

# **S.C. U.C.M. Resita S.A.**

**(Company in insolvency, en procedure collective)**

## **Separate Financial Statements**

**prepared in accordance with the**

**Order of the Minister of Finance no. 1286/2012**

**on December 31, 2015**

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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## YEARLY REPORT

### OF SPECIAL TRUSTEES FOR THE ACCOUNTING YEAR 2015

**UCM Resita SA** (*company in insolvency, en procedure collective*), with the registered office located in Bucharest, Montreal Square 10, World Trade Center Building, Entrance F, 1st Floor, Office no. 1.50, Sector 1 and the administrative headquarters (working station) in Resita, Golului Street, no. 1 Caras-Severin County, registered in the Trade Register of Bucharest under no. J40/13628/2011, CUI 1056654 (hereinafter referred to as *the Company* or *UCMR*).

#### **UCM Resita SA Field of Activity**

The main field of activity of *the Company*, under the Classification of Activities in National Economy (CAEN), is manufacturing of equipment for production and use of mechanical power (except motors for aircrafts, vehicles and motorcycles) - Code 281.

*The Company's* main activity consists in the manufacture of engines and turbines (except motors for aircrafts, vehicles and motorcycles) - CAEN Code 2811.

#### **Brief History**

Resita Works was established during the reign of Empress Maria Theresa, on July 3, 1771 by commissioning the first two furnaces and forges, on the left bank of the river Bârzava. The plant was developed gradually in the course of history, expanding geographically in proportion as diversification of the production areas took place.

The period (1771 - 1854) during which Resita Works belonged to the Austrian Tax Administration, who exercised its management and control through Banat Mining Directorate.

Within 1855 - 1920, known as St.E.G Period, Resita Works were in the property of the International Consortium St.E.G. "K.u.K Oberprivilegierte Staatseisenbahn Gesellschaft", an Imperial and Royal privileged Company of the State Railways.

In 1872 was built the Screw Factory from Anina.

At the end of the First World War, in 1920, based on the Royal Decree, the industrial colossus of Caras-Severin is named Resita Iron Works and Estate.

In 1948, the plant is nationalized, and in 1949 - as result of the truce between Romania and the USSR, the plant becomes a Romanian-Soviet joint venture, divided into two parts: Sovrom Metal - metallurgical branch and Sovrom Oil Equipment - machine building branch.

In 1962, the two Sovrom are joined into a single administrative entity and the new name is Resita Machine Building Company.

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Within 1954-1978 the plant in extended by building the platform for hot-metal working sectors. Within 1970-1972 was built the platform for the General Design Directorate Platform located at the exit from Resita to Caransebes.

Within 1975-1980 was built the platform Călnicel, in the north of Resita.

The name of the company is changed for the last time in 1991: UCM Resita - Resita Machine Building Company, when by the Government Decision no. 1296/1990 becomes a public joint stock company and is listed on the Bucharest Stock Exchange since 1997.

*The Company* was privatized in December 2003, by selling the package of shares of 51% held by the Authority for Privatization and Shareholding Administration ("APAPS") to the Consortium formed by the Swiss Company INET A.G. and the Association of Employees from the Machine Building Company Resita. Since 2005, *the Company* was in the process of reorganization, aiming to organize its activities so as to focus the production on specific traditional activity (manufacturing and marketing of hydro power units). The program included measures for structural reorganization of *the Company*, technical and technological restructuring, environmental investments and financial restructuring, consisting of:

- Increased coverage with orders for production capacities;
- Increased revenue from exports, to reduce the structural risk of sales;
- Capitalization of company's basic activities, as they were referred to in the privatization contract;
- Adjustment of company's financial structure by restoring the supplier's credit;
- Increase of financial discipline for collecting and obtaining of bank financing;
- Development of an investment plan needed to maintain the competitiveness of the company's products and diversification of production.

According to the legislation in force at the time of privatization, *the Company* had the benefit of two Common Ordinances, respectively OC 6/502/03.06.2006 and OC 9083/29.03.2007, on granting payment facilities, by exemption and rescheduling the budgetary obligations owed and outstanding, totaling 199,875,331 lei.

At the end of 2009, due to failure to pay the current debts in due time, *the Company* loses the facilities granted by the two Common Ordinances at privatization and, thus the historical debts are reactivated.

*The Company* continues to record further significant losses and the lack of funding leads to blockage in company's activity.

Taking this into account, during the meeting of the Board of Directors that took place on 30.11.2011 was decided to open the general procedure of insolvency, with the purpose to reorganize the activity, the necessary documentation being filed at the Court of Law Bucharest.

On 06.12.2011, the Court of Law Bucharest in the file No. 75017/3/2011 decided to accept the application for opening the insolvency proceedings, leaving *the Company* the right to manage the activity and to administrate the assets, property rights held under the supervision of the Official Receiver appointed by the syndic judge - Consortium consisting of the insolvency practitioners EURO INSOL SPRL and VF INSOLVENȚA SPRL.

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**Brief overview of the main products manufactured:**

**HYDRO POWER UNITS and HYDRO-MECHANICAL EQUIPMENT:**

- HYDRAULIC TURBINES, custom designed, with outputs over 10 MW and under 10 MW, type Francis, Kaplan and Bulb having the parameters adequate for hydropower plants, including separate components;
- HYDROELECTRIC GENERATORS, custom designed, with outputs up to 200 MVA, having the parameters adequate for the hydraulic turbines, including separate components;
- Standard SMALL HYDRO POWER UNITS, with outputs up to 1200 kW and MICRO HYDRO POWER UNITS with outputs up to 100 kW;
- GOVERNORS for hydraulic turbines;
- EXCITATION SYSTEMS for hydroelectric generators;
- AUXILIARY EQUIPMENT for turbines, generators, power plants;
- VALVES (custom designed) butterfly, spherical, open chamber needle valve and slide valve type;
- LARGE HYDRAULIC SERVOMOTORS, with diameters between 160 and 600 mm and strokes between 500 and 17500 mm.

**SPARE PARTS for DIESEL ENGINES:**

- SPARE PARTS for high, low and medium speed Diesel engines,
- SPARE PARTS for Diesel generator groups.

**WELDED ASSEMBLIES and WELDED METAL STRUCTURES**

**The main markets for each product sold or service rendered in 2015:**

No.	Group of products	Markets
1.	Hydro Power Units (new products and rehabilitation)	Romania, Austria
2.	Electric motors + repairs	Romania
3.	Spare parts for railway engines	Romania
4.	Miscellaneous	Romania, Hungary, Austria, Denmark
5.	Services	Romania, Turkey, India
6.	Other revenues	Romania, Austria

**The weight of each sort of products or services reflected in the total sales of UCMR for the year 2015 is as follows:**

No.	Group of products	Weight in total sales
1.	Hydro Power Units (new products and rehabilitation)	76.76 %
2.	Electric motors + repairs	3.71 %

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3.	Spare parts for railway engines	0.03 %
4.	Miscellaneous	5.48 %
5.	Services	12.55 %
6.	Other revenues	1.46 %

The main objective of UCMR for the year 2016 is strengthening of its position in the domestic market and finding of new markets. In order to strengthen the relationship with traditional clients, *the Company* is seeking to increase the volume of contracts/orders in the field of hydro - hydro power units (repairs, modernization, rehabilitation and new equipment).

In order to achieve this objective, *the Company* runs a series of contracts, mainly on the domestic market, mostly with the branches Hidroelectrica and SSH Hidroserv: HPP Pașcani; HPP Bretea; HPP Răstolița; HPP Lerești; HPP Retezat; HPP Stâncă-Costești; HPP Orlea; HPP Cârnești and HPP PdF, but also with other companies such as Romelectro Bucharest - HPP Bumbești and Dumitra.

For the year 2016, UCMR aims to participate in execution of general overhauls and modernization works on the domestic market, for several projects of Hidroelectrica, among which are those from the hydro power plants: Călimănești, Berești, Slatina, Stejaru and Portile de Fier.

On the domestic market, *The Company* intends to development other works, different from hydro issues, such us: manufacture of welded construction in collaboration with RTS Welded Structures Resita.

#### **UCMR main competitors in each major products and services**

The main domestic and foreign competitors of *the Company*, i.e. products which are in competition with them, are:

Group of products	Competing company	
	Domestic	Foreign
Complex Hydro Power Units (including rehabilitation and components)	Voith Hydro Romania SRL	Andritz Hydro
	Alstom Power Romania SRL	Voith Hydro
	Gena Electric SRL Bucharest	Alstom Power
		Litostroj - Slovenia
		Companies in China

#### **Significant subjection on a single customer or to a group of customers, whose loss would have a negative impact on the Company's revenues**

The main customers of *the Company*, as a result of the turnover value achieved in 2015, are listed below:

No.	Customer	Weight in total sales
1.	S.S.H. HIDROSERV S.A.	56.79 %
2.	SPEEH HIDROELECTRICA S.A.	14.82 %
3.	Others	28.39 %

It should be noted that UCM Resita SA is captive on the domestic market depending, at least 72%, of a single customer, since also in the case of contracts executed through HIDROSERV, the final beneficiary is HIDROELECTRICA SA.

#### **Number of employees, the degree of unionization**

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On 31.12.2015, UCMR had a number of 987 employees assigned to the following structure:

Category	Number	Percentage (%)
Workers	709	71.83 %
Foremen	26	2.64 %
Officials	252	25.53 %
<b>TOTAL</b>	<b>987</b>	<b>100,00 %</b>

The unionization degree of the workforce in December 2015 was of 77.7 %.

The employer acknowledges the "Union Resita 1771" as representative union, in accordance with the Law 62/2011 (The Law of Social Dialogue) but also the "Independent Free Union", as legally constituted union.

The rights and obligations of employees are established by the Individual Labor Agreement concluded between the representatives of the employer and the representatives of the employees on 11.08.2015, but also by the Internal Regulation as annex and part of the applicable Collective Labor Agreement.

The signatory parties to this agreement undertake to cooperate in its implementation, based on the principle of good faith, in strict compliance with the law and informing each other and promptly on emerging issues.

During 2015 there were no labor disputes, the unions even taking an active role in supporting the interests of *the Company*, under the harsh conditions of the insolvency period.

**Trends, elements or factors of uncertainty affecting *the Company's* liquidity, compared to the same period of the last year**

According to the Profit and Loss Account, in 2015 the operating revenues increased by approximately 16.58% over the previous year, the weight of operating revenues in total revenues being of 96.01% compared to 95.32% in 2014, respectively 93.09% in 2013.

No.	Revenues	Lei		
		2013	2014	2015
1	Operating revenues	30.880.591	33.193.926	38.697.249
2	Financial revenues	2.292.790	1.628.093	1.606.307
	<b>Total revenues</b>	<b>33.173.381</b>	<b>34.822.019</b>	<b>40.303.556</b>

No.	Revenues	Weight in percentage (%)		
		2013	2014	2015
1	Operating revenues	93.09 %	95.32 %	96.01 %
2	Financial revenues	6.91 %	4.68 %	3.99 %
	<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>

In 2015, both the weight of operating costs in total expenses and the weight of financial expenses in total expenses recorded the same increase compared to 2014, respectively 13.13%.



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No.	Expenses	Lei		
		2013	2014	2015
1	Operating expenses	24.839.168	26.019.815	34.473.969
2	Financial expenses	6.319.801	7.527.205	3.536.838
	<b>Total expenses</b>	<b>31.158.969</b>	<b>33.547.020</b>	<b>38.010.807</b>

No.	Expenses	Weight in percentage (%)		
		2013	2014	2015
1	Operating expenses	79.72 %	77.56 %	90.70 %
2	Financial expenses	20.28 %	22.44 %	9.30 %
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The main economical-financial indicators are shown in the table below, with the note that it was filled with "N/A" at those indicators of the accounting years 2014 and 2015 which include in calculation the negative amounts (values), respectively the losses for the current accounting year and/or previous ones.

Indicators		2014	2015
<b>1</b>	<b>Liquidity indicators</b>		
	<i>Indicator for current liquidity - in number of times</i>	0.40	0.12
	<i>Indicator for immediate liquidity (acid test) - in number of times</i>	0.39	0.08
<b>2</b>	<b>Risk indicators</b>		
	<i>Indicator for indebtedness rate</i>	N/A	N/A
	<i>Indicator for interest coverage - in number of times (if negative, it will not be calculated)</i>	1.29	1.26
<b>3</b>	<b>Activity indicators</b>		
	<i>Turnover ratio of debts - customers - in number of days</i>	2960	1600
	<i>Turnover ratio of credits - suppliers - in number of days</i>	227	211
	<i>Turnover ratio of fixed assets - number of times</i>	0.16	0.19
	<i>Turnover ratio of total assets - in number of times</i>	0.07	0.13
	<i>Turnover ratio of stocks - in number of times</i>	0.62	2.36
<b>4</b>	<b>Profitability indicators</b>		
	<i>Gross margin on sales (%)</i>	85%	51%

The indicator for *current liquidity* with reference to the operating capital, respectively the indicator for *immediate liquidity* (acid test), represents the ratio between current liabilities (on short term) and current assets, and respectively the ratio between these liabilities and the current assets less the stocks.

The values of these indicators are below the levels recommended for a situation of financial stability, reflecting a reduced capacity to cover the current liabilities from the current assets, and respectively from receivables and liquidity.

The *indebtedness rate* shows how many times the loan capital (credits for a period exceeding one year) is included in equity, reflecting the situation for long-term financing of the Company at the

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end of the accounting year. This indicator is not calculated, since *the Company* has no credits for a period exceeding one year, respectively the equity has negative value.

*The rate of interest coverage* shows how many times the expenses can be covered by the interest from profit before interest and tax. The smaller are the values of these indicators, the greater is considered the risk for the *Company's* position.

*The turnover ratio of customers- debits* shows the number of days within which the debtors (customers) pay their debts to *the Company* and thus expresses its effectiveness on the recovery of receivables.

*The turnover ratio of suppliers- credits* shows the number of credit days that *the Company* obtains from its suppliers. *The Company* has credibility in terms of its ability to pay the suppliers.

*The turnover ratio of fixed assets* shows the management efficiency in the use of fixed assets, expressing the value of the turnover generated by their exploitation. A decreasing value shows that there is no better efficiency in the use of the fixed assets.

*The turnover ratio of the total assets* shows the management efficiency in the use of all the available assets, expressing the value of the turnover generated by them. In the accounting year ended, there is noticed a decrease in the efficiency to use *the Company's* assets.

*The turnover ratio of stocks* indicates the management efficiency in the use of current stocks, expressing the number of their revolution in relation with the total costs of the turnover.

*The gross margin from sales* reflects *the Company's* efficiency expressed by the weight of profit in total revenues, respectively its advantageousness (profitability). A decreasing value of this percentage may reflect the fact that *the Company* is unable to control the production costs or to achieve the optimum sale price.

**Location of main production capacities:**

*The Company's* activity on 31.12.2015 was divided into the following sectors of production:

- Department of Turbines and Marine Spare Parts
- Department of Heavy Mechanics
- Department of Electrical Machines I
- Department of Electrical Machines II
- Department of Welded Assemblies and Mechanical Machining
- Department of Heat Treatment

**Situation of lands and issues related to the ownership on *the Company's* tangible assets**

The situation of lands owned by the *Company* at 31.12.2015 is as follows:

No	Location	Certificate of ownership No.	Remaining area recorded in CF	Non-tabulated lands owned by UCMR with certificate of ownership	Legal status (CP /CF) Remarks
1	ABC Industrial Platform	MO3 no. 4424	306.300		Tabulated
2	Dept. of lubricants Mociur	MO3 no. 5059	4.591.62		Tabulated

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3	Oxygen Factory Mociur	MO3 no. 5057	24.323		Tabulated
4	Casting Factory Mociur	MO3 no. 5337	174.798.65		Tabulated
5	Parking stock	MO3 no. 5058	11.564		Tabulated
6	Drinking water tank Mociur	MO3 no. 5336	1.415		Tabulated
7	Warehouse for models Dealu Mare	MO3 no. 4726	11.545		Tabulated
8	Land for industrial water pool Dealu Mare	MO3 no. 4727	180		Tabulated
9	Reduction Gear Box Renk Factory	MO3 no. 4431	22.907		Tabulated
10	Industrial bays Cilnicel	MO3 no. 5507	86.010.44	158 sq.m.	Tabulated 86,010 sq.m. 158 sq.m. Non-tabulated
11	Warehouses, storage rooms Cilnicel	MO3 no. 5506	50.672.68		Tabulated
12	Deep connection station Cilnicel	MO3 no. 5493	2.860		Tabulated
13	Compressor station Cilnicel	MO3 no. 7639	0	4.680 sq.m.	Non-tabulated
14	House of Culture	CF no. 32854	9.360		Tabulated
15	Nursery	MO3 no. 3907	2.860		Tabulated
16	Hostel no. 1	MO3 no. 3301	623		Tabulated
17	Hostel no. 3	MO3 no. 3302	625		Tabulated
18	Hostel no. 5	MO3 no. 3298	608		Tabulated
19	Hostel no. 2	MO3 no. 3300	621		Tabulated
20	Block of bachelor's rooms	MO3 no. 3297	441		Tabulated
21	Screw Factory Anina	MO3 no. 4429	10.781		Tabulated
22	Moniom	MO3 no. 4430	24.676		Tabulated
23	Land in Vilcea	Bill of sale and CF No. 15682	1.000		Tabulated
	<b>Total</b>		<b>748.762.39</b>	<b>4.838 sq.m</b>	

Note: The area of 3,849 square meters recorded in the *Company's* bookkeeping represents land with right of administration (inventory no. 40105).

**Claims:**

No.	File No. In Court	Applicant	Court of jurisdiction	Hearings	Remarks
1.	3436/290/2010	Mihăilescu Gheorghe Mihăilescu Carmen	Courthouse of Resita	-	Termination on 09.04.2012 - Suspends judgment under Art. 36 of Law no. 85/2006
2.	7328/115/2012	Simuț Melania Aurora	Court of Law Caras-Severin	24.04.2013	Claim under Law no. 10/2001



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**Marketable securities issued by the Company**

The shares of *the Company* are listed on the Bucharest Stock Exchange. Listing of company's shares on BSE started on 25.07.1998, until then the company's shares being traded on RASDAQ market.

Once the insolvency was declared, *the Company's* shares were suspended from trading. At the end of 2015 *the Company* had a total of approximately 10.324 shareholders, natural and legal persons.

The nominal value is of 0.1 lei/share.

The synthetic, consolidated structure of shareholders owing financial instruments at least 10% of the registered capital of *the Company* at the end of 2015 is as follows:

No.	Name of shareholder	Number of shares	Percentage in the share capital %
1.	INET AG	106.403.900	96.7890
2.	ASSOCIATION OF EMPLOYEES FROM RESITA MACHINE BUILDING COMPANY	662.638	0,6028
3.	List of shareholders – legal persons	1.970.829	1.7927
4.	List of shareholders – natural persons	896.537	0,8155
	<b>TOTAL</b>	<b>109.933.904</b>	<b>100.0000</b>

**Rights arising from shares**

The shares of *the Company* are registered shares, being issued in dematerialized form, and are administered by the Central Depository Bucharest.

The shares are equal in value and give equal rights to the holders.

Each share entitles the holder to dividends, the right to vote and to be elected to the company's bodies, the right to vote at the General Meeting of Shareholders, the preference right to subscribe the registered shares issued in order to increase the registered capital, the right to information, the right to participate in the distribution of company's net assets in case of company liquidation, also other rights, under the provisions of the Memorandum of Association and the legislation in force.

**General Meeting of Shareholders**

The General Meeting is the governing body of *the Company* which has full discretion to order or ratify acts relating to *the Company* and to make decisions about its commercial, financial and legal activity.

The General Meetings of Shareholders may be ordinary and extraordinary.

**Management of *the Company***

In compliance with the Decision of Bucharest Court of Law dated 06.12.2011, following the application regarding the opening of insolvency proceedings, *the Company* has retained the right to manage the assets under the supervision of the Official Receiver appointed by the syndic judge.

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According to Article 18 of Law 85/2006 on insolvency proceedings, after opening of proceedings, the General Meeting of Shareholders shall appoint a special trustee to represent the interests of the company and shareholders and to attend the proceedings.

At the Extraordinary General Meeting of Shareholders dated 12.11.2012 was approved the new structure for special management of the Company consisting of two representatives that jointly act, represent and engage the Company, having the right of joint signature.

Thereby, Mr. Cosmin URSONIU and Mrs. Nicoleta Liliana IONETE have been designated as Special Trustees of *the Company*.

**Executive management of UCM Resita S.A.**

The executive management of the Company during 2015 had the following structure:

- Mr. Cosmin URSONIU – General Director
- Mrs. Liliana Nicoleta IONETE - Human Resources and Economic Director
- Mr. Daniel BANDRABUR - Contract Management and Commercial Director
- Mr. Stefan VERDET - Director of Production

The executive management of *the Company* was assigned on indefinitely period of time. From the senior executives, Mr. Stefan VERDET participates in the registered capital of the company with a number of 40 shares.

In the last five years, no member of the administrative or executive management of *the Company* was involved in litigation or administrative procedures.

**Internal Audit**

The objectives of the internal audit are:

- To provide objective and counseling systems for company's activities, with the purpose to improve their efficiency;
- To support achievement of company's goals through a systematic and methodical approach which evaluates and improves the effectiveness of the management system, based on management of risk, control and processes of management.

The activity of internal audit is exercised over all activities developed in *the Company*, in accordance with the approved Annual Plan of Internal Audit, or with the Audit Missions ordered by the Special Trustee beside the audit plan.

The internal audit provides greater efficiency through more appropriate use of human and material resources, as well as a better coordination between different departments of *the Company*.

**Financial – accounting status for the years 2013, 2014 and 2015**

In the balance sheets for the accounting years 2013, 2014 and 2015 the significant balance sheet items are as follows:

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No.	Balance items	2013	2014	2015
1	Lands and buildings	103.010.824	181.408.122	173.318.714
2	Technical facilities and machinery	4.443.218	3.536.458	3.021.130
3	Stocks	8.918.257	7.918.960	23.911.806
4	Receivables	256.477.767	254.756.954	50.442.170
5	Cash and bank accounts	1.204.424	1.122.049	6.397.727
6	Current assets	278.931.896	268.076.083	80.793.705
7	Current liabilities	587.730.681	664.699.908	681.994.003

The total value of investments made by *the Company* in 2015 was of 16,996 lei, having the following structure:

- Lei -	
Category	Value of investments in 2015
Furniture, office equipment, equipment for protection of material and human values and other tangible assets	16.996
<b>TOTAL</b>	<b>16.996</b>

The current assets existent in the patrimony have evolved from year to year, according to the data in the table below:

No.	Designation of indicator	2013	2014	2015
<b>1</b>	<b>Stocks, of which:</b>	<b>8.918.257</b>	<b>7.918.960</b>	<b>23.911.806</b>
1.a	- raw material and consumables	5.318.543	3.518.766	4.875.895
1.b	- production in progress	2.383.172	3.240.951	16.442.937
1.c	- finished products and goods	1.216.542	1.159.243	2.592.974
<b>2</b>	<b>Other current assets, of which:</b>	<b>269.985.438</b>	<b>260.123.154</b>	<b>56.841.029</b>
2.a	- receivables	256.477.767	254.756.954	50.442.170
2.b	- short-term financial investments	12.303.247	4.244.151	1.132
2.c	- cash on hand	1.204.424	1.122.049	6.397.727

*The Company* is working to reduce and eliminate, where possible, the stocks of raw materials, materials, unfinished production and finished products with slow motion. It also will be continued the work to recover old receivables and to collect current receivables from customers.

Within the liabilities of *the Company*, the changes in assets registered from one year to another are:

No.	Designation of indicator	2013	2014	2015
1	Owner's equity	(487.589.105)	(453.495.934)	(658.973.718)
2	Debts	587.730.681	664.699.908	681.994.003
3	Income in advance	1.946.949	1.942.019	1.535.080
4	Provisions for liabilities and charges	295.811.629	249.702.316	242.705.042

#### Analysis of operating results

The revenues include both income from the main activity and gains from any other sources.

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The revenues from sale of goods are recognized in the profit and loss account at the date on which the risks and benefits related to the ownership on goods are transferred to the buyer, which, in most cases, coincides with the date of billing (delivery) thereof.

The revenues from goods sold (delivered) and services rendered are recognized based on the accrual principle, respectively at the date of their delivery/service rendering (transfer of ownership) to the customer.

The revenues from interest are recognized in installments (proportionally) as they are billed, in accordance with the contracts/agreements under which the loans were granted based on the accrual principle.

The revenues are recognized when there is no significant uncertainty regarding recovery of the services due and associated costs, or on possible returns of goods.

The value of products sold and services rendered by *the Company* has evolved as follows:

No.	Explanations	2014	2015
1	Revenues from sold production	28.545.457	34.846.983
2	Revenues from sale of goods	3.290.817	4.833
3	Discounts granted	310.887	38.929
4	<b>TOTAL TURNOVER ( 4=1+2-3 )</b>	<b>31.525.387</b>	<b>34.812.887</b>

The turnover in 2015 is 34,812,887 lei, 10.42% higher than the turnover in 2014, of which 8.24% on foreign market 91.76% on domestic market.

No.	Explanations	2014	2015
1	Romania	28.594.877	31.943.757
2	European Union	2.606.875	2.560.281
3	Other countries in Europe	260.036	-
4	Africa	-	-
5	Asia	63.599	308.849
6	America	-	-
7	<b>TOTAL (7=1+2+3+4+5+6)</b>	<b>31.525.387</b>	<b>34.812.887</b>

From the profit and loss account for the years 2013, 2014 and 2015 the weight of the main indicators related to revenues in total revenues is shown in the table below:

No.	Revenues	Weight in percentage (%)		
		2013	2014	2015
1	Turnover	143.49 %	94.97 %	89.96%
2	Changes in stocks	-47.57 %	2.26 %	-2.51%
3	Capitalized production	0.46 %	1.43 %	0.00%
4	Other operating revenues	3.62 %	1.34 %	12.55%
	<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>

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Depending on their nature, the revenues are as follows:

No.	Revenues	Lei		
		2013	2014	2015
1	Operating revenues	30.880.591	33.193.926	38.697.249
2	Financial revenues	2.292.790	1.628.093	1.606.307
	<b>Total revenues</b>	<b>33.173.381</b>	<b>34.822.019</b>	<b>40.303.556</b>

The expenses include those expenses that arise in the course of the ordinary activities of the company, also the losses (such as those resulting from disasters). *The Company* applies the principle of separation of accounting years for the recognition of revenues and expenses, which are classified and recognized on three categories (operational, financial and exceptional).

The expenses are classified and recognized based on the principle of their connection to revenues, respectively their allocation to products or services in which such revenues are realized.

The production cost of stocks is tracked on projects and, therein on each individual product, including direct costs related to production (direct materials, direct labor, and other direct costs attributable to products, including design costs) also the share of indirect costs for production, allocated rationally as related to their manufacture.

