO LLC as Buyer.
UZTEL Company S.A. Ploiesti's main objective is maintaining the market share on production efficiency by improving responsiveness to customer requests, the range of products and services offered, the creation of joint companies for joint venture and opening commercial offices in areas of interest in the industry in operating.
Decisions with immediate effect will generate assessable visible effects in the short term, of which there are:

- conduct permanent auditing processes and logistics to minimize time and cost of production;
– start implementing a program of "Change Management" that will help in the creation and implementation of new visions, strategies and initiatives to support medium and long duration of action;
-comparative evaluation (integration, outsourcing) costs not affect– the core business, as well as those that affect a small proportion;
- optimization of decision-making information.–

Decisions on permanent optimization and cost control generate visible effects and evaluated in regular activity of the company, among which we can mention:

-operational costs are a continuous process optimization, production expenses are planned to fall by around 5% -10%;
– staff resizing according to functional categories and depending on workload;
– reducing costs that are not directly related to sales (guard services, telephony, transport, etc.)
– outsourcing non-core business affecting the Company;
– fully optimized operating cost structure, adapted to the new market– conditions that will sustain profitable growth in the future.

Permanent decisions on boosting sales generated and generate visible effects and evaluated the company's activity, among which we can mention:

- redefining the range of products, focusing on products– and keeping only the most popular products with fast motion (for slow moving products are not considered stocks);
-implementation of training programs for the sales department employees-tender;–
- full range of integrated products and services for its customers and to initiate a program of service for international clients through partners;
-forming a team to promote interdepartmental (focused on improving brand perception sensitive and significant);–
- rethinking marketing strategy of the company and social responsibility.–

Decisions on permanent optimization of all company processes and have had noticeable effects and values assessed by key indicators of the company by reducing and controlling costs and allows making management decisions based on financial information - accounting updated in real time.
The core of the current strategy consists in positioning the client in the center of company interests and maximizing potential profitability of existing customers, and the potential ones and increase turnover and thus the sales volume of the company.
The benefit of continued reorganization:

- contracts will be undertaken with partners, upstream and downstream, which will lead to continuing the counterparties with influence on the economy and state budget;
- Maintaining UZTEL S.A. Company in the commercial circuit will create conditions that this company to re-occupy an important position on this market (held in the period before 2010), maintaining a posture of a serious and credible has the ability to generate significant revenues for the State Budget and shareholders;
- company's ability to maintain a cash generating activity;–

Continuing production activity is maintained market share of the company and hence will increase the value of assets of an "active" company compared to the situation of valorization of patrimony of a "dead" , nonfunctional company (patrimony which not used, undergoes degradation inevitable and destruction until the alienation).

UZTEL Company S.A. It is a viable economic system and mobile, optimally dimensioned a company that has the capacity to continue the productive activity.
The Company is and may remain an important contributor to the state budget and creator of added value by contributing to national gross domestic product.
The company is able to reorganize the entire activity and ensure continued livelihoods and the earning sources identified provide continuing productive activity, its diversification, modernization of capacities and pay of debts to creditors under arrangements approved.

The company has integrated production with local design skills, uses high technologies in accordance with API specifications or CE standards. Quality and OHSE Department using modern laboratories and procedures ensure compliance with international standards ISO 9001 and API specifications. UZTEL maintain and continuously improves quality management system and "SMC" ISO 9001: 2008 and API Spec. Q1 harmonized with the OHSE Management System under 14001, 18001, integrated with systems of environmental management and occupational health and safety certified by DNV, Germanischer Lloyd, to ensure product quality amid protecting the environment and creating a safe and healthy environment at workplace.

2. INDIVIDUAL BASIS OF PREPARATION OF FINANCIAL STATEMENTS IAS 1.112

a. Statement of compliance with IFRS

IAS 1.7 states that International Financial Reporting Standards include: International Financial Reporting Standards, International Accounting Standards, IFRIC and SIC interpretations. These provisions imply that an entity will include in its financial statements an explicit and unreserved statement of compliance with IFRSs whether to apply all the provisions of International Financial Reporting Standards, International Accounting Standards, SIC and IFRIC interpretations.

IAS 1.16 The Company has a complete set of financial statements prepared in accordance with the Order of Ministry of Public Finance n0. 881/2012 and the Order of Ministry of Public Finance no. 1286/2012 2012 on the application of International Financial Reporting Standards ("IFRS") by companies whose securities are admitted to trading on a regulated market.
These financial statements have been prepared considering the ongoing business principle.
Amounts are expressed in lei in all parts of the financial statements.
The financial statements have been prepared by management using the standards and interpretations issued on 31 December 2015, based on manual of accounting policies in force at that time. As part of the transition to IFRS, the Company prepared the financial statements and required to provide comparative information for the year ended 31 December 2014.
For annual financial statements under IFRS, the Company proceeded to the inventory of assets, liabilities and equity and their evaluation according to the provisions contained in IFRS.
The accompanying financial statements are based on the Company's statutory accounting records adjusted and reclassified in order of fair presentation in accordance with IFRS.
Significant adjustments to the statutory financial statements refer to:

- grouping a number of accounts in positions of comprehensive statement of financial position;
- preparing the notes to the financial statements and other disclosure requirements under IFRS.

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.
UZTEL SA is not part of a group of entities under the control of a parent company and does not

apply IAS 27 - Consolidated and Separated Financial Statements since the company was not in a consolidation perimeter.
Company managers take responsibility for preparation of financial statements on 31.12.2015 and confirm that they are in accordance with applicable accounting regulations and the company is ongoing.

b. Basis of valuation

IFRS provide financial statements prepared on a historical cost basis be adjusted, taking into account the effect of inflation, if it was significant (IAS1.106) to include the revaluation of tangible and adjusted according to International Accounting Standard IAS 29- Financial Reporting in hyperinflationary economies, until 31 December 2003. From 1 January 2004, the Romanian economy is no longer considered hyperinflationary.
The Company does not apply hyperinflationary environment accounting as of this date.

The Company does not apply IFRSs issued and not-entered into force on 31.12.2015, can not estimate the impact of not applying these provisions on individual financial statements but intends to apply these provisions with their enforcement.

c. Continued activity

These financial statements have been prepared under ongoing business principle assumption. This is confirmed by the reorganization plan prepared by the Company, and the way the company operated in the reference year 2015 and in the year before, 2014

Under the reorganization plan drawn up by the Special Administrator, approved by the General Meeting of Creditors and upheld by the court, the Company should cease state of insolvency next year (2016), during which it will reorganize / redesign activity and also will continue production activity.
Approval of Reorganization Plan extension and modification of the schedule of payment of debts was passed, approved and registered by the Minute no. 500 of 26.11.2015 of Meeting of Creditors.
Bankruptcy judge by Sentence no 1186 din 15.12.2015 confirms the change and extension of the Reorganization Plan UZTEL Ploiesti another year.
To evaluate the applicability of this presumption, the Company management has analyzed the prediction of future operational activity, highlighting, at least for 2016, a volume of inputs from other contracts secured both by existing contract and reasonable certainty of contracting of new works.
SC UZTEL S.A. is one of the leading manufacturers of oilfield equipment, and providing repair services in this area, an area that has a positive perspective, especially in present day in Romania, when large companies in Europe and beyond will begin operation of new deposits of oil and natural gas.
In this context, the provisions of the Plan of reorganization and administrative decisions and executive management of the Company have targeted maintain financial balance, both by reducing costs, but also by applying a correct vision of revenue and expenses.
Based on analyzes conducted and measures of reorganization plan, the Company's directors confirm that it will be able to continue operations in the foreseeable future and, therefore, the application of the ongoing business assumption is justified and appropriate for the preparation of financial statements based on this principle.

d. Functional and presentation currency

Under IAS 1.51 financial statements are presented in Romanian Lei (RON), which is the functional and presentation currency. Except where otherwise stated, the financial information presented in RON has been rounded to the nearest unit.

e. Use of estimates and judgments

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates are made based on the most reliable information available at the date of the financial statements but actual results may differ from these estimates. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed periodically. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods affected as of IAS 1125.
In accordance with IAS 36, both tangible and intangible assets are reviewed at the balance sheet date to identify whether there are indicators of impairment.
The most significant estimates and decisions that have an impact on the amounts recognized in the financial statements are estimates of the economic life of tangible assets (e.g. equipment), determine the recoverable amount of tangible assets involving a lease, the estimate of provisions for doubtful debts, for depreciation of old stocks and stocks without movement, provisions for risks and charges.

3. ACCOUNTING POLICIES

The accounting policies detailed below have been consistently applied by the Company in accordance with IAS 8 and IAS 1134-135.
The company discloses information that enables users of its financial statements to evaluate the objectives, policies and processes for managing capital Society.
In order to comply with IAS1.134 Society presents:

- Qualitative information about its objectives, policies and processes for managing capital including a description of what it manages as capital, and how it is meeting its objectives for managing capital;
- A summary quantitative data;
- Any changes from the previous period on qualitative and quantitative information.

The Company relies on information provided internally to key management personnel IAS 1135.

In the process of applying the Company's accounting policies, management has not made significant assumptions apart from those involving estimates of reserves for receivables, inventories and litigation that have significant effect on the amounts in the financial statements.
The accounting policies have been applied consistently to all periods presented in the financial statements prepared in accordance with IFRS.
In the process of applying the Company's accounting policies, management has made estimates for provisions, impairment of receivables and inventories which have no effect on the estimated values of the individual financial statements.
<u>Distinction assets / fixed or current debt / long-term</u>
Society presents current assets, assets and current and long-term liabilities as distinct classifications in statement of financial position, except when a presentation based on liquidity provides information that is reliable and more relevant in order of liquidity.

a. Transactions in foreign currencies

According to IAS 1.51 (d), (e) transactions in foreign currencies are expressed in RON by applying the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at year end are in USD at the exchange rate at that date. Gains and losses from exchange rate differences, realized or unrealized, are recorded in the income statement in the year in question, in accordance with IAS 21.
Official exchange rates used to convert foreign currency balances at December 31, 2015 are as follows:

Currency	31 December 2015
1 Euro	4,5245 lei
1 USA dollar	4,1477 lei

b. Financial Instruments
Non-derivative financial receivables

Financial assets include primarily cash and cash equivalents, customers and other similar accounts, investments. Recognition and measurement of these items are disclosed in the respective accounting policies.
Financial instruments are classified as receivables from loans, liabilities or equity in accordance with the content of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income as incurred. Payments to holders of financial instruments classified as equity are charged directly to equity.
The Company initially recognizes receivables and deposits on the date on which they were initiated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date when the Company becomes party to the contractual terms of the instrument.
The Company recognizes a financial asset when it expires contractual rights on cash flows generated by the assets or when transferred rights to collect the contractual cash flows of the financial asset in a transaction in which the risks and rewards of ownership of the financial asset are transferred significantly. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.
Financial assets and liabilities are compensated and in the statement of financial position are presented net value only when the Company has a legal right to offset the amounts and intends either to settle on a net basis, or to realize the asset and settle the obligation at the same time.
The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss, held to maturity financial assets, receivables and financial assets available for sale.

