

s.c.U.C.M. Reșița s.a.
(Company in insolvency, en procedure collective)

Preliminary yearly financial results on 31.12.2016

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[All amounts are given in lei (RON) unless otherwise stated]

Statement of financial position on December 31, 2016

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Reference	Balance sheet items	Balance on 01.01.2016	Balance on 31.12.2016
Statement of financial position IAS 1.10(a), 113			
<i>IAS 1.54(a)</i>	Tangible fixed assets	177.094.810	168.636.615
<i>IAS 1.54(c)</i>	Intangible fixed assets	16.109	2.943
	Financial fixed assets	9.355.783	15.433.006
	Total of fixed assets	186.466.702	184.072.564
<i>IAS 1.54(h)</i>	Trade receivables and receivables from related parties	21.151.441	7.215.991
<i>IAS 1.54(g)</i>	Stocks	23.911.806	22.158.938
<i>IAS 1.54(o), 56</i>	Deferred tax receivables	28.093.899	23.626.464
<i>IAS 1.54(h)</i>	Other receivables	1.196.830	6.597.811
<i>IAS 1.54(i)</i>	Cash and cash equivalents	6.398.859	2.257.968
	Expenses in advance	40.870	50.560
	Total current assets	80.793.705	61.907.732
	TOTAL ASSETS	267.260.407	245.980.296
<i>IAS 1.54(m)</i>	Loans bearing interest	39.065.875	39.849.737
<i>IAS 1.54(k)</i>	Suppliers and other trade payables	39.917.501	38.787.363
<i>IAS 1.54(k)</i>	Taxes and other debts	575.155.774	580.273.151
<i>IAS 1.54(o), 56</i>	Deferred tax debts	27.854.853	28.775.915
<i>IAS 1.54(l)</i>	Provisions	242.705.042	242.020.016
<i>IAS 1.55, 20.24</i>	Revenues in advance	1.535.080	12.458

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Total debts	926.234.125	929.718.640
Total Assets minus Total Debts	(658.973.718)	(683.738.344)
Registered capital	601.685.084	601.685.084
Revaluation reserves	172.379.170	164.870.831
Legal reserves	1.972.406	1.972.406
Other reserves	16.088.620	16.088.620
Carried over result	(1.451.580.487)	(1.443.641.426)
Current result	506.830	(24.713.860)
Profit sharing, establishing of legal reserves	(25.341)	-
Total equity	(658.973.718)	(683.738.344)
TOTAL LIABILITIES	267.260.407	245.980.296

Special Trustees:

Cosmin URSONIU

Nicoleta Liliana IONETE



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Statement of overall result on December 31, 2016

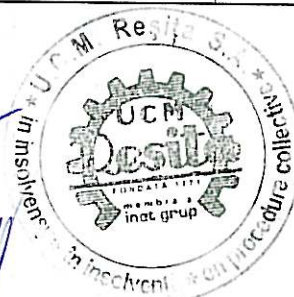
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Reference Statement of overall result IAS 1.10(b), 81(a)	Explanations	31.12.2015	31.12.2016
<i>IAS 1. 82(a) IAS 1.99,103</i>	Operating revenues	39.669.809	56.995.744
<i>IAS 1.99, 103</i>	Cost of sales	21.829.512	61.750.138
	Gross operating profit (loss)	17.840.297	(4.754.394)
<i>IAS 1.99, 103</i>	Distribution costs	10.931	14.686
	Administrative expenses	13.606.086	13.591.635
<i>IAS 1. 82(a) IAS 1.99,103</i>	Financial revenues	1.606.308	1.427.730
<i>IAS 1.82(b)</i>	Financial expenses	3.536.840	2.392.379
<i>IAS 1.85</i>	Result before tax	2.292.748	(19.325.364)
<i>IAS 1.82(d), IAS 12.77</i>	Deferred tax expenses	(1.785.918)	(5.388.496)
	Net profit (loss)	506.830	(24.713.860)
	<i>Establishing of legal reserves under Law 31/1990</i>	25.341	0
<i>IFRS 5.33(a), 1.82(e)</i>	Profit attributable to:	481.488	0
<i>IAS 1.83(b)(ii)</i>	Company's owners	465.984	0
<i>IAS 1.83(b) (i)</i>	Non-controlling interests	15.504	0

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Statement of changes in equity for the year ended on December 31, 2016

