S.C. UAMT s.a.
Nr.Reg.Com. J05/173/1991 Capital Social 17.766.860 lei Tel: +40 259 451026; +40 359 401677 Fax:+40 259 462066; +40 359 401676 Mobil: 40 730 631737; +40 741 069069 e-mail: office@uamt.ro
C.I.F. RO 54620

ANNUAL REPORT

on financial exercise

2014

(according to CNVM Regulation No.1 / 2006)
Date of report: 20.03.2015

Class, type, no. and main characteristics of the securities issued by the company:

39,481,911 dematerialized shares with nominal value of 0.45 lei / share

The organized market where these values are traded:

Bursa de Valori Mobiliare Bucureşti

CHAPTER 1: GENERAL PRESENTATION

1.1. ACCOMPLISHING THE LEGAL CONDITIONS OF FUNCTIONING

S.C. UAMT SA, company founded under the GD 1224/23.11.1990 is specialized in: Fabrication of other parts and accessories for vehicles and for vehicle engines - CAEN code - 2932.

The company has the social headquarter in Oradea, Uzinelor Street no. 8 and it is registered at the Trading Register under no. J05/173/1991, having Taxpayer Identification Number RO 54620

The main activity of the company is ``production and commercialization of parts for means of transport, execution of instalation, equipment, technological equipment, TDVs (tools, devices, verifiers).``

It is a publicly owned company, according to the term provided by the Law 297/2004 regarding the capital market, being registered at the Comisia Naţională a Valorilor Mobiliare under the registration certificate no. 3191 / 04.12.2006.

From 1997 and during 2006, the company's stocks were submitted and transactioned on the RASDAQ stock market, having as symbol ``UAM``. The shareholders' evidence was held in 2010 by the central depository (former REGISCO) according to the contract no. 7778/01.03.2007. In 19.02.2007, the company was admitted to trading on the regulated market administered by SC Bucharest Stock Exchange S. A.

In terms of financial statements the company applies Order 1286/2012 issued by the by the Ministry of Finance for approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market. The auditing activity of the financial situations of 2014 was made by SC Expert Leocont LLC under the Addendum No. 1 / 07.10.2013 of contract no. 6 of 01.12.2010, valid until December 2016.

During the financial exercise of 2014 there were no events of fusion or reorganization of the company.

1.1. LEADERSHIP OF THE COMPANY

During 2014 the company was administrated by a Board of Administrators formed by three members, as follows:

- Doina Olimpia STANCIU – Chairwoman of the Board of Administrators
- Horia Adrian STANCIU – member of the Board of Administrators
- Bogdan Ciprian STANCIU – member of the Board of Administrators

During 2014 at the Council of Administrators level there were dismissals and appointments, so:

- according to AGOA decision of 17.03.2014, were dismissed two members of the board and introduced Mrs. Doina Stanciu Olimpia as Chairman of the Board and one member, namely Mr. Bogdan Ciprian Stanciu.

The executive leadership of the company was provided by a managerial team, team what at the end of 2014 has the following composition:

- Antoine Youssef ALLAIRE – General Director,
- Nicolae RADU – Deputy General Director,
- Dorina Felicia MATE – Chief of Financiar Accounting Departament,
- Nicolae FEFLEA – Chief of Quality Departament,

At the director board level, according to the AGOA Decision of 25.06.2014 was held the appointment of the new general director, namely Mr Antoine Youssef ALLAIRE and the dismissal and discharge of Mr Horia Adrian STANCIU.

In 2014, a constant concern of the Board of Administrators was the optimization of the decision making process at the executive leadership level and to improve the communication in order to apply the measures and decisions of the Board of Administrators with operativity and increased efficiency to maximize the obtained results of the activity and to minimize the effects of the economic crisis.

The Board of Administrators followed the achievement of the activity plan proposed for 2014, the execution of the monthly and trimestrial income and expenses buget and the approved investment and repairing program.

In 2014 , the Board of Administrators met monthly at board meetings and issued measures regarding the aministration of the company. The taken measure and decision focused on every activity of the company, respectively the production and commercial, investing and repairing, human resources, economic and financial activity and internal audit and control.

All the efforts of the Board of Administrators and of the executive leadership were oriented towards the achievement of the company's mission to ensure quality services, development of material and technical base, rehabilitation and modernization of the existing one through a coherent and consequent investment program, in condition of real environment protection.

The forecasted and organization efforts of the Board of Administrators were concretized in future development programs of the company, informing programs, promotion and recruiting programs for the personnel and quality improvement plans for the products, procedure systems for the main activities of the company and reconsideration of its organizational structure.

We specify that the company has no information that the presented persons are involved in litigation or administrative procedures in the last 5 years or are being restricted to hold leading positions inside the company.

1.1. JOIN STOCK AND STRUCTURE OF SHAREHOLERS; STOCKS

1.3.1 Share capital and shareholder structure

The subscribed and paid capital at 31.12.2014 is 17.766.860 lei representing 39.481.911 stocks with nominal value of 0.45 lei/stock.