Trade receivables

Customer accounts and similar accounts include invoices and unpaid at the reporting date at face value and estimated claims related to sales, services, which are recognized initially at fair value plus directly attributable transaction costs. Subsequently, customer accounts and similar accounts are stated at amortized cost less impairment losses. Amortized cost approximates the nominal value. Ultimate losses may vary from the current estimates. Due to the inherent lack of information about the financial position of customers, an estimate of probable losses is uncertain. However, the company management made the best estimate of losses and believes that this estimate is reasonable in the circumstances.
Losses of value are analyzed on the date of the financial statements to determine whether they are correctly estimated. Depreciation adjustment can be repeated if there has been a change in existing conditions when determining the recoverable amount. Reversing impairment adjustments can be made so that only the net value of the asset does not exceed its net book value history.

Cash and cash equivalents

Cash and cash equivalents includes petty cash, current accounts and other cash equivalents. Cash and cash equivalents in foreign currencies are revalued at the exchange rate at the end of the period. Bank overdrafts that are payable on demand and form an integral part of the Company's cash management funds and credit lines are included as a component of the available funds in order to present a cash flow statement. Bank overdrafts are shown as borrowings in current liabilities section.

Short-term investments

The company booked under short-term financial investments , bank deposits in lei made within 1 month and up to 3 months deposits that provide the necessary cash payment according to the schedule of payment of quarterly rates of claims of creditors of the company for the Reorganization Plan, plan what was approved by creditors and confirmed by the bankruptcy judge by sentence no. 1282 / 10.9.2012 and was amended and extended by sentence no. 112 of 28/01/2014 and amended by sentence no 1186 din 15.12.2015.
Bank deposits were composed of financial liquidity obtained by the company through the collection of outstanding and current trade receivables in lei, to ensure the company's going on business and protect the interests of creditors and shareholders.

c. Non-derivative financial debt
The Company initially recognizes debt instruments issued and subordinated liabilities on the date it is initiated. All other liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date, when the company becomes party to the contractual terms of the instrument.
The Company derecognizes a financial liability when its contractual obligations are settled, canceled or expires.
Financial assets and liabilities are compensated and the net amount of financial position is presented only when the Company has a legal right to offset the amounts and intends either to settle on a net basis, or to realize the asset and settle the obligation at the same time.
The Company has the following non-derivative financial liabilities: financial liabilities, loans, overdraft, trade payables and other liabilities.
Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

d. Trade payables

Payables to suppliers and other payables are recognized initially at fair value plus directly attributable transaction costs. Subsequently, they are recognized at amortized cost less impairment losses using the effective interest method. Amortized cost approximates the nominal value.
Payables and other liabilities at amortized cost include the invoices issued by the suppliers of goods, works and services rendered.

e. Interest Bearing Borrowings
Borrowings are recognized initially at fair value, net of transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortized cost, any difference between cost and redemption value being recognized in the statement of comprehensive income during the loan based on an effective interest rate.
Net financing costs include interest on borrowings calculated using the effective interest rate method, less capitalized costs capitalized in assets, interest receivable on funds invested, dividend income, favorable and unfavorable foreign exchange differences, risk fees and commissions.
Interest income is recognized in profit or loss in the year they occur, using the effective interest rate method. Dividend income is recognized in profit or loss on the date the Company's right to receive dividends is recognized.

f. Equity (Share Capital)

Ordinary shares
Ordinary shares are classified as part of equity. Incremental costs directly attributable to issue ordinary shares and share options are recognized as a deduction from equity net of tax effects. Dividends on equity holdings (capital) established in accordance with General assembly of Shareholders (AGA) Decisions are recognized as a liability in the period in which their distribution is approved.

g. Tangible assets

Tangible assets, except land and buildings are recognized according to the requirements OMPF 1286/2012 and are highlighted in accounting at cost less accumulated depreciation and impairment losses.
Under IAS 16 property, plant and equipment are initially recorded at acquisition cost. Intangible assets visible through financial statements were included in the revalued amount less accumulated depreciation and adjustments for depreciation or impairment losses.
Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Tangible assets include land, buildings, construction, machinery and equipment and other tangible assets and tangible assets in course.
Starting May 1, 2009, statutory reserves from the revaluation of fixed assets, including land, performed after 1 January 2004, which are deducted from taxable income through tax depreciation or expenditure on assets sold and / or scrapped, are subject to tax while tax depreciation deduction , when writing off books of these assets, as appropriate.
Statutory reserves from revaluation of fixed assets, including land, made up to 31 December 2003 plus the portion of the revaluation performed after January 1, 2004 for the period up to April 30, 2009 will not be taxed at the time of transfer to reserves representing surplus revaluation reserve, but when changing their destination.

The statutory reserves are made taxable in the future, when changing of reserves destination in any form, in case of liquidation, merger of the Company, including its use to cover accounting losses, except for transfer, after 1 May 2009, the reserves for assessment after 1 January 2004.
When parts of a tangible asset have different useful lives, they are considered separate asset.
Tangible assets are retired or sold are removed from the statement of financial position together with the corresponding accumulated depreciation. Gains or losses after retirement or disposal are equal to the net proceeds from the disposal (less disposal costs) minus the net book value of the asset. They are recognized as income or expense in profit or loss.

When an asset is classified as investment property, the property is revalued at fair value. Gains arising from revaluation are recognized in the income statement only to the extent there is a loss of impairment of the property and any remaining winnings recognized as other elements of overall income and presented in the revaluation reserve in equity. Any loss is recognized immediately in profit or loss. Subsequent costs are capitalized only when it is probable that such expenditure will generate future economic benefits of the Company. Maintenance and repairs are expenses in the period

The fair value of tangible assets has been determined on the basis of continuity.

h. Depreciation

Tangible assets are generally amortized using the straight-line method over the estimated useful lives of the month following commissioning and monthly costs include company. The useful life (in years) used (fiscal) for tangible assets are as follows:

Lifetime (years)

Buildings, constructions and special installations	25 - 60
Machinery and equipment	03 - 28
Measuring and Control	05 - 10
Machines	04 - 10
Machines	03 - 20

Depreciation of an asset ceases at the earlier of the date the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognized.
Assets in progress and land are not depreciated. Investments in progress are not depreciated until commissioning. Assets' residual values and useful lives are reviewed and adjusted if necessary at each statement of financial position date. If expectations differ from previous estimates, the change must be accounted for as a change in an accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount exceeds the estimated recoverable amount.

i. Assets acquired under lease

IFRS 1 does not contain an exception to the retrospective application of IAS 17. Entities will need to consider leases at the date of transition to IFRS and classify them according to IAS 17. Certain operating leases may be reclassified into the category of finance leases. In this case, the entity recognizes that the date of passing to IFRS the asset leased with related depreciation, liability duty assessed under IAS 17 and impute to earnings any difference.

Under IAS 17 leases in which the Company assumes all the risks and rewards of ownership are classified as finance leases. Tangible assets acquired through finance leases are stated at least between the market value and the present value of future payments, less accumulated amortization and impairments of value. Lease payments are recorded in accordance with accounting policy. Fixed assets acquired in finance leases are depreciated over their lifetime.

j. Intangible

Intangible assets with determined useful life are amortized over the economic life and assessed for depreciation whenever there are indications that intangible assets may be impaired. The amortization period for an intangible asset with a useful life determined is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period, and treated as changes in accounting estimates. Amortization expense of intangible assets with useful lives determined is recognized in profit or loss category operational expenses.

Under IAS 38, intangible assets are presented in the statement of financial position at their revalued amount. Depreciation is recognized in profit or loss on a straight line method basis during the estimated useful lives of the intangible asset. Expenditure related to the acquisition of software licenses is capitalized based on the costs of procurement and commissioning of programs. Costs associated with developing or maintaining computer software programs are recognized as expenses when registering.
Intangible assets according to generally accepted regulations cannot be acquired through exchange of assets, which are treated as special deliveries.

k. Stocks

According to IAS 2, Inventories consist of raw materials and supplies, goods, spare parts, semi-finished products and packaging, and other materials. These are recorded at their entry as inventory at the acquisition price and acquisition are expensed or capitalized, as appropriate, when consumed. The cost of inventories is determined based on the FIFO method. Inventory accounting method is **ongoing inventory method**, quantity and value management being watched (store sheet and Integrated Informatics Storage Program SIVECO Applications - SVAP 2011). The value of production in progress and finished products includes direct cost of materials, labor and indirect costs of production that we have built.
Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, if any, and expenses of sale.
Inventory items are treated as inventory, passing on costs is performed entirely in putting them into use, tracking them extra accounting.
Heritage assessment at the end of the financial year is influencing stocks, with differences (+ / -) resulting from the annual inventory.

l. Dividends
under IAS 10, the Company may pay dividends only by statutory profit-sharing, considering the financial statements prepared in accordance with Romanian accounting principles. Dividends are recognized as a liability in the period in which their distribution is approved.

m. Employee Benefits

Under IAS 19, the rights of employees in the short term include salaries and social security contributions. Short-term employee rights are recognized as expenses with services by them in the current activity they perform. The Company makes payments to the Romanian State Social Security benefits to its employees. All employees of the Company are included in the Romanian State pension plan. The payments are recognized in profit or loss together with payroll expenses. The Company has no other legal or implicit obligations to pay future benefits to its employees. On termination of employment, the company has no obligation to repay the contributions made by former employees.

