SEMESTER REPORT AT 30.06.2017

Half-yearly report according to the financial statement as at 30.06.2017
Date of report: 11.08.2017
Name of the company: UZTEL S.A.
Headquarters: Mihai Bravu Str., 243, Ploiesti, code 100410, Prahova County
Phone: 040/0244/541399 or 0372441111 -call center
Fax: 040/0244/544531 or 521181
E-mail: office@uztel.ro
Unique Registration Code at the Trade Registry Office: RO 1352846
Order number in the Trade Register: J29 / 48/1991
Subscribed and paid-up share capital: 13.413.647,50 lei
The regulated market on which the issued securities are traded:
Bucharest Stock Exchange - Symbol UZT

The Interim Report of the Board of Directors of Uztel SA Ploiesti for the first semester of 2017 presents the significant events and transactions for understanding the changes in the company's position and performance that took place between January 1 and June 30, 2017.

UZTEL S.A.
OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS
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1. Economic and financial situation

1.1. Presentation of an analysis of the current economic and financial situation compared to the same period last year, referring at least to:

a) Elements of financial position

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Indicators	30.06.2017	31.12.2016	30.06.2016
TOTAL ASSETS, of which:	**104.365.918**	**105.658.078**	**117.245.007**
· Fixed assets	49.498.705	51.883.452	54.841.038
· Current assets	54.862.873	53.770.657	62.399.237
· Other assets	4.340	3.969	4.732

Total Assets - decreased by 1.22% on 30.06.2017 compared to 31.12.2016 and a 10,98 % decrease compared to 30.06.2016 due to the following developments:

Fixed assets recorded a percentage decrease of 6,60 % on 30.06.2017 as compared to 31.12.2016 and a 9,74 % decrease compared to 30.06.2016.

Current assets recorded a 2,03 % increase on 30.06.2017 as compared to 31.12.2016 and a 12,08 % decrease compared to 30.06.2016.

Other asset items (**prepaid expenses**) recorded a 9,35 % percentage increase on 30.06.2017 compared to 31.12.2016 and a 8,28 % decrease compared to 30.06.2016.

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Indicators	30.06.2017	31.12.2016	30.06.2016
TOTAL LIABILITIES, of which:	**104.365.918**	**105.658.078**	**117.245.007**
• Current liabilities	25.277.429	19.191.806	20.624.886
• Long-term debt	8.795.713	11.715.101	6.760.315
• Equity	70.048.689	74.504.958	89.611.468
• Other liabilities	244.087	246.213	248.338

Total Liabilities - registered a 1,22 % decrease as of 30.06.2017 as compared to 31.12.2016 and a 10,98 % decrease compared to 30.06.2016 due to the following developments:

Current payables (amounts payable over a period of up to one year) recorded a 31,71 % increase on 30.06.2017 as compared to 31.12.2016 and a 22,56 % increase compared to 30.06.2016 , Following the :

- contracting in Q4-2016 to pay a bank loan in the amount of 7.492.504,37 lei for the partial payment of the payment program related to the last quarter of Uztel SA Reorganization Plan;

- contracting in the II-2016 trim of a financing facility by factoring the internal and external commercial debts of the company;

- the impossibility of paying the commercial debts of the company on the terms negotiated with the suppliers of raw materials, materials and services due to the lack of collecting in due time of the commercial contracts in lei and foreign currency and the low returns on the realization of the turnover.

Long-term payables (amounts payable over a period of one year) decreased by 24,92 % on 30.06.2017 compared to 31.12.2016 and a 22,56 % increase compared to 30.06 .2016 due to:

- contracting in 4th quarter of 2016 a bank loan in the amount of 7.492.504,37 lei for a period of 4 years;

- the conclusion of the agreements for the rescheduling of receivables and subordinated debts in the period 2017-2018.

Shareholders' equity recorded a 5,98 % decrease on 30.06.2017 compared to 31.12.2016 and a 21,83 % decrease compared to 30.06.2016.

Other liabilities (provisions for litigation) recorded a percentage decrease of 0,86 % on 30.06.2017 as compared to 31.12.2016 and a percentage decrease of 1,71 % compared to 30.06.2016.

b) Elements of global result

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Explanations	01January- 30 June 2017	01 January - 30 June 2016
TOTAL REVENUE, of which:	**24.914.630**	**23.395.809**
· Operational revenues (exploitation)	24.614.978	22.898.435
· Financial income	299.652	497.374
TOTAL EXPENDITURE of which :	**29.370.900**	**27.229.445**
· Operational expenses (exploitation)	28.926.648	26.710.813
· Financial expenses	444.252	518.632
Result of operational activity (exploitation)	**(4.311.670)**	**(3.812.378)**
Financial result	**(144.600)**	**(21.258)**
GROSS RESULT	**(4.456.270)**	**(3.833.636)**
NET RESULT	**(4.456.270)**	**(3.851.493)**

The total revenues - registered a percentage increase of 6,49 % on 30.06.2017 compared to 30.06.2016 , ie in nominal values from 23.395.809 lei at 30.06.2016 to 24.914.630 lei at 30.06.2017.

Total expenditures - registered a percentage increase of 7,86 % on 30.06.2017 compared to 30.06.2016, ie in nominal values from 27.229.445 lei at 30.06.2016 to 29.370.900 lei at 30.06.2017.

The operating result (operating) recorded a decrease on 30.06.2017 as compared to 30.06.2016 , ie in nominal values from – 3.812.378 lei at 30.06.2016 to - 4.311.670 lei at 30.06.2017.

The financial result recorded a decrease on 30.06.2017 as compared to 30.06.2016, ie in nominal values from – 21.258 lei at 30.06.2016 to -144.600 lei at 30.06.2017.

The gross result of the period recorded a decrease on 30.06.2017 as compared to 30.06.2016, ie in nominal values from – 3.833.636 lei at 30.06.2016 to – 4.456.270 lei at 30.06.2017.

The net result of the period a recorded a decrease on 30.06.2017 as compared to 30.06.2016, ie in nominal values from – 3.851.493 lei at 30.06.2016 to – 4.456.270 lei at 30.06.2017.

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c) Elements Cash-flow

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Explanations	**01January-30 June 2017**	**01 January -30 June 2016**
A. Net cash from operating activities	2.930.167	(3.141.890)
B. Net cash derived from investment business	(301.330)	(699.299)
C. Net cash from financing	(3.047.470)	(1.226.797)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(418.633)	(5.067.986)
Cash and cash equivalents at the beginning of the period	**1.245.085**	**7.359.311**
Cash and cash equivalents at the end of the period	**826.452**	**2.291.325**

The process of commercial, economic and financial profitability of Uztel SA is continued through:

- Maintaining an optimal level of sales on the domestic and international market;
- Optimization of stock levels of raw materials, finished materials and products;
- A more "aggressive" policy of conquering new sales markets;
- Medium and long-term development of joint ventures;
- More accelerated dynamics in recovering company's outstanding commercial receivables;
- Making investments to improve technological performance and ensure health and safety conditions of work;
- Achieving a balance between revenue and expenditure to maintain the profitability threshold by reducing the direct and indirect costs of the company according to the sales volume.

UZTEL SA aims to respect the income and expenditure budget assumed in 2017 and to carry out its activity in accordance with the provisions of OMFP 2844/2016 on accounting regulations in line with International Financial Reporting Standards.

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2. Analysis of the activity of Trading Company

2.1. Compared to the same period last year (semester I 2016), during the first semester of 2017 the following are observed :

– Respecting the principle of continuity of activity by providing financial resources necessary for the commercial development of the company;

– Significant increase of interest expenses on 30.06.2017 as compared to 30.06.2016 , ie in nominal values from 41.692 lei to 30.06.2016 to 113.453 lei at 30.06.2017 due to attracted sources of financing; The interest rates mentioned are paid for contracted and consumed bank credits;

– A percentage increase of 17,11 % of the personnel expenses on 30.06.2017 as compared to 30.06.2016, ie in nominal values from 8.791.089 lei at 30.06.2016 to 10.295.169 lei at 30.06.2017.

Due to the nature of its activities, the Company is exposed to various risks, including: interest rate risk, liquidity risk, currency risk, market risk. Management aims to reduce the potential adverse effects associated with these risk factors to the financial performance of the company by maintaining an adequate level of capital and results.

Interest rate risk
The Company's cash flows are affected by interest rate fluctuations. The Company does not use financial instruments to protect against interest rate fluctuations (ROBOR).

	Accounting reporting at June 30 , 2017 (lei)	Accounting reporting at June 30, 2016 (lei)
Interest paid	113.453	41.692

Liquidity risk

The prudent management of liquidity risk involves maintaining sufficient cash in current bank accounts in RON and foreign currency.

	Accounting report ing at June 30 , 2017 (lei)	**Accounting reporting at June 30, 2016** (lei)
Cash and availability at sight	826.452	2.291.325
Financial investmdents TS	-	-
Total cash and cash equivalents	**826.452**	**2.291.325**

Currency risk

The company is subject to fluctuation in exchange rates due to transactions in foreign currency.