The general expenses for administration and sale, also the share of fixed overhead unallocated to products (indirect costs for production that are relatively constant, regardless of the volume of production) are not included in the cost of stocks, but are recognized as expenses made in the period in which they occurred. Depending on their nature, the expenses are as follows:

No.	Expenses	Lei		
		2013	2014	2015
1.	Operating expenses	24.839.168	26.019.815	34.473.969
2.	Financial expenses	6.319.801	7.527.205	3.536.838
	<b>Total expenses</b>	<b>31.158.969</b>	<b>33.547.020</b>	<b>38.010.807</b>

The operating expenses have the following structure:

No.	Expenses	Lei		
		2013	2014	2015
1	Physical expenses	12.429.889	8.081.749	8.527.116
2	Other external expenses (energy and water)	6.364.937	4.437.426	4.739.277
3	Expenses on goods	220.102	3.197.896	-
4	Trade discounts received	42.586	4.176	31.917
5	Expenses with the personnel	38.728.740	29.326.102	28.786.550
6	Adjustments	(39.169.210)	(25.117.992)	(14.177.673)
7	Other operating expenses	6.307.296	6.098.810	6.630.616
	<b>Total operating expenses</b>	<b>24.839.168</b>	<b>26.019.815</b>	<b>34.473.969</b>



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The weight of the main categories of expenses in the total expenses is shown in the following table:

No.	Expenses	Weight in percentage (%)		
		2013	2014	2015
1	Physical expenses	50.04 %	31.06 %	24.73 %
2	Other external expenses (energy and water)	25.62 %	17.05 %	13.75 %
3	Expenses on goods	0.89 %	12.29 %	0.00 %
4	Trade discounts received	0.17 %	0.02 %	0.09 %
5	Expenses with the personnel	155.92 %	112.71 %	83.50 %
6	Adjustments	-157.69 %	-96.53 %	-41.13 %
7	Other operating expenses	25.39 %	23.44 %	19.23 %
	<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>

### Factors of financial risk

Below is a summary of the nature of the activities and policies used for the management of risks.

#### (i) **Foreign exchange risk**

*The Company* operates in Romania, in an economic environment with strong fluctuations of the national currency against other currencies; therefore, there is a risk of depreciation of the value of net liquid assets expressed in domestic currency.

The exchange rate LEU/EUR was of 4.5245 on 31.12.2015 compared to 4.4821 on 31.12.2014. Therefore, there is a moderate risk of depreciation of the value of net liquid assets expressed in domestic currency, the foreign exchange market in Romania regarding conversion of domestic currency in other currencies being organized by the rules and common practices strengthened in the last years and the role of BNR in this respect is very important.

Currently, there is no market outside Romania to perform conversion of the domestic currency into other currencies.

In this respect, in order to repay the credits opened in foreign currency and to manage the risks, *the Company's* management is concerned to maintain and, if possible, to increase the weight of products / services rendered to external customers.

#### (ii) **Credit risk (rates, interests)**

The management of *the Company* is concerned in monitoring the risks regarding management of bank credits and assessment of risks associated with them.

Along the development of its activity, *the Company* is exposed to credit risk from trade receivables.

*The Company's* management permanently monitors the degree of exposure to such risks, in order to keep it to a level as low as possible.

#### (iii) **Economic environment and market risk**

The Romanian economy is still in transition, the recession and global crisis affecting her significantly, even if there is some safety about the future development of policy and economic development through accession of Romania to the European Union.

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The management of *the Company* cannot foresee the changes that will take place in Romania and their effects on the financial position, results of the activity or the cash flows of *the Company* for the following accounting year, only within the limits of available information.

Eventual changes that could affect the internal conditions of Romania and the effect they could have on the activities of the customers of the company and hence, on the financial position, results and cash flows of the company could not be taken into account in preparing the financial statements only within the possible limits of predictability.

The economic recession and the crisis of the financial markets, beginning with 2007, has negatively affected the global economy and performance, including the financial markets, banking centers and consumer markets (industrial) in Romania, leading to an increased uncertainty about future economic development.

The current crisis of liquidity and crediting that began in mid-2008 led, among other things, to low and difficult access to capital market funding, lower liquidity levels in the Romanian banking sector, high interest rates on bank loans, including to an increase in inflation and adjustment of product prices.

The significant losses and disorders suffered by the international financial markets could affect *the Company's* ability to obtain new loans and refinancing under conditions similar to those applicable to previous periods and transactions.

Identification and evaluation of business opportunities, including the development (capital investment), influenced by the current state of economic recession (crisis), analysis of compliance with the crediting contracts and other contractual obligation, evaluation of significant uncertainties, including those related to the ability of *the Company* to continue to operate for a reasonable period of time, due to falling demand, all these are permanent tasks in attention of *Company's* management (Official Receivers, Special Trustees, Directors) for the purposes of identification, access and use of financial resources, respectively substantiation of possible future financial flows in order to support the principle of continuity.

The customers of *the Company* can also be affected by the crisis situations, the lack of liquidity which could affect their capacity to pay the current debts.

Impairment to customers' business and operating conditions may also affect grounding of cash flow provisions, respectively the analysis of *Company's* financial assets depreciation (debts).

*The Company's* management cannot predict all events that could affect the industrial sector in Romania, respectively their impact on the financial statements, including in terms of compliance with the principle of continuity.

However, even under the above mentioned conditions, in conjunction with the insolvency status of *the Company*, the management believes that this risk (market, economic environment) is not so high as to disable all other prerequisites and conditions considered when it was concluded that preparation of these *financial statements* was performed by observing the principle of continuity, as defined by the applicable law.

## **Conclusions**

In 2015 SC UCM Resita SA continued its activity according to the status of company in insolvency proceedings with the intention of reorganization but retained the right to manage, through the special trustees, under the supervision of the official receiver.

The management of *the Company* was and is concerned about the ongoing monitoring of the expenditure, having in view to ensure economic-financial balance, to keep its business partners and to attract new partners in order to increase the revenue, so that UCM Resita to overcome this difficult phase.

At the end of the accounting year 2015, *the Company* recorded a net profit of 506.830 lei, intended to cover losses from previous years, this being the fourth consecutive year, from the

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opening of insolvency proceedings, ended on profit (3.158.715 lei in 2012; 2.201.640 lei in 2013 and 641.086 in 2014).

For 2016, *the Company* established the Budget of Revenue and Expenses through which aims continuity in developing the work specific to their field of activity and to obtain economic-financial results to revive *the Company*.

Even in the current economic situation, *the Company* has a strategic position, a tradition and a particular technical potential that can be considered as basic premises in carrying out the production activities and services in future periods.

UCM Resita is a key component of Romania's energetic security since it contributes to the maintenance and development of Romanian hydropower system through the expertise available, high-tech know-how, but also the necessary facilities to perform both new and complex equipment and repair or refurbishment works of the equipment already in use. UCM Resita contributes substantially to preserving the optimum operating conditions and to provide the equipment required for maintenance and commissioning of the power plants owned by Hidroelectrica S.A. As further proof of the assertions, in early February of this year UCM Resita SA has signed with Romelectro S.A a contract for 12,250,000 EUR, whose final beneficiary is also Hidroelectrica SA. The object of the contract, which will run from 2016-2018, is the refurbishment of HPP Stejaru - "Dimitrie Leonida" from Neamt County.

Lastly, it should be noted that the strategic importance of UCM Resita in the Romanian hydropower system is known and assumed in the government strategy.

Thus, the Substantiation Note related to the Government Emergency Ordinance no. 97/16.10.2013, on the takeover by AAAS of receivables administered by ANAF, synthesizes the following aspects:

- "It is necessary for the state, which is represented by several institutions in the Meeting of Creditors, to ascertain the interests of all state representatives in the national economy";
- "This stage is preceding the application of viability solutions";
- "Business continuity in UCM Resita contributes greatly to the proper operation of the largest producer of electricity in the hydropower sector - Hidroelectrica SA, company under the authority of the Ministry of Economy and thus to provide the energetic security of the country".

**Special Trustees:**

Cosmin URSONIU

Nicoleta Liliana IONETE





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**STATEMENT OF SPECIAL TRUSTEES OF  
UCM REȘIȚA SA COMPANY**

The Special Trustees of *the Company* hereby declare that they assume their responsibility for the Yearly Financial Statements on December 31, 2015.

The Special Trustees of *the Company* confirm, regarding the Yearly Financial Statements on December 31, 2015 the followings:

- a) The Yearly Financial Statements are prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union;
- b) The accounting policies used in preparing the Yearly Financial Statements are in accordance with the applicable accounting regulations;
- c) The Yearly Financial Statements present a fair image on the financial position, financial performance and other information related to the activity carried out;
- d) *The Company* carries out its activity under the condition of continuity.

This statement is in accordance with Art. 30 of the Accounting Law No. 82/1991, republished.

**Special Trustees:**

Cosmin URSONIU

Nicoleta Liliana IONETE



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**STATEMENT OF FINANCIAL POSITION ON 31.12.2015**

- Lei -

Reference Statement of financial position IAS 1.10(a), 113	Note	Balance sheet items	Balance on 31.12.2014	Balance on 31.12.2015
IAS 1.54(a)	3	Tangible fixed assets	185.742.620	177.094.810
IAS 1.54(c)	3	Intangible assets	35.444	16.109
	3	Financial fixed assets	8.994.162	9.355.783
		<b>Total of fixed assets</b>	<b>194.772.226</b>	<b>186.466.702</b>
IAS 1.54(h)	4	Trade receivables and receivables from related p	20.576.166	21.151.441
IAS 1.54(g)	5	Stocks	7.918.960	23.911.806
IAS 1.54(o), 56	12	Deferred tax receivables	229.169.276	28.093.899
IAS 1.54(h)	4	Other receivables	5.011.512	1.196.830
IAS 1.54(i)	6	Cash and cash equivalents	5.366.200	6.398.859
		Expenses in advance	33.969	40.870
		<b>Total current assets</b>	<b>268.076.083</b>	<b>80.793.705</b>
		<b>TOTAL ASSETS</b>	<b>462.848.309</b>	<b>267.260.407</b>
IAS 1.54(m)	7	Loans bearing interest	35.176.816	39.065.875
IAS 1.54(k)	7	Suppliers and other trade payables	36.668.743	39.917.501
IAS 1.54(k)	7	Taxes and other debts	571.448.258	575.155.774
IAS 1.54(o), 56	12	Deferred tax debts	21.406.091	27.854.853
IAS 1.54(l)	8	Provisions	249.702.316	242.705.042
IAS 1.55, 20.24		Revenues in advance	1.942.019	1.535.080
		<b>Total debts</b>	<b>916.344.243</b>	<b>926.234.124</b>
		<b>Total assets minus Total debts</b>	<b>(453.495.934)</b>	<b>(658.973.718)</b>
	9	Registered capital	601.685.084	601.685.084
	3	Revaluation reserves	179.945.016	172.379.170
	9	Legal reserves	1.947.065	1.972.406
		Other reserves	16.088.620	16.088.620
	9	Carried over result	(1.253.770.751)	(1.451.580.487)
	9	Current result	641.086	506.830
	9	Profit sharing, establishing of legal reserves	(32.054)	(25.341)
		<b>Total equity</b>	<b>(453.495.934)</b>	<b>(658.973.718)</b>
		<b>TOTAL LIABILITIES</b>	<b>462.848.309</b>	<b>267.260.407</b>

**Special Trustees:**

Cosmin URSONIU

Nicoleta Liliana IONETE



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**STATEMENT OF OVERALL RESULT ON 31.12.2015**

- Lei -

References Statement of overall result IAS 1.10(b), 81(a)	Explanation	Balance 31.12.2014	Balance 31.12.2015
IAS 1.82(a) IAS 1.99,103	Operating revenues	32.443.396	39.669.809
IAS 1.99, 103	Cost of sales	5.748.086	21.829.512
	<b>Gross Operating Profit (Loss)</b>	<b>26.695.310</b>	<b>17.840.297</b>
IAS 1.99, 103	Distribution costs	12.842	10.931
	Administrative expenses	19.508.357	13.606.086
IAS 1.82(a) IAS 1.99,103	Financial revenues	1.628.092	1.606.308
IAS 1.82(b)	Cheltuieli financiare	7.527.205	3.536.840
IAS 1.85	<b>Result before tax</b>	<b>1.274.998</b>	<b>2.292.748</b>
IAS 1.82(d), IAS 12.77	Income tax expenses	(633.912)	(1.785.918)
	<b>Net Profit (Loss)</b>	<b>641.086</b>	<b>506.830</b>
	Establishing of legal reserves under Law 31/1990	32.054	25.341
IFRS 5.33(a), 1.82(e)	<b>Profit attributable to:</b>	<b>609.032</b>	<b>481.488</b>
IAS 1.83(b)(ii)	Company's owners	589.421	465.984
IAS 1.83(b)(i)	Non-controlling interests	19.611	15.504

**Special Trustees:**

Cosmin URSONIU

Nicoleta Liliana IONETE





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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON DECEMBER 31, 2015**

- Lei -

Explanation / Description	1	2	3	4	5	6	7	8	9	10
Registered capital										
Revaluation reserves										
Legal reserves										
Carried over result representing surplus from revaluation reserves										
Other reserves										
Carried over result Accounting year										
Profit sharing										
Total										
Balance at January 1, 2015		601.685.084	179.345.015	1.947.065	210.327.619	16.088.620	(1.464.098.370)	641.086	(32.054)	(453.495.934)
Charges in equity - 31 December 2015										
Loss from revaluation of fixed assets										
Surplus from revaluation of fixed assets										
Transfer of surplus from revaluation reserves			(7.565.846)		7.565.846					
Transfer of the accounting year 2014 result to the carried over result										
Account closing - profit sharing										
Registration of accounting errors from previous years in carried over result										
Increases in legal reserves in the result of the current accounting year				25.341					(25.341)	
Adjustment of provisions for employee retirement benefits										
Reduction in deferred tax receivables recognized on account of the carried over result, amendment of error by restatement 2011							(205.738.221)			(205.738.221)
Net result of current accounting year										
Balance on December 31, 2015 - IFRS		601.685.084	172.379.170	1.972.406	217.893.465	16.088.620	(1.669.473.952)	506.830	(25.341)	(658.973.718)

The legal reserves of the Company on December 31, 2015 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. If this reserve is used, in whole or in part, to cover the losses or for distribution in any form (such as issuance of new shares under the Law of Trading Companies), it becomes chargeable to income tax calculation. We specify that on 31.12.15 the Company has not yet reached the maximum level of the legal reserves.

**Special Trustees:**  
Cosmin URSONIU  
Nicoleta Liliana



**Separate Financial Statements on December 31, 2015**  
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## STATEMENT OF CASH FLOWS on 31.12.2015

	No.	December 31, 2014	December 31, 2015
A	B	2	2
<b>OPERATING ACTIVITIES</b>			
Net profit + Result carried over from correction of accounting errors	1	(61.034.864)	2.046.354
<b>Adjustments for:</b>			
Adjusting the value of tangible and intangible assets	2	23.783.329	32.342.502
Adjusting the value of financial assets	3	4.475.209	(293.173)
Expenses (revenues) with adjustments for depreciation of current assets	4	697.814	(1.302.750.777)
Adjustments to the provisions for risks and expenses	5	(51.044.254)	(30.655.635)
Expenses with the donations granted	6	3.400	1.500
Revenues from interests and other financial income	7	(667.159)	(420.441)
Expenses with interest and other financial income	8	2.622.087	4.223.793
<b>Cash flow before changes in working capital (row 1 to 8)</b>	9	<b>(81.164.438)</b>	<b>(1.295.505.877)</b>
Decrease / (Increase) - customers and other assimilated accounts	10	1.983.548	1.287.717.328
Decrease / (Increase) in stocks	11	(729.550)	1.819.265
(Decrease) / Increase - suppliers and other assimilated accounts	12	72.266.570	6.949.373
<b>Cash flow from operating activities (row 109 to 12)</b>	13	<b>(7.643.870)</b>	<b>980.089</b>
Revenues from interests	14	345.893	54.225
Net Increase / (Decrease) in restraint cash	15	190.131	(137.238)
<b>Cash flow obtained in operating activities (row 13 to 15)</b>	16	<b>(7.107.846)</b>	<b>897.076</b>
<b>INVESTING ACTIVITIES</b>			
Cash payments for purchasing of land and other long-term assets	17	(901.357)	(16.996)
<b>Net cash used in investing activities (row 17)</b>	18	<b>(901.357)</b>	<b>(16.996)</b>
<b>FINANCING ACTIVITIES</b>			
Subsidies granted	19	(3.400)	(1.500)
Revenues from dividends	20	61.264	16.840
<b>Net cash used in financing activities (row 19 to 20)</b>	21	<b>57.864</b>	<b>15.340</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (row 16+18+21)</b>	22	<b>(7.951.339)</b>	<b>895.420</b>
Cash and cash equivalents at the beginning of the year	23	12.959.804	5.008.465
<b>Cash and cash equivalents at the end of the period (row 22+23)</b>	24	<b>5.008.465</b>	<b>5.903.885</b>

**Special Trustees:**

Cosmin URSONIU

Nicoleta Liliana IONETE





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**Economic - Financial Indicators on 31.12.2015**

Indicator	Calculation method	Value
<b>1. Current liquidity</b>	$1=2/3$	0.12
2. Current assets (lei)	2	80.752.835
3. Current debts (lei)	3	681.994.003
<b>4. Indebtness extent</b>	$4=5/6$	#N/A
5. Borrowed capital (lei)	5	0
6. Fixed capital (lei)	6	(658.973.718)
<b>7. Turnover ratio of customer debts (days)</b>	$7=8/9 \times 365$	205
8. Average balance of trade receivables (lei)	8	19.529.905
9. Turnover (lei)	9	34.812.887
<b>10. Turnover ratio of afixed assets (days)</b>	$10=11/12 \times 365$	1.955
11. Fixed assets (lei)	11	186.466.702
12. Turnover (lei)	12	34.812.887

**Special Trustees:**

Cosmin URSONIU

Nicoleta Liliana IONETE



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## **1. Reporting entity**

### **General information**

IAS 1.138 (a), (b), **UCM REȘIȚA S.A.** - (company in insolvency, en procedure collective) is a joint stock company with the headquarters in Romania.

IAS 1.51(a)-(c) The separate financial statements, in accordance with IFRS, has been prepared for the accounting year ended on December 31, 2015.

The main activity of *the Company* is the manufacture of engines and turbines (except aircrafts, vehicles and motorcycles) – CAEN Code: 2811.

*The Company* was incorporated and registered at ONRC based on the Government Decision (GD) no. 1296/1990 completed and modified by GD no. 334/1991, operating under the laws of Romania.

On 31.12.2015, the registered office of *UCMR* was in Bucharest, Montreal Square 10, World Trade Center Building, Entrance F, 1st Floor, Office no. 1.50, Sector 1, as mentioned in Endorsement no. 26024/ 21.01.2013, registered at ONRC at no. **J40/13628/2011**, Fiscal Code RO 1056654, and the administrative headquarters in Resița, Golului Street No. 1.

The main activity of *the Company* consists in manufacturing and marketing of hydro power units (hydraulic turbines, valves, governors and hydro generators), hydro mechanical equipment, large hydraulic servomotors, bearings and half-bearing shells, spare parts for Diesel engines and the like.

*The Company* provides also services for the design of new constructive solutions or for the rehabilitation and enhancement of the existing ones, as well as specialized engineering services for technical assistance in areas related to its main field of activity.

The products and services of *the Company* are delivered / rendered both on domestic and foreign markets.

On the domestic market, the main customers are the ones who have as object of activity production of hydroelectric power, especially S.P.E.E.H. HIDROELECTRICA S.A., the main foreign customers being also those in the production of hydroelectric power (Austria, Denmark, Turkey, etc.).

The separate financial statements have been prepared assuming that *the Company* will continue its activity without significant changes in the foreseeable future.

## **2. Basis for preparation of separate financial statements**

IAS 1.112(a)

### **2.1 Declaration of conformity**

IAS 1.16 The Separate Financial Statements have been prepared in accordance with the provisions of the Order no. 1286/2012 of the Minister of Public Finance, with respect to the approval of Accounting Regulations in compliance with the International Financial Reporting

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

Standards (IFRS) applicable to companies whose marketable securities are admitted to trading on a regulated market (OMPF 1286/2012).

The undersigned, Cosmin URSONIU and Liliana Nicoleta IONETE, in position of Special Trustees of *the Company*, undertake the liability for drawing up the Yearly Separate Financial Statements on 31.12.2015 and confirm that they are in compliance with the applicable Accounting Regulations and *the Company* shall conduct its work under the condition of continuity.

**2.2 Basis of evaluation**

*The Company* drawn up the Yearly Separate Financial Statements for the year ended on December 31, 2015 in accordance with OMPF 1286/2012, as amended and supplemented.

These provisions meet the requirements of International Financial Reporting Standards (IFRS) adopted by the European Union (EU), except for IAS 21 - The Effects of change in foreign exchange rates on functional currency.

In order to prepare these Separate Financial Statements in accordance with legislative requirements in Romania, the functional currency of *the Company* is considered to be RON ("Romanian LEU").

The Separate Financial Statements presented have been prepared on a historical cost basis.

For all periods up to and including the year ended on December 31, 2011, *the Company* has prepared the Separate Financial Statements in accordance with the accounting principles generally accepted in Romania (OMPF 3055/2009, as amended).

Even if *the Company* holds securities in three companies and is controlling these companies, *the Company* has decided not to prepare consolidated financial statements given that two of these companies are in bankruptcy proceedings.

The Separate Financial Statements for the year ended on 1 December 31, 2012 were the first of this kind that *the Company* has prepared in accordance with IFRS, year when it was applied also IFRS 1 - "First-time Adoption of IFRS".

These Separate Financial Statements have been audited.

*The Company* does not apply IFRS issued and not adopted on 31.12.2015, and cannot estimate the impact of non-application of these provisions on the separate financial statements, and intends to apply these provisions only at their entry into force.

**Consolidated Financial Statements**

In accordance with IAS 27 "Consolidated and Separate Financial Statements", *the Company* should present consolidated financial statements that strengthen the investments in subsidiaries.

In preparing the consolidated financial statements should be combined the financial statements of the parent company and those of its subsidiaries, item by item, by adding together all similar items of assets, liabilities, equity, revenues and expenses.



**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

As shown in Note no. 3.3, from the three subsidiaries of *the Company*, two of them are in bankruptcy proceedings on 31.12.2015 and their value in the financial statements of the parent company is 0, and the assets have been impaired to an extent of 100%.

Regarding the third subsidiary, the impact of consolidation of the financial statements is practically insignificant.

Thus, in view of the above, *the Company* has decided not to present consolidated financial statements, considering that the consolidated financial information that should be provided by *the Company* in the statements of financial position and of comprehensive income on 31.12.2015 would not differ significantly from the separate financial statements of *the Company* on 31.12.2015.

**2.3 Functional currency used for presentation**

The items included in the separate financial statements of *the Company* are measured using the currency of the economic environment in which the entity operates ("the functional currency"), that means Romanian Leu.

According to IAS 1.51 (d), (e), these separate financial statements are presented in Lei, and all financial information is in Lei, rounded to 0 decimal, unless otherwise stated.

**2.4 The use of estimates and professional judgments**

Preparation of separate financial statements in conformity with IFRS requires management's use of professional judgments, estimates and assumptions that affect application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The actual results may differ from these estimates.

The estimates and assumptions are reviewed regularly. These revisions of the accounting estimates are recognized in the period in which the estimate was reviewed and in future affected periods.

**2.5 New International Standards that are not applied by the Company**

*The Company* does not apply certain IFRS or new provisions of IFRS issued and not adopted at the date of drawing up the financial statements.

*The Company* cannot estimate the impact of non-application of these provisions on the financial statements and intends to apply these provisions with the date of their entry into force.

**Standards and interpretations issued by IASB, adopted by EU but not yet in force**

The Board for International Accounting Standards (IASB) published on September 25, 2014 the annual improvements added to the International Financial Reporting Standards, the cycle 2012-2014, as part of its regular process of improvement, aiming to simplify and clarify the standards, thereby affecting four standards (each company applying the changes no later than the date of commencement of its first financial year that starts on January 1, 2016 or thereafter).

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

- *IFRS 5 "Fixed assets held for sale and discontinued operations"* – Paragraphs 26-29 and the title are amended and paragraphs 26A and 44L are added; plus specific guidance is added for cases where an entity has reclassified an asset held for sale in an asset held for distribution to owners, or vice versa, but the reclassification conditions are no longer met; in this case the entity shall cease to reclassify that asset.
- *IFRS 7 "Financial Instruments: Disclosures"* – Paragraphs 44R and B30 are amended and paragraphs B30A and 44AA are added; plus specific guidance is added for cases where an entity is not involved continuously in a financial asset transferred; this change is correlated with IFRS 1, respectively an entity that adopts IFRS for the first time can apply these changes from IFRS 7.
- *IAS 19 "Benefits of employees"* – This improvement clarifies the applicability of IAS 19 provisions in determining the discount rate in a regional market consisting of several countries that use the same currency. Paragraph 83 is amended and paragraphs 176-177 are added; clarifies that the rate used to update the obligations concerning the post-employment benefits must be calculated by reference to high quality efficiency of corporate bonds established on the market at the end of the reporting period.
- *IAS 34 "Interim Financial Reporting"* – Paragraph 16A is amended and paragraph 56 is added; clarifies the meaning of the phrase "elsewhere in the interim financial report", respectively the information is to be presented either in the interim financial statements or will be incorporated, by cross-reference to the interim financial statements, to other statements that are available to users of financial statements in the same conditions (and simultaneously) as the interim financial statements.

***Other amendments / supplements / interpretations of standards issued by IASB and which came into force from January 1, 2016***

- *IFRS 10 "Consolidated Financial Statements", IFRS 12 - "Information to be presented on interests in other entities" and IAS 28 "Investments in associates and joint ventures"* – Investment entities: application of the exception from consolidation. The objective is to clarify which subsidiaries of an investment entity are consolidated in accordance with paragraph 32 of IFRS 10, to clarify whether the exemption from presenting consolidated financial statements referred to in paragraph 4 of IFRS 10 applies to a parent entity which is a subsidiary of an investment entity, namely to clarify how an entity that is not an investment entity should apply the equity method for its investment in an associate entity or a joint venture that is an investment entity (effective for annual periods beginning on or after January 1, 2016).
- *IFRS 11 - "Joint ventures"* – The additions aimed at improving the method of accounting for interests in jointly controlled entities. The objective was to add new appropriate accounting treatment for such purchases. IASB decided that acquiring of such interests should apply all the principles of accounting for business combinations stated in IFRS 3 and other IFRS, that does not conflict with the guidance in IFRS 11 and to present information that is required by these IFRS with reference to business combinations;
- *IFRS 14 "Regulation of deferred accounts"* - The purpose of this interim standard is to enhance the comparability of financial statements by the entities that are involved in activities with regulated tariffs (effective for annual periods beginning on or after January 1, 2016).

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

- *IAS 1 - "Presentation of Financial Statements"* - Initiative on presentation – The amendments to IAS 1 are designed to encourage companies to apply professional judgment in determining the information to be presented in the financial statements. For example, the amendments clarify that materiality is applied to whole financial statements and inclusions of immaterial information may reduce the usefulness of financial information. In addition, the amendments clarify that the companies can use the professional judgment in order to determine where and in what order the information should be presented in the financial statements.
- *IAS 16 - "Tangible assets"* and *IAS 38 "Intangible assets"* – Supplements to clarify the acceptable methods for depreciation and amortization: The amendments clarify that the use of methods based on revenues in order to calculate the depreciation of an asset is not appropriate, because the revenues generated by an activity that includes the use of an asset reflects factors that are different from the consumption of economic benefits embodied in that asset. The amendments also clarify that the revenues represent an inappropriate basis for assessment of the economic benefits embodied in an intangible asset. This presumption may be disputed in limited circumstances.
- *IAS 27 - "Separate Financial Statements"* – Supplements to the method of equivalency: allows that investment in subsidiaries, associates or joint ventures to be accounted optionally by the method of equivalency in the separate financial statements.