n. Provisions

Provisions

A provision is recognized when, and only when the following conditions are met: the Company has a present obligation (legal or implicit) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation when a reliable estimate can be made regarding the amount of the obligation. Where the effect of the temporary value of money is material, the amount of a provision is the present value of the expenditures is expected to be required to settle the obligation. Provisions are measured at the present value of cash flows using a discount rate that reflects current market situation and the risks specific to the liability.
Provisions are reviewed at each reporting date and adjusted annual financial statements to reflect the current best estimate of the Company's management in this regard. Where to settle an obligation is no longer probable that an outflow of resources, provision is canceled by resuming revenue.
No provisions are recognized for costs that are incurred for the activity in the future.

o. Income

Under IAS 18, revenue is recognized when the significant risks and rewards have been transferred to the buyer, obtaining economic benefits is probable and the associated costs can be estimated correctly.
Revenue is recognized at the fair value of the amount received (net amounts of revenue), VAT, returns and discounts. Sales of services are recognized in the period, to which it relates, by their nature (operational, financial).
Financial income comprises interest income from dividends. Interest income is recognized as it accrues in profit or loss using the effective interest method. Dividend income is recognized in profit or loss is determined at the time the Company is entitled to receive the amount paid.
Financial expenses comprise interest expense related to loans and impairment losses on financial assets. Interest on borrowed capital and commissions related to these loans are capitalized in production costs and those that are not directly attributable to the acquisition, construction or production are recognized in profit or loss using the effective interest method.
Losses and gains from exchange rate differences are recorded at net value under IAS 21.

p. Leasing

In accordance with IAS 17 leases in which the Company assumes substantially the risks and rewards of ownership are classified as finance leases. On initial recognition, the asset that is the subject of the lease is valued at the lower of fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

r. Income tax

Income tax is recorded in the income statement except where it relates to items of equity, in which case income tax is recorded in the equity section. Current tax is the expected tax payment that relates to taxable profit of the year, using tax rates set by law at the reporting date, adjusted for corrections of previous years.
Deferred income tax is calculated based on temporary differences. These assets and liabilities are determined as the difference between the carrying amount (VC) and the amount attributed for tax purposes (tax base BF).
Dividend tax is recorded at the same time when debts are recognized on dividend payment.
Income tax rate used to calculate the current and deferred income tax at 31 December 2015 was 16%.

s. Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing profit or loss attributable to owners of the weighted average number of shares subscribed.
The weighted-average shares outstanding during the year represents the number of shares at the beginning of the period, adjusted number of shares issued multiplied by the number of months in which the shares were outstanding during exercise.
Dilution is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or alternatives are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions. Result of diluted earnings per share is consistent with that of basic earnings per share namely, to assess the interest of each ordinary share in the performance of an entity.

t. **The implications of the new International Financial Reporting Standards (IFRS)**

Standards and interpretations issued by the IASB without yet applied in these financial statements and without having been adopted in advance.

Standards and Interpretations issued by IASB and adopted by the EU but not yet in force and society do not apply early

Currently, the EU adopted IFRS does not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB) except for the following standards, amendments to existing standards and interpretations, which have not been approved for use:

– Annual Improvements brought to IFRS (cycle 2010-2012) resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily in order to remove inconsistencies and clarify exposure. The Company takes into account the implications of the amendments, their impact on the financial statements and adoption of their applications.

– Annual Improvements to IFRSs brought (cycle 2011-2013) resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily in order to remove inconsistencies and clarify exposure. The Company takes into account the implications of the amendments, their impact on the financial statements.

– IFRIC 21 "Tax perception" provides guidance on the appropriate accounting treatment applicable to fees covered by International Accounting Standard 37, in order to improve comparability of financial statements for users. The Company takes into account the implications of IFRIC 21, their impact on the financial statements and adoption of their applications.

- Amendments to IAS 19 'Employee Benefits'. Defined benefit plans: employee contributions. Amendments seek to simplify and clarify the accounting related to contributions of employees or third parties related to defined benefit plans. The company estimates that the financial statements of company will not be affected by the amendments.

Standards and Interpretations issued by IASB, but still pending EU

Currently, the EU adopted IFRS does not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB) except for the following standards, amendments to existing standards and interpretations, which have not been approved for use

- IFRS 9 "Financial Instruments" and subsequent amendments (effective– as IASB for annual periods beginning on or after 1 January 2018). The Company takes into account the implications of the standard, the impact of the standard on its financial statements at the time of adoption.

- IFRS 14 " ruled deferral accounts " (in effect as IASB for annual periods beginning on or after 1 January 2016).– The Company takes into account the implications of the standard, the impact of the standard on its financial statements at the time of their adoption.

– IFRS 15 "Revenue from contracts with customers" (effective for annual periods beginning according to IASB on or after January 1, 2017). The Company takes into account the implications of the standard, the impact of the standard on its financial statements at the time of adoption.

– Amendments related to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures - The sale or contribution of the assets between the investor and its associated or his association ventures" (effective as IASB for annual periods beginning on or after 1 January 2016). The Company takes into account the implications of the standard, the impact of the standard on its financial statements at the time of adoption

– Amendments related to IFRS 11 "Joint Arrangements - Accounting of acquisitions of interests in joint operations" (in effect as IASB for annual periods beginning on or after 1

January 2016). The Company takes into account the implications of the standard, the impact of the standard on its financial statements at the time of adoption.

– Amendments relating to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture - bearing plants" (in effect as IASB for annual periods beginning on or after 1 January 2016). The Company takes into account the implications of the standard, the impact of the standard on its financial statements at the time of adoption.

– Amendments relating to IAS 27 "Separate Financial Statements - equity method in the separate financial statements" (in force as IASB for annual periods beginning on or after 1 January 2016). The Company takes into account the implications of the standard, the impact of the standard on its financial statements and adoption.

– Amendments related to various standards "Improvements to IFRSs (cycle 2012-2014)" resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily in order to remove inconsistencies and clarify exposure (effective as IASB for annual periods beginning on or after 1 January 2016). The Company takes into account the implications of the standard, the impact of the standard on its financial statements at the time of adoption

Except as described above, the Company estimates that the adoption of new standards, revisions and interpretations will have not a significant impact on individual financial statements of the Company.

– IAS 1: Initiative of Presentation of information (amendment) IAS 1 Change of IAS 1. Presentation of Financial Statements encourages more companies to apply professional judgment when determining the information it must submit and how to structure in the financial statements. Changes come into effect for annual periods beginning on or after 1 January 2016. The amendments clarify rather than to change significantly the existing requirements of IAS 1. The amendments relate to the significance threshold, the order of notes, subtotals and disintegration, accounting policies and presentation other comprehensive income resulting from investments accounted for under the equity method. These changes have not yet been adopted by the EU.

Reconciliation between IFRS and the accounting policies of previous years

Uztel SA performed on 31.12.2012, reconciliation between IFRS and local accounting policies applicable to previous years.
Financial statements for 2012 represent the first financial statements that the company prepared in accordance with IFRS, adopted by the EU, as provided by OMPF 1286/2012.
For the year ended 31.12.2010 and 31.12.2011, the company prepared separate financial statements according to OMPF 3055/2009.
The Company has prepared financial statements in accordance with IFRS as adopted by the EU, applicable for financial years ending 31.12.2012 and comparative data from the closing date of 2011, ie 31.12.2011. For preparing these financial statements has been drawn opening situation of financial position at January 1, 2011, transition date.
There were not performed reconciliation of overall income in accordance with IFRS 1, with overall outcome determined by OMPF 3055/2009, as no differences were identified between the overall result determined in accordance with local accounting principles applied for accounting periods preceding and comprehensive income determined in accordance with IFRS.

u. *Determining the fair value*

Certain of the Company's accounting policies and presentation of information requirements, ask for the determination of fair value for both assets and financial and non-financial liabilities. Fair values were determined in order to evaluate and / or presenting information on the basis of the methods described below. When applicable, further information about the assumptions used in determining fair values are presented in the notes specific to that asset or liability.

(i) Trade receivables and other resources
The fair value of trade receivables and other resources is estimated as the present value of future cash flows, discounted using a financing rate specific to market at the financial reporting date. This value is determined for information.

(ii) Interest bearing loans
The fair value of these items is estimated as the present value of future cash flows, representing the principal and interest, discounted using a financing rate specific to market at the financial reporting date. This value is determined for information.

(iii) Property and equipment
The fair value of these items has been established following the revaluation carried out by a independent evaluator, member ANEVAR using the comparison method capitalization method for land and buildings.
Comparative Statements
For each item in the balance sheet, profit and loss account and, where appropriate, the statement of changes in equity and cash flows for comparability is presented corresponding element corresponding value for the previous financial year.

Correction of accounting errors IAS 8

If the company becomes aware of errors made in accordance with accounting principles generally accepted previous reconciliations should be made to highlight the correction of those errors in accounting policies. The recording of transactions relating to the correction of accounting errors, the provisions of IAS 8 (pct.134 of OMPF 1286/2012 as amended).

Events after the balance sheet
Based on the information that we have until now, the shareholding structure was not changed until the date of these financial statements and did not intervene no other significant events subsequent to the closing of the financial year.

4. RISK MANAGEMENT

The nature of the activities carried out, the Company is exposed to various risks that include credit risk, interest rate risk, liquidity risk, currency risk, market risk. The management aims to reduce the effects of potential effects of these risk factors on the financial performance of the Company by maintaining an adequate level of capital and outcomes.

For a good risk management and the desire to establish new ways of managing its level proceed continuously updating and improving procedures and rules specific to each department, to the extent that at a time, it is considered that based on existing rules at the time , Company is exposed through the activities performed by that department.

Authorized persons of the Company permanently monitors the effectiveness of policies and procedures for risk assessment, the extent to which the Company and relevant persons complying with the procedures, methods and mechanisms for risk management, and the effectiveness and adequacy of measures taken to address any deficiencies. Risk indicators are checked constantly to ensure their framing limits. Also check the daily management of the company the production and marketing of the company.

