

Translation from Romanian

■ Large Taxpayers that submit the balance sheet to Bucharest

Entity	SC TMK-ARTROM SA
--------	------------------

Address

County	Sector	Locality
Olt		SLATINA
Street		Phone no.
DRAGANESTI	30	0249434640

Trade Registry Number	J28/9/1991	Sole Registration Number	1510210
-----------------------	------------	--------------------------	---------

Property Form

34- Joint Stock Company

Main activity (code and NACE classification name)

2420 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel.

STATEMENT OF ASSETS, DEBTS AND EQUITY

on June 30th, 2011

Form 10

Denomination of the indicator		Row no.	Balance on:	
			1/1/2011	6/30/2011
A		B	1	2
A	FIXED ASSETS			
I	INTANGIBLE ASSETS (acc. 201+203+205+2071+208+233+234-280-290-2933)	01	39,191	74,966
II.	TANGIBLE ASSETS (acc. 211+212+213+214+223+224+231+232-281-291-2931)	02	361,084,611	357,752,922
III.	FINANCIAL ASSETS (acc. 261+263+265+267* -296*)	03	48,609,820	48,596,433
	IMMOBILIZED ASSETS-TOTAL (row 01+02+03)	04	409,787,622	406,424,321
B.	CIRCULATING ASSETS			
I.	STOCKS (acc. 301+321+302+322+303+323+/-308+328+331+332+341+345+346+/-348+351+354+356+357+358+361+326+/-368+371+327+/-378+381+/-388-391-392-393-394-395-396-397-398+4091-4428)	05	186,371,548	178,887,013
II.	DEBTS (acc.367*-396*+4092+411+413+418+425+4282+431**+437**+4382+441**+4424+4428**+444+445+446**+447+4482+451**+453**+456**+4582+461+473*-491-495-496+5187)	06	180,738,851	228,229,126
III.	SHORT TERM INVESTMENTS (acc. 501+505+506+508+5113+5114-591-595-596-598)	07	9,153,932	8,874,975
IV.	CASH AND BANK ACCOUNTS (acc. 5112+512+531+532+541+542)	08	3,911,110	2,284,299
	CIRCULATING ASSETS-TOTAL (row 24+30+33+34)	09	380,175,411	418,275,456
C.	EXPENSES IN ADVANCE (acc. 471)	10	637,578	482,217

D.	DEBTS: SUMS TO BE PAID WITHIN ONE YEAR (acc. 161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444*+446***+447***+4481+451***+453***+455+456***+457+4581+462+473**+509+5186+519)	11	163,804,450	169,155,557
E.	CIRCULATING NET ASSETS/ NET CURRENT DEBTS (row 09+10-11-19)	12	217,008,569	249,602,116
F.	TOTAL ASSETS MINUS CURRENT DEBTS row 04+12)	13	626,796,191	656,026,437
G.	DEBTS:SUMS TO BE PAID WITHIN A PERIOD EXCEEDING ONE YEAR (acc. 161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426+427+4281+431***+437***+4381+441***+4423+4428***+444***+446**+447***+4481+451***+453***+456***+4581+462+473***+509+5186+519)	14	326,462,628	298,066,383
H.	PROVISIONS (acc.151)	15	5,072,211	3,092,103
I.	INCOME IN ADVANCE (rows 17+18+21), of which:	16	57,376	49,539
	-Investment subsidies (acc. 475)	17	57,376	49,539
	-Income registered in advance (acc. 472) – total (rows 19+20), of which:	18		
	-amounts to be recognized as income within one year (acc. 472*)	19		
	-amounts to be recognized as income within a period exceeding one year (acc. 472*)	20		
	Negative goodwill (acc. 2075)	21		
J.	CAPITAL AND RESERVES			
I.	CAPITAL (acc. 23+24+25), of which:	22	291,790,748	291,790,748
	1. -subscribed and paid capital (acc.1012)	23	291,476,491	291,476,491
	2. -subscribed and unpaid capital (acc.1011)	24	314,257	314,257
	3. - patrimonial assets (acc.1015)	25		
II.	CAPITAL PREMIUMS (acc. 104)	26		
III.	RE-EVALUATION RESERVES (acc. 105)	27	92,906,925	92,906,925
IV.	RESERVES (acc. 106)	28	29,242,309	29,242,309
	Own shares (acc. 109)	29		
	Profits related to the own capital instruments (acc. 141)	30		
	Losses related to the own capital instruments (acc. 149)	31		
V.	REPORTED PROFIT OR LOSS BALANCE C (acc. 117)	32		
	BALANCE D (acc. 117)	33	107,838,670	118,736,006
VI..	PROFIT OR LOSS OF THE FINANCIAL YEAR BALANCE C (acc.121)	34	0	59,614,436
	BALANCE D (acc.121)	35	10,897,336	0
	Profit distribution (acc.129)	36		
	OWN CAPITALS- TOTAL (row 22+26+27+28+29+30-31+32+33+34-35-36)	37	295,203,976	354,818,412
	State-owned equity (acc.1016)	38		
	TOTAL OF CAPITALS (rows 37+38)	39	295,203,976	354,818,412

