

County: 40-BUCHAREST LARGE TAX PAYERS Legal person: SC INTRACOM CONSTRUCT SA Address BUCHAREST, district 2, 17 FABRICA DE GLUCOZA Street, tel. 352.23.77 Registration with the Trade Registry: J40/7961/2000 Ownership: 34—Share Trading Companies Main Activity (code and name of CAEN class): 4521- Construction and civil engineering Fiscal Identification Code: 13313905 Type of statement: AA – accounting regulation approved by OMF 94/2001 are applied

## BALANCE SHEET

#### on December 31, 2005

Form 10 - Ja Index Name	H-	No. Line	BALANCE AT	
			01/01/05	31/12/05
А		в	1	2
A. FIXED ASSETS				
<ol> <li>INTANGIBLE ASSETS</li> <li>Incorporation expenses (acc.201-2801)</li> </ol>		01	0	000,00
2. Development expenses (acc.203-2803-290		2	ő	0
<ol> <li>Concession, patents, licenses, marks, rig and other intangible assets (acc.2051+2052+</li> </ol>	hts and similar values +208-2805-2808-2905-			
2908) 4.Trading fund (acc.2071-2807-2807-2075)		3	11.617,00	51.479,00 0
	acc.233+234-2933)	5 06	0	0
II. TANGIBLE ASSETS				
<ol> <li>Land and buildings (acc.211+212-2811-2812</li> <li>Technical installations and machinery (acc.2)</li> </ol>		07 08	82.828,00 1.155.757,00	73.896,00 938.350,00
<ol> <li>Other installations, equipment and furniture (a 4 Advances and current tangible assets (ct.231)</li> </ol>		09 10	32.260,00 13.106.00	9.323,00
TOTAL (line. 07 to 10)	101 1001)	11	1.283.951,00	1.021.569,00
III. FINANCIAL ASSETS				
<ol> <li>Equity shares held in companies of the group (acc.261-2961)</li> <li>Participating interests in group companies (acc.2671+2672-</li> </ol>		12	0	0
2965) 3.Securities as equity interests (acc.263-2	963)	13 14	0	0
<ol> <li>Assets from equity interests (acc.2675+2 5.Securities owned as assets (acc.262+26</li> </ol>	2676-2967)	15 16	0	0
6.0ther assets (acc.2673+2674+2678+267		17	2.145.842,00	1.464.743,00
7.0wn shares (acc.2677-2968) TOTAL (line 12 to 18)		18 19	2.145.042,00	1.464.743,00
FIXED ASSETS - TOTAL (LINE 06+11+19	n	20	3.440.610.00	2.537.791,00
B. CURRENT ASSETS	,			
<ol> <li>STOCKS 1.Raw materials and consumables</li> </ol>				
(acc.301+3021+3022+3023+3024+3025+302 308+351+358+381+/-388-391-3921-3922-395	1-3958-398)	21	1.315.322,00	2.498.317,00
2.Current production (acc.331+332+341+/- 3952)	3481+3541-393-3941-	22	687.922,00	701.036,00
3.End products and goods (ct.345+346+/-3 3486+3545+3546+356+357+361+/-368+371			001.012.00	101.000,00
3953-3954-3956-3957-396-397-4428)		23	0	0
4.Advances for stock purchase (ct.4091) TOTAL (line 21 to 24)		24 25	324.095,00 2.327.339,00	114.680,00 3.314.033,00
II. DEBTORS				
1.Trade debtors (acc.4092+4111+4118+41 2.Ammounts to be collected from the comp		26	76.262.392,00	18.111.312,00
(acc.4511+4518-4951)		27	0	0
3.Ammounts to be collected from equity in (acc.4521+4528-4952)	terest	28	0	0
4.Other debtors (ac.425+4282+431+437+4382+441+4424+44	28+444+445+446+44			
7+4482+4582+4582461+473-496+5187) 5.Credences related to the subscribed and		29	1.425.933,00	2.061.099.00
(acc.456-4953)	unpaid capital	30	0	0
TOTAL (line 26 to 30)		31	77.688.325,00	20.172.411,00
III. SHORT TERM FINANCIAL INVESTMEN 1.Equity shares held in companies of the g		32	0	0
2.Own shares (acc.502-592)	,	33	0	0
3. Other short term financial investments	0 500 505 500			
(acc.5031+5032+505+5061+5062+5081+508 598+5113+5114)	8-593-595-596-	34	4.098.824.00	4.489.060,00
TOTAL (line 32 to 34)		35	4.098.824,00	4.489.060,00
IV. CASH BANK/IN HAND (acc.5112+5121+5124+5125+5311+5314+53	21+5322+5323+5328			
+5411+5412+542) CURRENT ASSETS - TOTAL (LINE 25+31		36 37	796.794,00 84.911.282,00	1.313.822.00 29.289.326.00
	(35)(36)	38	105.894.00	
C. ACCRUED EXPENSES (acc.471)		30	105.894,00	81.496,00
D. DEBTS DUE WITHIN ONE YEAR 1.Loans from bond issuance (acc.1614+16	15+1617+1618+1681-			
169) 2.Amounts due to financial institutions		39	0	0
(acc.1621+1622+1624+1625+1627+1682+51	91+5192+5198)	40	46.754.987,00	4.777.588,00
3.Advances from orders (acc.419) 4.Commercial debts (acc.401+404+408)		41 42	475.408,00 6.804.654,00	632.686,00 3.148.048,00
5.Trade bills to be paid (acc.403+405) 6.Amounts due to the companies of the gro	aup	43	0	0
(acc.1661+1685+2691+4511+4518)		44	0	0
7.Amounts due related to the equity shares (acc.1662+1686+2692+4521+4528)	ŝ	45	0	0
8.Other liabilities, including fiscal debts and security	d other debts to social			
(acc.1623+1626+167+1687+2698+421+423+	424+426+427+4281+			
431+437+4381+441+4423+4428+444+446+ 447+4481+4551+4558+456+457+4581+462+	473+509+5186+5193			
+5194+5195+5196+5197) TOTAL (line 39 to 46)		46 47	2.726.208,00 56.761.257,00	2.580.749,00 11.139.071,00
		47	551 011237,00	