Credit risk

The Company is subject to credit risk due to its trade receivables and other types of claims.

	Accounting year ended at 31 December 2015 (lei)	Accounting year ended at 31 December 2014 (lei)
Receivables	17.769.723	22.635.703

For other operations, where the amounts are significant , references to the creditworthiness are normally obtained for all new customers, debt maturity date is carefully monitored and amounts due after exceeding the time limit shall be pursued promptly.

The following balance sheet elements were identified under credit risk and were within the following exposure classes:

- claims on local government: budgetary claims:
- claims on institutions and financial institutions: bank accounts, guarantee funds;
- claim against the company: Payment in advance companies;
- Other items: petty cash, property and equipment.

The value at risk of an asset is the value of its balance sheet and is identified based on documents provided by the Accounting Department.

Trade receivables and other receivables

On 31 December 2015, the company's trade receivables situation is as follows:

Receivables on 31.12.2015			**lei**
RECEIVABLES	Balance at 31.12.2015	maturity	
		less 1 year	over 1 year
0	1 = 2 + 3	2	3
Total, of which::	**17.769.723**	**11.555.570**	**6.214.153**
Domestic Client	**5.926.718**	5.926.718	-
External Client	**4.174.656**	4.174.656	-
Doubtful client, litigation	**10.338.783**	-	10.338.783
Payroll Deposit	**10.504**	10.504	-
Suppliers borrowers	**385.000**	385.000	-
Borrowers	**512.751**	512.751	-
Other receivables (VAT not due, accrued expenses and settlement systems in operation during clarification)	**545.940**	545.940	-
Impairment of receivables-customers	**(4.124.630)**	-	(4.124.630)

Deferred tax payables	**7.557**	-	7.557

Amount worth 545.940 lei recorded in "other receivables" account refers to amounts from account 2678 (other receivables) = 423.483,80 lei; 4282 (other receivables related to staff) =

2.614,00 lei; 4412 (Deferred income tax) = 7.557,00 lei; account 4428 (VAT under settlement) = 108.327,59 lei; account. 471 (prepayment) = 3.657,58 lei and account 473 (settlements pending clarification) = 300, 00 lei.

The main customers, depending on the volume of transactions for 2015 are:

Domestic Client	Total Invoices (RON) without VAT	Share %
Cameron-Romania SRL Campina	4.810.819,93	19,35
OMV Petrom SA , E&P Division Bucharest	4.125.416,38	16,59
Drilling Equipment SRL Zalau	3.156.818,59	12,70
Multy Products Rom SRL Sighisoara work site Albesti	1.579.103,78	6,35
Atlantic Prod Impex SRL Ploiesti	1.568.508,00	6,31
Tehnomet SA Buzau	961.866,60	3,87
Automobile Dacia SA Mioveni	677.368,75	2,73
Petrofac Solutions & Facilites Support S.R.L. Bucharest	526.025,98	2,12
Neptun SA Campina	493.920,39	1,99
TOTAL	**17.899.848,40**	**72,01**

External client	Total Invoices (euro)	share %
Robke Erdol Und Erdgastechnk Gmbh Germany	271.250,12	20,65
Peseco Limited Aberdeenshire Great Britain	135.721,00	10,33
Hartmann Valves & Wellheads Germany	125.607,25	9,56
Grand Import D.O.O. Loznica Serbia	118.082,00	8,99
Deep Drill Equipment Holland	89.280,00	6,80
Nis s.c. Novi Sad Serbia	88.164,75	6,71
ZT Valve ou Estonia	87.306,00	6,65
Jaddy Carry Doo Belgrad Serbia	77.241,00	5,88
Eagle Property Investments LP Scotia	54.780,00	4,17
ABB Process Industrie Aix-Les Bains Cedex France	40.949,00	3,12
TOTAL	**1.088.381,12**	**82,86**

External client	Total Invoices (USD)	share %
Omni Valve LLC USA	1.419.682,00	40,70
Ial Engineering Services LTD Trinidad	537.344,00	15,41
PT Epsicon Multidaya Utama Indonesia	502.480,00	14,41
Array Holdings Inc USA	259.530,85	7,44
Ibemo Kazakhstan LTD Kazakhstan	170.728,50	4,90
Walveworks USA	167.600,00	4,81
PPI Technology Services Middle Least LTD	164.413,00	4,71
Romtech LLC Houston USA	156.340,00	4,48
Wood Group Amesa S.A. Venezuela	44.725,00	1,28
PT Karismakarya Budimandiri Indonesia	29.340,00	0,84
TOTAL	**3.452.183,35**	**98,98**

	Accounting year ended 31 December 2015	Accounting year ended 31 December 2014

	(lei)	(lei)
Liabilities	29.613.868	40.331.515
Provisions	250.638	253.538
Income in advance	1.618.884	2.332.919
Total liabilities	**31.483.390**	**42.917.972**

- **Trade payables and other payables**

On December 31, 2015, company's debts are the following:

Debt situation on 31.12.2015					lei
Debt situation on 31.12	Balance at 31.12.2015	maturity		
		Less 1 year	1-5 years	over 5 years
0	1 = 2 + 3 + 4	2	3	4
Total, of which:	**31.483.389**	**23.019.874**	**8.463.515**	**-**
Amounts owed to credit institutions	**4.772.776**	4.772.776	-	-
Advances collected for orders	**1.618.884**	1.618.884	-	-
Trade payables - suppliers	**15.663.641**	9.612.345	6.051.296	-
Income tax	**117.829**	117.829	-	-
Other creditors including tax and social security	**9.059.621**	6.898.040	2.161.581	-
Provisions and deferred income	**250.638**	-	250.638	-

The amount of 2,161,581 lei in value recorded in the account "Other debts, including tax and social security liabilities" refers to amounts from the account 462 (various creditors - rescheduling agreements) = 2,161,581 lei

Company's top 10 suppliers based on volume of transactions for 2015 are shown in the table below:

Domestic Suppliers	**Total Invoices (lei) without VAT**	**share %**
Forja Rotec SRL Buzau	3.623.041,83	14,18
Emsil Techtrans SRL Oradea	1.214.844,35	4,75
Electromagnetica SA Bucharest	1.200.334,38	4,70
Edenred Romania SRL Bucuresti	1.117.549,43	4,37
Hany Industry SRL Ploiesti	1.099.418,76	4,30
GDF Suez Energy Romania SA Bucharest	826.218,72	3,23
Forja Neptun SRL Baicoi	711.120,91	2,78
MSD COM SRL Buzau	641.593,88	2,51
Huttenes Albertus Romania SRL Bucharest	588.346,70	2,30
Electrica Furnizare SA Bucharest	560.050,81	2,19
TOTAL	**11.582.519,77**	**45,31**

External Suppliers	**Total Invoices (Euro)**	**share %**

GPS Oil Tools Oilfield Equipment & Services GMBH Vechta Germany	68.274,77	37,38
Jaddy Carry Doo Belgrad Serbia	25.409,00	13,91
CF Service SRL Italia	23.061,63	12,63
Passion SRL Ploiesti	15.435,00	8,45
Continental Logistics SRL Otopeni	14.824,81	8,12
Whitford LTD England	8.123,26	4,45
Quality Bearings Online LTD Great Britain	7.116,00	3,90
Keramtech s.r.o. Czech Republic	5.630,40	3,08
Bocchi SRL Italia	5.077,60	2,78
Hunting Energy Service B.V. Holland	3.238,00	1,77
TOTAL	**176.190,47**	**96,47**

External Suppliers	Total Invoices (USD	share %
Parker Hannifin Corporation PGI USA	71.265,00	26,85
Continental Logistics SRL Otopeni	58.420,24	22,01
Trelleborg Sealing Solutions Sofia Bulgaria	34.758,40	13,10
Romtech LLC Houston USA	34.706,75	13,08
Shabum International LTD Tel Aviv Israel	25.805,89	9,72
Omni Valve LLC USA	17.354,00	6,54
Westcoast B.O.P. Products INC USA	14.150,00	5,33
Freudenberg Oil & Gas LLC Houston USA	4.700,00	1,77
American Petroleum Institute Washington USA	2.570,74	0,97
Thomson Ruters(Scientific) LLC New York USA	1.499,00	0,56
TOTAL	**265.230,02**	**99,93**

Bank loans are secured by real estate mortgages totaling 29,434,935 lei.

Interest rate risk

Operating cash flows of the Company are affected by changes in interest rates. The Company does not use financial instruments to protect against interest rate fluctuations.

	Accounting year ended December 31, 2015 (lei)	Accounting year ended December 31, 2014 (lei)
Interest paid	176.486	361.280

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and bank deposits in lei short term..

	Accounting year	**Accounting year**

	ended December 31, 2015 (lei)	ended December 31, 2014 (lei)
Cash and availability on demand	3.484.925	1.775.112
Financial investments TS	3.874.386	12.899.402
Total Cash and cash equivalents	**7.359.311**	**14.674.514**

Currency risk
Company is subject to exchange rate fluctuations due to foreign currency transactions.

	Accounting year ended 31 December 2015 (lei)	Accounting year ended 31 December 2014 (lei)
Result of foreign exchange differences	198.820	276.423

Market risk

The current global liquidity crisis that began in mid-2007 resulted in, among other things, a low level of capital market funding, lower liquidity levels in the banking sector and occasionally higher interbank lending rates and volatility very high stock exchanges.
The uncertainties in the global financial markets have led to significant and influential market in Romania. They had a double influence on society: a decrease in assets held and volumes of activity. Currently, the full impact of the current financial crisis is impossible to predict and totally preventable.
Management is unable to reliably estimate the effects on the financial position of the Company to further loss of liquidity in financial markets and the increased volatility in the exchange rate of the national currency and market indices.