Control amount for F10: 8954338634/20834687795

*) Accounts to be assigned to the nature of such items.

**) Debit balances of such accounts.

***) Credit balances of such accounts.

Row 06. Amounts included in this row and taken from account 267 are the receivables for financial leases and other similar agreements, and other long term receivables, due within a period of less than 12 months.

DIRECTOR,

DRAFTED,

Surname and name

GENERAL MANAGER POPESCU ADRIAN

Signature *[Illegible signature]*

MANAGER

Surname and name

VADUVA CRISTIANA

Capacity

11 ECONOMIC

Signature *[Illegible signature]*

Unit seal *[Seal of SC TMK-ARTROM SA, J28/9/1991, Sole Registration Number RO 1510210, SLATINA, ROMANIA]*

VALID FORM

Registration no. in the professional body:

PROFIT AND LOSS ACCOUNTon June 30th, 2011

Form 20

Indicator name	Row no.	Performance in the preceding reporting period	Performance in the current reporting period
		1/1/2010-6/30/2010	1/1/2011-6/30/2011
A	B	1	2
1.Net turnover (rows 02+03-04+05+06)	01	0	0
Sold production (acc. 701+702+703+704+705+706+708)	02		
Revenue from the sale of goods (acc. 707)	03		
Trade discounts granted (acc 709)	04	311,531	615,885
Interest income recorded by entities deregistered from the General Ledger, that are still having unfolding leasing agreements (acc. 766*)	05		
Income from operating subsidies related to the net turnover (acc.7411)	06		
2.Income related to the cost of production in progress (acc. 711+712)			
Balance C	07		
Balance D	08	2,806,184	6,635,721
3.Production done by the entity for its own purposes and capitalized (acc. 721+722)	09	166,500	1,448,402
4. Other operating income (acc. 758+7417+7815)	10		
- of which, income from the negative goodwill	11		
OPERATING INCOME-TOTAL(rows 01+07-08+09+10)	12	-2,639,684	-5,187,319
5.a) Costs with raw materials and consumables (acc. 601+602-7412)	13	197,255,416	285,281,745
Other material costs (acc. 603+604+606+608)	14	4,570,388	4,167,831
b) Other external costs (energy and water) (ct 605-7413)	15		
c) Costs related to goods (acc. 607)	16	229,118	722,714
Trade discounts received (ct 609)	17	184	1501990
6. Staff costs (rows 19+20), of which:	18	23,651,063	30,598,440
a) Wages and bonuses (acc. 641+642+643+644-7414)	19	18,622,633	24,058,939
b) Social security expenses (acc. 645-7415)	20	5,028,430	6,539,501
7.a) Value adjustments on tangible and intangible assets (rows 22-23)	21	9,636,888	10,775,782
a.1) Expenditure (acc. 6811+6813)	22	9,636,888	10,775,782
a.2) Income (acc. 7813)	23	3	
b) Value adjustments on circulating assets (rows 25-26)	24	-148,958	77,215
b.1) Expenditure (acc. 654+6814)	25		175,222
b.2) Income (acc. 754+7814)	26	148,958	98,007
8. Other operating costs (rows 28 to 31)	27	28,597,149	32,147,913
8.1.Costs related to external benefits (acc. 611+612+613+614+621+622+623+624+625+626+627+628-7416)	28	25,468,865	27,324,274
8.2. Costs related to other duties, taxes and assimilated payments (acc. 635)	29	1,114,218	1,260,586
8.3. Other costs (acc. 652+658)	30	2,014,066	3,563,053
Costs related to refinancing interest recorded by entities the main activity of which is the leasing (acc. 666*)	31		
Adjustments for provisions (rows 33-34)	32	1,363,938	-1,980,108
Expenditure (acc. 6812)	33	2,513,998	765,610
Income (acc. 7812)	34	1,150,060	2,745,718
OPERATING COSTS-TOTAL(rows 13 to 16-17+18+21+24+27+32)	35	265,154,818	360,739,632

