



TMK-ARTROM S.A.

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J 28/9/1991; VAT No. RO 1510210/1992
Subscribed and Paid Share Capital: 291.587.538,34 lei

ADMINISTRATION REPORT

Concerning the financial year 2015, prepared in accordance with ORDER MFP 881 and 1286/2012 with subsequent amendments and completions regarding the Accounting Regulations in accordance with International Financial Reporting Standards, Law no. 297/2004 regarding the capital market and NSC Regulation no. 1/2006

1. The Company's activity analysis

1.1. a) Description of the company's core business;

TMK-ARTROM SA SLATINA is a company whose main activity is the production of tubes, pipes, hollow profiles and related fittings, of steel, CAEN code 2420.

The company is a privately owned company.

The company headquarter is in Romania, Slatina, 30 Draganesti Street, Olt County.

b) Specifying the date of establishment of the company;

TMK - ARTROM SA Slatina was established in 1982 and is registered with the Trade Registry under no. J28/9/1991.

TMK- ARTROM SA SLATINA is a private owned company of which the majority shareholder TMK Europe GmbH has acquired control in 2002.

The company is administrated by a Board of Directors consisting of five members and is operationally managed by a Management Board composed of 4 members.

The President of the Management Board is the Chief Executive Officer and member in the Board of Directors and represents the company in the relations with third parties. The other three members of the Management Board are Executive Officers and are not members of the Board of Directors.

The Management Board drew in the collective leadership three more executives forming a College Management Board which is composed by the members of the Management Board and other three executive officers.

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

Not applicable

d) Description of the purchases and / or disposal of assets;

In 8 June 2015 TMK-ARTROM inaugurated a new production capacity namely "ACH workshop -pipes for Automotive and Hydraulic Cylinders". The investment is the first stage of a broader program of development of the company towards Premium products, with high added value and will have a positive impact on efficiency of the activity of TMK's Group plant in Slatina. The description of the capacity is presented at chapter 2.1.

e) Description of the main results of the assessment of the business activity

1.1.1. General assessment items:

In accordance with OMFP no. 881 dated 25 June 2012 on the application by companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards, starting with financial year 2012, companies whose securities are admitted to trading on a regulated market

ISO 9001
ISO 14001
OHSAS 18001

AD-2000 WO/W4
TRD 100/102
Vd TUV

LRS
DNV
GL-RULES
5CT-0440
5L-0352

PED 97/23/EC
EN 10297

EN 10210-1,2
EN 10255

DIN 1629
EN 10210

ISO/TS 16949

are required to apply International Financial Reporting Standards (IFRS) in preparing individual annual financial statements, approved by Order of the Deputy Prime Minister, Minister of Public Finance no. 1.286/2012 for approving the Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market.

For all periods up to the year ended 31 December 2011, inclusively, the company prepared the financial statements in accordance with the Romanian accounting standards under the Order of the Ministry of Public Finance no. 3.055/2009. The financial statements for the year ended 31 December 2012, are the first financial statement prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("UE").

Therefore, the company prepared financial statements under IFRS since 1 January 2012, complying with the methods from the accounting policies.

For preparing these financial statements, the opening balance sheet has been prepared on 1 January 2011, the date of transition to IFRS, under IFRS 1.

Individual financial statements of the entity have been prepared in accordance with Order no. 1286/2012 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent amendments and clarifications. These provisions are in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), except as provided in IAS 21 The Effects of Changes in Foreign Exchange Rates on functional currency.

For the year 2015, the fourth year of application of IFRS the statement of the financial position, part of the annual financial statements ended at 31 December 2015, contain relevant information to the end of the reporting financial year, the end of the previous financial year of the reporting one; the statement of the comprehensive income contains two columns of informations, corresponding to the current financial year (reporting) and the previous financial year of the reporting one.

According to the balance sheet prepared under Orders OMFP 881/25.06.2012, OMFP 1286/1.10.2012, OMFP1690/12.12.2012, OMFP 213/15.02.2013, OMFP 2067/24.12.2013, OMFP 150/11.02.2015, OMFP 1198/30.09.2015, OMFP 4160/31.12.2015 and OMFP 123/28.01.2016 the company registered the following indicators as at 31.12.2015:

	lei	
	2015	2014
Profit before tax	3.188.326	47.716.270
Net accounting profit of which:	2.496.486	40.617.555
Operating profit	15.942.641	60.418.219
Financial loss	12.754.315	12.701.949
Exceptional result	0	0
Current income tax expense	1.065.976	8.449.600
Deferred income tax - income	1.327.048	1.785.081
Deferred income taxes - expenses	952.912	434.196
Turnover	902.936.301	972.488.567
Export	69%	74%
TOTAL COMPREHENSIVE INCOME	937.825.341	997.754.947
TOTAL COMPREHENSIVE COSTS	934.637.015	950.038.677
Share from domestic market -	28,8%	25,5%

owned		
Liquidity	1,84	2,53

The profit of the year 2015 decreased compared to the profit of the year 2014 due to the decrease of the turnover determined by the decrease of the delivery of pipes in the market TMK IPSCO (USA) where due to the low price of the oil barrel the investments in the extractive industry with direct repercussions on the volume of orders received by TMK-ARTROM were reduced substantially.

1.1.2. Assessment of the technical level of the company

Description of the main products manufactured and/or services rendered mentioning:

- a) the main markets for each product or service and the distribution methods;**
- b) the share of each category of products or services in the revenues and in the total turnover of the company for the last three years;**
- c) new products taken into consideration for which a substantial amount of assets will be affected in the next financial year as well as the stage of development of those products.**

The main products manufactured:

1. Mechanical pipes
2. Seamless steel pipes, for boilers and high temperature
3. Seamless steel pipes, for services at low temperature
4. Plain end pipes for pipelines
5. Pipes for jacks
6. Precision pipes, seamless
7. Seamless pipes for water and gas installations.
8. Bored and rolled pipes for hydraulic cylinders
9. Polished exterior pipes for telescopic cylinders
10. Pipes cut to precise lengths for the automotive industry
11. Pipes for hydraulic cylinders suitable for boring and rolling operations

Compared with the same period of the previous year the following are presented:

STATEMENT OF REVENUES		LEI		Increase with	Degree of achievement
		31.12.2015	31.12.2014	%	%
1	Revenues from the trade activity	170.030.432	89.465.093	90	190
2	Sold production	734.968.262	886.387.257	-17	83
3	Trade discounts granted	2.062.393	3.363.783	-39	61
4	Turnover	902.936.301	972.488.567	-7	93

The total turnover decreased with 7% in 2015 compared to 2014 due to the decrease of the turnover from the sold production with 17% and increase of the sale of goods with 90%.

The turnover from the sold production decreased due to the decrease of physical volume of sales of pipes from 190.158 tons to 172.298 tons (a decrease with 9,4%) but also of the average selling price of these with 8,8% determined by the decrease of deliveries of pipes in the market TMK IPSCO (USA).

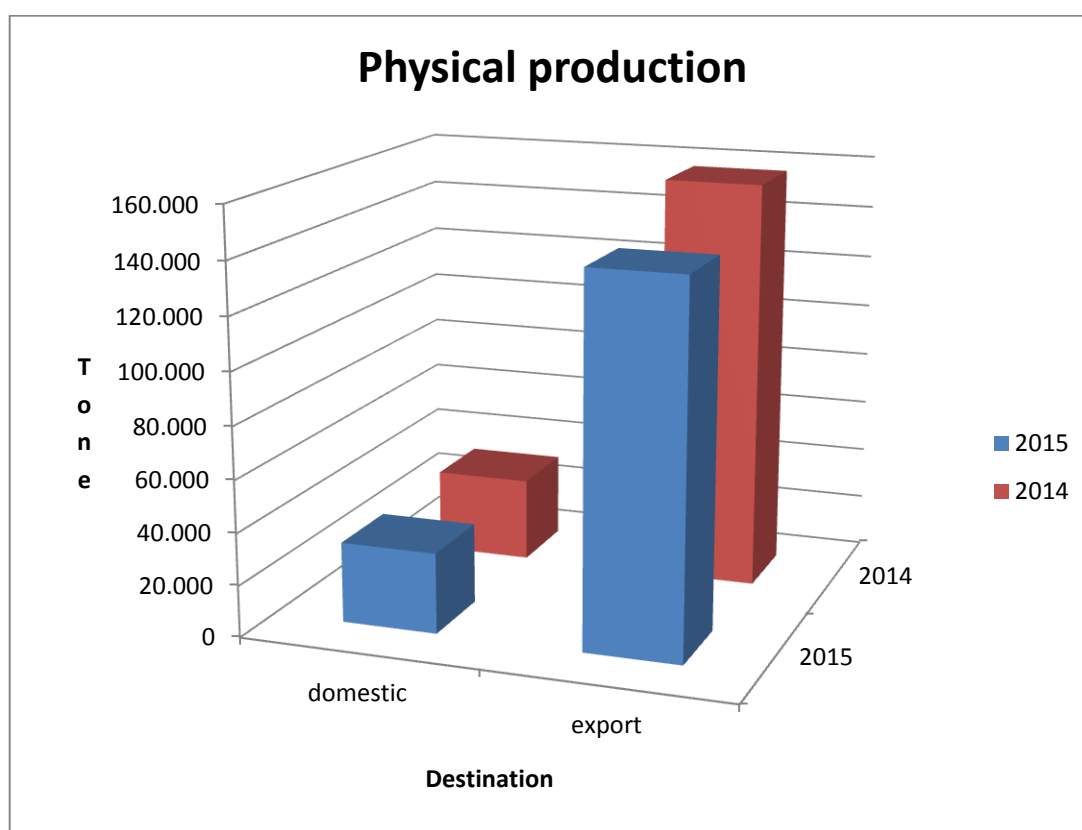
The volume of the sale of goods increased in 2015 with 90% due to the sale on the domestic market and export of 94.154 tons (in 2014: 43.780 tons) of metallurgical products (billets, rectangular billets, pipes) purchased from the companies within the group.

The pipe production volume (production TMK-ARTROM) sold in the total turnover in 2015 is of 77,6% (in 2014: 87,17%)

The company registered in 2015 a physical production of 171.910 to pipes.

The volume of production has the following structure:

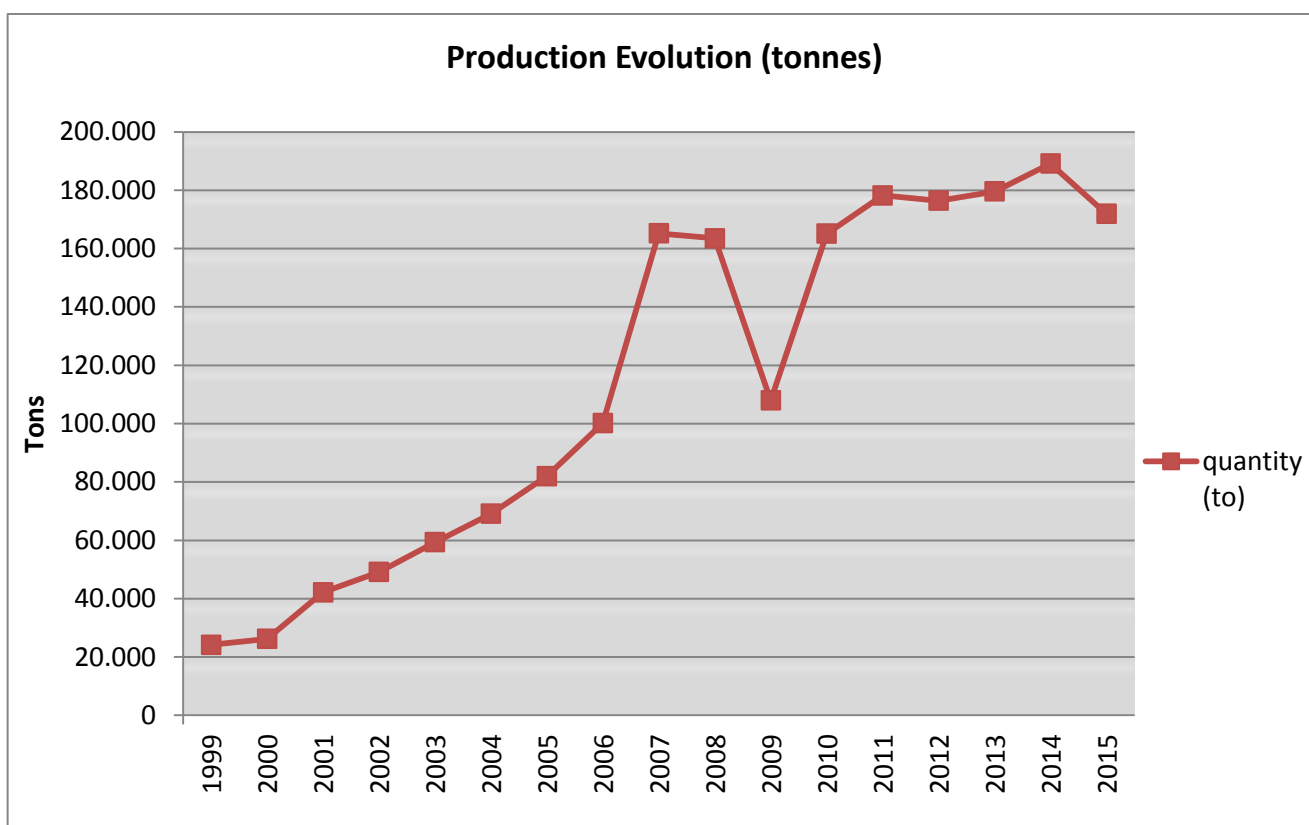
		2015	% total production	2014	% total production	Degree of achievement %
Physical production of which:	tons	171.910	100	189.130	100	91
Domestic	tons	31.163	18	32.188	17	97
Export	tons	140.747	82	156.942	83	90



Evolution of the production volume of tubes as of the privatization of the company:

year	quantity (to)
1999	24.177
2000	26.174
2001	42.153

2002	49.121
2003	59.315
2004	69.079
2005	81.955
2006	100.147
2007	165.196
2008	163.519
2009	107.936
2010	165.095
2011	178.210
2012	176.385
2013	179.553
2014	189.130
2015	171.910



STRUCTURE OF PIPES SALES IN 2015

Destination	Year 2015		Year 2014		Increase of	
	tons	lei	tons	lei	% tons	% lei
Domestic market	29.392	120.666.854	32.032	130.758.051	-8,2	-7,7
export total (intercommunity deliveries and export)	142.906	580.024.927	158.126	717.008.393	-9,6	-19,1

total pipe sales	172.298	700.691.781	190.158	847.766.444	-9,4	-17,3
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The pipes sales in the domestic market in 2015 have a share of 13,36% (in 2014: 13,44%) in total turnover and a share of 17,06% (in 2014: 16,8%) in total quantitative sales of pipes.