Synthetic structure of the ownership on 31.12.2014, compared with the one from 31.12.2013, is the following

Shareholders	No. of stocks	Value *(lei)*	Procents
TOTAL according to the Central Depository on 01.01.2013, from what:	**39.481.911**	**17.766.860**	**100%**
1. ASSOCIATION "PAS-UAMT"	14.081.168	6.336.526	35,67%
2. Legal entities	3.836.929	1.726.618	9,72%
3. Romanian and foreign individuals	21.563.814	9.703.716	54,61%
TOTAL according to the Central Depository on 31.12.2013, from what:	**39.481.911**	**17.766.860**	**100%**
1. ASSOCIATION "PAS-UAMT"	14.081.168	6.336.526	35,67%
2. Legal entities	4.237.855	1.907.035	10,73%
3. Romanian and foreign individuals	21.162.888	9.523.299	53,60%

TOTAL according to the Central Depository on 31.12.2014, from what:		**39.481.911**	**17.766.860**	**100%**
1.	ASSOCIATION "PAS-UAMT"	14.081.168	6.336.526	35,67%
2.	Legal entities	4.236.409	1.906.384	10,73%
3.	Romanian and foreign individuals	21.164.334	9.523.950	53,60%

At the end of 2014, the administrators held together an amount of 549.135 stocks (3.09% of the join stock).

All the stocks of the company are nominative, ordinary, dematerialized and indivisible.

The S.C. UAMT S.A. stocks were traded starting with 31st of May 2007 on the market of Bucharest Stock Exchange. In the last period, the company`s policy was to reinvest the profit, the company needing capital resources to achieve the investment objectives, undistributing dividends. According to A.G.A. decisions, in the years: 2002 - 2012 not dividends were distributed, the net profit beeing allocated as own source of funding for sustaining and finalizing the modernization procedure of the company, started in 2012.

1.3.2 Declaration regarding the corporate governance code

SC UAMT SA has listed its shares on BVB Bucharest. As a result the company applies all the legal provisions on corporate governance in force, Law 31/1990 updated, OMPF 1286/2012 approving the Accounting Regulations according to the International Financial Reporting Standards, CNVM Regulation No.1 / 2006 on reporting, BVB reglemantations etc. All these documents are public. The company has chosen not to implement the corporate governance code until the end of the financial exercise of 2014.

The leadership of SC UAMT SA considers that there are no cases in which the company moved away from the corporate governance code what is applied. The company is managing its accounting in accordance with the legislation in force and has an integrated computer system that stores all of the transactions. There are specially designated and qualified persons who are having as responsibility to make the financial reports in accordance with the legal accounting policies adopted by the company. The financial statements are reviewed and approved by the Chief of Financial Accounting Department, General Director and, where is necessary, by the Board of Administrators. The company has contract with an authorized financial auditor, according to the legal requirements. It verifies the financial reports in all the cases provided by the law in force.

The General Assembly has the duties as provided by Law 31/1990 with related amendments and by the act of incorporation in force on the date of the respective General Assembly.

In its activities and reporting to the surveillance institutions of the regulated market, SC UAMT SA does not move away from the corporate governance code.

Inside the society there is implemented a system of internal control, for the main activities being established work procedures. The duties that the internal control is having inside the company, without limiting itself to them, are:

- examining the legality, regularity and compliance of operations, identification of errors, waste, fraud and faulty administration and on this basis, to propose measures and solutions for remediation of damages and punishment of the responsibles, by case;
- supervising the functioning of the decision foundation systems, planning, programming, organization, coordination, monitoring and control of decisions` accomplishment;

- evaluating the efficiency and effectiveness with which the management and execution systems existing in the company are using the financial, human and material resources for accomplishing the objectives and achieving the established results;

- identifying the weaknesses of the management and control systems and the associated risks of such systems, of programs / projects or operations and propose measures to correct them and to mitigate the risks. The internal control is ensured at all levels by the executive management of the company.

CHAPTER 2: THE ANALYSIS OF THE TRADING COMPANY

2.1. THE ANALYSIS OF THE TRADING COMPANY

a) Description of the main activity of the trading company:

S.C.UAMT S.A. has as activity object: ``production and commercialization of parts for means of transport, execution of instalation, equipment, technological equipment, TDVs (tools, devices, verifiers).``

b) Description of acquisitions and / or divestitures of assets:

From acquisitions and disposals of assets made by the company during the financiar and economic exercise of 2014, we are mentioning the followings:

No. crt.	Assets name	Value [lei]
	Acquisitions	**8.169.032**
1	Licenses and programs	578.465
2	Technological equipments	7.373.057
3	Measuring and controling devices	31.008
4	Means of conveyance	111.625
5	Furniture, office equipment	74.877

c) Description of company's activity evaluation`s main results:

1.1.1. Elements of general evaluation :

lei

Indicators	2013	2014
Turnover	126.282.208	117.616.215
Export	1.480.360	957.967
Total operating expenses	114.145.094	113.011.904
% of total turnover - export - intern	 1,17% 98,83%	 0,81% 99,19%
Liquidity (cash and bank accounts)	18.912.153	16.621.508
Net profit	9.650.996	4.892.511

In comparison with 2013, in the year 2014 the company realized a decrease of the net profit with 49.31% from 9.650.996 lei, to 4.892.511 lei.

The decrease of the profit in 2014, is partly due to the decrease in sales volume compared to 2013.

EBITDA (operating profit + depreciation) achieved in 2014 is 17,186 thousand RON.

The amount of payments made in 2014 for loans, representing rates and due bank interest raised to the amount of 11,471 thousand RON, of which 1,209 thousand RON, representing interest expense.

1.1.2. Evaluation of the company`s technical level

Description of the main products realized and/or provided services, specifying:

a) the main markets for each product or service and the disribution methods

In Romania, for a series of products from the actual current fabrication range, the company "UAMT" SA is the main supplier of the domestic car manufacturers.

But it is noteworthy that there is an increasing tendency of competition in the company`s area of activity, which imposes on the company a determined action to fight this phenomenon through an active policy of refurbishment and upgrading the products.

This can be possible with the help of convenient sources of funding, namely by reimbursable loans from the European Union or the Romanian Government.