	Accounting report ing at June 30 , 2017 (lei)	**Accounting reporting at June 30, 2016** (lei)
Net result of exchange rate differences	(34.478)	(47.289)

Market risk

Any market study that would be conducted by the company at this time, it can not provide accurate information about the stock sale of manufactured products. The demand for products made by UZTEL SA Ploiesti is currently more elastic than stable, as consumer preferences and orientations (internal and external customers), the dramatic reduction of the oil price and investment budgets of the big oil companies and the size of the competitors' offer are unpredictable. As a result, the company is currently facing an instability (decrease) in the demand for oil equipment, sales and oil barrel prices, which generated a reduction in turnover and, implicitly, of the volume of sales on the domestic and international market and therefore a decrease of the cash flows generated by the operating activity.

2.2. Compared to the same period last year, in the first half of 2017 Uztel SA Ploiesti sustained the expenditures of the activity from its own sources.

– Fixed assets decreased in the first half of 2017 compared to the first half of 2016 by 9,74 %, from 54.841.038 lei at 30.06.2016 to 49.498.705 lei at 30.06.2017 as a result of the decrease of the net value of tangible assets by 9,72 % , from 54.711.747 lei to 30.06.2016 to 49.393.633 lei at 30.06.2017 by calculating and recording the amortization and the increase of the net value of the intangible assets by 18,73 %, from 129.291 lei to 30.06.2016 to 105.072 lei at 30.06.2017.

– Current assets decreased in the first half of 2017 compared to the– first semester 2016 by 12.08 % from 62.403.969 lei on 30.06.2016 to 54.867.213 lei on 30.06.2017.

2.3. The volume of sales of the company in the first half of 2017 was 18.422.908 lei, representing a percentage increase of 5,00% compared to the same period of the previous year, ie in nominal values from 17.545.744 lei to 30.06.2016 at 18.422.908 lei at 30.06.2017.

– Income from the core business of the company

The turnover for the period 01.01.2017 - 30.06.2017 is as follows:

Accounting reporting at 30.06.2017	**Value (lei)**	**Share in Total revenue %**	**Share in Turnover %**
Income from the sale of finished products - domestic	9.395.782	37,71	51,00
Revenues from the sale of finished products - external	8.628.704	34,63	46,84
Revenue from services rendered - Laboratory benefits	14.269	0,06	0,08
Revenue from rendered services - internal transport	3.538	0,01	0,02
Income from rental of oil equipment and equipment	142.627	0,57	0,77
Income from sale of goods	172.667	0,69	0,94
Income from various activities - domestic	29.912	0,12	0,16
Income from various activities -export	35.409	0,14	0,19
Turnover - Total	**18.422.908**	**73,94**	**100,00**

The turnover for the period 01.01.2017 - 30.06.2017 per business segments is as follows:

Reporting on operational segments at June 30, 2017	**Value (lei)**	**Share in Total revenues %**
Income from the sale of finished products - domestic	9.395.782	37,71
Revenues from the sale of finished products - external	8.628.704	34,63
Income related to the cost of finished product stocks and production in progress	3.610.521	14,49
Revenue from services rendered	83.128	0,33
Income from royalties, management locations and	142.627	0,57
Income from sale of goods	172.667	0,69
Total	**22.033.429**	**88,44**

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For the trade segment the turnover is in the sum of:	172.667
For the service segment the turnover is in the sum of:	225.755
For the production segment the turnover is in the amount of:	18.024.486

The turnover for the period 01.01.2016 – 30.06.2016 is as follows:

Accounting reporting at 30.06.2016	**Value (lei)**	**Share in Total revenues %**	**Share in Turnover %**
Income from the sale of finished products - domestic	8.577.075	36,66	48,88
Revenues from the sale of finished products - external	8.830.437	37,74	50,33
Revenue from services rendered - Laboratory benefits	38.920	0,17	0,22
Revenue from rendered services - internal transport	4.471	0,02	0,03
Revenue from rendered services - external transport	17.749	0,08	0,10
Income from royalties, management locations and rents	177	-	-
Income from rental of oil equipment and equipment	36.158	0,15	0,21
Income from sale of goods	75.871	0,32	0,43
Income from various activities - domestic	14.852	0,06	0,08
Income from various activities -export	10.722	0,05	0,06
Trade discount - external	(60.689)	(0,26)	(0,35)
Total turnover	**17.545.744**	**75,00**	**100,00**

The turnover for the period 01.01.2016 - 30.06.2016 per business segments is as follows:

Reporting on operational segments at June 30, 2016	**Value (lei)**	**Share in Total income %**
Income from the sale of finished products - domestic	8.577.075	36,66
Revenues from the sale of finished products - external	8.769.749	37,48
Income related to the cost of finished product stocks and production in progress	3.832.593	16,38
Revenue from services rendered	86.713	0,37
Income from royalties, management locations and rents	36.336	0,16
Income from sale of goods	75.871	0,32
Total	**21.378.337**	**91,38**

lei

For the trade segment the turnover is in the sum of:	75.871
For the service segment the turnover is in the sum of:	123.049
For the production segment the turnover is in the amount of:	17.346.824

OPERATING INCOME	**6 months 2017 lei**	**6 months 2016 lei**
Total operating income, of which:	**24.614.978**	**22.898.435**
Turnover	18.422.908	17.545.744
Income related to the cost of finished product stocks and production in progress	3.610.521	3.832.593
Income from the production of intangible and tangible assets	39.023	100.433
Income from the revaluation of intangible and tangible assets	-	-
Income from the production of intangible and tangible assets	-	-
Other operating revenues	2.542.526	1.419.665

- **The top sales made to the main internal and external clients** of the company and their weight in total turnover on the domestic / foreign market in the first semester of 2017 is as follows:

Domestic clients	Total invoices (lei) VAT excluded	Share %
Cameron-Romania SRL Campina	1.793.119,87	17,00
Drilling Equipment SRL Zalau	1.699.572,25	16,12
Vulcan SA Bucuresti	893.150,60	8,47
Automobile Dacia SA Mioveni	844.358,69	8,01
Tehnomet SA Buzau	630.105,00	5,98
Multy Products Rom SRL Sighisoara Punct de Lucru Albesti Prahova	411.004,87	3,90
Expert Petroleum Solutions SRL Bucuresti	401.347,33	3,81
Dafora SA Medias	359.291,25	3,41
Atlantic Prod Impex SRL Ploiesti	322.816,45	3,06
Foraj Sonde SA Mures	316.909,08	3,01
TOTAL	**7.671.675,39**	**72,77**

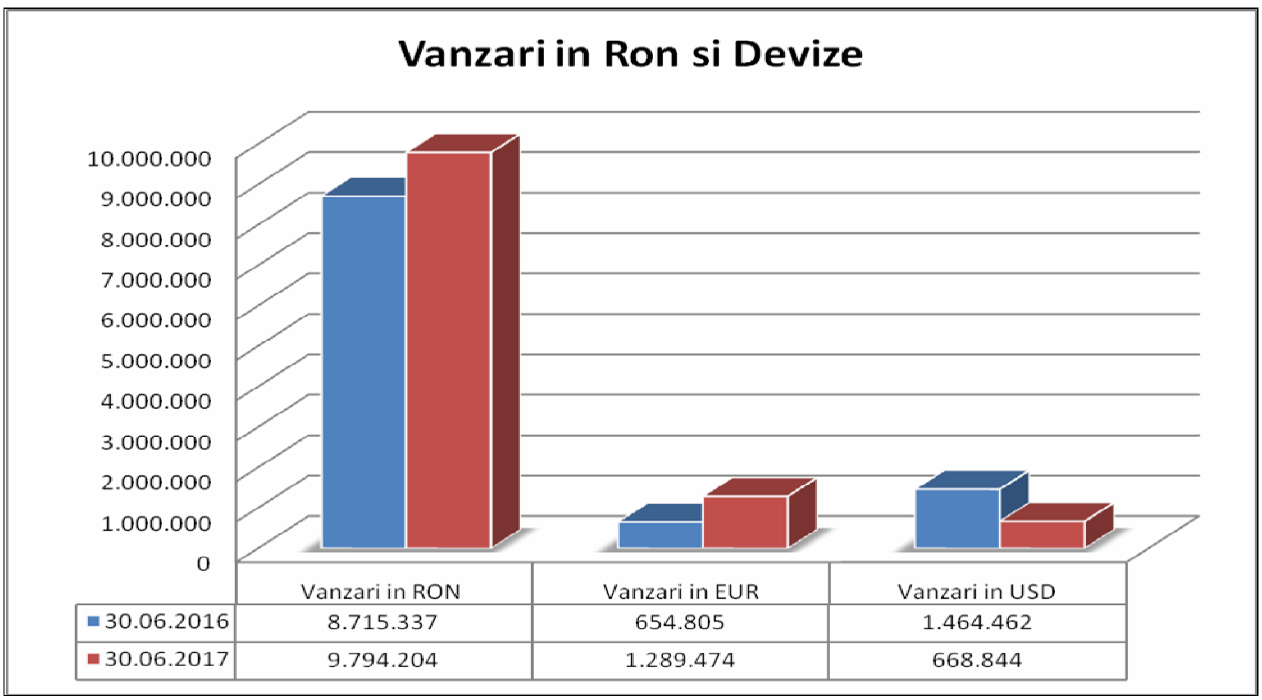
External Clients	Total invoices (Eur)	Share %
ABB Process Industrie Aix-Les Bains Cedex Franta	748.523,50	56,39
Robke Erdol Und Erdgastechnk Gmbh Germania	173.982,00	13,11
Peseco Limited Aberdeenshire Marea Britanie	152.940,00	11,52
Nis J.S.C. Novi Sad Serbia	48.550,55	3,66
Tde Field Services Zrt Ungaria	43.387,00	3,27
Hartmann Valves GmbH Germania	30.025,00	2,26
Liberty Drilling Equipment B.V. Olanda	21.922,00	1,65
Elematic OY AB Toijala Finlanda	21.561,50	1,62
Heat Warmetechnische Anlagen Ges M.B.H. Austria	21.310,00	1,61
Sivam SRL Spoltore Italia	18.516,00	1,40
TOTAL	**1.280.717,55**	**96,49**

Clienti Externi	Total Facturi (usd)	Pondere %
Omni Valve LLC USA	414.644,00	44,89
Bahar Energy Operating Company Limited Azerbaijan	313.265,00	33,92
Desert Sand Oil & Gas LLC Muscat Oman	81.804,00	8,86
PT Bangun Mitra Sinergi Jakarta Indonezia	77.375,00	8,38
Fenton Holding Worldwide Singapore	36.500,00	3,95
TOTAL	**923.588,00**	**100,00**

- Evolution of sales on domestic and foreign markets:

- **Sales in RON** increased from ron 8.715.337 as of 30.06.2016 to ron 9.794.204 as at 30.06.2017, ie a 12,38 % increase over the same period of 2016;
- **Sales in EUR** increased from 654.805 euros on 30.06.2016 to 1.289.474 euros on 30.06.2017, ie a 96,92 % increase over the same period of 2016;
- **Sales in USD** decreased from 1.464.462 usd on 30.06.2016 to 668.844 usd on 30.06.2017, a percentage decrease of 54,33% compared to the same period of 2016.

Explanations	30.06.2016	30.06.2017	30.06.2017/30.06.2016*100
Sales in RON	8.715.337	9.794.204	112,38
Sales in EUR	654.805	1.289.474	196,92
Sales in USD	1.464.462	668.844	45,67



3. **Changes affecting the capital and management of the company**

3.1. From January 1st to June 30th, 2017, the company fully paid all statutory payables and salaries and tries to maintain an acceptable volume of trade debts compared to the volume of sales achieved and the estimated one to be achieved.

3.2. The Company recorded changes regarding the rights of the holders of securities issued by the company as follows:

- According to the existing records at the Central Depository S.A. , the situation of the owners of shares on 30.06.2017 is the following:
-

Shareholder	Nmb.of shares	Percent (%)
UZTEL Association	4.498.300	83,8381
Natural persons	361.175	6,7315
Legal entities	505.984	9,4304
TOTAL	**5.365.459**	**100**

- According to records of Depozitarul Central S.A. , the situation of shareholders at 30.06.2016 was as bellow:

Shareholder	Nmb.of shares	Percent (%)
UZTEL Association	4.498.300	83,8381
Natural persons	330.748	6,1644
Legal entities	536.411	9,9975
TOTAL	**5.365.459**	**100**

By sentence no.129 dated 03.03.2017 pronounced in File no. 4732/105/2010 by Dolj Court; Department of -II- of Civil, was ordered closure of the Uztel SA company's reorganization procedures, following the fulfillment of payment obligations assumed in the plan confirmed by sentence no. 1282 9 October 2012 and the Uztel SA Company's reintegration into the economic environment with continued activity

In accordance with the legal provisions in force, namely Law 31/1990 as amended and updated, UZTEL SA proceeded to the election of a Board of Directors with a four-year term of office, consisting of five members with full powers:

President C.A- Popescu Ileana - appointed on 14.03.2017
Member C.A - Maer Alina Mariana - appointed on 14.03.2017
Member C.A - Hagiu Neculai - appointed on 14.03.2017
Member C.A - Legal person COMIS SRL through a conventional representative Badea Florian - appointed on 14.03.2017
Member C.A - Gheorghiu Mihail Gabriel - appointed on 24.04.2017

On 01.06.2017, by the decision of the Board of Directors of Uztel SA Mr. Ing. Purcarea Constantin was appointed as General Manager of the company.

4. Significant transactions

IAS 24 "Affiliated Party Operations" regulates business operations with entities that have cash holdings as associate members of the Uztel Ploiesti Association (the majority shareholder of UZTEL SA - Ploiesti with a total of 4.498.300 shares, representing 83,84 % of the share capital of the company).

The following transactions have been made with affiliated parties:

A) Sales of products and services

Description of entity	6 months 2017 lei	6 months 2016 lei
Axon SRL Ploiesti	1.677,90	-

B) Purchase of goods and services

Description of entity	6 months 2017 lei	6 months 2016 lei
Aprodem SA Ploiesti	-	20.187,81
Axon SRL Ploiesti	348.018,83	387.726,45
Comis SRL Valeni de Munte	63.025,97	26.126,40
Electro Service Onel & CO SRL Ploiesti	30.048,69	-

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Passion SRL Ploiesti	244,00	455,00
Platus Com SRL Campina	40.009,05	25.814,72
Romconvert SA Ploiesti	34.724,20	121.704,00
Titancore SRL Ploiesti	135.110,68	111.767,04
Vaspet SRL Focsani	33.423,25	33.556,11

Description of entity	**6 months 2017**	**6 months 2016**
	usd	**usd**
Shabum International LTD Tel Aviv	3.455,66	6.603,67

Description of entity	**6 months 2017**	**6 months 2016**
	eur	**eur**
Passion SRL Ploiesti	7.335,00	7.844,00

Board of Directors by, CEO Ec. Popescu Ileana	General Director Ing. Purcarea Constantin	Head of gen. Acct. Dept Ec. Ilie Marian

INTERIM FINANCIAL STATEMENTS AT THE DATE OF AND FOR 6 MONTH PERIOD ENDED AT JUNE 30, 2017

Prepared in accordance with International Financial Reporting Standards adopted by the European Union

INTERIM FINANCIAL STATEMENTS HAVE NOT BEEN AUDITED

C ONTENT:

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Interim statement of the individual financial position
For Accounting Reporting on 30.06.2017

in LEI	Note	June 30-2017	December 31 2016
Long-term Assets			
Tangible	9	49.393.633	51.773.835
Real Estate Investments		-	-
Intangible assets	9	105.072	109.617
Financial assets		-	-
Total long-term assets		**49.498.705**	**51.883.452**
Current assets			
Stocks	10	38.372.084	37.903.801
Trade receivables and other receivables	4	15.643.263	14.600.326
Deferred tax assets	4	7.557	7.557
Loans granted to related parties		-	-
Recoverable Taxes	4	17.857	17.857
Other assets		-	-
Cash and cash equivalents	4	826.452	1.245.085
Assets held for sale		-	-
Total current assets		**54.867.213**	**53.774.626**
Total Assets		**104.365.918**	**105.658.078**
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 premium account		-	-
Reserves	5	43.258.862	67.707.446
Result for the year		(4.456.270)	(19.146.952)
Result reported (earnings)	8	9.922.319	(10.069.996)
Total Capital		**70.048.689**	**74.504.958**
Long term loans			
Loans	4	5.151.097	6.087.660
Financial leasing and interest bearing liabilities		-	-
Deferred tax liabilities		-	-
Trade debts and other debts	4	3.644.616	5.627.441
Provisions for disputes	8	244.087	246.213
Income in advance	4	-	-
Total long term liabilities	4	**9.039.800**	**11.961.314**

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Continued Interim statement of the individual financial position

in LEI	Note	June 30-2017	December 31 2016
Current liabilities			
Trade payables	4	17.663.608	12.539.964
Loans received from related parties		-	-
Loans	4	3.308.354	2.467.306
Financial leasing and interest bearing liabilities		-	-
Income in advance	4	262.346	536.971
Other liabilities	4	4.043.121	3.647.565
Current income tax	7	-	-
Total current liabilities		**25.277.429**	**19.191.806**
Total liabilities		**34.317.229**	**31.153.120**
Total equity and liabilities		**104.365.918**	**105.658.078**

These interim statements were approved by on 07.08.2017

General Director	Economic Director	Head of Gen. Acct. Dept.
Ing. Purcarea Constantin	Ec. Popescu Ileana	Ec. Ilie Marian

UZTEL S.A.
OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS
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Interim statement of comprehensive income
For Accounting Reporting on 30.06.2017

În LEI	**Note**	**June 30-2017**	**December 31 2016**
Income	11	18.422.908	17.545.744
Income from investments		-	-
Other income	11	2.581.549	1.520.098
Other gains / (losses) -net	11	1.797	2.300
Income cost of inventories of finished goods and production in progress	11	3.610.521	3.832.593
Expenses with raw materials and consumables	11	(12.316.241)	(11.325.016)
Asset depreciation and amortization expense	11	(2.514.899)	(3.213.341)
Employee benefits expense	11	(8.392.425)	(7.156.471)
Expenditure on insurance contributions and social security	11	(1.902.744)	(1.634.618)
Expenses with external supply	11	(3.235.853)	(2.491.533)
Other expenses	11	(566.283)	(892.134)
Other gains / (losses) -net	11	-	-
Operating profit	11	**(4.311.670)**	**(3.812.378)**
Financial income	11	299.652	497.374
Financial expenses	11	444.252	518.632
Other financial gains / (losses) -net		-	-
Financial costs - net		**(144.600)**	**(21.258)**
Profit / (loss) before tax		**(4.456.270)**	**(3.833.636)**
Cheltuiala cu impozitul pe profit curent	7	-	17.857
Cheltuiala / venit cu impozitul pe profit amanat	7	-	-
Profit / (pierdere) aferent perioadei - net	6	**(4.456.270)**	**(3.851.493)**
Other items of comprehensive income			
Earnings / (loss) from revaluation of tangible assets	9	-	-
Adjustment of deferred tax related to reserves from revaluation		-	-
Total consolidated income for the year		**(4.456.270)**	**(3.851.493)**
Earnings per Share	6	**(0,83)**	**(0,72)**
Number of shares	6	**5.365.459**	**5.365.459**

These interim statements were approved by on 07.08.2017

General Director	Economic Director	Head og Gen. Acct. Dept.
Ing. Purcarea Constantin	Ec. Popescu Ileana	Ec. Ilie Marian

Interim Statement of Changes in Equity
For Accounting Reporting on 30.06.2017

in LEI	Note	Equity	Adjustment of equity	Legal reserve	Reserves from revaluation	Other reserves	Result reported	Total equity
Balance on January 01, 2017		**13.413.648**	**3.453.860**	**1.916.641**	**65.159.672**	**631.133**	**-10.069.996**	**74.504.958**
Reserve Reclassification From Revaluation At reported Result	8	-	-	-	-24.448.584	-	-	**-24.448.584**
Net Profit of period	6	-	-	-	-	-	-4.456.270	**-4.456.270**
Transfer between Equity accounts	5	-	-	-	-	-	24.448.584	**24.448.584**
Balance on June 30, 2017		**13.413.648**	**3.453.860**	**1.916.641**	**40.711.088**	**631.133**	**9.922.319**	**70.048.689**

in LEI	Note	Equity	Adjustment of equity	Legal reserve	Reserves from revaluation	Other reserves	Result reported	Total equity
Balance at January 01, 2016		**13.413.648**	**3.453.860**	**1.916.641**	**66.788.199**	**631.133**	**7.952.819**	**94.156.300**
Reserve Reclassification From Revaluation At reported Result	8	-	-	-	-	-	1.124.137	**1.124.137**
Net Profit of period	6	-	-	-	-	-	(19.146.952)	**(19.146.952)**
Transfer between Equity accounts	5	-	-	-	(1.628.527)	-	-	**(1.628.527)**
Balance at December 31 , 2016		**13.413.648**	**3.453.860**	**1.916.641**	**65.159.672**	**631.133**	**(10.069.996)**	**74.504.958**

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Continued Interim Statement of Changes in Equity

As a result of the application of IFRS from the financial year 2012, the financial statements have been restated, resulting in the application of IAS 29, an adjustment of the own funds inflation of ron 3.453.860.

No deferred tax adjustments for revaluation reserves for the period 01.01.2017 - 30.06.2017 have been calculated.

These interim statements were approved by on 07.08.2017

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Ing. Purcarea Constantin	Ec. Popescu Ileana	Ec. Ilie Marian

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Interim statement of cash flows
For Accounting Reporting on 30.06.2017

in LEI	June 30, 2017	June 30, 2016
Net profit for the year	**(4.456.270)**	**(3.851.493)**
Income tax expenses	-	17.857
Amortization / depreciation of long term assets	2.514.899	398.226
Gain / loss on sale of fixed assets	(36.660)	-
Provisions for clients	730.576	4.124.629
Income / (expenses) related to value adjustments on current assets	-	-
Provisions for stocks	-	(2.669.737)
Interest expenses	(113.453)	(41.692)
Interest income	3.336	67.209
Dividends income	-	-
Gain / loss from exchange rate differences	(34.478)	(47.289)
Movements in working capital	**3.064.220**	**1.849.203**
Increase / (decrease) in trade receivables and other receivables	1.043.308	1.942.727
Increase / (decrease) in other current assets	468.283	(2.118.903)
Increase / (decrease) in inventories	(371)	(1.074)
Increase / (decrease) in trade payables	3.596.046	(580.509)
Increase / (decrease) in deferred revenue	(274.625)	1.450.037
Increase / (decrease) another liabilities	(396.971)	(1.772.329)
Cash used in operating activities	**4.435.670**	**(1.080.051)**
Income tax paid	-	(17.857)
Interest paid	(113.453)	(41.692)
Cash generated from operating activities	**2.930.167**	**(3.141.890)**
Net cash from investing activities	**(301.330)**	**(699.299)**
Cash payment for acquisition of land and assets	(301.330)	(699.299)
Net cash from financing activities	**(3.047.470)**	**(1.226.797)**
Cash repayments of borrowings	(3.046.140)	(1.205.694)
Dividends paid	(1.330)	(21.103)
Increase / decrease in net cash and cash equivalents	**(418.633)**	**(5.067.986)**

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Continued Interim statement of cash flows

În LEI	30-iunie 2017	30-iunie 2016
Cash and cash equivalents at beginning of period	1.245.085	7.359.311
Cash and cash equivalents at end of period	826.452	2.291.325
Increase / decrease in net cash and cash equivalents	(418.633)	(5.067.986)

These interim statements were approved by on 07.08.2017.

General Director	Economic Director	Head og Gen. Acct. Dept.
Ing. Purcarea Constantin	Ec. Popescu Ileana	Ec. Ilie Marian

NOTES TO INDIVIDUAL FINANCIAL STATEMENTS at June 30,2017

1. REPORTING ENTITY UZTEL S.A. (THE "COMPANY")

IAS 1.138 (a)-(b) UZTEL S.A. Ploiesti (the "Company") is a company based in Romania.
IAS 1.51 the financial statements have been prepared under IFRS for the year on 31.12.2016.
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 core 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 balance 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.
"UZTEL" S.A. Ploiesti was founded in 1904 having an experience of over 112 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 a 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.

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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 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 increasing 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 visible changes on short term as:

- conduct permanent auditing processes and logistics to minimize time and cost of production;
- implementation of 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 subject to a continuous optimization process production expenses are planned and regularly checked
- staff resizing according to functional categories and depending on workload;
- reducing costs that are not directly related to sales (guard services, telephony, transport, etc.)
- 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.–.

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 Company is and remains an important contributor to the state budget and creator of added value by contributing to national gross domestic product.

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. BASIS OF PREPARATION OF INDIVIDUALFINANCIAL 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 no. 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.

These financial statements have been prepared considering the ongoing business principle. Amounts are expressed in lei in all parts of the financial statements.

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:

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.

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Company managers take responsibility for preparation of financial statements on 30.06.2017 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.

c. Continued activity

These financial statements have been prepared under ongoing business principle assumption

By sentence no.129 dated 03.03.2017 pronounced on File no. 4732/105/2010 by Dolj Court; Department of -II- Civil, was ordered closure of the Uztel SA company's reorganization procedures, following the fulfillment of payment obligations assumed in the plan confirmed by Sentence no. 1282 dated October 9, 2012 and the Uztel SA Company's reintegration into the economic circuit with continued activity

The Management of the Company analyzed the forecasts regarding the future of the operational activity, highlighting, at least for the period 01.01.2017 - 30.06.2017, a volume of entries insured both by the execution of some existing contracts, but also by the reasonable certainty of contracting 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.

Based on the analyzes made, the Company's Directors confirm that it will be able to continue its activity in the foreseeable future and therefore the application of the principle of continuity of activity is justified and appropriate for the preparation of the 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.

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e. Utilizarea de estimari si judecati

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

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 by the key management personnel according to 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.

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Distinction assets / fixed or current debt / long-term

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

Under IAS 1.51 (d), (e) foreign currency transactions are expressed in RON by applying the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency recorded between 01.01.2017 - 30.06.2017 are denominated in RON at the exchange rate at that date. Foreign exchange gains and losses, whether realized or not, are recorded in the income statement for that year, in accordance with IAS 21.
The official exchange rates used to convert foreign currency balances to June 30, 2017 are as follows:

Currency	June 30 2017
1 Euro	4,5503 lei
1 Dollar SUA	3,9857 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 records in the category of short-term financial investments bank deposits denominated in RON for 1 month and maximum 3 months.
The bank deposits were made up of the financial liquidities obtained by the company by collecting outstanding and current commercial debts in lei, in order to ensure the principle of continuity of the company's activity and to 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

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 progress.
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 balance 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 service lives, they are considered separate asset. Tangible assets are retired or balances 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:

	Service life (ani)
Buildings, constructions and special installations	25 - 60
Machinery and equipment	03 - 28
Measuring and Control	05 - 10
Machines	04 - 10
Other tangible assets	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 accounting value of an asset is written down immediately to its recoverable amount if the carrying amount exceeds the estimated recoverable amount.

i. Assets acquired under leasing

IFRS 1 does not include any 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 service 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. Inventory

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.

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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. Employees Benefits

Under IAS 9, 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

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 on dividend payment.

Income tax rate used to calculate the current and deferred income tax at June 30, 2017 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 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:

Amendments to IFRS 7 Financial Instruments: Disclosures, published in ianuarie2017. The European Union, they are pending.