Economic, commercial and financial effects of " oil prices crisis " in 2015 were felt in the company's business by lowering production (low demand), lower revenues, increased stocks of finished products (available to customers for renting) and, not finally, reducing employment costs in percentage of about 16% over the previous year (2014). Most oil companies and drilling operators in domestic and international market and have changed the investment policy (acquisition of equipment and oil) by dividing it due to financial and economic reasons into two components:
– acquisition of new oil equipment and installation with reduced investment budgets;
– oil equipment and installation rental with larger investments budgets

5. EQUITY

Share Capital

The share capital of SC UZTEL S.A. is 31 December 2015, amounting to 13.413.648 lei, divided into 5,365,459 shares with a nominal value of 2.50 lei.
According to existing records in SC Central Depository S.A. and the BSE situation of shareholders on 31.12.2015 is as follows:

Shareholder	Nmb. of shares held	Weight in share capital, %
UZTEL Association	4.498.300	83,8381
Legal persons	536.401	9,9973
Natural persons	330.758	6,1646
TOTAL	**5.365.459**	**100,0000**

All actions are common, were subscribed and paid in full on 31 December 2015.

All shares have equal voting rights and a nominal value of 2,50 lei.

Legal reserves

Legal reserves are established under statutory financial statements and may not be distributed. The company transfers to the legal reserve at least 5% of annual profit until the aggregate balance sheet reaches 20% of the share capital. When this level is reached, the company may make additional allocations of net profits only.

At December 31, 2015 Company constitutes legal reserves totaling 1.916.641 lei.

	Accounting year ended 31 December 2015 (lei)	Accounting year ended 31 December 2014 (lei)
Legal reserves	1.916.641	1.916.641

Other reserves

	Accounting year ended 31 December 2015 (lei)	Accounting year ended 31 December 2014 (lei)
Other reserves (reserves from tax breaks)	631.133	631.133

Revaluation reserve

The revaluation reserve is the amount of 66.788.199, 18 lei at 31 December, 2015 and includes revaluation reserves obtained after revaluation carried out by independent evaluators on:

- construction – revaluation on December 31, 2007 May 31, 2011 and December 31, 2013;
- technological equipment, technical installations, machinery, furniture and office equipment – on 31.12.2007.

	Accounting year ended 31 December 2015 (lei)	Accounting year ended 31 December 2014 (lei)
Revaluation reserve	66.788.199	69.365.689

The revaluation reserve was diminished in 2015 with a value of 2.577.490 lei through capitalization of the revaluation surplus, as follows:

– value of 469.576 lei representing capitalization of revaluation surplus from land surface of 5.749 square meters sold in 2015;

– value of 2.107.914 lei representing capitalization revaluation surplus for fixed assets in categories construction, technical equipment, vehicles and office furniture, exit from books in 2015 and for correction earlier periods..

6. RESULT FOR THE YEAR

Result for the year

At the end of fiscal year 2015 the Company recorded the following results:

- **Gross operating activities** in the amount of – 2.008.349 lei compared– to the same period last year (2014) when the gross result from operating activities was + 2.838.643 lei ;
- **The gross financial activity** amounting to + 283.230 lei compared to– the same period last year (2014) when the gross result of financial activity was in the amount of + 683.899 lei ;
- **Gross profit of the financial year** in the amount of the loss – 1.725.119 lei compared to the same period last year (2014) when the gross result of the financial year was + 3.522.542 lei ;
- **Net result of the financial amount** of the loss – 2.037.296 lei compared to the same period last year (2014) when the net result of the financial year was + 2.403.349 lei ;

On 31.12.2015 the company recorded a negative operating result before tax amounting to (2.008.349) lei influenced by the constant decrease in 2015 of demand for oil machinery and equipment with implications in the annual turnover reduction of 37.69% compared to the same period last year.
Although the global crisis that affected the oil sector had negative repercussions on the company's production Uztel S.A. (Turnover in 2015 down from 37.69% in 2014, the company management has made efforts and managed the situation in such a way that reduced operating expenses (operational) in accordance with the volume of production conducted.

	Accounting year ended 31 December 2015 (lei)	**Accounting year ended 31 December 2014 (lei)**
Net income (lei)	(2.037.296)	2.403.349
Ordinary shares	5.365.459	5.365.459
Earnings per share (lei)	(0,38)	0,44

Dividends

In 2015 the Company made quarterly payments amounting 1.478,80 lei , representing net dividends due to shareholders for the years 2003, 2005 and 2006, as follows:

		lei
a)	Payments 1st quarter – 3rd year reorganization	182,00
b)	Payments 2nd quarter – 3rd year reorganization	555,48
c)	Payments 3rd quarter – 3rd year reorganization	91,00
d)	Payments 4th quarter – 3rd year reorganization	650,32

The amount of 1.662.927, 16 lei represents net dividends registered on 31.12.2015 and due to shareholders for the years 2003, 2005, 2006, 2007 and 2008 are entered in the final table of

receivables and will be paid in installments according to the schedule of payments for the Reorganization Plan confirmed by bankruptcy judge by the decision in 1186 of 12/15/2015.
The company has not established and not paid dividends for the years 2011, 2012, 2013, 2014 and 2015

7. TAX PROFIT

	Accounting year ended December 31 2015 (lei)	Accounting year ended December 31 2014 (lei)
Gross accounting profit	(1.725.119)	3.522.542
Related Items income	3.667.906	3.145.831
The legal reserve established	-	(241.609)
Non-taxable income	(447.345)	(372.429)
Non-deductible expenses	518.163	1.105.693
Profit / (Loss Tax)	**2.013.605**	**7.160.028**
Tax on profit result	322.177	1.145.604
Sponsorship	(10.000)	(26.412)
Corporation tax payable	**312.177**	**1.119.192**
Net profit / (loss)	**(2.037.296)**	**2.403.350**

The taxation system in Romania is in a phase of consolidation and harmonization with EU legislation. However, there are still different interpretations of tax law.

In some cases, the tax authorities may have different approaches to certain issues, proceeding to the calculation of additional taxes, interest and late payment penalties under the tax regulations in force.

In Romania, tax periods remain open for tax for 7 years. The Company's management believes that tax liabilities included in these financial statements are appropriate.

We propose that the net loss net for the amount of -2.037.296, 35 lei be recorded in the accounting books of Uztel SA Ploiesti as bellow :

1171.01 = **121** **2.037.296,35 lei**
Result reported – loss

If you would have used other reserves (other than from net profit) then had to be taxed, because they have been changed destinations.

According to Government Decision no. 150/2011 amending and supplementing rules for the application of Law no. 571/2003, accounting loss recorded at la 31.12.2014 , s established by the declaration of income tax , amounting to 4.550.383,52 lei will be supplemented with the amount of 2.037.296,35 lei as of note above.

8. RETAINED EARNINGS

Retained earnings are the cumulative result of the Company. At December 31, 2015 the Company has recorded retained earnings in the amount of 7.952.819 lei.
According to Government Decision no. 150/2011 amending and supplementing rules for the application of Law no. 571/2003, accounting loss recorded in late 2010, established by the

declaration of income tax or remaining difference in the amount of 4.550.383,52 lei will be added the amount of 2.037.296,35 lei as of the Note presented.
Loss recorded of 6.587.679,87 lei will be recorded as follows :

- 4.550.383,52 lei to recover from taxable income derived in the next three consecutive years (2016 ; 2017 ; 2018) ;

- 2.037.296,35 lei to recover from taxable income derived in the next seven consecutive years (2016 ; 2017 ; 2018 ; 2019 ; 2020 ; 2021 and 2022) ;

	Accounting year ended 31 December 2015 (lei)	**Accounting year ended 31 December 2014 (lei)**
Result reported	7.952.819	7.694.744
Result reported when applying IFRS	5.365.459	5.365.459
Result per share (lei)	1,48	1,43

9. PROVISIONS

Statement of provisions made by the company is as follows:

	Accounting year ended 31 December 2015 (lei)	**Accounting year ended 31 December 2014 (lei)**
Provisions for litigation	250.638	253.538

10. FIXED ASSETS

	lands	**Buildings and constructions**	**Machines and equipments**	**Other tangible assets**	**Tangible assets in progress**	**Advances for intangible assets**	**Total**
Cost	**Lei**	**Lei**	**Lei**	**Lei**	**Lei**	**Lei**	**Lei**
Balance on 01 January 2015	17.847.416	32.132.193	33.376.466	164.430	3.639.460	704.673	87.864.639
Increases	-	520.059	4.557.187	-	2.540.005	-	7.617.250
Outputs	534.551	-	2.020.224	3.800	3.577.770	581.553	6.717.897
Balance on 31 December 2015	17.312.865	32.652.252	35.913.429	160.630	2.601.694	123.120	88.763.992
Accumulated amortization							
Balance on 01 January 2015	-	3.397.468	20.356.721	60.808	-	-	23.814.997
Amortization of year	-	4.003.804	2.924.750	13.966	-	-	6.942.520

Amortization of outputs	-	-	298.448	4.821	-	-	303.269
Balance on 31 December 2015	-	7.401.272	22.983.023	69.953	-	-	30.454.248
Adjustments							
Balance on 01 January 2015	-	-	-	-	-	-	0
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance on 31 December 2015	-	-	-	-	-	-	-
Net book value							
Balance on 01 January 2015	17.847.416	28.734.726	13.019.746	103.622	3.639.460	704.673	64.049.643
Balance on 31 December 2015	17.312.865	25.250.980	12.930.406	90.677	2.601.694	123.120	58.309.744

In 2015, the class "Buildings and constructions" has registered an increase of 520.059 lei, representing:

- Commissioning Finished Products Packaging Hall worth 237.518 lei;
- Commissioning railway for booth carriage worth 9.900 lei;
- Commissioning concrete platform with ramp access to packaging hall and sewer drains worth 164.111 lei;
- Modernization outdoor lighting electrical installation worth 108.530 lei.

During 2015 the total amount of the increases recorded in the accounting books for class "machinery and equipment" was 4.557.187 lei, representing:

- Turning Center EMSIL ST-70 CX CNC worth 1.105.312 lei;
- Vertical machining center EMSIL VMC 1600 HD CNC worth 719.835 lei;
- Nitriding furnace worth 576.230 lei;
- Noxious exhaust installation TO2 worth 310.720 lei;
- automatic plating welding installation worth 175.713 lei;
- Lighting at Hall M3 and Modeling worth 105.622 lei;
- Server IBM worth 33.837 lei;
- Converters and Network coils worth 29.911 lei;
- Lighting Installation for Packaging Hall and Booths worth 18.525 lei;
- Platin Star system and computer H81 worth 6.936 lei;
- Magnetic lifting device worth 3.052 lei;
- Horizontal machining center type EMSIL BMC 130 CNC (decrease value– machine equipped with table 1800x1600 mm instead of 1800x2000 mm according to final acceptance protocol) amounting to - 44.018 lei.