The main products of the company are:

- stamped parts;
- parts protected for anticorrosion through electrochemical coating or painting by the cataphoresis process;
- car parts;
- TDVs;
- car spare parts;
- injected parts.

The sales market of the company is divided into three main segments:

- industrial customers:
  - vehicles assemblers;
- customers for spare parts:
  - service and commercialization companies;
- TDV customers.

a) the share of each category of products or services in the income and in the total turnover of the company

Indicators	Achieved 31.dec.2014	%	Achieved 31.dec.2013	%
Revenues from sale of finished products	115.529.350	96,23%	124.193.533	97,34%
Revenues from sale of residual products	618.138	0,51%	448.853	0,35%
Revenues from performed work	316.060	0,26%	160.313	0,12%
Revenues from renting	147.334	0,12%	145.179	0,11%
Revenues from sale of goods	1.255.717	1,05%	1.334.330	1,05%
Granted trade discounts	-250.384	-0,21%	0	0%
Revenues related to costs of products stocks	1.209.725	1,01%	-258.951	-0.20%
Turnover	**117.616.215**	**97,96%**	**126.282.208**	**98,77%**
Other revenues from operating	1.234.125	1,03%	1.545.690	1,21%

Revenues from intangible and tangible production	0	0%	13.678	0,02%
Operating income:	**120.060.065**	**100%**	**127.582.625**	**100%**

CLIENTS	2014		2013	
	Volume (RON)	% of BA	Volume (RON)	% of BA
S.C.AUTOMOBILE DACIA S.A. Piteşti	114.356.008	97,23	122.851.438	97,28
R.I.R.Mioveni	0	0	0	0
EXPORT	957.967	0,81	1.480.360	1,17
Other Clients	2.302.240	1,96	1.950.410	1,55
TOTAL TURNOVER	117.616.215	100	126.282.208	100

c) new products taken into account for what in the future financiar exercise a substantial volume of assets will be affected as well as the development stage of these products

The empowerment analysis of SC UAMT SA stresses out the need for investments in modern equipment, TDVs and assembling equipment which are supporting the expected growth of the norm but also to anticipate any demand "jumps" dictated by the market. Apart from the increasing volumes of manufacturing of models for LOGAN and other new models launched until now, for our company launching new models in manufacturing creates in addition opportunity for UAMT to diversify the product range.

1.1.3. Assesment of the technical-material purchasing activity (domestic sources, imported sources)

In 2014 the supply activity was conducted based on firm orders to the suppliers from the EU, outside of the EU and from Romania.

During 2014 the supplying of raw materials from the EU and outside the EU, are as follows:

Product name	**Quantity**	**Supplier**
a) Import source		
Steel sheet	140 to/month	Hungary
Conduit	16 to/month	Turkey
Polypropylene	31 to/month	Belgium
Steel pipes	20 to/month	Switzerland
Steel pipes	16 to/month	Turkey
b) Domestic source		
Steel sheet	448 to/month	Giurgiu
Wire	5 to/month	Cluj-Napoca
Rubber products	0,5 to/month	Piteşti
Assembly elements	0,2 to/month	Gheorghieni
Chemicals	0,3 to/month	Bucureşti
Polyamide	7 to/month	Bucureşti
Steel pipes	18 to/month	Zalău

The main raw materials suppliers of the company depending on the share in the volume of supplying expenses for 2014 are shown in the table below.

Supplier **Supplied assortment**		**Share in the supply plan for 2014 [%]**
Various suppliers in Romania	- steel sheet	21%
Suppliers from France, Italy, Belgium	- plastics	6%
Suppliers from Romania, Switzerland, Turkey	- pipes	6%
Suppliers from Czech Republic	- mirrors	5%

Table 1.3.

The stocks of raw materials are at the minimum necessary level. Thanks to the systematic supply there are no gaps in the raw materials' stocks.
The supply of raw materials is made directly from suppliers or direct distributors, thus succeeding thereby to negociate advantageous prices for the company. The prices are well correlated in relation to the quality.

1.1.4. Assesment of the selling activity

a) *Description of sequential sales' evolution on the internal and/or external market and the sales prospects for medium and long term:*

In comparison with 2013, in 2014 the sales of products decreased.

The main market for the company's products is the car market, representing 100% of the sales during 2014.

The external deliveries are mainly intra-community (France), from the total of export 57.12% represents extra-community deliveries (Brasil, Turkey).

The total sales of products (excluding from the turnover the sales of services and of the residual products), were in the amount of 117,616 thousand RON from what 958 thousand RON were export deliveries.

For medium and long term the marketing policy of the company is to maintain the traditional customers and to enter on new section in the market.

The foresight of sales growth for 2015 is optimistic, estimating a growth of 7% compared to 2014.

b) Description of competitive situation in the company's activity, the market share of the products or services of the company and the main competitors

The general practice in the car ansambling market is to approve some parts and subassemblies supplyer companies.

As a result of this process, very important and long termed, of approval, the notion of competition becomes irrelevant, the companies approved maintaining themselves on the market as long as they satisfy the quality and price requests of the car assembler, within the life period of the vehicle.

The competition appeared particularly at the selection stage of the approved suppliers of the main customer UAMT, Dacia-Renault because the products to equip LOGAN vehicles are complex and require high costs for assembly in production, validation and ensuring the necessary capabilities for production. Once with this step made the competition substantially reduced, a possible change of suppliers was made by the assemblers only in exceptional cases (bankruptcy, serious quality problems, the major innovative leaps, significant price jumps, etc.).

