



**S.C. T.M.K. - ARTROM S.A.**

Draganesti Street , No. 30, 230119, SLATINA, OLT, ROMANIA

Tel: +40-249-436862 (top management), 434640, 434641; Fax: +40-249-434330, 437288

E-mail: [office.slatina@tmk-artrom.ro](mailto:office.slatina@tmk-artrom.ro); [www.tmk-artrom.ro](http://www.tmk-artrom.ro)

J 28/9/1991; VAT No: RO 1510210/1992;

Subscribed Share Capital: 291.790.747, 94 lei

Paid Share Capital: 291.476.491, 26 lei

## DIRECTORS REPORT on the financial statements drafted on June 30th, 2011

**Semi-annual report under Regulation No 1 / 2006 (NSC)**

**Report date: June 30<sup>th</sup>, 2011**

**Name of company: S.C. TMK-ARTROM S.A.**

**Registered office: Draganesti Street, No. 30, Slatina locality, Olt County**

**Phone / Fax 0249434640, 0249434330**

**Sole Registration Number with the Trade Registry: 1510210**

**Registered business number J 28/09/1991**

**Subscribed share capital: 291,790,747.94 lei**

**Paid-up share capital: 291,476,491.26 lei**

**Regulated market that the issued traded securities are traded on: BUCHAREST STOCK EXCHANGE (symbol: ART)**

### 1. Financial statement

As compared to the first half of 2010, tangible assets have decreased from 366.925.250 lei to 357.752.922 lei.

**a) balance sheet items: assets that represent at least 10% of total assets, cash and other liquidity; profits reinvested, total current assets, total current liabilities;**

As compared to the first half of 2010, tangible assets decreased from 366,925,250 lei to 357,752,922 lei.

Financial assets have decreased from 101,695,418 on June 30<sup>th</sup>, 2010, to 48,596,433 lei on June 30<sup>th</sup>, 2011, with approximately 52% due to loan repayments, amounting to euro 12 million by TMK Resita SA.

Circulating assets increased from 405,213,660 lei on June 30<sup>th</sup>, 2010, to 418,275,456 lei on June 30<sup>th</sup>, 2011 (with 3.2%) due to the increase of trade receivables, current stocks growth, decrease in advance payments to SC TMK -RESITA SA for raw materials (billets). Advances to TMK-RESITA decreased from 127,613,423 on June 30<sup>th</sup>, 2010 to 64,120,850 lei without VAT on June 30<sup>th</sup>, 2011. The amounts actually paid as advances are with VAT in the amount of 79,509,854 lei. Receivables increased from 154,832,000 lei on June 30<sup>th</sup>, 2010 to 228,229,169 lei (with 47.4%) on June 30<sup>th</sup>, 2011, primarily due to turnover increase.

The company has to recover from the state budget the value added tax in the amount of 19,456,238 lei, accounting for VAT to be refunded for March, April, May and June 2011.

According to Decision no 2/April 30<sup>th</sup>, 2008 issued by NATA-DGAMC since June 2008 TMK ARTROM is the representative of the tax group consisting of TMK ARTROM SA

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and TMK RESITA SA ARTROM SA. By Decision no 22 of May 28, 2010 there was approved the maintenance for a period of 5 years of the fiscal group. The monthly obligation to pay VAT for TMK RESITA SA is compensated by the VAT to be refunded to TMK ARTROM SA with the receivable consolidated VAT of the tax group.

TMK-ARTROM SA has on June 30<sup>th</sup>, 2011 trade receivables from companies related to TMK Group as follows:

TMK-Italia srl = 69,530,886 lei;

TMK Europe GmbH = 63,470,319 lei;

TMK Global AG = 21,404,794 lei

TMK Resita SA = 13,799,080 lei.

We mention that T.M.K. Europe GmbH Germany is a major shareholder in both SC TMK-RESITA SA and TMK-ARTROM SA Slatina.

Debts to be paid over a period up to one year fell from the first half of 2010 from 260,792,678 lei June 30<sup>th</sup>, 2010 to 169,155,557 lei on June 30<sup>th</sup>, 2011 (with 35.14%) following the payment of short-term loans contracted with TMK-Europe GmbH and TRADE HOUSE Closed Joint Stock Company, the decrease in trade receivables, short-term bank loans volume decrease and a decrease in exchange rates.

Compared with the first half of 2010, debts to be paid over a period longer than one year decreased from 362,947,633 lei on June 30<sup>th</sup>, 2010, to 231,146,100 lei on June 30<sup>th</sup>, 2011 due to lower USD exchange rate on June 30<sup>th</sup>, 2011. TMK ARTROM has contracted a loan from IPSCO SUA, a related company in the TMK group, amounting to 79 million USD, that is 281,374,300 lei. The US Dollar exchange rate on June 30<sup>th</sup>, 2011 USD was of 2.9259 lei / USD as compared to 3.5617 RON / USD on June 30<sup>th</sup>, 2010.

The TMK-ARTROM SA trade payables to the companies of the TMK group on June 30<sup>th</sup>, 2011, are due mainly to TMK Europe GmbH Germany amounting to 14,082,897 lei for imports of manufacturing tools, spare parts and goods for resale to TMK Resita: ferroalloys, refractory materials, graphite electrodes.

In the first half of 2011 the company contracted loans from the company TMK Europe GmbH in the amount of 5,000,000 euro, 3,000,000 euro of which were granted to TMK RESITA. These loans were repaid in full by TMK RESITA. TMK ARTROM returned the loans in full to TMK EUROPE.

TMK EUROPE GmbH Germany (formerly TMK SINARA HANDEL GMBH) is credited with the amount of 66,858,783 lei representing USD 22,837,540.03 and 38,425.07 RON, related to the debt assignment agreement no.054/February 2<sup>nd</sup>, 2002, from AVAB (currently AVAS).

During the General Meeting of Shareholders held on November 17<sup>th</sup>, 2008 there was approved the change in the nature and the deferment of the payment of the debt owed by TMK EUROPE GmbH amounting to 22,837,540.03 USD under the following conditions:

- The debt will be paid in 57 installments starting from January 25, 2014 until September 25, 2018 inclusive.

- The first 56 monthly installments will be worth 400,000 USD and the 57<sup>th</sup> will be worth 437,540.03 USD.

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- The payment of debt in the amount of 38,425.07 lei will be paid by TMK Europe GmbH on January 25, 2014, in USD at the official exchange rate EUR / USD to the Romanian National Bank on the last working day of 2013.

- The debt has an interest rate of LIBOR + 0.5% p.a. starting on January 1, 2009. Interest is calculated and paid on the 15th of each month.

Bank loans fell over as compared to the same period of the precedent year, from 98,295,810 lei on June 30<sup>th</sup>, 2010, to 84,998,612 lei on June 30<sup>th</sup>, 2011 mainly due to the full repayment of the Investment loan from BCR Erste Bank and the decrease of the exchange rate.

On June 30<sup>th</sup>, there are the following bank loans on balance:

- Operating loan - overdraft credit line in the limit of 18.4 million euros, contracted with BCR Slatina for a year, with an interest EURIBOR 3M plus 3%.
- The final maturity date is July 29<sup>th</sup>, 2011.
- Loan based on a discounts under threshold of uncertified payment instruments discounts (promissory notes and checks received from clients) amounting to 3,000,000 lei from Credit Europe Bank;
- Loan based on a discounts under threshold of uncertified payment instruments discounts (promissory notes and checks received from clients) amounting to 5,000,000 from Banca Transilvania;

With BCR there exists an ongoing threshold of payment instruments discounts (promissory notes received from clients) amounting to 5,000,000 lei, but which is not a loan. It becomes a loan when the client does not honor the promissory note at maturity.

**b) profit and loss account: net sales, gross income, items of costs and expenses with a share of at least 20% in net sales or gross income; risk provisions for various expenses; refer to any sale or stop a business segment performed in the last 6 months or to be made in the next 6 months, dividends declared and paid;**

On June 30<sup>th</sup>, 2011 the company registered profit amounting to 59,614,436 lei, consisting of:

- profit from operations: 44,762,052 lei
- profit from financial activity: 14,852,384 lei

The profit from financial activity was determined by:

- income from exchange rate differences 60,971,651 lei
- interest income 2,678,396 lei
- other financial income 123,113 lei
- exchange differences expenses 33,316,916 lei
- interest expense 14,484,525 lei
- other financial expenses 1,119,335 lei

There were evaluated the balances of cash, receivables and liabilities in foreign currency monthly in accordance with the regulations of OMFP 3055/2009 for the approval of Accounting Regulations in accordance with the European directives. On June 30<sup>th</sup>, 2011, the

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NBR reference rates were of 4.2341 lei / euro and 2.9259 euro / USD down from June 30<sup>th</sup>, 2010, when they were 4.2848 lei/euro and 3.2045 lei/USD.

The total turnover increased by 43.4% in first half of 2011 compared to first half of 2010 from 302,548,548 lei to 433,894,179 lei as a result of the physical volume of sales growth for pipes and selling prices.

The turnover for the basic activity, namely the sale of steel pipes increased by 43.3%, from 302,595,595 lei on June 30<sup>th</sup>, 2010 to 433,681,622 lei on June 30<sup>th</sup>, 2011. The increase in the turnover of the main activity was due to the increased pipe sales volume by 8.6%, from 85,250 tons to 92,557 tons and and the sale price of pipes with 31.86%.

The production obtained in the first half of 2011 was of 92,708 tons, as compared to 82,946 tons from the same period of 2010, up by 11.8%.

The company's total expenses increased by 12% in the first half of 2011 compared to first half of 2010, with a significant decrease in financial expenses.

The main elements of costs have varied over the corresponding period of 2010 as follows:

- the cost of raw materials increased by 44.6% due to increased physical consumption of raw materials generated by increases in output. The average cost of raw material in the first half of 2011 was higher than the first half of 2010, with 34% due to price increases of raw material, billets, determined by rising prices for scrap.

- energy costs (electricity, natural gas) increased by 13% due to increased production and purchase prices. Unlike the first half of 2010, the purchase price of electricity and natural gas was up by 5.22% for electricity and by 6.56% for natural gas.

- staff costs increased by 29% due to the increasing number of personal, wages increase according to the collective labor agreement and their updates quarterly with the inflation index. The average number of staff on June 30<sup>th</sup>, 2011 was 1122 people as compared to 1034 on June 30<sup>th</sup>, 2010.

There has not been recorded the stop of any business segment in the last 6 months.

There have not been granted nor paid dividends in the last 6 months of the period from the first half of 2011 or of 2010.

**c) cash flows: all the changes at the cash level in the basic activity, investments and financial activity, the level of cash at the beginning and end of the period.**

All the changes at the cash level in the basic activity, investments and financial activity were determined by the increase in turnover from the sale of pipes, drawing of new credits and loans and loan repayments of manufacturing credits and loans.

Cash at beginning of the period (January 1<sup>st</sup>, 2011) was 3,911,110 lei and on June 30<sup>th</sup>, 2011 was 2,284,299 lei.

In the first half of 2011 there were made payments for investments in the amount of 3,587,238 lei.

## 2. Analysis of the company activity

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**2.1 Presentation and analysis of trends, elements, events or uncertainty factors that affect or could affect the liquidity of the company, compared to the same period last year.**

In the first half of 2011 there have been reduced the international financial crisis effects. There has been recorded an increasing trend in demand for products which led to an increase in the volume of orders and therefore the increase in manufacture and sales volume. There has also been registered the upward trend in prices of steel products due to increased scrap prices even if exchange rates had a negative influence on export prices in EUR and USD. With the increase in orders there was needed an additional working capital both for the growth in volume and also to cover raw material price increase.

There has been recorded the maintaining of the collection periods of export trade receivables (30-60-90 days) and a trend of growth in the domestic market of up to 120 days. To cover capital needs to close the first production cycle in terms of production volume growth to ensure liquidity in the first 4 months there have been contracted loans that were paid in full by June 30<sup>th</sup>, 2011.

There has been maintained the high level of VAT claims to be received from the state budget.

Uncertainty factors that could affect the Company's liquidity in the near future are: exchange rate volatility, economic and financial crises of the euro area countries, the slow pace of economic growth in the country.

**2.2. Presentation and analysis of effects on the company's financial statement of all capital spending, current or anticipated (stating the purpose and funding of these expenses), compared to the same period last year.**

As Compared to the first half of 2010 capital expenditures increased. The company has launched a new investment program for value added growth of its production and diversification of the level of service to clients.

**2.3. Presentation and analysis of events, transactions, economic changes that materially affect income from core business. Specifying the extent to which income was affected by each identified item. Comparison to the corresponding period last year.**

Income from core business over the corresponding period last year recorded an increase of 43%. The company managed to obtain orders, the utilization degree of manufacturing capacity reaching 86%. In the first half of 2011, selling prices for pipes had an increasing evolution, so that the average price in the first half of 2011 is above the average selling price of the first half of 2010 with 31.86%, while compared with the average price of 2010 with 17,7%.

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**3. Changes affecting the company's capital and management****3.1. Description of the situations in which the company was unable to meet its financial obligations during that period.**

Company was not unable to meet its financial obligations in the first half of 2011.

**3.2. Description of any changes concerning the rights of holders of securities issued by company.**

There were no changes on the rights of holders of securities issued by TMK-ARTROM.

The capital structure is as follows:

	%	Number of shares	Capital value in lei	of which: Paid-up registered capital in lei
TMK EUROPE GmbH Koln Germany	92.6637	107,722,706	270,383,992.06	270,383,992.06
OTHER SHAREHOLDERS, NATURAL AND LEGAL ENTITIES	7.3363	8,528,588	21,406,755.88	21,092,499.20
Total	100	116,251,294	291,790,747.94	291,476,491.26

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

1. Marous Josef- President
2. Adrian Popescu- General Manager
3. Andrey Zimin
4. Sergey Marchenko
5. Evgeny Makarov
6. Dmitry Chernichenko
7. Konstantin Semerikov

The company is led by a Steering Committee consisting of:

1. Adrian Popescu –General Manager (CEO)- President of the Steering Committee
2. Vaduva Cristiana – Chief Economic and Accounting Officer (CEAO)- member of the Steering Committee
3. Drinciu Cristian – Chief Operation Officer (COO)- member of the Steering Committee
4. Mustata Valeru – Chief Commercial Officer (CCO) – member of the Steering Committee

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Starting June 1, 2011 due to change of the company organization and reorganization of activities in 6 general departments, outside the Board of Directors, starting on June 1<sup>st</sup>, 2011, the General Manager has appointed three new Deputy General Managers, foreign citizens, employees with employment agreements and acting under the special power of attorney approved by the General Manager under the powers conferred by the Articles of Association and relevant Romanian law, as follows:

5. Cerny Evgeny - Chief Financial Officer (CFO)
6. Pavlov Alexander – Chief Purchase Officer (CPO)
7. Koolomets Olga – PR-HR Officer

### Company representation of Society:

The CEO represents the company in relations with third parties and has full jurisdiction to hire, fire, fix the remuneration of any employees, establish and change at any time the Company organizational chart.

The company is validly represented in relations with third parties, including but not limited to financial institutions, courts of all levels, government authorities, by the following persons acting jointly or separately according to their individual powers of attorney as follows:

In accordance with the Articles of Incorporation

- a) by the Director General acting individually or
- b) by the Chief Operation Officer (first signature) / Chief Commercial Officer (first signature) acting together with the Chief Economic and Accounting Officer (second signature).

By special power of attorney approved by the General Manager, the Company is validly represented in relations with third parties, within the limit of the special power of attorney, by the following persons acting jointly or separately, as below:

- c) by the Chief Financial Officer (first signature) / Chief Purchase Officer (first signature) acting together with the Chief Economic and Accounting Officer (second signature).

### 4. Significant transactions

Major transactions over 50,000 euros concluded by the issuer with the persons acting as agreed or in which these persons were involved in the relevant time period were:

1. Purchase agreement (the 'Agreement') 11-5004 ART/RES of January 10, 2011 concluded with TMK EUROPE GmbH (the 'Seller') amounting to 3,506,120 EURO, valid until December 31<sup>st</sup>, 2011, with the object of graphite electrodes purchase.

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2. Purchase agreement (the 'Agreement') 11-5002 of January 17, 2011 concluded with TMK EUROPE GmbH (the 'Seller') amounting to 138,554.68 EURO + transportation costs, with the object of rollers and runners purchase.

3. Purchase agreement (the 'Agreement') 10-5059 ART/RES of January 17, 2011 concluded with TMK EUROPE GmbH (the 'Seller') amounting to 50,779.20 EURO, with the object of Ferro Manganese purchase.

4. Amendment no. 1 of January 17, 2011 for the purchase agreement no.10-5059 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), by which the agreement is supplemented with specification no. 2, the agreement value increasing to 75,705.20 EURO;

5. Amendment no. 2 of January 17, 2011 for the purchase agreement no.10-5059 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), by which the agreement is supplemented with specification no. 3, the agreement value increasing to 148,938.20 EURO;

6. Amendment no. 3 of January 17, 2011 for the purchase agreement no.10-5059 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), by which the agreement is supplemented with specification no. 4, the agreement value increasing to 220,440.80 EURO;

7. Purchase agreement (the 'Agreement') 11-5009 ART/RES of January 24, 2011 concluded with TMK EUROPE GmbH (the 'Seller') amounting to 177,455.19 EURO, with the object of Ferro Manganese purchase.

8. Commission Agreement (the 'Agreement') concluded with OAO TMK (the 'Consignee') no. A2-2010 of January 20, 2011, with the object of works and services on the design, preprinting, publishing, printing and delivery of certain media materials ("Materials"), on indefinite period;

9. Amendment no. 1 for the Commission agreement (the 'Agreement') concluded with OAO TMK (the 'Consignee') no. A2-2010 of January 20, 2011, by which the Consignee's remuneration is determined at 10% of the total value of payments made by the Consignee to third parties so as to fulfill its obligations;

10. Order no. 1 for the Commission agreement (the 'Agreement') concluded with OAO TMK (the 'Consignee') no. A2-2010 of January 20, 2011, determining the estimation of costs by the Consignee's observation of all activities included in the Order in the amount of 23,119.27 USD;

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11. Amendment no. 112 of January 21, 2011 for the agreement (the 'Agreement') 189 of January 25, 2011 concluded with TMK RESITA (the 'BUYER'), by which the availability of agreement no. 189 is extended until January 25, 2012, the estimate value of the agreement being of 24,000,000 lei, and the quantity of 24000 tons.

12. Amendment no. 8 of January 24, 2011 for the purchase agreement no.10-5029 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'seller'), by which the agreement is supplemented with specification no. 9, the agreement value increasing to 3,999,439.20 EURO;

13. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no 11-5015 ART-RES of January 31, 2011 amounting to 71,281.30 EURO, with the object of purchase of spare parts for CS60 drawers.

14. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no. 10-5093 ART-RES of February 3, 2011 amounting to 56,929.87 EURO, with the object of BSE purchase of spare parts.

15. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no. 10-5099 ART-RES of February 24, 2011 amounting to 61,594.00 EURO, with the object of graphite electrodes purchase.

16. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no 11-5024 ART/RES of March 11, 2011 amounting to 417,150.00 EURO, with the object of FeSiMn purchase.

17. Amendment no. 4 of March 11, 2011 for the purchase agreement no.10-5058 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), by which the agreement is supplemented with specification no. 5, the agreement value increasing to 488,962.00 EURO;

18. Sale-purchase commercial agreement (the 'Agreement') no. SR-1553/68 of November 29, 2010, concluded with TMK GLOBAL AG (the 'Buyer'), with the object of sale of 50,000 meters (+/-10%) of steel pipes worth 2,000,000 euro (+/- 10%), valid until December 31, 2011;

19. Sale-purchase commercial agreement (the 'Agreement') no. SR-1560/7A of March 15, 2011 concluded with TMK GLOBAL AG (the 'Buyer'), with the object of sale of 40,000 meters (+/-10%) of steel pipes worth 68,000,000 USD (+/- 10%), valid until December 31, 2012.

20. Loan agreements concluded with TMK EUROPE GmbH (the 'Lender'), in the following conditions: three months length, interest rate of 8.0% per annum with the deduction of the

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**S.C. T.M.K. - ARTROM S.A.**

Draganesti Street , No. 30, 230119, SLATINA, OLT, ROMANIA

Tel: +40-249-436862 (top management), 434640, 434641; Fax: +40-249-434330, 437288

E-mail: [office.slatina@tmk-artrom.ro](mailto:office.slatina@tmk-artrom.ro); [www.tmk-artrom.ro](http://www.tmk-artrom.ro)

J 28/9/1991; VAT No: RO 1510210/1992;

Subscribed Share Capital: 291.790.747, 94 lei

Paid Share Capital: 291.476.491, 26 lei

owed amount on the entire duration of the credit at the loan grant date, without securities, for the financing of the necessary circulating capital:

- Loan Agreement no. 1 of February 16, 2011, amounting to 1,000,000 euro with final maturity on May 15, 2011
- Loan Agreement no. 2 of February 23, 2011, amounting to 1,000,000 euro with final maturity on May 24, 2011
- Loan Agreement no. 2011/3 of February 24, 2011, amounting to 500,000 euro with final maturity on May 25, 2011
- Loan Agreement no. 2011/4 of February 25, 2011, amounting to 500,000 euro with final maturity on May 26, 2011
- Loan Agreement no.2011/5 of March 3, 2011, amounting to 1,000,000 euro with final maturity on June 1, 2011
- Loan Agreement no. 2011/6 of March 4, 2011, amounting to 1,000,000 euro with final maturity on June 2, 2011

21. Amendment concluded on December 31, 2010, for the credit agreement w/n/November 20, 2008 concluded with IPSCO TUBULARS INC (the 'Lender'), amounting to 79,000,000 USD, by which the interest rate is changed, that is from 10% net rate per year, to 10% gross rate per year.

22. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no 11-5023 ART on February 24, 2011 amounting to 124,605.28 EURO, with the object of purchase of bearings.

23. Amendment no. 9 of March 11, 2011 for the purchase agreement no.10-5029 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), by which the agreement is supplemented with specification no. 10, the agreement value increasing to 4,163,827.20 EURO;

24. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no. 11-5013 ART-RES on March 31, 2011 amounting to 1,172,471.08 EURO, with the object of purchase of Vezuvius materials.

25. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no. 11-5037 ART/RES on April 6, 2011 amounting to 232,780.00 EURO, with the object of purchase of FeSiMn.

26. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no. 11-5038 ART/RES of April 6, 2011 amounting to 110,004.00 EURO, with the object of purchase of FeSi.

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27. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no. 11-5032 ART/RES of May 5, 2011 amounting to 81,679.00 EURO, with the object of purchase of CuAg.

28. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no. 10-5069 ART/RES of March 24, 2011 amounting to 226,965.06 EURO, with the object of purchase of reactor coils.

29. Purchase agreement (the 'Agreement') concluded with TMK RESITA (the 'Buyer'), no.107a/1000 of April 15, 2011 amounting to 933,756.95 RON with the object of sale of reactor coils and insulators;

30. Purchase agreement (the 'Agreement') concluded with TMK RESITA (the 'Buyer'), no.749 of June 2, 2011 amounting to 55.000,00 EURO with the object of sale of lathe for the calibration of cylinders;

31. Loan agreement (the 'Agreement') concluded with TMK RESITA (the 'Buyer'), no. TMKR-01 of February 17, 2011 amounting to 3,000,000 EURO, with the length of 1 year, interest rate of 8.0% per annum with the deduction of the due interest according to each installment for the entire loan duration from the amount which will be granted to the borrower, without securities, so as to finance the necessary circulating capital;

32. Amendment no. 9 of May 18, 2011 for the loan agreement no 3100 of May 25, 2005 concluded with TMK RESITA (the 'Buyer'), by which is determined that the current interest rate for the granted loan shall be the NBR reference interest valid for the calculated month, as of July 1, 2011, and the loan shall be repaid in full on (maturity) May 17, 2012.