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E.NET CURRENT ASSETS, NET CURRENT LIABILITIES (line 37+38-47-64)	48	28.255.919.00	10 101 751 00
F.TOTAL ASSETS LESS CURRENT LIABILITIES)	40	31.696.529,00	18.231.751,00 20.769.542,00
G. DEBTS DUE IN MORE THAN ONE YEAR (line 20+48-63)	40	01.000.020,00	20.100.042,00
1.Loans from bond issuance (acc.1614+1615+1617+1618+1681-			
169)	50	0	0
2. Amounts due to financial institutions			
(acc.1621+1622+1624+1625+1627+1682+5191+5192+5198)	51	0	0
3.Advances for orders (acc.419)	52	0	0
4.Commercial debts (acc. 401+404+408)	53	0	0
5.Trading bills payable (acc.403+405)	54	0	0
6.Amounts due to companies of the group		_	_
(acc.1661+1685+2691+4511+4518)	55	0	0
7. Amounts due related to the equity shares			
(acc.1662+1686+2692+4521+4528)	56	0	0
8. Other liabilities, including fiscal debts and other debts for			
social security (acc.1623+1626+167+1687+2698+421+423+424+426+427+4281+			
431+437+4381+441+4423+4428+444+446+447+4481+4551+4558			
+456+457+4581+462+473+509+5186+5193+5194+5195+5196+51			
97)	57	767.584,00	567.443,00
TOTAL (line 50 to 57)	58	767.584,00	567.443,00
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H. PROVISIONS FOR RISKS AND EXPENDITURES			
1. Provisiosn for pensions and other similar obligations (acc. 151)	59	0	0
2.Other provisions (acc. 151)	59 60	0	0
TOTAL PROVISIONS (line 59+60)	61	0	0
	01	0	0
I. ACCRUED INCOME (line 63+64)	62		
- Investment subsidies(acc. 131)	63	0	0
- Accrued income (acc. 472)	64	Ū	Ō
J. CAPITAL AND RESERVES			
L CADITAL (In a CC to CD) a faulticle	65	19.505.751.00	19.508.746.00
I. CAPITAL (line 66 to 68), of which:	66	19.505.751,00 0	19.508.746,00
- subscribed and unpaid capital (acc.1011) - subscribed and paid capital (acc.1012)	67	0 19.505.751,00	0 19.508.746,00
- subscribed and pard capital (acc.1012) - fixed assets (acc.1015)	68	19:000.701,00	19.000.740,00
	00	0	0
II. SHARE PREMIUM AC. (acc.1041+1042+1043+1044)	69	0	0
III. RE-EVALUATION RESERVES			
Balance C (acc.105)	70	0	0
Balance D (acc.105)	71	0	0
IV. RESERVES (acc.106) (line 73 to 76)	72	752.449,00	752.449,00
1.Legal reserves (acc.1061)	73	651.300,00	651.300,00
2.Reserves for own shares (acc.1062)	74	0	0
3. Statutory and contractual reserves(acc. 1063) 75	75 76	101 140 00	101 140 00
4.Other reserves (acc.1068+/-107)	70	101.149,00	101.149,00
V. REPORTED RESULT			
Balance C (acc.117)	77	13.491.522,00	9.259.331,00
Balance D (acc.117)	78	0	0
VI. RESULT OF THE FINANCIAL YEAR	_		
Balance C (acc.121)	79	0	0
Balance D (acc.121)	80	2.820.777,00	9.318.427,00
Profit distribution (acc.129)	81	0	0
TOTAL OWN CAPITAL (line 65+69+70-71+72+77-78+79-80-			
81)	82	30.928.945,00	20.202.099,00
Public assets (acc.1016)	83	0	0
TOTAL CAPITAL (line 82+83)	84	30.928.945,00	20.202.099,00
, ,			,-0