The pipe sales on export in 2015 have a share of 64,24% (in 2014: 73,73%) in total turnover and a share of 82,94% (in 2014: 83,2%) in total quantitative sales of pipes due to the increase of trade activity with metallurgical products within the group.

1.1.3. The assessment of the technical-material acquisition activity (indigenous sources, import sources)

Specifying information about the safety of supply sources and raw-materials prices and sizes of raw materials and materials inventory.

TMK-RESITA SA is the sole supplier of raw materials (billets) of TMK- ARTROM SA.

The raw material stock as at 31.12.2015 increased compared to 31.12.2014 from 14.536 tons to 17.013 tons.

TMK-ARTROM SA ensured the financing production activity of TMK RESITA SA through trade advances granted for delivery of billets to TMK-ARTROM which were in amount of 98.799.404 lei (without VAT) as at 31.12.2015 (as at 31.12.2014: 131.866.156 lei (without VAT)).

1.1.4. Assessment of sale activity

a) Description of the sale evolution sequential on domestic market and/or external and sale prospects in the medium and long term;

Considering the type of sale market of goods, the turnover of TMK-ARTROM is as follows:

	<u>Year 2015</u>		<u>Year 2014</u>		Increase with
<u>Sale of pipes production TMK-ARTROM of which:</u>	lei	%	lei	%	%
Domestic market	120.666.854	17,2	130.758.051	15,4	-7,7
Europa	501.274.476	71,5	502.381.381	59,3	-0,2
North America	63.674.194	9,1	202.560.918	23,9	-68,6
Other areas	15.076.257	2,2	12.066.094	1,4	24,9
Total sale of pipes production TMK-ARTROM	700.691.781	100	847.766.444	100	-17,3
<u>Sales of other goods and services of which:</u>					
Sales of other goods on domestic market	160.615.332	79,4	119.912.786	96,1	33,9
Sales of other goods on external market	41.126.539	20,3	4.162.112	3,3	888,1
Rendering services on domestic market	448.329	0,2	600.685	0,5	-25,4
Rendering services on external market	54.320	0,0	46.540	0,0	16,7

Total sale of other goods and services	202.244.520	100	124.722.123	100	62,2
Total turnover	902.936.301		972.488.567		-7,2
Total sale on domestic market	281.730.515	31	251.271.522	26	12
Total sale on external market	621.205.786	69	721.217.045	74	-14

Sales were achieved in 2015 directly and through traders related companies as follows:

- In Romania and East Europe area directly;
- In Northern Europe mainly through direct selling using as agent TMK-EUROPE from Dusseldorf, the main shareholder as well as through trader TMK-EUROPE for existing orders ongoing at the beginning of the year;
- In South and West Europe direct sales but using as agent TMK-ITALIA from Lecco
- In USA through TMK-IPSCO, Houston, and in Middle East respectively through TMK-Middle East –Dubai and directly to customers.

Starting with January 2014 the sales were made by TMK-ARTROM directly to customers from Central and North Europe as a result of concluding an agent contract with TMK EUROPE GmbH in November 2013.

Agents do not conclude commercial act in the name and on behalf of TMK-ARTROM.

On a medium and long term it is envisaged increasing the share of high value added products.

During 2015 we registered a slight decrease of sales in the domestic market amid lower investments in market (mainly investments from the state budget) which affected also the pipe consumption. Another cause of lower delivery volumes in the domestic market was the increased presence of the pipe from imports (from producers from Eastern Europe - Interpipe, BMZ, etc.) that have flooded the market with very low prices. Despite the lower sales volume compared to the previous year, TMK-ARTROM managed to increase its market share reported to the total volume of local producers deliveries in the domestic market to 57,2% compared to 46,4% as it was in 2014.

In other European markets TMK-ARTROM managed to increase the volumes delivered in 2015 despite the difficult situation in the market thus compensating lower volumes delivered in the US market where consumption of pipe was strongly affected by lower oil and gas prices but also by the strong presence of imports from Asia at very low prices.

For 2016 we expect a slight improvement in market conditions, followed by a pronounced revival in 2017. The same situation we estimate also for other markets where TMK-ARTROM delivers its goods. At the same time we expect to increase our presence in current markets and also gaining new markets considering that since 2015 we started to offer new products into the market with high added value which allowed us to address directly to end users such as/for example manufacturers of hydraulic cylinders, etc.

b) Description of the competitive situation in the business area of the company, share market of goods or services of the company and main competitors;

The main sale market of the TMK-ARTROM goods is Europe. TMK-ARTROM's market share in European union (28) is about 7,38% % from the seamless pipe market.

The main competitors on the regional market are:

MITTAL PETROTUB ROMAN

TENARIS SILCOTUB ZALAU

On the external market in the rest of Europe the main competitors are Vallourec, Mannesmann, TENARIS Dalmine – Arcore, Vitkovice, Tubos Reunidos, Eschweiler, Podbrezova, Interpipe Ukraine.

c) Description of any significant dependence of the company to a single customer or to a group of customers of which loss have a negative impact on the company revenues.

Not applicable.

1.1.5. Assessment of the aspects related to employees / staff of the company

a)) Specifying the number and level of training of company employees and the degree of unionization of the workforce;

The effective number of employees as at 31.12.2015 was 1285 employees increasing with 16 employees compared with the staff registered at the end of 2014 of 1269 employees.

The remuneration of employees is paid in lei under the provisions of the Collective Labour Contract and relevant legislation. Are guaranteed in a percentage of 90% regardless of the volume of production achieved, which transform this part of the cost from a variable cost into a fixed cost.

The staff of the company is in a continuous improvement process, participating in numerous courses and training programs.

The unionisation of the workforce is of 92%.

b) Description of the relationship between manager and employees and any conflictual elements which characterize these reports

The relationship of the management with employees is very good and was not registered conflictual elements.

1.1.6. The assessment of the legal aspects related to the impact of core business of the issuer over the environment

The synthetic description of the impact of basic activities of the issuer over the environment also any existing or expected litigation or regarding to the violation of the law on the environment protection.

TMK-ARTROM implemented and certified an integrated management system efficiently planned under ISO 9001:2008, integrated with An Environmental Management System and certified under ISO 14001:2004 and integrated also with Health and occupational safety Management System under OHSAS 18001:2007.

The top management from TMK-ARTROM established the policy in the quality management, environmental management, health and occupational safety and ensure that it:

- a) - is suitable for the purpose of organization;
- b) - includes the commitment for continuous improvement, prevention of pollution, decrease of the risks and meeting the requirements;
- c) - creates a framework for setting and analysing the objectives in the management of the quality and environmental, health and occupational safety management;
- d) - is communicated and understood at appropriate levels of the organization;
- e) - is systematically analysed for accuracy and continuity.

TMK- ARTROM determined how to identify environmental issues arising from business activities or company goods in order to determine their potential impact on environmental factors in the area.

The environmental aspects identified are:

- General environmental aspects
- Significant environmental aspects.

The identification/ determination of the general and specific environmental aspects, was performed based the following documents:

- The own procedure for identification and establishment of the environmental aspects
- Studies conducted by the authorized institutions regarding the impact of the company activity on the environmental factors;
- Legislation in force;
- Registrations of the measures imposed through authorisations: water management and environmental authorization IPPC (relating to integrated pollution control) and GES (relating to greenhouse gases);

Analysis bulletins resulted after measurements made on environmental factors (water, air, soil);

- Claims.

In order to determine the activities and products that can have a significant environmental impact, TMK-ARTROM constantly monitors its environmental impact through activities and products.

The departments or positions responsible for these activities are specified in the system procedures, procedures / work instructions and job description.

To comply with legislation and to ensure access to normative acts in force (including those related to environmental matters), TMK-ARTROM is a subscriber to the "Official Gazette" in electronic format. Also available on the Intranet is a legislative soft. Systematic evaluation of compliance with the law is carried out in accordance with the related procedure.

In setting environmental general objectives and specific objectives, management at the highest level takes into account the stated environmental policy, management commitment, legal provisions and other requirements, identified environmental issues, technological options and financial / trade requirements of the company.

Through these plans it is ensured that responsibilities are set and resources necessary to achieve the established environmental objectives are estimated.

The planning activity of environmental management includes:

- Planning objectives / targets and necessary resources;
- Development of environmental management programs;
- Implementation of environmental management programs;
- Actions for checking / monitoring environmental management programs.

There have been met all environmental protection standards and no litigation or complaints have been recorded.

1.1.7. Assessment of research and development activity

Specification of the expenses in the financial year and those which are anticipated in the next financial year for the research and development activity.

The research expenses performed registered an increase with 24% compared to the previous year and were made to achieve the own technology production of pipes for hydraulic cylinders in Workshop no. 5 – ACH; for the development of the rolling pipes technology of for steel type TMK-C as well as for improvement of the technological process in rolling mill reducer from Workshop no. 2 – CPE the last two being in cooperation with the company RosNITI.

For the next year is provided a higher volume of research works, for development of new products as well as for improving the technological process in rolling mill reducer from Workshop no. 2 – CPE.

The result of the research expenses did not lead to recognition of intangible assets as development expenses.

1.1.8. . Assessment of the company activity regarding the risk management

Description of the company exposure to the price, credit, liquidity and cash flow risk.

Description of the company policies and objectives on the risk management.

The activity of TMK-ARTROM S.A. in 2015 tried to reduce as much possible the company exposure on the market, credit, liquidity and treasury risk.

The company was not exposed to internal risks:

The risks related to purchasing and trade (agreements which could not be met by suppliers , narrowing the sale market) were reduced by the fact that the sole supplier of raw material is TMK-RESITA company within the group, and 83% from production is designed to export, 7% being performed through companies within the group PAO TMK (related to the main shareholder TMK EUROPE GmbH Germany)

and the rest directly to customers which mainly were previously performed through traders which became commercial agents TMK ITALIA and TMK EUROPE GmbH Germany.

The company is exposed to the risk of credit from its operating activities (primarily for trade receivables) and from its financing activities, including deposits in banks and financial institutions, foreign exchange transactions and other financial instruments.

The credit risk of customers is managed under the established policies, procedures and control regarding the customers credit risk management.

Since 01.07.2011 was elected a Commercial Credit Committee and came into force the regulation for its functioning, for a better coordination of financial discipline and for the safety of the company claims.

Provisions of that Regulation shall apply to sales made directly to third parties, internally but also externally for direct sales to customers (agent TMK ITALIA, agent TMK EUROPE) but also for direct sales in Eastern Europe.

The tracking activity monitoring of credit risk is made based on a set of rules and technical measures which classify and monitor the risk for each partner.

The company sell the goods to external and domestic partners providing them depending on the each creditworthiness credit limits in amount calculated for periods between 30 and 120 days.

The credit limits granted are approved by the commercial credit Committee and are revised quarterly, but can be updated during the year when is necessary. Those are settled in order to minimize the risk concentration and to reduce, therefore, the potential financial losses due to failure to pay by the partners.

In order to limit the credit risk, the company concluded on 1 October 2012 with COFACE S.A. an insurance contract default risk for almost the entire portfolio of sales to third parties by Coface SA. In 2013 the company decided to maintain the insurance contract for the non-payment also with Coface but this time with the German subsidiary which could grant a smaller insurance premium in the same condition with the previous year. In December 2014 it was decided to extend for another year the insurance contract concluded with Coface GERMANY. In 2015 the contract with COFACE GERMANY was extended with one year. Credit limit granted by Coface covered to external market 70% from the limits required, and the domestic market 44 % from the required limits. Thus as at 31.12.2015 80% of insurable receivables were covered by the insurance policy.

The technological risks (unable acquisition of modern technology due to the problems mainly related to financing activities) have not existed because the company did not completed the major investments. For the next period the company has launched a new investment program designed to increase the added value of production and diversification level of service to customers.

