

Judicial Administrator's Report On Uztel S.A Company's business in 2014

1. Analysis of the Commercial Company Activity

1.1 a) Description of the Company's business

The company's main business - Manufacture of machinery for mining, quarrying and construction – NACE classified code 2892.

SC UZTEL S.A. is a leading manufacturer of equipment for oil extraction and construction. It was founded in 1904 as the Societatea Romano-Americana (Romanian – American Company) , which, in 1958, was nationalized and then in 1991 turned into commercial enterprise. The main activity consists in the production and trading of assemblies, parts and oilfield equipment, industrial valves, mud pumps and other spare parts for oil equipment, metal structures and castings and forgings.

The production covers processes of foundry and forge sectors, heat treatment, machining, assembly and testing. Quality control is certified in laboratories fitted with specialized equipment.

The company has a production integrated with local design skills, high technology applied in accordance with API specifications or EC standards. Quality Assurance and Quality Inspection compartments using modern laboratories and procedures provide compliance with international standards ISO 9001 and API specifications. UZTEL maintains and continually improves a quality management system "QMS" in accordance with international standards of reference ISO 9001: 2008, 14001, 18001 and API Spec. Q1 integrated with environmental management systems and health and safety certified by Germanischer Lloyd, to ensure product quality while protecting the environment and creating a safe and healthy working environment at work.

1.1 b) Specify the date of incorporation of the Company

SC UZTEL S.A. Ploiesti was organized as a joint stock company under Law no. 15/1990 on the reorganization of state economic units as autonomous holdings and companies and the Government Decision no. 1213/20 November 1990, act published in Official Gazette no. 13a / January 21, 1991, operating under



Law no. 31/1990 of the companies and its own statute.

The company is registered in the Trade Register related to Prahova Court under no J29 / 48/1991 and holds Unique registration number RO 1,352,846.

In 2004, the company was privatized in PSAL I, by transferring shares held by the Romanian state to private shareholders , by sale of the Authority for State Assets Recovery shareholding in the Company, equivalent to 76.8745% of the share capital at that time, to the consortium formed by Association "UZTEL" and company ARRAY PRODUCTS CO. LLC - USA. As of May 22, 2008 the Company was admitted to trading on BSE category II with UZT symbol. Currently UZT shares are traded.

1.1 c) Description of any merger or significant reorganization of the company, its subsidiaries or controlled companies during the financial year

By conclusion pronounced in the meeting of the council chamber of 30.06.2011 - file no. 4732/105/2010 Prahova County Court, bankruptcy judge upheld the consortium INSOL EURO SPRL Bucharest and EUROINSOL CONSULTING SPRL Ploiesti, to manage the insolvency procedure upon SC Uztel SA, taking act of delimitation of powers between the two administrators set forth in the protocol of cooperation signed on 24.06.2011.

The final and irrevocable sentence no. 1282 / 09.10.2012, passed by Dolj County Court, Department II Civil in the file no. 4732/105/2010, decides entry of Uztel S.A. Ploiesti in judicial reorganization procedure by confirming the reorganization plan over a 3-year plan that provides for the payment in full of the claims submitted in the final table.

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

By the application for registration of mentions no 61793 / 23.10.2013, the Resolution of Extraordinary General Meeting of Shareholders No.1 / 10.10.2013, pursuant to resolution no. 19127 of 10.25.2013 was registered in the Trade Register on 25.10.2013, disposing registration of mentions about authorized persons and publication of the Resolution in the Official Gazette of Romania, Part-IV.

Approval of Reorganization Plan extension and modification of the payment of debts was passed, approved and registered by the Minute no. 38 of 01.16.2014 of the Creditors Meeting. Bankruptcy judge by sentence no. 112 of 28/01/2014 confirms the change and extension of Reorganization Plan of SC Uztel S.A. Ploiesti another year.

1.1 d) Description of acquisition and / or sale of assets

In 2014, class "Land" recorded a decrease in value of 23,738 lei through the sale of area 263 sqm. below the villa no. 231 under invoice no. 0031515/95 from 04.07.2014 to Ionut Marin.

In 2014, class "Buildings and constructions" recorded increase of 683,796 lei, representing:

- Modernization of social space central locker P1 worth 458,000 lei;–
- Modernization of valve assembly building equipment worth 32,800 lei;–
- Upgrading electrical lighting in halls Processing 1 Processing 2 and Assembly Test worth 192,996 lei.–

During 2014 the total value increases recorded in the accounting books for the 'Machinery and Equipment' was 3,996,026 lei, representing:

- Modernization of electric furnaces in Foundry worth 283,209 lei;–
- Modernization of heating point PT1 worth 856,887 lei, which are– found in class' Technological Equipment, Machinery and Work Equipment ".

The company also acquired and developed by itself in 2014 equipment and apparatus amounting to 2,936,818 lei, as follows:

- CNC horizontal machining center type BMC EMSIL 130 worth 2,140,943 lei;–
- paint booths worth 478,693 lei;–
- hydraulic equipment for pressure tests worth 87 884 lei;–
- transformer 1000kVA-6 / 0,04kV for the heating point PT4 worth 45,000 lei;–
- swivel crane 3,2tf worth 34,747 lei;–
- welding machine PROPULS 500 MIG MAG 32,206 lei;–
- 10t hutch for transport of parts to the paint booths worth 29,506 lei;–
- equipment for calibration and monitoring furnaces to heat treatment worth 21,597 lei;–
- portable hardness tester KING worth 21,576 lei;
- device for measuring magnetic field (Gauss meter) worth 16,341 lei;–



- other equipment and systems of measurement, control and adjustment in the amount of 28,325 lei.–

Class "Machinery and equipment" which includes "Technical installations and means of transportation under supply" was transferred to the amount of 80,888 lei representing advance for Automated welding device for plating.

The total amount of the increases recorded in the accounting in 2014 for the class "Furniture, Office Equipment, Systems of Protection of Human and Material Values and other Tangible Assets " was 78.403 lei, representing:

- industrial hall doors worth 65,935 lei,
- GPS equipment with interface worth 9346 lei
- projector EPSON EB-965 worth 3.122 lei.–

Regarding the reduction recorded in the accounting records, they are in total amount of 56,600 lei, representing various assets rescission of "Technological Equipment" class according to the minutes of scrapping no. 1, 2, 3, 4 / 19.09.2014.

1.1 e) Description of the main results of the evaluation activity of the company. Current assets recorded following developments in the financial year 01.01.2014 - 31.12.2014:

- Value of Intangible assets decreased from 101,649 lei on 31.12.2013 at 52.541 lei on 31.12.2014, i.e. a percentage reduction of 48.31% due to the accounting recording of depreciation.

- Value of tangible assets decreased from 67,229,416 lei to 63,344,970 lei on 31.12.2013 on 31.12.2014, i.e. a decrease of 5.88% percentage due to recording in the accounts of depreciation and of scrapping of fixed assets.

