

COUNTY: 23 -- ILFOV

Legal Person: INTRACOM CONSTRUCT SA

Address: Pantelimon, 69 SOSEAU CERNICA str., Phone: 0213522377

No. with the Register of Companies: J23/1679/2006

Ownership form: 34 -- Shares Trade Companies

Main activity (CAEN code and class name): 4521-- Building constructions and engineer works

Seal

64433/26.04.07

Fiscal identification code: 13313905

**BALANCE SHEET**  
on 31.12.2006

Form: 10 - Page 1

Indicator Name	Row No.	RON	
		Balance at 01.01.2006	Balance at 31.12.2006
A	B	1	2
<b>A. FIXED ASSETS</b>			
I. Intangible assets (ct. 201+203+205 +2071+208+233+234-280-290-2933)	01	51479	32821
II. TANGIBLE ASSETS (ct. 211+212+213+214+231+232-281-291-2931)	02	1021569	688848
III. INVESTMENT ASSETS (ct. 261+263+265+267-296)	03	1464743	1907525
<b>FIXED ASSETS - TOTAL (row 01 to 03)</b>	04	2537791	2629194
<b>B. CURRENT ASSETS</b>			
I. INVENTORY (ct. 301+302+303+/-308+331+332+341+345+346+/-348+351+354+356+357+358+361+/-368+371+/-378+381+/-388-391-392-393-394-395-396-397-398+4091-4428)	05	3314033	1234315
II. RECEIVABLES (ct. 267-296+4092+411+413+418+425+4282+431+437+4382+441+4424 +4428+444+445+446+447+4482 +451+456+4582+461+473-491-495-496+5187)	06	20172411	20449324
III. SHORT TERM FINANCIAL INVESTMENTS (ct. 501+505+506+508+5113+5114-591-595-596-598)	07	4489060	0
IV. CASH AND BANK ACCOUNTS (ct. 5112+512+531+532+541+542)	08	1313822	5152922
<b>CURRENT ASSETS - TOTAL (row 05 to 08)</b>	09	29289326	26836561
C. EXPENSES IN ADVANCE (ct. 471)	10	81496	52532
D. DEBTS TO BE PAID IN A PERIOD UP TO ONE YEAR (ct. 161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+451+453+455+456+457+4581+462+473+509+5186+519)	11	11139071	10507791
E. NET CURRENT ASSETS, RESPECTIVELY NET CURRENT DEBTS (row 09+10-11-18)	12	18231751	16381302
F. TOTAL ASSETS MINUS CURRENT DEBTS (row 04+12-17)	13	20769542	19010496
G. DEBTS THAT ARE TO BE PAID IN A PERIOD LONGER THAN ONE YEAR (ct. 161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+451+453+455+456+457+4581+462+473+509+5186+519)	14	567443	1045127
H. PROVISIONS (ct. 151)	15	0	0
I. INCOMES IN ADVANCE (row 17+18) out of which:	16	0	0

- investment subsidies (ct. 131+312+133+134+138)	17	0	0
- incomes registered in advance (ct. 472)	18	0	0
<b>J. CAPITAL AND RESERVES</b>			
<b>I. CAPITAL (row 20 to 22) out of which:</b>	19	19508746	19508746
- paid subscribed capital (ct. 1012)	20	19508746	19508746
- unpaid subscribed capital (ct. 1011)	21	0	0
- company assets (ct. 1015)	22	0	0
<b>II. CAPITAL PREMIUMS (ct. 104)</b>	23	0	0
<b>III. REEVALUATION RESERVES (ct. 105)</b>	24	0	0
<b>IV. RESERVES (ct. 106)</b>	25	752449	752449
Corporate shares (ct. 109)	26	0	0
<b>V. BALANCE CARRIED FORWARD (ct. 117) ..... Balance C</b>	27	9259331	0
..... Balance D	28	0	767621
<b>VI. RESULT OF THE ACCOUNTING PERIOD (ct. 121) ... Balance C</b>	29	0	0
... Balance D	30	9318427	1528205
Profit distribution (ct. 129)	31	0	0
<b>EQUITIES - TOTAL (row 19-23+24+25-26+27-28+29-30-31)</b>	32	20202099	17965369
Public assets (ct. 1016)	33	0	0
<b>CAPITALS - TOTAL (row 32+33)</b>	34	20202099	17965369

ADMINISTRATOR  
Name and First Name  
BAXEVANAKIS KONSTANTINOS

DRAWN UP  
Name and First Name (title)  
DOBRESCU SIMONA  
(1 financial-accounting department  
or employed skilled personnel)

Signature  
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Signature  
illegible signature

**PROFIT AND LOSS ACCOUNT**

on 31.12.2006

Form 20 - page 1

RON

Indicator Name	Row No.	Achievements during reporting period	
		31.12.2005	31.12.2006
A	B	1	2
1.Net turnover (row 02 to 05)	01	8547258	11506780
Sold production (ct. 701+702+703+704+705+706+708)	02	7979886	9937764
Incomes from goods sale (ct. 707)	03	567372	1569016
Accumulated income acquired by the entities the object of activity of which is leasing (ct. 766)	04	0	0
Incomes from operation subsidies related to the turnover (ct.7411)	05	0	0
2.Variation of inventory (ct.711) balance C	06	1821265	0
and of production in progress balance D	07	1808151	643831
3. Production carried out by the entity for its own purposes and accumulated (ct.721+722)	08	0	0
4.Other incomes from operation (ct. 7417+758)	09	39175	359026
INCOMES FROM OPERATION – TOTAL (row 01+06-07+08+09)	10	8599547	11221975
5.a)Raw materials and consumables expenses (ct.601+602-7412)	11	1129391	662757
Other material expenses (ct.603+604+606+608)	12	73497	18781
b)Other outside expenses (energy and water) (ct.605-7413)	13	26173	45095
c)Expenses regarding the goods (ct.607)	14	501986	1409421
6.Personnel expenses (row 16+17), out of which:	15	1667818	833170
a)Wages (ct.641+642-7414)	16	1264963	640184
b)Expenses for social security and protection (ct.645-7415)	17	402855	192986
7.a) Adjustment of tangible and intangible assets (row 19-20)	18	319974	273269
a.1)Expenses (ct.6811+6813)	19	319974	273269
a.2)Incomes (ct.7813)	20	0	0
b)Adjustment of the current assets value (row 22-23)	21	117617	-2689
b.1)Expenses (ct.654+6814)	22	117617	0
b.2)Incomes (ct.754+7814)	23	0	2689
8.Other operation expenses (row 25 to 28)	24	18411071	9105273
8.1 Expenses for external services (ct.611+612+613+614+621+622+623+624+625+626+627+628-7416)	25	8495927	8937884
8.2 Expenses for other taxes, duties and assimilated payments (ct.635)	26	43711	43263
8.3 Expenses for indemnification, donations and transferred assets (ct.658)	27	9871433	124126
Refunding interest expenses acquired by the entities the object of activity of which is leasing (ct. 666)	28	0	0
Adjustments regarding the provisions (row 30-31)	29	0	0

-Expenses (ct.6812)	30	0	0
-Incomes (ct.7812)	31	0	0
OPERATION EXPENSES – TOTAL (row 11 to 15+18+21+24+29)	32	22247527	12345077
OPERATION RESULT – Profit (row 10-32)	33	0	0
- Loss (row 32-10)	34	13647980	1123102
9.Incomes from participation interests (ct.7611+7613)	35	0	0
- out of which within the group	36	0	0
10.Incomes from other financial investments and receivables that belong to fixed assets (ct.763)	37	0	0
- out of which within the group	38	0	0
11.Incomes from interests (ct.766)	39	153758	129518
-out of which within the group	40	0	0
Other financial incomes (ct. 762+764+765+767+768)	41	5621160	551026
FINANCIAL INCOMES – TOTAL (row 35+37+39+41)	42	5774918	680544
12.Adjustment of investment assets value and financial investments held as current assets (row 44-45)	43	0	0
-Expenses (ct.686)	44	0	0
-Incomes (ct.786)	45	0	0
13.Expenses regarding interests (ct.666-7418)	46	1122066	284251
-out of which within the group	47	0	0
Other financial expenses (ct. 663+664+665+667+668)	48	323299	801396
FINANCIAL EXPENSES – TOTAL (row 43+46+48)	49	1445365	1085647
FINANCIAL RESULT – Profit (row 42-49)	50	4329553	0
- Loss (row 49-42)	51	0	405103
14.CURRENT RESULT – Profit (row 10+42-32-49)	52	0	0
- Loss (row 32+49-10-42)	53	9318427	1528205
15.Income before extraordinary items (ct.771)	54	0	0
16.Extraordinary expenses (ct.671)	55	0	0
17. EXTRAORDINARY RESULT – Profit (row 54-55)	56	0	0
- Loss (row 55-54)	57	0	0
TOTAL INCOMES (row 10+42+54)	58	14374465	11902519
TOTAL EXPENSES (row 32+49+55)	59	23692892	13430724
GROSS RESULT – Profit (row 58-59)	60	0	0
- Loss (row 59-58)	61	9318427	1528205
18.CORPORATE TAX (ct. 691)	62	0	0
19. Other expenses with taxes that do not appear in the above mentioned elements (ct. 698)	63	0	0
20. NET RESULT OF THE ACCOUNTING PERIOD	64	0	0
- Profit (row 60-61-62-63)			
- Loss (row 61+62+63-60)	65	9318427	1528205