Also, once the company was nominated at rank 1 supplier by Renault, it has privileged position on the spare parts` market as well, both in terms of legislative provisions for consumer protection and in terms of promoting products.

However, in this market segment, we are constantly in competition with the multinationals of the automotive assemblers.

c) Description of any significant dependency of the company to a single client or group of clients whose loss would have a negative impact on the company's revenues

The dependency to the client DACIA can be seen as a negative impact over the revenue, but not as a major one.

1.1.5. Assesment of the aspects regarding employees/personnel of the company

a) *Specification of the number and level of training of the employees and the degree of unionization of the workforce*

The forecast for 2015 leads to the conclusion that in this period too the company needs to carry out its activity with a media number of 550 employees, fact determined by the increasing volume of production.

The unionisation of labor is about 40%.

The general skill level of employees is high, being generally satisfied the needs of the society and continuously improved through practical actions and operations and products.

The current organizational structure is pyramid, the granted competences and responsibilities to various levels being indicated by "Rules of Organization and Operation" and "job descriptions".

At the end of 2014, compared with 2013, the structure of employees by activity is as follows:

no. crt.	*Personnel costs*	*Actual no. of personnel*		*Share of total personnel (%)*	
		2013	**2014**	**2013**	**2014**
1.	Total production personnel, of which:	**458**	**471**	**83,88**	**85,79**
	- direct productive personnel	352	361	76,85	65,75
	- indirect productive peronnel	48	51	10,48	9,29
	- auxiliar personnel (toolshop and mechanical)	58	59	12,67	10,75
2.	TESA personnel	88	78	16,12	14,21
3.	**Total personnel**	**546**	**549**	**100,00**	**100,00**

From the data presented above results that the number of employees in 2014 raised with 0.55 % compared with the previous year.

b) Description of the relations between managers and employees and of any conflicting elements that are characterizing these relations

The relations between the leadership and employees are normal, without any collective disproof actions of the programs and managerial realizations.

1.1.6. Assesment of the aspects regarding the impact of the main activity of issuer on the environment

UAMT SA owns an integrated environmental authorization and water management permit valid until 2017 and the declaration of locations for operations with precursors.

The core activities of the company have little impact on the environment air, water, soil. The measurements show that there are no exceedances of the value limit provided by the legislation in force for any of the pollutants measured, both for emissions to water and emissions of pollutants into the atmosphere. Through the modernization of the wastewater pre-treatment station all the specific pollutants are within the limits provided by the law. Taking into account that the free surface inside the unit is mostly concreted, including in case of industrial waste deposits cannot be produced significant changes in the structure and quality of the soil.

According to above presented, the UAMT activities` impact is not a significant pollution.

Is not the case of existing or anticipated litigation regarding violations of environmental protection legislation.

For the 2014 annual report was submitted to the Environmental Protection Agency Regional Mediului- Cluj, Bihor Oradea City Hall EPA.

1.1.7. Assesment of the research and development activity

The estimated volume of R&D expenditure in 2015 will be € 80,000, as a prerequisite for the strengthening and improvement of such direct implications on the possibilities of development of the company (portfolio of customers and products, turnover).

1.1.8. Assesment of the company`s activity regarding risc management

Description of policies and objectives of the company regarding risk management

The results of 2014 are relatively good compared to the turnover tahnks to the measures taken trough the cost management policies, which include:

- development and promotion of products which are increasing customer satisfaction in terms of economic return
- reduction and optimization utility consumption
- effective human resource management in correlation with the production capacity at the lowest achievable cost
- rhythmic supply and minimum storage of raw materials and supplies
- efficient cash flow through measures of receivables and payables tracking
- commitment of expenditure in correlation with the time of the revenue in close accordance with the assurance of disponibilities
- commitment to maintenance and repair works at reasonable prices

The demand for cars remained steady this year too, the main asset is the quality/price ratio, the Logan and the rest of the newer models are well received both in the domestic and foreign markets.

From the bankruptcy risk analysis calculated with the Altman Model it can be concluded that the risk of bankruptcy is almost nonexistent.

Bankruptcy risk analysis

a) Altman model

It is based on the following function:
Z = 3,3T1 + 1,0 T2 + 0,6 T3 + 1,4 T4 + 1,2 T5

No. crt.	Indicator	U.M.	Values		Symbol
			31.dec.13	31.dec.14	
1	**Total assets**	lei	**137.829.263**	**128.799.756**	AT
2	**Total revenue**	lei	**128.760.182**	**120.701.188**	Vt
3	**Reinvested profit**	lei	**9.650.996**	**4.892.511**	Prein
4	**Shareholders` equity**	lei	**72.673.905**	**77.235.281**	Cpr
5	**Total debts**	lei	**55.560.198**	**43.117.061**	DT = Itml+Its+Fz+Ob
6	**Brut profit**	lei	**11.266.117**	**5.855.688**	Pb
7	**Circulating assets**	lei	**65.415.902**	**58.289.017**	Ac
8	**T1**	-	**0,0817**	**0,0455**	Pb / AT
9	**T2**	-	**0,9342**	**0,9371**	Vt / AT
10	**T3**	-	**1,3080**	**1,7913**	Cpr / DT
11	**T4**	-	**0,0700**	**0,0380**	Prein / AT
12	**T5**	-	**0,4746**	**0,4526**	AC / AT
13	**Z = 3,3T1+ 1,0 T2 + 0,6 T3 + 1,4 T4 + 1,2 T5**	-	**2,65613**	**2,75817**	Z

Z< 1,81 = critical situation towards bankruptcy
1,81 < Z < 2,90 = the risk of bankruptcy is in normal margins
Z > 2,90 = the risk of bankruptcy is almost inexistent

1.1.9. Perspective elements regarding the company`s activity

a) Presenting and analyzing the trends, elements, events or factors of uncertainty what affects or may affect the company's liquidity compared with the same period of the last year

Perspectives of 2015:

1) We believe that in 2015 we can achieve a higher revenue than in 2014 and maintaining the costs` level of the previous year, we are estimating a higher net profit than that achieved in 2014, respectively 6.132 thousand RON, for the following reasons:

- Increased production volumes for current and new products;
- Maintaining the prices of raw materials, utilities and other services provided by third parties, personnel costs;
- Maintaining at the current level or moderate increase of final products` selling prices and services provided by the company (at a lower rate than the growth rate of the costs).