OPERATING PROFIT OR LOSS: :			
-Profit (rows 12-35)	36	0	0
-Loss (rows 35-12)	37	267,794,502	365,926,951
9. Income from equity securities (acc. 7611+7613)	38		
-of which income from affiliated entities	39		
10. Income from other investments and loans that are part of fixed assets (acc. 763)	40		
-of which income from affiliated entities	41		
11. Interest income (acc. 766*)	42	3,385,411	2,678,396
-of which income from affiliated entities	43	3,384,824	2,676,682
Other financial income (acc. 762+764+765+767+768)	44	16,100,680	61,094,764
FINANCIAL INCOME-TOTAL (rows 38+40+42+44)	45	19,486,121	63,773,160
12. Value adjustments on financial assets and investments held as circulating assets (rows 47-48)	46		
Expenditure (acc. 686)	47		
Income (acc. 786)	48		
13. Interest costs (acc. 666*-7418)	49	19,100,925	14,484,525
-of which, expenditure in relation to affiliated entities	50	1,450,419	12,036,887
Other financial costs (acc. 663+664+665+667+668)	51	80,383,557	34,436,251
FINANCIAL COSTS-TOTAL (rows 46+49+51)	52	99,484,482	48,920,776
FINANCIAL PROFIT OR LOSS			
-Profit (rows 45-52)	53	0	14,852,384
-Loss (rows 52-45)	54	579,998,361	0
14. CURRENT PROFIT OR LOSS			
-Profit (rows 12+45-35-52)	55	0	0
-Loss (rows 35+52-12-45)	56	347,792,863	351,074,567
15. Extraordinary income (acc. 771)	57		
16. Extraordinary costs (acc. 671)	58		
17. PROFIT OR LOSS FROM THE EXTRAORDINARY ACTIVITY - Profit (rows 57-58)	59	0	0
-Loss (rows 58-57)	60	0	0
TOTAL INCOME (rows 12+45+57)	61	16,846,437	58,585,841
TOTAL COSTS (rows 35+52+58)	62	364,639,300	409,660,408
GROSS PROFIT OR LOSS:			
-Profit (rows 61-62)	63	0	0
-Loss (rows 62-61)	64	347,792,863	351,074,567
18. Corporate tax (acc. 691)	65	21,500	
19. Other taxes not shown on the above items (acc. 698)	66		
20. NET PROFIT OR LOSS OF THE FINANCIAL YEAR:			
-Profit (rows 63-64-65-66)	67	0	0
-Loss (rows 64+65+66-63)	68	347,814,363	351,074,567

Control amount for F12: 6347406443/20834687795

*) Accounts to be assigned to the nature of such items.

Row 19. At this row there shall be filled in the rights of co-workers, determined according to labor laws, which are taken from the debtor turnover of account 621 "Costs with co-workers", analytic "Co-workers natural persons"

DIRECTOR,

DRAFTED,

Surname and name

Surname and name

GENERAL MANAGER POPESCU ADRIAN

Signature *[Illegible signature]*

MANAGER

VADUVA CRISTIANA

Capacity

11 ECONOMIC

Signature *[Illegible signature]*

Unit seal *[Seal of SC TMK-ARTROM SA, J28/9/1991, Sole Registration Number RO 1510210, SLATINA, ROMANIA]*

VALID FORM

Registration no. in the professional body:

INFORMATIONOn June 30th, 2011

Form 30

I. Data on the recorded result	Row no.	No. of units	Amounts	
A	B	1	2	
Units that registered profit	01	1	59614436	
Units that experienced loss	02			
II. Data on outstanding payments	Row no.	Total columns, 3 of which :	For the current activity	For the investment activity
A	B	1 = 2+3	2	3
Outstanding payments - total (rows 04+08+14 la 18 + 22), of which :	03	2,461,773	2,395,995	65,778
Outstanding suppliers - total (rows 05 to 07), of which:	04	2,461,773	2,395,995	65,778
- Over 30 days	05	2,416,169	2,350,391	65,778
- Over 90 days	06	23,053	23,053	
- Over 1 year	07	22,551	22,551	
Outstanding obligations to the social security budget - total (rows 09 to 13), of which:	08			
- State social insurance contributions payable by employers, employees and other assimilated persons	09			
- Contributions to social health insurance fund	10			
- Contribution to supplementary pension	11			
- Contributions to the unemployment insurance budget	12			
- Other social liabilities	13			
Outstanding liabilities to special funds and other funds	14			
Outstanding liabilities to other creditors	15			
Taxes paid within the state budget deadline	16			
Taxes paid within the local budget deadline	17			
Bank loans unpaid at maturity, total (rows 19 to 21), of which:	18			
- 30 days overdue	19			
- 90 days overdue	20			
- 1 year overdue	21			
Outstanding interests	22			
III. Average number of employees	Row no.	June 30 th , 2010	June 30 th , 2011	
A	B	1	2	
Average number of employees	23	1,034	1,122	
IV. Payments of interests and royalties	Row no.	Amount (lei)		
A	B	1		
Gross income from interest paid by Romanian legal entities to nonresident private parties:	24			
- tax to the state budget	25			
Gross income from interest paid by Romanian legal entities to private parties nonresident in EU Member States, of which :	26			
- tax to the state budget	27			
Gross income from interest paid by Romanian legal persons to affiliated business persons *) nonresident, of which :	28	14,738,424		
- tax to the state budget	29	1,422,699		

Gross income from interest paid by Romanian legal persons to affiliated business persons *) nonresident in the EU Member States, of which :	30	730,614	
- tax to the state budget	31	21,918	
Gross income from dividends paid by Romanian legal persons to nonresident persons, of which :	32		
- tax to the state budget	33		
Gross income from dividends paid by Romanian legal persons to affiliated business persons *) nonresident, of which :	34		
- tax to the state budget	35		
Income from royalties paid by Romanian legal persons to affiliated business persons *) nonresident, of which :	36	0	
- tax to the state budget	37	0	
V. Food vouchers	Row no.	Amounts (lei)	
A	B	1	
The value of food vouchers given to the employees	38	1,147,665	
VI. Costs incurred for research and development **)	Row no.	June 30, 2010	June 30, 2011
A	B	1	2
Research and development costs, of which:	39		
- from public funds	40		
- from private funds	41		
VII. Innovation costs ***)	Row no.	June 30, 2010	June 30, 2011
A	B	1	2
Innovation costs**) -total (rows 35 to 37), of which:	42		
- innovation costs completed during the period	43		
- innovation costs to be completed during the period	44		
- innovation costs abandoned during the period	45		
VIII. Other information	Row no.	June 30, 2010	June 30, 2011
A	B	1	2
Financial investments, in gross amounts (rows 47+55), of which:	46	101,695,418	48,596,433
Investments in affiliated entities, participating interests, other long term investments and long-term bonds, in gross amounts (row 48 to 54) of which:	47		
- listed shares issued by residents	48		
- unlisted shares issued by residents	49		
- shares issued by residents	50		
- bonds issued by residents	51		
- shares issued by collective investment schemes (including Financial Investment Companies)	52		
- shares issued by nonresidents	53		
- bonds issued by nonresidents	54		
Long-term receivables, in gross amounts (rows 56+57), of which:	55	101,695,418	48,596,433
- long-term receivables in lei and expressed in lei, the settlement of which is made according to the rate of one currency (from acc.267)	56	48,805,633	48,596,433
- long-term receivables in foreign currency (from acc.267)	57	52,889,785	
Trade receivables, advances given to suppliers and other assimilated accounts, in gross amounts (acc.4092+411+413+418)	58	135,130,322	205,002,065
External trade receivables, advances given to suppliers and other assimilated accounts, in gross amounts (acc.4092+ 411+ 413+418)	59	95,400,410	155,183,681