***Amendments / supplements / interpretations of standards issued by IASB but have not yet been adopted by EU, i.e.***

- *IFRS 9 - "Financial Instruments"* (replaces IAS 39) – The package of improvements brought by IFRS 9 includes a logical model for classifying and measuring of financial assets, a unique model of expected losses and substantially enhanced approach to hedge accounting (effective for annual periods beginning on or after January 1, 2018).
- *IFRS 10 - "Consolidated Financial Statements"* and *IAS 28 - "Investments in associates and joint ventures"* – The amendments clarify treatment of the sale or contribution of assets between investors and the associate / joint venture. The objective was to eliminate the recognized inconsistencies between the requirements of IFRS 10 and IAS 28 and to clarify that in a transaction involving an associate or joint venture recognition of gain or loss depends on whether the assets sold or brought as contribution represent a business (whether in December 2014 it was established that the entry into force of these changes will be 1<sup>st</sup> of January 2016, in December 2015 the IASB has postponed the effective date of these changes indefinitely).
- *IFRS 15 "Revenues from contracts with customers"* - This will replace the standards and interpretations that dictate accounting of revenues (IAS 18 and IAS 11). The main objective of IASB was to develop a common and comprehensive income standard, based on principles that can be applied consistently to complex transactions in a wide range of industries (whether in May 2014 it was established that the entry into force of these changes will be 1<sup>st</sup> of January 2017, in September 2015 the IASB has postponed the effective date of these changes for January 1, 2018).

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

**2.6 Presentation of separate financial statements**

The Company applies IAS 1 - Presentation of Financial Statements (2007) revised, which entered into force on January 1, 2009.

As a result, in the "Statement of Changes in Shareholders' Equity" the Company presents to shareholders all amendments thereto.

The comparative information has been reconciled so that they conform to the revised standard. As the impact of change in accounting policy is reflected only on presentation aspects, there is no impact on earnings per share.

IAS 1 "Presentation of Financial Statements" is governing the basis for presentation of financial statements for general purpose, in order to ensure comparability both with financial statements of the entity for previous periods and with the financial statements of other entities.

**a) Basis of accounting and reporting in hyperinflationary economies**

The currency used by the Company for evaluation and reporting is the "Romanian Leu" ("RON").

IAS 29 - "Financial Reporting in Hyperinflationary Economies", requires that financial statements of companies that are reporting in the currency of a hyperinflationary economy should be made in terms of the current monetary unit at the date of the balance sheet and all amounts must be restated in the same conditions. IAS 29 states that reporting of operating results and financial position in local currency without restatement related to inflation is useless, since the money lose their purchasing power so quickly that a comparison between the value of transactions or of other events that occur at different moments, even within the same reporting period, is wrong. IAS 29 suggests that an economy should be considered hyperinflationary if certain conditions are met; one of them being that the cumulative rate of inflation over a period of three years exceeds 100%.

By December 31, 2003 adjustments were made to reflect the application of IAS 29 "Financial reporting in hyperinflationary economies".

Implementation of IAS 29 to specific categories of transactions and balances in the financial statements is presented below:

**Monetary assets and liabilities**

Monetary assets and liabilities have not been reassessed for the implementation IAS 29 since they are already expressed in terms of the current monetary unit at the date of the balance sheet.

**Non-monetary assets and liabilities and equity**

Equity components have been restated by applying the inflation index for the month in which the assets, liabilities and equity components were initially recorded in the financial statements (the date of purchase or contribution) until December 31, 2003. The remaining non-monetary assets and liabilities are not restated using the inflation index, considering that their value is updated as a result of the application of alternative accounting treatments of evaluation during the previous periods.



**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

***b) Estimates and assumptions***

Preparation of individual financial statements in conformity with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, of contingent assets and liabilities at the date of the financial statements and of the reported amounts of revenues and expenses registered during the reporting period. The actual results may be different from these estimates. The estimates are periodically reviewed and, if adjustments are required these are reported in the profit and loss account for the period in which they become known.

The uncertainties related to these estimates and assumptions may cause, in the future, significant adjustments of the values presented in the financial statements, as a result of insolvency proceedings which *the Company* is involved.

These adjustments are likely to significantly affect *the Company's* assets that can no longer be achieved under normal operating conditions, in this case being required a massive depreciation in value (possibly more than 50%) due to the very probable recovery by enforcement and / or by the procedure of insolvency, a situation that causes a corresponding damage to the profit and loss account.

In the process of applying *the Company's* accounting policies, the management has made estimates for provisions, impairment of receivables and stocks, which have significant effect on the values stated in the individual financial statements.

***c) Registered capital***

The shares held by the Company are classified (shown) at nominal values and, in accordance with the Law of Trading Companies (L 31/1990) and the articles of incorporation their total value is to be found in the registered capital.

The dividends on holdings of shares (capital), established under Decision of AGA, are recognized as a liability in the period in which their distribution is approved.

***d) Equity papers in affiliated entities***

The investments held in affiliated entities are presented in the separate financial statements of *the Company* at cost less any impairment.

The dividends receivable from affiliated entities are recognized when *the Company* established the right to receive payment.

***e) Tangible fixed assets***

***Acknowledgment and assessment of fixed assets***

The fixed assets, except lands and buildings, are recognized according to the requirements of OMFP 1286/2012 and are shown in the accounts at cost, less the accumulated depreciation and the impairment losses.

The buildings are stated at fair value based on periodic assessments, at least every three years, carried out by independent external evaluators. Any accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset and the net amount is

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

recorded as revalued amount of the asset. The buildings are stated at revalued amounts on 31.12.2014 and the lands at revalued amount on 31.12.2011.

If a fixed asset includes significant components that have different useful lives, they are accounted (depreciated) individually.

*Subsequent expenses on maintenance and repairs*

The expenses with repairs or maintenance of fixed assets are made to restore or maintain the value of these assets and are recognized in the comprehensive income on the date they are made, while the expenses made in order to improve the technical performance are capitalized and depreciated over the remaining period of depreciation for that fixed asset.

*Depreciation*

The fixed assets are depreciated from the month following the date of purchase or the date of commissioning, as appropriate, using their lifetime periods.

Depreciation is calculated using the straight-line method over the lifetime of the fixed assets and/or their components, which is accounted separately.

The terms of depreciation used are as follows:

- Constructions 6 – 50 years
- Equipment and machinery 2 – 28 years
- Other installations, tools and furniture 2 – 15 years

The land and fixed assets in progress are not depreciated and the ongoing investments are depreciated from the date of commissioning.

The estimated useful lives and the depreciation method are reviewed periodically, to ensure they are consistent with the projected evolution of economic benefits generated by the tangible assets.

Tangible assets are derecognized from the balance sheet when the asset exits the equity or when no benefits are expected from the use of the asset. Losses or gains on disposal/sale of fixed assets are recognized in the statement of the comprehensive income.

**f) Intangible assets**

*Acknowledgment and assessment*

The intangible assets acquired by *the Company* are recognized and presented at cost, less accumulated depreciation and impairment losses.

*Depreciation*

Depreciation is recognized in the comprehensive income, on a straight line basis, over the estimated lifetime (service life) of the intangible asset.

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

Most of the intangible assets recorded *by the Company* are represented by the software programs, which are depreciated linearly over a period of 3 years.

**g) Depreciation of the value for non-financial assets**

According to IAS 36 Depreciation of Assets, the value of tangible and intangible assets is reviewed annually to identify circumstances that indicate their depreciation.

Whenever the net value of the asset exceeds its recoverable amount, depreciation of its value is recognized in the statement of the comprehensive income for tangible and intangible assets.

The recoverable amount represents the highest value between the net selling price of an asset and its value in use. The net selling price represents the amount obtainable from the sale of the asset in a normal transaction, and the value in use represents the present value of future cash flows estimated if continuing to use the asset and from its sale at the end of its service lifetime.

The recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating units. Reversal of impairment losses recognized in previous years may occur when there is an indication that the impairment losses recognized for that asset no longer exist or has decreased; the cancellation shall be recorded as revenue.

**h) Financial assets**

In accordance with IAS 39 "Financial Instruments: Acknowledgment and assessment", *the Company's* financial assets are classified into the following categories: held-to-maturity and loans and receivables originated by *the Company*.

The investments with fixed or determinable payments and fixed maturity, other than loans and receivables originated by *the Company*, are classified as held-to-maturity.

These financial assets are recognized in the historical cost or at the value determined by their acquisition contract, the cost of acquisition including also the transaction costs, the gains and losses being recognized in the statement of the comprehensive income when the financial assets are derecognized or impaired, as well as through the depreciation process.

Derecognizing of financial assets occurs when the rights to receive cash flows from the asset have expired, or *the Company* has transferred its rights to receive cash flows from the asset (directly or through a "pass-through" commitment). All normal purchases and sales of financial assets are recognized at the transaction date, i.e. the date when *the Company* commits to purchase an asset.

Normal purchases and sales are those that require delivery of assets within the period generally accepted by the regulations or conventions valid on that market.

*The Company* has no financial assets at fair value registered in the profit and loss account or financial assets available for sale.

**i) Financial debts**

In accordance with IAS 39 "Financial Instruments: Acknowledgment and assessment", *the Company's* financial debts are classified into the following categories: loans, trade debts and other debts.

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

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**2. Basis for preparation of separate financial statements (continued)**

The trade debts are stated at nominal amounts payable for goods or services received. Short and long term loans are initially recognized at the nominal value, representing the amount received under this head, not including the specific costs (fees, interest).

The gains and losses are recognized in the statement of the comprehensive income on derecognizing of debts, as well as through the depreciation process. Derecognizing of financial debts occurs if an obligation is fulfilled, canceled or expires. The financial assets and debts are compensated only if *the Company* has a legally enforceable right to make compensations and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

***j) Debts related to leasing contracts***

*Financial leasing contracts*

The leasing contracts in which *the Company* takes substantially the risks and benefits of ownership are classified as financial leasing. The amounts due are included in the short or long term debts, the elements of interest and other costs of financing being recorded in the profit and loss account during the contract period. Assets held under the financial leasing contracts are reflected in the accounting system using the accounts of tangible and intangible assets and are depreciated over their useful lifetime.

The rates paid to the lessor plus the interest is highlighted as a debt in the account 406 "Debts from operations of financial leasing".

*Operating leasing contracts*

The leasing contracts in which a significant portion of the risks and benefits of ownership are assumed by the lessor are classified as operating leasing contracts, the payments (expenses) made under such contracts being recognized in the comprehensive income on a straight-line basis during the contract period, the leased assets are recorded in the accounting system of the lessee, in the off-balance sheet accounts.

***k) Transactions in foreign currency***

*Functional currency and presentation currency:* the financial statements of *the Company* are prepared using the currency of the economic environment in which operates.

The functional currency and the currency used for presentation of financial statements is the Romanian Leu ("RON").

Transactions in foreign currency are translated into RON applying the exchange rate at the transaction date. The monetary assets and liabilities denominated in foreign currencies are revalued in RON at the exchange rate at the balance sheet date.

The gains and losses resulting from differences in foreign exchange rate, realized or unrealized, are recorded in the statement of the comprehensive income.

The exchange rates on December 31, 2014 and 2015 are as follows:



**Separate Financial Statements on December 31, 2015**  
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**2. Basis for preparation of separate financial statements (continued)**

Currency	<u>December 31, 2014</u>	<u>December 31, 2015</u>
RON/EUR	4.4821	4.5245
RON/USD	3.6868	4.1477
RON/GBP	5.7430	6.1466
RON/CHF	3.7273	3.0333

***l) Stocks***

The stocks are recorded in the accounting system at the minimum value between the cost and the net realizable value.

The net realizable value represents the estimated selling price to be received under ordinary course of activity, less the costs related to sell.

The value of stocks is based on the weighted average cost, including expenses incurred in acquiring them and bringing to the current location, and in the case of stocks produced by *the Company* (semi-finished and finished goods, work in progress); the cost includes an appropriate percentage from the indirect costs, depending on the organization of production and the current activity. The inventory method used is that of "perpetual inventory".

At the annual inventory of stocks, the Company identifies the stocks that are not intended for sale contracts in progress or have not been identified as useful in current manufacturing costs or future projects.

*The Company's* management analyzes and proposes/decides the adjustments (depreciation) of stocks according to the accounting policy approved in this respect and the results of the inventory. The inventory of stocks shall be made according to the internal procedure and the inventory manual, related both to the needs of *the Company* and the law in force.

***m) Receivables***

Trade receivables are stated at their nominal value less the adjustments for their depreciation, the adjustments that are carried out where there is objective data and information about the fact that *the Company* will not be able to collect all amounts in due time.

*The Company* records depreciations of 100% for trade receivables older than 360 days and for those in dispute.

***n) Cash and cash equivalents***

The cash includes the cash in hand and in bank accounts. Cash equivalents are short-term investments, highly liquid, which can be quickly converted into a sum of money, with the original maturity of maximum three months and have an insignificant risk of change in value.

Records of them are kept on banks, currencies, respectively on pay desks and cash advances holders being evaluated, in case of foreign currency by using their exchange rate (reference rate) with the national currency (RON) released by the National Bank of Romania (BNR).

**Separate Financial Statements on December 31, 2015**  
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**2. Basis for preparation of separate financial statements (continued)**

***o) Debts***

The debts are initially recognized at the fair value of the consideration to be paid and include the payable amounts, invoiced or not, for goods, works and services.

***q) Loans***

The costs related to loans are recorded as an expense in the period in which they occur, except the case when the loans are for the construction of assets that are qualified for capitalization. *The Company* classifies its loans on short-term and long-term, depending on the maturity specified in the credit agreement.

The loans are initially recognized at the net value of withdrawals. They are subsequently carried at the depreciated cost, using the method of effective interest rate, the difference between the value of withdrawals and the redemption value being recognized in the net profit of the period, during the entire loan period.

***p) Government grants***

Government grants are recognized when there is reasonable assurance that the grant will be received and all conditions attached will be satisfied. When the grant relates to an expense item, it is recognized as income over the period necessary to correlate, on a systematic basis, the grant with the costs to be offset. When the grant relates to an asset, it is recognized as deferred income and taken to income in equal amounts over the expected life of the related asset.

When *the Company* receives non-monetary grants, the asset and the grant are recorded at gross and nominal values and they are reflected in the overall result over the expected life and the consumption rate of the benefit afferent to the support asset, in equal annual installments. When loans or similar forms of assistance are provided by the government or similar institutions at an interest rate below the rate applicable on the market, the effect of this favorable interest is regarded as additional government grant.

***r) Benefits of employees***

***Short-term benefits:***

*The Company* contributes for its employees by paying contributions to Social Security (pension, health) giving them some benefits upon retirement, according to the period of work in the company (a reward up to 4 gross salaries per company for a period of minimum 25 years in UCM Resita, respectively up to 2 average gross salaries per company for a period of minimum 10 years in UCM Resita). These contributions are recognized as an expense when the services are rendered.

In addition to the grants and allowances provided expressly by law, *the Company* grants to its employees the following benefits:

- Granting of bereavement benefits representing four average gross wages per company upon the death of an employee of *the Company* and one average gross salary per company in case of death of the husband (wife) or of a first degree relative (parents, children);
- Granting of two average gross wages per company for the birth of each child;

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**2. Basis for preparation of separate financial statements (continued)**

- Granting of one average gross salary per company to the dismissal of an employee for whom it was issued a decision by the relevant medical expertise finding physical and/or mental inability thereof, which does not allow him to fulfill his duties appropriate to the position held.

***Post employment benefits – pension plan:***

Both *the Company* and its employees are legally obliged to pay monthly social security contributions, administered by ANAF and the County Pension Houses. As a result, *the Company* has no legal obligation to pay in future other amounts related to pension contributions. *The Company* does not contribute to any other pension plan or retirement benefits and has no other obligations such as those mentioned for its employees.

***s) Profit tax***

The tax on profit or losses of the year comprises current tax and deferred tax. The assets and liabilities for current profit tax, for current and prior periods, are recognized at the value expected to be reimbursed by or paid to the taxation authorities.

The current profit tax is calculated in accordance with tax legislation in force in Romania and is based on the results reported in the statement of the comprehensive income of *the Company*, prepared in accordance with local accounting standards, after adjustments performed for tax purposes. The current profit tax is applied to the accounting profit, as adjusted in accordance with tax legislation at a rate of 16%.

The tax losses may be carried forward for a period of five years for tax losses realized until December 31, 2008 and for a period of seven years for tax losses carried thereafter.

The deferred profit tax reflects the tax effect of temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the tax values used in order to calculate current profit tax. The deferred profit tax, recoverable or payable, is determined using tax rates that are expected to be applicable in the year in which the temporary differences will be recovered or settled. Assessment of the deferred profit tax, payable or recoverable, reflects the tax consequences that would follow from the manner in which *the Company* expects to realize or settle the carrying amount of its assets and liabilities at the date of the balance sheet.

The assets and liabilities from the deferred tax are recognized regardless of when the temporary differences are likely to be realized.

The assets and liabilities from the deferred tax are not updated. The assets from the deferred tax are recognized when it is probable that there will be sufficient future taxable profits against which the deferred tax can be used. The liabilities from the deferred tax are recognized for all taxable temporary differences.

***§) Acknowledgment of revenues and expenses***

The revenues from sale of goods are recognized in the comprehensive income at the date when the risks and benefits of ownership on the goods are transferred to the buyer which, in most cases, coincides with the date of invoice (delivery) thereof.

**Separate Financial Statements on December 31, 2015**  
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**2. Basis for preparation of separate financial statements (continued)**

The revenues from the goods sold (delivered) and services rendered are recognized on an accrual basis, respectively at the date of delivery / provision (transfer of ownership) to the customer.

The revenues from interest are recognized in installments (proportionally) as they are invoiced / are generated according to contracts/agreements under which the loans were granted on an accrual basis.

The revenues are recognized when there is no significant uncertainty regarding recovery of the counter benefits due and associated costs or possible returns on the assets.

The expenses are classified and recognized based on the principle of their connection to revenues, respectively their allocation on products, services which make these revenues.

The production cost of stocks is followed on projects and, within these projects, on each individual product and includes direct costs related to production (direct materials, direct labor, and other direct costs attributable to products, including design costs) and the share of indirect costs of production allocated rationally as related to their manufacture.

The general administrative expenses, selling expenses and unallocated share of fixed overhead products (indirect production costs that are relatively constant, regardless of the volume of production) are not included in the cost of stocks but are recognized as expenses in the period in which they occurred.

*The Company* applies the principle of separation of accounting years for the recognition of revenues and expenses that are classified in three categories (operational, financial and exceptional).

***t) Fair value of financial instruments***

The management believes that the fair values of *the Company's* financial instruments are not significantly different from their carrying values, due to the short terms of settlement, reduced transaction costs and/or the variable interest rate that reflects current market conditions.

***t) Provisions***

A provision is recognized when, and only when *the Company* has a current obligation (legal or constructive) as a result of a past event and if it is probable (more likely to succeed than not be realized) as an output of resources embodying economic benefits, will be required to settle the obligation, and it can make a reasonable estimate of the amount of the obligation. The provisions are reviewed at the end of each accounting year and are adjusted to reflect the current best estimate. When the effect of money value in time value is significant, the value of the provision is the present value of the expenses required to settle the obligation.

***u) Contingent debts or assets***

The contingent debts are not recognized in the financial statements. They are disclosed in notes, unless the case when the possibility of an outflow of resources embodying economic benefits is very small.

A contingent asset is not recognized in the financial statements but is disclosed in notes when an inflow of economic benefits is probable.

**Separate Financial Statements on December 31, 2015**  
*[All amounts are given in lei (RON) unless otherwise stated]*

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**2. Basis for preparation of separate financial statements (continued)**

***v) Subsequent events***

The events subsequent to the date of the balance sheet are those events, favorable and unfavorable, that occur between the date of the balance sheet and the date when the financial statements are authorized for issue.

The events subsequent to the date of the balance sheet that provide additional information about *the Company's* position at the date of the balance sheet are subsequent events that led to adjustment of the financial statements.

The events subsequent to the date of the balance sheet that provide information about the conditions that arose after the balance sheet date don't require adjustment of the financial statements and are disclosed in the notes, if they are significant.

***w) Affiliated parties***

A party is considered to be affiliated if by ownership, contractual rights, and family relationship, or otherwise, has the power to control directly or indirectly or to influence significantly the other party.

Affiliated parties include also individuals such as main owners, management and members of the Board of Directors and their families.

According to the International Financial Reporting Standards, **an entity is affiliated to a reporting entity if it meets any of the following conditions:**

- The entity and the reporting entity are members of the same group;
- An entity is an associate or joint venture of the other entity;
- Both entities are joint ventures of the same third party;
- An entity is a joint venture of a third entity and the other is an associate of the third entity;
- The entity is a post-employment benefit plan for the benefit of the reporting entity's employees or an entity affiliated to the reporting unit. If the reporting entity itself represents such a plan, the sponsoring employers are also affiliated with the reporting entity;
- A person who has control or joint control over the reporting entity, has significant influence over the entity or is a member of the key personnel of the entity's management;
- The entity is controlled or jointly controlled by a person or an affiliate member of its family, if that person:
  - Has control or joint control over the reporting unit;
  - Has significant influence over the reporting entity, or
  - Is a member of the key management personnel of the reporting unit or of a parent company of the reporting entity



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**2. Basis for preparation of separate financial statements (continued)**

**x) Correction of accounting errors**

Accounting errors found in the financial statements at the date of their drawing up may refer either to the current accounting year or in previous accounting years, correction will be performed at the date when becoming aware of them.

When recording the operations required to correct the accounting errors, are applied the provisions of IAS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors", stating that the entity must correct retrospectively significant errors of the period in the first set of financial statements which publication was approved after their discovery, by means of: restating the comparative amounts for the prior period presented in which the error occurred or if the error occurred before the first prior period.

According to OMFP 1286/2012, correction of errors related to previous accounting years does not require publication of the revised yearly financial statements for that accounting year, and their correction is performed based on the retained earnings account, without affecting the result of the current accounting year.

In order to correct the errors for the current accounting year, the accounting entries made wrong are corrected prior to the approval of yearly financial statements, by reversing (red recording / with minus sign or by reverse entry method) the incorrect entry and, simultaneously, the appropriate registration of the operation in question.

**y) Reserves**

*The Company* creates legal reserves according to Art. 183 of Law 31/1990.

Given the provisions of OMFP 1286 / 201.2, *the Company* creates legal reserves from the profit of the entity, within the quotas and limits set by the law, but also from other sources provided by the law.

*The Company* considered necessary a change in the accounting policy for recognizing the surplus from revaluation of tangible fixed assets in order to incorporate it into a separate reserve account, as the assets are used by *the Company* (in proportion as they are depreciated), respectively when the assets are out of the accounting records.

Thus, starting with 2010, it was decided to recognize as realized the differences from revaluation of fixed assets in proportion as they are depreciated, the impact of this change in the accounting policy being shown also in **Note no. 3**.

**3. Fixed assets**

The values (gross, net), depreciation, composition and other relevant aspects regarding the movement of fixed assets during the accounting year ended on 31.12.2015, are presented below.

**3.1 Intangible fixed assets**

The statements of movement and depreciation of intangible fixed assets in the accounting year 2015 are presented in Tables 1, 2 and 3 below.

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**3. Fixed assets (continued)**

**Table No. 1 – Inputs and outputs of intangible fixed assets (gross values)**

- Lei -

Explanations	31.12.2014	Inputs	Transfers	Outputs	31.12.2015
0	1	2	3	4	5 = 1+2-3-4
Other intangible fixed assets	10.645.182	-	-	-	10.645.182

**Table No. 2 – Cumulative depreciation of intangible assets**

- Lei -

Explanations	31.12.2014	Costs with depreciation	Cumulative depreciation of outputs	31.12.2015
0	1	2	3	4 = 1+2-3
Other intangible fixed assets	(10.609.738)	(19.335)	-	(10.629.073)

**Table No. 3 – Net accounting values of intangible assets**

- Lei -

Explanations	31.12.2014	31.12.2015
0	1	2
Other intangible fixed assets	35.444	16.109

The lifetimes used to calculate depreciation of intangible assets are of 3 years.

The depreciation method used is the linear one.

The composition of intangible assets balance consists mainly of software programs, licenses for production design, contributed in kind to the registered capital in 2005, and by capitalization of several services for Oracle implementation.

**3.2 Tangible fixed assets**

The statements of movement and depreciation of tangible fixed assets in the accounting year 2015 are presented in Tables 4, 5 and 6 below.

**Table No. 4 – Inputs and outputs of tangible fixed assets (gross values)**

- Lei -

No.	Explanations	31.12.2014	Inputs	Outputs	Revaluation on 31.12.2015	31.12.2015
0	1	2	3	4	5	6=2+3-4+5
1.	Land and land improvements	55.868.100	-	-	-	55.868.100
2.	Buildings	125.540.022	-	-	-	125.540.022
3.	Equipment	64.545.468	-	552.109	-	63.993.359
4.	Furniture and others	1.389.708	16.996	11.302	-	1.395.402
5.	Fixed assets under construction	914.941	0	0	-	914.941
	<b>TOTAL (1+2+3+4+5)</b>	<b>248.258.239</b>	<b>16.996</b>	<b>563.411</b>	<b>-</b>	<b>247.711.824</b>

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**3. Fixed assets (continued)**

**Table No. 5 – Cumulative depreciation of tangible fixed assets**

- Lei -

No.	Explanations	31.12.2013	Costs with depreciation	Cumulative depreciation of outputs	Revaluation on 31.12.2015	31.12.2015
0.	1	2	3	4	5	6 = 2+3-4-5
1.	Land improvement	-	-	-	-	-
2.	Buildings	-	8.089.408		-	8.089.408
3.	Equipment	61.009.010	509.856	546.637	-	60.972.229
4.	Furniture and others	1.135.133	60.071	11.302	-	1.183.901
	<b>TOTAL (1+2+3+4)</b>	<b>62.144.143</b>	<b>8.659.334</b>	<b>557.939</b>	<b>-</b>	<b>70.245.538</b>

**Table No. 6 – Net accounting values of tangible fixed assets**

- Lei -

No.	Explanations	01.01.2015	31.12.2015
0	1	2	3
1.	Land and land improvement	55.868.100	55.868.100
2.	Buildings	125.540.022	117.450.614
3.	Equipment	3.536.458	3.021.130
4.	Furniture and others	307.540	211.501
5.	Fixed assets under construction	914.941	914.941
6.	Adjustments for depreciation of fixed assets under construction	(371.476)	(371.476)
	<b>TOTAL (1+2+3+4+5+6)</b>	<b>186.538.537</b>	<b>177.094.810</b>

The company owns, mainly:

- Land, total area of 748.762 square meters;
- Constructions, with a developed area of 320.015 square meters, and built from the ground surface of 230.828 square meters;
- Technological equipment specific for machine building industry, numbering over 2.000 pieces.

The lifetimes used to calculate depreciation of tangible fixed assets are determined according to Government Decision no. 2139/30.11.2004 (GD 2139/2004), between 8-50 years for buildings and between 8-24 years for machinery; the depreciation method used is the linear one.

**Revaluation of fixed assets**

The tangible fixed assets, such as buildings and special constructions, were revalued on 31.12.2014 by S.C. DARIAN DRS S.A., a company member of ANEVAR.

The Company chose as method to reflect the results of revaluation in the accounting system, canceling of cumulative depreciation up to the date of revaluation and presentation of tangible fixed assets, such as buildings and special constructions, at fair values.

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**3. Fixed assets (continued)**

The tangible fixed assets, such as lands, were revalued on 31.12.2011 by S.C. FD Capital Management, a company member of ANEVAR.

