

**S.C. INSCUT BUCURESTI S.A.**

**ADMINISTRATIVE REPORT**  
**OF THE BOARD OF DIRECTORS**  
**OF S.C. INSCUT BUCURESTI S.A.**  
**FOR THE YEAR 2010**

According to the regulations of the Law 31/1990 regarding the organization and activity of the companies (republished) and the regulations of the Accounting Law no. 82/1991 (republished) we present the administrative report for the year 2010:

**I. INCOMS – EXPENSES - RESULTS**

<b><i>INDICATORS</i></b>	<b><i>LEI</i></b>	
	<b><i>2009</i></b>	<b><i>2010</i></b>
<b>TOTAL INCOMS</b>	9.877.239	8.593.986
▪ from exploitation	9.839.279	7.912.661
▪ financial	37.960	681.325
<b>TOTAL EXPENSES</b>	13.294.507	11.604.797
▪ from exploitation	11.972.503	10.350.638
▪ financial	1.322.004	1.254.159
<b>LOSS</b>	- 3.417.268	- 3.010.811
▪ from exploitation	- 2.133.224	- 2.437.977
▪ financial	- 1.284.044	- 572.834

**Observations:**

1. The economic crises has also affected SC INSCUT BUCURESTI SA in 2010, in the exploitation activity where mainly because of the lack of contracts we have worked with less than 50% of our capacity, which influenced directly the level of incomes.  
Nevertheless, if from the exploitation expenses we deduct the depreciation (amortisation) which is a large amount (respectively 2.621.746 lei) and we compare it with the incomes from exploitation, we can state that we have obtained a profit of 183.769 lei, meaning an 2,32% efficiency, which is an honorable result for a very hard year that was 2010.
2. Because of the obligations in EURO (credit of 2.640.00 ) and also because of the raised exchange rate EURO/LEI, at the end of the year we have registered financial loss of 572.834 lei, which increased the total loss in 2010.

## **II. ASSETS/LIABILITIES**

Comparative with the year 2009 the assets and liabilities are:

	<b>LEI</b>		
	2009	2010	%
<b>ASSETS</b>	30.818.685	27.653.753	89,73
<b>LIABILITIES</b>	30.818.685	27.653.753	89,73

The diminishing of the assets and liabilities is due exclusively to the loss registered in 2010.

We consider that this diminish doesn't represent a negative aspect because :

1. There have been reduced the commercial claims as a result of the preoccupation for the quick encashment of the invoices made for the clients and we created the possibility of continuing the activity in efficient conditions.
2. There have been diminished the stock, because we bought spare parts and construction materials only when the necessity occurred.

## **III. BANK LOANS**

SC INSCUT BUCURESTI SA has a credit from ALPHA BANK LONDON of 2.640.000 EURO guaranteed through a "letter of confort", by the parent company, in better conditions than in Romania.

## **IV. PATRIMONY INVENTORY**

The general inventory of the patrimony of S.C. INSCUT BUCURESTI S.A. was organized according to the legal foresight through the general manager decision and on this was based the balance and the balance sheet at 31.12.2010.

The results of the inventory were written in an Record of the Central Inventory Comission, mentioning that there were no problems.

## **V. CONCLUSIONS**

With all the difficulties created mainly because of the lack of the contracts, SC INSCUT BUCURESTI SA had a good activity regarding the cash-flow, meaning that we have always payed on time, from our own incomes and receivings the obligations towards the employees and the state budget, suppliers and we managed to have no problem during the year, regarding any delayed payments.

For the year 2011 we appreciate that through our own contracts and also acting as a subcontractor for AKTOR ROMANIA SA we will manage to assure the continuity of the company.

The company's Board of Directors appreciates as good the activity and proposes to the Annual General Meeting the approval of the administrative report for the year 2010.

**BOARD OF DIRECTORS**

**PRESIDENT  
DIMITRIOS KOUTRAS**



**GENERAL MANAGER**

**DUMITRU STEFAN**