– Reclassification of fixed assets amounting to 1.515.512 lei representing transfers between subgroup of technological equipments (subgroup 2.1), and industrial measurement and control (subgroup 2.2) and transportation (subgroup 2.3) without influence in their total value.

Outflows recorded in the accounts in 2015 to Class "Land" (decrease in the amount of 534.551 lei) are justified by selling surface of 5.749 square meters. land under contracts of sale and purchase with authentication no. 409 and 413 / 20.5.2015 to Condra Aurelia and Elena Paun and concluding contracts of sale purchase with authentication no. 2831, 2832, 2834, 2835 and 2836 / 07.07.2015 by the company Ralu Prod SRL Albesti Paleologu, Boris Bucur, Ionut Marin, Marin Catalin Gavrila Cristian.

Outflows recorded in the accounting year 2015 to Class "machinery and equipment" totaling 2.020.224 lei, justified by:

- sales of assets worth 127.500 lei;;

– transfer of assets worth 167.000 lei identified by the inventory committee, recorded in Section tool room of Oil Equipment dept. and in fixed assets records too ;

– rescission fixed class "technological equipment" according to minutes of scrapping no. 1, 2, 3, 4 / 07.09.2015 amounting to 210.212 lei;

- Reclassification of fixed assets amounting to 1.515.512 lei representing transfers between subgroup of technological equipments (subgroup 2.1), and industrial measurement and control (subgroup 2.2) and transportation (subgroup 2.3)

Outward registered in the accounting books, class 2015 "Other fixed assets - furniture, office equipment" totaling 3,800 lei, means rescission according to minute of scrapping no. 2 / 05.11.2015.

	Development expenses	Other intangible assets	Intangible assets in progress	Total
Cost	**Lei**	**Lei**	**Lei**	**Lei**
Balance at January 1, 2015	99.344	351.907	-	451.251
Inputs	27.055	77.354	-	104.409
Outputs	-	-	-	-
Balance at December 31, 2015	126.399	429.262	-	555.660
Accumulated amortization				
Balance at January 1, 2015	99.344	299.366	-	398.710
Amortization of year	660	101.318	-	101.978
Amortization of outputs	-	-	-	-
Balance at December 31, 2015	100.003	400.684	-	500.687
Net book value				

Balance at January 1, 2015	-	52.541	-	52.541
Balance at December 31, 2015	26.395	28.578	-	54.973

During 2015, the Company recorded in the accounts development expenditure amounting to 27.055 lei to achieve the following prototypes: stripping preventer, ball valves DN100 PN40 with locking mechanism, ball valves PN 10 BAR, ball valves PN 100 BAR - right and valve adaptation.
During 2015, the Company purchased intangible assets in the amount of 77.354 lei, representing: support for integrated program SIVECO worth 52.965 lei, license antivirus ESET Endpoint worth 7.797 lei and license and technical support maintenance management worth 16.592 lei

11. STOCK

By comparison, the stocks are presented as follows:

STOCKS LEI	31-December 2015	31-December 2014
Raw material	2.090.109	2.217.493
Additional material	960.452	976.200
Fuels	47.024	80.708
Packaging materials	13.702	13.969
Spare parts	5.931.062	6.009.832
Other consumables	635.747	579.432
Other consumables- protocol	36	-
Inventory items	718.462	727.806
Price difference at raw material and material	-	-
Product in progress	10.618.705	8.899.903
Semi- manufactured	2.145.746	2.222.735
Finished product	10.598.500	9.528.331
Difference of price of semi-finished products	706.454	298.620
Difference of price of finished products	10.021.995	8.953.754
Packing	5.087	15.280
Residual products	70.644	63.760
Adjustment for depreciation of raw material	(337.327)	(346.850)
Adjustment for depreciation of consumables	(1.624.422)	(1.996.788)
Adjustment for depreciation of other material	(234.870)	(246.833)
Adjustment for depreciation of semi-finished product	(287.521)	(290.912)
Adjustment for depreciation of finished product	(185.599)	(187.568)
Total	**41.893.988**	**37.518.872**
Advances for purchases assets such as stocks	251.951	462.414
Total General Inventory	**42.145.939**	**37.981.286**

12. INCOME FROM THE MAIN COMPANY'S BUSINESS

Turnover in 2015 amounting to 45.806.331, 72 lei was made by the following segments of activity:
lei

- turnover for production activity is in the amount of	45.075.999,00
– turnover for the service activity is in the amount of	641.246,19
– turnover for trade activity is in the amount of	89.086,53

OPERATING EXPENSES	31-December 2015 lei	31-December 2014 lei
Total operating expenses, of which:	**62.009.982**	**84.444.015**
Turnover	45.806.332	73.512.397
Income cost of inventories of products	15.164.297	10.194.844
Revenues from production of tangible and intangible assets	278.865	313.000
Other operating income	760.488	423.774

OPERATING EXPENSES	31-December 2015 lei	31-December 2014 lei
Total operating expenses, of which:	**64.018.331**	**81.605.372**
Raw material and consumables costs	26.498.849	37.833.331
Other material expenses	938.594	1.202.474
Other external expenses	2.920.979	3.819.789
The expenditures on goods	72.012	51.891
Trade discounts received	-	(1.588)
Staff costs	19.738.549	23.135.979
Value adjustments on tangible, intangible assets, real	7.043.300	7.073.059
Value adjustments on assets	(444.437)	70.374
Other operating expenses	7.253.385	8.422.383
Adjustments for provisions	(2.900)	(2.320)

ADJUSTMENTS FOR PROVISIONS	31-December 2015 lei	31-December 2014 lei
Total financial income, of which:	**1.754.570**	**2.225.844**
Income from exchange rate differences	1.493.584	1.416.443
Interest income	258.873	688.688
Other financial income	2.113	120.713

FINANCIAL EXPENSES	31-December 2015 lei	31-December 2014 lei
Total financial expenses , of which:	**1.471.340**	**1.541.945**
Interest charges	176.486	361.280
Other financial expenses	1.294.854	1.180.665

INDIVIDUAL STATEMENT OF CASH FLOWS

	31-December 2015 lei	31-December 2014 lei	31-December 2013 lei
Net profit for the year	**(2.037.296)**	**2.403.349**	**1.711.914**
Income tax expense	312.177	1.119.193	1.157.198
Amortization / depreciation of long term assets	7.043.308	7.513.542	10.433.155
Gain / loss on sale of fixed assets	-	-	-
Expenses / income with provisions for clients	(4.124.629)	(4.169.862)	(1.055.263)
Losses on receivables and sundry debtors	-	-	-
Provisions for stocks	(2.669.738)	(3.068.951)	(3.195.167)
Interest expenses	(176.486)	(361.280)	(827.379)
Interest income	258.873	688.688	1.109.318
Dividends income	-	-	-
Gain / loss from exchange rate differences	198.820	276.423	(197.200)
Movements in working capital	**842.324**	**1.997.754**	**7.424.662**
Increase / (decrease) in trade receivables and other receivables	4.866.322	(1.234.716)	(3.441.724)
Increase / (decrease) in other current assets	(342)	(604.506)	(155.718)
Increase / (decrease) in inventories	4.164.653	(2.891.152)	(43.106)
Increase / (decrease) in trade payables	858.206	(6.078.814)	1.575.021
Increase / (decrease) in deferred revenue	-	794.900	174.708
Increase / (decrease) in other liabilities	(10.576.377)	12.050.431	(8.101.356)
Cash used in operating activities	**(687.538)**	**2.036.143**	**(9.992.175)**
Income tax paid	(194.348)	(576.375)	(1.757.321)
Interest paid	(176.486)	(361.280)	(1.078.457)
Cash generated from operating activities	**(2.253.343)**	**5.499.591**	**(3.691.377)**
Net cash from investing activities	**(2.304.511)**	**(4.269.428)**	**(699.895)**
Cash payment for acquisition of land and assets	(2.304.511)	(4.269.428)	(699.895)
Net cash from financing activities	**(2.757.350)**	**(3.693.608)**	**(3.267.796)**
Cash repayments of borrowings	(2.755.871)	(3.658.177)	(3.182.551)
Dividends paid	(1.479)	(35.431)	(85.245)

Increase / decrease in net cash and cash equivalents	**(7.315.203)**	**(2.463.445)**	**(7.659.068)**
Cash and cash equivalents at beginning of period	**14.674.514**	**17.137.959**	**24.797.027**
Cash and cash equivalents at end of period	**7.359.311**	**14.674.514**	**17.137.959**
Increase / decrease in net cash and cash equivalents	**(7.315.203)**	**(2.463.445)**	**(7.659.068)**

13. SEGMENT INFORMATION

IFRS 8 establishes principles for information reporting on operational segment, referring to information on the economic activity of the entity where from generating income and expenses. Reportable operating segment is determined by the activity of production of products that generate revenue and expenditure such as reported income, including sales to external customers or sales or transfers between segments of the same entity, to represent 10% or more of the combined income of all internal and external operating segments. If total revenue from customers for all segments combined is less than 75% of total revenues entity, additional reportable segments should be identified until reaching the 75% level.

The company is registered in Romania and operates all its activities in headquarters in Ploiesti, str. Mihai Bravu. 243 and does not have subsidiaries, branches or outlets.

Its activity is analyzed in terms of the main object of activity, namely: manufacturing and selling on domestic and external markets, assemblies, oilfield parts and equipment, industrial valves, mud pumps and other spare parts for oilfield equipment.

The company management has established operating segments based on the volume of revenue from the sale of finished products in domestic and foreign markets and the benefits of services.