Changes in revaluation reserves during the accounting year are presented below, in Table No. 7.

**Table no. 7 – Statement of changes in revaluation reserves**

		- Lei -	
No.	Explanations	31.12.2014	31.12.2015
0	1	2	3
1.	Revaluation reserves at the beginning of the accounting year	99.089.802	179.945.016
2.	Differences in revaluation reserves transferred into reserves as the assets are depreciated during the year and at deregistration of assets	(14.906.733)	(7.565.846)
3.	Revaluation differences recorded during the accounting year as a result of revaluation	95.7671.947	-
4.	<b>Revaluation reserves at the end of the accounting year (4=1+2+3)</b>	<b>179.945.016</b>	<b>172.379.170</b>

Reductions in the revaluation reserve during the year refers to the revaluation differences that have been transferred to the account 1175 - "Retained earnings representing the surplus from revaluation reserves", according to the provisions of IFRS, as the assets are depreciated during the year, as well as at deregistration of assets.

Within 1990-1995, UCMR, like all state-owned companies, was forced to revalue the equity of the company and the increase of the registered capital in accordance with the methodology developed by HG 945/1990, HG 26/1992 and HG 500/1994. In 2012, by applying IAS 29 – "Financial reporting in hyperinflationary economies", began adjustment of the revaluation differences included in the registered capital, according to the regulations listed above, in total amount of 13.094.760 lei, amount that was reclassified to revaluation reserves included in the registered capital.

The Company did not kept all data related to historical cost (purchase) of tangible fixed assets and, therefore, cannot provide information of this kind (gross values at historical cost, depreciation).

**Tangible fixed assets pledged and restricted**

For the credits and guarantee agreements wherewith BCR was part of the Preliminary Table of Creditors, on the date of declaration of insolvency, were established mortgages of first and second rank on certain tangible fixed assets with a total carrying amount of 82.729.720 lei, on 31.12.2015, in which 51.078.900 lei represents constructions and 31.650.820 represents lands.

Also, ANAF have been established seizure of some tangible fixed assets with the net carrying value of 45.073.744 lei, on 31.12.2015, in which 33.814.874 lei represents constructions and 11.258.870 lei represents lands.

During 2015 there were no pledges or mortgages established.

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**3. Fixed assets (continued)**

**Transactions not involving cash outflows**

**Table No. 8 – Transactions of tangible fixed assets not involving cash outflows**

- Lei -

No.	Explanations	31.12.2014	31.12.2014
0	1	2	3
1.	Tangible fixed assets for which payment was made in previous years	11.498	11.498
2.	Acquisitions financed through financial leasing	-	-
3.	Purchases from suppliers of fixed assets	956.472	956.472
	<b>TOTAL (1+2+3)</b>	<b>967.970</b>	<b>967.970</b>

**3.3 Financial assets**

Statement of equity papers held at other entities (affiliated), respectively of their value adjustments are shown in Table No. 9 below.

**Table No. 9 – Investments (shares) in subsidiaries**

- Lei -

No.	Explanations	31.12.2014	31.12.2015
0	1	2	3
1.	S.C. MULTI-FARM Ltd., Resita	17.000	17.000
2.	S.C. UCM TURNATE Ltd., Resita	34.400.000	34.400.000
3.	S.C. EUROMETAL Ltd., Resita	11.377.950	11.377.950
4.	Adjustments for depreciation of financial assets	(45.777.950)	(45.777.950)
	<b>TOTAL OF NET VALUE (1+2+3-4)</b>	<b>17.000</b>	<b>17.000</b>

On 31.12.2015, the Company had the following subsidiaries:

- **S.C. MULTI-FARM Ltd.**, a company registered in the Trade Register under no. J11/799/2004, in which the Company holds 70.8333% of the shares. The main object of activity is the retail trade of pharmaceutical products.
- **S.C. UCM TURNATE Ltd.**, a company registered in the Trade Register under no. J11/175/2007. The main object of activity is steel casting. UCMR is the main shareholder of sc UCM Castings Ltd., owning 99.999045% of the shares.  
During 2012, S.C. UCM Turnate Ltd requested opening of insolvency proceedings, which was known by the Company at the date of the financial statements for 2011, therefore was adjusted the entire value of the shares held, in amount of 34.400.000 million lei. At the date of these financial statements, S.C. UCM Turnate Ltd is in bankruptcy procedure.
- **S.C. EUROMETAL Ltd.**, a company registered in the Trade Register under no. J11/967/2006. The main object of activity is manufacture of metal structures and components for metallic structures, in which the Company holds 92.07% of the shares.  
Since for this company was opened the insolvency proceedings in 2010, the Company, following the principle of prudence, kept the adjustment of the value for the shares held by their full depreciation. Currently, S.C. Eurometal Ltd. is in bankruptcy procedure.



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### 3. Fixed assets (continued)

Table No.10 below presents the statement of equity papers held by *the Company* in other entities.

**Table No. 10 – Equity papers held in other entities**

- Lei -		
Explanations	31.12.2014	31.12.2015
Romanian Commodities Exchange	20.000	23.000
<b>TOTAL</b>	<b>20.000</b>	<b>23.000</b>

*The Company* has shareholding in Romanian Commodities Exchange (BRM), holding 23 shares with a nominal value of 1,000 lei per share, representing 0.29% of BRM capital.

### Other financial assets

The performance bond guarantees are retained by customers for the goods supplied by *the Company*, which may be returned only after the deadlines, provided that all the contractual clauses are fulfilled.

Generally, 70% of the performance bond guarantee value shall be returned after concluding the minutes of putting into operation, and the difference of 30% will be returned at 24 months after commissioning.

The performance bond guarantees with maturity less than one year, amounting 10.889.380 lei, are included in the trade receivables, being reduced with the value of adjustment in amount of 10.380.037 lei, related to guaranties due and unpaid on 31.12.2015 (see Note no. 4).

Table no.11 presents the statement of performance bond guarantees (other fixed assets).

**Table No. 11 - Performance bond guarantees recoverable in a period longer than 1 year**

- Lei -			
No.	Explanations	31.12.2014	31.12.2015
0	1	2	3
1.	Performance guarantees given to customers recoverable in a period longer than one year	8.556.083	8.911.425
2.	Debtors for the guarantees filed	404.358	404.358
3.	Adjustments for impairment of other receivables	0	0
	<b>TOTAL (1+2+3)</b>	<b>8.960.441</b>	<b>9.315.783</b>

### 4. Receivables

The statement on the main receivables and payables of *the Company* is presented below.

Table No. 12 below shows the statement of trade receivables and other receivables, respectively the adjustments (depreciation) thereof.

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**4. Receivables (continued)**

**Table No. 12 – Receivables and adjustments (depreciation) thereof**

- Lei -

No.	Explanations	Balance on 31.12.2014	Balance on 31.12.2015	Liquidity term	
				Less than 1 year	Over 1 year
1	Trade receivables	1.319.844.440	34.350.960	34.350.960	-
2	Value adjustments for depreciation of trade receivables	(1.299.508.493)	(13.446.020)	(13.446.020)	
3	<b>Total net values for trade receivables (1 + 2)</b>	<b>20.335.948</b>	<b>20.904.940</b>	<b>20.904.940</b>	-
4	Receivables to be collected from related parties	2.938.988	2.945.269	2.945.269	-
5.	Value adjustments for depreciation of other receivables	(2.698.768)	(2.698.768)	(2.698.768)	
6	Other receivables, of which:	250.270.566	45.378.076	45.378.076	-
6.1	- Deferred tax acc. to IFRS	229.169.276	28.093.899	28.093.899	
7	Value adjustments for depreciation of other receivables	(16.089.779)	(16.087.347)	(16.087.347)	-
8	<b>Total net values for other receivables (4+5+6+7)</b>	<b>234.421.007</b>	<b>29.537.230</b>	<b>29.537.230</b>	
8	<b>TOTAL NET VALUES OF RECEIVABLES (3+7)</b>	<b>254.756.955</b>	<b>50.442.170</b>	<b>50.442.170</b>	-

On 31.12.2015 the main customers stated on the in balance, from which *the Company* has to collect trade receivables are: SPEEH Hidroelectrica – the subsidiary Hydro Power Plants Cluj (2.173.079 lei) the Company of hydropower services Hidroserv SA, Division Bistrita Piatra-Neamt (7.859.769 lei), the Company of hydropower services Hidroserv SA Division Ramnicu Valcea (5.497.096 lei), the Company of hydropower services Hidroserv SA Division Hateg (5.232.163 lei), the Company of hydropower services Hidroserv SV Curtea de Arges (1.315.014 lei) and the Company of hydropower services Hidroserv SA, Division Sebes (941.664 lei).

We state that *the Company* has applied the principle of prudence and adjusted for depreciation the entire value of such uncertain receivables.

By UCM Resita request to be included in the preliminary table of the debtor SC AGRI LIBAROM S.R.L., filed at Bucharest Court of Law, in the case no. 29140/3/2012, was requested full acceptance of the debt recorded in the bookkeeping in the amount of 1.289.570.079,97 lei. The Official Receiver of the debtor, according to preliminary table of debts, agreed the amount of 3.706.200 lei and admitted, conditional the amount of 1.285.863.880 lei.

Against the legitimacy, amount and order of priority of our request, the Special Trustee at that time - Baaklini Said filed a complaint, registered under no. 29140/3 /2012/A1 at Bucharest Court of Law. By Civil Sentence no. 5762/07.07.2015 the trial court partially upheld the appeal filed by Baaklini Said, ordering our entry into the final table of debts with the amount of 3.706.200 million lei. *The Company* filed an appeal against that judgment but it was rejected as unfounded by the Court of Appeal in Bucharest, through Civil Decision no. 585/13.10.2015. As this decision is irrevocable, the debt was subjected to a corresponding decrease and the established provision was cancelled. During restatement of the financial statements for the years 2010, respectively 2011, actually

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#### 4. Receivables (continued)

recorded in the preparation of the financial statements for 2012, we consider that it was wrongly established the debt from the deferred tax amounting to 206.331.213 lei afferent for the adjustment related to the transaction with the customer Libarom Agri for the amount of 1.289.570.080 lei since this transaction did not affect the outcome of *the Company* because it was initially registered on the account 472 - "revenues registered in advance" and subsequently transferred to the account 473 - "Settlement of transactions pending clarification." The error found was corrected at the end of the accounting year 2015 by partial reversal of the amount of 205.738.220,79 lei corresponding to the adjustment of the debt that was not admitted to the list of creditors of the customer Libarom Agri, as not due.

Under "*Other receivables*" are given the highest values representing the receivables for deferred tax and the debtors from loans granted by *the Company*, respectively Sports Club UCM Resita, in amount of 14.727.010 lei (13.099.046 lei representing the balance of the loan granted and 1.627.964 lei the balance of the interest receivable), amount for which *the Company* made adjustments for depreciation since 2011.

According to the International Financial Reporting Standards, *the Company* has recorded deferred profit tax recognized as a liability for all taxable temporary differences.

Thus, the Company recorded at the end of 2015 receivables for deferred tax totaling 28.093.899 lei, amount that represents deductible timing differences related to adjustments and provisions recorded at the date of these notes, as well as a debt in total amount of 27.854.853 lei, amount representing the difference between the accounting basis and tax depreciation.

#### 5. Stocks

The status and structure of current assets, such as stocks, is shown in the table below:

**Table No. 13 - Stocks and their value adjustments**

- Lei -			
No.	Explanations	31.12.2014	31.12.2015
1	Raw materials	7.283.056	6.457.960
2	Materials	956.821	863.561
3	Inventory items	464.871	452.291
4	Packages and materials from third parties, raw materials and materials in progress of purchasing	906.653	987.914
5	Semi-finished products	1.673.665	1.665.999
6	Production in progress	25.601.932	24.549.224
7	Finished products	6.790.777	6.881.560
<b>8</b>	<b>Total of gross value ( 1+2+3+4+5+6+7 )</b>	<b>43.677.775</b>	<b>41.858.509</b>
9	Adjustment of value for raw materials	(4.875.513)	(3.171.816)
10	Adjustment of value for materials	(819.678)	(483.254)
11	Adjustment of value for inventory items	(367.382)	(214.932)
12	Adjustment of value for packages	(30.062)	(15.829)
13	Adjustment of value for semi-finished products	(1.671.955)	(1.576.402)
14	Adjustment of value for production in progress	(22.362.691)	(8.195.884)
15	Adjustment of value for finished products	(5.631.534)	(4.288.586)
16	<b>Total value adjustments (9+10+11+12+13+14+15)</b>	<b>(35.758.815)</b>	<b>(17.946.703)</b>
17	<b>Total net value ( 8-16 )</b>	<b>7.918.960</b>	<b>23.911.806</b>

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**5. Stocks (continued)**

In 2015, the stocks of raw materials and consumables decreased by 849.675 lei (variation in row 1 to row 4). This decrease was mainly driven by the continuation of Bumbesti project for which there were supplied items in the previous years, as well as integration into new projects of some materials already in stock.

The adjustments for depreciation of raw materials, consumables and semi-finished products increased by 2.302.357 lei (variation in row 9 to row 13) both linked to the consumption of materials for which adjustments were made in prior periods and as a result of revised estimates regarding net realizable value.

The production in progress decreased by 1.052.708 lei in 2015 (variation in row 6) due to the fact that the projects ongoing at the beginning of the year were completed, in most, in the first quarter of 2015 (Dragasani, Portile de Fier II, Sarihidir and Zelizowce). The new projects were contracted during the year had short execution periods and of these, those left uncompleted at the end of the year have a lower value.

The most important projects started in 2015 to be concluded in the first quarter of next year are: Portile de Fier I, Stanca and Gaissulz.

The adjustments for depreciation of production in progress on 31.12.2015 are in amount of 8195,884 lei, with a decrease of 14.166.807 lei from the previous year (variation in row 14).

This decrease in adjustments is largely due to the fact that the works for the project Bumbesti were restarted but also as result of reconsideration of Caineni project for which *the Company* has received an advance amounting to 8.817.043,26 lei, for which the letter of bank guarantee expired.

Thus, it was considered that there are the necessary levers for completion of this project at a minimum value close to the current level of execution considering that, practically, the amount received in advance covers the expenses allocated until now for the finished products on stock or in progress.

The largest weight in total adjustments for depreciation of production in progress on 31.12.2015 has the following contracts:

- Seymareh: 180.763 lei
- Lavours: 4.900.411 lei
- Middle Kolab: 398.434 lei
- Pașcani: 646.297 lei
- Caineni: 374.511 lei

The finished products had no significant variations, the products manufactured in the current year being mostly delivered by the end of the year. Their growth is of 90.783 lei (variation in row 7). Most of the decrease in adjustments for depreciation of finished products, in amount of 1.342.948 lei, is due to Caineni project.

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## 6. Cash and cash equivalents

The statement on cash and credits committed is shown in Table No.14:

**Table No. 14– The available cash and credits committed**

- Lei -

No.	Explanations	31.12.2014	31.12.2015
1.	Bank accounts in Lei	1.024.333	6.012.231
2.	Bank accounts in foreign currency	97.187	385.420
3.	Cash in hand	530	76
4.	Treasury advances	-	-
5.	Short-terms deposits	4.244.151	1.132
6.	Other securities	-	-
7.	<b>Total cash in hand ( 7=1+2+3+4+5+6 )</b>	<b>5.366.201</b>	<b>6.398.859</b>
8.	Restricted cash (collateral account)	(357.736)	(494.974)
9.	<b>TOTAL SURPLUS (DEFICIT ACCOUNT) (9=7+8 )</b>	<b>5.008.465</b>	<b>5.903.885</b>

## 7. Debts

The statement on the main debt (commercial, banking, budgetary obligations and other creditors) is presented in Table No. 15.

**Table No.15 – Summary statement of debts**

- Lei -

No.	Explanations	31.12.2014	31.12.2015	Before 06.12.2011	Currently	Liquidity time		
						Less than 1 year	1-5 years	Over 5 years
1.	Amounts owed to credit institutions	35.176.816	39.065.875	19.353.829	19.712.045	39.065.875	-	-
2.	Advances received in account of orders from customers	16.679.034	19.637.007	19.364.143	272.865	19.637.007	-	-
3.	Bills receivable	0	0	0	0		-	-
4.	Loans and interests owed to the main shareholder	126.292.405	126.292.405	126.292.405	0	126.292.405	-	-
5.	Other debts, including tax and social securities	466.561.944	476.718.222	421.944.739	54.773.483	476.718.222	-	-
	<b>TOTAL (1+2...+5)</b>	<b>664.699.908</b>	<b>681.994.003</b>	<b>604.568.292</b>	<b>77.425.711</b>	<b>681.994.003</b>	<b>-</b>	<b>-</b>

### 7.1 Trade debts and advances received in account of orders from customers

The amounts due to related parties are detailed in Note no. 14.



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**7. Debts (continued)**

The main customer in the balance on 31.12.2015, from which have been collected advances for orders, is represented by Hidroelectrica SA - the subsidiary Hydro Power Plants Sibiu (project HPP Căineni), the amount for down payment being of 8.817.043 lei.

The main suppliers of raw materials and services (in terms of the value for the contracts developed in 2015) are represented by: SC Enel Energie S.A Resita, SC Eon Energie Romania SA Targu Mures, SC Security Consulting SRL Slatina, SC Aquacaras SA Resita, SC Miras International SRL Buftea, SC Italinox Romania SRL Cluj-Napoca – as domestic suppliers, and as foreign suppliers: SC Isovolta AG Austria, SC ZDAS AS Czech Republic, SC Alpke Elektic LTD STI Turkey.

**7.2 Amounts owed to credit institutions**

As a result of *the Company's* insolvency, BCR enrolled in the Preliminary Table of Creditors with the total amount of 81.148.393,74 lei, representing: outstanding credits and letters of guarantees in amount of 79.612.748,42 lei, outstanding interests in amount of 221.229,66 lei and outstanding commissions in amount of 1.314.415,66 lei.

From the date of insolvency announcement till now, these amounts were changed following the expiry of some letters of bank guarantee. Also, the debt due to the Credit Line in EUR, in amount of 3.683.540 EUR decreased by 1.038.480 EUR (4.520.919 lei), as a result of the partial recovery of the debt by BCR through the sale of a mortgaged property for this credit owned by the endorser UCM Turnate Ltd.

On 31.12.2015 the total amounts owed to BCR, including the interests and fees calculated by the bank after the date of insolvency is Of 41.476.570 lei (at the exchange rate on 31.12.2015), representing:

- outstanding credits and letters of bank guarantee amounting to 25.713.450 lei (of which: 18.196.328 lei outstanding credits at the date of insolvency, 6.941.606 lei credits from enforcement of letters of bank guarantee after declaring the insolvency and 575.516 lei letters of bank guarantee in force);
- overdue interests in amount of 13.927.941 lei;
- outstanding commission amounting to 1.835.179 lei

*The bank credits enrolled by BCR in the list of creditors are the following:*

- Credit line granted in 2003, with the initial value of 1.900.000 lei. In 2011 were included to the credit the outstanding interests in amount of 80.535,40 lei. On 31 December 2015, the balance of the credit line is of 1.980.535,40 lei.
- Long-term credit contracted in 2006, with repayment in monthly installments, the initial value being of 9.000.000 lei. In 2011 were included to the credit the outstanding interests in amount of 48.399,27 lei. On 31 December 2015, the balance of the credit is of 985.899,27 lei.
- Credit line taken by BCR in 2011 from the Anglo-Romanian Bank Limited, with the initial value of 3.626.943 EUR. In 2011 were included to the credit the outstanding interests in amount of 56.597,14 EUR. On 31.12.2015 the balance of the credit line is of 2.645.060 EUR (11.515.004,60 lei).

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**7. Debts (continued)**

- Treasury credit taken by BCR in 2011 from the Anglo-Romanian Bank Limited, with the initial value of 2.791.217,92 lei. In 2011 were included to the credit the outstanding interests in amount of 18.617,75 lei. On 31.12.2015 the balance of the credit is of 2.809.835,67 lei. This treasury credit was granted under the Guarantee Agreement no. 225/10.09.2007, in amount of 6.000.000 EUR, which was also taken up by BCR from the Anglo-Romanian Bank Limited. The Agreement no. 225/10.09.2007 expired on 31.10.2012, but the treasury credit granted therein is still valid.

*Credits from execution of letters of guarantee:*

The Letter of Guarantee for good payment, reference no. T90002/2009 issued under the Guarantee Agreement no. 225/10.09.2007 by the Anglo-Romanian Bank, on 16.02.2009 (later taken over by BCR in May 2011) with the beneficiary Niro Exim Ltd, has been partially executed, resulting two credits, as follows:

- A credit in amount of 682.536,54 lei with the maturity date on 06.09.2011, granted as specified in an addendum dated 07.06.2011 at the Convention for issuing the letters of guarantee no. 225/10.09.2007, signed with BCR. The balance of this credit on 31.12.2015 is of 549.895 lei.

- A credit in amount of 355,158.65 RON with the maturity date on 26.07.2011, granted as specified in an addendum dated 27.06.2011 at the Convention for issuing the letters of guarantee no. 225/10.09.2007, signed with BCR. The balance of this credit on 31.12.2015 is of 355,158.65 lei.

*From the date of insolvency announcement, following letters of guarantees were executed:*

In February 2012, BCR proceeded to partial execution of 10 letters of guarantee for good payment issued in favor of BCR Leasing IFN SA under the Guarantee Agreement no. 165/21.07.2003, corresponding to the rates unpaid by *the Company* in the leasing contracts. The total amount executed was of 119.925 EUR, representing 542.603 lei on 31.12.2015.

In March 2012, at the request of Endel SAS France, the letter of guarantee for good payment with the reference K028375/836, issued by the Anglo-Romanian Bank Limited under the Guarantee Agreement no. 225/10.09.2007 and subsequently taken over by BCR, was fully executed. The amount executed was of 806.691 EUR, representing the amount of 3.649.872 lei on 31.12.2015.

In September 2012, at the request of EGAT Thailand, the performance bond guarantee letter with the reference K028378, issued by the Anglo-Romanian Bank Limited under the Guarantee Agreement no. 225/10.09.2007 and subsequently taken over by BCR, was fully executed. The amount executed was of 206.121,50 USD, representing 854.930 lei on 31.12.2015.

In October 2012, at the request of Farab International FZE, the performance bond guarantee letter with the reference K028382, issued by the Anglo-Romanian Bank Limited under the Guarantee Agreement no. 225/10.09.2007 and subsequently taken over by BCR was fully executed. The amount executed was of 418,654 EUR was executed, representing 1.894.200 lei on 31.12.2014.

By letter no. DDR 3850/25.04.2012, BCR has notified *the Company* that it will proceed to diminish the limit for each of the guarantee agreements concluded for issuance of the letters of guarantee in accordance with the terms set out therein. As a result, on 25.04.2012, the limits for the guarantee arrangements have been reduced to a value representing the quantum of the letters of guarantee issued and in force on that date, as follows:

- For AG 207/18.11.2012, the limit was reduced from 21.300.000 LEI to 16.396.897 LEI;

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**7. Debts (continued)**

- For AG 165/21.07.2003, the limit was reduced from 3.000.000 EUR to 2.250.836 EUR;
- For AG 225/10.09.2007, the limit was reduced from 6.000.000 EUR to 2.538.099 EUR.

The limits were reduced further, as the letters of guarantee issued expired.

The Committee of Creditors has approved, during the meeting on 10.12.2015, extension of the validity for the Guarantee Agreement - credit agreement no. 165/09.11.2001 until 31.12.2016, in order to extend the letters of guarantee with references: K 030166/831 respectively K 030162/831 totaling 127.200 EUR, issued in favor of Indian Company B Fouress for the project Song Giang in Vietnam.

The beneficiary B Fouress did not requested an extension of the two letters of guarantee, and as a result they have expired on 31.12.2015.

For the other two Guarantee Agreements, namely AG 225/10.09.2007 and AG 207/18.11.2012, there is no longer a limit; therefore they have expired on 31.10.2012 respectively 30.12.2014.

A statement of the amounts owed to credit institutions is shown in Table 16 below:

**Table No. 16 – Amounts owed to credit institutions**

- Lei -

No.	Explanations	Total on 31.12.2014	Total on 31.12.2015	Balance on 31.12.2014 in which:	
				Before 06.11.2011	Currently
1.	Line of credit and short-term credits	23.999.994	24.152.035	17.210.429	6.941.606
2.	Current obligation (portion) of long-term loans	985.899	985.899	985.899	-
3.	Long-term obligation (portion) of loans	-	-	-	-
4.	Interests on bank credits	10.190.923	13.927.941	1.157.501	12.770.440
	<b>TOTAL (1+2+3+4)</b>	<b>35.176.816</b>	<b>39.065.875</b>	<b>19.353.829</b>	<b>19.712.046</b>

**7.3 Debts to shareholder, the state consolidated budget and other creditors**

The other debts, including tax and social securities, to be paid within a period of up to one year are shown in Table no. 17 below.

**Table No. 17 – Statement of debts to shareholder, the state consolidated budget and other creditors**

- Lei -

No.	Explanations	31.12.2014	31.12.2015	Out of which on 31.12.2015	
				Before 06.12.2011	Currently
0	1	2	3	4	5
1	Associates, current accounts - loan	102.707.107	102.707.107	102.707.107	-
2	Associates, current accounts - interest	23.585.298	23.585.298	23.585.298	-
3	Social security payable	104.313.161	108.077.227	84.471.426	23.605.801
4	VAT payable	49.401.090	54.604.450	31.180.469	

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					23.423.980
5	VAT non-payable	12.039	12.039	12.039	-
6	Wages taxes	12.388.306	12.375.399	12.169.446	205.953
7	Obligations to unemployment fund	7.147.164	7.146.264	7.164.877	(18.613)
8	Obligations to special funds, other taxes, charges and remittances	220.186.329	228.042.634	197.192.603	30.850.032
9	Other creditors	71.570.317	65.031.399	-	-
10	Retained performance bond guarantees	302.226	274.147	85.369	188.777
11	Salaries and other personnel benefits	731.030	694.801	-	694.801
12	Other payables to employees	510.282	459.862	259.246	200.616
	<b>Total other debts (excluding bank credits)</b>	<b>592.854.349</b>	<b>603.010.627</b>	<b>458.827.880</b>	<b>79.151.348</b>

From the date of insolvency, *the Company* has paid in whole the current withholding debts and partly those payable by the employer, remaining unpaid amounts from VAT, CAS employer, CASS employer.

The total current debt of 78.971.150 lei, including the obligation for December 2015 with maturity on 25.01.2016, in amount of 1.849.027 lei, of which *the Company* has paid in whole in January 2015 the withholding debts and partly the budgetary obligations owed by the employer. Of the total current debt, the largest share is hold by the VAT payable for the period 06.12.2011-31.12.2015. Also, included in the total current debt is the debt for deferred tax amounting 27.854.853 lei.

Following the receipt of notices on the method for settlement of payments made after 06.12.2011 and after analyzing the taxpayer sheet from the General Directorate for Tax Administration Bucharest - Public Finance Administration for Medium Taxpayers, it was found that the payments made by *the Company* after the date of insolvency covered the debts and appurtenances that ANAF enrolled itself in the Preliminary Table of Receivables, which is contrary to the provisions of Law 85/2006.

We state that *the Company*, after performing payment to the single account, sent several addresses to the Public Finance Administration for Medium Taxpayers, by which requested settlement of payments made after the opening of insolvency proceedings, in accordance with the detailing made in those addresses.

Due to the fact that these payments were not operated correctly in the records of the Tax Administration, there are differences between the tax debts recorded by *the Company* and the taxpayer sheet.