2) As a result of the major investments made in 2013 and 2014 through the modernization and economic competitiveness increasing project with the amount of 25,906 thousand RON, from which 9,924 thousand RON were grant funds, all resources will focus on continuing the company's development strategy in the future.

The forecasts for the future in this area, are mostly influenced by the company's policy and objectives expressed by RENAULT (current shareholder of the company "AUTOMOBILE DACIA" SA), by reducing produtcion costs for cars from its range with at least 10%, and by the relaunching of the Rabla program 2015.

The cconomic and financial situation of the company in this year, had a satisfactying evolution.

The objectives of the company's business plan for 2015, are:

• continue the structural adjustment according to the company's actual dimensions and to the evolution of current market;

• structural and technological preparation of the company in order to satisfy the imposed requirements of the automotive assemblers;

• intensify the efforts to identify and enter on extern markets' new segments and a new product from other fields of activity;

• continue refurbishing of the company through accessing new government funds for investment;

• to emphasize the human resources' training at present requirements;

b) Presenting and analysing the capital expenditure's effects, current or anticipated, on the financial position of the company compared to the same period of the last year.

During 2013 the company made significant investments according to the approved modernization project. The modernization process of the company by providing high-tech equipment and facilities, measurement and control equipment and software, was finalised in 2014.

The company will continue this modernization process also in 2015, reinvesting the proposed profit for distribution to other reserves, namely to own funding sources.

c) Presenting and analysing the events, financial changing transactions which are affecting semnificantly the company's income

see point Chapter 5 "Financial Accounting situation and Results of the exercise"

2. Tangible assets of the company

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

The company is located in North-Western Romania, in Oradea, at 8 km from the Romanian-Hungarian border, near to the E60 road, having means for supply and delivery as well on rail and car.

The company has its headquarter in Oradea, str. Uzinelor, no. 8 and is registered in the Trade Register Bihar, under number J 05/173/1991.

The value of the share capital up to date is 17,766,860 lei.

The technical equipment places the company in the field of organizations with fine mechanics profile. The company uses the following categories of technological processes:

- cutting machining (turning, milling, drilling, surface grinding and round) on classic cars and specialized program control (CNC)
- cold pressing processing;
- injection plastic parts (polyethylene, polyacetals, polyamides, including reinforced with glass fibers, etc. weighing up to 1.2 kg);
- cataphoresis painting process;

- electrochemical coating (zinc plating, nickel plating);
- welding of metals (electrical, autogenous welding sheets in points, welding in CO_2 protective atmosphere, with or without manipulator robots);
- heat treatments;
- electro erosion processing (solid electrode and wire);
- product assembly;

The company also has a performant department for TDV Execution which generally provides all the necessary molds, dies, devices and checkers required by the own production and executes orders of other companies in this field.

2.2. *Describing and analyzing the the company's degree of attrition*

Level of medium degree of attrition

No.	SPECIFICATION				Symbol
			2014	2013	
1	Amortization	lei	20.607.748	11.350.236	Amz
2	Tangible assets	lei	75.796.764	68.906.742	Mf
3	**Medium degree of attrition**	%	**27,24%**	**16,47%**	**Gu=Amf/Mf**

In comparison with the previous year the medium degree of attrition increased in 2014, there is a relatively acceptable medium degree of attrition.

The company's accounting policy for reevaluated tangible assets was the alternative accounting treatment, namely presentating the fixed assets at revalued amount in the financial statements, except the accumulated depreciation.

2.3. Specifying the potential problems regarding the ownership right over the company's assets

There are no litigations on issues related to ownership of tangible assets of the company or to commercial aspects.

CAP.3. SECURITIES` MARKET ISSUED BY THE COMPANY

3.1. *Specifying the markets in Romania and in other countries where the securities of the company are negotiated*

The company's shares are traded on the Bucharest Stock Exchange.

The company issued one type of securities, namely dematerialized shares with a nominal value of 2.50 lei. After applying the Law 55 / '95 of accelerating the privatization process and after the company was registered an oversubscription in the process of mass privatization, as an effect of the law the nominal value of all shares splitted from 0.25 lei to 0.10 lei per share.

The increase of the capital carried out in 1999 after the reevaluation of the patrimony and approved by AGA resulted the increase of the shares` nominal value from 0.10 to 0.45 lei / share.

During 2001 the company made a public offer to increase the capital when at the end were issued a total of 2,518,322 shares fully subscribed by the majority shareholder.

In 2010, as a result of the fusion by absorption of SC UAMT SA, the acquiring company and the acquired companies: FICAMT SA, CPD SRL, SRL FRIGAMT was realized an increase of the capital in which they were issued a total of 14,396,464 of shares.

On 31.12.2014 the average price evolves around 0.9960 lei per share.

3.2. *Description of the companys policies regarding the dividends. Specifying the dividends due / paid / accumulated in the last 3 years, and if it the case, the reasons for possible reduction of dividends in the last 3 years.*

In recent years the company did not give dividends to its shareholders, the profit being assigned to other reserves.