Segments identified are:

-revenue from the sale of finished products - domestic market;
– revenue from the sale of finished goods - external market;
– income from stocks of finished products and production in progress;
– income from services rendered;
– income from royalties, management and rental locations;
– revenues from commodities.–

Segment information for the year ended 31 December 2015 are:

Report on operating segment at 31 December 2015	Amount (lei)	Share Of total income %
Revenue from the sale of finished products - internal	24.285.062,41	38,09
Revenue from the sale of finished products - external	20.790.936,59	32,61
Income stocks of finished goods	15.164.297,00	23,78
Revenue from services rendered	612.013,17	0,96
Income from royalties, management and rental	29.233,02	0,05
Revenue from sale of goods	89.086,53	0,14
Total	**60.970.628,72**	**95,62**

Information on segments for year ended at December 31 , 2014 are:

Report on operating segment at 31 December 2014	Amount (lei)	Share of Total income %
Revenue from the sale of finished products - domestic	38.138.694,59	44,00
Revenue from the sale of finished products - abroad	33.584.236,54	38,75
Income stocks of finished goods	10.194.844,00	11,76
Revenue from services rendered	595.467,34	0,69
Income from royalties, management and rental	1.114.993,06	1,29
Revenue from sale of goods	79.005,26	0,09
Total	**83.707.240,79**	**96,58**

14. TRANSACTIONS WITH AFFILIATED PARTIES

IAS 24 "Transactions with related parties" regulates commercial operations with entities that hold cash funds in their capacity as Associate Members of the Association Uztel Ploiesti (majority shareholder of UZTEL - Ploiesti a total of 4.498.300 shares, representing 83,84 % of share capital of the company).

During fiscal year 2015 have performed the following transactions with related parties:

Sales of finished products and services

Entity name	Sales year 2015 lei	Sales year 2014 lei
Aprodem SA Ploiesti	-	3.359,16
Axon SRL Ploiesti	-	3.919,11
Comis SRL Valeni de Munte	1.449,56	6.383,77
Ipsar SRL Valeni de Munte	24.987,67	1.590,86
Iulnicomnic SRL Ploiesti	-	182,28
Platus Com SRL Campina	-	7.252,74
Titancore SRL Ploiesti	-	1.054,00
Vaspet SRL Focsani	-	124,99

a) Purchase of goods and services:

Entity name	Acquisitions 2015 lei	Acquisitions 2014 lei
Aprodem SA Ploiesti	9.163,70	51.400,20
Axon SRL Ploiesti	659.611,20	1.218.517,80
Comis SRL Valeni de Munte	71.177,24	226.470,24
Electroservice Onel & CO SRL Ploiesti	-	50.552,16
Ipromet Focsani	16.752,40	480.457,84
Ipsar SRL Valeni de Munte	-	462.970,19
Iulnicomnic SRL Ploiesti	-	89.125,66
Passion SRL Ploiesti	69.834,27	93.125,20

Platus Com SRL Campina	108.186,07	320.655,78
Romconvert SA Ploiesti	34.100,00	78.597,40
Titancore SRL Ploiesti	188.879,02	294.515,12
Vaspet SRL Focsani	317.740,80	264.152,93

Entity name	**Acquisitions 2015 usd**	**Acquisitions 2014 usd**
Shabum International LTD Tel Aviv	25.805,89	49.048,64

Compensations for key management staff:

Key management personnel include executives, senior management of the production units (department heads) and key management personnel of the company's functional services (technical, design, human resources, quality assurance, commercial, economic, administrative, production, IT).

	2015	**2014**
Gross wages paid	1.436.149 lei	1.685.064 lei

15. OTHER INFORMATION

(1) Fees paid to auditors

In 2015 the Company's expenses on fees paid to auditors were worth 104.450,75 lei, with the following composition:

Statutory Auditor	lei
- Ecoteh Expert SRL Bucharest Romania	30.986,85

Audits of quality management systems certification and product (license)	lei
- Constand Certification Center Moscow Russia	13.356,30
- American Petroleum Institute Washington USA	10.096,47
- Thomson Ruters (Scientific) LLC New York USA	5.647,76
- DNV-GL Business Assurance SRL Bucharest Romania	25.706,33
- GR Eurocert SRL Ploiesti Romania	12.821,85
- Association ” Centrul de Resurse Re-Start ” Iasi Romania	5.741,71
- Standardization Association in Romania	93,18

Wages for personnel

	Accounting year ended 31 December 2015 (lei)	**Accounting year ended 31 December 2014 (lei)**
Expenses with wages for personnel	15.892.809	17.783.306

The Company did not grant advances or loans to directors or managers.

(2) Average number of employees *at December 31, is :*

	Accounting year ended 31 December 2015	**Accounting year ended 31 December 2014**
Average number of employees	517	614

(3) Financial guarantees given / received by the company.

Financial guarantees granted

UZTEL Ploiesti has established performance guarantees totaling 50.000 lei and 14.500 EUR by issuing letters of guarantee with cash collateral with limited expiry time, namely:

1. Performance bond	14.500 euro	maturity	02.02.2017
2. Performance bond	50.000 lei	maturity	31.05.2016

These guarantees are recorded in treasury accounts and have been established at the request of the company's clients in the negotiation of contracts of sale of oilfield assemblies, parts and equipment, industrial valves, mud pumps and other spare parts for oil equipment, metal structures and castings and forgings.

The Company has established performance guarantees totaling 423.483.80 lei by registering in trade accounts receivables with limited term of these amounts (ranging between 12 to 19 months), according to contractual terms negotiated with internal and external customers of the company.

Financial guarantees received

UZTEL Ploiesti has requested and received performance guarantees from suppliers for the investments that the company has negotiated with them.

These are guarantees totaling 12.565 lei are recognized in investment accounts payable (commercial debt) with limited expiry date (12 months) by contract negotiated with domestic suppliers of the company.

(5) Insurance policies held by the company

The company has insurance policy OMNIASIG, G Series no. 901579 over a period of 12 months, namely dated 27. 09.2015 till date 26.09.2016 (renew annually) representing the producer's liability insurance with limits of liability under the insurance policy in the amount of EUR 4,000,000 with territoriality: Romania and Europe.

The company has insurance policy GROUPAMA nr. 8000250018400 over a period of 12 months, namely dated 25.05.2015 until 24.05.2016 ((renew annually) representing insurance for fire and other risks (risks packages) for a declared value of 29.434.935 lei and 26 buildings and production buildings owned by the company.

All insurance policies that the company has signed generated financial costs (cash outflows), operating income through product sales and complex services, and mainly ensured shareholders, directors company and trading partners stability and confidence in commercial activities and financial present and future of society.

(1) Assessment on the impact of the activity of the society on the environment
The company's activity is conducted according to the following regulatory acts:
environmental authorization no.– PH-619 from 21.12.2009 valid until 12/21/2019 for the activity of production assemblies, parts and equipment and servicing industrial oil, recovery of recyclable industrial waste, capture, water treatment and distribution, painting workshop.
Water Management Authorization no.– 105 of 06.22.2015 valid until the 15/06/2017;
certificate of enrollment in the register of authorized economic operators that carry out waste recovery operations no.– 0325 issued by the Ministry of Economy - Department for Industrial Policy valid until 31.03.2016.
Environmental factors (drinking water, wastewater, air-emission-imission air, soil, waste) were monitored as required by applicable legal activities within Uztel S.A. (Monthly, quarterly, semi-annually). It has been observed frequency imposed by the environment authority and no exceeding the maximum levels imposed was found.
Program of action for 2015 was achieved in 95%. Proposed actions aimed at waste management, emissions and immissions, water and wastewater, actions that generated total costs in 2015 amounting to 195.307,69 lei.
We made two significant investments for environmental protection:

- mounting booths installation Blowtherm with stop paint filters and ceiling filters in the new hall,–
- mounting two filtration units AC 403 Vanterm for retaining– pollutants from the two electric arc furnaces in Workshop Foundry TO2.

Dangerous chemical substances and preparations were purchased, stored, handled and used in compliance with current legislation, according to safety data sheets.

(1) Aspects of legal disputes society

Company, as the lender has taken all legal steps necessary to recover trade receivables outstanding from legal entities and individuals having in progress during financial year 2015 a number of commercial cases through the courts, cases in various stages of judgment and execution and is part civil (no material implications) in files on groups of workers (labor disputes) with former employees.

Debt recovery	6 files
Enforcement	19 files
Insolvency proceedings	17 files
Commercial litigation	9 files
Labor Disputes	199 files

The Company regularly monitors trade receivables outstanding and apply best estimates in recording and accounting for them

16. COMPANY MANAGEMENT

TAX LEGAL FRAMEWORK

The legislative and fiscal frame of Romania and its implementation in practice changes frequently and is subject to different interpretations from various control bodies. Tax declarations are subject to revision and correction by tax authorities generally for a period of five years after their completion. Management believes that properly registered tax liabilities in the accompanying financial statements. However, there is a risk that the tax authorities adopt different positions in connection with the interpretation of these issues. Their impact could not be determined at this time.

Economic environment

The adjustment values in risk-held on international financial markets beginning with 2008 affected their performance, including financial and banking market in Romania, leading to increased uncertainty about future economic developments.

The current crisis of liquidity and credit that began in mid-2008 led among other things low and difficult access to capital market funds, low levels of liquidity in the Romanian banking sector and higher interbank lending rates. Significant losses experienced in the global financial market could affect the Company's ability to obtain new loans and refinance its existing conditions similar to those applied to earlier transactions.

Trading partners of the company, may also be affected by the liquidity crisis situations that might affect the ability to meet their current liabilities. The deterioration of operating conditions may affect creditors and managing cash flow forecasts and assessment of the impairment of financial assets and financial assets. To the extent that information is available, management has reflected revised estimates of future cash flows in its impairment.

Current concerns that the deteriorating financial conditions contribute in a later stage to a further decrease of confidence led to I efforts coordinated by governments and central banks in the adoption of special measures aimed at countering growing aversion to risk and restore normal operation of the market. The Company's management cannot predict events that could have an effect on the banking sector in Romania and then what effect would have on the company's business.