By OUG 97/10.16.2013, the Authority for State Assets Management (AAAS), takes over the outstanding budgetary debts of *the Company*, managed by the National Agency for Fiscal Administration (ANAF). The object of this takeover is the budgetary claims listed in the Preliminary Table, or in the final one, from the insolvency proceedings, also the claims arising after the date of opening the insolvency proceedings until the effective date of the ordinance.

By letter no. 44DF0041/23.01.2015, *The Company* requested from the National Agency for Fiscal Administration (ANAF) a copy of the Minutes of the handover of the receivables in order to reconcile the budgetary obligations owed to the two institutions, while the payments made by *the Company* after the date of insolvency, have not been operated on the payment sheet as requested

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## 7. Debts (continued)

by the Company, but the response from ANAF through letter no. 5705/16.02.2015 was that the document requested is an internal act that concerns only the two institutions above mentioned. In the category "Other creditors", the amounts owed to them have a decrease from the previous year, mainly because of two aspects.

BCR recovered from the endorser UCM Turnate the amount of 4.520.919 lei, representing part of the debt that *the Company* had to BCR for the credit line in EUR. This amount was not requested by UCM Turnate at the entry in the Preliminary Table of Creditors of UCM Resita.

Also, during 2015 the company SPEEH Hidroelectrica SA - Branch Hațeg paid, under the contracts of assignment of receivables concluded with various creditors, the total amount of 2.983.477 lei, which resulted in the reduction of debts to other creditors.

### Loans (financing) granted by the shareholder INET AG Switzerland

The loans from the majority shareholder represent the amounts deposited by INET AG Switzerland under the privatization contract, according to which it has undertaken the obligation to provide *the Company* with the amounts needed for carrying out environmental investments (6.003.805 USD), investments for development (6.202.278 USD) and for the working capital (372.137 USD).

Part of these amounts was granted as contribution to the registered capital during the period 2004 – 2006, as follows:

- 600.000 USD – in cash (1,860,296 lei), to carry out environmental investments;
- 1.923.182 USD – in cash and by conversion of debts (5.687.452 lei) to carry out investments for development;
- 372.123 USD – in cash (1.170.933 lei), for the working capital.

The majority shareholder INET AG has no longer granted loans to *the Company* after entry into insolvency and the last amount granted as a loan was in November 2011, its value being of 30.000 USD.

The situation of the amounts granted as loans by the majority shareholder INET AG is presented in Table No.18 below.

**Table No. 18 – Summary statement of the loans granted by the majority shareholder INET AG on 31.12.2015**

No.	Explanations (currency)	Value of loans (currency unit)	Exchange rate on 06.12.2011 - date of insolvency (lei / currency unit)	Value of loans on 31.12.2015 (lei)
1.	USD	13.452.297	3.2486	43.701.132
2.	CHF	7.299.983	3.5166	25.671.120
3.	EUR	7.657.200	4.3534	33.334.855
	<b>TOTAL (1+2+3)</b>			<b>102.707.107</b>



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**7. Debts (continued)**

On 31.12.2015, the total interest calculated and recorded, related to loans granted by the majority shareholder is of 23.585.298 lei. Both the loans and interests are revalued at the exchange rate on 06.12.2011, the date of insolvency of *the Company* and entered in the Preliminary Table of Receivables.

**Facilities for payment of obligations to the State budget and the National Unique Social Health Insurance Fund**

The company benefited of some facilities for payment of obligations to the state budget, in balance on 31.12.2003; according to Common Order (OC) no. 6 of April 3, 2006, issued by the Ministry of Public Finance - the National Agency for Fiscal Administration (MFP-ANAF) and the Authority for State Assets Recovery (AVAS), as follows:

- Were exempted from payment the budgetary obligations outstanding at 31.12.2003, amounting to 54.018.544 lei (VAT, profit tax, social security contributions payable by the employer and special taxes) and the interests and penalties related to these obligations, in amount of 114.160.603 lei.
- Were staggered for payment in 5 years, with a grace period of 6 months, the budgetary obligations outstanding at 31.12.2003, amounting to 11.481.825 lei (wedge tax, tax on income from wages, contribution to health insurance and other obligations owed by the employer).

On 29.03.2007, *the Company* benefited from the Order no. 9083 issued by AVAS related to providing of facilities for payment of obligations to the National Unique Social Health Insurance Fund (FNUASS) outstanding at 30.06.2003 and unpaid at 21.02.2007, by which:

- There have been exempted from payment the interests and penalties related to FNUASS obligations calculated until the date of the Protocol (14.11.2003) by which AVAS took over the budget receivables from the National Health Insurance Fund (CNAS), in total amount of 9.537.055 lei representing the contribution to health insurance (employer and employees).
- Were staggered for payment in 5 years, with a grace period of 6 months the outstanding obligations to FNUASS, representing outstanding contributions to social health insurance (employer and employees) at 30.06.2003, amounting to 8.449.102 lei.

For installment payment amounts, by the two Common Orders mentioned above, were calculated and recorded interests of 0.1% per day, according to the provisions of the law, established by the Code of Fiscal Procedure.

**Table No. 19 - Debt outstanding at 31.12.2015 staggered in accordance with the Common Orders of MFP-ANAF and AVAS**

- Lei -

No.	Explanations	Common Order MFP- ANAF	Common Order AVAS	Total
0	1	2	3	4 = 2+3
1.	Employer's contribution to health insurance	0	439.902	439.902
2.	Employer's contribution to social securities	0	-	0
3.	Wedge tax	0	-	0
4.	Employees' contribution to social securities	0	-	0
5.	Employees' contribution to health insurance	-	185.952	185.952
	<b>TOTAL (1+2+3+4+5)</b>	<b>0</b>	<b>625.854</b>	<b>625.854</b>

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**7. Debts (continued)**

We note that although *the Company* was unable to pay, in full, the current debts to the consolidated state budget, in accordance with the requirements imposed by the two Common Orders (MFP-ANAF and AVAS), however, the staggered payments provided by them was performed, observing exactly the graphics, both in terms of the amounts paid and the payment terms.

Thus, on 15.04.2011 was acquitted last staggering rate provided by MPF-ANAF by the Common Order No. 6/2006.

*The Company* paid up to the date the insolvency proceedings, namely 06.12.2011, the amounts staggered by the Common Order issued by AVAS, at the deadlines in the graph, so on 31.12.2015 the debt resulting from the amounts is of 673,419 lei of which 625,854 lei represents the debit and 47,656 lei represents the related increases. This amount, cumulated with the rates that would have been exempted as well as the increases calculated, represents the total amount of 11,922,654.91 lei with which AVAS, currently AAAS (Authority for State Assets Management) entered in the Preliminary Table of Creditors.

Although, according to art. 4 of the Common Order 6/2006, for the loss of facilities granted ANAF must calculate appurtenances for tax liabilities (interest and penalties) from the date of the loss of facilities, namely on 20.12.2009, it was found that in the Table of Creditors, ANAF entered with the appurtenances calculated from the date of *Company*'s privatization.

In terms of the amount and the calculation method for the appurtenances that ANAF enrolled in the Preliminary Table of Receivables, by letters no. 181/DF0000/30.03.2012 and no. 383/DF0000/06.06.2012, *the Company* requested to review the calculation method of appurtenances for the debits exempted or staggered by the Common Order No. 6/2006 and to reduce the debt stated in the Preliminary Table of Creditors.

To the date of these financial statements, *the Company* has not received any answer to these requests.

**7.4 Debts related to leasing contracts**

On 31.12.2015 *the Company* no longer has signed leasing contracts.

In February 2012 the Romanian Commercial Bank proceeded to execution of the letters of performance bond guarantees issued in favor of BCR Leasing IFN SA., the amount carried out being of **119.925 EUR**.

**8. Provisions**

The situation regarding the provisions made and their evolution towards 31.12.2012 is presented in Table no. 21 below.

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**8. Provisions (continued)**

**Table No. 21 - Evolution of provisions in the accounting year 2014**

- Lei -

No.	Explanations	31.12.2014	Increase	Reduction	31.12.2015
1	Provisions for litigation	11.020.986	0	9.220.810	1.800.176
2	Provisions for costs within the guaranty period	1.396.820	0	67.826	1.328.994
3	Provisions for risk of debts payment to the state budget	207.889.890	8.211.477	28.811.396	187.289.970
4	Provisions for costs required to dismantling of tangible assets	25.108.005	23.658.361	0	48.766.365
5	Provisions for risk s and expenses (suppliers)	3.240.401	32.240	628.369	2.644.272
6	Provisions for employee retirement benefits	1.046.214	875.264	1.046.214	875.264
	<b>TOTAL (1+2+3+4+5+6)</b>	<b>249.702.316</b>	<b>32.777.341</b>	<b>39.774.616</b>	<b>242.705.042</b>

Given the estimates related to certain lawsuits in which *the Company* is the defendant, and *the Company's* management considered that these actions will have a significant effect on the economic results and financial position of *the Company*, were established provisions for risks and expenses.

Based on the Civil Sentence 2043/12.12.2012, which remains irrevocable by Civil Decision of the High Court of Cassation and Justice no. 573/19.02.2015 in case no. 395/100/2011, which rejects the action on the Trade Union Confederations, *the Company* canceled the provision in the amount of 9.220.810 lei constituted for this dispute.

According to Article 41 paragraph 4 of Law 85/2006, in conjunction with the **Order of ANAF President no. 1537/2008**, until the date of confirmation of the reorganization plan, no penalties will be added to claims arising after the date of opening of insolvency proceedings, so *the Company* decided to cancel the provisions made for the appurtenances related to current debts owed to the local budget and state budget, because they are not calculated in the certificates required for fiscal attestation.

On the background of the existing economic problems, Resita is a city that has the lowest values in the housing market which, moreover, had a downward trend in recent years. Due to the blockage in the housing market, but also because the lands owned by *the Company* have not been evaluated from 2009, at the end of the accounting year 2015 *the Company* decided that it prudent to record a provision for the impairment of lands, in amount of 23.658.361lei.

Following the expiry of the two letters of guarantee issued in favor of the Indian company B Fouress on 31.12.2015, It was resumed the provision for these letters, in amount of 127.200 EUR.

**9. Structure of shareholding and equity**

*The Company* was privatized in December 2003, the company INET AG Switzerland buying 51% of the parcel of shares held by APAPS. On 31.12.2015, the company INET AG owns 96.7890% of total shares.

The value of the registered capital on 31.12.2015 was of 10,993,390.40 lei, representing 109.933.904 shares.

All shares are common and have the same voting rights, with a nominal value of 0.1 lei / share.

The situation on the structure by main categories of shareholders, equity and their evolution (the results of the accounting years) is presented in Tables No. 22 and 23, below.

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**9. Structure of shareholding and equity (continued)**

**Table No. 22 – Structure of shareholding on 31.12.2015**

No.	Explanations	Number of shares - pcs. -	Percentage in the registered capital - % -
1.	INET AG, Switzerland	106.403.900	96.7890
2.	Association of UCMR employees	662.638	0.6028
3.	Other shareholders – legal persons	1.970.829	1.7927
4.	Other shareholders – natural persons	896.537	0.8155
	<b>TOTAL</b>	<b>109.933.904</b>	<b>100.0000</b>

As the Romanian economy was a hyperinflationary economy until 31.12.2003, applying of IAS 29 – “Financial Reporting in Hyperinflationary Economies”, requires restatement of the registered capital elements, legal reserves, other reserves existing in the balance at the date of application for the first time of IFRS which were highlighted in the balance at historical cost, so that the registered capital and other reserves have been updated based on monthly price indices, as reported by the National Statistics Institute in the period 01.01.1991 - 31.12.2003.

Following the application of IAS 29, adjustment was done by restating the Financial Statements for the years 2010, 2011 and 2012, based on result carried forward in the account 118 “Result carried forward from the adoption of IAS 29 for the first time.

The adjustment, from the application of IAS 29, was performed on the reported result in the account 118 - “Retained earnings resulting from the adoption of IAS 29 for the first time.

On 31.12.2015 *the Company* had no bonds issued.

The company is listed on Bucharest Stock Exchange since 1998, but as of 06.11.2011, the date of opening the general proceeding of insolvency, the company was suspended from trading.

The shares issued by the Company are registered, dematerialized and they are administered by S.C. Central Depository S.A. Bucharest.

**Table No. 23 – Structure of equity and evolution of results for the accounting years 2014 and 2015, also of major adjustments on retained earnings**

No.	Explanations	31.12.2014	31.12.2015
0.	1.	2.	3.
1.	Registered capital	601.685.084	601.685.084
<b>A</b>	<b>Total (1)</b>	<b>601.685.084</b>	<b>601.685.084</b>
2.	Revaluation reserves	99.089.802	179.945.015
3.	* Transfer of surplus from revaluation reserves	(14.906.733)	(7.565.846)
4.	* Use of revaluation reserves	(2.283.964)	-
5.	* Registration of revaluation reserves	98.045.910	-
<b>B</b>	<b>Total (2+3+4+5)</b>	<b>179.945.015</b>	<b>172.379.170</b>
6.	Legal reserves	1.915.011	1.947.065
7.	Increases in legal reserves from the result of current accounting year	32.054	25.341

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<b>C</b>	<b>Total (6+7)</b>	<b>1.947.065</b>	<b>1.972.406</b>
8.	Earnings representing surplus from revaluation reserves	195.420.886	210.327.619
9.	* Transfer of surplus from revaluation reserves	14.906.733	7.565.846
<b>D</b>	<b>Total (8+9)</b>	<b>210.327.619</b>	<b>217.893.465</b>
10.	Other reserves	16.088.620	16.088.620
<b>E</b>	<b>Total (10)</b>	<b>16.088.620</b>	<b>16.088.620</b>
11.	Loss carried forward		
12.	* Transfer of accounting year result to retained earnings account	2.091.558	609.032
13.	* Registration of accounting errors from previous years to retained earnings account	(62.309.862)	(246.392)
	Restatement of IFRS, of which:		
14.	* Adjustment of provisions for employees' retirement benefits	-	-
15.	* Reduction in deferred tax receivables recognized on the retained earnings account	-	(205.738.221)
<b>F</b>	<b>Total (11+12+13+14+15)</b>	<b>(1.464.098.370)</b>	<b>(1.669.473.951)</b>
16.	Profit sharing	(110.082)	(32.054)
17.	* Account closure - profit sharing	110.082	32.054
18.	* Increases in legal reserves from the result of current accounting year	(32.054)	(25.341)
<b>G</b>	<b>Total (16+17+18)</b>	<b>(32.054)</b>	<b>(25.341)</b>
19.	Profit / (Loss)	2.201.640	506.830
20.	* Transfer of accounting year result to retained earnings account	(2.091.558)	(474.776)
21.	* Account closure - profit sharing	110.082	(32.054)
22.	* Net result of current accounting year	641.086	506.830
<b>H</b>	<b>Total (19+20+21+22)</b>	<b>641.086</b>	<b>506.830</b>
	<b>TOTAL (A+B+C+D+E+F+G+H)</b>	<b>(453.495.934)</b>	<b>(658.973.718)</b>

## 10. Revenues from current activity

The turnover for the year 2015 is of 34.812.887 lei, of which 8.24% lei on foreign market and 91.71% on domestic market. Regarding the structure of the turnover on December 31 2015 the percentage of 99.99% represents revenues from production sold.

Tables No. 24 and 25 below show the structure of revenues / sales on types and geographic areas.

**Table No. 24 – Structure of revenues from current activities**

- Lei -			
No.	Explanations	2014	2015
1.	Revenues from sold production	28.234.570	34.808.054
2.	Revenues from sale of goods	3.290.817	4.833
3.	<b>TOTAL TURNOVER ( 3=1+2 )</b>	<b>31.525.387</b>	<b>34.812.887</b>

**Table No. 25 – Revenues from current activities on geographic areas**

- Lei -			
No.	Explanations	2014	2015
1.	Romania	28.594.877	31.943.757
2.	European Union	2.606.875	2.560.281
3.	Other European countries	260.036	-
4.	Africa	-	-
5.	Asia	63.599	308.849
6.	America	-	-
7.	<b>TOTAL (7 = 1+2...+6)</b>	<b>31.525.387</b>	<b>34.812.887</b>



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## 11. Expenses

The cost of sales for the years ended December 31, 2014 and 2015 is as follows:

	<b>2014</b>	<b>2015</b>
Raw material and materials	7.692.920	8.277.156
Goods	3.197.896	-
Facilities	3.944.665	4.387.558
Expenses with the personnel	23.679.815	23.182.049
External services	1.372.106	1.600.008
Value adjustments on fixed assets	15.385.936	29.904.457
Value adjustments on current assets	2.186.149	(15.859.068)
Expenses on provisions	(51.044.254)	(30.655.635)
Other expenses	83.383	20.427
Changes in stocks of finished goods and production in progress	(750.530)	972.560
<b>Total cost of sales</b>	<b>5.748.086</b>	<b>21.829.512</b>

The general administrative expenses for the years ended December 31, 2014 and 2015 are as follows:

	<b>2014</b>	<b>2015</b>
Raw material and materials	384.654	218.043
Facilities	492.761	351.719
Expenses with the personnel	5.646.287	5.604.501
External services	2.667.182	2.589.412
Value adjustments on fixed assets	8.354.176	2.438.045
Other expenses	1.963.297	2.404.366
<b>Total general administrative expenses</b>	<b>19.508.357</b>	<b>13.606.086</b>

## 12. Current and deferred profit tax

*The Company* uses the information from accounting and/or other information required by the tax legislation applicable to the calculation, assessment and declaration of its obligations to the consolidated state budget.

The profit tax is calculated and determined based on data and information from the accounting checking balances, being elaborated in this respect also the tax returns, in accordance with the applicable regulations in force.

On 31.12.2015, *the Company* recorded accounting profit in the amount of 506.830 and according to regulations on mandatory distributions, that are performed according to Law no. 31/1990 with reference to trading companies, as amended and supplemented, *the Company* established legal reserves in amount of 25.341 lei and the difference of 481.489 lei is intended to cover losses from previous years.

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**12. Current and deferred profit tax (continued)**

The monthly statements on taxes, contributions and fees payable to the consolidated state budget and local budgets were prepared and submitted within the time and in accordance with the requirements of the law in force, following to perform corrective statements if necessary.

Following the application of IFRS criteria for recognition and assessment of the balance sheet assets and liabilities, results temporary deductible or taxable differences between the accounting base and the tax base, differences that will result in amounts that are deductible or taxable in determining the taxable profit (or loss tax) in future tax periods, when the carrying amount of those assets and liabilities will be recovered or settled.

**Table No. 26 Deferred tax – detailed receivables and debts**

- Lei -

Centralization of deferred tax	Receivables	Debts
Deferred tax in 2010	9.199.054	5.451.663
Deferred tax in 2011	216.597.928	5.232.393
Deferred tax in 2012	(2.694.175)	4.208.882
Deferred tax in 2013	4.310.146	4.122.918
Deferred tax in 2014	1.756.322	2.390.235
Deferred tax in 2015	4.662.844	6.448.763
Reversal of deferred tax receivable, erroneous recording when restating the year 2011	(205.738.221)	0
<b>Total receivables and debts recorded on 31.12.2015</b>	<b>28.093.899</b>	<b>27.854.853</b>

**Table No. 27 Calculation of deferred tax 31.12.2015**

- Lei -

No.	Category / Explanations	Carrying amount	Tax base	Temporary deductible differences	Receivables	Debts
1	Adjustments for depreciation of stocks	2.450.231	-	2.450.231	39.037	-
2	Adjustments for depreciation of receivables	1.110.132	-	1.110.132	177.621	-
3	Adjustments for depreciation of tangible fixed assets	-	-	-	-	-
4	Adjustments for depreciation of financial assets	-	-	-	-	-
5	Provisions for decommissioning of tangible fixed assets	23.658.361	-	23.658.361	3.785.338	-
6	Provisions for performance bond guarantees	-	-	-	-	-
7	Provisions for risks - suppliers	1.048.789	-	1.048.789	167.806	-
8	Provisions for retirement benefits to employees, year 2016	875.264	-	875.264	140.042	-
9	Differences between					

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	accounting depreciation and tax depreciation	8.678.669	1.094.106	7.584.563		1.213.530
10	Cancellation of provisions for retirement benefits to employees 2015	(1.046.214)	-	(1.046.214)		167.394
11	Cancellation of provisions and adjustments on 31.12.2015	31.673.989	-	31.673.989		5.067.838
	<b>TOTAL</b>	<b>68.449.221</b>	<b>1.094.106</b>	<b>67.355.115</b>	<b>4.662.844</b>	<b>6.448.763</b>

### 13. Information on employees, managers and directors

The management of *the Company* has decided not to disclose the information related to indemnities (salaries) of managers and directors.

On 31.12.2015, *the Company* had the structure of the personnel as shown in Table No. 28 below.

**Table No. 28 – Structure of employees**

No.	Category	Number of employees		%
		31.12.2014	31.12.2015	
1.	Production personnel	1.006	709	72
2.	Administrative personnel	342	278	28
	<b>TOTAL</b>	<b>1.330</b>	<b>987</b>	<b>100</b>

The executive management of the Company during 2015 was composed of:

- Mr. Cosmin URSONIU – General Director
- Mrs. Liliana Nicoleta IONETE - Human Resources and Economic Director
- Mr. Daniel BANDRABUR - Contract Management and Commercial Director
- Mr. Stefan VERDET - Director of Production

The executive management of the company was assigned on indefinitely period of time. On 31.12.2015, *the Company* has no obligation of any kind (credits or future liabilities such as guarantees, etc.) incurred to former members of the administrative, management or supervisory departments.

The expenses with the wages made by *the Company* in the accounting year 2015 are shown in Table No. 29 below.

**Table No. 29 – Expenses with the wages in the accounting year 2015**

- Lei -

No.	Explanations	01.01-31.12.2015
1.	Expenses with the wages of personnel	22.161.249
2.	Expenses in kind and with vouchers for meals	1.411.654
3.	Contribution of the company to social security	3.810.866
4.	Contribution of the company for unemployment benefits	77.859

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5.	Contribution of the company to health insurance	1.159.554
6.	Contribution of the employer to the trust fund	55.148
7.	Other expenses on insurance and social protection	110.220
<b>TOTAL</b>		<b>28.786.550</b>

#### 14. Affiliated parties

In order to prepare these financial statements and presentation of transactions with affiliated parties (natural/ legal persons), the third parties are considered to be affiliated if one of them has the ability to control the other party or to exercise significant influence over the other party, in taking decisions on current operations with economic/ financial effects.

In evaluating each possible relationship/transactions with affiliated parties, the emphasis is on the economic essence of the relationship and not necessarily on its legal form. For the purposes of the above, it is envisaged both the definition of affiliated parties in the Financial Reporting Standards, as well as those disclosed in the notes (item "f" in Presentation of Financial Statements).

**Table No. 30 – Third entities which meet the criteria to be defined as affiliated parties of the Company**

No.	Explanations	Type of relationship (affiliation)	
		2014	2015
1.	INET AG, Switzerland	Majority shareholder	Majority shareholder
2.	S.C. MULTI-FARM Ltd., Resita	Subsidiary company	Subsidiary company
3.	S.C. UCM Turnate Ltd., Resita	Subsidiary company	Subsidiary company
4.	S.C. EuroMetal Ltd., Resita	Subsidiary company	Subsidiary company
5.	Romanian Commodities Exchange Bucharest	Affiliated entity	Affiliated entity

On the date of these financial statements, both S.C. UCM Turnate Ltd. and S.C. EuroMetal Ltd. are in bankruptcy proceedings.

The situation of transactions with affiliated parties is presented in Tables No. 30, 31, 32 and 33 below.

**Table No. 31 – Sales / purchases of goods / services to and from affiliated parties**

- Lei -

No.	Explanations	2014	2015
<b>Sales of goods and services</b>			
1.	Affiliated entities		
2.	Subsidiary companies	14.853	13.187
3.	Major shareholder	-	-
4.	Others	-	-
5.	<b>Total sales (1+2+3+4)</b>	<b>14.853</b>	<b>13.187</b>
<b>Purchases of goods/services</b>			
6.	Subsidiary companies	-	-
7.	Affiliated entities	-	-
8.	Major shareholder	-	-
9.	<b>Total purchases (6+7+8)</b>	<b>-</b>	<b>-</b>

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**14. Affiliated parties (continued)**

Table No. 32 includes the volume of sales and purchases to and from affiliated parties, excluding related VAT.

**Table No. 32 – Receivables (debit balances) to affiliated parties**

- Lei -

No.	Explanations	31.12.2014	31.12.2015
1.	Subsidiary companies – trade receivables	214.031	200.884
2.	Affiliated entities	-	-
3.	Major shareholder	1.694.495	1.710.524
4.	Others	-	-
5.	Advances to affiliated entities	-	-
	<b>Total trade receivables (1+2+3+4+5)</b>	<b>1.908.526</b>	<b>1.911.408</b>

**Table No. 33 – Obligations (credit balances) to affiliated parties**

- Lei -

No.	Explanations	31.12.20134	31.12.2015
1.	Affiliated entities	-	-
2.	Subsidiary companies	4.698.735	1.291.071
3.	Major shareholder	1.292.481	1.292.481
4.	Advances received from the major shareholder	-	-
5.	Advances received from affiliated entities	-	-
	<b>Total obligations (1+2+3+4+5)</b>	<b>5.991.216</b>	<b>2.583.552</b>

The receivables and obligations to affiliated parties are revalued at the exchange rate on 31.12.2015.

As the main shareholder INET AG asked to be enrolled in the Preliminary Table of Creditors, the amounts representing obligations to his remained reassessed at the date of 06.12.2011, the date of opening the insolvency proceeding for the Company.

**Table No. 34 - Associates - current accounts**

- Lei -

Explanations	31.12.2014	31.12.2015
Major shareholder	102.707.107	102.707.107

Associates - current accounts represent the amounts granted as a loan during the period 2006 - 2011 by the major shareholder INET AG.



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**14. Affiliated parties (continued)**

**Table No. 35 – Loans received from the major shareholder**

Currency of the loan	Value of the loan in the currency granted	Exchange rate on 06.12.2011 - date of insolvency	Value of loan on 31.12.2015 in Lei, reassessed on 06.12.2011
USD	13.452.297	3.2486	43.701.132
CHF	7.299.983	3.5166	25.671.120

The value of loans received from the major shareholder remained the same as at 31.12.2011, the amounts being reassessed at the exchange rate at the date when *the Company* entered into insolvency, namely 06.12.2011.

**Table No. 36 – Loans granted to affiliated parties**

No.	Explanations	- Lei -	
		31.12.2014	31.12.2015
1	S.C. EUROMETAL Ltd.	2.698.768	2.698.768
2	Interests on loans granted	199.883	199.883
3	<b>TOTAL (3=1+2)</b>	<b>2.898.651</b>	<b>2.898.651</b>

**15. Commitments (contractual obligations), guarantees and contingent liabilities (litigation)**

The key aspects of commitments and litigations that have affected or may affect the obligations of *the Company* in the future are outlined below.

**15.1 Commitments and guarantees**

**a) Commitments on capital transactions (investments)**

According to the privatization contract, *the Company* had to make the following investments:

- *Environmental investments, in amount of 6.003.805 USD*  
These investments had to be made within 5 years after privatization.

In 2004, investments were made totaling 100.000 USD, and in 2005-2007 have been paid in full, in advance, the sums required for environmental investments by the last year of investment (according to the timetable).

The amounts paid in advance were granted as a loan from the major shareholder.

- *Development investment, in amount of 6.202.278 USD*  
These investments had to be made within 7 years after privatization.