In 2015 TMK-ARTROM not faced the following types of risk:

1. Risks due to human factors (strikes, incompetent)
2. Informational risks (unable to keep up with new market trends)

During 2015, the manufacturers of pipes in Europe were under constant pressure production of seamless pipes in Europe decreasing slightly from month to month, estimating that for the total year 2015 we witness to a reduction for the production of seamless pipes of ~ 20-25%. The difficult situation in the market caused staff reductions in most of the producers of pipes, particularly for the producers of OCTG pipes (pipe destined for the oil and gas industry) which registered volumes smaller and smaller of orders due to the reduction of investments affected by the low price of oil and gas. There were pipe producers that have stopped production capacities in 2015 such as the Vallourec Group which definitively stopped their production activity at the plant in northern France from Saint-Saulve.

In 2015, competition on the segment of industrial pipe was increasing, this being determined by more and more aggressive presence on the market of the OCTG pipe producers, manufacturers that after the collapse of the price of the oil barrel, simultaneously with the reduction of the investments in the mining, have seen drastic reductions in volumes of orders what made them orient production capacity to produce industrial pipe (pipes in range of TMK-ARTROM). In these circumstances the offer of industrial pipe on the market was higher compared to the previous year, generating a growing pressure on the prices at which these products are sold.

Customers have ordered only the necessary pipe that they could deliver in a short time to the end users thus trying to keep their stocks of pipes at a lower level and the cost of their activity related to stocks to be kept to a minimum level. Consumption in the market has not been a constant one and that it is why our customers have not been able to work in a system which provides orders on a regular basis.

The European market of pipes was also affected by the crisis in Ukraine, many European companies that export products to Russia in the manufacture of which was used also pipe were affected by the restrictions that have been imposed to Russia after this conflict - one of markets that has been affected by this conflict is the precision pipes that are used for agricultural machinery that were exported in large numbers in Russia, for which demand fell by 20-25% last year. Moreover, manufacturers of pipes from Ukraine have turned increasingly to the European market because consumption on the local market fell heavily after stopping investments and because they could not export to Russia.

In the case of TMK ARTROM, current and future cash receipts are sufficient to ensure that the relationship between creditors and shareholders is not affected.

In order to protect against the risk of price, TMK-ARTROM sets the selling price of products, from price calculation through negotiation with business partners according to prices from retail markets in order to ensure breakeven point.

At the beginning of the year there are concluded framework agreements for the sale of the export products with trade houses within the group for TMK IPSCO USA, TMK Middle East UAE.

The price for each order is determined based on the catalogue prices on sales markets.

In sales analysis are monthly tracked all value influences of quantity, structure and price.

In relations the with related companies, TMK-ARTROM uses only market prices and controls the structure of the selling price up to the first unrelated client in the market, market fluctuations being reflected in the sale price to related companies.

Currency risk represents the potential effect that changing exchange rates might have on the profit and loss account and on the accounting balance sheet of TMK-ARTROM S.A.

Foreign exchange risk management has as its objective loss minimization that might arise from variations in exchange rates.

On the short term, currency risk management aimed and still aims to maintain that expense elements which form the cost of operation performed to avoid the loss to be less than the loss which could be produced without protection against the currency risk.

It was followed that the payments in a certain currency to be made from the collections in that currency, eliminating in this way the cost of currency risk.

Currency auctions are negotiated with the bank and here are considered the higher currency exchanges which benefit from better exchange rates.

On the long term, it was aimed and is still aimed that the protection expenses of the exchange rate to be as lower as possible and to represent a lower share in the total loss derived from the currency risk.

TMK-Artrom concluded with BCR a framework agreement "Master Agreement ISDA / 17.11.2011" through which it may run forward transactions but also other transactions with BCR up to a limit of 3.000.000 EURO treasury line.

Given the volume of transactions concluded since 2011, in September 2014 was concluded an addendum with BCR, through which the amount of the agreement was reduced to 850.000 euro.

During 2014 TMK-ARTROM had concluded also with UNICREDIT TIRIAC BANK a treasury line up to 2 million EUR to carry out FORWARD transaction.

The company concluded in 2014 an agreement on derivatives operations on exchange rate transaction which were treated under IFRS as hedging operations.

The agreement was concluded with UNICREDIT TIRIAC BANK in 5.09.2014 for the sale of 1.000.000 USD in 27.10.2014 on a negotiated exchange rate of 3,4050 USD/RON

In 2015 the management considered not necessary and the Company did not concluded any agreement on derivatives operations on foreign exchange transactions.

1.1.9. Perspective elements on the company's business

a) Presentation and analysis of trends, items, events or uncertainty factors that affect or could affect the liquidity of the company compared to the same period of the previous year.

- the Decrease of seamless steel pipes selling prices .
- In 2015 EURIBOR rate decreased greatly, but economic and financial evolutions and global politics signals for the next period the increase of EURIBOR rate, amid the economic and financial crisis might affect both the liquidity and the level of financial losses from interest.
- The increase of the collection term of receivables for the sales of pipes as a result of maintaining the economic and financial crisis.
- Although during 2015 efforts were made to increase the payment duration of suppliers, raw material market evolution, increased oil crisis, all can converge to the decrease of the payment duration to suppliers as a result of the market conditions imposed by the providers of utilities;
- Oscillations of the exchange rates.

b) Presentation and analysis of the capital spending effects, current or anticipated on the financial position of the company compared to the same period last year.

The capital expenses were in 2015 of 45.878.130 lei and had as main destination equipment to ensure the increase of the added value of products.

Considering the provisions of Government Emergency Ordinance no. 19/2014 amending and supplementing Law no. 571/2003 regarding the Fiscal Code, in 2015 the company benefited from the profit tax exemption for reinvested profit in technological equipment purchased and put into operation in value of 299.958 lei.

c) Presentation and analysis of events, economic changes transactions that materially affect the revenues from the core business.

The items that can affect the revenue from the core business are:

Positive:

- The Maintaining the anti-dumping duty to Chinese seamless pipes
- Closings the seamless pipes production capacities announced by Vallourec which led to the decreased of seamless pipes offer in the European market
- Reducing of pipe inventories to customers and distributors which should lead to an increase in volumes ordered in the coming months
- Concluding a consignment contract for the sale of pipes in the European market with storage in Italy which will permit the increase of the volume of pipe sold.

Negatives:

- Maintaining the low price of oil which affects the producers of OCTG pipes, these orientating towards industrial pipes produced by TMK-ARTROM, thus creating a higher pressure on prices for pipes produced by TMK-ARTROM
- the low consumption of pipes from American market that led to the increase of the presence in the European market of the producers offers from Non-EU area such as BMZ, Interpipe with very low prices on seamless pipes.

2. TANGIBLE ASSETS OF THE COMPANY

2.1. The location and the main production capacity characteristics owned by the company

The main production capacities of TMK-ARTROM SA Slatina are:

- Workshop no 1 ASSEL: Hot rolling and finishing line for hot rolled pipe with heavy wall thickness in range of 60-224 mm , ASSEL type (120,000 tons / year) composed by several stands in line.
- Workshop no. 2 CPE: The rolling and finishing CPE (Cross Piercing Elongator) with a capacity of 100,000 tons / year. The line was commissioned on December 31, 2006, at first with only 80% of its capacity. In 2007 we continued the investment process so that the mill's production capacity reached 100,000 tons. It produced pipes in the range of 12,5 -114,3 mm.
- Workshop no. 3 for cold drawn/rolled pipes is composed mainly of a series of cold rolling mills: LAPIR Pilger mill type 50, 75, SKW 75 automatic Pilger mill and Pilger mill HPT 250 and drawing benches 15 tf, 30 tf, 45 tf, 50 tf, 150 tf. Also, the department is equipped with pipe finishing and delivery machines. It has a production capacity of 28,000 tons / year and can provide cold processing of pipes with diameters between 17 and 220 mm for the construction and manufacture of bearings.
- Workshop no. 5 - ACH pipes for hydraulic cylinders: is the newest and most modern department within the company, with processing machines the newest available on the market, with a capacity of 32.300 tons/ year. Workshop is the first investment in further processing operations for part of the pipes produced by other departments in order to increase value added and / or approach of some new market segments. The first product assimilated in this section consists of tubular pieces obtained by precision cutting of pipes. These products are mainly for the automotive industry. The second equipment put in function is a grinding machine outside pipes, in order to produce finished pipes ready for final operation of polishing before chrome plating. The latest investment made in this workshop during 2015 was the commissioning of the two boring and rolling pipes for hydraulic cylinders.

The location of these capabilities is on the land in the ownership of TMK-ARTROM Slatina, Street Draganesti km. 30, Olt County.

The company also has in Slatina, street Ec.Teodoroiu, two secondary offices at the ground floor of blocks V22 and V23

2.2 Description and analysis of the wear degree of properties of the company

The theoretical wear is generally low because useful life was extended for older machines the term of which would have expired on 31.12.2004 if the physical term of functioning and production of future income could be extended by 20-30 years. Also are new assets bought from outside the country.

On capacities situation is as follows:

- The hot rolling line is in good technical condition. There have made investments modernization and automation of control systems and automatic operation of rolling mills in the line hot rolling, modernization of the transport system, adding in flow sheet of a heating by induction, modernization systems connection of rolling stands in rolling mills and finishing flow of investments in the finished product (marking, coating, packaging) and quality control equipment (magnetic powder) which led to the improvement of the quality of the finished product.
- The capacity rolling and cold drawing is in good condition, mills and benches operating at design capacity in terms of finite dimensional pipes according to technical documentation. The capacity is composed of both machines produced in Romania before 1989, and imported equipment commissioned in 1992, 2001 and 2007.
- The new production capacity, respectively the CPE mill German manufacturer (SMS-MEER) is the youngest of the new generation of economical rolling mill. Has been installed a rolling mill mandrels necessary to improve the quality of finished products and to reduce costs.

During 2015 current repairs were made for conducting the technological flow on designed parameters, and capital repairs for equipment and buildings which were recognized in the carrying value of tangible assets in the amount of 11.678.764 lei.

2.3. Specifying potential problems related to ownership of tangible assets of the Company

There are no problems related to ownership of tangible assets of the company.

3. MARKET SECURITIES ISSUED BY THE COMPANY

3.1. Introducing markets in Romania and other countries that are negotiating securities issued by the company.

TMK-ARTROM SA is an open company. Regulated market where the issued securities are traded is the Bucharest Stock Exchange Regulated Market - Market Category Standard- symbol **ART**.

a) Capital structure, including securities not traded on a regulated market, indicating the different classes of shares and, if applicable, for each class of shares, the rights and obligations attached to that class and percentage of total share capital they represent.

The registered capital as at 31.12.2015 was of 291.587.538,34 lei, split in 116.170.334 shares, in nominal value of 2,51 lei each.

The structure of shareholders as at 31.12.2015 is the following:

	%	Number of shares	Value subscribed and paid capital lei
TMK EUROPE GmbH Dusseldorf Germany	92,7282	107.722.706	270.383.992
Other shareholders individuals and companies	7,2718	8.447.628	21.203.546
Total	100	116.170.334	291.587.538

Starting with 24.02.2014 Financial Investment Company OLTENIA SA has become significant shareholder through transaction on secondary market with a number of shares held after transaction of 5.810.951 representing 5,002% from the share capital and the number of votes in GSM of TMK-ARTROM. As at 30.09.2015 Financial Investment Company OLTENIA SA owned a number of 6.155.980 shares representing 5,2991% of the share capital (the latest public data).

Obligations of the company are guaranteed with social heritage, shareholders being liable only up to the subscribed capital.

The shares owned gives shareholders the right to vote and dividends.

Shares are registered, embodied, numbered.

b) any restrictions relating to the transfer of securities, such as limitations on the ownership of securities or the need to obtain approval of the entity or other holders of securities

Mr. Popescu Adrian has restricted a number of 457 shares because on the requirement of the company in accordance with the provisions of art 140 from law 31/1990 are established guarantees during the period on which is appointed as administrator.

c) significant direct and indirect holdings of shares (including indirect holdings through pyramid structures and cross holdings of shares, as they are defined in regulations on the capital market)

No significant indirect holdings, the direct ones being presented at a).

d) holders of any securities with special control rights and a description of these rights.

Not applicable

e) the control system of any employee share award scheme, if control rights are not exercised directly by employees;

Not applicable

f) any restrictions on voting rights, such as limiting the voting rights of holders of a fixed percentage or number of votes, deadlines for exercising voting rights or systems by which, cooperating with the entity, financial rights attached to securities are separated from the ownership of securities.

Not applicable

g) any agreements between shareholders which are known to such entity and can lead to restrictions on transfer of securities and / or voting rights;

Not applicable

h) rules that provide the appointment or replacement of the Board members and modification of the entity's articles of incorporation;

The ordinary General Meeting:

- Elects the members of the Board of Directors, establishes their remuneration, discharges them from their duties and revokes them;
- Establishes the powers and responsibilities of the Board of Directors

The Extraordinary General Meeting decides:

- Any other amendment to the articles of incorporation or any other decision which requires the approval of the Extraordinary General Meeting.

i) Powers of Board members and, in particular those relating to the issuance or redemption of shares;

Not applicable

j) any significant agreements to which the entity is a party and which take effect, are modified or terminated based on a change in control of the entity, following a takeover public offering, and effects from it, unless the disclosure of such information would seriously prejudice the entity.