Receivables related to staff and assimilated accounts (acc. 425+4282)	60	563,104	569,456
Receivables related to the social security budget and the state budget (acc.431+437+4382+441+4424+4428+444+445+446+447+4482), (rows 62 to 66), of which:	61	15,574,254	21,624,031
- receivables related to the social insurance budget (acc. 431+437+4382)	62		
- tax receivables related to the state budget (acc. 441+4424+4428+444+446)	63	13,745,425	19,466,988
- subsidies to cash-in (acc. 445)	64		
- special funds – taxes and similar levies (acc. 447)	65		
- other receivables related to the state budget (acc. 4482)	66	1,828,829	2,157,043
Entity receivables related to affiliated entities (acc. 451)	67		
Other receivables (acc.453+456+4582+461+471+473), (rows 69 to 70) of which:	68	4,311,731	1,521,555
- settlements related to participating interests, settlements with shareholders on capital, settlements from participation operations (acc. 453+456+4582)	69	312,839	267,339
- other receivables related to natural and legal entities, other than receivables related to public institutions (state institutions) (from acc. 461+acc.471+acc.473)	70	3,998,892	1,254,216
Receivable interests (ct.5187), of which:	71		
- from nonresidents	72		
Short-term investments, in gross amounts (acc.501+505+506+acc. 508) (rows 74 to 80), of which:	73		
- listed shares issued by residents	74		
- unlisted shares issued by residents	75		
- shares issued by residents	76		
- bonds issued by residents	77		
- shares issued by collective investment schemes (including Financial Investment Companies)	78		
shares issued by nonresidents	79		
bonds issued by nonresidents	80		
Other amounts receivable (acc.5113+5114)	81	9,134,473	8,874,975
Cash in lei and foreign currency (rows 83+84), of which:	82	14,865	22,217
- in lei (ct.5311)	83	14,865	22,217
- in foreign currency (ct.5314)	84		
Current accounts opened with banks in lei and foreign currency (rows 86+87), of which:	85	3,068,807	1,428,715
- in lei (ct.5121)	86	3,064,433	1,418,824
- in foreign currency (ct.5124)	87	4,374	9,891
Other current bank accounts and letters of credit (rows 89+90), of which:	88		
- amounts in course of settlement, letters of credit and other receivable values, in lei (acc.5112+5125+5411)	89		
- amounts in course of settlement and letters of credit in foreign currency (ct.5125+5412)	90		
Debts (rows 92+95+98+101+104+107+110+113+ 116+119+ 122+123+126+128+129+134+135+136+141), of which:	91	624,280,259	467,221,940
- Loans from bonds issue and related interests, in gross amounts	92		

(acc. 161) (rows 93+94), of which:			
- in lei	93		
- in foreign currency	94		
Interest related to loans from the issuance of bonds in gross amounts (acc. 1681) (rows 96+97), of which:	95		
- in lei	96		
- in foreign currency	97		
-Internal short-term bank loans (acc. 5191+5192+5197), (rows 99+100), of which:	98	86,311,183	84,998,612
- in lei	99	7,282,565	7,096,390
- in foreign currency	100	79,028,618	77,902,222
-Interest related to internal short-term bank loans (acc. 5198), (rows 102+103), of which:	101		
- in lei	102		
- in foreign currency	103		
-External short-term bank loans (acc.5193+5194+5195), (rows 105+106), of which:	104		
- in lei	105		
- in foreign currency	106		
-Interest related to external short-term loans (acc. 5198), (rows 108+109), of which:	107		
- in lei	108		
- in foreign currency	109		
- Long-term bank loans (acc. 1621+1622+1627), (rows 111+112), of which:	110		
- in lei	111		
- in foreign currency	112		
-Interest related to short-term loans (acc. 1682), (rows 114+115), of which:	113		
- in lei	114		
- in foreign currency	115		
External long-term bank loans (acc. 1623+1624+1625), (rows 117+118), of which:	116	11,922,156	
- in lei	117		
- in foreign currency	118	11,922,156	
-Interest related to external long-term loans (acc. 1682), (rows 120+121), of which:	119	62,470	
- in lei	120		
- in foreign currency	121	62,470	
-Loans from the State Treasury (acc 1626+from acc 1682)	122		
-Other loans and related interests (acc.166+167+ 1685+ 1686+ 1687) (rows 124+125), of which:	123	434,834,655	300,961,402
- in lei and expressed in lei, the settlement of which is made according to the rate of one currency	124	892,109	258,560
- in foreign currency	125	433,942,556	300,702,842
Accounts payable, advances received from customers and other similar accounts, in gross amounts (acc. 401+ 403+ 404+ 408+ 419), of which:	126	82,142,327	71,137,779