In 2004, investments were made totaling 517,000 USD, in 2005 totaling 500.000 USD (by contribution in kind to the registered capital) and in 2006 investments were made totaling 1.000.000 USD, according to the timetable (increase of the registered capital by conversion of debts and cash contributions).

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**15. Commitments (contractual obligations), guarantees and contingent liabilities (litigation) (continued)**

In 2007, investments were made totaling 883.000 USD, according to the timetable, and have been paid in full, in advance, the sums required for development investments by the last year of investment.

In 2008, investments were made totaling 3.508.436 Lei (the equivalent of 1.238.000 USD).

- Within 2004-2008, the Company made investments in environment and development totaling approximately 40.500.000 Lei (the equivalent of 15.238.000 USD), investments financed both by contribution from the major shareholder and by own sources.

On 31.12.2012 all commitments in investment were accomplished.

**b) Commercial Commitments received**

The Company has contracts secured by Letters of Credit (receivable) totaling 227,965 EUR and 384,442 USD respectively, carried out by its customers through BCR, being taken over from the Anglo-Romanian Bank together with the entire portfolio of banking products.

**c) Guarantees granted to third parties**

On 31.12.2015 have expired the last two letters of guarantee issued by the Company in favor of the beneficiaries under agreements concluded with BCR, amounting to 575.516 lei.

**15.2 Contingent liabilities and litigation**

**a) Actions at the law court**

**STATUS OF LITIGATIONS PENDING AT THE LAW COURTS ON 31.12.2015**  
**Table No. 37 - COMMERCIAL LITIGATION**

No.	PARTIES	U.C.M.R. S.A IN POSITION OF	NO. of FILE	LAW COURT	PROCESS STAGE	DELIVERED SENTENCE	AMOUNT / OTHER DATA
0	1	2	3	4	5	6	7
1.	S.C. DOMENIILE NICOLA S.R.L.	Plaintiff	4887/290/2011	Courthouse Resita	Judgment in civil matters no. 334/31.01.2013	Allows the application filed by SC U.C.M. Resita SA. The defendant company laid an appeal, rejected by the Civil Decision no. 435/11.06.2013 of the Law Court Caras-Severin. By Minutes of findings concluded by BEJ Grimacovschi Justin in case no. 287/2013 it was ordered to refund the grape separator to the subscribed company and by	19,617.15 LEI

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						conclusion No. 287/2016 cease enforcement of the debtor for lack of traceable goods, missing incomes.	
2.	SC GDF SUEZ ENERGY ROMANIA	Defendant	31118/4/2011	Courthouse Sector 4 Bucharest	Termination on 21.02.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	83,220.28 LEI
3.	SC Metalica Impex	Petitioner	849/290/2011*	Courthouse Resita	Termination on 19.11.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	75,000 LEI
4.	SC Adeplast	Respondent in appeal	902/290/2011*	Law Court Caras-Severin	Termination on 11.09.2012	Suspends judgment based on art. 36 of Law no. 85/2006..	61,500 LEI
5.	S.C. LACOSIN S.R.L.	Creditor	4953/118/2009	Law Court Constanta	Bankruptcy – Enrollment to the Table of Creditors	Time limit: 18.04.2016	30,972.33 LEI
6.	S.C. HIDROELECTRICA S.A.	Creditor	22456/3/2012	Law Court Bucharest	Merits of the case - insolvency - Enrollment to the Table of Creditors	By Decision no. 6482/26.06.2013 was approved the final report of activity prepared by the Official Receiver and was ordered closure of proceedings for judicial reorganization	7,060,007.01 LEI Compared to the above amount, by the explanatory note filed in by UCMR to the court file, was called for to reduce the amount of this claim to the amount of 5,641,178.15 LEI, of which was charged the amount of 902,163.98 LEI (delivery of goods) and partly the amount of 4,739,014.17 LEI (performance bond guarantees, as the maturity thereof). Of this latter amount will be paid in cash in the extent of the performance bond guarantees maturity.
7.	SC GIA Security	Plaintiff	2031/290/2012	Courthouse Resita	Termination on 21.07.2015	Maintain trial suspension of the case by conclusion dated 14.06.2012	7,885.60 LEI
8.	SC GIA Security	Creditor	1388/115/2012	Law Court Caras-Severin	By judgment in civil matters no. 682/JS on 11.10.2012 was ordered the bankruptcy	Time limit: 07.04.2016	7,885.60 LEI
9.	S.C. Eurocar Impex S.R.L.	Plaintiff	Exceptional case 324/2011	Bailiff - Nebunu Nicolae	Debt enforcement		1,663.36 LEI
10.	SC Scorilo	Recurrent - Defendant	2245/290/2009	Law Court Caras-Severin	Appeal - Termination on 07.02.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	24,727.69 LEI claims and 2,183.18 LEI for delay penalties
11.	SC Jobolact	Respondent - Defendant	225/290/2011	Law Court Caras-Severin	Appeal - Termination on 13.12.2011	Suspends judgment based on art. 36 of Law no. 85/2006	19,834.68 LEI

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12.	SC NG Voximpex	Defendant	6059/115/2011	Law Court Caras-Severin	Termination on 28.02.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	143,863.27 LEI
13.	Public Finance Administration Iasi	Defendant - third party under seizure	1611/290/2012	Courthouse Resita	Termination on 15.05.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	189,359 LEI
14.	SC Sapa Profiles	Defendant	2345/115/2011	Law Court Caras-Severin	Application for annulment - Termination on 17.01.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	It was joined the file no. 2486/115/2011
15.	SC General Com Invest	Opponent	2514/290/2010	Court of Appeal Timisoara	Appeal - Opposition to enforcement.	Civil Decision no. 1852/12.12.2013. Notes obsolete the appeal of SC General Com Invest	Provisional suspension in case no. 2410/290/2010
16.	SC General Com Invest	Opponent	2513/290/2010*	Law Court Caras-Severin	Appeal - Opposition to enforcement. Termination on 26.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 2412/290/2010
17.	SC General Com Invest	Opponent	2563/290/2010*	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 12.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 2512/290/2010
18.	SC General Com Invest	Objector	1487/290/2011	Law Court Caras-Severin	Appeal - Termination on 06.03.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	
19.	SC General Com Invest	Opponent	1162/290/2011*	Courthouse Resita	Merits of the case - cassation Termination on 29.04.2014	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 1490/290/2011
20.	SC General Com Invest	Objector	1485/290/2011	Law Court Caras-Severin	Appeal - Termination on 17.01.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	
21.	SC General Com Invest	Opponent	2659/290/2011*	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 31.01.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 2658/290/2012
22.	SC General Com Invest	Objector	1485/290/2011	Law Court Caras-Severin	Appeal - Termination on 06.03.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	
23.	SC General Com Invest	Objector	2965/290/2010*	Law Court Caras-Severin	Appeal - Termination on 06.03.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	
24.	SC General Com Invest	Opponent	2902/290/2010*	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 27.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 2966/290/2010
25.	SC General Com Invest	Objector	3584/290/2010*	Law Court Caras-Severin	Appeal - Termination on 06.03.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	
26.	SC General Com Invest	Opponent	3421/290/2010*	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 12.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 3587/290/2010
	SC General Com	Objector	3583/290/2010*	Law Court	Appeal -	Suspends	

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27.	Invest			Caras-Severin	Termination on 12.03.2012	judgment based on art. 36 of Law no. 85/2006.	
28.	SC Balear de Materiales	Objector	4732/290/2010	Law Court Caras-Severin	Appeal - Termination on 13.12.2011	Suspends judgment based on art. 36 of Law no. 85/2006.	
29.	SC Balear de Materiales	Objector	4733/290/2010	Law Court Caras-Severin	Appeal - Termination on 12.02.2013	Suspends judgment based on art. 36 of Law no. 85/2006.	
30.	SC Balear de Materiales	Objector	4731/290/2010	Law Court Caras-Severin	Appeal - Termination on 05.02.2013	Suspends judgment based on art. 36 of Law no. 85/2006.	
31.	SC General Com Invest	Objector	4867/290/2010	Law Court Caras-Severin	Appeal - Termination on 06.03.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	
32.	SC General Com Invest	Opponent	3639/290/2010*	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 12.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 4870/290/2010
33.	SC General Com Invest	Objector	4866/290/2010	Law Court Caras-Severin	Appeal - Termination on 12.03.2012	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 4868/290/2010
34.	SC General Com Invest	Objector	4865/290/2010	Law Court Caras-Severin	Appeal - Termination on 04.10.2011	Based on art. 244 point 1 Code of Civil Procedure, orders suspension the of the appeal until final settlement in case no. 3637/290/2010 of the Courthouse Resita	Provisional suspension in case no. 4869/290/2010
35.	SC General Com Invest	Opponent	3637/290/2010*	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 12.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	
36.	SC General Com Invest	Objector	5152/290/2010	Law Court Caras-Severin	Appeal - Termination on 04.10.2011	Based on art. 244 point 1 Code of Civil Procedure, orders suspension of the appeal until final settlement in case no. 4488/290/2010 of the Courthouse Resita	Provisional suspension in case no. 5144/290/2010
37.	SC General Com Invest	Opponent	4488/290/2010	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 13.12.2011.	Suspends judgment based on art. 36 of Law no. 85/2006.	
38.	SC General Com Invest	Objector	5153/290/2010	Law Court Caras-Severin	Appeal - Civil Decision no. 18/14.01.2013	Rejects the appeal of UCMR. Maintains the decision of the Courthouse Resita	Provisional suspension in case no. 5145/290/2010



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						Indisputable.	
39.	SC General Com Invest	Objector	5155/290/2010	Law Court Caras-Severin	Appeal - Termination on 17.10.2011	Based on art. 244 point 1 Code of Civil Procedure, orders suspension of the appeal until final settlement in case no. 4486/290/2010 of the Courthouse Resita.	Provisional suspension in case no. 5144/290/2010
40.	SC General Com Invest	Opponent	4486/290/2010*	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 06.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 5146/290/2010
41.	SC General Com Invest	Objector	5154/290/2010	Law Court Caras-Severin	Appeal - Civil Decision no. 50/06.10.2015	Notes obsolete the appeal of UCMR. Indisputable.	
42.	SC Adeplast	Objector	1083/290/2011	Courthouse Resita	Merits of the case - Termination on 21.07.2015	Maintain trial suspension of the case by conclusion dated 12.05.2011	
43.	SC Metal Inox Import Export	Objector	387/290/2011	Courthouse Resita	Merits of the case - Termination on 11.07.2011	Based on art. 244 point 1 Code of Civil Procedure, orders suspension of the appeal until final settlement of the opposition to enforcement in case no. 5/290/2011.	
44.	SC Metal Inox Import Export	Opponent	5/290/2011	Law Court Caras-Severin	Appeal - Opposition to enforcement Termination on 26.03.2012.	Suspends judgment based on art. 36 of Law no. 85/2006.	Provisional suspension in case no. 388/290/2011
45.	SC Metalica Impex	Objector	900/290/2011	Courthouse Resita	Merits of the case - Termination on 21.07.2015	Maintain trial suspension of the case by conclusion dated 17.05.2011	
46.	SC Eurometal	Creditor	2243/115/2010	Law Court Caras-Severin	Bankruptcy - request for enrolment in the table of creditors	Time limit: 31.03.2016 (for further procedure)	
47.	SC Extensiv Company	Creditor	4181/115/2009	Law Court Caras-Severin	Insolvency proceedings - request for enrolment in the table of creditors	Time limit: 19.05.2016 (for further procedure)	39,175.00 LEI
48.	SC Crosi Grup	Creditor	4143/115/2011	Law Court Caras-Severin	Insolvency proceedings - request for enrolment in the table of creditors	Time limit: 14.04.2016 (for further procedure)	24,722.42 LEI + 4,041.91 LEI additional table
49.	SC Conpex Construct	Creditor	2253/115/2009	Law Court Caras-Severin	Insolvency proceedings - request for enrolment in the	Time limit: 24.03.2016 (for further procedure)	98,914.84 lei

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					table of creditors		
50.	SC Muroetal (fosta SC Saero SRL)	Creditor	9505/30/2013	Law Court Timis	Merits of the case - Insolvency proceedings	Time limit: 12.05.2016; The request for enrolment in the table of creditors was rejected whereas the bill in question was prescribed.	25,183.28 LEI
51.	SC Astral Impex	Creditor	6607/108/2010*	Law Court Arad	Merits of the case - Bankruptcy proceedings - Civil Sentence no. 187/23.02.2015	Establishes administrative term for further processing on 22.05.2015	3,357.35 lei
52.	SC Hydro-Engineering	Creditor	5911/115/2013	Law Court Caras-Severin	Merits of the case - Insolvency proceedings - reorganization	Time limit: 10.03.2016 (for further proceedings)	126,633.68 LEI
53.	SC Libarom Agri	Creditor	29140/3/2012	Law Court Bucharest	Merits of the case - Insolvency proceedings	Time limit: 01.06.2016 (for further proceedings)	Requests the amount of 1,289,570,079.97 LEI. Allowable the amount of 3,706,20.00 LEI, according to the decisions in case no. 29140/3/2012/a 1.
54.	AAAS (former AVAS), SC DAC AIR SA	Defendant - third party under seizure	49158/299/2013	Courthouse Sector 1 Bucharest	Request for garnishment validation - Termination on 15.10.2014	Suspends judgment based on art. 36 of Law no. 85/2006.	9,671,328 USD and 5,203.68 LEI trial costs
55.	SC OXYGAZ PLUS (former UCM OXYGAZ)	Plaintiff	6461/290/2013	Courthouse Resita	Merits of the case - Termination on 15.10.2014	Suspends judgment based on art. 36 of Law no. 85/2006.	60,000 LEI
56.	SC UCM Energy	Plaintiff	731/290/2014	Courthouse Resita	Civil Sentence no. 1042/13.06.2014	Admits the action, irrevocable by not appealing; enforcement	35,631.99 LEI
57.	SC UCM Turnate	Creditor	1888/115/2012	Law Court Caras-Severin	Merits of the case - Bankruptcy proceedings - request for admission of claim to the additional table	Time limit: 19.05.2016	120,166.13 LEI - amount recovered
58.	SC Total Service	Defendant	2259/121/2014 2259/121/2014/a1 2259/121/2014/a1* 2259/121/2014	Law Court Galati Courthouse Resita Law Court Caras-Severin Courthouse Resita Law Court Caras-Severin	Merits of the case - Presidential Ordinance - Civil Sentence no. 974/23.05.2014 Termination on 23.09.2014 Civil Decision no. 27/28.04.2015 Merits of the case - Civil Sentence no. 2361/08.12.2015 Appeal - Civil Decision on 29.02.2016	Decline jurisdiction to hear the case for the Courthouse of Resita Suspends judgment based on art. 36 of Law no. 85/2006. Admits the appeal of SC Total Service against conclusion of suspension, changes the conclusion	185,828.24 LEI without VAT

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						appealed and, by judgment, rejects the request for suspension. Rejects the objection of inadmissibility raised by the defendants, reject the application for presidential ordinance filed by SC Total Service. Rejects the appeal of SC Total Service. Irrevocable.	
59.	SC OXYGAZ PLUS ( former UCM OXY GAZ)	Plaintiff	5160/290/2014	Courthouse Resita	Merits of the case - Termination on 20.04.2014	Suspends judgment based on art. 75 par. (1) of Law no. 85/2014	49,614.51 LEI rent and 27,139.51 LEI delay penalties
60.	SC Reșița Reductoare și Regenerabile	Plaintiff	4838/290/2014	Courthouse Resita	Merits of the case - Termination on 18.11.2014	Suspends judgment based on art. 75 par. (1) of Law no. 85/2014	79,701.28 LEI rent and electricity and 4,234.95 LEI delay penalties
61.	SC Reșița Reductoare și Regenerabile	Creditor	2391/115/2014	Law Court Caras-Severin	Merits of the case - Insolvency proceedings - request for enrolment in the table of creditors	Time limit: 16.06.2016	79,701.28 LEI
62.	SC OXYGAZ PLUS ( former UCM OXY GAZ)	Creditor	2940/115/2014	Law Court Caras-Severin	Merits of the case - Bankruptcy proceedings - request for enrolment in the table of creditors	Time limit: 19.05.2016	115,814.51 LEI
63.	SC Reflex Impex	Creditor	2745/115/2014	Law Court Caras-Severin	Merits of the case - Reorganization procedure - request for enrolment in the table of creditors	Time limit: 19.05.2016	1,240.00 LEI
64.	SC IMB Miloș	Plaintiff	6502/290/2014	Courthouse Resita	Merits of the case - Termination on 27.05.2015	Suspends judgment based on art. 75 par. (1) of Law no. 85/2014	18,200.46 LEI
65.	SC ISPH București	Creditor	38503/3/2014	Law Court Bucharest	Merits of the case - Insolvency proceedings - request for enrolment in the table of creditors	Time limit: 05.04.2016	32,460.00 LEI
66.	SC IMB Miloș	Creditor	1088/115/2015	Law Court Caras-Severin	Merits of the case - Insolvency proceedings - request for enrolment in the table of creditors	Time limit: 03.03.2016	18,200.46 LEI
67.	SC Zad Tiara	Creditor	1020/108/2015	Law Court Arad	Merits of the case - Insolvency proceedings - request for enrolment in the	Time limit: 19.04.2016	17,721.38 LEI

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					table of creditors		
68.	SC WMC Stahlbau	Plaintiff	2509/115/2015	Law Court Caras-Severin	Merits of the case - Termination on 16.11.2016	Suspends judgment based on art. 75 par. (1) of Law no. 85/2014	323,422.31 LEI rent and 288,777.44 LEI delay penalties
69.	SC Lis Consulting	Creditor	2048/115/2015	Law Court Caras-Severin	Merits of the case - Insolvency proceedings - request for enrolment in the table of creditors	Time limit: 21.04.2016	595,20 lei
70.	SC WMC Stahlbau	Creditor	1934/115/2015	Law Court Caras-Severin	Merits of the case - Simplified procedure of insolvency - request for enrolment in the table of creditors	Time limit: 10.03.2016	323,422.31 LEI rent and 131,518.31 LEI delay penalties
71.	A.A.A.S.	Objector - Judicial Administrator action appeal against the measures of the Official Receiver	20166/3/2015	Law Court Bucharest Court of Appeal Bucharest	Merits of the case - Civil Sentence no. 7908/13.10.2015 Appeal - Civil Decision no. 24/19.01.2016	Rejects AAAS litigation. Rejects AAAS appeal as groundless.	

**Table 38 - Litigation advanced by the Official Receiver for cancellation of contracts**

No.	PARTIES	U.C.M.R. S.A IN POSITION OF	NO. of FILE	LAW COURT	PROCESS STAGE	DELIVERED SENTENCE	AMOUNT / OTHER DATA
1.	V.F. INSOLVENȚA S.P.R.L, HYDRO-ENGINEERING S.A. and BRD SA	Defendant	1475/3/2013 1475/3/2013*	Law Court Bucharest  Court of Appeal Bucharest  Law Court Bucharest	Civil Sentence no. 9497/11.11.2014  Appeal - Civil Decision no. 145/24.02.2015  Merits of the case - Retrial - Termination on 10.06.2015	Rejects the action of VF Insolventa, Orders VF Insolventa to pay the amount of 12,750 lei as trial costs.  Rejects the appeal of UMR as uninteresting, Admits the appeal of VF Insolventa, Repeals the case and sends back for retrial to Court Bucharest. Based on art. 244 par. 1 pt. 2 of the Code of Civil Procedure, suspends the proceedings until final resolution of the criminal case no. 1541/115/2014, before the Law Court Caras-	Action for annulment of sale-purchase contract no. 1128/11.05.2010

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						Severin.	
2.	V.F. INSOLVENȚĂ S.P.R.L. SC AC MANAGEMENT S.R.L., SC Aquaris Crivaia SRL and KMOBIL SRL	Defendant	1471/3/2013	Law Court Bucharest	Termination on 24.03.2015	Based on Art. 244, par. 2 of the Code of Civil Procedure, suspends the proceedings	Action for annulment of sale- purchase contract no.388/13.02.2009

**Table No. 39 - Civil / Criminal litigation**

No.	PARTIES	U.C.M.R. S.A IN POSITION OF	NO. of FILE	LAW COURT	PROCESS STAGE	DELIVERED SENTENCE	AMOUNT / OTHER DATA
1.	Petcu Maria and Petcu Cătălin	Defendant	5616/115/2011	Law Court Resita	Merits of the case - Termination on 03.04.2012	Suspend judgment based on art. 75 par. (1) of Law no. 85/2014	300,000 EUR
2.	Staicu Eugen	Plaintiff	File in execution no. 297/2012	Bailiff Nebunu Nicolae	Debt enforcement		1,453.30 LEI
3.	Staicu Eugen	Plaintiff	File in execution no. 444/2013	Bailiff Nebunu Nicolae	Debt enforcement		2,117.83 LEI
4.	Dumitru Costel	Plaintiff	File in execution no. 443/2013	Bailiff Babeu Adrian	Debt enforcement		1,437 LEI
5.	Aldea Tudor	Plaintiff	File in execution no. 386/2013	Bailiff Babeu Adrian	Debt enforcement		2,025 LEI
6.	"UDR" Foundation , Resita municipality by Mayor - third party	Plaintiff	13474/3/2013*  13474/3/2013**  13474/3/2013**/a1	Courthouse Resita  Law Court Bucharest  High Court of Cassation and Justice  Court of Appeal Timisoara	Merits of the case- Civil Sentence no. 1877/18.11.2014  Appeal - Termination on 29.09.2015 Action for cancellation of suspension	Rejects the action of UCMR Suspends judgment based on art. 244 par. 1 pt. 2. CPC Time limit: 16/03/2016	revocation of donation
7.	Moșoarcă Nicoleta-Maria	Plaintiff	File in execution no. 427/2012	Bailiff Nebunu Nicolae	Debt enforcement		1,350 LEI – amount recovered 1,127.54 LEI
8.	Mihăilescu Gheorghe and Mihăilescu Carmen	Plaintiff	3436/290/2010	Courthouse Resita	Termination on 09.04.2012	Suspends judgment based on art. 36 of Law no. 85/2006	Action in claims
9.	Tănase Ion Corneliu	Plaintiff claiming damages	3156-P/2012	Prosecutor's office attached to Courthouse Resita	Criminal investigation		127,767.66 LEI
10.	Moldovan Mihai	Plaintiff	File in execution no. 586/2015	Bailiff Marchiș Dan	Debt enforcement		1,759 LEI
11.	Aldea Tudor	Plaintiff	File in execution no. 1299/2014	Bailiff Babeu Adrian	Debt enforcement		690.00 LEI
12.	Adam Ioan Vasile	Plaintiff	File in execution no. 1298/2014	Bailiff Babeu Adrian	Debt enforcement		306.00 LEI
13.	Dumitru Costel	Plaintiff	File in execution no. 125/2016	Bailiff Marchiș Dan	Debt enforcement		1,051 LEI + 149.12 LEI trial costs
14.	Iordache Ionel and Iacob Roman	Civil party	File in execution no. 126/2016	Bailiff Marchiș Dan	Debt enforcement		3,683.86 LEI
15.	Monoranu	Plaintiff	File in execution	Bailiff	Debt enforcement		1,099 LEI



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16.	Marinela Monoranu	Plaintiff	no. 579/2015 File in execution no. 580/2015	Marchiș Dan Bailiff	Debt enforcement		2,122 LEI
17.	Voica Georgeta Andreea	Plaintiff	1751/290/2015	Courthouse Resita	Time limit: 08.04.2016		4,172 LEI
18.	Dobre Alina Loredana	Plaintiff	1896/290/2015	Courthouse Resita	Civil Sentence no. 2233/25.11.2015	Accept in part the action specified	3,782 LEI
19.	Marușca Ion	Plaintiff	1897/290/2015	Courthouse Resita	Civil Sentence no. 92/26.01.2016	Notes waiver of UCMR by paying the debit	1,936 LEI
20.	Borca Ion	Defendant	1356/115/2014	Law Court Caras-Severin	Termination 09.12.2012	Suspends judgment based on art. 36 of Law no. 85/2006	100,000 LEI
21.	Borca Ion	Defendant	45476/3/2014 45476/3/2014*	Law Court Bucharest Law Court Caras-Severin	Merits of the case - Termination on 27.01.2015 Civil Sentence no. 6400/16.06.2015 Termination on 15.12.2015	Remove from the register of the Civil Section VII and transpose on the register of Section VIII, labor disputes. Admits exception for lack of jurisdiction, decline jurisdiction to adjudicate in favor Law Court Caras-Severin. Joins the file of this case to file no. 1356/115/2014	100,000 LEI
22.	Borca Ion	Defendant	3/16/2015	Law Court Bucharest Law Court Caras-Severin Court of Appeal Timisoara	Merits of the case - Civil Sentence no. 6554/19.06.2015 Civil Sentence no. 2153/30.10.2015 Appeal- Time limit: 08.03.2016	Admits exception for lack of jurisdiction, decline jurisdiction to adjudicate in favor Law Court Caras-Severin. Admits lateness, rejects the action.	Appeals the decision to terminate the employment + salaries
23.	Chebuțiu Adrian, Preda Coriolan-Adrian, Chebuțiu Lăcrimioara Sofia, SC Hydro-Engineering - accused	UCMR and INET Plaintiff claiming damages	1541/115/2015	Law Court Arad	Time limit: 24.03.2016		17,000,000 EUR
24.	AAAS	Defendant	20166/3/2015	Law Court Bucharest Court of Appeal Bucharest	Merits of the case - Civil Sentence no. 7908/13.10.2015 Action for cancellation- Civil Decision no. 24/19.01.2016	Dismisses the complaint as unfounded. AVAS action for cancellation is dismissed as unfounded. Irrefutable decision. To inform the defendant about UCMR request for waiver of trial	Appeal against the measures of the Official Receiver
25.	Ștefănescu Liviu Octavian	Plaintiff	4277/290/2015	Courthouse Resita	Time limit: 30.03.2016	Notes waiver of UCMR by paying the debit	1,023 LEI
26.	Farkaș Robert	Plaintiff	4276/290/2015	Courthouse Resita	Civil Sentence no. 12/12.01.2016		1,023 LEI
27.	Floarea Sorin Paul	Plaintiff	4300/290/2015	Courthouse	Time limit: 30.03.2016		2,376 LEI
28.	Curta Gheorghe	Plaintiff	4301/290/2015	Resita	Time limit: 22.04.2015		2,250 LEI
29.	Marușca Ion	Plaintiff	4499/290/2015	Courthouse	Time limit: 25.03.2016		1,350 LEI
30.	Adam Ioan Vasile	Plaintiff	5244/290/2015	Resita	Time limit: 30.03.2016		2,672 LEI
31.	Aldea Tudor	Plaintiff	5245/290/2015	Courthouse			3,163 lei
32.	Novac Gheorghe	Defendant	3084/115/2015	Law Court Caras-Severin	Time limit: 04.03.2015		Appeals the decision to terminate the employment + salaries

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**15. Commitments (contractual obligations), guarantees and contingent liabilities (litigation) (continued)**

We mention that on the role of the courts there are for settlement cases in which *the Company* acts as debtor or creditor, but under art. 36 of Law no. 85/2006 on insolvency proceedings they are suspended from resolution.

**b) Taxation and Transfer Pricing**

The taxation system in Romania is in a phase of consolidation and harmonization with EU legislation; so that tax legislation still allows different interpretations (texts formulated equivocal and/or insufficiently precise, inconsistencies with other regulative documents, etc.).

The accounting years remain open for inspection for five years.