This exception does not apply if the entity is specifically obliged to disclose such information under other legal requirements

Not applicable

k) any agreements between the entity and members of its Board of Directors or employees, by which there are provided compensations if they resign or are dismissed without reasonable cause or if the employment relationship ends because of a takeover public offering.

According to individual contracts

3.2. Description of company policy on dividends. Dividends due paid/accrued in the last 3 years and, if applicable, reasons for any decrease in dividends over the last 3 years.

In the last three years the company has not granted or paid dividends.

The Board of Directors propose the distribution of accounting profit of year 2015, in amount of 2.496.485,98 lei as follows :

1. legal reserves under the Law 31/1990, at least 5% from annual gross profit (but no more than 20% from the share capital) 159.416 lei of which:
 - 144.419 lei, legal reserve in accordance with law 31/1990, at least 5% of annual gross profits (but not less than 20% of share capital) less part of the profit reinvested;
 - 14.997 lei legal reserve , related to the reinvested profit under the provisions of art. 19⁴ exemption from taxation of reinvested profits (effective since 1 July 2014) of Law 571/2003 "Fiscal Code";

2. " Other reserves for reinvested profit" 284.961 lei representing the reinvested profit in technological equipment – machinery, equipment and working installations under the provisions of art. 19⁴ exemption from taxation of reinvested profits (effective since 1 July 2014) of Law 571/2003 "Fiscal Code" ;
3. Retained earnings of the difference of profit of 2.052.108,98 lei.

3.3. Description of any activities of the company to purchase its own shares.

Not applicable.

3.4. If the company has subsidiaries, including number and nominal value of shares issued by the parent company held by subsidiary.

The company may establish subsidiaries, branches, agencies, retail outlets, offices, branches in all regions of the country and abroad under the law of existence.

The company has the following secondary offices:

in Slatina, Ec.Teodoroiu Street, building V 23, ground floor, Olt County
 in Slatina, Ec.Teodoroiu Street, building V 22, ground floor, Olt County
 in Bucharest, 2 Daniel Danielopolu Street, District 1 – Agency

3.5. If the company issued bonds and / or other debt securities, indication of the way in which the company pays its obligations to holders of such securities.

Not applicable.

4. BUSINESS LEADERSHIP

Corporate governance.

a) on the corporate governance code which the company voluntarily decided to apply

The company management ensures compliance in the Corporate Governance Code voluntarily applied by the company with the principles contained in the Company's Corporate Governance Code of BSE.

Starting with 1 March 2006 TMK-ARTROM S.A. is a company related to the companies of TMK Group being controlled by the German company TMK-EUROPE which has as sole shareholder the Russian company PAO TMK. (Starting with 9.07.2015 OAO TMK changed its name in PAO TMK).

However, TMK-ARTROM is managed and runned as an independent company complying with the legislation relating to the local capital markets and the equally protection of interest to each shareholder. From the same group of companies is part TMK-RESITA as well, but according to the OMF 1286/2012 should not be prepared consolidated financial statements.

In Romania TMK-ARTROM is related to TMK-RESITA which is controlled by the same shareholder. There are not reported consolidated financial statements for the two companies, since they do not comply with the provisions of the law regarding the consolidated financial reporting requirement.

TMK-ARTROM constantly strives to ensure that its activities are consistent with global standards of openness and financial transparency.

This approach improves the Company's credibility in the eyes of investors, partners and state authorities.

The corporate governance of TMK-ARTROM evolved positively over time and it is in a continuous process of modernization in accordance with international standards.

Corporate governance is based on legitimate rights and interests of shareholders. It encourages effectively corporate activities, including increases in the value of company assets; create jobs and support profitability and financial stability of the Company.

In the TMK ARTROM was adopted Code of Ethics TMK DE, approved by the Board of Directors in December 2014 and published on the site TMK-ARTROM.

Since January 2015 it has implemented the working procedure PL-DE-DAIAR-02 Ed. 1/Rev. 0/26.01.2015 on "Prevention and report acts of corruption."

The corporate governance principles applied in the company are publicly available and can be obtained on the company website www.tmk-artrom.eu.

b) on the extent to which, according to national legislation, the entity does not observe the code of corporate governance that applies to it or that it has chosen to apply, an explanation of it on the parts of code that do not apply to it and the reasons for not applying them;

Not applicable

c) a description of the main characteristics of internal control and risk management systems in relation to the financial reporting process;

Internal control - process conducted by the Board of Directors, management and staff of the entity, intended to ensure the achievement of the Companies' objectives, taking into consideration:

- effectiveness and efficiency of operations;
- reality of financial reports;
- compliance with laws and regulations applicable within the Company.

The company's management is controlled by shareholders and the financial auditor, according to legal regulations valid in Romania.

The internal Audit is performed under the provisions of Art. 20 of GEO. 75/1999 on financial audit aimed to examine objectively the assembly of activities of economic entity in order to provide an independent assessment of risk management, control and management processes of it.

The internal audit function is an integral part of the company's internal control system. The Internal Audit and Risk Analysis of TMK-Artrom S.A. reports to the Chief Executive Officer and operate in order to assess, through a systematic and methodical approach, the existing processes of internal control, risk management and corporate governance.

Internal audit objectives agreed with the company's management under the law in force, are:

- a) verifying the compliance of activities from the entity being audited with policies, programs and its management, in accordance with legal provisions;
- b) assessing the adequacy and application of financial and non-financial controls arranged and conducted by management in order to increase the efficiency of the economic entity;
- c) assessing the appropriateness of the data / information management for financial and non-financial entity knowledge from economic reality;
- d) protecting property and off balance sheet items and identifying methods to prevent fraud and losses of any kind.

Within TMK Artrom is implemented a formalized process of risk management, which ensures the identification, assessment and control of risks that could affect the overall goals and objectives set at the level of each structure within the company by working procedure PL-DE-DAIAR-01 Ed. 1./Rev. 0/29.01.2014 "Risk Management" in force since January 2014.

Risk management is an element of internal control system, with which significant risks for activities within TMK-Artrom are identified, the ultimate goal being to maintain these risks at an acceptable level. The main objectives of risk management are:

- Maintain threats within acceptable limits;
- To take appropriate decisions to explore opportunities;
- Contribute to the improving the performance of TMK-Artrom S.A.

In accordance with the Accounting Law no 82/1991 and OMFP no. 522 dated 16 April 2003 (updated) for the approval of the General Methodological Norms regarding the exercise of preventive financial control, the preventive financial control decision no .325 dated 8.11.2011, by which the organization and exercise the preventive financial control in the company was regulated.

In the field of Environmental Quality Management there are internal audit procedures that verify compliance at the company level with requirements of reference standards ISO 9001, API Q1 and ISO 14001 and its documents, the way in which they are implemented and effectively maintained.

Annually there is also performed the control of the assets by conducting an annual inventory based on the decision of the company management and the decision to establish a program of annual inventory.

Financial reports prepared in compliance with national legislation are audited by Ernst & Young as well as annual reports and financial statements prepared in order to consolidate financial statements at the level of the TMK Moscow group.

d) the conduct of the general shareholders' meeting and its key functions as well as description of shareholder's rights and how they can be exercised;

The General Meeting of Shareholders is the governing body of the company; it decides on its activity and ensures the economic and trade policy.

General meetings are ordinary and extraordinary.

THE ORDINARY GENERAL MEETING meets at least once a year within 5 months of the end of the financial year and shall:

a/ discuss, approve or modify annual financial statements, based on reports presented by the Board of Directors, the financial auditor and sets dividends;

b/ elect or dismiss members of the Board of Directors, establishes their remuneration and makes opinions over their administration;

c/ sets the duties and powers of the Board of Directors;

d / approves the income and expenditure budget and the business program;

e / decides to pledge, lease or dissolve one or more units of the Society;

f / appoints or revokes the financial auditor and sets the minimum term of the audit agreement.

THE EXTRAORDINARY GENERAL MEETING shall meet whenever necessary and decides on:

a / change of the Incorporate Deed of the Company;

b / relocation of the Company's registered location;

c / alteration of the activity's objects of the Company;

d / prolongation of the duration of the Company;

e / increase of the registered capital;

f / reduction of the registered capital or its unification by issuing shares;

g / merger with another company or split of the Company;

h / early dissolution of the Company;

i / issuance of bonds;

j / conversion of shares from one class to another;

k / conversion of a class of bonds or shares in another category or in shares;

l / any other change in the Articles of Association or any other resolution for which approval is required from the Extraordinary General Meeting;

m / the following powers are delegated to the Board of Directors by the Articles of Association:

- relocation of the company registered office;

- alteration of the activity's objects of the Company except for the main class of activity;

- establishment or dissolution of secondary offices, branches, agencies, offices or other such units without legal personality.

e) the structure and operation way of the administrative, management and supervisory bodies and their committees during the reporting period.

As at 31.12.2015 the company is administrated by a Board of Directors composed of:

1. Andrey Zimin- Chairman of the Board of Directors
2. Adrian Popescu- Chief Executive Officer
3. Mikhail Albertovich Surif
4. Andrey Parkhomchuk
5. Olga Nikolaeva

The present Board of Directors have mandate since 28.04.2015 till 28.04.2019.

Responsibilities of the Board of Directors:

The Board is charged with performing all the necessary and appropriate actions so as to achieve the object of activity of the Company, except for the powers reserved exclusively to the General Meeting of Shareholders or the powers delegated to the mandated officers of the Company.

The Board has the following core competencies that cannot be delegated to managers:

- ◆ To establish the main directions (ways) of activity and development of the Company;
- ◆ To establish the accounting and financial control system and financial planning approval;
- ◆ appointment and dismissal of the mandated officers and determination of their remuneration;
- ◆ supervision of the activity performed by mandated officers;
- ◆ preparing the annual report, organizing the general meeting of shareholders and implementing its decisions;
- ◆ application of the request on opening insolvency proceedings.

The Board represents the company only in relations with the CEO and other executive officers.

In 2015 there were 6 meetings of the Board of Directors having on agenda the following:

Date	Discussed topics
13/02/2015	<ol style="list-style-type: none"> Quarterly economic reports of the 4th quarter of 2014 Preliminary annual financial results at 31.12.2014, according to AFS Regulation nr.1/2006 Publication in accordance with legal provision of the preliminary annual financial results at 31.12.2014, main preliminary indicators for 2014.
11/03/2015	<ol style="list-style-type: none"> Agenda of the Ordinary and Extraordinary General Meeting of Shareholders Modifications of the accounting policies Manual in accordance with IFRS The performance bonus for the management for 2014
26/03/2015	<ol style="list-style-type: none"> Managerial report of the Board of Directors for 2014 Annual individual financial statements in accordance with IFRS for 2014 and the proposal to the General Meeting of Shareholders regarding the distribution of profit in the reserve fund, other reserves for reinvested profit, for covering the losses of previous years and carrying forward the difference of the undistributed profit. Proposal to General Meeting of the Shareholders regarding the discharge of activity for the members of the Board of Administration for the financial year of 2014. The incomes and expenses budget and the activity program of the Company for the year 2015. Analysis of the investment program results for 2014 Investment schedule for the year of 2015. Credit limits for the year of 2015 and the prologation of the credit agreements the expiry date of which is in 2015.
12/05/2015	<ol style="list-style-type: none"> Quarterly economic results – analysis and approval of economic results of 1st quarter of 2015 Financial results for completed 3 months at 31.03.2015 in accordance with the provisions of the AFS Regulation nr.1/2006 Publication in accordance with legal provision of the results for the completed 3 months at 31.03.2015.
13/08/2015	<ol style="list-style-type: none"> Quarterly economic results – analysis and approval of economic results of 2st quarter of 2015 Managerial report and financial results for completed 6 months at 30.06.2015 in accordance with the provisions of the AFS Regulation nr.1/2006 Publication in accordance with legal provision of the results for completed 6 months at 31.06.2015.

11/11/2015	1.Quarterly economic results – analysis and approval of economic results of 4 st quarter of 2015 2. Financial results for completed 9 months at 30.09.2015 in accordance with the provisions of the AFS Regulation nr.1/2006 3. Publication in accordance with legal provision of the results for completed 9 months at 30.09.2015.
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4.1. Presentation of the list of Company's directors and the following information for each director:

- a) CV (name, age, qualification, work experience, position and seniority);**
- b) any agreement, understanding or family connection between that director and another person due to who that person was appointed director;**
- c) Participation of the director to the capital of the company;**
- d) list of persons affiliated to the company.**

The company is managed by a Board of Directors composed of:

- 1. Andrey Zimin- Chairman of the Board of Directors
- 2. Adrian Popescu- Chief Executive Officer
- 3. Mikhail Albertovich Surif
- 4. Andrey Parkhomchuk
- 5. Olga Nikolaeva

The current Board has a mandate from 28.04.2015 to 28.04.2019.

The Company's Board of Directors is formed from 5 members, which are not independent, the majority being non-executive administrators, except for the Chief Executive Officer.

a) CV

Andrey A. Zimin is employed in TMK since 2004.

Mr. Zimin graduated from State University of Foreign Affairs in Moscow in 2003 having diploma in law.

In 2003-2004, Mr. Zimin was employed in the position of attorney in the law firm of Yust.

In 2004-2012, Mr. Zimin was chief of the corporate Department of OAO TMK.