- Proposed amendments to IFRS 10 on the sale or contribution of assets of an investor and its associates or joint ventures occurred in September 2014 with the entry in force after 1 January 2016. In the European Union was not yet set a timetable approval..
- Amendments to IAS 12.– Recognition of deferred tax on unrealized losses. appeared in January 2016 with effect after 1 January 2017. In the European Union, they are pending.
- Clarification of the IFRS 15 Revenue from contracts with customers occurred in April 2016 with effect from 1 January 2018. In the European Union, they are pending.
- Amendments to IFRS 2: The classification assessments of transactions– related to share-based payment occurred in June 2016, with effect from 1 January 2018. In the European Union, they are pending.
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with application of IFRS–4 Insurance Contracts, occurred in September 2014 with effect after 1 January 2018. In the European Union, they are pending.
- IFRIC 22 .Foreign currency transactions and advanced considerations appeared in December 2016 with effect after January 1, 2018. At EU level, it is pending.
- Amendments to IAS 40 .Transfer of securities investments occurred– in December 2016 with effect after 1 January 2018. In the European Union, they are pending.
-

New international standards not applied by the Company

- The Company does not apply some new provisions IFRS or IFRS issued and not entered in force on the date of financial statements. The Company cannot estimate the impact of this provision on the financial statements and intends to apply these provisions with the entry into force.
- The standards issued but not yet in force, the company will not be in a position to apply prospectively none of them.These are:
- IFRS 9 *Financial Instruments* incorporating the requirements for classification and evaluation, depreciation, general accounting coverage and recognition of the financial instruments, released in July 2014, with effect on or after 1 January 2018. In the European Union (EU) this standard is pending.

- IFRS 14 applies to the first IFRS annual financial statements of an– entity for the period commencing on or after January 1, 2016, was published in January 2014. In the UniuniiEuropene this standard fostîncã not approved.
- IFRS 15 applies to the first annual financial statements IFRS of an– entity for the period commencing on or after January 1, 2018, was published in May 2014 and adopted by the European Union in September 2016, with effect in the EU since January 1, 2018
- IFRS 16 Leases applies to the first IFRS annual financial statements of an entity for the period commencing on or after January 1, 2019, was published in 13 ianuarie2016. At EU level, this standard the case is pending.

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

1 *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.

2 *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.

3. *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.
For each item of balance sheet, profit and loss account and, where appropriate, for the statement of changes in equity and the cash flow statement, for comparative purposes, the amount of the corresponding item for the preceding business year is presented.
IAS 8 Accounting Errors
If the company reports mistakes made in accordance with previous GAAP, reconciliations should highlight the correction of those accounting policy errors. When recording operations to correct accounting errors, the provisions of IAS 8 (point 187 of OMFP 2844/2016) apply.

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

	Accounting reporting at June 30, 2017 (lei)	Accounting reporting at June 30, 2016 (lei)
Receivables	15.668.677	15.840.245

For other operations, where the amounts are significant, references to the creditworthiness references 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 June 30,2017 the company's trade receivables situation is as follows :

Receivables at 30.06.2017			**lei**
RECEIVABLES	Balance at 30.06.2017	maturity	
		Less 1 year	Over 1 year
0	1 = 2 + 3	2	3
Total, of which:	**15.668.677**	**13.281.059**	**2.387.618**
Domestic Client	**4.480.323**	4.480.323	-
External Client	**3.832.208**	3.832.208	-
Doubtful client, litigation	**3.110.637**	-	3.110.637
Other receivables (Performance Assurance OMV Petrom Bucharest)	**27.038**	27.038	-
VAT to be recovered	**885.195**	885.195	-
Salary advance	**3.700**	3.700	-
Suppliers borrowers	**384.649**	384.649	-
Debtors	**2.743.637**	2.743.637	-
Other receivables (VAT not due, accrued expenses and settlement systems in operation during clarification)	**906.452**	906.452	-
Adjustments for impairment of client receivables	**730.576**	-	730.576
Receivables on current income tax	**17.857**	17.857	-
Deferred tax receivables	**7.557**	-	7.557

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Main Customers, Depending on Volume of Transactions during 01.01.2017 - 30.06.2017

Domestic clients	Total Invoices (lei) VAT excluded	Share %
Cameron-Romania SRL Campina	1.793.119,87	17,00
Drilling Equipment SRL Zalau	1.699.572,25	16,12
Vulcan SA Bucuresti	893.150,60	8,47
Automobile Dacia SA Mioveni	844.358,69	8,01
Tehnomet SA Buzau	630.105,00	5,98
Multy Products Rom SRL Sighisoara Punct de Lucru Albesti Prahova	411.004,87	3,90
Expert Petroleum Solutions SRL Bucuresti	401.347,33	3,81
Dafora SA Medias	359.291,25	3,41
Atlantic Prod Impex SRL Ploiesti	322.816,45	3,06
Foraj Sonde SA Mures	316.909,08	3,01
TOTAL	**7.671.675,39**	**72,77**

External Clients	Total Invoices (Eur)	Share %
ABB Process Industrie Aix-Les Bains Cedex Franta	748.523,50	56,39
Robke Erdol Und Erdgastechnk Gmbh Germania	173.982,00	13,11
Peseco Limited Aberdeenshire Marea Britanie	152.940,00	11,52
Nis J.S.C. Novi Sad Serbia	48.550,55	3,66
Tde Field Services Zrt Ungaria	43.387,00	3,27
Hartmann Valves GmbH Germania	30.025,00	2,26
Liberty Drilling Equipment B.V. Olanda	21.922,00	1,65
Elematic OY AB Toijala Finlanda	21.561,50	1,62
Heat Warmetechnische Anlagen Ges M.B.H. Austria	21.310,00	1,61
Sivam SRL Spoltore Italia	18.516,00	1,40
TOTAL	**1.280.717,55**	**96,49**

External Clients	Total Invoices (USD)	Share %
Omni Valve LLC USA	414.644,00	44,89
Bahar Energy Operating Company Limited Azerbaijan	313.265,00	33,92
Desert Sand Oil & Gas LLC Muscat Oman	81.804,00	8,86
PT Bangun Mitra Sinergi Jakarta Indonezia	77.375,00	8,38
Fenton Holding Worldwide Singapore	36.500,00	3,95
TOTAL	**923.588,00**	**100,00**

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	Accounting year at June 30, 2017 (lei)	Accounting year at June 30, 2016 (lei)
Liabilities	33.904.295	27.216.354
Provisions	244.087	248.338
Income in advance	168.847	168.847
Total liabilities	**34.317.229**	**27.633.539**

- **Trade payables and other payables**

At Ju30,2017 company's debts are the following**:**

Debt situation at 30.06.2017				lei
DEBTS	balance 30.06.2017	Maturity		
		less 1 year	1-5 years	over 5 years
0	1 = 2 + 3 + 4	2	3	4
Total, of which:	**34.317.229**	**25.277.429**	**9.039.800**	**-**
Amounts owed to credit institutions	**8.459.451**	3.308.354	5.151.097	-
Advances collected for orders	**262.346**	262.346	-	-
Trade payables - suppliers	**20.515.698**	17.663.608	2.852.090	-
Income tax	**-**	-	-	-
Other creditors including tax and social security	**4.835.647**	4.043.121	792.526	-
Provisions and deferred income	**244.087**	-	244.087	-

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Main Suppliers, Principalii Furnizori , Depending on Volume of Transactions during 01.01.2017 - 30.06.2017 :

Domestic Suppliers	Total Invoices (lei) without VAT	share %
Forja Rotec SRL Buzau	1.149.298,46	9,50
Electrica Furnizare SA Bucuresti	1.074.147,03	8,88
MSD Com SRL Buzau	584.873,00	4,83
Sodexo Pass Romania SRL Bucuresti	494.829,94	4,09
Hany Industry SRL Ploiesti	457.143,62	3,78
Huttenes Albertus Romania SRL Bucuresti	452.584,32	3,74
Engie Romania SA Bucuresti	425.972,59	3,52
Axon SRL Ploiesti	292.452,64	2,42
Arva Metals & Steels SRL Cornetu-Ilfov	287.265,33	2,37
Bronic Security Bucuresti	249.177,60	2,06
TOTAL	**5.467.744,53**	**45,19**

External Suppliers	Total Invoices (Euro)	share %
GPS Oil Tools Oilfield Equipment & Services GMBH Vechta Germania	60.937,45	38,72
Danco Industry LTD Bulgaria	47.377,44	30,11
Riganti SPA Italia	33.200,00	21,10
Passion SRL Ploiesti	7.335,00	4,66
Keramtech S.R.O. Czech Republic	4.471,20	2,84
CF Service SRL Italia	2.854,08	1,81
Carboline Stoncor Benelux B.V. Olanda	1.198,00	0,76
TOTAL	**157.373,17**	**100,00**

External Suppliers	Total Invoices (USD)	share %
American Petroleum INST. Washington	32.671,84	84,42
Shabum International LTD Tel Aviv Israel	3.455,63	8,93
Trelleborg Sealing Silutions Sofia Bulgaria	1.697,75	4,39
Turkmennebit Ashgabat-Turkmenistan	575,00	1,49
Air Sea For Warders SRL Otopeni	300,00	0,78
TOTAL	**38.700,22**	**100,00**

Total Debts at 30.06.2017 , of wich :	Amount - lei	Percent of total amount of debts (%)
Budgetary debts	661.157	1,93
Commercial debt	20.515.698	59,78
Bank credits	8.459.451	24,65
Other debts (various creditors)	2.000.115	5,83
Dividends	1.623.349	4,73
Customer creditors	262.346	0,76
Salary debts	551.026	1,61
Provisions and earnings recorded in advance	244.087	0,71
Total debts	**34.317.229**	**100,00**

Bank loans are secured by :

- real estate mortgages totaling 29.434.935 lei (insurance policy nmb. 2452267 of 11.05.2016) ;
- Pledge Stocks of raw materials, inventory and finished goods totaling 24.651.575 lei (insurance policy nmb.. 2470188 din 22.11.2016) ;
- Pledge on equipment totaling 5.852.629 lei (insurance policy nmb. 2470241 of 28.02.2017) .