33. Amendment no. 1 for the sale-purchase commercial agreement no. 317 of June 28, 2010 concluded with TMK EUROPE GmbH (the 'Buyer'), by which the quantity of steel pipe is supplemented to 105,500 tons (+/-10%) and the value to 96,400,000 euro (+/-10%);

34. Amendment no.1 for the sale-purchase commercial agreement no. 298 of May 21, 2010 concluded with TMK ITALIA by which the quantity of steel pipe is supplemented to 95000 tons (+/-10%) and the value to 85,100,000 euro (+/-10%);

35. Amendment no. 1 of May 15, 2011 for the General Agreement nr. 212 (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') by which the General Agreement validity is exceeded until December 31, 2011;

36. Amendment no. 1 of June 8, 2011 for Agreement no 11-5009 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') by which the agreement value increases to 344,208.50 euro;

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37. Amendment no. 2 of June 8, 2011 for Agreement no 11-5009 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') by which the agreement value increases to 472,319.98 euro;

38. Amendment no. 1 of June 8, 2011 for Agreement no 11-5010 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') by which the agreement value increases to 175,464.76 USD;

39. Specification no 19 of March 5, 2011 for Agreement no 10-5005 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') by which the agreement value reaches 1,198,264.47 euro;

40. Specification no 20 of June 7, 2011 for Agreement no 10-5005 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') by which the agreement value reaches 1,162,314.18 euro;

41. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no 11-5073 on June 15, 2011 amounting to 1,690,230 EURO, with the object of purchase of iron briquettes.

42. Purchase agreement (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller') no 11-5004 on June 22, 2011 amounting to 3,521,364 EURO, with the object of purchase of graphite electrodes.

43. Amendment no. 1 for the loan agreement (the 'Agreement') no. 2011/5 on March 3, 2011 concluded with TMK EUROPE GmbH (the 'Lender'), by which the repayment date of the loan is extended from June 1, 2011 to June 30, 2011;

44. Amendment no. 1 for the loan agreement (the 'Agreement') no. 2011/6 of March 4, 2011 concluded with TMK EUROPE GmbH (the 'Lender'), by which the repayment date of the loan is extended from June 2, 2011 to June 30, 2011;

45. Loan agreement no. 2011/7 R of March 8, 2011, for TMK Resita (the 'Borrower'), from TMK EUROPE GmbH (the 'Lender'), amounting to 1,000,000 EURO, interest of 8% per year, loan repayment date: June 6, 2011;

46. Loan agreement no. 2011/8 R of April 1, 2011, for TMK Resita (the 'Borrower'), from TMK EUROPE GmbH (the 'Lender'), amounting to 1,000,000 EURO, interest of 8% per year, loan repayment date: June 30, 2011;

47. Amendment no 1 for the loan agreement no. 2011/7 R of March 8, 2011, for TMK Resita (the 'Borrower'), from TMK EUROPE GmbH (the 'Lender'), by which the repayment date of the loan is extended from June 6, 2011 to June 30, 2011;

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48. Amendment no 9 of June 30, 2011 for the hard money loan agreement no 1 of October 7, 2004 concluded with TMK Resita (the 'Borrower'), extending the deadline for fulfillment of obligations resulting from the granted commercial advances, provided in Amendment no. 8 of June 30, 2010, with another 12 months, until June 30, 2012;

49. Agreement no. 11-5039 ART/RES of April 6, 2011 (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), amounting to 203,940 EURO, with the object of purchase of Silico Calcium cored wire;

50. Agreement no. 11-5051 ART/RES of June 14, 2011 (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), amounting to 103,000 EURO, with the object of purchase of graphite electrodes;

51. Amendment no 1 of May 5, 2011 for Agreement no. 11-5024 ART-RES (the 'Agreement') concluded with TMK EUROPE GmbH (the 'Seller'), by which the agreement value becomes 789,580 EURO;

All these significant transactions were reported to NSC and BSE in accordance with existing regulations on the capital market.

**General Manager**  
**Eng. Popescu Adrian**  
[Illegible signature]

**Chief Economic and Accounting Officer**  
**Ec. Vaduva Cristiana**  
[Illegible signature]

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

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