Lately, the issuer's policy was to reinvest the gained profit, the company needing capital resources to develop investments, thereby undistributing dividends.

For 2014 by Decision AGOA, the net profit is proposed to be allocated partly to cover the losses from previous years at the amount of 331,136 lei, and the other part as own source of financing to support the company's investment program worth 4,561,375 lei.

Because ensuring the resources for medium and long term capital is a major coordinate strategy of the issuer, it will maintain in the future its policy regarding the reinvestment of the profit.

In 2014 there were no changes in the structure of the capital.

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

Not applicable.

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

Not applicable.

3.5. *If the company issued bonds and / or other debt instruments, show how the company pays its obligations to the holders of such securities.*

Not applicable.

CAP. 4. THE MANAGEMENT OF THE COMPANY

At the moment "UAMT" SA Oradea company's administration is executed in hierarchical order by:

1. General Assembly of Shareholders;
2. The Board of Administrators consists of 3 members;
3. General Director;

4.1. *Presenting the company's administrator list and the following information for each administrator*

a) CV (name, age, qualification, professional experience, position and seniority) each administrator is presented on the company`s website **www.uamt.ro/comunicate**

b) any agreement or family connection between the respective administrator and another person through who that person was appointed administrator;

Not applicable.

c) participation in the company's capital, after the registration of capital increase at the Central Depository on 31.12.2014, is as follows:

Name. forename	No.shares owned	% of participation in the share capital
Horia Adrian STANCIU	244.015	1,3734
Bogdan Ciprian STANCIU	305.120	1,7173

d) list of persons affiliated to the company

Not applicable.

4.2. *Presenting the list of the company`s executives. For each, the following information:*

The executive management of the company was assured by a management team, a team that at the end of 2014 had the following members:
- Antoine Youssef ALLAIRE – General Director,
- Nicolae RADU – Deputy General Director,
- Dorina Felicia MATE – Chief of Financial Accounting Department,
- Nicolae FEFLEA – Chief of Quality Department,

According to the Articles of Incorporation the executive directors are appointed by the General Director and are subordinated to him and are responsible for their duties in the same terms as the administrators.

The CV of each member of the executive board is presented on the company`s website www.uamt.ro/comunicate

a) *the term for which the person is taking part from the executive board*
The executive directors are employees for indefinite term.

b) *any agreement or family connection between the respective administrator and another person through who that person was appointed member of the executive board*

Not applicable.

c) *participation of the respective person in the company`s capital*

Not applicable.

4.3. *For all persons presented in 4.1. and 4.2. litigation or administrative proceedings in what they were involved in the last five years, regarding their activity inside the issuer and those concerning the ability of the person to perform their duties within the issuer.*

Not applicable.

CAP.5. STATEMENT OF FINANCIAL ACCOUNTING

Presenting an analysis of the current economic - financial situation compared with the last two years, with reference to at least

a) *Balance sheet items: assets that represents at least 10% of total assets; cash and other liquid availabilities; reinvested earnings; total current assets; total current liabilities*

STATEMENT OF FINANCIAL POSITION
At: 31.12.2014

Assets	Note	31/12/2014	31/12/2013
Non-current assets			
Tangible assets	1	68.530.392	70.897.882
Other intangible assets	2	557.200	50.093
Property investments	3	1.423.111	1.464.938
Financial assets		36	430
Total non-current assets		**70.510.739**	**72.413.343**
Current assets			
Stocks	4	17.383.269	17.290.408
Trade receivables	5	21.335.784	23.881.142
Other receivables	7	2.948.456	5.332.217
Cash and cash equivalents	8	16.621.508	18.912.153
Total of current assets		**58.289.017**	**65.415.920**
Advance revenue (grants)		**8.447.414**	**9.595.160**
Total of assets		**120.352.342**	**128.234.103**
Equity and liabilities			
Equity			
Share capital	9	17.766.860	17.766.860
Reserves	12	18.733.878	9.118.847
Retained earnings	10	3.777.461	3.080.913
Result of exercise	11	4.892.511	9.650.996
Other reserves and own shares	12	32.064.571	33.056.289
Total of equity		**77.235.281**	**72.673.905**
Non-current liabilities			
Long-term loans	13	0	6.794.791
Other long-term loans	15	2.807.620	3.880.565
Deferred tax liabilities	23	34.170	34.170
Other non-current liabilities		0	0
Total of non-current liabilities		**2.841.790**	**10.709.526**
Current liabilities			
Trade liabilities	16	13.451.790	17.356.509
Short-term loans	17	25.000.000	25.000.000
Current taxes of which:	18	1.337.041	1.987.356
Current tax liabilities	18	18.745	312.989
Other current liabilities	19	486.440	506.807

Total of current liabilities	**40.275.271**	**44.850.672**
Total of liabilities	**43.117.061**	**55.560.198**
Liabilities and Net Worth	**120.352.342**	**128.234.103**

The subscribed capital with the amount of 17,766,860 lei did not change during 2014.

During 2014 was not constituted the legal reserve, being reached the maximum allowed by the law, and the undistributed net profit for the year 2013 with the amount of 9,650,996 lei was distributed as follows: losses in reported results from errors in the amount of 35.965, 45 lei and loss in the amount of 51,519.07 lei, resulting from the transition to IFRS in 2012 and the remaining difference in the amount of 9,615,030.40 lei from other funding sources as decided by AGOA. Nr. 1 of 04/24/2014.