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 (ROBOR).

	Accounting reporting at June 30, 2017 (lei)	Accounting reporting at June 30, 2016 (lei)
Interest paid	113.453	41.692

Liquidity risk

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

	Accounting reporting at June 30, 2017	**Accounting reporting at June 30, 2016**
	(lei)	(lei)
Cash and availability on demand	826.452	2.291.325
Financial investments TS	-	-
Total Cash and cash equivalents	**826.452**	**2.291.325**

Currency risk

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

	Accounting reporting at June 30, 2017	**Accounting reporting at June 30, 2016**
	(lei)	(lei)
Result of foreign exchange differences	(34.478)	(47.289)

Market risk

Any market study that would be conducted by the company at this time, it can not provide accurate information about the stock sale of manufactured products.

The demand for products made by UZTEL SA Ploiesti is currently more elastic than stable, as consumer preferences and orientations (internal and external customers), the dramatic reduction of the oil price and investment budgets of the big oil companies and the size of the competitors' offer are unpredictable. As a result, the company is currently facing an instability (decrease) in the demand for oil equipment, sales and oil barrel prices, which generated a reduction in turnover and, implicitly, of the volume of sales on the domestic and international market and therefore a decrease of the cash flows generated by the operating activity.

5. EQUITY

Share capital

The share capital of SC UZTEL S.A. at June 30, 13.413.648 lei, divided in 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 30.06.2017 is as follows:

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Shareholder	Nmb. of shares held	Weight in share capital, %
UZTEL Association	4.498.300	83,8381
Legal persons	361.175	6,7315
Natural persons	505.984	9,4304
TOTAL	**5.365.459**	**100**

All shares are common, were subscribed and paid in full on June 30,2017.

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 June 30, 2017 Company constitutes legal reserves totaling 1.916.641 lei.

	Accounting reporting at June 30, 2017 (lei)	Accounting reporting at June 30, 2016 (lei)
Legal reserves	1.916.641	1.916.641

Other reserves

	Raportare contabila la 30 iunie 2017 (lei)	Raportare contabila la 30 iunie 2016 (lei)
Other reserves	631.133	631.133

Revaluation reserve

The revaluation reserve is the amount of 40.711.088 ron at June 30, 2017 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 reporting June 30, 2017 (lei)	Accounting reporting at June 30, 2016 (lei)
Revaluation reserves	40.711.088	66.285.928

6. RESULT FOR THE PERIOD

Result for the period

During the period January - June 2017, the Company recorded a loss from operating activity in the amount of (4.311.670) lei (January - June 2016: (3.812.378) lei) and financial loss in the amount of (144.600) lei January - June 2016 : (21.258) lei), the net result of the period being in the amount of (4.456.270) lei (January - June 2016: (3.851.493) lei).
As a result of the drastic reduction of the sale price of the domestic and international oil barrel and of the decrease of the investment and exploitation activities of the large national and multinational oil companies, the company is experiencing a decrease of the basic activity, respectively of the operating (exploitation) income recorded in the first semester of 2017 compared to the same period of the previous year.
Operating expenses increased in the first half of 2017 compared to the first semester of 2016 by 8.29% from 26.710.813 lei on 30.06.2016 to 28.926.648 lei on 30.06.2017.

	Accounting reporting at June 30, 2017 (lei)	Accounting reporting at June 30, 2016 (lei)
Net result	(4.456.270)	(3.851.493)

Dividends

During January 1st - June 30, 2017 the Company made payments of 1.349,88 lei , meaning the net dividends due to shareholders as bellow:

	lei
1st quarter – year 2017	1.089,12
2nd quarter – year 2017	260,76

7. PROFIT TAX

	Accounting reporting at 30.06.2017 (lei)	Accounting reporting at 30.06.2016 (lei)
Gross book value	**(4.456.269,72)**	**(3.851.493,00)**
Non-taxable Income	(7.397,94)	(2.300,00)
Items assimilated to revenue	7.439.665,51	1.823.291,00
Non-deductible expenses	93.482,94	83.577,00
Established legal reserve	-	-
Tax Profit / (Fiscal Loss)	**3.069.480,79**	**(1.946.925,00)**
Fiscal loss from previous years highlighted in statement 101	**(16.085.862,00)**	-
Registered Fiscal Loss	**(13.016.381,21)**	-
Profit tax resulting	-	-
Sponsorship	-	-
Profit tax due	-	-
Net profit / (Net loss)	**(4.456.269,72)**	**(3.851.493,00)**

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.

8. PROVISIONS

The statement of provisions made by the company is presented in the following table:

	Accounting Reporting At June 30, 2017 (lei)	Accounting Reporting At June 30, 2016 (lei)
Provisions for litigations	244.087	248.338

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9. 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 January 01, 2016	17.312.865	32.652.252	35.913.429	160.630	2.601.695	123.120	88.763.991
Increases	-	39.650	263.072	-	763.774	-	1.066.496
outputs	548.765	676.900	318.729	-	402.712	-	1.947.106
Balance at December 31, 2016	16.764.100	32.015.002	35.857.772	160.630	2.962.757	123.120	87.883.381
Accumulated depreciation							
Balance January 01, 2016	-	7.401.272	22.983.023	69.953	-	-	30.454.248
Depreciation of year	-	3.769.514	2.179.765	12.496	-	-	5.961.775
Depreciation of outputs	-	101.026	205.451	-	-	-	306.477
Balance at December 31, 2016	-	11.069.760	24.957.337	82.449	-	-	36.109.546
Adjustments							
Balance January 01, 2016	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-
outputs	-	-	-	-	-	-	-
Balance at December 31, 2016	-	-	-	-	-	-	-
Accounting net value							
Balance January 01, 2016	17.312.865	25.250.980	12.930.406	90.677	2.601.695	123.120	58.309.744
Balance January 01, 2016	16.764.100	20.945.242	10.900.435	78.181	2.962.757	123.120	51.773.835

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	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 January 01, 2017	16.764.100	32.015.002	35.857.772	160.630	2.962.757	123.120	87.883.381
Increase	-	-	442.495	7.247	138.255	-	587.997
Output	54.517	-	22.411	-	427.331	-	504.259
Balance at June 30, 2017	16.709.583	32.015.002	36.277.856	167.877	2.673.681	123.120	87.967.119
Accounting net value							
Balance at January ,01 2017	-	11.069.760	24.957.337	82.449	-	-	36.109.546
Depreciation of year	-	1.673.669	783.948	6.323	-	-	2.463.940
Depreciation of outputs	-	-	-	-	-	-	-
Balance at June 30,2017	-	12.743.429	25.741.285	88.772	-	-	38.573.486
Adjustments							
Balance at January, 01, 2017	-	-	-	-	-	-	-
increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance at June 30, 2017	-	-	-	-	-	-	-
Accounting net book							
Accounting net value	16.764.100	20.945.242	10.900.435	78.181	2.962.757	123.120	51.773.835
Balance at June 30, 2017	16.709.583	19.271.573	10.536.571	79.105	2.673.681	123.120	49.393.633

During January 01 – June 30, 2017 the total value of the increases recorded in the accounting records for the "Machinery and equipment" class was 442,495 lei representing:

- Noxious exhaust system, worth 229,170 lei;
- Main and secondary chock molds 2 1/16, 2 9/16, 3 1/8, 4 1/16 (eight molded sets), worth 94.243 lei;
- Modernization of CH 50KF hydraulic heads, worth 53.707 lei;
- LED lighting installation - SDV sector, worth 36.766 lei;
- Bore support parts for nitrate, worth 6.199 lei;
- Adjustment between accounts 2131.01 - Technological Equipment and 2133.01 - Means of Transport worth RON 22.411.

Between 1 January and 30 June 2017, the total value of the increases recorded in the accounting records for the class "Furniture, office equipment, fixed assets" was 7.247 lei representing DS-7616NI-I2 NVR Video Surveillance System.
The tangible assets under construction recorded during the period January 1 - June 30, 2017 a growth of 138,255 lei, representing:

- LED lighting installation - SDV sector, worth 36.766 lei;
- DS-7616NI-I2 NVR video surveillance system, worth 7.247 lei;
- Main and secondary choks molds 2 1/16, 2 9/16, 3 1/8, 4 1/16 (eight molded sets), worth 94,242 lei;

Between January 1st and June 30th, 2017, the "Land" class registered a decrease of 54.517 lei by selling the surface of 604 sqm of land within the city, according to the sale contracts with authentication no .: 1758 and 1759 / 04.05.2017 to individuals.

Also, the machines and equipment class registered a decrease of 22.411 lei, settlement for analytical account.