Labor Framework

Although part of the European Union on 1 January 2007, Romania's economy still shows characteristics of an emerging market such as high current account deficit, a relatively undeveloped financial market and foreign exchange fluctuations. Currently, international financial markets are feeling the global financial crisis triggered in 2008, these effects were felt on the Romanian market as lowering prices and liquidity of capital markets, and by increasing interest rates on financing medium term due to the global liquidity crisis. Significant losses experienced in the global financial market could affect the Company's ability to obtain new loans in conditions similar to those applied to earlier transactions. The Company's management believes that the application of the ongoing business assumption in preparing the financial statements of financial position description is correct, given the dominant position on the market and oil and natural gas in the national economic system.

17. THROUGHOUT THE INSOLVENCY - REORGANIZATION PROCEEDINGS

In 2010, under Law no. 85/2006 regarding the insolvency procedure, as amended and supplemented, Prahova County Court, Commercial Division and Administrative accepted the request of the debtor SC UZTEL S.A. Ploiesti opening of insolvency proceedings by concluding session of the Chamber pronounced by the Council on 06 September 2010 in 4732/105/2010 file naming trustee EUROINSOL CONSULTING SPRL.
According to the notice published in the Bulletin of insolvency proceedings, other events related to the conduct of insolvency proceedings in File 4732/105/2010 that are considered relevant to the audit engagement are:

- By the Conclusion of a public hearing by the 27.05.2011, the bankruptcy judge notes the designation by the Committee of Creditors of the second trustee EURO INSOL SPRL;

- By sentence no. 1282/1209 October 2012, Dolj County Court, Civil Division II confirmed the reorganization plan proposed by the debtor and orders reorganization of the Company over a 3-year plan that fully engage the payment of claims submitted in the final table of the date of preparation plan;

- Submission of Adjusted Claims Table on 19.02.2013 (BPI no. 3824 / 03.04.2013).

- By Resolution no. 10/10/2013 1 of the Extraordinary General Meeting of Shareholders UZTEL with the quorum and majority required in the provisions of art. 115 of Law no. 31/1990 R and the provisions of chapter. IV, art. 11 of the Constitutive Act of UZTEL revoke the mandate of the Special Administrator Radulescu N Dan PFA and appointment of a new Special Administrator in the person of Mr. Eng. Zidaru Ion - CEO of UZTEL.

- By application of registration of mentions no. 61 793 / 10.23.2013, the Extraordinary General Meeting of Shareholders Resolution No.1 / 10.10.2013, pursuant to resolution. 19127 of 10/25/2013 were entered in the Trade Register on 10.25.2013, disposing registration mentions about people empowered and publication of the Official Gazette of Romania, Part -IV has.

- Approval of Reorganization Plan extension and modification of the payment of debts was voted, approved and registered by Minutes no. 38 of 16.01.2014 of the Assembly of Creditors. Bankruptcy judge by Order no. 112 of 28/01/2014 confirms the modification and extension of the Reorganization Plan Uztel SA Ploiesti another year.

- Approval of Reorganization Plan amendment and payment of receivables program was passed, approved and registered by Minutes no. 500 of 11.26.2015 of the Assembly of Creditors. No verdict by the bankruptcy judge. 1186 dated 15.12.2015 Reorganization Plan confirm the change of Uztel SA Ploiesti.

In 2015 the company carried out according to the schedule of payments quarterly payments of Reorganization Plan totaling 8,698,892.75 lei, as follows

Installment 1st quarter 2015 (09.01.2015) in total amount of 2.345.957, 41 lei, of which:
lei

a) Secured claim	1.660.079,00
b) Budgetary Receivables	685.696,41
c) Subordinated debt	182,00

Installment 2nd quarter 2015 (09.04.2015) in total amount of 2.346.330, 89 lei, of which:
lei

a) Secured claim	1.660.079,00
b) Budgetary Receivables	685.696,41
c) Subordinated debt	555,48

Installment 3rd quarter 2015 (09.07.2015) in total amount of 2.345.875, 37 of which:
lei

a) Secured claim 1.660.078,00
b) Budgetary Receivables 685.706,37
c) Subordinated debt 91,00

Installment 4th quarter 2015 (09.07.2015) in total amount of 1.660.729, 08 lei, of which:
lei

a) Secured claim 1.660.078,76
b) Subordinated debt 650,32

In 2015 the Company's management was provided by the consortium of Euro INSOL SPRL, headquartered in Bucharest, Str. Costache Negri no. 1-5 Opera Center building, represented by lawyer PhD Remus Borza and Euroinsol Consulting SPRL, headquartered in Ploiesti, Bd. Republic no. 21, represented by lawyer Alina Mariana Maer.

Resumption of the Company's shares trading symbol UZT

With the opening of the insolvency arrangement, the Company was suspended from trading, according to statements and records during the BSE 09/10/2012 - 01/09/2013. Resumption of trading of the Company's shares being registered on 10.01.2013.

As of 06.09.2010, the date of the opening of insolvency proceedings at the request of the Company, as 4732/105/2010 file and the conclusion of the meeting of 06.09.2010 of Prahova County Court, was appointed trustee company EUROINSOL CONSULTING SPRL represented by Associate Coordinator lawyer Alina Mariana Maer. By the Session Conclusion dated 05.11.2010 on the application of EUROINSOL CONSULTING SPRL, as trustee of the Company, the syndic judge disposes the removal of the administration right.

By conclusion pronounced in the meeting of the Council room of 30.06.2011 - file no. 4732/105/2010 Prahova County Court judge upheld the bankruptcy consortium composed of INSOL EURO SPRL Bucharest and EUROINSOL CONSULTING SPRL, Ploiesti, to manage the UZTEL company's insolvency procedure, for this purpose taking act of delimitation of powers between the two administrators recorded in cooperation protocol concluded on 24.06.2011.

For the period 01.01.2015 - 31.12.2016 the total amount of fees paid to Consortium was 1.791.401,03 lei (without VAT) , recorded as follows:

- Judicial Administrator Company Euroinsol Consulting SPRL – 1.162.131,33 lei (VAT excluded) .
- Judicial Administrator Company Euro Insol SPRL – 629.269,70 lei (VAT excluded).

COMPANY'S EXECUTIVE MANAGEMENT - in the period 01.01.2015 - 31.12.2015 has not fluctuated in exercising leadership:

PERIOD 01.01.2015 - 31.12.2015			
SURNAME, GIVEN NAME	**POSITION**	**PERIOD**	**DECISION / DATE OF ISSUE**
Zidaru Ion	General Director	01.01.2015-31.12.2015	Decizia 44 / 23.04.2013
Gruescu Serban Gheorghe	Technical Director	01.01.2015-31.12.2015	Decizia 194 / 28.11.2012
Gheorghiu Mihail Gabriel	Commercial Director	01.01.2015-31.12.2015	CIM 238 / 31.01.2013

Popescu Ileana	Economic Director	01.01.2015-31.12.2015	Decizia 592 / 30.11.2010

For the period 01.01.2015 - 31.12.2015 total remuneration of the executive management of the Company accounted for a share of 4,61 % of the wages fund.

The consortium
Judicial Administrator,

Euro INSOL SPRL and Euroinsol Consulting SPRL
By Coordinator Practitioner Associated Coordinator
attorney PhD Adrian Remus Borza attorney Alina Mariana Maer

Special Administrator-General Director,
Eng. Ion Zidaru

Economic Director ,
Ec. Ileana Popescu
General Accounting Dept.
Ec. Marian Ilie

Undersigned, Maria Coman, sworn interpreter and translator for the English and French languages under the license no. 5886/2001 of 11 December 2001 issued by the Ministry of Justice of Romania, certify the accuracy of the translation done from Romanian to English language that the text presented has been fully translated, without omissions, and that the translation did not distorted document content and meaning.

The document whose translation is required in full was issued by SC UZTEL SA , Ploiesti city, Romania and presented me completely .

The translation of the document submitted was executed according to a written request filed at no 66/15.03.2016 , kept in the archives of the undersigned.

SWORN NTERPRETER AND TRANSLATOR

MINISTERUL JUSTITIEI
COMAN MARIA
AUT.NR 5886/2001
TRADUCATOR AUTORIZAT

NOTE ON PROPOSAL TO COVER THE ACCOUNTING LOSS ON 31.12.2015

It is proposed to the General Meeting of Shareholders that the accounting loss amounting to - 2.037.296,35 lei be registered in the books of Uztel SA Ploiesti , as :

1171.01	**=**	**121**	**2.037.296,35 lei**
Result of year – loss		Profit or Loss	

According to Tax Code republished and updated, accounting loss recorded at 31.12.2014 , established by income tax statement , that means 4.550.383,52 lei will be added the sum of 2.037.296,35 lei as above mentioned note.

Accounting loss cumulated recorded in books of Uztel S.A. Ploiesti at 31.12.2015 ,totaling 6.587.679,87 lei will be recovered :

- Sum of 4.550.383,52 (accounting loss 2010 – difference) lei shall be recovered from profit subject to tax earned on the next three consecutive years (2016 ; 2017 ; 2018) and/ or according to Art.26 alin(9) of Tax Code republished and updated "Reserves representing tax breaks cannot be used to increase the share capital , for distribution or coverage of loss. **Failure to observe the dispositions of this alinea, these sums will be subject to tax as similar to income of the period it are used.** When they are maintained until liquidation, they are not considered in determining the fiscal result of liquidation".

- The sum of 2.037.296,35 (accounting loss of 2015) lei shall be recovered from profit subject to tax earned on the next seven consecutive years (2016 ; 2017 ; 2018 ; 2019 ; 2020 ; 2021 si 2022) and/ or according to Art.26 alin(9) of Tax Code republished and updated "Reserves representing tax breaks cannot be used to increase the share capital , for distribution or coverage of loss. **Failure to observe the dispositions of this alinea, these sums will be subject to tax as similar to**

income of the period it are used. When they are maintained until liquidation, they are not considered in determining the fiscal result of liquidation".

Consortium:
Judicial Administrator,

Euro INSOL SPRL and Euroinsol Consulting SPRL
By Coordinator Practitioner Associated Coordinator
attorney PhD Adrian Remus Borza attorney Alina Mariana Maer

General Manager, Finance Manager, Head of General Acct. Dept. ,
Eng. Ion Zidaru Ec. Ileana Popescu Ec. Marian Ilie

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