Since 2012, Mr. Zimin is Deputy General Manager of Legal Issues to PAO TMK

b) any agreement, understanding or family connection between that manager and another person due to who that person was appointed director;
not applicable

c) Participation of the director to the capital of the company;
not applicable

d) list of affiliated trading company.

Mr. Andrei Zimin is Deputy General Manager of Legal Issues of PAO TMK (affiliate company).

Adrian Popescu- Chief Executive Officer

a) CV

Last name: POPESCU

First name: ADRIAN



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 ██████████
 ██████████
 Languages: English, French

Education:

- In 1985 he graduated from the Polytechnic Institute "Traian Vuia" of Timisoara, Faculty of Mechanics, Department of Machines Manufacturing Technologies, specialization of Technological Processes Automation / CNC machine tools
- Professional activity:
- 1985-1988 - trainee engineer at Slatina Pipe Company (currently TMK-ARTROM)
- 1989-1990 - Chief Engineer Maintenance Department – Trainee Chief Mechanical Engineer at Slatina Pipe Company (currently TMK-ARTROM)
- 1991 - Chief Engineer Refurbishment- Investment Service at ARTROM
- February 1992 - September 1992 - Technical Manager at ARTROM
- September 1992 - June 1998 – CEO and Chairman of the Board of Directors of ARTROM
- June 1998-April 1999 - CEO I SC L&IS Galati-Group AUSA
- April 1999-2009 - President of TMK-ARTROM
- 2004-2009 - President of TMK-RESITA
- Starting May 2009 – CEO TMK-ARTROM and TMK-RESITA. Also owns positions of Vorsitzender der Geschäftsführung (Chairman of BoD) in TMK-Europe and Chairman BoD in TMK-Italia.

b) any agreement, understanding or family connection between that manager and another person due to who that person was appointed director;
 not applicable

c) Participation of the director to the capital of the company;

Mr. Popescu Adrian held a number of 4981 shares from which 457 shares are restricted on the requirement of the company being established as guarantees under the provisions of art. 140 from Law 31/1990.

d) list of affiliated trading company.

- Mr. Popescu Adrian is the Chief Executive Officer of TMK-RESITA SA, Vorsitzender der Geschäftsführung (Chairman of BoD) in TMK-Europe and Chairman BoD in TMK-Italia, all affiliated companies.

Surif Mikhail

a) CV

NAME: SURIF

SURNAME: MIKHAIL

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 ██████████
 ██████████
 ██████████
 Languages: English

Education :

- 2001-2007- Ural State Technical University-UP1, Faculty of Physics and Technology, Standardization and Certification Program

- 2004-2007- Humanities Studies University, Faculty Business and Management, Finance and Banking Program
- 2009-2011- State University-School of High Economic Studies, Faculty of Economics, Corporate Finance Master Program

Professional activity:

08.2013 – to date	PAO TMK- Director of Economical and Planning Directorate
09.2009 – 08.2013	OAo TMK- Head of Budgeting Enterprises - Key and Consolidation
04.2007 – 08.2009	Sinara Group-- Specialist Department of Planning and Investment Control

b) any agreement, understanding or family connection between that manager and another person due to who that person was appointed director;
not applicable

c) Participation of the director to the capital of the company;
not applicable

d) list of affiliated trading company.

Mr. Surif Mikhail **Director of Economical and Planning Directorate** of PAO TMK (affiliate company).

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Parkhomchuk Andrey Vladimirovich

a) CV

NAME: PARKHOMCHUK

SURNAME: ANDREY VLADIMIROVICH



Languages: English, French, Ukrainian

Education:

- In 1985 graduated Chelyabinsk State Technological University, specialization Metallurgical Machinery and Equipment

Professional activity:

07.08.1989 – 22.03.1991	“Teplopribor” Chelyabinsk Factory
7.08.1989	Milling Machine Operator Trainee
2.01.1990	3rd Category Milling Machine Operator
17.07.1995 – 17.12.2001	“Mechel” Chelyabinsk Metallurgical Factory
	OJSC
17.07.1995	Design Engineer in Milling Department, design and estimate Department
29.04.1997	III Category Engineer of Market Forecast Office in Marketing Department, Sales and Marketing

	Service
07.07.1997	II Category Engineer of Assortment in Marketing Department, Sales and Marketing Service
25.01.1999	Director of Opportunity Analysis, marketing Segmentation
26.12.2000	Deputy Director of Quality Metal Sales Department of Sales Direction
18.12.2001 – 31.05.2004	“Ugletmet – M” LLC / “Mechel Trade House” LLC
18.12.2001	Director of Beloretsky subsidiary
1.10.2002	Director of Metal Goods Department
01.06.2003	Deputy Sales Director
01.06.2004 – 31.01.2006	“Mechel Steel Group” OJSC / “MECHEL” OJSC
01.06.2004	Director of Metal Production Sales Department
16.01.2006	Senior Vice President of Sales and Procurement
01.02.2006 – 30.06.2006	“Mechel UK” LLC
10.08.2006 – 23.03.2010	Senior Vice President of Sales and Procurement TOV “METINVEST HOLDING”
02.07.2012 – until present	Sales Director of Steel and Milling Division <<Trade House <<TMK>> Closed Joint Stock Company
02.07.2012	First Deputy Director General, Management

b) any agreement, understanding or family connection between that manager and another person due to who that person was appointed director;
not applicable

c) Participation of the director to the capital of the company;
not applicable

d) list of affiliated trading company.

Mr. Parkhomchuk Andrey is First Deputy Director General of „Trade House TMK” (affiliated company).

Olga Nikolaeva

a) CV

NAME: NIKOLAEVA

SURNAME: OLGA



Olga Nikolaeva is employed within PAO TMK since 2012.

Ms. Olga Nikolaeva graduated from State University for Industry in Moscow in 2001 having diploma in law. Between 2008-2012, Ms Olga Nikolaeva was Head of the Departments of maintaining the corporate processes management of corporate relationship and ownership in Evraz Holding LLC. Since 2012, Ms Olga Nikolaeva Head of Corporate Department PAO TMK.

b) any agreement, understanding or family connection between that manager and another person due to who that person was appointed director;
not applicable

c) Participation of the director to the capital of the company;

not applicable

d) list of affiliated trading company.

Ms Olga Nikolaeva Head of Corporative Department PAO TMK (affiliated company).

4.2. The list members of the executive management of the company. For each, the following information is presented:

- a) the period for which the person is part of the executive management;
- b) any agreement, understanding or family connection between that manager and another person due to who that person was appointed director;
- c) the person's participation in the company capital.

The management privileges and powers of the Company are delegated by the shareholders through the Constitutive Act to the Chief Executive Officer and to three of the CEO's deputies, namely:

- 1) Adrian Popescu –Chief Executive Officer (CEO)- President of the Management Board
- 2) Vaduva Cristiana – Chief Economical and Accountancy Officer
- 3) Drinciu Cristian – Chief Operational Officer
- 4) Mustata Valeru – Chief Commercial Logistic and Administrative Officer

The Chief Executive Officer following its powers and privileges expanded the powers of the Management Board to the College Executive Board, as advisory body and internal collective decision composed of 7 members as follows:

- Members of the Management Board
- Three executives as follows:
 - 5) Cernyy Evgeny – Chief Financial Officer
 - 6) Kolomeets Olga – Chief Public Relations and personnel's policy
 - 7) Pavlov Alexandru – Chief Procurement Officer

Managers/Officers are appointed exclusively outside of the Board of Directors except for the Chief Executive Officer who is a member of the Board of Directors..

The Chief Executive Officer represents the company in relations with third parties and has full power to hire, fire, fix the remuneration of any employees, establish and modify at any time the organizational chart of the Company.

The company is validly represented in relations with third parties, including but not limited to financial institutions, courts of all levels of jurisdiction, governmental authorities, by the following persons acting together or separately, as follows:

- a) By the Chief Executive Officer acting individually; or
- b) by Chief Operational Officer (first signature) acting together with the Chief Economic and Accountancy Officer (second signature), under the mandate granted by the Chief Executive Officer,
- c) by Chief Commercial Logistic and Administrative Officer (first signature) acting together with the Chief Economic and Accountancy Officer (second signature), under the mandate granted by the Chief Executive Officer

as well as

- d) by Chief Financial Officer (first signature) acting together with the chief Economic and Accountancy Officer (second signature), under the mandate granted by the Chief Executive Officer or
- e) by Chief Procurement Officer (first signature) acting together with the chief Economic and Accountancy Officer (second signature), under the mandate granted by the Chief Executive Officer.

Chief Economic and Accountancy Officer exercises the Preventive Financial-Economic Control in the company.

a) the period for which the person is part of the executive management

Members of the Management Board

- 1) Adrian Popescu – mandate starting 02.09.2011 to 29.04.2019 (GSM decision);
- 2) Vaduva Cristiana – mandate starting 02.09.2011 to 29.04.2019;
- 3) Drinciu Cristian – mandate starting 02.09.2011 to 29.04.2019;
- 4) Mustata Valeru mandate starting 02.09.2011 to 29.04.2019;

The mandates were extended in 28.04.2015.

b) any agreement, understanding or family connection between that manager and another person due to whom that person was appointed as member of the executive management;

For the members of executive management there are no agreements, understandings or family ties or other persons due to who that person was appointed member of executive management.

c) the person's participation in the company capital.

The following Managers hold shares in the registered capital:

Last name and first name	Number of shares held
Popescu Adrian	4981
Vaduva Cristiana	15005
Mustata Valeru	1275

Mr. Adrian Popescu holds a total of 4981 shares of which 457 shares are restricted to guarantee request of the company being constituted according to art. 140 of Law 31/1990.

4.3. For all the persons presented in 4.1. and 4.2., indication of any litigation or administrative procedures that they have been involved during the past 5 years, for their work in the issuer, as well as those concerning the person's ability to fulfill duties within the issuer.

There are no litigation or administrative proceedings in which the executive members have been involved in last 5 years.

4.4. Remuneration Policy

The Board members don't receive any remuneration for the activity performed in the Board or any other benefit.

The Executive Management is remunerated in the form of base salary in cash, for the fulfillment of their duties, annual bonus for senior executives based on performance registered and non-monetary benefits such as life and accident insurance, health insurance, medical services.

Within the company is not granted remuneration in the form of shares or share options granted free of charge.

5. FINANCIAL STATEMENT

Provision of an analysis of the current financial and economic situation compared to last three years, including at least:

balance sheet items: assets that are at least 10% of total assets, cash and other liquidities available, reinvested earnings, total current assets, total current liabilities;

b) profit and loss account: net sales, net income or gross income; risk provisions for various expenses; referring to any sale or closure of an activity segment performed last year or to be made next year ; declared and paid dividends;

c) cash flow: all the changes in the cash in the core business, investments and financial activities, the cash at the beginning and at the end of the period.

a) balance sheet items: assets that are at least 10% of total assets, cash and other liquidities available, reinvested earnings, total current assets, total current liabilities

BALANCE SHEET ITEMS, in simplified form:

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NAME OF INDICATORS	2015	2014	2013
1. Fixed assets	437.087.942	422.484.440	400.177.895
2. Lands	10.956.921	10.956.921	10.956.921
3. Investments in progress	11.497.561	12.648.245	32.458.920
4. Financial non-current assets	50.653	288.350	
5. Other non - current assets	9.227.177	11.371.656	3.505.132
TOTAL FIXED ASSETS	470.339.415	457.890.753	447.285.949
5. Inventories	132.326.524	125.439.860	152.427.445
6. Receivables	220.564.230	203.310.913	208.789.369
7. Advance payments	100.154.777	133.720.091	132.894.909
8. Cash	4.078.542	29.473.937	1.667.297
TOTAL CURRENT ASSETS	457.124.073	491.944.801	495.779.020
TOTAL ASSETS	927.463.488	949.835.554	943.064.969
9. Equity	486.186.845	483.849.390	442.801.175
10. Liabilities: Amounts to be paid within a period of up to one year	248.083.677	194.626.841	264.682.601
11 Liabilities: Amounts to be paid within a period longer than one year	193.192.966	271.359.323	235.581.193
TOTAL LIABILITIES	927.463.488	949.835.554	943.064.969

As at 31 December 2015 tangible assets were stated at cost , net of accumulated depreciation and/or losses from impairment, if any.

As at 1 January 2011, to prepare the first set of financial statements in accordance with IFRS for all items of tangible fixed assets (including land, buildings, machinery and equipment), the company chose as its deemed cost, the cost revalued at 31 December 2010 (using a recalculated for one year, since 31 December 2011).

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses recognized on the valuation date.

TMK-ARTROM SA used for accounting depreciation of tangible fixed assets the straight-line depreciation method. The estimated useful lives used to calculate accounting depreciation of fixed assets are the management best estimate regarding the useful economic life of the assets considering technical characteristics and utilization conditions.

For the calculation of tax depreciation were used useful lives established under HG 2139/2004 for approving the Catalogue of classification and useful life of the assets. For technological equipment, respectively machinery, tools and equipment (fixed assets group 2), and for computers and their peripherals, which were recorded during 2013 was used accelerated depreciation regime, according to art. 24 Para. (6), point b) of Law no. 571/2003. For transport recorded during 2013 was used digressive depreciation regime,

according to art. 24 Para. (6), paragraph c) of Law no. 571/2003. For the calculation of tax depreciation of other fixed assets it was used straight-line depreciation method.