The tangible assets under construction recorded during the period January 1 - June 30, 2017 decreases amounting to 427,331 lei, representing:

- Noxious exhaust system, worth 229.170 lei;
- Main and secondary feather molds 2 1/16, 2 9/16, 3 1/8, 4 1/16 (eight sets), worth 94.242 lei;
- Modernization of CH 50KF hydraulic heads, worth 53.707 lei;
- LED lighting installation - SDV sector, worth 36.766 lei;
- DS-7616NI-I2 NVR video surveillance system worth 7.247 lei;
- charging support for parts for nitriding, worth 6.199 lei

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	Development expenditures	Other intangible assets	Intangible assets in progress	Total
Cost	**Lei**	**Lei**	**Lei**	**Lei**
Balance at 01 January 2016	126.398	429.262	-	555.660
Inputs	66.307	84.391	-	150.698
outputs	-	14.506	-	14.506
Balance at 31 December 2016	192.705	499.147	-	691.852
Accumulated depreciation				
Balance at 01 January 2016	100.003	400.684	-	500.687
Depreciation of year	9.472	86.582	-	96.054
Outputs depreciation	-	14.506	-	14.506
Balance at 31 December 2016	109.475	472.760	-	582.235
Nett book value				
Balance at 01 January 2016	26.395	28.578	-	54.973
Balance at 31 December 2016	83.230	26.387	-	109.617

	Development expenses	Other intangible assets	Intangible assets in progress	Total
Cost	**Lei**	**Lei**	**Lei**	**Lei**
Balance at 01 January 2017	192.705	499.147	-	691.852
Inputs	2.257	58.651	-	60.908
outputs	20.615	-	-	20.615
Balance at June 30,2017	174.347	557.798	-	732.145
Accumulated depreciation				
Balance at 01 January 2017	109.475	472.760	-	582.235
Depreciation of year	6.704	44.252	-	50.956
Depreciation of outputs	6.118	-	-	6.118
Balance at June 30, 2017	110.061	517.012	-	627.073
Net book value				
Balance at 01	83.230	26.387	-	109.617

January 2017				
Balance at June 30, 2017	64.286	40.786	-	105.072

Between 1 January and 30 June 2017, development expenses increased by 2.257 lei, accounting for expenditures of fitting with Hydraulic Stripping preventer SH 7 1 / 16x210 / 70bar with gasket and key.
The company acquired intangible assets worth 58,651 lei, representing: Technical support for SIVECO integrated program worth 52.130 lei and ESET ENDPOINT antivirus license worth 6,521 lei.

Between January 1 and June 30, 2017, the development expenses recorded a decrease of 20.615 lei by removing from books by sale of the Hydraulic Stripping preventer SH 7 1 / 16x210 / 70bar with gasket and key.to the Expert Petroleum SRL Bucharest.

10. INVENTORY

By comparison, the stocks are presented as follows:

În LEI	**June 30, 2017**	**December 31, 2016**
Raw material	1.475.954	1.662.408
Additional material	666.657	777.531
Fuels	9.864	20.208
Packaging materials	2.359	2.725
Spare parts	3.846.766	4.533.464
Other consumables	214.599	223.587
Other consumables- protocol	76	133
Inventory items	348.595	345.736
Products in progress	10.550.240	6.614.360
Semi- manufactured	1.288.714	1.368.908
Finished product	10.313.674	8.517.014
Difference of price of semi-finished products	698.477	672.183
Difference of price of finished products	8.707.851	12.892.109
Packing	11.143	8.064
Residual products	19.460	68.366
Total	**38.154.429**	**37.706.796**
Advances to purchases assets such as stocks	217.655	197.005
Total General Inventory	**38.372.084**	**37.903.801**

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11. SHARE OF THE INCOME FROM THE COMPANY'S BASIC ACTIVITY:

The turnover for the period 01.01.2017 - 30.06.2017 is as follows:

Accounting reporting at 30.06.2017	Value (lei)	Share in Total income %	Share in turnover %
Income from the sale of finished products -	9.395.782	37,71	51,00
Revenues from the sale of finished products -	8.628.704	34,63	46,84
Revenue from services rendered - Laboratory	14629	0,06	0,08
Revenue from rendered services - internal	3.538	0,01	0,02
Income from rental of oil equipment and equipment Revenues from the sale of finished	142.627	0,57	0,77
Income from sale of goods	172.667	0,69	0,94
Income from various activities - Domestic	29.912	0,12	0,16
Income from various activities - Export	35.409	0,14	0,19
Turnover - TOTAL	**18.422.908**	**73,94**	**100,00**

Turnover for the period 01.01.2016 – 30.06.2016 is as follows:

Accounting reporting at 30.06.2016	Value (lei)	Share in Total income %	Share in turnover %
Income from the sale of finished products - domestic	8.577.075	36,66	48,88
Revenues from the sale of finished products -	8.830.437	37,74	50,33
Revenue from services rendered - Laboratory	38.920	0,17	0,22
Revenue from rendered services - internal transport	4.471	0,02	0,03
Revenue from rendered services - external transport	17.749	0,08	0,10
Income from royalties, management locations and rents	177	-	-
Income from rental of oil equipment and equipment	36.158	0,15	0,21
Income from sale of goods	75.871	0,32	0,43
Income from various activities - domestic	14.852	0,06	0,08
Income from various activities -export	10.722	0,05	0,06
Trade discount - external	(60.689)	(0,26)	(0,35)
Total turnover	**17.545.744**	**75,00**	**100,00**

INCOME FROM OPERATION	6 months 2017 lei	6 months 2016 lei
Total operating income, of which:	**24.614.978**	**22.898.435**
Turnover	18.422.908	17.545.744
Income related to the cost of finished product stocks and production in progress	3.610.521	3.832.593
Income from the production of intangible and tangible assets	39.023	100.433
Income from the revaluation of intangible and tangible assets	-	-
Income from the production of fixed assets	-	-
Other operating revenues	2.542.526	1.419.665

OPERATING EXPENSES	6 months 2017 lei	6 months 2016 lei
Total operating expenses, of which:	**28.926.648**	**26.710.813**
Expenditure on raw materials and consumables	10.344.711	9.553.356
Other material expenses	315.227	294.368
Other external costs	1.518.398	1.464.262
Goods Expenses	137.905	30.185
Trade discounts received	-	17.155
Staff costs	10.295.169	8.791.089
Value adjustments on intangible assets, tangible assets, real estate investments and biological assets at cost	2.514.899	3.213.341
Value adjustments for current assets	328	-
Other operating expense	3.802.136	3.383.667
Expenses from revaluation of intangible and tangible assets	-	-
Adjustments for provisions	(2.125)	(2.300)

FINANCIAL REVENUE	6 months 2017 lei	6 months 2016 lei
Total financial revenue, of which:	**299.652**	**497.374**
Income from exchange rate fluctuations	296.315	429.645
Interest income	3.336	67.209
Other financial income	1	520

FINANCIAL EXPENSES	6 months 2017 lei	6 months 2016 lei
Total financial expenses, of which:	**444.252**	**518.632**
Interest expenses	113.453	41.692
Other expenses	330.799	476.940

CASH FROM OPERATION

În LEI	**30-June 2017**	**30-June 2016**
Net result of period	**(4.456.270)**	**(3.851.493)**
Income tax expenses	-	17.857
Depreciation / depreciation of long-term assets	2.514.899	398.226
Gain / (loss) on the sale of fixed assets	(36.660)	-
Adjustments for impairment of receivables - clients	730.576	4.124.629
Income / (Expenses) related to value adjustments for current assets	-	-
Adjustments for depreciation of stocks	-	(2.669.737)
Interest Expenses	(113.453)	(41.692)
Interest Income	3.336	67.209
Revenue from dividends	-	-
Gain / (loss) of course differences	(34.478)	(47.289)
Movements in working capital	**3.064.220**	**1.849.203**
Increase / (decrease) of trade receivables and other receivables	1.043.308	1.942.727
Increase / (decrease) of inventory	468.283	(2.118.903)
Increase / (decrease) in other current assets	(371)	(1.074)
Increase / (Decrease) Commercial Debt	3.596.046	(580.509)
Increase / (Decrease) Revenue Received in Advance	(274.625)	1.450.037
Increase / (Decrease) of other debts	(396.971)	(1.772.329)
Cash used from operation	**4.435.670**	**(1.080.051)**
Profit tax paid	-	(17.857)
Interest paid	(113.453)	(41.692)
Cash generated from exploitation activities	**2.930.167**	**(3.141.890)**

12. INFORMATION ON SEGMENTS

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 period 01.01.2017 – 30.06.2017 are shown bellow:

Report on operating segment at June 30, 2017	**Amount (lei)**	**Share Of total income %**
Revenue from the sale of finished products - internal	9.395.782	37,71
Revenue from the sale of finished products - external	8.628.704	34,63
Income from finished products and products in progress	3.610.521	14,49
Income from services rendered	83.128	0,33
Income from royalties, rental and locations	142.627	0,57
Income from sale	172.667	0,69
Total	**22.033.429**	**88,44**

lei

For the trade segment the turnover is totaling :	172.667
For the segment of services , turnover amounts to :	225.755
For the production segment the turnover is totaling :	18.024.486

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Reporting by operational segments for the period 01.01.2016 - 30.06.2016 is as follows :

Report on operating segment at June 30, 2016	**Amount (lei)**	**Share Of total income %**
Revenue from the sale of finished products - internal	8.577.075	36,66
Revenue from the sale of finished products - external	8.769.749	37,48
Income from finished products and products in progress	3.832.593	16,38
Income from services rendered	86.713	0,37
Income from royalties, rental and locations	36.336	0,16
Income from sale	75.871	0,32
Total	**21.378.337**	**91,38**

lei

For the trade segment the turnover is totaling :	75.871
For the segment of services , turnover amounts to :	123.049
For the production segment the turnover is totaling :	17.346.824

13. 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).

