

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

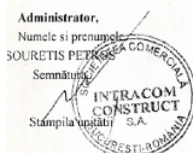
on December 31, 2005

| Form 10 Index Name | - lei - | No. Line | BALANCE AT | |
|--|---------|-----------|----------------------|----------------------|
| | | | 01/01/05 | 31/12/05 |
| A | | B | 1 | 2 |
| A. FIXED ASSETS | | | | |
| I. INTANGIBLE ASSETS | | | | |
| 1. Incorporation expenses (acc.201-2801) | | 01 | 0 | 000,00 |
| 2. Development expenses (acc.203-2803-2903) | | 2 | 0 | 0 |
| 3. Concession, patents, licenses, marks, rights and similar values and other intangible assets (acc.2051+2052+208-2805-2808-2905-2908) | | 3 | 11.617,00 | 51.479,00 |
| 4. Trading fund (acc.2807-2807-2807-2075) | | 4 | 0 | 0 |
| 5. Advances and current intangible assets (acc.233+234-2933) | | 5 | 0 | 0 |
| TOTAL (line 01 to 05) | | 06 | 11.617,00 | 51.479,00 |
| II. TANGIBLE ASSETS | | | | |
| 1. Land and buildings (acc.211+212-2811-2812-2811-2812) | | 07 | 02.020,00 | 73.096,00 |
| 2. Technical installations and machinery (acc.213-2813-2913) | | 08 | 1.155.757,00 | 938.350,00 |
| 3. Other installations, equipment and furniture (acc.214-2814-2914) | | 09 | 32.260,00 | 9.323,00 |
| 4. Advances and current tangible assets (acc.231+232-2931) | | 10 | 13.106,00 | 000,00 |
| TOTAL (line. 07 to 10) | | 11 | 1.203.951,00 | 1.021.569,00 |
| III. FINANCIAL ASSETS | | | | |
| 1. Equity shares held in companies of the group (acc.261-2961) | | 12 | 0 | 0 |
| 2. Participating interests in group companies (acc.2671+2672-2965) | | 13 | 0 | 0 |
| 3. Securities as equity interests (acc.263-2963) | | 14 | 0 | 0 |
| 4. Assets from equity interests (acc.2675+2676-2967) | | 15 | 0 | 0 |
| 5. Securities owned as assets (acc.262+264+265-2962-2964) | | 16 | 0 | 0 |
| 6. Other assets (acc.2673+2674+2678+2679-2968-2966) | | 17 | 2.145.042,00 | 1.464.743,00 |
| 7. Own shares (acc.2677-2968) | | 18 | 0 | 0 |
| TOTAL (line 12 to 18) | | 19 | 2.145.042,00 | 1.464.743,00 |
| FIXED ASSETS - TOTAL (LINE 06+11+19) | | 20 | 3.440.610,00 | 2.537.791,00 |
| B. CURRENT ASSETS | | | | |
| I. STOCKS | | | | |
| 1. Raw materials and consumables (acc.301+3021+3022+3023+3024+3025+3026+3028+303+3034+3035+3036+3037+3038-3031-3021-3022-3061-3058-308) | | 21 | 1.316.322,00 | 2.488.917,00 |
| 2. Current production (acc.331+332+341+3481+3541-393-3941-3952) | | 22 | 607.922,00 | 701.006,00 |
| 3. End products and goods (ct.345+346+3405+3486+3545+3546+356+357+361+368+371+378-3945-3946-3953-3954-3956-3957-396-397-4428) | | 23 | 0 | 0 |
| 4. Advances for stock purchase (ct.4091) | | 24 | 334.095,00 | 114.680,00 |
| TOTAL (line 21 to 24) | | 25 | 2.327.339,00 | 3.314.033,00 |
| II. DEBTORS | | | | |
| 1. Trade debtors (acc.4092+4111+4118+413+418-491) | | 26 | 76.262.392,00 | 18.111.312,00 |
| 2. Amounts to be collected from the companies of the group (acc.4511+4518-4951) | | 27 | 0 | 0 |
| 3. Amounts to be collected from equity interest (acc.4521+4528-4952) | | 28 | 0 | 0 |
| 4. Other debtors (acc.425+4252+431+437+4392+441+4424+4428+444+445+446+447+4482+452+4582+461+473-496+5187) | | 29 | 1.425.933,00 | 2.061.099,00 |
| 5. Creditors related to the subscribed and unpaid capital (acc.456-4953) | | 30 | 0 | 0 |
| TOTAL (line 26 to 30) | | 31 | 77.688.325,00 | 20.172.411,00 |
| III. SHORT TERM FINANCIAL INVESTMENTS | | | | |
| 1. Equity shares held in companies of the group (acc.501-591) | | 32 | 0 | 0 |
| 2. Own shares (acc.502-592) | | 33 | 0 | 0 |
| 3. Other short term financial investments (acc.5031+5032+505+5061+5062+5061+5088-593-595-596-598+5113+5114) | | 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+5321+5322+5323+5328+5411+5412+542) | | 36 | 796.794,00 | 1.313.822,00 |
| CURRENT ASSETS - TOTAL (LINE 25+31+35+36) | | 37 | 84.911.282,00 | 29.289.326,00 |
| C. ACCRUED EXPENSES (acc.471) | | | | |
| D. DEBTS DUE WITHIN ONE YEAR | | | | |
| 1. Loans from bond issuance (acc.1614+1615+1617+1618+1681-169) | | 39 | 0 | 0 |
| 2. Amounts due to financial institutions (acc.1621+1622+1624+1625+1627+1682+5191+5192+5198) | | 40 | 46.754.987,00 | 4.777.588,00 |
| 3. Advances from orders (acc.419) | | 41 | 475.408,00 | 632.686,00 |
| 4. Commercial debts (acc.401+404+408) | | 42 | 6.804.654,00 | 3.148.048,00 |
| 5. Trade bills to be paid (acc.403+405) | | 43 | 0 | 0 |
| 6. Amounts due to the companies of the group (acc.1651+1695+2691+4511+4518) | | 44 | 0 | 0 |
| 7. Amounts due related to the equity shares (acc.1662+1686+2692+4521+4528) | | 45 | 0 | 0 |
| 8. Other liabilities, including fiscal debts and other debts to social security (acc.1623+1626+167+1687+2698+421+423+424+426+427+428+431+437+4381+441+4423+4428+444+446+447+4481+4551+4558+456+457+4581+462+473+509+5186+5193+5194+5195+5196+5197) | | 46 | 2.726.208,00 | 2.580.749,00 |
| TOTAL (line 39 to 46) | | 47 | 56.761.257,00 | 11.139.071,00 |