The company's **receivables** registered an increase in 2015 due to the increase of the increased period of collection.

The receivables that the company has to collect increased from 203.310.913 lei as at 31.12.2014 to 220.564.230 lei as at 31.12.2015, representing

-lei-	
Trade receivables, from which:	207.842.378
- Amounts to be received from associates	26.044.276
VAT recoverable	12.632.991
Various debtors, of which:	2.214.388
- Various debtors - related parties	915.971
Receivables towards personnel	491.255
Income tax paid in advance	22.727
Except for:	
Value adjustments for doubtful receivables and debtors	2.639.509
Total	220.564.230

As at 31.12.2015, the company registered doubtful clients on collection in amount of 3.616.614 lei for which were made adjustments of value in amount of 2.639.509 lei.

As at 31 December 2015 TMK-ARTROM SA has to receive from companies within TMK Group trade receivables as follows:

Client's name	LEI
TMK IPSCO International SUA	15.769.970
TMK - RESITA S.A.	10.262.712
Land Properties Investments SRL Bucuresti	1.984
TMK Real Estate SRL Bucuresti	5.890
TMK Assets SRL Bucuresti	3.720
Total	26.044..276

The company has to be recovered from the state budget value added tax in the amount of 2.979.477 lei, representing VAT to be reimbursed from the statement of November 2015 of fiscal group and 9.053.711 lei representing VAT to be reimbursed from the statement of December 2015 of TMK-ARTROM SA as a member of the fiscal group. According to Decision No 2/30.04.2008 issued by NAFA-DGAMC since June 2008, TMK ARTROM tax is representative of the group consisting of TMK- ARTROM SA and TMK RESITA SA. Through decision NAFA nr.22/28.05.2010 was approved maintenance tax group for a period of 5 years and was extended through the Decision 6026/SRC dated 6.05.2015 for a period of minimum 2years. Monthly VAT payment obligation of TMK Resita SA is set-off with VAT refunded through the TMK-ARTROM the VAT tax consolidated group.

The prepayments decreased as at 31.12.2015 compared to 31.12.2014 from 133.720.091 lei to 100.154.777 lei.

TMK-ARTROM SA SA ensured the financing of production activity of TMK Resita SA by trade advances granted for delivery of billets to TMK-ARTROM that were in the amount of 98.799.404 lei (without VAT) as at 31.12.2015.

In April 2015, under the approval of GSM dated 28.04.2015 was registered the coverage from the profit of year 2014 of the accounting losses from previous years in amount of 9.916.468,15 lei as well as accounting losses carried forward from the adoption of IAS 29 for the first time existing in the balance on 31.12.2014, in the amount of 6.158.919,42 lei from retained earnings representing the surplus achieved from revaluation reserves after 01.01.2004, taxed in the income tax statement under OUG 34/2009 starting with 01.05.2009, elements as taxable income (2014) included in the cost presumed in the transition to IFRS restatement 01.01.2011.

The company's total debt decreased from 465.986.164 lei as at 31.12.2014 to 441.276.643 lei as at 31.12.2015 due to the decrease of loan from TMK EUROPE GmbH and decrease of bank loans mainly due to the reimbursements performed for long term loans, both according to the payment schedule 3.750.000 EURO to BCR, but also in advance 3.000.000 EURO to UNICREDIT TIRIAC BANK.

Bank loans

All loans in foreign currency were evaluated according to available exchange rates as at 31.12.2015. The situation of bank loans at the end of 2014 compared with the previous year is as follows:

Short-term bank loans

Name of the banking company	currency	31.dec.14		31.dec.15	
		<u>balance lei</u>	<u>balance foreign currency</u>	<u>balance lei</u>	<u>balance foreign currency</u>
Line for financing general needs in UNICREDIT TIRIAC BANK	EUR	71.115.986	15.866.667	53.389.100	11.800.000
Total short-term bank loans		71.115.986	15.866.667	53.389.100	11.800.000

Long-term bank loans

Name of the banking company	currency	BALANCE as at 31.12.2015					
		amount due		maturity over 1 year		maturity less than 1 year	
		<u>lei</u>	<u>foreign currency</u>	<u>lei</u>	<u>foreign currency</u>	<u>lei</u>	<u>foreign currency</u>
Loan for 5 years ERSTE	EUR	35.347.656	7.812.500	0	0	35.347.656	7.812.500
Loan for 5 years UNICREDIT TIRIAC BANK	EUR	31.671.500	7.000.000	0	0	31.671.500	7.000.000
Overdraft credit line BCR ERSTE- 3 years	EUR	77.490.250	17.126.810	77.490.251	17.126.810	0	0
TOTAL		144.509.406	31.939.310	77.490.251	17.126.810	67.019.156	14.812.500

Name of the	currency	BALANCE as at 31.12.2014					
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banking company		amount due		maturity over 1 year		maturity less than 1 year	
		lei	foreign currency	lei	foreign currency	lei	foreign currency
Loan for 5 years BCR ERSTE	EUR	51.824.281	11.562.500	35.016.406	7.812.500	16.807.875	3.750.000
Loan for 5 years UNICREDIT TIRIAC BANK	EUR	44.821.000	10.000.000	44.821.000	10.000.000	0	0
Overdraft credit line BCR ERSTE- 3 years	EUR	84.216.207	18.789.453	84.216.207	18.789.453	0	0
TOTAL		180.861.488	40.351.953	164.053.613	36.601.953	16.807.875	3.750.000

❖ the amount of 53.389.100 lei (equivalent of 11.800.000 EURO) is related to an uncommitted credit in total amount of 26.000.000 EURO - contracted with UNICREDIT TIRIAC BANK in 15.10.2013 with final maturity (validity) until 17.10.2016 (the initial loan value was of 27.000.000 EURO), which can be used as follows:

- In the maximum amount of 25.000.000 EUR to financing general needs / issue of letters of bank guarantee / letters of credit (revolving credit) with interest rate EURIBOR 1M+1.9%
- In the maximum amount of 10.000.000 EURO for general expenses on current account (overdraft) with the interest rate EURLIBOR O/N+2.75%
- In the maximum amount of 1.000.000 EURO for treasury transactions;

In June 2015 was concluded an addendum through which the amount for the coverage of valoric risk (treasury transactions) was decreased from 2.000.000 EURO to 1.000.000 EURO, which determined the reduction of the total value of the loan from 27.000.000 EURO initial on the concluding the loan, to 26.000.000 EURO.

In December 2015 was concluded an addendum through which was extended the maturity until 17.04.2017 for use for the purpose of issuance of letters of guarantee and letters of credit.

For this loan the company constituted warranties, as follows:

- Pledge without disposal of credit balance accounts / sub-accounts opened at UNICREDIT SA, holder TMK-ARTROM SA;
- Corporate warranty issued by OAO Volzsky Pipe Plant, in ensuring full and final repayment of any and all amounts that the Borrower and / or the co-debtor are owing to the Bank under this Contract

This loan is to be repaid within one instalment to final maturity.

During 2015 the company decided early voluntary reimbursement of 4.066.667 EURO.

As at 31.12.2015 the company had issued within the facility a Letter of Guarantee amounting 2.124.672 RON in favour of NAFA for tax obligations of TMK-RESITA S.A. and several letters of credit in total amount of 1.314.060 EURO for the payment of contractual obligations both for suppliers TMK-ARTROM S.A. as well as for TMK-RESITA S.A.

❖ The amount of 35.347.656 lei (respectively the equivalent of 7.812.500 EURO) is related on a 5 years loan din initial amount of 20.000.000 EURO- contracted with BCR in 03.10.2011, with an interest EURIBOR 3M plus 3,0% used for partial reimbursement of the loan with IPSCO TUBULARS.

Final maturity date is 03.10.2016.

For this loan the company constituted warranties, as follows:

- Pledge without disposal of credit balance accounts / sub-accounts opened at BCR SA , TMK-ARTROM holder;

- Pledge without disposal of credit balance accounts / sub-accounts opened at BCR SA, owner TMK Resita SA;
- corporate warranty issued by OAO TMK, to guarantee full and final repayment of any and all amounts that the Borrower and / or the co-debtor are owing to the Bank under this Contract

Until 31.12.2015 was reimbursed from this loan the amount of 12.187.500 euro.

In September 2013 interest margin applied near EURIBOR 3M decreased from 3.5% to 3%.

- ❖ The amount of 31.671.500 lei (equivalent of 7.000.000 EURO) is related on a 5 years loan din initial amount of 15.000.000 EURO- contracted with UNICREDIT TIRIAC BANK in 16.11.2011, with an interest EURIBOR 1M plus 3,5% % used for the partial reimbursement of the loan with IPSCO TUBULARS.

Final maturity date is 16.11.2016.

For this loan the company constituted warranties, as follows:

- Pledge without disposal of credit balance accounts / sub-accounts opened at UniCredit, TMK-ARTROM holder;
- Corporate warranty issued by OAO TMK, in ensuring full and final repayment of any and all amounts that the Borrower and / or the co-debtor are owing to the Bank under this Contract This loan is to be repaid within one instalment to final maturity.

Under the contract this loan is to be repaid within one instalment to final maturity.

During 2015 the company decided early voluntary reimbursement of 3.000.000 EURO.

- ❖ The amount of 77.490.250 lei, representing 17.126.810 euro, is related to the operating credit line multiproduct limited 20.000.000 EURO- contracted with BCR in 03.10.2011, with a validity period of 3 years, with an interest EURIBOR 3M plus 1,9% which is replacing the overdraft of 18.400.000 euro.

Final maturity date is 03.10.2017.

For this loan the company constituted warranties, as follows:

- Pledge without disposal of credit balance accounts / sub-accounts opened at BCR SA, owner TMK ARTROM;
- Pledge without disposal of credit balance accounts / sub-accounts opened at BCR SA, owner TMK Resita SA;
- Corporate warranty issued by OAO TMK, to guarantee full and final repayment of any and all amounts that the Borrower and / or the codebtor are owing to the Bank under this Contract;

In February 2012 an amendment was concluded through which this loan was converted to a loan contracted by BCR SA, and for this reason at the end of 2012 the loan is considered to be long term, and not short term, as it was deemed at the end of 2011. In September 2013 a new amendment was signed with BCR and overdraft credit facility was transformed into a multi-product that can be used both as overdraft and the ceiling for issuing letters of guarantee and letters of credit and has low fixed interest margin applied near EURIBOR 3M from 3.5% to 1.9% . In 25.09.2014 was signed a new amendment with BCR through which the final validity of the facility was extended until 03.10.2017 with the annual approval of the users. As at 31.12.2015 the company had issued within the facility several letters of credit, respectively a letter of guarantee in amount of 500.000 ron in favour of the customs house Slatina and 3 letters of guarantee for good performance in a total amount of 203.090,28 EURO

- ❖ The company has contracted with BCR a ceiling of discount for promissory notes amounting to 10.000.000 lei with an interest of ROBOR 3M +3% which can be transformed into a loan if customers do not settle the promissory notes that reached their due date. In July 2015 the value of this ceiling was reduced to 4.000.000 RON

As at 31.12.2015 there were no outstanding promissory notes and discounted unmatured.

At the receiving of loans, TMK-ARTROM paid up-front fees for the entire period of the loans, unamortised cost of these fees at the end of each period is decreasing the value of the loans closing balance.

Other long-term liabilities to affiliated entities

1. First rank mortgage on the land with an area of 203.651,82 square meters and the buildings constructed

3. First rank mortgage on land in area 211.614,54 sqm and related buildings inside TMK-ARTROM under the contract no. 1869/14.10.2003.

During the EGMS from November 17, 2008 there has been approved the change in the nature and the payment postponement of debt owed by the Company to TMK Europe GmbH amounting to 22.837.540,03 usd in the following conditions. The debt shall be paid in 57 instalments starting from 25 January 2014 until 25 September 2018 inclusively.

Interest is calculated and paid on the 15th of each month for the previous month.

In 21.11.2013 was signed Amendment No. 1 to Contract of 01.12.2008 according to which the loan reimbursement begins with 25.01.2015, maintaining the same number of instalments.

In 3.12.2015 was concluded Addendum no .2 on which repayment of loan shall be suspended for a period of three years and will be resumed starting in January 2019 in 44 instalments in the amount of 400.000 USD and a last instalment of 437.540,03 USD as a result on 31.12.2015 the full amount of the loan was long-term.

The interest due by TMK-ARTROM S.A. on 31.12.2015 was of 14.367 usd, respectively 59.661 lei.

For the due interest is not withhold income tax on non-residents because interest income is exempt under Article 117 letter j) of the Fiscal Code because holding participations TMK EUROPE GmbH in TMK-ARTROM SA is 92.7282% (exceeding 25%) for a period of more than two years uninterrupted.

As at 31.12.2015 TMK-ARTROM SA Slatina has concluded with BCR Leasing IFN SA Bucuresti a number of 6 agreements of financial leasing for purchasing 6 vehicles.

Regarding the company's obligations to the state budget, as at 31.12.2015 the company has to pay the amount of 5.910.844 lei which represents current liabilities to tax and social obligations for salaries, income tax non-resident legal entities that were required to offset the VAT refunded from the state budget. The company has calculated deferred tax with a net debt as at 31.12.2015 of 37.610.607 lei.

The overdue payments to suppliers as at 31.12.2015 decreased compared to previous year from 6.295.810 lei to 5.976.278 lei (of which 5.856.036 lei with overdue maturity less than 30 days).