ADMINISTRATOR,

Administrator, Numele si prenumele SOURETIS PETRORA COME Sources Van INTRACOM CONSTRUCT Stampla unitality 3.4.5 DRAFTED BY,

SIMONA DOBRESCU ( -Aomparim financiar-contabile sau personal calificat incad -Momparim financiar-contabile sau personal calificat incad



### PROFIT AND LOSS ACCOUNT

#### on December 31, 2005

Form 20 - lei -

	No. Line.	RESULTS OF THE REPORTED PERIOD	
INDEX NAME		31.12.2004	31.12.2005
A	в	1	2
1. Net turnover (line 02 to 04)	01	29.665.700,00	8.547.258,00
Sales(acc. 701+702+703+704+705+706+708) Income from sales (acc.707)	02 03	28.257.267,00 1.408.433,00	7.979.886,00 567.372,00
Income from operation subsidies related to net turnover (acc. 7411)	04	0	0
2. Stocks variation (acc.711) Balance C	05	664.158,00 D	1.821.265,00
Balance D 3. Stocked production (acc. 721+722)	07	54.693,00	0
<ol> <li>Other operating income (acc. 7417+758)</li> <li>OPERATION INCOME - TOTAL (line 01+05-06+07+08)</li> </ol>	08	110.685.00 30.495.136,00	39.175,00 8.599.547,00
<ol> <li>a) expenses for raw materials and consumables (acc. 601+602+7412)</li> </ol>	10	6.644.348.00	1.129.391.00
Other material expenses(acc.603+604+606+608)	11	104.498,00	73.497,00
b) Other external expenses (energy and water) (acc. 605+7413)	12	48.998,00	26.173,00
<ul> <li>c) Expenses for goods (acc. 607)</li> <li>6. Staff expenses (line 15+16), out of which:</li> </ul>	13 14	1.407.255.00 2.549.281.00	501.986,00 1.667.818,00
a) Wages (acc. 621+641+7414) b) Insurance and social security expenses (acc. 645+7415)	15 16	1.915.538,00 633.743,00	1.264.963,00
<ol> <li>a) Expenses and provisions for depreciation of tangible and intangible assets (line 18-19)</li> </ol>	17	389.609,00	319.974,00
a.1) Expenses (acc. 681+6813)	18	389.609,00	319.974,00
a.2) Income (acc.7813+7815) b) current asset value adjustment (line 21-22)	19 20	0	01117.617.001
b.1) Expenses (acc. 654+6814) b.2) Income (acc.754+7814)	21 22	0	117.617,00
8. Other operating expenses (line 24 to 26)	23	21.479.939,00	18.411.071,00
8.1. Expenses related to external charges (acc.			
611+612+613+614+621+622+623+624+625+626+627+628+7416) 8.2. Expenses for other taxes charges and assimilated	24	19.428.290,00	8.495.927,00
payments (acc. 635) 8.3. Expenses for indemnities, donations and transferred assets	25	27.490,00	43.711,00
(acc.658)	26	2.024.159,00	9.871.433,00
Adjustments related to provisions for risks and expenses (line 28-29)	27	0	0
- Expenses(acc. 6812) - Income(acc. 7812)	28 29	0	0
OPERATING EXPENSES - TOTAL (line 10 to 14+17+20+23+27)	30	32.623.929,00	22.247.527,00
OPERATING RESULT - Profit (line 09-30)	31	0	0
- Loss (line 30-09)	32	2.128.793,00	13.647.980,00
9. Income from equity shares (acc.7613+7614+7615+7616)	33	0	0
- of which within the group	34	ō	ũ
<ol> <li>Income from other financial investment and credences that belong to fixed assets (acc.7611+7612)</li> </ol>	35	0	0
<ul> <li>of which within the group</li> <li>11. Income from interests (acc. 766)</li> </ul>	36 37	0 219.934.00	01153.758.001
<ul> <li>of which within the group</li> <li>Other financial income (acc.762+763+764+765+767+</li> </ul>	38	0	0
768+768+7617) FINANCIAL INCOME - TOTAL (line 33+35+37+39)	39 40	2.011.064,00	5.621.160,00 5.774.918.00
	*0	2.230.956,00	5.774.516,00
<ol> <li>Value adjustment of financial assets and financial investment held as current assets (line 42-43)</li> </ol>	41	0	0
- Expenses (acc. 686) - Income (acc. 786)	42 43	0	0
13. Interest expenses(acc.666-7418)	44	2.126.472,00	1.122.066,00
<ul> <li>of which within the group</li> <li>Other financial expenses (acc. 663+664+665+667+668)</li> </ul>	46	796.510,00	323 299,00
FINANCIAL EXPENSES - TOTAL (line 41+44+46)	47	2.922.982,00	1.445.365,00
FINANCIAL RESULT - Profit (line 40-47) - Loss (line 47-40)	48	0 691.984,00	4.329.553,00
14. CURRENT RESULT - Profit (line 09+40-30-47)	50	0	0
- Loss (line 30+47-09-40)	51	2.820.777,00	9.318.427,00
15. Extraordinary income (acc. 771) 16. Extraordinary expenses (acc.671)	52 53	0	0
17. EXTRAORDÍNARY RESÚLT - Próft (line 52-53)	54	0	0
- Loss (line 53-52)	65	0	0
TOTAL INCOME (line 09+40+52)	56	32.726.134,00	14.374.465,00
TOTAL EXPENSES (line 30+47+53)	57	35.546.911,00	23.692.892,00
GROSS RESULT - Profit (line 56-57)	58	000,00	
- Loss (line 57-56)	59	2.820.777,00	9.318.427,00
18. INCOME TAX (line 61+62-63) - Current income tax charges (acc.6911)	60 61	0	0
- Deferred income tax charges (acc. 6912)	62	0	0
<ul> <li>Income from deferred income tax (acc. 791)</li> <li>Other expenses with taxes that are not recorded above (acc.</li> </ul>	63	0	0
698)	64	0	0
20. NET RESULT OF THE FINANCIAL YEAR - Profit (line 58-59-60-64)	65	0	0
- Loss (line 59+60+64-58)	66 67	2.820.777,00	9.318.427,00
21. Result per share - basic - diluted	68	0	0
Administrator	DR	AFTED BY	
Numele si prenagole colar		Mumele si prenum	ele (calitatea)
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SC DON AUDIT EXPERT SRL 4 Aleea Fuiorului Street District No. 3, Bucharest

# REPORT of the independent auditors to the Chairmen of the Board of SC INTRACOM CONSTRUCT SA. on the annual financial statements as at 31 December 2005

- Based on the power of attorney assigned by you and our contract no. 430 of October 30, 2003, we audited the annual financial statements of SC INTRACOM CONSTRUCT SA, on December 31, 2005, and that includes the Balance Sheet, the profit and loss account, the cash flow statement and the evolution of company capital for the year closing on this date, drafted according to the International Accounting Standards (IAS), the Ordinance of the Ministry of Public Finances no. 94/2001 less IAS 29.
- 2. The company's management is responsible for compiling the audited statements. Our responsibility is to express, based on the audit, an opinion on these financial statements.
- 3. The audit has been performed according to the financial audit standards established by the Chamber of Auditors of Romania and updated according to the International Audit Standards. These standards require planning and performing this audit so that we obtain a reasonable assurance that the financial statements do not contain material errors. An audit consists of analyzing, based upon random samples, the records that justify the amounts and the information included in the financial statements. It also consists of assessing the accounting principles and methods used and the significant forecasts made by the company's management, as well as of assessing the financial statement overview. We consider that the performed audit provides reasonable grounds for our opinion.
- 4. Taking into account the fact that the company has not chosen to apply IAS 29 "Financial Reporting in the Hyperinflation Economy", according to point 8.3 of the Ordinance of the Ministry of Public Finances no. 94/2001, we consider that the financial position and the results might have been affected by this fact.
- 5. We acknowledged the "agreement" of 11 October 2005 concluded between SC Intracom Construct SA and SC Intrarom SA on debtors receivable related to the Cosmorom project for which no provision had been made in the previous year and which will be collected in instalments by 01 June 2010.
- 6. In September 2005, Intracom SA cancelled an invoice issued in the name of SC Intrarom SA, representing telecommunication towers invoiced in the previous year, related to the civil engineering works carried out by Intrarom for Cosmorom. These goods were added to the assets of SC Intracom SA and increased the stocks value. SC Intracom SA has not made provisions for these stocks being certain that they can be sold and that the sales value would be higher than the accounting value. In order not to affect the income and expenditure of the year 2005, this invoice was charged to account 1174.



7. In our opinion, except for the aspects described in points 4 and 6 (creating provisions for the new stock), the annual Financial Statements as at 31 December 2005 present accurately and without material errors the financial position of SC Intracom Construct SA on December 31, 2005, as well as the activity results and the cash flows for the financial year ending on the same date according to International Accounting Standards and the Ordinance of the Ministry of Public Finances no. 94/2001.

SC DON AUDIT EXPERT SRL