*The Company's* management considers that the tax obligations included in these *financial statements* are properly set.

The tax legislation in Romania includes also rules on transfer pricing between affiliated parties.

The current legislative framework (the *Fiscal Code* and other specific regulations) establishes the principle of "market value" for transactions between affiliated parties, and the methods of transfer pricing.

Therefore, it is possible for the tax authorities to initiate checks on transfer pricing, to ensure that the fiscal outcome and/or the equity input value of goods are not distorted by the effect of the prices used in dealing with affiliated parties.

As the results of such checks are difficult to predict (quantify), the management of *the Company* is unable to assess/quantify the risks of transfer pricing.

**c) Environmental contingencies and other contingencies**

According to the privatization contract, *the Company* had to perform environmental investments in amount of 6.003.805 USD over the next five years from the date of privatization, also development investments in amount of 6.202.278 USD over the next seven years from the date of privatization.

The environmental obligations included in the privatization contract were implemented by the authorities in the field, in compliance programs related to environmental authorizations, respectively in the planning programs of water management authorizations obtained by UCM Resita after privatization and updated since that date until present.

*The Company's* management considers that the investments enforced by the privatization contract were made and that there are no other obligations required to remove significant effects of historical pollution on the environment.

Compliance with the environmental requirements imposed by the privatization contract is proved by the fact that the environmental authorizations/water management are not including compliance programs/ planning programs.

The environmental licenses held for all three industrial platforms on which *the Company* operates, are as follows:

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**15. Commitments (contractual obligations), guarantees and contingent liabilities (litigation) (continued)**

- ABC Platform: environmental authorization no. 166/12.10.2011 reviewed on 15. 07.2013, valid until 12.10.2021 and the water management authorization no. 272/11.07.2014, valid until 11.07.2017.
- Călnicel Platform: environmental authorization no. 239/05.10.2009, valid until 05.10.2019 and the water management authorization no. 65/ 19.03.2013, valid until 19.03.2016. UCM Resita has submitted to the Water Basin Administration Banat Timisoara, the request no. 55/DG 0022/08.02.2016, for authorization for the management of industrial water on Călnicel platform.
- Mociur Platform: environmental authorization no. 17/31.01.2012 reviewed on 18.06.2012, valid until 31.01.2022 and the authorization for water management no. 273/11.07.2014, valid until 11.07.2017.

In order to control the activities generating emissions of gases with greenhouse effect, *the Company* holds the authorization EGES no. 3/26.11.2012 for the industrial platform ABC and the authorization EGES no. 4/26.11.2012 for the industrial platform Călnicel, issued for the period 2013-2020.

For the period 2013 - 2020, there was an initial allocation of certificates from the Ministry of Environment and Climate Changes, for which the basis of calculation was the activity carried out by *the Company* in the period before 2013.

Relinquishment to the centralized heating system in recent years, namely the renunciation to operate the thermal power plants located on the industrial platforms ABC and Călnicel, also lowering production activity, resulted in lower gas consumption and thus to increasing amounts of low gas emissions greenhouse effect.

The initial allocation was followed by adjusted allocations, commensurate with the work carried out every year so far, in the interval. Waiver of centralized heating system in recent years and giving up operation of heating plants located on the industrial platforms ABC and Călnicel ABC, also lowering of production activity led to lower gas consumption and, thus, to lower amounts of emissions of gases with greenhouse effect. For these reasons, *the Company* has received a lower number of certificates for greenhouse gas emissions compared to the initial allocation. Thus, the initial allocation was followed by allocations adjusted commensurate with the work done every year so far, in the interval 2013 - 2020.

For each calendar year elapsed, early next year, as required by H. G. 780/2006 regarding the trading schedule for greenhouse gas emissions certificates, *the Company* must return to UE EGES Register the number of certificates commensurate with the activity carried out, respectively with the consumption of natural gas consumed. The difference between the adjusted number of certificates received and the number of certificates to be returned to MMAP is represented by those units that UCM Resita can trade at the price on specialized markets.

The situation with the initial allocation and the adjusted allocation for the EGES installations of *the Company* located on the two industrial platforms is shown in the following table:

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**15. Commitments (contractual obligations), guarantees and contingent liabilities (litigation) (continued)**

**Table 40 – Situation of certificate allocation for the period 2013-2020**

Facilities	2013		2014		2015	2016	2017	2018	2019	2020
	Initial allocation	Adjusted allocation	Initial allocation	Adjusted allocation	Initial allocation	Initial allocation	Initial allocation	Initial allocation	Initial allocation	Initial allocation
Industrial Platform ABC	8,243	4,122	8,100	1,525	7,955	7,809	7,661	7,512	7,360	7,209
Industrial Platform Călnicel	3,663	1,953	3,600	1,359	3,536	3,470	3,404	3,338	3,271	3,203

*Notes:*

EGES – Emissions of Gases with Greenhouse Effect

MMSC – Ministry of Environment and Climate Changes

**Table 41. The situation of EGES certificates corresponding to the interval 2013 - 2015, in relation to the adjustment mode for the initial allocation in the interval 2013 - 2016**

Facilities	2013		2014		2015		2016
	Adjusted allocation	Certificates remaining to be traded	Adjusted allocation	Certificates remaining to be traded	Adjusted allocation	Certificates remaining to be traded	Adjusted allocation
Industrial Platform ABC	4,122	2,911	1,525	765	749	- 358	1,471
Industrial Platform Călnicel	1,953	1,015	1,359	582	1,335	527	1,310
TOTAL Certificates to be traded		3,926		1,347		169	

**16. Management of risk**

Below is a summary of the nature of management activities and policies to control the risks.

**(iv) Currency risk**

The Company operates in Romania, in an economic environment with strong fluctuations of the national currency against other currencies; therefore, there is a risk of depreciation of the value of net liquid assets expressed in domestic currency.

In recent years, the national currency (LEU) suffered devaluation against the EUR and the exchange rate LEU/EUR was of 4.524 on 30.12.2015 compared to 4.4821 on 30.12.2014.

Therefore, there is a moderate risk of depreciation of net monetary asset value expressed in domestic currency, the foreign exchange market in Romania regarding conversion of domestic

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**16. Management of risk (continued)**

currency in other currencies being organized by the rules and common practices strengthened in the last years and the role of BNR in this regard is very important.

Currently, there is no market from abroad to perform conversion of the domestic currency into other currencies. In this respect, in order to repay the credits opened in foreign currency and to manage the risks, *the Company's* management is concerned to maintain and, if possible, to increase the weight of products / services rendered to foreign customers.

**(v) Credit risk (rates, interests)**

The management of *the Company* is concerned in monitoring the risks regarding management of bank credits and assessment of risks associated with them.

Along the development of its activity, *the Company* is exposed to credit risk from trade receivables. *The Company's* management permanently monitors the degree of exposure to such risks, in order to keep it to a level as low as possible.

**(vi) Risk of market and economic environment**

Romanian economy is still in transition, the recession and global crisis affecting it significantly, even if there is some safety about the future development of policy and economic development through accession of Romania to the European Union.

The management of *the Company* cannot foresee the changes that will take place in Romania and their effects on the financial position, on the results of the activity or on the cash flows of *the Company* for the following accounting year, only within the limits of available information.

Eventual changes that could affect the internal conditions of Romania and the effect they could have on the activities of the customers of *the Company* and hence, on the financial position, on results and cash flows of *the Company* could not be taken into account in preparing the *financial statements*, only within the possible limits of predictability.

The economic recession and the crisis of the financial markets, beginning with 2007, has negatively affected the global economy and performance, including the financial markets, banking centers and consumer markets (industrial) in Romania, leading to an increased uncertainty about future economic development.

The current crisis of liquidity and crediting that began in mid-2008 led, among other things, to low and difficult access to capital market funding, lower liquidity levels in the Romanian banking sector, high interest rates on bank loans, including to an increase in inflation and adjustment of product prices.

The significant losses and disorders suffered by the international financial markets could affect *the Company's* ability to obtain new loans and refinancing under conditions similar to those applicable to previous periods and transactions.

Identification and evaluation of business opportunities, including the development (capital investment), influenced by the current state of economic recession (crisis), analysis of compliance with the crediting contracts and other contractual obligation, evaluation of significant uncertainties, including those related to the ability of *the Company* to continue to operate for a reasonable period of time, due to falling demand, all these are permanent tasks in attention of *Company's* management (*Official Receivers, Special Trustees, Directors*) for the purposes of identification,



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**16. Management of risk (continued)**

access and use of financial resources, respectively substantiation of possible future financial flows in order to support the principle of continuity.

The customers of *the Company* can also be affected by the crisis situations, the lack of liquidity which could affect their capacity to pay the current debts.

Impairment to customers' business and operating conditions may also affect grounding of cash flow provisions, respectively the analysis of *the Company's* financial assets depreciation (debts).

*The Company's* management cannot predict all events that could affect the industrial sector in Romania, respectively their impact on *the financial statements*, including in terms of compliance with the principle of business continuity.

On 06.12.2011, the Law Court of Bucharest, in the file no. 75017/3/2011, ordered opening of insolvency proceedings, leaving the management of *the Company* the right to manage the activity and to administrate the equity, rights held under the supervision of the Official Receiver appointed by the syndic judge - VF INSOLVENCY S.P.R.L.

By the Court Decision dated 29.05.2012 has been appointed as provisional official receiver the consortium of VF INSOLVENCY S.P.R.L. and EUROINSOL S.P.R.L.

However, even under the above conditions mentioned in this **Note**, the management of *the Company* believes that this risk (market, economic environment) is not so high as to disable all other prerequisites and conditions considered when it was concluded that preparation of these *financial statements* (See also **Note No. 17**) was performed by observing the principle of continuity, as defined by the applicable law.

**17. Business continuity**

***Events and conditions with significant impact on business continuity***

At the meeting of the Board of Administration on 30.11.2011 was decided opening of insolvency proceedings with the intention to reorganize the activity, the necessary documentation in this respect being submitted to the Law Court of Bucharest.

By decision of the court dated 06.12.2011, the syndic judge ordered opening of insolvency proceedings with the intention to reorganize the activity. *The Company* has retained the right to conduct the activity, to administrate and to dispose of the equity assets rights held under the supervision of the Official Receiver. In order to reorganize the activity, *the Company* must submit a restructuring plan in accordance with the provisions of Law 85/2006 on insolvency proceedings.

***Strategy and forecasts of the Company's management Society (Special Trustees, Directors) regarding continuation of activity and future cash flows***

**a) Contracts concluded, projects and sales (revenues) expected according to the strategy of *the Company's* management**

*The Company* is considering the high need of repair and modernization projects from **S.C. Hidroelectrica S.A.**, knowing that most of the hydro power plants in Romania are at the end of their life, in addition, the design costs can be reduced significantly thereof, since such works/services have been made before.

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**17. Business continuity (continued)**

Given the prospects of development of current activities (operational) and tightening of the general conditions of credit, *the Company* was developed a financial restructuring program designed to assure proper operation and compliance with the payment schedules negotiated or to be negotiated with the main categories of creditors.

The management of *the Company* supports his statement on the principle of continuity in preparing these *financial statements* also by the data and information presented below, namely:

- Contracts concluded and in progress (see Table No. 42 below);
- Strategic projects on the Romanian energy system or of other significant partners.

**Table No. 42 - Statement of contracts in progress over the years 2016, 2017 and 2018**

Type of contract	Currency	Value of contracts in progress (unit of currency)	Exchange rate on 31.12.2015 (lei / unit of currency)	Value with delivery in 2016	Value with delivery in 2017	Value with delivery in 2018
				(lei)	(lei)	(lei)
EXTERNAL	EUR	798.764	4.5245	3.614.008	-	-
<b>TOTAL EXTERNAL CONTRACTS</b>				<b>3.614.008</b>		
INTERNAL	EUR	12.360.620	4.5245	32.53.230	11.465.302	11.924.094
	GBP	176.204	6.1466	1.083.056	-	-
	RON	82.140.682		34.451.184	18.299.354	29.390.144
<b>TOTAL INTERNAL CONTRACTS</b>				<b>68.070.470</b>	<b>29.764.656</b>	<b>41.314.238</b>
<b>GRAND TOTAL</b>				<b>70.245.144</b>	<b>29.764.656</b>	<b>41.314.238</b>

The main contracts in progress at 31.12.2015 are:

- Contract no. 275/2008, customer Romelectro Bucharest HPP Dumitra (final beneficiary Hidroelectrica), ongoing value 1.961.365 RON;
- Contract no. 275/2008, customer Romelectro Bucharest HPP Bumbești (final beneficiary Hidroelectrica), ongoing value 21.446.118 RON;
- Contract no. 95/2015, customer Hidroserv S.A. HPP PdF I, ongoing value 1.333.891 RON;
- Contract no. 297/2015, customer Kössler Austria Rothenfels Project, ongoing value 148.000 EUR;
- Contract no. 162/1989, customer Hidroelectrica S.A. - SH Bistrita Piatra Neamt, HPP Pascani, temporary ceased value 18.269.018 RON;
- Contract no. 165/1991 customer Hidroelectrica S.A. - SH Sibiu, HPP Căineni, temporary ceased value 29.390.144 RON.

In order to support business continuity, we emphasize that in the first quarter of 2016 was signed

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**17. Business continuity (continued)**

with Romelectro SA the contract for upgrading of HPP Stejaru - "Dimitrie Leonida" Neamt County, worth EUR 12.500.000 contract which will be carried out within 2016 - 2017.

Also in order to support business continuity, we mention that in addition to ongoing contracts mentioned above, there is the prospect of concluding contracts on domestic market that will take place over a long period of time, as follows:

- HPP Berești, worth EUR 2.100.000 contract which will run in 2016;
- HPP Călimănești, worth EUR 2.900.000 contract which will run within 2016 - 2017;
- HPP Slătioara, worth EUR 3.500.000 contract which will run within 2016 - 2017.

On foreign market is expected signing of new contracts with customers:

- Koessler from Austria, worth EUR 300.000 contract which will run in 2016;
- Fractum 2012 ASP in Denmark, worth EUR 60.000 contract which will run in 2016.

**b) Other premises for the possibility to observe the principle of continuity**

*The Company*, which was created to support, almost entirely, the development of hydropower in Romania, being able to execute new and complex equipment and to repair or refurbish the equipment already in use, still has a strategic position, a tradition and a special technical potential that can be considered as basic premises in the development of production activities and services in future periods.

Has specialists and on organizational system designed for commissioning and/or rendering of specialized services for the national hydropower equipment in operation, of which over 90% were designed and built at UCM Resita.

Has yet the necessary know-how and capability required for upgrading of equipment installed in the Romanian power plants, of which more than 80% have exceeded their lifetime and requires rehabilitation works.

Has the know-how required for the manufacture of spare parts necessary for proper operation of equipment, also the design and production capability for continuous upgrading of the solutions offered.

Moreover, starting with 2015, by skilled employees within the design department, *the Company* may provide the following types of engineering works:

- Design works in hydropower equipment:
  - Vertical synchronous generators rated at 1 MW to 200 MW, speeds between 62 rpm;
  - Vertical synchronous generators with rated at 1 MW to 200 MW, speeds between 62 rpm to 1,000 rpm, and voltages from 6.3 kV to 15.75 kV;
  - Horizontal synchronous generators rated at 1 MW to 15MW, speed of 62.5 rpm to 1,000 rpm and voltages from 6.3 kV to 10.5 kV;
  - Synchronous generators horizontal, encapsulated, bulb type, rated at 1 MW to 30 MW, speed of 62.5 rpm to 1,000 rpm and voltages from 6.3 kV to 10.5 kV;
  - Synchronous exciters with rotating diodes for the generators designed;
  - Conversion of DC exciters into exciters with rotating diodes;
  - Synchronous and asynchronous generators for MHC rated at 100 kW to 1MW;

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- Francis hydraulic turbines with outputs from 1 MW up to 200 MW and heads between 50 and 500 m;
  - Kaplan hydraulic turbines with outputs from 1 MW up to 200 MW and heads between 10 and 30 m;
  - Bulb-type hydraulic turbines with outputs from 1 MW up to 30 MW and heads between 3 and 15 m;
  - Pelton hydraulic turbines with outputs 1 MW up to 175 MW and heads between 50 and 750 m;
  - Hydraulic turbines for MHC with outputs between 100 kW and 1 MW;
  - Butterfly intake valves and pressure noose turbine with diameters between 1 m up to 5 m and heads up to 200 m water column;
  - Spherical intake valves with diameters between 0.5 m up to 2.2 m and heads up to 770 m water column;
  - Speed governors, oil pressure groups and facilities related to the hydro power units offered.
- Feasibility studies for new investments or refurbishment;
  - Technical expertise diagnostics for existing equipment in operation;
  - Review of projects for the works performed, validated by project verifiers certified on both mechanical and electrical segments;
  - Consultancy and technical assistance during installation work, commissioning and maintenance.

**c) Important events influencing the continuity of UCMR activity:**

The Company Hidroelectrica SA reentered in insolvency, following the Decision of the Court of Appeal Bucharest dated 25.02.2014. This led to restrictions of the amounts allocated for the investment plan, as well as for repairs and rehabilitation, but also will reduce its ability to conclude new contracts, which will directly affect *the Company's* activity.

As a result of the final judgments, a new category of claims was born at *the Company's* Table of Creditors, namely, the category of wage receivables, according to Article 123, paragraph 2 of the Law 85/2006, as follows:

1. The amount of 95.050 lei representing wage receivable claimed by the Syndicate 1771 UCM Resita S.A., according to the Civil Sentence no. 326/13.01.2015, issued by the Law Court Bucharest in the case no. 31347/3/2013;
2. The amount of 46.356 lei representing wage receivable claimed by the Independent Free Union SC UCM Resita SA, the Trade Union Federation "Metal" of Industry Workers, according to the Civil Sentence no. 1343/10.02.2015, issued by the Law Court Bucharest in the case no. 31349/3/2013.

By Public Prosecutor's charge on 11/05/2015 drawn up by the Prosecution Department attached to the High Court of Cassation and Justice, the Directorate for Investigation of Organized Crime and Terrorism, the Territorial Office Caras-Severin in case no. 7-D/ P/2014 were sent to trial the defendants Chebutiu Adrian, Adrian Preda Coriolan and Chebutiu Lăcrimioara-Sofia. From this document it appears that the defendants Chebutiu Adrian, Adrian Preda Coriolan and Chebutiu Lăcrimioara-Sofia organized a criminal group with the aim of embezzling S.C. U.C.M. Resita S.A., namely to appropriate, in the interest of S.C. HYDRO-ENGINEERING S.A., the know-how consisting of technology, documents, sketches, manuals and industrial designs.

U.C.M. Resita S.A. and INET AG formulated and submitted to court the request to set up as a civil party in the criminal proceedings against the defendants sent to court, requesting to constrain them, jointly and severally, to pay provisional damages in amount of 17 million Euro at the rate of



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**17. Business continuity (continued)**

B.N.R. B.N.R. on the day of payment. The trial date in case no. 1541/115/2015 was established by the Court of Law Arad on 11.19.2015.

*The Company shall seek further:*

- Reducing of costs;
- Recovery of old receivables and collection of current receivables at maturity;
- Optimization of organizational structure.

In order to improve the activity of *the Company*, the Official Receiver represented by the consortium V.F. INSOLVENCY S.P.R.L. and EURO INSOL S.P.R.L. ordered the dismissal of 100 employees as of 10.12.2015.

By Final Sentence pronounced on 10.13.2015 in case no. 29410/3/2012 / a1, before the Court of Law Bucharest, Section VII, it was dismissed the appeal made by UCM Resita, so that the claim upheld in the Table of Creditors of the customer Libarom Agri SRL is the amount of 3,706,200 lei representing the exchange rate difference between the date of the down payment invoice and the delivery date.

During 2015 *the Company* has developed and completed its design department by hiring, in three stages (February, May and June) the best specialists in the design of hydropower equipment, following the entry of the company Hydro Engineering into bankruptcy.

Thus, the structure of the design department was rebuilt in whole, both for the design of generators and turbines, and for the design of valves, governors, oil pressure groups and ancillary facilities.

**18. Subsequent events**

On 02.01.2016, SC Darian DRS SA, ANEVAR assessor designated by the Committee of Creditors met on 03/02/2015 delivered the Assessment Report of UCM Resita SA patrimony, highlighting distinctive guarantees to creditors according to Art. 41, paragraph 2 of Law 85/2006.

By forwarding address no. 143/DG0000/18.02.2016, *the Company* sent to secured creditors (AAAS and BCR), but also to the Court of Law Bucharest - Section VII Civil, copies of the Assessment Report, following them to submit their observations, comments or objections within 30 working days of receipt, but not later than 08.04.2016.

By Concluding session on 08.03.2016, delivered in case no. 75017/3/2011, the Court of Law Bucharest ordered termination of the consortium of liquidators consists of EURO INSOL SPRL and V.F. INSOLVETA SPRL and continuation of the procedure with a sole judicial Official Receiver in the person of the insolvency practitioner V.F. INSOLVENCY SPRL.

Following the reorganization of the activity and an assessment of the personnel needed, temporary suspension without termination of employment within the period January-Jun 2016 was ordered for the personnel of the *Company* from the working sectors where there is no full load.

Special Trustee  
**Cosmin URSONIU**



Special Trustee  
**Nicoleta Liliana IONETE**





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 World Trade Center, intrarea E, etaj 1, birouri nr.1  
 Sector 1, Bucuresti  
 Sediu Administrativ: RO-320053, Str. Golului, Nr.1 - Reșița  
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## **PROPOSAL FOR DISTRIBUTION OF PROFIT REALISED (LOSS COVERAGE) IN THE ACCOUNTING YEAR 2015**

UCM Resita SA (company in insolvency, en procedure collective) registered at the end of the accounting year 2015 an accounting profit of 506.830 lei.

Sharing of profit, as listed below, was made by *the Company* and was included in the yearly financial statements on 31.12.2015 in accordance with the regulations in force on mandatory distributions, performed according to Law no. 31/1990 on trading companies, as amended and supplemented.

We mention that *the Company* has not yet reached the maximum level of legal reserves.

Assigned for	Lei (RON)
Net statutory profit to be distributed on 31.12.2014	506.830
Distribution of profit for: <i>legal reserves</i>	25.341
Undistributed profit	481.489

The Special Trustees of *the Company* propose and recommend to the General Meeting of Shareholders to approve that the net profit undistributed on 31.12.2015, in the amount of 481.489 lei to be assigned for covering the losses from previous years.

Special Trustees:

Ursoniu Cosmin

Ionete Nicoleta Liliana



Account:	Description	Balance at the beginning of the year		Previous turnover		Current turnover		Total turnover		Final balance	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
1012	Paid-up subscribed capital	0.00	10,993,390.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,993,390.40
1028	Adjustment of registered capital	0.00	590,691,694.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	590,691,694.00
1050	Reserves from revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1052	Reserves from revaluation of tangible fixed assets	0.00	179,945,015.66	6,935,345.60	0.00	630,500.01	0.00	7,565,845.61	0.00	0.00	172,379,170.05
1061	Legal reserves	0.00	1,947,065.00	0.00	0.00	0.00	25,341.00	0.00	25,341.00	0.00	1,972,406.00
1065	Reserves representing surplus from revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1068	Other reserves	0.00	16,088,620.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,088,620.37
1171	Carried forward result representing undistributed profit or uncovered loss	854,104,072.33	0.00	609,032.14	1,218,064.28	0.00	0.00	609,032.14	1,218,064.28	853,495,040.19	0.00
1174	Carried forward result - correction of fundamental errors	199,891,413.15	0.00	846,393.48	600,000.00	0.00	0.00	846,393.48	600,000.00	200,137,806.63	0.00
1175	Carried forward result representing surplus from revaluation reserves	0.00	210,327,618.98	0.00	6,935,345.60	0.00	630,500.01	0.00	7,565,845.61	0.00	217,893,464.59
1177	Carried forward result derived from the application of IFRS, except IAS 29	0.00	209,055,790.57	0.00	0.00	205,738,220.79	0.00	205,738,220.79	0.00	0.00	3,317,569.78
1180	Carried forward result derived from the first time adoption of IAS 29	619,158,675.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	619,158,675.01	0.00
1210	Profit or loss	0.00	641,086.14	68,904,767.44	52,659,604.93	1,326,994,561.36	1,343,105,467.24	1,395,899,328.80	1,395,765,072.17	0.00	506,829.51
1290	Distribution of profit	32,054.00	0.00	0.00	32,054.00	25,341.00	0.00	25,341.00	32,054.00	25,341.00	0.00
1511	Provisions for litigation	0.00	11,020,986.30	9,220,810.30	0.00	0.00	0.00	9,220,810.30	0.00	0.00	1,800,176.00
1513	Provisions for decommissioning of tangible fixed assets and other similar actions related to them	0.00	25,108,004.58	0.00	0.00	0.00	23,658,360.72	0.00	23,658,360.72	0.00	48,766,365.30
1517	Provisions for employees' benefits	0.00	1,046,214.00	0.00	0.00	1,046,214.00	875,264.00	1,046,214.00	875,264.00	0.00	875,264.00
1518	Other provisions	0.00	212,527,111.35	38,526.34	7,453,312.74	29,469,064.97	790,403.55	29,507,591.31	8,243,716.29	0.00	191,263,236.33
1621	Long-term bank credits	0.00	985,899.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	985,899.27
1670	Other loans and assimilated debts	0.00	302,226.23	31,354.22	3,274.65	0.00	0.00	31,354.22	3,274.65	0.00	274,146.66
1682	Interests on long-term bank credits	0.00	505,791.39	0.00	157,638.32	0.00	10,345.72	0.00	167,984.04	0.00	673,775.43
2080	Other tangible fixed assets	10,645,182.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,645,182.29	0.00
2111	Lands	55,868,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55,868,100.00	0.00
2120	Buildings	125,540,021.92	0.00	12,305.00	12,305.00	0.00	0.00	12,305.00	12,305.00	125,540,021.92	0.00
2131	Technological equipment (machinery, tools and working instruments)	44,660,627.51	0.00	0.00	19,185.14	0.00	0.00	0.00	19,185.14	44,641,442.37	0.00
2132	Devices and facilities for measurement, control and adjustment	6,834,610.42	0.00	0.00	532,924.11	0.00	0.00	0.00	532,924.11	6,301,686.31	0.00
2133	Means of transportation	13,050,229.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,050,229.22	0.00
2140	Furniture, office facilities, protection equipment for human and material values and other tangible fixed assets	1,389,708.45	0.00	16,996.13	11,301.76	0.00	0.00	16,996.13	11,301.76	1,395,402.82	0.00