Net profit in 2014 is 4.892.511 lei.
The value of 7,590,567 lei represents the value of tangible inputs during 2014.
The value of tangible outputs by cassations during 2014 is 700,545 lei.

The reevaluation difference for these are considered to be made at cassation of tangibles and are transferred in the cont 1175. The reported result representing the surplus realized from reevaluation reserves.

- Assets on gross:

- *lei*

31 December 2014	Land	Constructions	Technical instalation and machinery	Other instalations, tools and furniture	Tangible assets in progress	TOTAL
Initial balance	**13.169.060**	**21.752.537**	**46.882.148**	**272.057**	**172.316**	**82.248.118**
Entries	0	0	7.515.690	74.877	0	**7.590.567**
Outputs	0	4.300	696.245	0	0	**700.545**
Final balance	**13.169.060**	**21.748.237**	**53.701.593**	**346.934**	**172.316**	**89.138.140**

- Influence depreciation and provisions on the gross value of property:

31 December 2014	Land	Constructions	Technical instalation and machinery	Other instalations, tools and furniture	Tangible assets in progress	TOTAL
Initial balance	**0**	**0**	**11.308.399**	**41.837**	**0**	**11.350.236**
Value adjustments representing the amortization and depreciation	0	1.989.057	7.907.795	61.205	0	**9.958.057**
Value adjustments relating to outgoing of fixed assets or amortization disposal	0	4.300	696.245	0	0	**700.545**
Final balance	**0**	**1.984.757**	**18.519.949**	**103.042**	**0**	**20.607.748**

The net value of fixed assets at December 31, 2014	**13.169.060**	**19.763.480**	**35.181.644**	**243.892**	**172.316**	**68.530.392**

The gross accounting value is recovered through linear amortization method according to the existing laws.

The evolution economic means in dynamics, deviations from one period to another, structure, balance and proportionality relationships between different asset classes were analyzed using indexes based on the following table.

The data in the table have been extracted from the statement of financial position.

CURRENT ASSETS	2012	2013	2014
Stocks	33,95%	26,43%	29,82%
Receivables	58,75%	44,66%	41,67%
Disponibilities	7,30%	28,91%	28,51%
TOTAL CURRENT ASSETS	**100%**	**100%**	**100%**

The analysis of balance sheet items shows a decrease of current assets in 2014 to 10.89% due to the decrease of 12.11% of the availabilites and a drop of debts with 16.88% compared to 2013.

Explanations	2012	2013	2014
Share fixed assets [%]	51,63	52,54	54,74
Share current assets [%]	48,37	47,46	45,26
Total assets:	100	100	100

Taking into account that the tangibles have the lowest liquidity characteristic, it can be seen that the share of current assets in the total assets decreased in 2014 to 2013 and 2012.

The yield of patrimony use in the last three years was calculated by dividing the total asset turnover.

Explanations	2012	2013	2014
No. of annual asset rotation	0,80	0,92	0,91

There is a decrease of the rotations' number of the total asset in the turnover, due to both the decrease of total assets and of turnover.

Explanation	2012 (nr. zile)	2013 (nr. zile)	2014 (nr. zile)
The rotation speed of debits - clients (days)	72	65	70
The rotation speed of credit - supplier (days)	53	48	40

The number of days credited to suppliers is decreasing with 8 days in comparison with the previous year, and the collecting process of the debts is quite high and growing compared with the previous year.

The financial resources to cover economic means are presented in the table below:

No.crt	Explanation	2012	2013	2014
1	Equity of which:	63.058.577	72.673.905	77.235.281
	-joint stock	17.766.860	17.766.860	17.766.860
2	Debt of which:	51.714.174	55.560.198	43.117.061
	-short-term credits	25.000.000	25.000.000	25.000.000
	-medium and long-term credits	8.216.464	10.675.356	2.807.620
	TOTAL PASSIVE	114.772.751	128.234.103	120.352.342
	Structure	%	%	%
1	Equity of which:	54,94%	56,67%	64,17%
	-joint stock	15,48%	13,86%	14,76%
2	Debt of which:	45,06%	43,31%	35,83%
	-short-term credits	21,78%	19,50%	20,77%

b) *profit and loss account: net sales; gross revenue; elements of costs and expenses accounting for at least 20% in net sales or gross income; risk provisions for various expenses; reference to any sale or shutdown of part of work done in the last year or that are to be made in the next year; dividends declared and paid;*

STATEMENT OF PROFIT OR LOSS AND OTHER ITEMS OF COMPREHENSIVE INCOME
At: 31.12.2014

	Note	31/12/2014	31/12/2013
Revenues from sold production	21	116.360.498	124.947.878
Revenue from sale of goods	21	1.255.717	1.334.330
Other income	21	1.234.125	1.559.368
Variation of stocks	21	1.209.725	-258.951
Total operating income		**120.060.065**	**127.582.625**
Consumption of raw materials	22	72.826.022	72.848.184
Cost of goods sold	22	1.275.269	1.297.052
Staff costs	22	18.296.538	16.040.437
Depreciation expenses	22	10.137.846	8.808.290
Other expenses	22	10.476.229	15.151.131
Total of operating expenses		**113.011.904**	**114.145.094**
Operating result		**7.048.161**	**13.437.531**
Financial income	23	641.123	1.177.557
Financial expenses	23	1.833.596	3.348.971
Profit before tax		**5.855.688**	**11.266.117**
Tax on income	24	963.177	1.633.934
Expense of deferred tax on income	24	0	0
Income of deferred tax on income	24	0	18.813

Net profit of the period and the result of

total comprehensive income of the period		**4.892.511**	**9.650.996**
Earnings per share			
Basic earnings per share (RON / share)	**25**	**0,124**	**0,244**

The main beneficiary of the company's products remains "AUTOMOBILE DACIA" SA Pitesti, without any major change in the sales structure or beneficiaries.