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Explanation / Description	1	2	3	4	5	6	7	8	9	Total
		Registered capital	Revaluation reserves	Legal reserves	Reserves representing surplus from revaluation reserves	Other reserves	Carried over result	Current result of the accounting year	Profit sharing	
Balance on January 01, 2016		601.685.084	172.379.170	1.972.406	217.893.465	16.088.620	(1.669.473.952)	506.829	(25.341)	(658.973.718)
<i>Changes in equity - December 31, 2016</i>										
Transfer of surplus from revaluation reserves			(7.508.339)		7.508.339					-
Transfer of the result of the accounting year 2015 to the carried over result							481.489,00	(481.489)		0
Account closing - profit sharing								(25.341)	25.341	-
Registration of accounting errors from previous years to the carried over result							(50.766)			(50.766)
Increases in legal reserves from the result of the current accounting year										-
Net result of the current accounting year								(24.713.860)		(24.713.860)
Balance on December 31, 2016 IFRS		601.685.084	164.870.830	1.972.406	225.401.804	16.088.620	(1.669.043.229)	(24.713.862)	-	(683.738.344)

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The legal reserves of *the Company* on December 31, 2014, established under the Law of Trading Companies, are in amount of 1,972,406 lei.

The legal reserve of *the Company* is partially formed under the Law of Trading Companies, which states that 5% of the yearly accounting profit is transferred to the legal reserves, until their balance reaches 20% of the registered capital of *the Company*.

We note that on December 31, 2016 *the Company* has not yet reached the maximum level of the legal reserves.

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Statement of cash flows on December 31, 2016

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Designation of item	Row No.	Accounting year ended on:	
		December 31, 2015	December 31, 2016
A	B	1	2
OPERATING ACTIVITIES			
Net profit + Result carried over from correction of accounting errors	1	2.046.354	(19.376.130)
Adjustments for:			
Adjusting the value of tangible and intangible assets	2	32.342.502	8.512.526
Adjusting the value of financial assets	3	(293.173)	377.524
Expenses (revenues) with adjustments for depreciation of current assets	4	(1.302.750.777)	6.471.342
Adjustments to the provisions for risks and expenses	5	(30.655.635)	(685.025)
Expenses with the donations granted	6	1.500	-
Revenues from interests and other financial income	7	(420.441)	(526.043)
Expenses with interests and other financial expenses	8	4.223.793	1.294.436
Cash flow before changes in working capital (row 1 to 8)	9	(1.295.505.877)	(3.931.370)
Decrease / (Increase) - customers and other assimilated accounts	10	1.287.717.328	(7.331.248)
Decrease / (Increase) in stocks	11	1.819.265	3.171.918
(Decrease) / Increase - suppliers and other assimilated accounts	12	6.949.373	3.987.220
Cash flow from operating activities (row 9 to 12)	13	980.089	(4.103.480)
Revenues from interests	14	54.225	1.425
Net Increase / (Decrease) in restraint cash	15	(137.238)	190.640

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Cash flow obtained in operating activities (row 13 to 15)	16	897.076	(3.911.415)
INVESTING ACTIVITIES			
Cash payments for long-term purchasing of land and other assets	17	(16.996)	(50.836)
Net cash used in investing activities (row 17)	18	(16.996)	(50.836)
FINANCING ACTIVITIES			
Subsidies granted	19	(1.500)	-
Revenues from dividends	20	16.840	12.000
Net cash used in financing activities (row 19 to 20)	21	15.340	12.000
Net Increase / (Decrease) in cash and cash equivalents (row 16+18+21)	22	895.420	(3.950.251)
Cash and cash equivalents at the beginning of the year	23	5.008.465	5.903.885
Cash and cash equivalents at the end of the period (row 22+23)	24	5.903.885	1.953.634

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Economic - Financial Indicators on December 31, 2016

Indicator	Calculation method	Value
1. Current liquidity	$1=2/3$	0,09
2. Current assets (lei)	2	61.845.675
3. Current debts (lei)	3	687.686.167
4. Indebtness extent	$4=5/6$	#N/A
5. Borrowed capital (lei)	5	0
6. Committed capital (lei)	6	(683.738.344)
7. Turnover ratio of customer debts (days)	$7=8/9 \times 365$	86
8. Average balance of trade receivables (lei)	8	13.090.385
9. Turnover (lei)	9	55.694.260
10. Turnover ratio of fixed assets (days)	$10=11/12 \times 365$	1.206
11. Fixed assets (lei)	11	184.084.061
12. Turnover (lei)	12	55.694.260

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