ADMINISTRATOR  
Name and First Name  
BAXEVANAKIS KONSTANTINOS

Signature  
illegible signature and seal

DRAWN UP  
Name and First Name (title)  
DOBRESCU SIMONA

(i financial-accounting department  
or employed skilled personnel)

Signature  
illegible signature

**S.C. DON AUDIT EXPERT S.R.L.**  
**4 Aleea Fuiorului**  
**District 3, Bucharest**

## **REPORT**

**of the Independent Auditor to the Board of Directors of**

**S.C. INTRACOM CONSTRUCT S.A.,**

**Regarding the Annual Financial Statements**

**Concluded on December 31<sup>st</sup>, 2006**

1. We were hired to audit the financial statements of S.C. INTRACOM CONSTRUCT S.A., which include the Balance Sheet on December 31<sup>st</sup>, 2006, and the Profit and Loss Account, Equity Modifications Statement, Cash Flows Statement for the Accounting Period concluded on this date, as well as a summary of the representative accounting policies and other explanatory notes.
2. The management of the company is responsible for the accurate drawing up and submission of these financial statements according to the Order of the Ministry of Public Finances No. 1752/2005 for “the approval of the accounting regulations according to the European Directives”. This responsibility included: setting out, implementing and maintaining an internal control relevant for the accurate drawing up and submission of these financial statements without the existence of certain significant misrepresentations due to errors or fraud.
3. The audit was carried out according to the financial audit norms, drawn up by the Auditors Chamber of Romania aligned to the International Standards

## **S.C. DON AUDIT EXPERT S.R.L.**

of Audit. These norms require that we should plan and carry out this audit so that we shall obtain a reasonable insurance that the financial statements do not include material errors.

An audit consists in spot examination of the records that should justify the amounts and information contained in the financial statements. It also consists in the assessment of the accounting principles and methods used and of the significant estimates made by the management of the company as well as in the assessment of the general presentation of the financial statements. We consider that the carried out audit provided reasonable data for our opinion.

4. We took notice of the agreement of 11.10.2005 and of its additional agreement of 29.05.2006, concluded between the company S.C. Intracom Construct S.A. and S.C. Intrarom S.A. regarding the receivables to be cashed related to Cosmorom Project, which were not provisioned in the precedent years and are going to be cashed spaced out up to 01.06.2011.

5. We also want to draw your attention over the following aspects:

a) S.C. INTRACOM CONSTRUCT S.A. granted as loan without interest to S.C. INTRAKAT ROMANIA S.R.L. the amount of RON 2,679,802 during 2006, based on the loan contract No. 1 of 21.09.2006. We specify that both companies have the same majority shareholder;

b) In the year 2006, S.C. INTRACOM CONSTRUCT S.A. carried out the correction of certain errors from the previous years, related to certain contracts concluded by the company with S.C. CO MARK CO GROUP S.R.L. These corrections were registered through the account 117, so that the incomes and expenses of the year 2006 should not be affected;

c) The comparative financial statements were drawn up according to the provisions of the Order of the Ministry of Public Finances No. 94/2001 for

**S.C. DON AUDIT EXPERT S.R.L.**

the approval of the “Accounting Regulation harmonized with the Fourth Directive of EEC and with the Accounting International Standards” and the Order of the Ministry of Public Finances No. 1827/2003 “regarding the modification and completion of certain regulations in the field of accounting” that were the legislative basis in force for the reporting related to the accounting period 2005. This fact may affect the comparability of the financial reporting.

6. Based on the requirements of the Order of the Ministry of Public Finances No. 1752/2005, our commitment was extended over reviewing the conformity of the Directors’ Report for the accounting period 2006 with the annual financial statements. Based on the carried out revision, we found non-conformity elements of the Directors’ Report as against the attached financial statements.

7. In our opinion, except the aspects presented at point 4, the Annual Financial Statements on December 31<sup>st</sup>, 2006 present accurately and without material errors the financial standing of S.C. INTRACOM CONSTRUCT S.A. on December 31<sup>st</sup>, 2006 as well as the results of the activity and the cash flows for the accounting period concluded at the same date according to the Accounting International Standards and the Order of the Ministry of Public Finances No. 1752/2005.

8. This report is drawn up exclusively for the submission of the annual financial statements of the company INTRACOM CONSTRUCT S.A. related to the accounting period concluded on December 31<sup>st</sup>, 2006 to the Ministry of Public Finances of Romania and the Office of the Register of Companies and may not be used for no other purpose.

**SC DON AUDIT EXPERT SRL**

**Ilas Monica Liana**

illegible signature and seal of DON AUDIT EXPERT SRL