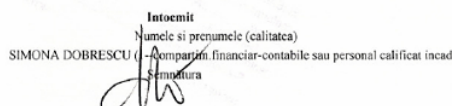
| | | | |
|---|----|----------------------|----------------------|
| E. NET CURRENT ASSETS, NET CURRENT LIABILITIES (line 37+38-47-64) | 48 | 28.255.919,00 | 18.231.751,00 |
| F. TOTAL ASSETS LESS CURRENT LIABILITIES) | 49 | 31.696.529,00 | 20.769.542,00 |
| G. DEBTS DUE IN MORE THAN ONE YEAR (line 20+48-63) | | | |
| 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+5197) | 57 | 767.584,00 | 567.443,00 |
| TOTAL (line 50 to 57) | 58 | 767.584,00 | 567.443,00 |
| H. PROVISIONS FOR RISKS AND EXPENDITURES | | | |
| 1. Provision for pensions and other similar obligations (acc. 151) | 59 | 0 | 0 |
| 2. Other provisions (acc.151) | 60 | 0 | 0 |
| TOTAL PROVISIONS(line 59+60) | 61 | 0 | 0 |
| I. ACCRUED INCOME (line 63+64) | | | |
| - Investment subsidies(acc. 131) | 63 | 0 | 0 |
| - Accrued income (acc. 472) | 64 | 0 | 0 |
| J. CAPITAL AND RESERVES | | | |
| I. CAPITAL (line 66 to 68), of which: | | | |
| - subscribed and unpaid capital (acc.1011) | 66 | 0 | 0 |
| - subscribed and paid capital (acc.1012) | 67 | 19.505.751,00 | 19.508.746,00 |
| - fixed assets (acc.1015) | 68 | 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) | | | |
| 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 | 0 | 0 |
| 4. Other reserves (acc.1068+-107) | 76 | 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 |

ADMINISTRATOR,

Administrator,
Numele si prenumele
SOURETIS PETRUS
Semnatura
Stampila unitatii


DRAFTED BY,

Intocmit
Numele si prenumele (calitatea)
SIMONA DOBRESCU (Compartiment financiar-contabile sau personal calificat in cadrul
Semnatura



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

1. 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

Voicu Cipriana