As at 31 December 2015 TMK - ARTROM SA has current trade payables to the companies within the group TMK amounting 66.383.491 lei of which mainly to PAO TMK 58.032.279 lei representing metallurgical profiles for commercialization and to TMK EUROPE GmbH Germania 7.835.499 lei

representing mainly refractory materials, ferroalloys, graphite electrodes purchased from TMK EUROPE GmbH and invoiced to TMK RESITA SA.

b) profit and loss account: net sales, net income or gross income; risk provisions for various expenses; referring to any sale or closure of an activity segment performed last year or to be made next year ; declared and paid dividends;

The Income Statement is included in the Statement of Comprehensive Income, under IFRS, is presented as follows:

	-lei-		
	2015	2014	2013
Total turnover	902.936.301	972.488.567	876.753.359
<i>Sales of goods</i>	902.433.653	971.841.342	876.030.093
<i>Rendering of services</i>	502.648	647.225	723.266
Cost of Sales	(789.832.330)	(814.267.220)	(755.644.521)
Gross profit	113.103.971	158.221.347	121.108.838
Selling and distribution expenses	(64.849.043)	(65.632.705)	(58.963.396)
Advertising and promotion expenses	(271.069)	(9.660)	(152.808)
General and administrative expenses	(28.166.327)	(29.373.185)	(28.491.511)
Research and development expenses	(609.328)	(271.805)	(184.654)
Other operating expenses	(3.694.546)	(2.834.817)	(4.549.565)
Other operating income	428.983	319.044	263.828
Income from operations	15.942.641	60.418.219	29.030.732
Foreign exchange (loss) / gain, net from which:	(6.047.997)	(4.522.224)	(3.866.984)
Foreign exchange income	34.455.973	24.937.149	37.717.096
Foreign exchange expenses	(40.503.970)	(29.459.373)	(41.584.080)
Finance Income	4.084	10.187	77.552
Finance Costs	(6.710.402)	(8.189.912)	(12.055.662)
Gains / (losses) on financial instruments from which	0	0	(61.908)
Financial instruments income	0	0	692
Financial instruments expenses	0	0	(62.600)
Profit before tax	3.188.326	47.716.270	13.123.730
Current income tax	(1.065.976)	(8.449.600)	(4.870.741)
Deferred income tax - revenues	1.327.048	1.785.081	4.100.101
Deferred income taxes - expenses	(952.912)	(434.196)	(531.704)
PROFIT, LOSS (+/-) NET	2.496.486	40.617.555	11.821.386
Total operating income	903.365.284	972.807.611	877.017.187
Total operating costs	(887.422.643)	(912.389.392)	(847.986.455)
Income from operations	15.942.641	60.418.219	29.030.732
TOTAL COMPREHENSIVE INCOME	937.825.341	997.754.947	914.812.527

TOTAL COMPREHENSIVE COSTS	(934.637.015)	(950.038.677)	(901.688.797)
Profit before tax	3.188.326	47.716.270	13.123.730
Dividends calculated	0	0	0
Dividends paid	0	0	0

The total turnover decreased with 7% in 2015 compared to 2014 due to the decrease of the turnover from the sold production with 17% and increase of the sale of goods with 90%.

The turnover from sold production decreased due to the decrease of physical volume of sales of pipes from 190.158 tons to 172.298 tons (a decrease with 9,4%) but also of the average sale price with 8,8% determined by the decrease of deliveries in the market TMK IPSCO (USA) where amid the low price of the oil barrel were substantially reduced investments in the extractive industry with direct repercussions on the volume of orders received by TMK-ARTROM.

The volume of sale of goods increased in 2015 with 90% due to increasing the activity of wholesale in the free zone Constanta, domestic market and external of metallurgical products (billets, rectangular billets, pipes) acquired from companies within the group. In 2015 have been sold to domestic and external customers 94.154 tons (in 2014: 43.780 tons) of metallurgical products (billets, rectangular billets, pipes) acquired from companies within the group mainly PAO TMK and TRADE HOUSE TMK Russia.

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trade activity	2015	2014	Increase with %
Incomes from wholesale of goods	169.740.304	89.186.924	90
Sales of metallurgical products purchased from companies within the group on the domestic market	128.816.163	84.768.144	52
Sales of metallurgical products purchased from companies within the group on the external market	40.455.671	3.747.963	979
sales of other goods on the domestic market	148.633	560.282	-73
sales of other goods on the external market	319.836	110.535	189
Income from the retail sale of goods	290.129	278.169	4
total	170.030.432	89.465.093	90

The total turnover increased with 11% in 2014 compared to 2013 due to the increase of the turnover from the production sold with 11,8% and to the increase of sale of goods with 3%.

The turnover from the production sold increased due to the increase of physical volume of sale of pipe products by TMK ARTROM from 177.549 tons to 190.158 tons (an increase with 7,1%) but also to the average sale price of goods with 4,3%.

The volume of sale of goods increased in 2014 with 3% due to the increase of the trade activity in the free zone Constanta with metallurgical products (billets, rectangular billets, pipes) purchased from the company within the group. In 2014 has been sold on the domestic market and external 43.780 tons (in 2013: 37.380 tons) metallurgical products (billets, rectangular billets, pipes) purchased from the companies within the group TRADE HOUSE TMK Russia and TMK INOX Russia. In 2013 the metallurgical

products sold on external have been purchased from TMK RESITA and those sold on domestic market have been purchased from TRADE HOUSE TMK Russia.

In terms of operating expenses situation is as follows:

lei

			31.12.2015	31.12.2014	Variation %
1	Cost on goods	lei	160.438.326	86.779.268	84,9
2	Raw materials and consumables expenses	lei	493.672.529	566.066.087	-12,8
3	Costs of energy, gas and water	lei	52.650.007	57.936.003	-9,1
4	Costs on external services	lei	74.172.955	76.527.108	-3,1
5	Tax and fees costs	lei	1.866.063	1.977.310	-5,6
6	Staff remuneration expenses (including vouchers)	lei	66.108.626	66.325.999	-0,3
7	Social security expenditure on	lei	16.275.722	19.039.197	-14,5
8	Other expenses	lei	1.691.655	2.658.690	-36,4
9	Value adjustments on tangible and intangible fixed assets	lei	35.676.766	29.787.488	19,8
	Expenses	lei	35.676.766	29.787.488	19,8
	Incomes	lei			
10	Value adjustments on current assets	lei	1.242.475	613.145	102,6
	Expenses	lei	6.340.745	11.765.412	-51,7
	Incomes	lei	5.098.270	11.152.267	-60,2
11	Adjustments to provisions	lei	1.630.455	-148.161	-1.200,5
	Expenses	lei	1.838.464	407.127	351,6
	Incomes	lei	208.009	555.288	-62,5
	total operating expenses		905.425.578	907.562.134	-0,24

The differences between the total operational cost for the production sold and total operating expenses related to the production obtained represent elements of income which adjust the operational expenses and are presented by years as follow:

lei

		31.12.2015	31.12.2014
Changes in inventories of finished goods and work in progress	lei	7.890.551	-15.674.524
Revenues from production of tangible assets	lei	10.112.384	10.847.266
subtotal	lei	18.002.935	-4.827.258

Total operating costs related to production sold	lei	887.422.643	912.389.392
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Compared to 2014, amid the decrease of physical production with 9% and the volume of sale of pipes with 9,4% operating expenses decreased totally with 0,24%, registering the following variations on categories of operating expenses:

- Raw materials and consumables expenses decreased with 12,8% mainly due to the decrease of the price of raw material, billets, with 3,66% and the decrease of the effective consumption of billets for the rolled production with 7,55%.
- Energy, natural gas and water costs decreased with 9,1%, due to the decrease of physical consumption determined by the decrease of production and the decrease of purchasing prices of energy and natural gas. Expenses with energy decreased with 12,6% compared to the previous year and the natural gas decreased with 7,9%. The average price for energy decreased with 7% and the natural gas decreased with 3,51% compared with the previous period. In 3.06.2015 TMK-ARTROM obtained the exemption for payment of 60% of the number of green certificates related to the mandatory share under the Exemption Agreement no 3 dated 3.06.2015 issued by the Ministry of Economy, Trade and Tourism.
- External supply expenses fell by 3.1% mainly due to lower trade expenses related to the sale of pipes.
- Personnel expenses recorded a slight decrease of 0.3% compared to 2014 due to reduced number of overtime paid compared to previous year. The effective number of staff at 31.12.2015 was of 1285 employees compared to 1269 employees at 31.12.2014. The average number of personnel in 2015 was of 1267 compared to 1247 in 2014.

Expenses regarding insurance and social protection declined with 14,5% mainly due to the decrease of employer contribution rate for state social insurance by 5 percent. Since 1.10.2014 employer contribution to social insurance dropped from 20,8% to 15,8%.

- Expenses regarding goods sold (trade activity) increased with 84,9% due to the decrease of the quantity of metallurgical products sold to domestic and external customers of 94.154 tons (in 2014: 43.780 tons) metallurgical products (billets, rectangular billets, pipes) purchased from the companies within the group.
- Expenses on taxes registered a decrease with 5,6% compared to the previous year mainly due to the decrease of the tax rate from 1,5 % to 1% for the tax on constructions.
- Provisioning expenses increased compared to the previous year due to provisioning for risks and charges mainly for the following expenses:
 - 338.904 lei provision for expenses concerning additional insurance premium under the contract of insurance of the risk of failure to pay for customers concluded with COFACE S.A. Germany.
 - 504.642 lei provision for expenses concerning share exemption for payment of 60% of the green certificates related to the mandatory quota under the Exemption agreement no. 3 dated 3.06.2015 for the period January 2015- May 2015 which will be recovered from the energy supplier. In accordance with the GD no. 113 / 24.02.2016, concerning the amendment of par. (1) art. 3 of Government Decision no. 495/2014 for the establishment of a state aid scheme concerning the exception of certain categories of end users from applying law no. 220/2008 establishing the system for promoting energy production from renewable energy stipulates that the exemption shall apply from the date of issue obtained exemption agreement. Given this notice the company decided to establish a provision for the exemption amounts belonging to the period January 2015- May 2015.
 - 893.743 lei provision for taxes and fees representing expenses concerning debit and accessories expected to be recorded following fund tax inspection. On 15.02.2016 was ended the tax inspection for the period 2005-2009 through the Tax inspection report no F-MC 15/8.02.2016, Tax decision regarding the additional tax obligations for payment no. F-MC 4/8.02.2016 and Decision concerning the unchanging the taxable base no F-MC5/8.02.2016 (registered in TMK-ARTROM under the number 1735 dated 15.02.2016).

Through these were established additional debts for income tax and VAT amounting 1.332.027 lei and accessories (increases, interest and penalties) in the amount of 2.889.444 lei disputed by TMK-ARTROM.

The company registered loss from the financial activity in the amount of 12.754.315 lei due to the expenses with interests and exchange rate differences.

Compared to 2014, the financial loss of 2015 increased with 0,4%. The interest expenses decreased with 18,6% due to the lower interest rates and loans reimbursements made under the payment schedule.

According to the OMPF 1286/2012, with subsequent amendments, the monthly closing balances in foreign currency to cash & bank accounts, receivables and liabilities accounts (monetary items) were revaluated to the reference rates of National Bank of Romania.

Currency instability and pronounced depreciation of the exchange rate leu/EUR and leu/USD, which evolved from 4,4287 lei/EUR as at 31.12.2012 to 4,4847 lei/EUR as at 31.12.2013 to 4,4821 lei/EUR as at 31.12.2014 to 4,5245 lei/EUR as at 31.12.2015 respectively from 3,3575 lei/USD (31.12.2012), to 3,2551 lei/USD (31.12.2013) to 3,6868 lei/USD (31.12.2014) and to 4,1477 lei/USD (31.12.2015), led to the registration of the exchange rate losses amounting 3.866.984 lei in 2013, exchange rate losses in amount of 4.522.224 lei in 2014 and in 2015 also to exchange rate losses in amount of 6.047.997 lei.

The Company has calculated deferred tax arising from temporary differences resulted from differences between fiscal value and accounting value for fixed assets (derived from revaluations and different useful lives – fiscal versus accounting) and differences between fiscal value and accounting value for other items (inventories / receivables/ provisions, etc.). Following annual depreciation and realization of reserves the deferred tax obligations decrease simultaneous with the increase of income from deferred tax. Thus in 2013 were registered income from deferred tax amounting 4.100.101 lei and expenses with deferred tax amounting 531.704 lei, in 2014 income from deferred tax amounting 1.785.081 lei and expenses with deferred tax amounting 434.197 lei and in 2015 incoims from the deferred tax amounting 1.327.048 lei and expenses with deferred tax amounting 952.912 lei. The expense with the current income tax in 2015 is of 1.065.976 lei (in 2014: 8.449.600 lei).

c) cash flow: all the changes in the cash in the core business, investments and financial activities, the cash at the beginning and at the end of the period.