Asset item	31.12.2014	31.12.2013	31.12.2012
Intangible assets	52.541	101.649	129.800
Tangible assets	63.344.970	67.299.416	71.100.872
Total assets	63.397.511	67.401.065	71.230.672

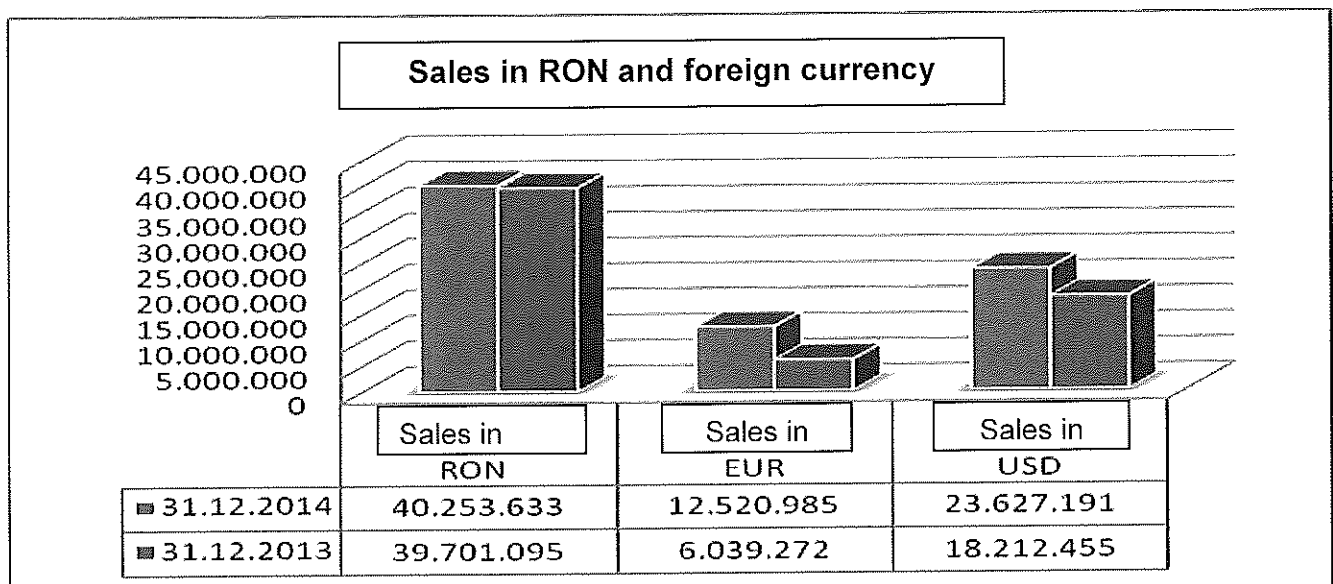
All existing spaces are owned by SC Uztel S.A.

In 2014 SC Uztel S.A. saw a positive development in terms of economic and commercial matters. Under socio - political context and under the auspices of Law 85/2006 , sold production increased from 63,952,822 lei to 76,401,809 lei on 31.12.2013 on 31.12.2014, i.e. a percentage increase of 19.47% compared to the

same period of 2013, justified by the increasing volume of orders and contracts entered into and performed.

lei

Explanations	31.12.2014	31.12.2013	31.12.2014/31.12.2013*100
Sales in RON	40.253.633	39.701.095	101,39
Sales in EUR	12.520.985	6.039.272	207,33
Sales in USD	23.627.191	18.212.455	129,73
Total sales	76.401.809	63.952.822	119,47



1.1.1 Elements of general assessment:

- a) Net profit 2,403,349 lei
- b) Turnover 73,512,397 lei
- c) the total value of sales in foreign currencies for the period January to December 2014 is 36,148,176 lei - 4111.1.03 account turnover (external clients) has correspondence with accounts turnovers finished goods and sales turnover account 708 (other income)
- d) Actual expenditure of 2014 to achieve production manufactured totaling 54,514,480 lei and to achieve production in progress totaling 8,899,903 lei
- e) the market share estimated to be owned by the company:
 - Domestic 10-15%;



- External 1-2%.

In 2014 the commercial activity took place in the domestic market, intra-community and foreign markets, as follows:

- **Internal market:** OMV Petrom SA Bucuresti; Arpega Trading SRL Blejoi; Atlantic Prod Impex SRL Ploiesti; Dafora SA Suc. Foraj Medias; Foraj Sonde SA Mures; Drilling Equipment SRL Zalau; Automobile Dacia SA Mioveni; Cameron-Romania SRL Campina; Multy Products Rom SRL Sighisoara - work station Albesti Prahova; Tehnomet SA Buzau , and so on.

- Community Market : ABB Process Industrie Aix-Les Bains Cedex Franta; Eurotech INT Sp. Zoo Wolska Polonia; Liberty Drilling Equipment B.V. Olanda; Peseco Limited Aberdeenshire Marea Britanie; Robke Erdol Und Erdgastechnk Gmbh Germania; Hartmann Valves & Wellheads Germany; Deep Drill Equipment Holland; Jaddy Carry Doo Belgrad Serbia; Guney Yldizi Petrol Uretim Sondaj Muth Ve Tic As Turkey; Independent Oil Tools-Dosco B.V. Holland, and so on.

- **External market:** Omni Valve LLC USA; Wood Group Amesa S.A. Venezuela; Nis s.c. Novi Sad Serbia; Array Holdings Inc USA; Ial Engineering Services LTD Trinidad; PPI Technology Services Middle East LTD; Ibemo Kazakhstan LTD Kazakhstan; Peseco Limited Aberdeenshire Great Britain; Africa Oil Services Egypt; PT Epsicon Multidaya Utama Indonesia, and so on.

f) on 31.12.2014 the company had liquidities (according to balance sheet) in total amount of 14,674,513.92 lei, namely:

Explanation	December 31- 2014	December 31- 2013	Percent (%)
0	1	2	3 = 1/2*100
bank account 5121 (lei)	1.379.209,36	820.183,20	168,16
bank account 5124 (usd)	229.115,15	24.402,67	938,89
bank account 5124 (eur)	149.410,62	590.967,58	25,28
bank account 531 in lei	16.569,50	9.748,69	169,97
bank account 531 in valuta	7,62	326,04	2,34
Account 508 (bank deposit)	12.899.401,67	15.691.930,86	82,20
Account 532 (other values- gift vouchers)	800,00	400,00	200,00
Total cash	14.674.513,92	17.137.959,04	85,63

Cash and cash equivalents recorded in 2014, a decrease from RON 17,137,959.04 on 31.12.2013 at RON 14,674,513.92 on 31.12.2014, i.e. a percentage reduction of 14.37%, a result of carrying in full and terms provided quarterly payments for the year 2014 according to the schedule of payment of the



debts of Reorganization Plan in the total amount of 11,921,338.70 lei, as follows:

Rate 1st quarter of 2014 (09.01.2014) in total amount of 4,881,700.08 lei, of which:

	lei
a) Secured claim	3,616,698.88
b) Budgetary Receivables	685,696.41
c) Unsecured claims	556,680.99
d) Subordinated debt	22623.80

Rate 2nd quarter of 2014 (04.09.2014) in total amount of 2,346,948.23 lei, of which:

	lei
a) Secured claim	1,660,079.40
b) Budgetary Receivables	685,696.41
c) Subordinated debt	1172.42

Rate third quarter of 2014 (09.07.2014) in total amount of 2,346,433.05 lei, of which:

	lei
a) Secured claim	1,660,078.00
b) Budgetary Receivables	685,696.41
c) Subordinated debt	658.64

Rate fourth quarter of 2014 (10.09.2014) in total amount of 2,346,257.34 lei, of which:

	lei
a) Secured claim	1,660,079.00
b) Budgetary Receivables	685,696.41
c) Subordinated debt	481.93

The company registered at 31 December 2014 a favorable financial net gain due to currency fluctuations (EUR and USD) for the period January to December 2014 amounting to 276,423.09 lei, as follows:

- Account 665 (expenses from exchange rate differences) = 1,140,019.62 lei
- Account 765 (income from exchange rate differences) = 1,416,442.71 lei

1.1.2 Evaluation of the technical level of the Company

- a) The company has in property, on 31.12.2014, assets totaling \$ 83,520,505.97



lei, as follows:

ASSETS	lei Balance on 31.12.2014 as of Account balance
Lands	17.847.415,83
Constructions	32.132.193,43
Technological equipment, devices and measurement equipment, vehicles	33.376.466,33
Furniture and office equipment	164.430,38

The production to achieve extraction and construction equipment, industrial valves, spare parts for oil equipment and constructions is carried out in the Oilfield Equipment Department , and casting parts, heat treatments and forging in Section of Hot Sectors.

b) In the period January to December 2014 were recorded following evolutions of the main income of the company compared to total revenues (86.669.859 lei) and turnover (73,512,396 lei), namely:

Explanations	Value (lei)	Share in Total Income %	Share in Turnover %
Revenue from the sale of finished products - domestic	38.138.695	44,00	51,88
Revenue from the sale of finished products - External	33.620.397	38,79	45,73
Revenue from the sale of residual products	51.652	0,06	0,07
Revenue from services rendered – laboratory services	52.426	0,06	0,07
Revenue from services rendered – internal transport	0	0,00	0,00
Revenue from services rendered – external transport	283.668	0,33	0,39
Income from royalties, management and rental locations	44.728	0,05	0,06
Income from rental of oil equipment and installations	1.070.265	1,23	1,46
Revenue from sale of goods	27.354	0,03	0,04



Income from different activities - Domestic	248.066	0,29	0,34
Income from different activities – Export	11.308	0,01	0,02
Trade discounts - Domestic	0	0,00	0,00
Trade discounts - External	36.160	0,04	0,05
Total	73.512.397	84,82	100,00

1.1.3 Evaluation of the technical-material supply (domestic sources and import sources)

The main 10 suppliers of the Company based on purchase volume for the year 2014:

Domestic suppliers	Total invoices (lei) Without VAT	Weight %
Forja Rotec SRL Buzau	5.355.561,31	14,04
Electromagnetica SA Bucuresti	2.796.326,78	7,33
Emsil Techtrans SRL Oradea	2.051.526,90	5,38
Edenred Romania SRL Bucuresti	1.289.735,62	3,38
Forja Neptun SRL Baicoi	1.001.902,92	2,63
Axon SRL Ploiesti	982.675,57	2,58
Arva Metals & Steels SRL Cornetu-Ilfov	901.082,54	2,36
GDF Suez Energy Romania SA Bucharest	873.378,16	2,29
Hany Industry SRL Ploiesti	862.064,94	2,26
Wurmann CO SRL Ploiesti	827.985,83	2,17
TOTAL	16.942.240,57	44,42

External Suppliers	Total invoices (euro)	Weight %
GPS Oil Tools Oilfield Equipment & Services		
GMBH Vechta Germany	81.274,97	35,75
Ompa di Pasquale D'Allevo Torrevicchia Italy	48.645,00	21,40
CF Service SRL Italy	36.017,19	15,84
Hasenjager & Domeyer Dreher Germany	21.150,00	9,30
Keramtech s.r.o. Czech	12.585,60	5,54
Whitford LTD England	7.578,39	3,33
Quality Bearings Online LTD UK	5.330,00	2,34
Bocchi SRL Italy	4.577,60	2,01
Seeif Ceramic a.s. Czech	2.831,40	1,25
Fast Oilfield Services & Equipments SRL Italy	2.800,00	1,23



TOTAL	222.790,15	97,99
External Suppliers	Total invoices (USD)	Weight %
Parker Hannifin Corporation PGI USA	102.601,00	30,51
Trelleborg Sealing Solutions Sofia Bulgaria	91.389,02	27,17
Shabum International LTD Tel Aviv Israel	49.048,64	14,58
Vinir Engineering PVT LTD India	42.550,00	12,65
American Petroleum Institute Washington USA	11.309,56	3,36
Freudenberg Oil & Gas LLC Houston USA	11.089,00	3,30
Omni Valve LLC USA	10.364,08	3,08
Westcoast B.O.P. Products INC USA	10.260,00	3,05
American Manufacturing Company USA	3.106,72	0,92
Romtech LLC Houston USA	1.965,50	0,58
TOTAL	333.683,52	99,20

1.1.4 Evaluation of sales

The main 10 clients per sales volume for the year 2014:

Domestic Clients	Total invoices (lei) Without VAT	Weight %
OMV Petrom SA Bucuresti	15.349.994,03	38,15
Arpega Trading SRL Blejoi	2.429.614,06	6,04
Atlantic Prod Impex SRL Ploiesti	1.748.674,00	4,35
Dafora SA Suc. Foraj Medias	1.729.842,70	4,30
Foraj Sonde SA Mures	1.636.507,19	4,07
Drilling Equipment SRL Zalau	1.374.473,42	3,42
Automobile Dacia SA Mioveni	1.319.426,67	3,28
Cameron-Romania SRL Campina	1.198.672,77	2,98
Multy Products Rom SRL Sighisoara -work station Albesti Prahova	1.169.039,75	2,91
Tehnomet SA Buzau	1.005.902,60	2,50
TOTAL	28.962.147,19	71,98

External Clients	Total Invoices (Euro)	Weight %
ABB Process Industrie Aix-Les Bains Cedex France	818.680,78	26,77
Eurotech INT Sp. Zoo Wolska Poland	449.222,75	14,69
Liberty Drilling Equipment B.V. Holland	361.073,00	11,81
Peseco Limited Aberdeenshire UK	253.698,40	8,29



Robke Erdol Und Erdgastechnk Gmbh Germany	253.303,60	8,28
Hartmann Valves & Wellheads Germany	207.834,80	6,80
Deep Drill Equipment Holland	185.120,00	6,05
Jaddy Carry Doo Belgrad Serbia	85.980,00	2,81
Guney Yldizi Petrol Uretim Sondaj Muth Ve Tic As Turkey	76.120,00	2,49
Independent Oil Tools-Dosco B.V. Holland	73.241,00	2,40
TOTAL	2.764.274,33	90,38

External Clients	Total Invoices (usd)	Weight %
Omni Valve LLC USA	2.351.777,00	37,41
Wood Group Amesa S.A. Venezuela	1.358.046,00	21,60
Nis s.c. Novi Sad Serbia	502.596,00	7,99
Array Holdings Inc USA	405.544,00	6,45
Ial Engineering Services LTD Trinidad	367.720,00	5,85
PPI Technology Services Middle East LTD	364.554,00	5,80
Ibemo Kazakhstan LTD Kazakhstan	303.361,00	4,83
Peseco Limited Aberdeenshire UK	205.433,00	3,27
Africa Oil Services Egypt	160.787,00	2,56
PT Epsicon Multidaya Utama Indonesia	108.987,00	1,73
TOTAL	6.128.805,00	97,48

The effects of manufacturing activity, transactions and events conducted during 2014 in a company differ in stability, risk and predictability, and presentation elements economic - financial helps in understanding the performance achieved and in assessing future results.

Accounting achievements of 2014 show that SC UZTEL S.A. Ploiesti is a viable society with economic and commercial development potential and its reintegration into the economic and trade circuit can be achieved through economic and legal reorganization by compliance with the principles of management performance and efficient administration.

SC UZTEL S.A. have ongoing on 31.12.2014 orders / contracts with internal and external trading partners in the total amount of 15,217,468 lei, of which:

Internal Market - RON	1.360.381
External market - EURO	1.442.170
External market - USD	1.903.701



These orders / contracts are already underway in manufacturing and are in various stages of technological path and are intended for fabrication and delivery of the company's main products such as: industrial valves, systems and installation and equipment for oil wells blow-out prevention, oilfield equipment repair and manufacturing , services and spare parts, nitriding, packaging, etc.

Concerning the contracts / purchase orders at end-2014, the company is carrying out a series of commercial steps and auctions on domestic and international market that will create the conditions to provide the necessary contracts and orders expected by Income and Expenditure Balance and Cash flows related to 2015, as follows:

Offer's Recipient	Offer's subject	Value EURO	Value USD	Value RON
Al-Jubail Industrial Development Jordan	adjustable nozzle 4 1/16-3M	0	89.800	0
Arpega Trading Srl Romania	Reductions; safety valve	0	0	65.230
Array Products USA	Valve body	0	14.750	0
Asveh Mexic	Landing head ; blow-out head	0	2.212.000	0
Atlantic Prod Impex Srl Ploiesti	Repair of horizontal preventer, hydraulic control, control console	0	0	146.540
Develtor Srl Tg. Mures	Boring casing accessories	0	0	21.770
Drilling Equipment Srl Zalau	Landing head; blow-out head	871.277	0	0
	Landing head; blow-out head	90.485	0	0
	Inquiry MRL275	148.840	0	0
	Preventer with hand and hydraulic control	121.035	0	0
	Valves inquiry	278.310	0	0
	Total		1.509.947	0
Eurotech Poland	Hydraulic control CH6U-3000	74.450	0	0
Jaddy Carry Belgrad Serbia	Valves + spare parts	191.094	0	0
Ladria Net Srl Ploiesti	Preventer UZD02 11"x350	43.580	0	0
Offer's Recipient	Offer's subject	Value EURO	Value USD	Value RON
Lufkin Industries Srl Aricestii Rahtivani	Equipment Inquiry	500.000	0	0
	Stuffing box	0	118.000	0
	Total	500.000	118.000	0



Mohamed Elharery Egypt	Accessories	0	14.260	0
Oilquip Great Britain	SSV-uri + nozzles 2 1/16"-5M, 4 1/16"-5M	240.700	0	0
	Nozzle manifold duza 3 1/16"-10M	60.450	0	0
	Flanges+Tees+Crosses	303.550	0	0
	RSL 4 1/16x15M	59.960	0	0
	Total	664.660	0	0
Overgas Engineering Jsc Bulgaria	Christmas tree	8.044	0	0
	Hanger inquiry	8.640	0	0
	Total	16.684	0	0
Pese Co Ltd UK	Landing head + Christmas tree + tools	140.105	0	0
	Landing head	28.020	0	0
	Christmas tree	80.628	0	0
	Total	248.753	0	0
PREMABERG IND Gmbh Austria	Glands	27.500	0	0
Pt Epsicon Multidaya Utama Indonesia	RSL 3 1/8x5M , 2 1/16x3/5M	19.990	0	0
Robke Erdol & Erdgastechnik Gmbh Germany	Valve 2 1/16-5K	14.352	0	0
	Flange adapter	26.520	0	0
	Double flange, hanger, blow-out preventer, sucker rod	186.005	0	0
	Total	226.877	0	0
Shchepetev O.G. Ukraine	Preventers 7 1/16x210 , 350 , 700	127.375	0	0
	Spare parts for preventers	15.824	0	0
	Total	143.199	0	0
Stratum Energy Romania Llc Wilmington Suc. Blejoi	Centralizers inquiry	0	9.800	0
Tpao Turkey	Blow -out preventer 13 5/8x10M	318.240	0	0
TOTAL		3.984.974	2.458.610	233.540

1.1.5 Evaluation of aspects on Company's employees / staff

a) The company recorded on 31.12.2014 a total of 630 employees, of which:
people

Engineers	Sub-engineers	economists	Other people with academic education
67	9	14	6

The factory staff is represented as follows:

			People
Oilfield equipment Dept.	Hot sectors Depart.	Other activities	Total Techn- Ec. Adm staff
288	154	74	114

b) The relationship between management and employees in 2014 were held in good conditions, labor conflicts are not registered and no otherwise.

1.1.6 Evaluation of aspects of the issuer's main activity impact on the environment

Its activity is carried out based on the following regulatory acts:

- Environmental authorization no. PH-619 from 21.12.2009 to 21.12.2019 valid until (it renews ten years) for the activity of production assemblies, parts and oilfield equipment and industrial service, recovery of solid recyclable waste, collection, purification and distribution of water , painting workshop.

- Authorization for water management no. 117 of 06.17.2013 (is renewed every two years) valid until the date of 16.06.2015;

- Certificate of registration in the register of authorized economic operator performing waste recovery operations no. 1180921 / 26.03.2014 issued by the Ministry of Economy - Department of Industrial Policy (renews annually) valid until 31/03/2015.

Environmental factors (water, wastewater, air-emission, air -immission, soil, waste) were monitored as required by law applicable to the activities of SC Uztel S.A. (monthly, quarterly, semi-annually). Comply frequency imposed by environmental permit and no exceeding to maximum limits imposed were found.

Environmental management program conducted in 2014 was achieved to 94%. Proposed actions aimed at waste management, emission and immission, drinking water and waste water.

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

1.1.7 Evaluation of Research and Development

a) The main objectives in the design and assimilation of new products in 2014



were:

#	PRODUCT DESCRIPTION
1.	Safety valve spool blade hydraulically operated 2 9/16 x 10M
2.	RSL 2 9/16"-15M
3.	RSL 2 1/16"-15M
4.	Sluice valve 5 1/8"-15000M
5.	Preventer assembly 7 1/16"-10M lower flange
6.	RSL,hydraulically operated 5 1/8-15M
7.	RSL, hydraulically operated 4 1/16"-15M
8.	SSV hydraulic 3 1/8-5M
9.	Adjustable nozzle 3 1/16"-15M
10.	Drilling nozzle A.H 3 1/16x15M
11.	Isolation device , preventer type
12.	CE011 3 1/8"x3 1/8"x2 1/16"-5M - Monobloc
13.	Isolation device , preventer type 9" modernized
14.	Hoisting 13 5/8 in
15.	Hydraulic control CH7U-5000 MD10
16.	Reducer Ø38 1 1/16X10-QSL
17.	Reducer Ø32 15/16X10-QSL
18.	Fixing glass Ø38
19.	Lead Model Ø35 – Ø75
20.	Paraffin cleaner Ø33-Ø170
21.	Hydraulic control CH-2U tip MD-2E - with 4 cylinders
22.	Assembly CH4U – 3000 MD WO 4 / ATEX
23.	Hydraulic control CH-6U-3000-MD-6E ATEX
24.	Skid , hydraulic operating offshore

b) In order to ensure conditions of penetration of Uztel products on foreign markets, technical departments obtained in 2014 certifications for licenses as follows:

1. Auditing integrated quality (HSEQ) conducted by Germanischer Lloyd in 13-16.05.2014, included the following quality standards:

- Oversight Audit of Quality Management System ISO 9001: 2008;
- Audit correcting environmental management system ISO 14001: 2009;
- audit correcting safety and safety at work management system according to OHSAS 18001: 2007.

2. Surveillance audit conducted by EUROCERT, during 05/27/2014 -

28/05/2014 to:

- using CE marking for products manufactured in accordance with European Directive PED 97/23 / EC;
- compliance of castings according to European Directive PED 97/23 / EC;
- Welding certification authorization under the European Directive PED 97/23 / EC;
- quality management system certification according to ISO 9001-2008.

3. GOST Certification - GOST certificate issuance equivalent to PI6A specifications, 6D, 10D, 16A, 16C and 16D and maintaining ROSTEHNAZOR certification.

4. Recertification audit conducted by API 6A, 6D, 10D, 16A, 16C, 16D and obtaining new licenses API 7-1 and API 7 - K in the period 08.09.2014 - 09.12.2014.

5. Audit by second part - supplier audit conducted as follows:

- OMV Petrom Bucharest 16 to 17 June 2014;
- OMV Petrom Bucharest September 30, 2014;
- Cameron Campina September 30, 2014;
- Neptune Petroleum Services Group September 15, 2014.

Following audits performed were taken a number of corrective measures to continuously improve the integrated management system and maintaining of the product certification.

c) Technological work aimed enlargement of processing technologies on CNC machine tools, diverse methods of corrosion protection and production launch within SIVECO Applications Integrated Program as follows:

1. Introduction and launch in SIVECO of a larger number of production orders, especially those with a high degree of repeatability;
2. The use of high productivity technologies and modern cutting tools with direct impact on the technical rules of time and thus the cost price of the product;
3. The design of such devices and controllers that increase the accuracy of product execution and at the same time significantly reduce the percentage of scrap or rework parts;

4. Permanent technical assistance in the manufacturing process to early detect of technological issues and promptly removing them;
5. Preparing trained staff for CNC machine tools in order to replace staff who ceased employment with the company;
6. Design of special tools that allow for the possibility of increasing the mechanical processing to enable assimilation of new products of high complexity required on foreign markets;
7. Increasing the number of modern CNC machines for increasing labor productivity and quality of mechanical processing;
8. Drawing with Energy , Investment Maintenance Service of programs to modernize the basic equipment, allowing increased machining capabilities of the company.

1.1.8 Evaluation of the Company's activity for risk management

Society - customer relationship runs based on contracts or orders.

In order to reduce price risk, these contracts contain clauses relating to submission of performance guarantees, terms of price indexation or periodic renegotiation of it, the late pay fees and damages for breach of contractual conditions.

The Company does not own shares in other entities.

Regarding the risk of the company's cash flow can mention the following threats:

- production and repair oil equipment can be affected by the oil sector financing, closely dependent on the micro and macroeconomic policies;
- production activity restriction activity is at risk of decrease of activity of internal and external customers;
- The business of renting oilfield equipment is affected by delays or rescheduling of debts, which may lead to a deterioration in the financial position by slowing the recovery of debts.

Given the above were implemented the following measures:

- a) selecting potential clients by checking their creditworthiness;
- b) negotiate shorter payment terms;
- c) for uncertain - bad payers customers continue legal proceedings of recovery of outstanding debt and enforcement of the assets owned by them;
- d) for internal and external customers is monitored with priority recovery of amounts outstanding older than 30 days from the contractual payment terms.

1.1.9 Elements of perspective on the company's activity

a) Influence of financial blockage on company's cash is mitigated by reducing the volume of doubtful clients. General liquidity and quick liquidity indicators had the following comparative developments:

Economic -financial indicators	31.12.2014	31.12.2013	31.12.2012
Cash ratio = Current assets/Current Liabilities	4,75	4,00	5,35
Quick ratio = Current assets - Inventories / Current Liabilities	2,41	2,05	2,88

b) According to the note of presentation and justification of the Investment Program for 2015, note prepared by Energy Investment Maintenance Department and approved by the company's executive and administrative management is expected an allocation of approximately 4,950,000 RON for the rehabilitation and modernization of existing assets and acquisition of new equipment, CNC machines tools and equipment necessary for the manufacturing process.

21. Tangible Assets Of The Company

2.1 Specifying the location and characteristics of the main production facilities owned by the Company

The company owns a land area of 199,097.35 square meters, of which:

- 113,854.98 square meters - construction;
- 37,984.02 sqm - free area;
- 43,729.35 sqm - factory roads;
- 3529.00 sqm - networks occupied area

The main activity takes place in the industrial zone on an area of 166,893.00 square meters.

2.2 Description and analysis of the company's properties wear

Company assets are mostly formed and acquired before 1989, which put a high rate of wear and tear.

Some assets have been repaired or upgraded.

The situation of buildings is precarious, we consider an average of 65% wear and if there are no repaired, upgraded rhythmically, the wear will increase rapidly.



First of all must be restored the roofs to stop water infiltration, which are the most dangerous.

In 2014 were completed repairs to roofs from Adjustment and Modeling workshop, and partly by on own work, modernized Central Locker were enveloped with polystyrene facades from P1 and M1 (SAP-on the lateral side with TO1) . These repairs must continue and the rest of buildings of UZTEL owned heritage.

Most of the equipment and machine tools are not in the best technical and technological condition. We appreciate that they already have a 55-60% average wear, most requiring repairs.

Overhead traveling cranes and hoist, which mostly had expired lifespan were expertise and recertified by ISCIR. In 2014 was extended lifespan for a total of eight cranes.

Machine tools encounter wear of the slides, gearbox, main axes so that maintenance becomes increasingly difficult to optimum. Also it should be noted that in 2014 was purchased a CNC Machining Center BMC-130 type and contracted other two : a Vertical Machining Center VMC 1600HD- CNC and a lathe ST 70CX- CNC, which is to be put in operation in the first quarter of 2015.

2.3. Specify potential ownership problems upon the tangible assets of the Company.

The company has title to the land under certificate series MO3 number 3371 / 01.05.1996 and not in ownership disputes.

3. Market Securities Issued by the Company

3.1 Shares issued by Uztel Standard category are listed on the Bucharest Stock Exchange.

3.2 On 31.12.2014 the company has issued a total of 5,365,459 shares under the Consolidated Synthetic Structure of Holders of Financial Instruments issued by the Central Depository under no. 5712 of 09.02.2015, as follows:

Shareholder	Nmb. of shares held	Weight in share capital, %
UZTEL Association	4.498.300	83,8381
Legal personsd	537.339	10,0148
Natural persons	329.820	6,1471
TOTAL	5.365.459	100,0000

In 2014 the Company made quarterly payments in accordance with the payment schedule of the Reorganization Plan totaling 24,936.79 lei, representing net dividends due to shareholders for the years 2003, 2005 and 2006, as follows:
lei

a) Payments Quarter I - II year reorganization	22623.80
b) Payments Trimester II - II reorganization year	1172.42
c) Payments Trimester III - II year reorganization	658.64
d) Payments Quarter IV - II year reorganization	481.93

The amount of 1,664,405.96 lei representing net dividends due to shareholders for 2007 and 2008, remained unpaid until 31.12.2014, was written in the final table of the receivables and will be paid in installments according to the payment schedule for the Reorganization Plan confirmed by the Bankruptcy Judge by Order 112 of 28.01.2014 amending and extending it another year.

3.3 Description of any activities of the Company to purchase its own shares: -
- Company did not acquired its own shares in 2014.

3.4 If the company has subsidiaries, specifying the number and nominal value of the shares issued by the parent company owned subsidiaries:
- The Company has no subsidiaries.

3.5 If the company has issued bonds and / or other debt securities, presentation of way in which the company pays its obligations to the holders of such securities:
-In 2014 the company has not issued bonds or other debt securities.

4. Management of Commercial Company

4.1 List of the Company's administrators and the following information for each administrator.

a) In 2014 the company was administered as follows:
- By conclusion pronounced in session in private on 30.06.2011 - file no. 4732/105/2010 Prahova Court, the bankruptcy judge acknowledged the consortium consisting of INSOL EURO SPRL Bucharest and EUROINSOL CONSULTING SPRL Ploiesti, to manage the Uztel SA company's insolvency procedure, taking act , for this purpose, of delimitation of powers between the two

administrators set forth in the cooperation protocol concluded on 24.06.2011.

- The Decision no. 10/10/2013 1 of the Extraordinary General Meeting of Shareholders of Uztel S.A. with the quorum and majority required, under the provisions of art. 115 of Law no. 31/1990 R and the provisions of chapter. IV, art. 11 of the Constitutive Act of SC Uztel SA, revoked the mandate of the Special Administrator Dan N. Radulescu PFA and voted appointment of a new Special Administrator in the person of Mr. Eng. Zidaru Ion - CEO of SC Uztel S.A.

- Approval of Reorganization Plan extension and modification of the debts payment schedule was passed, approved and registered by the Minute no. 38 of 01.16.2014 of the Creditor' Meeting. Bankruptcy Judge by sentence no. 112 of 28/01/2014 confirmed the change and extension of Reorganization Plan of SC Uztel S.A. Ploiesti another year.

b) Any agreement, understanding or family connection between that administrator and another person who caused that person be appointed administrator:

- Not applicable.

c) Participation in the capital of the Company manager: - Not applicable.

4.2 Presentation of the senior executives of the Company

a) The executive executives appointed by the Judicial Administrator for 2014 had the following composition:

PERIOD 01.01.2014 - 31.12.2014			
SURNAME, GIVEN NAME	POSITION	PERIOD	DECISION / DATE OF ISSUE
Zidaru Ion	CEO	01.01.2014-31.12.2014	Decision 44 / 23.04.2013
Gruescu Serban Gheorghe	Technical Director	01.01.2014-31.12.2014	Decision 194 / 28.11.2012
Gheorghiu Mihail Gabriel	Commercial Director	01.01.2014-31.12.2014	CIM 238 / 31.01.2013
Popescu Ileana	Economic Director	01.01.2014-31.12.2014	Decision 592 / 30.11.2010

For the period 01.01.2014 - 31.12.2014 total remuneration of the executive management of the Company accounted for a share of 4.52% of the wages fund.

b) Any agreement, understanding or family connection between the person and another and another person who caused that person be appointed member of the executive management:

- Not applicable.

c) Participation of executives in company's share capital is as follows:

SURNAME, GIVEN NAME-POSITION	Number of shares owned
Zidaru Ion	0
Gruescu Serban Gheorghe	0
Gheorghiu Mihail Gabriel	0
Popescu Ileana	122

4.3 The administrative and executive management of the company was not involved in the last five years in litigation activity performed.

5. Finance-Accounting Position

a) Elements of Financial Position

a.1. The situation of assets items in 2014 compared to the years 2013 and 2012 is as follows:

Assets	31.12.2014	31.12.2013	31.12.2012
Intangible assets	52.541	101.649	129.800
Tangible assets of which :	63.344.970	67.299.416	71.100.872
Land and buildings	46.582.141	49.319.551	49.088.527
Plant and machinery	13.019.747	12.570.489	17.044.761
Other installations and furniture	103.622	33.864	43.013
Tangible assets in progress	3.639.460	5.375.512	4.924.571
Total assets	63.397.511	67.401.065	71.230.672
Current assets of which:	75.996.176	83.197.552	87.216.072
Stocks	37.518.872	40.410.024	40.366.918
Receivables	23.799.474	25.041.747	21.600.023
Cash	14.674.514	17.137.959	24.797.027
Prepayments	3.316	607.822	452.104
Total assets	139.393.687	150.598.617	158.446.744

Compared to 2013 there was a decrease of 7.44% of total assets held by the company, and compared to 2012 a decrease of 12.02%.

In nominal values, total assets decreased in 2014 compared to 2013 from 150,598, 617 lei on 31.12.2013 to 139,393,687 lei on 31.12.2014 on account of:

- assets decrease by 5.94% and the nominal value of RON 67,401,065 lei on



31.12.2013 to 63,397,511 on 31.12.2014;–

- decrease in current assets of 8.66% and the nominal value of RON 83,197,552 lei on 31.12.2013 to 75,996,176 on 31.12.2014.–

In nominal values, total assets decreased in 2014 compared to 2012 from 158,446,744 lei on 31.12.2012 to 139,393,687 on 31.12.2014 on account of:

- assets decrease by 11.00% and the nominal value of RON 71,230,672 lei on 31.12.2012 to 63,397,511 on 31.12.2014;–

- decrease in current assets of 12.86% and the nominal value of RON 87,216,072 lei on 31.12.2012 to 75,996,176 on 31.12.2014.–

In 2014 value adjustments were recorded as follows:

- Customers

On 31 December 2014 subject to management approval analyzing all documents proving doubtful situation and the substantiation note no. 569 of 02/05/2015 to obtain approval for the provisioning and adjusting tax base only for claims that were a major risk of non-collecting.

In 2014 were recorded value adjustments of receivables-customers in denominations of 137,300.82 lei, as follows:

Company	Provision value	Percent	Account receivable
Geda Prodexim Srl	3.565,23	100%	4118.1.02
Mada Srl Iasi	82.566,65	100%	4118.1.02
Viprec Com Srl Baia Mare	16.420,00	100%	4118.1.02
Vulcan Sa Bucuresti	34.748,94	100%	4118.1.02
Total Provisions constitued on 31.12.2014	137.300,82		

Following the Report no. 675 / 02.11.2014 approved the transfer of receivables from account 4111.1.01 (Customers) in 4118.1.02 account (Customer Disputes) as at risk of not cashing, as follows:

- Owners Association bl.C2 balance on 31.12.2014 amounting to 52,359.53 lei;–

- Ardeleanu Mihaela balance on 31.12.2014 amounting to 1265.42 lei;–

- Ardeleanu Robert balance on 31.12.2014 amounting to 835.76 lei;–

- Petre Cristian balance on 31.12.2014 amounting 1511.56 worth lei

- Streche Mariana balance on 31.12.2014 amounting to 1589.20 lei.–



For these clients, no adjustments were sequenced as it is estimated receipts in installments during 2015.

- Inventories of raw materials, semi-finished and finished products

The substantiation note no. 5365 of 19.12.2014 approved by management, maintaining of adjustments for impairment of inventories of raw materials, semi-finished and finished products in the existing nominal value of 3,068,950.75 lei.

Activity analysis, prescription of claims and adjustment provisions is regularly performed during the fiscal year to keep a true picture regarding the amount of the company's current and future claims.

a.2 Liabilities situation in 2014 compared to the years 2013 and 2012 is as follows:

	lei		
Liabilities	31.12.2014	31.12.2013	31.12.2012
Share capital	13.413.648	13.413.648	13.413.648
Adjustments of share capital	3.453.860	3.453.860	3.453.860
Reserves	71.913.463	71.711.127	69.096.011
Retained earnings	7.694.744	5.528.591	3.921.115
Debt over a year	26.675.376	34.794.415	51.565.101
Deferred incomes	0	618.987	444.279
Provisions	253.538	255.858	259.048
Debts under one year	15.989.058	20.822.131	16.293.682
Total Liabilities	139.393.687	150.598.617	158.446.744

Compared to 2013, there was a decrease of 7.44% of total liabilities held by the company, in nominal value from 150,598,617 lei on 31.12.2013 to 139,393,687 lei on 31.12.2014;

Compared with 2012, there was a decrease of 12.02% of total liabilities held by the company, in nominal value from 158,446,744 lei on 31.12.2012 to 139,393,687 lei on 31.12.2014.

The reduction as percentage and value of total liabilities held by the company is caused by redistribution of total debt of the company (with payment terms of one year and over one year) under Reorganization Plan approved by Sentence no. 112 of 01.28.2014, which confirm the modification and extension of Reorganization Plan of SC Uztel S.A. Ploiesti another year.



b) Statement of comprehensive income

Structure comprehensive income in 2014 compared to the years 2013 and 2012 is as follows:

lei

lei

Indicators	31.12.2014	31.12.2013	31.12.2012
Net turnover	73.512.397	63.504.266	58.800.729
Operational income	84.444.015	91.707.753	95.810.043
Operational expense	81.605.372	88.901.092	91.476.133
Operating Activities Result	2.838.643	2.806.661	4.333.910
Financial income	2.225.844	2.207.349	3.139.076
Financial expenses	1.541.945	2.152.455	2.729.253
Net Financial Result	683.899	54.894	409.823
Financial income	86.669.859	93.915.102	98.949.119
Financial expenses	83.147.317	91.053.547	94.205.386
Result before tax	3.522.541	2.861.555	4.743.733
Income tax	1.119.193	1.157.198	1.272.799
Income from deferred income tax	0	7.557	0
Comprehensive income for the period	2.403.348	1.711.914	3.470.934

Turnover recorded on 31.12.2013 compared to 31.12.2014 an increase of 15.76% in nominal value of 63,504,266 lei on 31.12.2013 to 73,512,397 lei 31.12.2014 and against 31.12. 2012 recorded an increase of 25.02% in nominal value of 58,800,729 lei on 31.12.2012 to 73,512,397 lei on 31.12.2014.

Turnover express the income obtained by society on the basis of commercial operations carried out in the reference year 2014. Turnover totals: sales of manufactured products, works and services, rents and other income.

Operating income - recorded a decrease of 7.92% in 2014 compared to 2013, i.e. nominal value of 91,707,753 lei on 31.12.2013 to 84,444,015 lei on 31.12.2014 on account of:

- Decrease of the income related to cost of inventories of products from 27,061,019 lei on 31.12.2013 to 10,194,844 lei on 31.12.2014, the percentage decrease 62.33%;

- Decrease in other operating income from 1,130,082 lei on 31.12.2013 to

423,774 lei on 31.12.2014, the percentage decrease 62.50%.

- Increased production sold from 63,427,607 lei on 31.12.2013 to 73,521,203 lei on 31.12.2014, a percentage increase of 15.91%;

Compared to 31.12.2012, operating income decreased by 11.86%, i.e. nominal value of 95,810,043 lei on 31.12.2012 to 84,444,015 lei on 31.12.2014 on account of:

- Decrease of income related to the cost of inventories of products income from 36,610,728 lei on 31.12.2012 to 10,194,844 lei on 31.12.2014, the percentage decrease of 72.15%;

- Increased production sold from 58,680,978 lei on 31.12.2012 to 73,521,203 lei, on 31.12.2014 a percentage increase of 25.29%;

- Other operating income increased from 368 854 lei on 31.12.2012 to 423 774 lei on 31.12.2014, a percentage increase of 14.89%.

Operating expenses - recorded a decrease of 8.21% on 31.12.2014 compared to 31.12.2013, in nominal value from 88,901,092 lei on 31.12.2013 to 81,605,372 lei on 31.12.2014 on account of:

- Decreasing costs of raw materials, supplies, goods and utilities from 54,209,604 lei on 31.12.2013 to 42,905,897 lei on 31.12.2014, the percentage decrease of 20.85%;

- Other expenses increased meaning external services, taxes and fees from 7,594,048 lei on 31.12.2013 to 8,027,156 lei on 31.12.2014, a percentage increase of 5.70%;

- Staff costs increased from 20,809,398 lei on 31.12.2013 to 23,135,979 lei on 31.12.2014, a percentage increase of 11.18%.

Compared to 31.12.2012, operating expenses decreased by 10.79% in nominal value of 91,476,133 lei on 31.12.2012 to 81,605,372 lei on 31.12.2014 on account of:

- Decreasing costs of raw materials, supplies, goods and utilities from 60,536,545 lei on 31.12.2012 to 42,905,897 lei on 31.12.2014, i.e. a percentage reduction of 29.12%;

- Other expenses increased external services, taxes and fees from 7,647,800 lei on 31.12.2012 to 8,027,156 lei on 31.12.2014, a percentage increase of 4.96%;

- Staff costs increased from 19,079,976 lei on 31.12.2012 to 23,135,979 lei on 31.12.2014, a percentage increase of 21.26%.

The decrease in operating expenses was impacted by lower prices for materials and utilities necessary to achieve production manufactured under contracts.

The result of operating activities recorded an increase of 1.14% on 31.12.2014 compared to 31.12.2013, i.e. nominal values from 2,806,661 lei on 31.12.2013 to 2,838,643 lei on 31.12.2014. Compared to 31.12.2012, the operating result recorded a decrease of 34.50%, i.e. nominal values from 4,333,910 lei on 31.12.2012 to 2,838,643 lei on 31.12.2014.

Financial revenues were up by 0.84% on 31.12.2014 compared to 31.12.2013, i.e. nominal values from 2,207,349 lei on 31.12.2013 to 2,225,844 lei on 31.12.2014. Compared to 31.12.2012, financial income recorded a decrease of 29.09%, i.e. nominal values from 3,139,076 lei on 31.12.2012 to 2,225,844 lei on 31.12.2014. **Financial expenses** recorded a decrease of 28.36% on 31.12.2014, compared to 31.12.2013 in nominal value from 2,152,455 lei on 31.12.2013 to 1,541,945 lei on 31.12.2014. Compared to 31.12.2012, the financial expenses recorded a decrease of 43.50% in nominal value of 2,729,253 lei on 31.12.2012 to 1,541,945 lei on 31.12.2014. The reduction of financial charges was made on account of exchange rate differences and appreciation / depreciation of the national currency against the contract currency , euro and dollar.