Transactions with affiliated parties are :

a) Sales of finished products and services

Entity name	**6 months 2017 lei**	**6 months 2016 lei**
Axon SRL Ploiesti	1.677,90	-

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b) Purchase of goods and services

Entity name	**6 months 2017**	**6 months 2016**
	lei	**lei**
Aprodem SA Ploiesti	-	20.187,81
Axon SRL Ploiesti	348.018,83	387.726,45
Comis SRL Valeni de Munte	63.025,97	26.126,40
Electro Service Onel & CO SRL Ploiesti	30.048,69	-
Passion SRL Ploiesti	244,00	455,00
Platus Com SRL Campina	40.009,05	25.814,72
Romconvert SA Ploiesti	34.724,20	121.704,00
Titancore SRL Ploiesti	135.110,68	111.767,04
Vaspet SRL Focsani	33.423,25	33.556,11

Entity name	**6 months 2017**	**6 months 2016**
	usd	**usd**
Shabum International LTD Tel Aviv	3.455,66	6.603,67

Entity name	**6 months 2017**	**6 months 2016**
	eur	**eur**
Passion SRL Ploiesti	7.335,00	7.844,00

c) 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, special administrator) .

Entity name	**6 months 2017**	**6 months 2016**
Gross salary	1.102.701 lei	738.211 lei

14. OTHER INFORMATION

(1) Fees paid to auditors

For the period January 1 – Jne 30 2017 the Company's expenses on fees paid to auditors worth 208.941,18 lei VAT excluded , consisting of:

a) Statutory auditor

	lei
- Ecoteh Expert SRL Bucuresti Romania	20.439,90

b) Audits for certification of quality management systems and products (license)

	lei
- American Petroleum Institut Washington - USA	139.256,67
- DNV-GL Business Assurance Romania SRL	43.149,09
- GR Eurocert SRL Ploiesti	6.095,52

(2) Expenses with wages for personnel

	Accounting Reporting at June 30, 2017 (lei)	Accounting Reporting at June 30, 2016 (lei)
Expenses with wages for personnel	8.392.425	7.156.471

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

Average number of employees in the period January - June 2017 was :

	Accounting Reporting at June 30, 2017	Accounting Reporting at June 30, 2016
Average number of employees (persons)	479	428

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

Financial guarantees granted

UZTEL Ploiesti has established performance guarantees totaling 4.855,05 euro by issuing letters of guarantee with cash collateral with limited expiry time, namely:

1. Performance bond 4.855,05 EUR maturity 09.10.2018

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 foundrys.

The Company has established performance guarantees totaling 27.037,60 lei recording it 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 10.854 lei and are recognized in investment accounts payable (commercial debt) with limited expiry date (12 months) by contract negotiated with suppliers of the company

(4) Insurance policies held by the company

The company holds insurance policy OMNIASIG, G Series no . 922152 over a period of 12 months, namely dated 27.09.2016 untill 26.09.2017 (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 holds insurance policy OMNIASIG Series F No. 2487024 for a period of 12 months, namely since 25.05.2017 till date 24/05/2018 (renews annually) representing fire insurance and other risks (risks packages) for a declared value of 29,434,935 lei a total of 26 production buildings and warehouses owned company.

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The Company holds insurance policy OMNIASIG Series F No. 2470188 for a period of 12 months, namely since 23.11.2016 till date 11/22/2017 (renews annually) representing fire insurance and other risks (risks packages) for inventory (raw materials, inventory, finished products) with a declared value of 24,651,575 lei.

The Company holds insurance policy OMNIASIG Series F No. 2470241 for a period of 12 months, namely since 01.03.2016- 22.11.2017 (renews annually) representing fire insurance and other risks (risks packages) for equipment as of evaluation report with a declared value of 5.852.629 lei.

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.

(5) 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 107 of 15.06.2017 valid until 15.06.2019;
- 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.

Societatea Uztel S.A. constantly and consistently pay a special care to environmental protection, with particular regard to this:

- compliance with the legislation in force on environmental protection;
- saving natural resources;
- identification of potential risks, anticipation of consequences and taking them into account;

Uztel S.A. has implemented the Environmental Management System according to the ISO 14001-2015 standard. The activities regulated by this system are maintained and continuously improved, being systematically overseen by internal audit but also by the certification authority.

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.

Substantele si preparatele chimice periculoase au fost achizitionate, depozitate, manipulate si utilizate cu respectarea legislatiei in vigoare, conform fiselor tehnice de securitate.

(6) Aspects of legal disputes of company

Company, as the lender has taken all legal steps necessary to recover trade receivables outstanding from legal entities and individuals having in progress during 01.01.2017 – 30.06.2017 numar 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	18 files
Enforcement	14 files
Insolvency proceedings	20 files
Labor Disputes (labor groups, special conditions, claims, dismissal appeal)	234 files

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

15. 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 2014 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 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 l 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 2015, 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.

UZTEL S.A.
OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS
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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: www.uztel.ro

16. THROUGHOUT THE INSOLVENCY - REORGANIZATION PROCEEDINGS

By Order no.129 dated 03.03.2017 pronounced on File no. 4732/105/2010 by Dolj Court; Department of -II- of Civil, was ordered closure of the Uztel SA company's reorganization procedures, following the fulfillment of payment obligations assumed in the plan confirmed by sentence no. 1282 9 October 2012 and the Uztel SA Company's reintegration into the economic circuit with continued activity.

COMPANY'S BOARD OF DIRECTORS

In accordance with the legal provisions in force, namely amended and updated Law 31/1990, UZTEL SA proceeded to the election of a Board of Directors with a four-year term of office, consisting of five members with full powers:

PERIOD OF 01.01.2017 - 30.06.2017		
SURNAME ,GIVEN NAME	**POSITION**	**TERM OF FUNCTION**
Popescu Ileana	CEO.	14.03.2017-30.06.2017
Maer Alina Mariana	Member of Board of Directors	14.03.2017-30.06.2017
Hagiu Neculai	Member of Board of Directors	14.03.2017-30.06.2017
Persoana Juridica COMIS SRL by conventional representative Badea Florian	Member of Board of Directors	14.03.2017-30.06.2017
Gheorghiu Mihail Gabriel	Member of Board of Directors	24.04.2017-30.06.2017

On 01.06.2017, by the decision of the Board of Directors of Uztel SA Mr. Ing. Purcarea Constantin was appointed as General Manager of the company.

For the period 14.03.2017 - 30.06.2017 the total remunerations of the Board of Directors of the Company represented 1,60% of the salary fund.

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THE EXECUTIVE MANAGEMENT OF THE COMPANY - during 01.01.2017 - 30.06.2017 was provided by

PERIOD 01.01.2017 - 30.06.2017			
SURNAME,GIVEN NAME	**POSITION**	**PERIOD**	**DECISION/DATE OF ISSUE**
Popescu Ileana	Economic Director	01.01.2017-30.06.2017	Decision 592 / 30.11.2010
Gruescu Serban Gheorghe	Technical Director	01.01.2017-30.06.2017	Decision 194 / 28.11.2012
Zidaru Ion	Special Administrator - Director General	01.01.2017-31.05.2017	Decision 44 / 23.04.2013
Gheorghiu Mihail Gabriel	Commercial Director	01.01.2017-30.06.2017	CIM 238 / 31.01.2013
Dan Savin	Manager of Quality Management System	12.04.2017-30.06.2017	CIM 848 / 11.04.2017
Purcarea Constantin	Managing Director	01.06.2017-30.06.2017	Decision 68 / 16.05.2017

For the period 01.01.2017 – 30.06.2017 the total remunerations of the Board of Directors of the Company represented 7,48% of the salary fund.

Director General	Director Economic	Sef Serv. Ctb. Generala
Ing. Purcarea Constantin	Ec. Popescu Ileana	Ec. Ilie Marian

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STATEMENT
In accordance with Articles 29 and 30 of the Accounting Law no.82 / 1991 republished

They have prepared the annual financial statements at 30/06/2017 of:
Entity: UZTEL
County: 29-Prahova
Address: town of Ploiesti, Str.Mihai BRAVU, NO. 243, tel.0372441111
Trade register number: J29 / 48/1991
Ownership: 34 Joint stock companies
Core business (NACE code and class name): 2892 - Manufacture of machinery for mining, quarrying and construction.
Unique Registration Code: RO 1352846

The undersigned Ing. Purcarea Constantin under Article 10 (1) of the Accounting Law no. 82/1991, with the capacity of CEO, assumes responsibility for preparing annual financial statements to 30/06/2017 and acknowledges the following:

a) The accounting policies used in preparing the period 01.01.2017- 30.06.2017 statements are in accordance with applicable accounting regulations.

b) The financial statements for the period 01.01.2017- 30.06.2017 present fairly the financial position, financial performance and other information related to the work.

c) businesses operating in conditions of continuity.

Director General,
Ing. Purcarea Constantin