In 2014 total revenue is 120,763,008 lei, with 6.21% (7,997,174 lei) lower than the total revenue in 2013, when it was 128,760,182 lei. Compared to B.V.C. in 2014 it was made a decrease of 29.69% (50,998,992 lei).

Operating income (representing 99.47% of the total income) is 120,121,885 lei, decreased with 5.85% (7,460,740 lei) compared to 2013.

Compared to the provisions of B.V.C. for 2014 it was seen a decrease of 29.42%, precisely 50,078,115 lei. The operating income was influenced mostly by the decrease of income from the finished products` sale.

The share of total spending still held by material costs with ~ 65% remaining constant, followed by employment costs decreased with share of 13.65% in 2013, to 15.93% in 2014, the rest to 100% representing the amortization, construction costs and third party services, financial expenses and tax expenses.

It can also be observed that in 2014 the financial expenses represented ~ 1.60% of the total expenditures, compared to 2.85% in 2013, which reached an amount of over 1.83 million lei.

A positive development compared with the inflation, had also the sales value reflected by the turnover.

Explanation	2012	2013	2014
Turnover [lei]	99.816.070	126.282.208	117.616.215
[mii €]	22.400	28.577	26.241

Economic and financial results achieved by the company in the past three years are included in this table:

lei

No. crt.	Explanation	2012	2013	2014
1	Operating income	104.913.224	127.582.625	120.121.885
2	Operating expenses	98.754.587	114.145.094	113.073.724
	- profit	6.158.637	13.437.531	7.048.161
	- loss			
3	Financial revenues	1.190.068	1.177.557	641.123
4	Financial expenses	3.615.145	3.348.971	1.833.596
	Profit	-	-	-
	Financial loss	2.425.077	2.171.414	1.192.473
	Brut result of the exercise	3.733.560	11.266.117	5.855.688
	Net result	3.076.455	9.650.996	4.892.511
	Profit	**3.076.455**	**9.650.996**	**4.892.511**
	Loss	-	-	-

It may be noted that the company recorded a decrease of profit in 2014 compared to 2013. The total revenues represent the majority operating revenue at the recorded financial losses.

Also, the majority of the total expenses is the operating expenses followed by the financial ones, these confirming in plus the unsatisfactory degree of financial autonomy that the company has.

c) *cash flow: all changes in the level of cash in the core activity of the business, investment and financial activity,* the level *of cash at the beginning and end of the period;*

No.crt	Indicators name	2012	2013	2014
1	The share of borrowed capital in Turnover	0,33	0,28	0,24
2	The rotational speed of uncollected bills [days]	72	65	70
3	The gross profit rate [%]	3,74	8,92	4,98
4	Recovery Period [days]	130	84	75
5	Current debt payment period [days]	156	130	125
6	Stock rotation speed [rotations / year]	4,87	7,30	6,78
7	Labour productivity [lei / employee]	215.121	250.560	213.849

In the following there are presented the main indicators that are reflecting the company's financial health over the past 3 years.

⇒ share of borrowed capital is around ~ 24% of Turnover;
⇒ gross profit rate decreased from last year, reaching 4.98%;
⇒ trade receivables recovery period increased to 70 days;
⇒ total debt recovery period decreased to 75 days;
⇒ short-term debt recovery period decreased to 125 days;
⇒ rotational speed of the stock decreased to 6.78 rotations / year;
⇒ labor productivity increased to 213,849 lei / employee / year.

As seen from the data presented, it is necessary for the company to maintain its efforts to reduce the duration and volume of credit granted to customers and to minimize the volume of stocks.

The cash - flow was determined by indirect method.

The situation of liquidity and cash flows is as follows:

		RON
Cash flows from operating activities	**2013**	**2014**
Net profit before tax and extraordinary items	**11.266.117**	**5.855.688**
Operating profit before changes of circulating capital	22.352.227	17.316.311
Cash generated from operations	33.496.958	16.429.422
Cash flow before extraordinary items	29.718.156	13.975.115
Net cash derived from operating activities	**29.718.156**	**13.975.115**

Cash flows from investing activities

Net cash flows from investing activities	**-23.463.822**	**-16.316.341**
Cash flows from financing activities		
Cash flows from financing activities	**8.252.024**	**50.581**
Increase / (Decrease) of net cash	**14.506.358**	**-2.290.645**
Cash and cash equivalents at beginning of period	**4.405.795**	**18.912.153**
Cash and cash equivalents at end of period	**18.912.153**	**16.621.508**

The total debt decreased with 22.44% in 2014, compared to 2013.

In conclusion on the bases of the manifested phenomena in the entire Romanian economy, the company is in an acceptable financial balance, but is forced to appeal for bank loans in 2014 too.

A novelty for 2014 was the change of the Board of Administrators` president and of the General Director.

From the 2014 financial exercise`s closing date till now, did not happen significant events inside the company.

6. **Attachments**

6.1. Individual annual financial statements closed on 31.12.2014;
6.2. The Board of Administrators` administration report
6.3. The financial auditor's report on the implementation of financial exercise 2014;
6.4. Budget revenues and expenditures for 2015 approved by the General Assembly of Shareholders dated 27.04.2015

Oradea, at: 20.03.2015

General Director
Antoine Youssef ALLAIRE

Chief of Financial Accounting Department
Dorina Felicia MATE

SOCIETATEA COMERCIALA
U.A.M.T.-S.A.
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ORADEA-ROMÂNIA