Special Trustee  
URSONIU Cosmin  
IONETE Nicoleta Liliana



Account:	Description	Balance at the beginning of the year		Previous turnover		Current turnover		Total turnover		Final balance	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
2310	Tangible fixed assets in progress	914,941.00	0.00	51,295.13	51,295.13	0.00	0.00	51,295.13	51,295.13	914,941.00	0.00
2313	Tangible fixed assets in progress - others	0.00	0.00	55,986.26	55,986.26	0.00	0.00	55,986.26	55,986.26	0.00	0.00
2611	Accounting of securities at cost - subsidiaries	45,794,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,794,950.00	0.00
2631	Accounting of securities at cost - jointly controlled entities	20,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,000.00	0.00
2678	Other receivables	19,324,808.70	0.00	868,696.36	60,483.43	72,140.99	0.00	940,837.35	60,483.43	20,205,162.62	0.00
2808	Depreciation of other intangible assets	0.00	10,609,738.02	0.00	17,940.19	0.00	1,394.68	0.00	19,334.87	0.00	10,629,072.89
2812	Depreciation of constructions	0.00	0.00	0.00	7,415,278.20	0.00	674,129.76	0.00	8,089,407.96	0.00	8,089,407.96
2813	Depreciation of plants, means of transportation, animals and plantations	0.00	0.00	546,637.25	470,376.20	0.00	39,479.81	546,637.25	509,856.01	0.00	60,972,228.24
2814	Depreciation of other tangible fixed assets	0.00	1,135,133.11	11,301.76	54,979.73	0.00	5,090.89	11,301.76	60,070.62	0.00	1,183,901.97
2931	Provisions for depreciation of tangible fixed assets in progress	0.00	371,475.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	371,475.90
2961	Depreciation in value of shares held in affiliated entities	0.00	45,777,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45,777,950.00
2968	Adjustment for depreciation in value of other receivables	0.00	9,546,972.42	277,067.84	158.70	0.00	1,109,973.74	277,067.84	1,110,132.44	0.00	10,380,037.02
3010	Raw materials	7,283,056.63	0.00	6,387,403.86	6,929,204.81	289,858.62	573,154.32	6,677,262.48	7,502,359.13	6,457,959.98	0.00
3021	Additional materials	380,023.66	0.00	57,472.49	72,138.48	2,427.26	1,973.22	59,899.75	74,111.70	365,811.71	0.00
3022	Fuels	55,186.99	0.00	76,387.16	87,201.87	1,189.55	9,551.25	77,576.71	96,753.12	36,010.58	0.00
3024	Spare parts	498,028.61	0.00	220,136.63	268,525.27	3,552.86	12,343.16	223,689.49	280,868.43	440,849.67	0.00
3028	Other consumables	23,581.78	0.00	696,014.61	701,496.77	39,346.19	36,556.61	735,360.80	738,053.38	20,889.20	0.00
3030	Materials as inventory objects	464,871.06	0.00	673,336.89	628,299.78	14,176.38	71,794.04	687,513.27	700,093.82	452,290.51	0.00
3080	Price differences in raw material and materials	0.00	0.00	4.55	4.55	0.00	0.00	4.55	4.55	0.00	0.00
3210	Raw material under purchasing	761,856.36	0.00	90,253.46	0.00	-9,870.90	0.00	80,382.56	0.00	842,238.92	0.00
3280	Packing under purchasing	113,726.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	113,726.61	0.00
3310	Product in progress	25,601,932.28	0.00	42,351,581.29	43,297,322.64	2,692,571.32	2,799,538.68	45,044,152.61	46,096,861.32	24,549,223.57	0.00
3410	Semi-finished products	1,673,664.63	0.00	1,870.71	9,535.99	0.00	-0.11	1,870.71	9,535.88	1,665,999.46	0.00
3450	Finished products	6,557,481.60	0.00	13,659,415.27	13,612,507.58	747,433.93	677,495.25	14,406,849.20	14,290,002.83	6,674,327.97	0.00
3460	Remanent products	77,751.71	0.00	300,609.93	305,131.66	5,585.43	5,623.62	306,255.36	310,755.28	73,251.79	0.00
3480	Price differences on products	133,980.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	133,980.58	0.00
3540	Products located at third parties	21,562.55	0.00	0.00	21,562.55	0.00	0.00	0.00	21,562.55	0.00	0.00
3810	Packing	31,069.68	0.00	6,196.52	5,317.30	0.00	-0.02	6,196.52	5,317.28	31,948.92	0.00
3910	Adjustments for depreciation of raw materials	-0.00	4,875,513.41	95,413.95	234,148.90	2,656,826.85	814,394.65	2,752,240.80	1,048,543.55	0.00	3,171,816.16
3921	Adjustments for depreciation of consumables	0.00	819,678.15	27,316.18	0.00	354,436.37	45,327.97	381,752.55	45,327.97	0.00	483,253.57
3922	Adjustments for depreciation of materials as inventory objects	0.00	37,381.68	8,666.79	4,846.41	181,516.24	32,887.41	190,183.03	37,733.82	0.00	214,932.47



Special Trustee  
URSONIU Cosmin  
IONETE Nicoleta-Liliana



Account:	Account:	Description	Balance at the beginning of the year		Previous turnover		Current turnover		Total turnover		Final balance	
			Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
3930		Adjustments for depreciation of production in progress	0.00	22,362,691.15	836,445.77	2,391.54	14,148,408.34	815,655.03	14,984,854.11	818,046.57	0.00	8,192,883.61
3941		Adjustments for depreciation of finished products	0.00	1,671,954.50	1,127.30	0.00	94,677.77	253.03	95,805.07	253.03	0.00	1,576,402.46
3945		Adjustments for depreciation of finished products	0.00	5,539,404.30	101,512.94	0.00	1,707,207.92	499,613.50	1,808,720.86	499,613.50	0.00	4,230,296.94
3946		Adjustments for depreciation of remanent products	0.00	70,566.88	1,493.60	0.00	10,918.47	134.82	12,412.07	134.82	0.00	58,289.63
3953		Adjustments for depreciation of products located at third parties	0.00	21,562.55	21,562.55	0.00	0.00	0.00	21,562.55	0.00	0.00	0.00
3980		Adjustments for depreciation of packing	0.00	30,062.11	2,135.97	0.00	12,675.10	577.50	14,811.07	577.50	0.00	15,828.54
4010		Suppliers	0.00	18,419,777.49	17,686,301.75	18,995,971.84	2,057,774.88	1,221,133.66	19,744,076.63	20,217,105.50	0.00	18,892,806.36
4040		Suppliers of fixed assets	0.00	956,471.63	5,817.00	5,817.00	0.00	0.00	5,817.00	5,817.00	0.00	956,471.63
4080		Suppliers - invoices not received	0.00	613,460.23	0.00	-109,291.61	0.00	-72,952.70	0.00	-182,244.31	0.00	431,215.92
4091		Suppliers - debtors for purchasing of goods such as stocks	905,584.86	0.00	-143,938.05	20,995.60	-94,329.19	7,001.60	-238,267.24	27,997.20	639,320.42	0.00
4092		Furnizori - debtors for services rendered and works performed	380,879.56	0.00	-366,541.40	0.00	217,958.47	0.00	-148,582.93	0.00	232,296.63	0.00
4093		Advance payments for tangible fixed assets	11,498.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,498.01	0.00
4111		Customers	17,973,939.44	0.00	42,729,522.74	37,879,870.17	6,423,216.73	10,829,500.64	49,152,739.47	48,709,370.81	18,417,308.10	0.00
4118		Doubtful customers or in litigation	1,297,586,279.97	0.00	923,533.47	281,937.83	65,899.07	1,285,893,121.23	989,432.54	1,286,175,059.06	12,400,653.45	0.00
4130		Bills receivable from customers	49,305.22	0.00	996,124.05	1,025,648.36	56,832.88	57,098.91	1,052,956.93	1,082,747.27	19,514.88	0.00
4180		Customers - invoices to be prepared	2,116,278.52	0.00	-6,959.94	65,358.75	77,066.19	0.00	70,106.25	65,358.75	2,121,026.02	0.00
4190		Customers - creditors	0.00	16,679,033.81	10,216.83	155,258.08	0.00	2,812,932.41	10,216.83	2,968,190.49	0.00	19,637,007.47
4210		Personnel - wages due	0.00	714,349.00	20,419,467.00	20,362,738.00	1,786,162.00	1,798,511.00	22,205,629.00	22,161,249.00	0.00	669,969.00
4230		Personnel - income support due	0.00	16,681.00	194,783.00	194,567.00	16,465.00	24,832.00	211,248.00	219,399.00	0.00	24,832.00
4250		Advances granted to employees	0.00	0.00	5,822,804.00	6,357,804.00	1,094,200.00	559,200.00	6,917,004.00	6,917,004.00	0.00	0.00
4260		Unclaimed rights of employees	0.00	273.00	0.00	298.00	0.00	0.00	0.00	298.00	0.00	571.00
4270		Deductions from wages owed to third parties	0.00	208,253.97	585,744.00	588,835.00	61,164.00	47,931.00	646,908.00	636,766.00	0.00	198,111.97
4281		Other liabilities related to the personnel	0.00	301,755.25	2,214,534.21	2,218,279.81	186,361.47	142,040.03	2,400,895.68	2,360,319.84	0.00	261,179.41
4282		Other receivables related to the personnel	20,705.33	0.00	264.00	11,982.39	0.00	785.38	264.00	12,767.77	8,201.56	0.00
4311		Contribution of the company to social insurance	0.00	85,334,952.51	2,319,777.00	5,610,964.00	285,793.00	492,672.00	2,605,570.00	6,103,636.00	0.00	88,833,018.51
4313		Contribution of employer for health insurance	0.00	11,675,383.90	882,396.00	1,065,147.00	0.00	94,407.00	882,396.00	1,159,554.00	0.00	11,952,541.90
4314		Contribution of employees for health insurance	0.00	7,302,824.99	1,035,683.00	1,124,551.00	199,824.00	99,798.00	1,235,507.00	1,224,349.00	0.00	7,291,666.99
4371		Contribution of the company to unemployment fund	0.00	66,500,747.00	63,739.00	70,619.00	14,561.00	7,240.00	78,300.00	77,859.00	0.00	6,500,306.00
4372		Contribution of employees to unemployment fund	0.00	646,417.00	71,477.00	70,759.00	6,993.00	7,252.00	78,470.00	78,011.00	0.00	645,958.00

Special Trustee  
URSONIU Cosmin  
IONETE Nicoleta-Liliana



Account:		Balance at the beginning of the year		Previous turnover		Current turnover		Total turnover		Final balance	
Account:	Description	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
4374	Contribution of employer to the trust fund for wage claims	0.00	216,561.00	46,664.00	50,659.00	8,993.00	4,489.00	55,657.00	55,148.00	0.00	216,052.00
4382	Other social claims	39,520.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39,520.00	0.00
4411	Profit tax	0.00	11,441,921.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,441,921.00
4412	Deferred income tax	207,763,184.80	0.00	0.00	0.00	4,662,844.31	212,186,983.41	4,662,844.31	212,186,983.41	239,045.70	0.00
4423	VAT to be paid	0.00	48,721,141.95	0.00	4,377,268.05	0.00	931,574.69	0.00	5,308,842.74	0.00	54,029,984.69
4424	VAT to be recovered	1,709,764.67	0.00	105,483.49	0.00	0.00	0.00	105,483.49	0.00	1,815,248.16	0.00
4426	VAT deductible	0.00	0.00	3,364,026.60	3,364,026.60	291,162.68	291,162.68	3,655,189.28	3,655,189.28	0.00	0.00
4427	VAT collected	0.00	0.00	7,633,744.85	7,633,744.85	1,222,737.37	1,222,737.37	8,856,482.22	8,856,482.22	0.00	0.00
4428	VAT not due	128,562.26	0.00	126,907.83	128,836.72	-23,107.62	27,650.12	103,800.21	156,486.84	75,875.63	0.00
4440	Tax on income such as salaries	0.00	12,322,369.00	2,258,409.00	2,483,571.00	459,495.00	221,426.00	2,717,904.00	2,704,997.00	0.00	12,309,462.00
4460	Other taxes, duties and similar remittances	0.00	5,279,731.79	550,139.23	2,021,319.40	64,242.49	1,114.99	614,381.72	2,022,434.39	0.00	6,687,784.46
4470	Special funds - duties and similar remittances	0.00	4,568,306.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,568,306.00
4481	Other liabilities to the state budget	0.00	179,724,367.77	0.00	1,014.00	1,622.00	608.00	1,622.00	1,622.00	0.00	179,724,367.77
4511	Settlements between affiliated entities	2,698,768.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,698,768.22	0.00
4518	Interests related to settlements between affiliated entities	199,883.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	199,883.40	0.00
4531	Settlements on participation interests	40,336.35	0.00	23,121.32	16,840.00	0.00	0.00	23,121.32	16,840.00	46,617.67	0.00
4551	Shareholders / associates - current accounts	0.00	102,707,106.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	102,707,106.72
4558	Shareholders / associates - interest to current accounts	0.00	23,585,298.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,585,298.38
4570	Dividends to be paid	0.00	783.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	783.72
4610	Various debtors	19,414,395.97	0.00	681,561.01	807,626.96	167,735.55	3,034,492.31	849,296.56	3,842,119.27	16,421,573.26	0.00
4620	Various creditors	0.00	71,569,532.87	4,546,292.83	831,307.22	2,984,468.83	160,536.49	7,530,761.66	991,843.71	0.00	65,030,614.92
4710	Expenses registered in advance	33,969.11	0.00	1,106,971.92	932,772.60	11,611.03	178,909.37	1,118,582.95	1,111,681.97	40,870.09	0.00
4720	Revenues registered in advance	0.00	1,930,741.91	5,185.50	-401,580.00	173.47	0.00	5,358.97	-401,580.00	0.00	1,523,802.94
4730	Settlements from transactions in progress to be clarified	1,481,068.07	0.00	31,527,374.19	32,377,706.06	2,720,782.64	2,629,551.70	34,248,156.83	35,007,257.76	721,967.14	0.00
4754	Plus of inventory such as fixed assets	0.00	11,277.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,277.30
4910	Adjustment for depreciation of receivables - customers	0.00	1,299,508,492.73	1,126,238.07	104,835.10	1,285,893,121.23	852,052.14	1,287,019,359.30	956,887.24	0.00	13,446,020.67
4930	Adjustment for depreciation of receivables - settlements within the group and with the shareholders / associates	0.00	2,698,768.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,698,768.22
4960	Adjustment for depreciation of receivables - various debtors	0.00	16,089,778.68	48,000.00	0.00	14,094.12	59,662.15	62,094.12	59,662.15	0.00	16,087,346.71
5081	Other temporary investments	4,244,151.29	0.00	51,979.01	4,295,000.00	2.06	0.00	51,981.07	4,295,000.00	1,132.36	0.00
5121	Current bank accounts in lei	1,024,332.78	0.00	48,995,184.91	49,509,047.63	21,330,806.54	15,829,045.35	70,325,991.45	65,338,092.98	6,012,231.25	0.00
5124	Current bank accounts in foreign currency	97,186.76	0.00	3,640,468.90	3,696,879.52	567,284.37	222,640.98	4,207,753.27	3,919,520.50	385,419.53	0.00
5125	Amounts in progress of settlements	0.00	0.00	82,969.01	82,969.01	11,581.35	11,581.35	94,550.36	94,550.36	0.00	0.00

Special Trustee  
URSONIU Cosmin  
IONETE Nicoleta-Liliana





Account:		Balance at the beginning of the year		Previous turnover		Current turnover		Total turnover		Final balance	
Account:	Description	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
5191	Short-term bank accounts	0.00	12,484,989.11	140,177.01	196,879.00	0.00	95,338.87	140,177.01	292,217.87	0.00	12,637,029.97
5194	Credits in foreign currency	0.00	11,515,004.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,515,004.60
5198	Interest to short-term bank credits	0.00	9,685,131.75	194,557.37	3,404,309.48	0.00	359,281.37	194,557.37	3,763,590.85	0.00	13,254,165.23
5311	Cash in lei	529.87	0.00	1,246,080.44	1,233,826.02	104,405.71	117,113.81	1,350,486.15	1,350,939.83	76.19	0.00
5314	Cash in foreign currency	0.00	0.00	64,954.01	64,954.01	2,242.23	2,242.23	67,196.24	67,196.24	0.00	0.00
5321	Fiscal and postal stamps	0.00	0.00	20.00	20.00	0.00	0.00	20.00	20.00	0.00	0.00
5328	Other securities	0.00	0.00	1,301,460.45	1,301,460.45	105,721.95	105,721.95	1,407,182.40	1,407,182.40	0.00	0.00
5420	Cash advance	0.00	0.00	98,648.61	2,750.52	10,483.54	106,381.63	109,132.15	109,132.15	0.00	0.00
5810	Internal transfer	0.00	0.00	16,830,318.11	16,830,318.11	8,300,205.89	8,300,205.89	25,130,524.00	25,130,524.00	0.00	0.00
6010	Costs with raw materials	0.00	0.00	6,286,745.43	6,286,745.43	500,931.85	500,931.85	6,787,677.28	6,787,677.28	0.00	0.00
6021	Costs with additional materials	0.00	0.00	37,900.22	37,900.22	301.53	301.53	38,201.75	38,201.75	0.00	0.00
6022	Costs with fuel	0.00	0.00	258,685.11	258,685.11	21,407.71	21,407.71	280,092.82	280,092.82	0.00	0.00
6024	Costs with spare parts	0.00	0.00	112,462.48	112,462.48	7,741.37	7,741.37	120,203.85	120,203.85	0.00	0.00
6028	Costs with consumables	0.00	0.00	638,391.21	638,391.21	36,023.22	36,023.22	674,414.43	674,414.43	0.00	0.00
6030	Costs with materials such as inventory objects	0.00	0.00	544,974.99	544,974.99	71,040.24	71,040.24	616,015.23	616,015.23	0.00	0.00
6040	Costs with materials not stored	0.00	0.00	50,580.21	50,580.21	-43,339.95	-43,339.95	7,240.26	7,240.26	0.00	0.00
6050	Costs with energy and water	0.00	0.00	4,330,167.92	4,330,167.92	409,109.48	409,109.48	4,739,277.40	4,739,277.40	0.00	0.00
6080	Costs with packing	0.00	0.00	3,270.85	3,270.85	-0.02	-0.02	3,270.83	3,270.83	0.00	0.00
6090	Trade discounts received	0.00	0.00	-31,917.35	-31,917.35	0.00	0.00	-31,917.35	-31,917.35	0.00	0.00
6110	Costs with maintenance and repairs	0.00	0.00	161,722.47	161,722.47	2,643.78	2,643.78	164,366.25	164,366.25	0.00	0.00
6120	Costs with royalties, management locations and rents	0.00	0.00	20,111.46	20,111.46	3,552.30	3,552.30	23,663.76	23,663.76	0.00	0.00
6130	Costs with insurance premiums	0.00	0.00	130,115.61	130,115.61	13,753.30	13,753.30	143,868.91	143,868.91	0.00	0.00
6150	Costs with personnel training	0.00	0.00	25,577.45	25,577.45	0.00	0.00	25,577.45	25,577.45	0.00	0.00
6220	Costs with commissions and fees	0.00	0.00	38,446.70	38,446.70	2,500.00	2,500.00	40,946.70	40,946.70	0.00	0.00
6230	Costs with the protocol , advertising and publicity	0.00	0.00	29,060.75	29,060.75	1,660.04	1,660.04	30,720.79	30,720.79	0.00	0.00
6240	Costs with the transport of goods and personnel	0.00	0.00	120,851.00	120,851.00	2,449.27	2,449.27	123,300.27	123,300.27	0.00	0.00
6250	Costs with travels, detachment and transfers	0.00	0.00	907,933.60	907,933.60	17,743.92	17,743.92	925,677.52	925,677.52	0.00	0.00
6260	Postal costs and telecommunication taxes	0.00	0.00	79,412.07	79,412.07	5,259.74	5,259.74	84,671.81	84,671.81	0.00	0.00
6270	Costs with banking services and similar	0.00	0.00	33,567.75	33,567.75	7,201.18	7,201.18	40,768.93	40,768.93	0.00	0.00
6280	Other costs with services rendered by third parties	0.00	0.00	2,362,099.97	2,362,099.97	234,688.54	234,688.54	2,596,788.51	2,596,788.51	0.00	0.00
6350	Costs with other taxes, duties and similar remittances	0.00	0.00	1,958,164.51	1,958,164.51	169,413.90	169,413.90	2,127,578.41	2,127,578.41	0.00	0.00
6410	Costs with the salaries of the personnel	0.00	0.00	20,362,738.00	20,362,738.00	1,798,511.00	1,798,511.00	22,161,249.00	22,161,249.00	0.00	0.00
6421	Costs with the benefits in kind granted to employees	0.00	0.00	25,678.85	25,678.85	1,955.09	1,955.09	27,633.94	27,633.94	0.00	0.00
6422	Costs with the meal vouchers /	0.00	0.00	1,312,823.45	1,312,823.45	71,196.66	71,196.66	1,384,020.11	1,384,020.11	0.00	0.00

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**Special Trustee**  
**JURSONIU Cosmin**  
**IONETE Nicoleta-Liliana**

Account:	Description	Balance at the beginning of the year		Previous turnover		Current turnover		Total turnover		Final balance	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
6451	Costs with company's contribution to social insurance	0.00	0.00	3,500,749.00	3,500,749.00	310,117.00	310,117.00	3,810,866.00	3,810,866.00	0.00	0.00
6452	Costs with company's contribution to unemployment fund	0.00	0.00	70,619.00	70,619.00	7,240.00	7,240.00	77,859.00	77,859.00	0.00	0.00
6453	Costs with company's contribution to health insurance	0.00	0.00	1,065,147.00	1,065,147.00	94,407.00	94,407.00	1,159,554.00	1,159,554.00	0.00	0.00
6454	Costs with company's contribution to the trust fund	0.00	0.00	50,659.00	50,659.00	4,489.00	4,489.00	55,148.00	55,148.00	0.00	0.00
6458	Other expenditure on social security and welfare	0.00	0.00	95,220.00	95,220.00	15,000.00	15,000.00	110,220.00	110,220.00	0.00	0.00
6520	Costs with environmental protection	0.00	0.00	3,096.73	3,096.73	0.00	0.00	3,096.73	3,096.73	0.00	0.00
6540	Losses from receivables and various debtors	0.00	0.00	998,587.76	998,587.76	1,285,893,122.02	1,285,893,122.02	1,286,891,709.78	1,286,891,709.78	0.00	0.00
6581	Indemnities, fines and penalties	0.00	0.00	24,436.09	24,436.09	950.13	950.13	25,386.22	25,386.22	0.00	0.00
6582	Donations and subventions granted	0.00	0.00	1,500.00	1,500.00	0.00	0.00	1,500.00	1,500.00	0.00	0.00
6583	Costs with the assigned and other transactions of capital	0.00	0.00	5,472.00	5,472.00	0.00	0.00	5,472.00	5,472.00	0.00	0.00
6588	Other operating costs	0.00	0.00	180,854.27	180,854.27	95,619.16	95,619.16	276,473.43	276,473.43	0.00	0.00
6651	Unfavorable foreign exchange differences relating to monetary items denominated in foreign currency	0.00	0.00	886,542.49	886,542.49	249,630.51	249,630.51	1,136,173.00	1,136,173.00	0.00	0.00
6660	Costs with interests	0.00	0.00	2,466,059.52	2,466,059.52	227,780.76	227,780.76	2,693,840.28	2,693,840.28	0.00	0.00
6811	Operating costs relating to depreciation of fixed assets	0.00	0.00	7,958,574.32	7,958,574.32	720,095.14	720,095.14	8,678,669.46	8,678,669.46	0.00	0.00
6812	Operating costs with the provisions	0.00	0.00	7,453,312.74	7,453,312.74	1,665,667.55	1,665,667.55	9,118,980.29	9,118,980.29	0.00	0.00
6813	Operating costs relating to adjustments for depreciation of fixed assets	0.00	0.00	0.00	0.00	23,658,360.72	23,658,360.72	23,658,360.72	23,658,360.72	0.00	0.00
6814	Operating costs relating to adjustments for depreciation of current assets	0.00	0.00	346,221.95	346,221.95	3,120,558.20	3,120,558.20	3,466,780.15	3,466,780.15	0.00	0.00
6864	Financial charges on adjustments for decrease in value of current assets	0.00	0.00	158.70	158.70	1,109,973.74	1,109,973.74	1,110,132.44	1,110,132.44	0.00	0.00
6920	Deferred income tax expenses	0.00	0.00	0.00	0.00	6,448,762.62	6,448,762.62	6,448,762.62	6,448,762.62	0.00	0.00
7010	Revenues from sale of finished products	0.00	0.00	10,224,630.44	10,224,630.44	849,968.94	849,968.94	11,074,599.38	11,074,599.38	0.00	0.00
7030	Revenue from the sale of remanent products	0.00	0.00	304,079.33	304,079.33	5,478.20	5,478.20	309,557.53	309,557.53	0.00	0.00
7040	Revenues from works performed and services rendered	0.00	0.00	19,383,588.66	19,383,588.66	1,274,153.77	1,274,153.77	20,657,742.43	20,657,742.43	0.00	0.00
7060	Revenues from royalties, management location and rents	0.00	0.00	1,929,283.00	1,929,283.00	141,431.81	141,431.81	2,070,714.81	2,070,714.81	0.00	0.00
7070	Revenues from sale of goods	0.00	0.00	4,608.14	4,608.14	225.00	225.00	4,833.14	4,833.14	0.00	0.00
7080	Revenues from various activities	0.00	0.00	609,115.67	609,115.67	134,494.93	134,494.93	743,610.60	743,610.60	0.00	0.00
7090	Trade discounts granted	0.00	0.00	-38,928.60	-38,928.60	0.00	0.00	-38,928.60	-38,928.60	0.00	0.00

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Account:	Account: Description	Balance at the beginning of the year		Previous turnover		Current turnover		Total turnover		Final balance	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
7110	Revenues related to costs with the stock of products	0.00	0.00	53,086,646.78	53,086,646.78	3,202,024.96	3,202,024.96	56,288,671.74	56,288,671.74	0.00	0.00
7581	Revenues from compensations, fines and penalties	0.00	0.00	1,180.00	1,180.00	0.00	0.00	1,180.00	1,180.00	0.00	0.00
7588	Other operating revenues	0.00	0.00	4,551,155.41	4,551,155.41	304,586.63	304,586.63	4,855,742.04	4,855,742.04	0.00	0.00
7611	Revenues from shares in affiliated entities	0.00	0.00	22,281.32	22,281.32	0.00	0.00	22,281.32	22,281.32	0.00	0.00
7613	Income from participating interests	0.00	0.00	840.00	840.00	0.00	0.00	840.00	840.00	0.00	0.00
7651	Favorable foreign exchange differences relating to monetary items denominated in foreign currency	0.00	0.00	1,377,825.00	1,377,825.00	142,776.29	142,776.29	1,520,601.29	1,520,601.29	0.00	0.00
7660	Revenues from interests	0.00	0.00	59,239.30	59,239.30	345.98	345.98	59,585.28	59,585.28	0.00	0.00
7688	Other financial revenues	0.00	0.00	3,000.00	3,000.00	0.00	0.00	3,000.00	3,000.00	0.00	0.00
7812	Revenues from provisions	0.00	0.00	9,259,336.64	9,259,336.64	30,515,278.97	30,515,278.97	39,774,615.61	39,774,615.61	0.00	0.00
7814	Revenues from adjustments for depreciation of current assets	0.00	0.00	1,143,675.05	1,143,675.05	1,305,073,882.41	1,305,073,882.41	1,306,217,557.46	1,306,217,557.46	0.00	0.00
7864	Financial income from adjustments for decrease in value of current assets	0.00	0.00	1,403,305.91	1,403,305.91	0.00	0.00	1,403,305.91	1,403,305.91	0.00	0.00
7920	Revenues from deferred income tax	0.00	0.00	0.00	0.00	4,662,844.31	4,662,844.31	4,662,844.31	4,662,844.31	0.00	0.00
	<b>TOTAL</b>	<b>3,598,827,293.19</b>	<b>3,598,827,293.18</b>	<b>543,519,253.33</b>	<b>543,519,253.33</b>	<b>5,601,562,642.96</b>	<b>5,601,562,642.96</b>	<b>6,145,081,896.29</b>	<b>6,145,081,896.29</b>	<b>2,101,603,538.52</b>	<b>2,101,603,538.51</b>



*[Signature]*

Special Trustee  
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