According to IFRS financial statements are presented cash flows using the indirect method as follows:

Indirect method	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax	3.188.326	47.716.270	13.123.730
Plus / minus adjustments for:			
Depreciation	35.676.766	29.787.488	27.257.808
Increase / reversal of provisions	(928.926)	178.830	248.304
Increase / reversal of allowances for current assets	1.242.476	613.145	239.018
Exchange rate differences for financing activities	11.419.331	9.771.400	1.946.984
Variation of retirement benefits	300.892	245.068	281.717
Result from disposal of non-current assets	551.164	1.784.559	3.716.996
Interest and related expenses, net	5.941.963	7.468.501	11.978.110
Plus / minus adjustments for changes in working capital related to operating activities:			
Decrease / (increase) in inventories	(10.854.228)	22.538.206	(2.739.386)

Decrease / (increase) in trade and other receivables and prepayments	13.517.162	1.721.640	(72.464.211)
(Decrease) / increase in payables (except banks)	40.747.645	3.045.826	10.156.157
less:			
Interest and similar expenses	(6.186.271)	(7.705.443)	(12.129.739)
Income tax paid		(5.077.023)	(738.786)
Total inflows / (outflows) from operating activities (a)	94.616.300	112.088.467	(19.061.390)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cashing from disposal of tangible assets	967.403	86.005	105.445
Acquisitions of tangible and intangible assets	(45.878.130)	(43.276.241)	(38.539.223)
Interest received	4.084	10.187	77.552
Total inflows / (outflows) from investing activities (b)	(44.906.643)	(43.180.049)	(38.356.226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans received			127.287.799
Loans reimbursement	(74.719.296)	(40.589.550)	(97.892.458)
Reimbursement of financial leasing (depreciation)	(385.756)	(512.228)	(773.904)
Total inflows / (outflows) from financing activities (c)	(75.105.052)	(41.101.778)	28.621.437
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(25.395.395)	27.806.640	(28.796.179)
Cash and cash equivalents at beginning of period	29.473.937	1.667.297	30.463.476
Cash and cash equivalents at end of period	4.078.542	29.473.937	1.667.297

Net cash from operating activities decreased in 2015 compared to the previous period due to the decrease of the profit before tax, decrease of the turnover and increase of inventories.

Net cash from operating activities increased in 2014 compared with the previous period due to the increase of the profit before tax, increase of the turnover, decrease of inventories as well as decrease of interest.

Net cash from investment activities decreased in 2015 compared to 2014 due to slight increase in the volume of acquisition of tangible assets mainly for investments for the new production workshop „Workshop no. 5 Pipes for Hydraulic Cylinders“ and for the advance granted to SMS for the purchase of a heat treatment line for seamless steel pipes.

Net cash from the investment activities decreased in 2014 compared to 2013 due to a higher volume of payments compared to previous period for purchasing tangible asset mainly for continuing investments on non-destructive testing of pipes, the pipes capacity cutback in fixed lengths as well as advances for equipment in order to equip a new production section "Section no.5 pipes hydraulic cylinders.

Net cash from financing decreased in 2015 compared to 2014 due to the reimbursements performed for the long term loans, both according to the payment schedule 3.750.000 EURO to BCR, but also in advance 7.066.667 EURO to UNICREDIT TIRIAC BANK as well as the reimbursement of the loan to TMK EUROPE GmbH in amount of 4.800.000 USD and 38.425,07 RON from the loan according to the payment schedule.

Net cash from financing activities decreased in 2014 compared to 2013 due to the reimbursement performed for long term loans , both under the payment schedule 3.750.000 EURO to BCR, but also in advance 5.000.000 EURO to UNICREDIT TIRIAC BANK.

In November 2013 was early repaid the balance of the loan contracted to VTB Bank Austria of 14,1 mln euro through the refinancing from Unicredit Tiriak Bank to reduce financing costs (was achieved a reduction of fixed interest margin from 4% to 1,9%).

Financial indicators:

Financial indicators	Calculation method	2015	2014	2013
Current ratio (capital)	Current Assets / Current Liabilities	1,84	2,53	1,87
Quick Ratio (acid test)	(Current Assets - Inventories) / Current Liabilities	1,31	1,88	1,30
Gearing indicator	Borrowed capital / Equity (equity + borrowed capital (long term liabilities)) *100	28,44%	35,93%	34,73%
Interest cover indicator	Profit before interest and income tax payment / Interest expense	1,54	7,42	2,25
Rotation speed stock (inventory turnover)	Cost of sales / The average stock	6,13	5,86	5
Number of days of storage (Inventory holding days)	Average stock / Cost of sales * 365	59,56	62,28	73,1
Turnover of debtors, clients (Receivables Collection Period)	Clients average balance / Turnover * 365	79,96	71,64	73,2
Speed of-vendor payables (Payables Period)	Average balance vendors / Acquisitions of goods (without services) * 365	41,62	31,08	29,4
Rotation speed of fixed assets	Turnover / Fixed Assets	1,96	2,18	1,98
Rotation speed of total assets (Assets Turnover)	Turnover / Total Assets	0,97	1,02	0,93
Return on equity (ROCE)	Profit before interest and income tax payment / Equity (equity + borrowed capital (long term liabilities)) *100	0,013	0,073	0,035
Gross margin on sales (Gross Profit Margin)	Gross profit from sales / Turnover *100	12,5%	16,3%	13,8%

1. Liquidity indicators

Current ratio (capital) and **Quick Ratio (acid test)** express how many times current liabilities are included in current assets, respectively in current assets less inventories.

The recommended values are around 2, reflecting the company's capacity to cover the current liabilities from current assets, and mainly from receivables and cash. The values obtained in 2015 are lower than the previous period and are close to those recommended due to the decrease of current assets and increase of

current liabilities with the amounts to be paid to PAO TMK for the metallurgical products intended for sale in the balance as at 31.12.2015 as well as the increase of short term loans due to the reclassification of the medium term loans from BCR and UNICREDIT from long term to short term as their maturity decreased below 12 months.

2. Risk indicators

Gearing indicator of equity express whenever they include borrowed capital (long term liabilities) in equity and reflect the financing structure of the company at the end of the financial year. This indicator decreased due to the decrease of bank loans on long term as a result of reimbursements performed and to the reclassification of the medium term loans from BCR and UNICREDIT from long term to short term as their maturity decreased below 12 months.

Interest cover indicator determine how many times the company may pay interest expense.

Compared to previous years, this indicator has decreased due to lower accounting profit and due to lower interest volume.

3. Activity indicators

Number of days of storage indicates the number of days in which goods are stored in the unit. This indicator decreased in 2015 compared to previous year in line with the increase of stock rotation speed.

Turnover of debtors, clients (Receivables Collection Period) express the number of days until the debtors pay their debts to the company and show the efficacy of the company in collecting its receivables. This indicator increased in 2015 compared to 2014 due to the decrease of the turnover and increase of the average balance of trade receivables.

Speed of-vendor payables (Payables Period) expresses the number of days of credit which the company obtains from its suppliers.

This indicator is lower than the the speed of rotation of customers, due to the share of purchases of raw material (billets) from the sole supplier TMK RESITA for which the payments are made in advance. This indicator increased compared to 2014.

Rotation speed of fixed assets evaluates the effectiveness of fixed assets management by examining the value of turnover generated by their operation. This indicator decreased in 2015 compared to 2014, due to the decrease of turnover.

Rotation speed of total assets (Assets Turnover) evaluates the effectiveness of the total assets management by examining the turnover generated by the assets of the company. In 2015 this indicator increased due to the decrease of turnover.

4. Profitability indicators

Return on equity (ROCE) represents the profit which the company obtain on a unit of resources invested. This indicator decreased in 2015, mainly, due to the decrease of the operating profit.

Gross margin on sales (Gross Profit Margin) is lower in 2015 compared to previous years due to the decrease of the sale volume, decrease of the average sale prices of sold goods and decrease of purchasing prices on raw materials and electricity as well as other costs.

Non-financial key performance indicators - relevant to specific activities

Indicators	2015	2014	2013
Production of pipes (to)	171.910	189.130	179.553
Pipe Sales (to)	172.298	190.158	177.549

Production of pipes / Employee (to/employee)	135,68	151,67	147,66
Selling pipes / Employee (to/employee)	135,99	152,49	146,01

It have been complied the obligations provided by law on the organization and the correct management of the accountancy and accounting principles.

It have been respected the rules for drawing up the balance sheet and in accordance with the inventory results.

Balance sheet, profit and loss account and the accompanying financial statements were prepared by taking proper synthetic and analytical accounts in the trial balance.

The accounting records are organized on double entry by the Master-Chess method by automatic processing of data, quantity and value.

In early 2008, the information system and applications based on FoxPro 2.6 have been fully migrated to SQL Server platform, and the connections between the management and the manufacturing / billing module was performed during 2008.

The Financial-Accounting subsystem, part of the Management Information System of SC TMK-ARTROM, consists of programs and procedures specific to this activity, forming the applications prepared for the current operation. Applications are written in a client-server configuration with database managed by a Microsoft SQL 2000 server. Client applications are written in Microsoft Access or C # and are managed and distributed centrally from a file server.

The Accounting and Finance departments operated these applications based on personal access accounts to each user. Modules have been merged, meaning that many existing programs in FoxPro have been included in a single SQL mode. For this reason, users access information is more quickly, requiring fewer trips from the application to start a new application.

The access rights to databases are set at the server level and are organized into groups (roles) that include individual users. In this way, moving a user from one group to another means automatically the re-allocation of access rights. The maintenance and development of databases and client programs are performed by the company's IT department. The database is archived automatically every 6 hours, thus backing up or creating comparative elements if necessary.

Relationships between database entities are set at the server level, applying the concept of referential integrity. In this way there are insured both data consistency, and the impossibility of accidental deletion of information, if any records remained uncorrelated.

The database type is OLAP (online analytical processing), providing real-time data to all departments. The system has an architecture that does not require data transfer or archiving by eliminating records, which provide faster access to historical data.

The IT system supports an unlimited number of users and is accessible to authorized users via the Internet, based on the access way to server via TCP / IP.

The security and integrity of the database is done from the convenience of SQL Server (roles, users, triggers).

In 2009 we migrated from SQL Server 2000 to SQL Server 2005 and workstations were integrated into Active Directory, allowing the centralized management of access to accounts. The automatic reporting module of production and delivery was developed.

In 2011 the IT department team developed several new applications in accordance with the requirements of top management:

- The external application Car Ramp was replaced by the software Car Tickets, written by the programmers of IT department. It is integrated into the computer system of TMK and takes the amount directly from the truck scales, thus avoiding typing mistakes.
- The automated reporting module was completed with the report of irregularities and the report of orders.
- The labeling of products changed, showing on the label the bar code that identifies each package
- The application 'package' was upgraded and allows taking amounts automatically from electronic scales from producing departments and allocating these amounts to the bar codes on packages.

- There was installed a SharePoint type collaborative platform for secure sharing of documents and information between authorized users.

- The company intranet was completed with sections containing documentation applications, AQ working procedures, technical standards, practical Excel courses, etc.

In 2013 it was implemented Payables module (payments to suppliers) as a report automatically sent by the database server to users. Also, it was implemented an application in order to manage the suppliers from the Approved Suppliers List (LFA).

The IT department was aligned to the dynamic evolution of programming environments and to top network equipment, cutting edge software and hardware.

The existing software has been modified at request in accordance with the requirements of services involved in their use to serve more efficiently their purpose.

Regarding systems, there was continued the acquisition of new computers so as to replace old ones at the moment there being a computer network capable of running without problem existing applications as well as the company ERP.

Starting October 2007, TMK-ARTROM has been using for the calculation of salaries and personnel records the application WIZSALARY contracted from the company WIZSALARY SOFTWARE SRL Bucharest.

Starting January 2011, TMK-ARTROM has been using for general accountancy the application WIZCOUNT contracted from the company WIZROM SOFTWARE SRL Bucharest for the preparation of trial balance, the log register, the chess sheets and account records.

Important events occurring after the end of financial year

TMK-ARTROM company, one of the top European producers of seamless steel pipes for industrial use, signed with SMS group company, one of the biggest producers of lines and equipment for manufacturing processes of all types of pipes, a contract for a line of heat treatment for seamless steel pipes.

Heat treatment line will produce seamless steel pipes for oil and gas industry use but also high-strength pipes for mechanical use. Annual capacity will be of 160.000 tons per annum and it could treat seamless steel pipes up to 60 mm wall thickness.

Heat treatment line supplied by SMS group allows that different processes to be made, such as hardening and tempering and normalization.

Because of the flexibility of the product, heat treatment line can be used also for processing in terms of efficiency of the cost of small lots and of different product groups. Ecological recovery burners with very low nitrogen oxide emissions in the oven allows fuel savings up to 5% compared to conventional burners.

By installing this heat treatment line, TMK-ARTROM SA strengthens its presence on the market of pipes for mechanical use and for gas and oil use.

The contract is part of the investment project „Complex of heat treatment“ which has a budget value of 35,2 million euro, project which will be done in period 2016-2017.

Members of the administrative and management bodies ensure that the annual financial statements and the report of directors have been prepared and published in accordance with national legislation.

Chief Executive Officer,

Chief Economical and Accountancy Officer,

TMK EUROPEAN DIVISION Cod: FCU-01, Ed.3 Rev. 1/2014

ISO 9001	AD-2000 WO/W4	LRS					
ISO 14001	TRD 100/102	DNV	5CT-0440	PED 97/23/EC	EN 10210-1,2	DIN 1629	
OHSAS 18001	Vd TUV	GL-RULES	5L-0352	EN 10297	EN 10255	EN 10210	ISO/TS 16949

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