The net financial result recorded an increase of 1145.85% on 31.12.2014 compared to 31.12.2013, i.e. nominal values from 54,894 lei on 31.12.2013 to 683,899 lei on 31.12.2014. Compared to 31.12.2012, the net financial result grew by 66.88%, i.e. nominal values from 409,823 lei on 31.12.2012 to 683,899 lei on 31.12.2014.

Total revenues registered a decrease of 7.71% on 31.12.2014 compared to 31.12.2013, i.e. nominal values from 93,915,102 lei on 31.12.2013 to 86,669,859 lei on 31.12.2014. Compared to 31.12.2012, total revenues decreased by 12.41% in nominal value of 98,949,119 lei on 31.12.2012 to 86,669,859 lei on 31.12.2014. **Total expenditure** recorded a decrease of 8.68% on 31.12.2014 compared to 31.12.2013, in nominal values from 91,053,547 lei on 31.12.2013 to 83,147,317 lei on 31.12.2014. Compared to 31.12.2012, total expenses decreased by 11.74% in nominal value of 94,205,386 lei on 31.12.2012 to 83,147,317 lei on 31.12.2014. Total expenditures were harmonized with the decrease rate of total revenues due to the application of a consistent policy of cost reduction and reorganization on profitability and efficiency principles.

The overall result for the period grew by 40.39% on 31.12.2014 compared to 31.12.2013, in nominal value from 1,711,914 lei on 31.12.2013 to 2,403,348 lei



on 31.12.2014. Compared to 31.12.2012, the overall result for the period decreased by 30.76% in nominal value of 3,470,934 lei on 31.12.2012 to 2,403,348 lei on 31.12.2014. Increasing global result is justified by the effective management of assets and liabilities.

Economic - financial indicators	31.12.2014	31.12.2013	31.12.2012
Current liquidity – Current Assets / Current Liabilities	4,75	4,00	5,35
Indebtness – Borrowed capital / Equity * 100	7,80 %	11,89%	19,36%
Rotation speed debts – clients – Receivables / Turnover * 365 days	118 days	144 days	134 days
Rotation speed of fixed assets – Turnover / Fixed Assets	1,16	0,94	0,83

Current liquidity - provide the guarantee to cover current liabilities from current assets, accepted value is about 2.

Indebtedness - Expresses credit risk management effectiveness. The lower the value resulting from the calculation of indebtedness ratio, the smaller risk associated and less sensitive with changing interest rates. Value obtained of 7.80% indicates that the company does not face potential funding problems.

Rotation speed debts – clients - Express effectiveness of the company in collecting its receivables, namely the number of days until the debtors pay their debt to society. The average number of days in which the company claims back in 2014 was 118 days.

Rotation speed of fixed assets - Express effectiveness of business assets by examining the turnover generated by a certain amount of assets. The value obtained was 1.16 and expresses assets management effectiveness by achieving a turnover of 73,512,397 lei generated by an amount of fixed assets amounting to 63,397,511 lei.

e) Cash-flow:

Cash-flow situation on 31 December 2014 compared to December 31, 2013 and December 31, 2012 is as follows:



	<u>31-December</u> <u>2014</u> lei	<u>31-December</u> <u>2013</u> lei	<u>31-December</u> <u>2012</u> lei
Net profit for the year	2.403.349	1.711.914	3.470.934
Income tax expenses	1.119.193	1.157.198	1.272.799
Long term asset depreciation /impairment	7.513.542	10.433.155	8.310.623
Gain / loss on sale of fixed assets	-	-	-
Expenses / income provisions for customers	(4.169.862)	(1.055.263)	(140.972)
Losses on receivables and sundry debtors	-	-	-
Provisions for stocks	(3.068.951)	(3.195.167)	(4.090.214)
Interest expense	(361.280)	(827.379)	(946.363)
Interest income	688.688	1.109.318	1.337.472
Dividend income	-	-	-
Gain / loss rate differences	276.423	(197.200)	(374.458)
Movements in working capital	1.997.754	7.424.662	5.368.887
Increase / (decrease) in trade and other receivables	(1.234.716)	(3.441.724)	18.081.046
Increase / (decrease) in inventories	(2.891.152)	(43.106)	(3.866.159)
Increase / (decrease) in other current assets	(604.506)	(155.718)	(166.376)
Increase / (decrease) in trade payables	(6.078.814)	1.575.021	849.443
Increase / (decrease) in deferred revenue	794.900	174.708	860.996
Increase / (decrease) in other liabilities	12.050.431	(8.101.356)	(9.502.666)
Cash used in operating activities	2.036.143	(9.992.175)	6.256.284
Income tax paid	(576.375)	(1.757.321)	(569.754)
Interest paid	(361.280)	(1.078.457)	(1.215.609)
Cash generated from operating activities	5.499.591	(3.691.377)	13.310.742
Net cash from investing activities	(4.269.428)	(699.895)	(613.355)
Cash payment for acquisition of land and assets	(4.269.428)	(699.895)	(613.355)
	(3.693.608)	(3.267.796)	(1.463.381)



Net cash from financing activities			
Cash repayments of borrowings	(3.658.177)	(3.182.551)	(1.463.381)
Dividends paid	(35.431)	(85.245)	-
Increase / decrease in net cash and cash equivalents	(2.463.445)	(7.659.068)	11.234.006
Cash and cash equivalents at beginning of period	17.137.959	24.797.027	13.563.021
Cash and cash equivalents at the end of period	14.674.514	17.137.959	24.797.027
Net increase / decrease in cash and cash equivalents	(2.463.445)	(7.659.068)	11.234.006

In 2014, cash and cash equivalents increased compared to 2013 with 5,195,623.00 lei, due to:

- Increase cash generated from operating activities of 9,190,968.05 lei, lei from -3691377.00 on 31.12.2013 to 5,499,591.05 lei on 31.12.2014;
- Reducing net cash from investing activities of 3,569,533.00 lei, from -699895.00 lei on 31.12.2013 to -4269428.00 lei on 31.12.2014;
- Reducing net cash from financing activities of 425,812.05 lei, -3267796.00 lei on 31.12.2013 to -3693608.05 lei to 31.12.2014.

Compared with 2012, cash and cash equivalents decreased by 13,697,451.00 lei in 2014 due to:

- Reducing cash generated from operating activities of 7,811,150.95 lei, from 313,310,742.00 lei on 31.12.2012 to 5,499,591.05 lei on 31.12.2014;
- Reducing net cash from investing activities of 3,656,073 lei, from -613,355.00 on 31.12.2012 to -4,269,428.00 lei on 31.12.2014;
- Reducing net cash from financing activities of 2,230,227.05 lei, from -1,463,381.00 lei to -3,693,608.05 lei on 31.12.2014.



The consortium
Judicial Administrator,

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

Special Administrator-General Director, Economic Director ,
Eng. Ion Zidaru Ec. Ileana Popescu

General Accounting Dept.
Ec. Marian Ilie

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

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

The translation of the document submitted was executed according to a written request filed at no 77/20.03.2015, kept in the archives of the undersigned.

SWORN NTERPRETER AND TRANSLATOR