- external accounts payable, advances received from external clients and other accounts assimilated in gross amounts (from acc. 401+403+404+405+408+419)	127		
-Liabilities in connection with staff and assimilated accounts (acc. 421+423+424+426+427+4281)	128	829,202	1,035,643
-Liabilities in connection with the social insurance and state budget (acc.431+437+4381+441+4423+4428+ 444+446+ 447+4481), (rows 130 to 133), of which:	129	7,154,805	8,601,479
- debt related to the social insurance budget (acc. 431+ 473+ 4381)	130	3,933,590	5,472,467
- tax debt related to the state budget (acc. 441+4423+4428+444+446)	131	3,200,972	3,113,612
- special funds – taxes and similar levies (acc. 447)	132	20,243	15,400
- other debt related to the state budget (acc. 4481)	133		
-Entity liabilities related to affiliated entities (ct.451)	134		
-Amounts due to shareholders / partners (ct 455)	135		
-Other liabilities (acc. 453+456+ 457+4581+462+ 472+ 473+ 269+509) (rows 137 to 140), of which:	136	718,655	151,989
- settlements related to participating interests, settlements with shareholders on capital, settlements from participation operations (acc. 453+456+45+4581)	137		
- other receivables related to natural and legal entities, other than receivables related to public institutions (state institutions) 1) (from acc. 462+acc.472+acc.473)	138	718,655	151,989
- subsidies not recognized on income (from acc. 472)	139		
- payments to be made for financial assets and short-term investments (acc. 269+509)	140		
-Interests payable (ct.5186)	141	304,796	335,036
Subscribed and paid-up capital (ct.1012) (rows 143 to 146), of which:	142	291,476,491	291,476,491
- listed shares 2)	143	291,476,491	291,476,491
- unlisted shares 3)	144		
- shares	145		
- subscribed and paid-up capital by nonresidents (from acc.1012)	146		
Patents and licenses (from acc. 205)	147		
IX. Information on costs with co-workers	Row no.	June 30th, 2010	June 30th, 2011
A	B	1	2
Costs with co-workers (acc. 621)	148		

Control amount for F30: 5532942718/20834687795

*) For the status of “affiliated legal entities” there shall be considered the provisions of art. 7 line (1) point 21 in Law 571/2003 on Tax Code, with the subsequent amendments and additions.

**) There shall be filled-in the expenditure for the research-development activity, and fundamental research, applicative research, technological development and innovation, determined according to provisions of Government Order no. 57/2002 on scientific research and technological development, with the subsequent amendments.

***) Innovation costs shall be determined according to the EC Regulation no. 1450/2004 of the Commission on August 13, 2004, for the application of Decision no.

1608/2003 of the European Parliament and Council on the production and development of communitarian statistics on innovation, published in the Official Gazette of the European Union series L no. 267/August 14th, 2004.

- 1) In the category “Other receivables related to natural and legal entities, other than receivables related to public institutions (state institutions)” shall not be included the subsidies related to the income of account 472.
- 2) Securities that offer ownership rights over companies, which are not negotiable and traded, according to the law.
- 3) Securities that offer ownership rights over companies, which are not traded.

DIRECTOR,

DRAFTED,

Surname and name

Surname and name

GENERAL MANAGER POPESCU ADRIAN

VADUVA CRISTIANA

Signature *[Illegible signature]*

Capacity

11 ECONOMIC

MANAGER

Signature *[Illegible signature]*

Unit seal *[Seal of SC TMK-ARTROM SA, J28/9/1991, Sole Registration Number RO 1510210, SLATINA, ROMANIA]*

VALID FORM

Registration no. in the professional body: