

S.C. INSCUT BUCURESTI S.A.  
Str. Preciziei nr.11  
Sector 6  
ORCTB J 40/2220/1991  
C.U.I RO 449582  
Social capital: RON 20.671.490

*RESOLUTION No.1*  
*of*  
*the Ordinary General Meeting of Shareholders of*  
**S.C. INSCUT BUCURESTI S.A.**  
**23.04.2013**

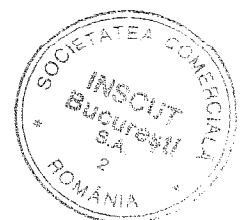
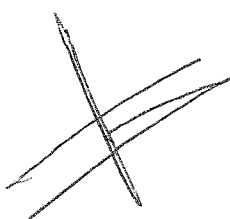
On 23.04.2013, at 12<sup>00</sup> o'clock, at the headquarters of **S.C. INSCUT BUCURESTI S.A.**, 11 Preciziei Blvd., district 6, Bucharest, a Romanian legal entity registered with the Trade Registry's Office of Bucharest Tribunal under no. J40/2220/1991, Unique Registration Code RO 449582 (the "Company"), the Ordinary General Meeting of Shareholders (the "EGMS") was legally and statutory convened at the first call, following the publication of the Convocation in the newspaper Romania Libera issue date 21.03.2013 and in the Official Monitor of Romania – Part IV no. 1520 dated 21.03.2013.

In accordance with the consolidated Syntetic Structure of Company's shareholders issued by DEPOZITARUL CENTRAL S.A. under no. 15962 on the date of reference 09.04.2013, the social capital of the Company, amounting to RON 20.671.490 is divided in 2.953.070 shares with a nominal value of RON 7/share.

The Chairman of the session of the Ordinary General Meeting of the Shareholders is Mr. Petros KATSIAS - (Vice-president of the Board of Directors while Mr. Dumitru Stefan is elected as the secretary of the meeting.

The shareholders attending the meeting, either in person or through their appointed representatives ("the shareholders present at the meeting") are the following:

- **SVENON INVESTMENTS LIMITED**, as significant shareholder, holder of **2.866.759** shares with a nominal value of RON 7 per each share, with a total value of RON 20.067.313, representing 97,072 % of the total share capital of the Company (2.866.759 votes) represented by Mr. Kokolakis Matthaïos, Greek citizen, born on 05.08.1965, in Greece, domiciled in 24 Agiou Georgiou, Koridallos, Piraeus, Greece, identified with ID Card series AH no. 056062 issued by Greek authorities on 20.06.2008, empowered under the Special Power of Attorney translated and legalized under no. 21 on 27.03.2013 by Public Notary Office Lupuleac Mioara Catalina and apostil under the no. 74798/13 dated 21.03.2013;



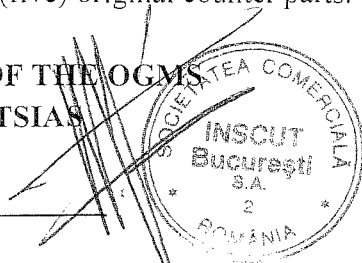
Under the above circumstances, it is ascertained that the Ordinary General Meeting of Shareholders is legally and statutory convened at the first call, being able to validly deliberate with respect to the items mentioned in the Convocation.

Following the votes expressed by the shareholders present at the meeting, holding 2.866.759 shares, with a nominal value of RON 7 per each share, with a total value of RON 20.067.313, representing 97,0772 % of the social capital of the Company (2.866.759 votes), the following were unanimously decided and approved:

1. *It is unanimously approved* by the shareholders present at the meeting the Administration Report of the Board of Directors for year 2012;
2. *It is unanimously approved* by the shareholders present at the meeting the Financial Statements and of the Profit and Loss Account for year 2012;
3. *It is unanimously approved* by the shareholders present at the meeting the Auditor Report on the Financial Statement for year 2012;
4. *It is unanimously approved* by the shareholders present at the meeting the empowering of Mr. Kokolakis Matthaios, Greek citizen, born on 05.08.1965, in Greece, domiciled in 24 Agiou Georgiou, Koridallos, Piraeus, Greece, identified with ID Card series AH no. 056062 issued by Greek authorities on 20.06.2008, in view of the execution of all the necessary documents (including, but not limited to the Resolution of the Ordinary General Meeting of Shareholders, the up-dated Articles of Association based on the approved modifications) and for carrying out, on Company's behalf, all formalities required for the fulfillment of the decisions to be taken by the Ordinary General Meeting of Shareholders.
5. *It is unanimously approved* by the shareholders present at the meeting the date of 22.05.2013 as registration date for the identification of the shareholders affected by the decisions that follow to be enacted.

This resolution of the Ordinary General Meeting of Shareholders was drafted today 23.04.2013 in 5 (five) original counter parts.

**CHAIRMAN OF THE OGMS**  
**Mr. Petros KATSIAS**



**SECRETARY**  
**Mr. Dumitru STEFAN**

**THE MAJORITY SHAREHOLDER SVENON**  
**INVESTMENTS LIMITED**  
**BY ITS EMPOWERED PERSON,**  
**Mr. Kokolakis MATTHAIOS**

A handwritten signature in black ink, appearing to read 'Kokolakis', written over a horizontal line.

**Auditor:**

**CRG NEXIA AUDIT SRL**

Share capital: 10.000 lei

CAFR Authorisation: 936/2009

Constanta, 68A Traian street, 3rd floor

ORC registration: J13/2444/2009

Fiscal registration RO 26196149

**Company:**

INSCUT SA Bucuresti

București, 11 Preciziei Bd, sector 6

ORC registration : J40/2220/1991

Fiscal registration: RO 449582

## AUDITOR'S INDEPENDENT REPORT

**TO THE SHAREHOLDERS OF SC INSCUT SA Bucuresti**

**REPORT ON THE ANNUAL FINANCIAL STATEMENTS 2012**

We have audited the financial statements of **SC INSCUT SA (Company)**, prepared in accordance with the National Financial Reporting Frame (Law no.82/1991, Order no.3055/2009 issued by the Ministry of Public Finance), as of December 31, 2012.

The components of the financial statements are: balance sheet and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The above financial statements refer to:

- |   |                 |
|---|-----------------|
| • Total assets                                    | 22.508.430 lei  |
| • Net assets (total assets – current liabilities) | 22.084.337 lei  |
| • Net result (loss)                               | (2.729.110) lei |

### *Management's Responsibility*

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with Order no.3055/2009 issued by the Ministry of Public Finance. This responsibility includes maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as valuating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion the financial statements of SC INSCUT SA give a true and fair view of the financial position of the Company as at December 31, 2012 and its financial performance and its cash flows for the year then ended in accordance with the Romanian Financial Reporting Frame.

#### *Other matters*

This report is made solely to the company's shareholders, as a body, in accordance with the law. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

The Financial Statements that we have audited are not meant to give a true and fair view other than that in accordance with Generally Accepted Accounting Practice in Romania, so for this reason the Financial Statements are not made to persons that are not familiar with these.

#### *Conclusion regarding the compliance of Managers' Report to annual financial statements.*

In accordance with OMFP no.3055/2009, we have read the managers' report attached to financial statements. This report does not include in the financial statements. We didn't find in this report financial informations which are not accordingly with the prepared financial statements as of December 31, 2012.

Constanta, 11<sup>th</sup> of February 2012

*Auditor*

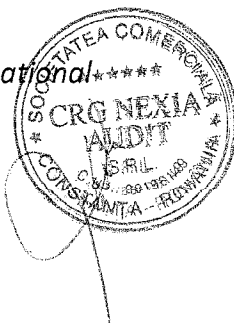
*CRG NEXIA AUDIT Ltd.*

*Member of Nexia International*

*Engagement partner,*

*Silvia Ichimescu*

*CAFR: 1990/2007*



## S.C. INSCUT BUCURESTI S.A.

### ADMINISTRATIVE REPORT OF THE BOARD OF DIRECTORS OF S.C. INSCUT BUCURESTI S.A. FOR THE YEAR 2012

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 2012:

#### I. INCOMS – EXPENSES - RESULTS

INDICATORS	LEI	
	2011	2012
TOTAL INCOMS	7.191.042	4.472.437
▪ from exploitation	6.419.745	4.383.754
▪ financial	771.297	88.683
TOTAL EXPENSES		7.201.547
	9.483.556	
▪ from exploitation	7.882.597	5.922.516
▪ financial	1.600.959	1.279.031
LOSS	-2.292.514	-2.729.110
▪ from exploitation	-1.462.852	-1.538.762
▪ financial	-829.662	-1.190.348

#### Observations:

1. The economic crises has also affected SC INSCUT BUCURESTI SA also in 2012, in the exploitation activity where mainly because of the lack of contracts we have worked with less than 40% of our capacity, especially in the first trimester of 2012, which influenced directly the level of incomes.

In the second semester of 2012 the incomes grow because of the 2 contracts with AKTOR, that continue also in 2013. We would like to specify, that starting September 2012, INSCUT registered a monthly profit, that we hope to maintain, along all 2013.

2. Because of the obligations in EURO (credit of 2.640.00 ) and also because of the raised exchange rate EURO/LEI, in the year 2012 we registered financial loss of 1.190.348 lei; that will disappear in 2013, because in August 2012 we fully paid the credit line, by an increase of the share capital.

## **II. ASSETS/LIABILITIES**

Comparative with the year 2011 the assets and liabilities are:

	<b>LEI</b>		
	2011	2012	%
ASSETS	25.069.001	22.508.430	89,78
LIABILITIES	25.069.001	22.508.430	89,78

The diminishing of the assets and liabilities is due exclusively to the loss registered in 2012.

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**

At 31.12.2012 SC INSCUT BUCURESTI SA doesn't have any banking loans.

## **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 31.12.2012.

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

## **V. CONCLUSIONS**

With all the difficulties created mainly because of the lack of the contracts, especially in the first half of the year 2012, 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 receivables the obligations towards the employees, the state budget and suppliers, and we managed to have no problem during the year, regarding any delayed payments.

For the year 2013 we appreciate that as a subcontractor for AKTOR ROMANIA SA, we will manage to assure the continuity of the company and better results.

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 2012.

**BOARD OF DIRECTORS**

  
**PRESIDENT  
DIMITRIOS KOUTRAS**



**GENERAL MANAGER**

  
**DUMITRU STEFAN**

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

**PROPOSAL REGARDING**  
**THE PROFIT REPARTISATION**  
**at 31.12.2012**

In the year 2012 the company has registered a loss of 2.729.110 lei.

**BOARD OF DIRECTORS**

  
**PRESIDENT**  
**DIMITRIOS KOUTRAS**



**GENERAL MANAGER**

  
**DUMITRU STEFAN**

**SC INSCUT BUCURESTI SA**

**Financial Statements**  
**Prepared in accordance with**  
**The Order of the Ministry of Finance**  
**No. 3055/2009**

**31 December, 2012**





**CONTENT:**

Balance sheet

Income statement

Cash flow statement

Statement of changes in equity

Notes to the financial statements

- Code 30 and 40
- Notes 1 to 10- OMF 3055/2009
- Notes- other



INSCUT BUCHAREST SA  
Romanian Legal Person  
Address: Blv. PRECIZIEI No. 11, Bucharest  
Phone: 318.20.80 Fax: 318.20.88  
Registration Number with the Register of Commerce: J 40/2220/1991

PROPERTY FORM: 34  
MAIN ACTIVITY:  
FREIGHT ROAD TRANSPORT  
CODE GROUP CAEN: 4211  
FISCAL CODE: R 449582

BALANCE SHEET AS AT 31 DECEMBER 2012

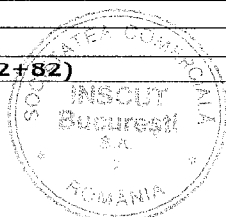
-RON-

ASSETS	Row no.	Balance at	
		beginning of period	end of period
A	B	1	2
<b>A. NON-CURRENT ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
1. Set-up costs	01	-	-
2. Development costs	02	-	-
3. Concessions, patents, licenses, trade marks and similar rights and other intangible assets	03	1751	1839
4. Goodwill	04	-	-
5. Advances and intangible assets in progress	05	-	-
<b>TOTAL: (Row. 01 to 05)</b>	<b>06</b>	<b>1751</b>	<b>1839</b>
<b>II. TANGIBLE ASSETS</b>			
1. Land and buildings	07	19260958	19004493
2. Technical equipment & machinery	08	926507	242213
3. Other equipment & furniture	09	74861	6070
4. Prepayments & tangible assets in progress	10	0	0
<b>TOTAL: (Row. 07 to 10)</b>	<b>11</b>	<b>20262326</b>	<b>19252776</b>
<b>III. INVESTMENTS</b>			
1. Controlling interests in Group companies	12	-	-
2. Intercompany receivables	13	-	-
3. Controlling interests	14	-	-
4. Receivables from controlling interests	15	-	-
5. Securities	16	-	-
6. Other long term investments	17	165268	95368
7. Own shares held	18	-	-
<b>TOTAL: (Row.12 to 18)</b>	<b>19</b>	<b>165268</b>	<b>95368</b>
<b>TOTAL NON-CURRENT ASSETS (Row. 06+11+19)</b>	<b>20</b>	<b>20429345</b>	<b>19349983</b>
<b>B. CURRENT ASSETS</b>			
<b>I. INVENTORY</b>			
1. Raw materials and consumables	21	445526	339465
2. Work in progress	22	-	-
3. Finished goods and merchandises	23	-	-
4. Prepayments for inventory acquisition	24	2907	925
<b>TOTAL: (Row. 21 to 24)</b>	<b>25</b>	<b>448433</b>	<b>340390</b>
<b>II. RECEIVABLES</b>			
1. Trade receivables	26	1988931	1133163
2. Intra-group receivables	27	-	-
3. Receivables from controlling interests	28	-	-
4. Other receivables	29	1611823	963444
5. Capital account - receivables	30	-	-
<b>TOTAL: (Row. 26 to 30)</b>	<b>31</b>	<b>3600754</b>	<b>2096607</b>
<b>III. MARKETABLE SECURITIES</b>			
1. Controlling interests within the Group (short term)	32	-	-
2. Own shares held	33	-	-
3. Other financial investments	34	-	-
<b>TOTAL: (Row. 32 to 34)</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>IV. PETTY CASH AND BANK ACCOUNTS</b>	<b>36</b>	<b>532959</b>	<b>656866</b>
<b>TOTAL CURRENT ASSETS (Row. 25+31+35+36)</b>	<b>37</b>	<b>4582146</b>	<b>3093863</b>
<b>C. PREPAYMENTS</b>	<b>38</b>	<b>57510</b>	<b>64584</b>
<b>TOTAL ASSETS</b>		<b>25069001</b>	<b>22508430</b>

**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
**for the year - ended December 31, 2012**  
**(All amounts are expressed in RON, otherwise stated)**

LIABILITIES	Nr. Rd.	-RON-	
		balance at	
		beginning of period	end of period
A	B	1	2
<b>D. PAYABLES DUE WITHIN 1 YEAR</b>			
1. Debenture loans	39	-	-
2. Amounts due to crediting institutions	40	11466423	
3. Advances payments from customers	41		
4. Trade payables	42	283331	225541
5. Trade notes payables	43	-	-
6. Intra- group payables	44		
7. Payables related to controlling interests	45	-	
8. Other payables, including fiscal debts social security	46	375817	198552
<b>TOTAL : (Row. 39 to 46)</b>	<b>47</b>	<b>12125571</b>	<b>424093</b>
<b>E. CURRENT ASSETS, RESPECTIVELY CURRENT LIABILITIES</b>	<b>48</b>	<b>-7485915</b>	<b>2734354</b>
<b>F. TOTAL ASSETS MINUS CURRENT LIABILITIES (Row.20 + 48)</b>	<b>49</b>	<b>12943430</b>	<b>22084337</b>
<b>G. PAYABLES DUE IN MORE THAN 1 YEAR</b>			
1. Debenture loans	50	-	-
2. Amounts due to crediting institutions	51		
3. Advances payments from customers	52	-	-
4. Trade suppliers	53	-	-
5. Trade notes payables	54	-	-
6. Intra-group payables	55	-	-
7. Amounts due with regard to controlling interests	56	-	-
8. Other payables (including debts to the budget state and social security budget)	57	0	0
<b>TOTAL : (Row. 50 to 57)</b>	<b>58</b>	<b>0</b>	<b>0</b>
<b>H. PROVISIONS</b>			
1. Provisions for pensions and other related obligations	59	-	-
2. Other provisions	60	-	-
<b>TOTAL PROVISIONS (Row. 59 to 60)</b>	<b>61</b>	<b>-</b>	<b>-</b>
<b>I. INCOME IN ADVANCE</b>	<b>62</b>		
<b>J. CAPITAL AND RESERVES</b>			
<b>I. SHARE CAPITAL</b>	<b>65</b>	<b>9,120,034</b>	<b>20671490</b>
Out of which:			
- subscribed and not paid-in capital	66	-	-
- paid-in capital	67	9,120,034	20671490
- patrimony of administration	68	-	-
<b>II. SHARE PREMIUM</b>	<b>69</b>	<b>-</b>	<b>-</b>
<b>III. REVALUATION RESERVES</b>			
- Credit balance	70	11784313	12080800
- Debit balance	71	-	-
<b>IV. RESERVES</b>	<b>72</b>	<b>614818</b>	<b>636892</b>
1. Legal reserves	73	183020	183020
2. Reserves for own shares	74	-	-
3. Statutory or contractual reserves	75	-	-
4. Other reserves	76	431798	453872
<b>V. RETAINED EARNINGS</b>			
Profit carried forward	77	0	0
Loss carried forward	78	6283221	8575735
<b>VI. NET RESULT</b>			
Profit	79		
Loss	80	2292514	2729110
Profit appropriation	81		
<b>TOTAL CAPITAL (Row. 65+67+68-69+70+72+75-76+77-78+79+81)</b>	<b>82</b>	<b>12943430</b>	<b>22084337</b>
Public patrimony	83	-	
<b>TOTAL EQUITY (Row. 82+83)</b>	<b>84</b>	<b>12943430</b>	<b>22084337</b>
<b>TOTAL LIABILITIES (Row. 47+58+62+82)</b>		<b>25069001</b>	<b>22508430</b>

**DIRECTOR GENERAL**  
**DUMITRU STEFAN**

**DRAWN UP BY**  
**CALIN ELENA**



**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
**for the year - ended December 31, 2012**  
**(All amounts are expressed in RON, otherwise stated)**

**INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012**

INDICES DENOMINATION	Row no.	Financial period		-RON-
		previous		closed
		1		2
A	B			
<b>1. Net turnover</b>	01		<b>6284329</b>	<b>4152945</b>
Sold production	02		6282659	4150745
Income from sale of goods	03		1670	2200
Incomes from operation subsidies to net turnover	04		-	-
<b>2. Stock variation</b>				
- Credit balance	05		-	-
- Debit balance	06		-	-
<b>3. Capitalised production</b>	07		49461	-
<b>4. Other operating income</b>	08		85955	230809
<b>OPERATING INCOME –TOTAL</b>	<b>09</b>		<b>6419745</b>	<b>4383754</b>
<b>5.a. Raw materials and consumables costs</b>	10		1012518	635444
Other material costs	11		20625	12232
<b>b. Other operating expenses (energy and water)</b>	12		589909	692179
Expenses with goods	13		1050	1031
<b>6. Personnel expenses</b>	<b>14</b>		<b>2346320</b>	<b>1700373</b>
a. Salaries	15		1813475	1312886
b. Social security costs	16		532845	387487
<b>7.A .Adjustment to tangible and intangible assets</b>	<b>17</b>		<b>2047610</b>	<b>1330229</b>
a.1. Expenses	18		2047610	1330229
a.2. Revenues	19		-	-
<b>7.B. Adjustment to current assets</b>	<b>20</b>		<b>23540</b>	<b>-2129</b>
b.1. Expenses	21		23540	9744
b.2. Revenues	22		-	11873
<b>8. Other operating expenses</b>	<b>23</b>		<b>1869037</b>	<b>1553157</b>
8.1. External expenditure	24		1562214	1264137
8.2. Expenses with other taxes, fees and similar payments	25		298720	283403
8.3. Expenditure for damages, donations and disposed assets	26		8103	5617
Adjustment to provisions	27		-28012	-
Expenses	28		-	-
Revenues	29		28012	-
<b>OPERATING EXPENSES-TOTAL</b>	<b>30</b>		<b>7882597</b>	<b>5922516</b>
<b>OPERATING RESULT</b>				
Profit (Row. 09-30)	31		1462852	1538762
Loss (Row.30-09)	32		-	-
<b>9. Financial income from controlled entities</b>	33			
- from Group companies	34			
<b>10. Revenue form long term debtors</b>	35			
- from Group companies	36			
<b>11. Interest income</b>	37		92	
- from Group companies	38			
Other financial income	39		771205	88683
<b>FINANCIAL INCOME-TOTAL</b>	<b>40</b>		<b>771297</b>	<b>88683</b>
<b>12. Adjustment to investments</b>	41			
Expenses	42			
Revenues	43			
<b>13. Interest expenses</b>	44		732627	486015
- from Group companies	45			
Other financial expenses	46		868332	793016
<b>FINANCIAL EXPENSES -TOTAL</b>	<b>47</b>		<b>1600959</b>	<b>1279031</b>
<b>FINANCIAL RESULT</b>				
- Profit	48			
- Loss	49		829662	1190348
<b>14. CURRENT RESULT</b>				
- Profit	50			0
- Loss	51		2292514	2729110
<b>15. Extraordinary income</b>	52			
<b>16. Extraordinary expenses</b>	53			
<b>17. EXTRAORDINARY RESULT</b>				
- Profit	54			
- Loss	55			
<b>TOTAL INCOME</b>	<b>56</b>		<b>7191042</b>	<b>4472437</b>
<b>TOTAL EXPENSES</b>	<b>57</b>		<b>9483556</b>	<b>7201547</b>
<b>GROSS RESULT</b>				
- Profit	58			
- Loss	59		2292514	2729110
<b>18. PROFIT TAX EXPENSES</b>	<b>60</b>			
Current profit tax expenses	61			
Deferred profit tax expenses	62			
Income from deferred profit tax	63			
<b>19. Other expenses not included above</b>	<b>64</b>			
<b>20. NET RESULT OF THE PERIOD</b>				
- Profit	65			
- Loss	66		2292514	2729110
<b>21. Earning per share (ROL/SHARE)</b>				
- basic	67			
- diluted	68			

DIRECTOR GENERAL  
DUMITRU STEFAN

DRAWN UP BY  
CALIN ELENA

**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
**for the year - ended December 31, 2012**  
**(All amounts are expressed in RON, otherwise stated)**

<b>CASH FLOW STATEMENT</b>	<b>2011</b>	<b>2012</b>
<b>AS AT 31 DECEMBER 2012</b>	<b>RON</b>	<b>RON</b>
<b><i>Cash flow from operating activities</i></b>		(2,729,110)
Profit for the year before taxation	0	
Adjustments for items included as investment or financing activities		
Amortisation of tangible/intangible assets	2.047.610	1330229
Interest costs	732.627	11595
Interest income	(93)	
Unrealised foreign exchange losses/(gains)		
Provision for bad and doubtful debts	28.012	
(Gain)/loss from sale of tangible assets	(-12.469)	486015
<b>Operating profit before working capital changes</b>	<b>2.825.687</b>	<b>(912.866)</b>
Working capital changes		
Decrease/(increase) in inventories	266.302	106.061
Decrease/(increase) in debtors	61.618	63.444
Increase/(decrease) in creditors	351.048	57.790
Prepayments	57.510	
Incomes in advance		
<b>Cash generated from operations</b>	<b>1.154.129</b>	<b>(685.571)</b>
Paid interest	(732.627)	(486.015)
Paid income tax		
<b>Net cash flow from/(used in) operating activities</b>	<b>(421.502)</b>	<b>(1.171.586)</b>
<b><i>Cash flows from investing activities:</i></b>		
Purchase of tangible and intangible assets	298.516	426.610
Sale of fixed assets	12.469	
Received interest	93	
<b>Net cash flow from investing activities</b>	<b>311.078</b>	<b>426.610</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from bank loans	70.846	
Repayment of bank loans		
Acquisition of own shares		
Payments of finance lease liabilities		
Paid dividends	(93)	
<b>Net cash flow from financing activities</b>	<b>(70.753)</b>	
Cash flow – total	78.719	123.907
Cash and cash equivalent at beginning of the year	454.240	523.959
<b>Cash and cash equivalent at end of the year</b>	<b>532.959</b>	<b>656.866</b>

**SC INSCUT BUCURESTI SA**
**Notes to the Financial Statements – OMF 3055/2009**
**for the year - ended December 31, 2012**
**(All amounts are expressed in RON, otherwise stated)**
**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2012**

RON

Equity	Opening balance as of 1 January	Increase		Decrease		Closing balance as of 31 December
		Total, out of which	by transfer	Total, oput of which	by transfer	
0	1	2	3	4	5	6
Issued share capital	9,120,034	23102912	0	11551456	0	20671490
Capital premiums	0	0	0	0	0	0
Revaluation surplus	11.784313	318560	0	22073	0	12080800
Legal reserves	183.021	0	0	0	0	183.021
Reserves for own shares	0	0	0	0	0	0
Statutory/contractual reserves	0	0	0	0	0	0
Other reserves/own shares	431798	22073	0	0	0	453871
Conversion reserves	0	0	0	0	0	0
Retained earnings	(6283221)	2292514	0	0	0	(8575735)
- <i>Unappropriated profit</i>		0	0	0	0	
- <i>Uncovered loss</i>	6283221	2292514	0	0	0	8575735
Retained earnings from first adoption of IAS, less IAS 29	0	0	0	0	0	0
- <i>Credit balance</i>	0	0	0	0	0	0
- <i>Debit balance</i>	0	0	0	0	0	0
Retained earnings from fchanging the accounting policies	0	0	0	0	0	0
- <i>Credit balance</i>	0	0	0	0	0	0
- <i>Debit balance</i>	0	0	0	0	0	0
Retained earnings from correction of errors	0	0	0	0	0	0
- <i>Credit balance</i>	0	0	0	0	0	0
- <i>Debit balance</i>	0	0	0	0	0	0
Retained earnings from surplus of reevaluation of reserves	0		0	0	0	0
Result of the year	0	0	0	0	0	0
- <i>Credit balance</i>	0	0	0	0	0	0
- <i>Debit balance</i>	2292514	0	0	2729110	0	(2729110)
Appropriations from the net profit	0	0	0	0	0	0
- <i>transfer to legal reserve</i>	0	0		0		0
- <i>dividends</i>						
<b>TOTAL</b>	<b>12.943.431</b>	<b>22.073</b>	<b>0</b>	<b>11.573.529</b>	<b>0</b>	<b>22.084.337</b>

SC INSCUT BUCURESTI SA

Notes to the Financial Statements – OMF 3055/2009

for the year - ended December 31, 2012

(All amounts are expressed in RON, otherwise stated)

NOTE 1: Non current assets

	Historical cost (including revaluation) - RON-				Depreciation - RON-				Net book value - RON-	
	Balance at 1 January	Additions	Disposals	Balance at 31 December	Balance at 1 January	Additions	Disposals	Balance at 31 December	Balance at 1 January	Balance at 31 December
	1	2	3	4 = 1 + 2 - 3	5	6	7	8 = 5 + 6 - 7	9 = 1 - 5	10 = 4 - 8
<b>I. INTANGIBLE ASSETS</b>										
1. Organisation cost				-				-		-
2. Research and development expenses				-				-		-
3. Concessions, licenses and other similar assets	2.101	2.207	2.101	2.207	350	2.119	2.101	368	1.751	1.851
4. Goodwill				-				-		-
5. Intangible assets in progress				-				-		-
<b>TOTAL</b>	<b>2.101</b>	<b>2.207</b>	<b>2.101</b>	<b>2.207</b>	<b>350</b>	<b>2.119</b>	<b>2.101</b>	<b>368</b>	<b>1.751</b>	<b>1.851</b>
<b>II. TANGIBLE ASSETS</b>										
1. Land and buildings	20.606.031	422.297	2.023.835	19.004.493	1.345.073	678.762	2.023.835	-	19.260.957	19.004.493
2. Technical equipment & machinery	12.784.037	95.256	71.280	12.617.501	11.857.530	589.038	71.280	12.375.288	926.507	242.249
3. Other equipment & furniture	154.056	95.256	159.267	90.055	79.195	60.310	55.520	83.985	74.861	6.000
4. Prepayments & tangible assets in progress	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>33.544.124</b>	<b>422.307</b>	<b>2.254.382</b>	<b>31.712.049</b>	<b>13281798</b>	<b>1.328.110</b>	<b>2150635</b>	<b>12.459.273</b>	<b>20.262.325</b>	<b>19.252.771</b>
<b>III. INVESTMENTS</b>										
1. Controlling interests in Group companies				-				-		-
2. Intercompany receivables				-				-		-
3. Controlling interests				-				-		-
4. Receivables from controlling interests				-				-		-
5. Securities				-				-		-
6. Other long term investments	165.268	2.096	71.996	95.368	-	-	-	-	165.268	95.368
7. Own shares held				-				-		-
<b>TOTAL</b>	<b>165.268</b>	<b>2.096</b>	<b>71.996</b>	<b>95.368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165.268</b>	<b>95.368</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>33.711.493</b>	<b>426.610</b>	<b>2.328.479</b>	<b>31.809.624</b>	<b>13282148</b>	<b>1.330.229</b>	<b>2152736</b>	<b>12.459.641</b>	<b>20.429.344</b>	<b>19.349.951</b>

**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
**for the year ended at December 31, 2012**  
**(All amounts are expressed in RON, otherwise stated)**

**NOTE 2: Provisions for risk and charges**

Description	Balance at 1-Jan-12	Movements		Balance at 31-Dec-12 4 = 1 + 2 - 3
		Debit	Credit	
	1	2	3	
Provisions for risk and charges	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTE 3: Profit Appropriation**

Destination	Amount
Net income for appropriations 2012	0
-legal reserve	0
-other reserves	0
-covering the accounting loss	0
-dividends	0
Unallocated Profit 2012	<u><u>0</u></u>



SC INSCUT BUCURESTI SA  
Notes to the Financial Statements – OMF 3055/2009  
for the year ended at December 31, 2012  
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**NOTE 4: Operating result analysis**

Description		<u>31-Dec 2011</u>	<u>31 Dec 2012</u>
		1	2
<b>1. TURNOVER</b>		<b>6.284.328</b>	<b>4.152.945</b>
<b>2. Cost of goods sold and services rendered</b>	<b>(3+4+5)</b>	<b>5.354.835</b>	<b>3.278.764</b>
3. Direct expenses		5.354.834	3.278.764
4. Expenses related to auxiliary operations		0	0
5. Production overheads		0	0
<b>6. Gross margin</b>	<b>(1-2)</b>	<b>929.493</b>	<b>874.181</b>
7. Sales and distribution expenses		0	0
8. General and administration expenses		2.518.155	2.643.752
9. Other operating income/ (expenses) net		125.812	230.809
<b>10. Operating result</b>	<b>(6-7-8+9)</b>	<b><u>(1.462.850)</u></b>	<b><u>(1.538.762)</u></b>

**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
**for the year ended at December 31, 2012**  
**(All amounts are expressed in RON, otherwise stated)**

**NOTE 5: Receivables and payables**

Receivables	Balance as at 31-Dec-12 (2 + 3) 1	Liquidity term	
		Below 1 year 2	Above 1 year 3
		<b>RECEIVABLES FROM NON CURRENT ASSETS TOTAL</b>	<b>95.368</b>
<b>RECEIVABLES FROM CURRENT ASSETS TOTAL, out of which:</b>	<b>2.096.608</b>	<b>1.196.608</b>	<b>900.000</b>
1. Trade receivables	1.133.163	1.133.163	0
2. Receivables – intragroup	0	0	0
3. Receivables from controlling interests	0	0	0
4. Other receivables	963.444	63.444	900.000
5. Capital account – receivables	0	0	0

Liabilities	Balance as at 31-Dec-12 (2 + 3 + 4) 1	Payable term		
		below 1 years 2	1 - 5 years 3	above 5 years 4
		<b>Total, out of which:</b>	<b>424.093</b>	<b>424.093</b>
1. Debenture loans	0	0	0	0
2. Amounts due to crediting institutions	0	0	0	0
3. Advances payments from customers	0	0	0	0
4. Trade suppliers	225.541	225.541	0	0
5. Trade notes payables	0	0	0	0
6. Inter- group payables	0	0	0	0
7. Payables related to controlling interests	0	0	0	0
8. Other payables, including fiscal debts social security	198.552	198.552	0	0

**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
**for the year ended at December 31, 2012**  
**(All amounts are expressed in RON, otherwise stated)**

**NOTE 6 - ACCOUNTING PRINCIPLES, POLICIES, AND METHODS**

**a) The fundamentals for the preparation of the financial statements**

The financial statements include the balance sheet, income statement, cash flow statement, statement of changes in equity, as well as the relevant Notes to the Financial Statements.

These represent the individual financial statements of the company SC INSCUT BUCURESTI SA according with:

- the Accounting Law no.82/1991 (republished);
- regulations included in OMF no. 3055/2009 with it's latest modifications by the OMFP 2869/2010.
- OMFP 40/2013- making and registering the financial statements and the accounting reportings of the legal persons.
- the company has no branches that require the consolidation.

These accounting registrations that were a base for the financial statements are made in lei ("RON") at a historic cost, excepting the situations where the correct value was used, according with the Company's accounting principles and with OMF 3055/2009.

**b) The currency**

All numbers are presented in LEI (RON).

**c) Currency conversions**

The transactions made in foreign currency are changed into lei at an exchange rate ruling at the transaction date. The assets and liabilities expressed in currency at the date the balance sheet are transformed in lei, using the exchange rates ruling at the balance sheet date. The profits or losses resulted from these currency conversions are included in the profit and loss account, as part of financial incomes or expenses.

The main rate of exchange used for the conversion of the balances presented in foreign currency on December the 31<sup>st</sup> 2012 were as follows: 1 EUR = 4,4287 lei.

**d) Fixed assets and depreciation**

The tangible assets were initially registered in the accounting at the historical cost. The company applied the modifications required by the governmental ordinances HG 26/1992 and HG 500/1994, the differences obtained being used for the share capital increase.



**SC INSCUT BUCURESTI SA**

**Notes to the Financial Statements – OMF 3055/2009**

**for the year ended at December 31, 2012**

**(All amounts are expressed in RON, otherwise stated)**

The initial costs of the tangible assets is represented by the acquisition price, including the import taxes or the nonrefundable acquisition taxes and any other direct costs for bringing the asset in it's place and in it's working conditions. The expenses that occurred after the asset was put into action, like repairs, maintenance and administrative costs, are usually registered in the profit and loss account, in the period they occurred.

If there can be demonstrated that these expenses brought an increase of the future forecasted economical benefits, which would have been obtained through the utilization of an element of fixed assets over the initial evaluated standards of performance, the expense is capitalized as additional cost in the asset value.

The evaluation purpose was to bring the existing inventory values from the accounting records to their fair value, which, according with the OMF 3055/2009 is determined based on evaluations made, usually, by qualified professionals. The difference from the reevaluation is reflected in the reevaluation reserve.

The reevaluation of the lands and buildings is made at 31 of December in order to bring them to their fair value. The determined values are depreciated starting January 1<sup>st</sup> of the next year, when the reevaluation took place.

If an element from the tangible assets is reevaluated, all the other assets from it's group, must be reevaluated, excepting the situation when there is no active market for that asset. If the fair value of an tangible asset cannot be determined by referring to an active market, the asset's value presented on the balance sheet must be it's reevaluated value, at the date of the latest reevaluation, diminishing the value accumulated adjustments.

The tangible assets reevaluation are made frequently, so that the accounting values does not substantially differ from the one that should be determined using the fair value from the balance sheet date.

For buildings the company applied the requirements of HG 95/1999, the differences obtained being used for the increased share capital in the year 2000.

At December 31<sup>st</sup>, 2003 the company applied the requirements of HG 1553/2003, regarding the fixed assets revaluation. The revaluation was performed by an independent evaluator which prepared an evaluation report based on the standards, recommendations and the working methodology recommended by ANEVAR (The National Association of the Evaluators in Romania).



**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
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**(All amounts are expressed in RON, otherwise stated)**

At December 31<sup>st</sup> 2006, the company reevaluated the buildings. The reevaluation was performed by an independent expert, SC Proram Engineering SRL Bucharest, which prepared an evaluation report based on the standards, recommendations and the working methodology recommended by ANEVAR (The National Association of the Evaluators in Romania).

At December 31<sup>st</sup> 2009, the company reevaluated the buildings. The reevaluation was made by an independent expert, SC GIA Consulting SRL Voluntari- Ilfov, which prepared an evaluation report based on the standards, recommendations and the working methodology recommended by ANEVAR(The National Association of the Evaluators in Romania).

After the reevaluation has resulted a favorable difference of 2.283.496 lei, which was registered in the credit of the account 1058.

At December 31<sup>st</sup> 2012, the company reevaluated the buildings. The reevaluation was made by an independent expert, SC GIA Consulting SRL Voluntari- Ilfov, which prepared an evaluation report based on the standards, recommendations and the working methodology recommended by ANEVAR(The National Association of the Evaluators in Romania).

After the reevaluation has resulted a favorable difference of 318.560 lei, which was registered in the credit of the account 1058.

The differences from reevaluation are registered as a plus realized from reevaluation (account 1065) to concession or cassation.

The tangible assets of inventory object type, including tools and instruments are treated as expenses by the date of their purchase and they are not included in the accounting value of fixed assets.

The tangible assets elements which are concessioned or cassated are removed from the balance sheet together with the relevant accumulated depreciation. The obtained amount for these fixed assets is registered in the account "Other operating incomes" and their net book value is registered in the account "Other expenses with compensations, donations and ceded assets".



**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
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Depreciation is calculated by using the straight - line method, using the life time of the tangible assets.

	Years
Buildings and special constructions	10-50
Industrial equipment	3-15
Equipment and vehicles	4-20
Furniture and office facilities	3-15

Expenses for maintenance and repairs of fixed assets are included within the profit and loss account as they were made; the improvements, which significantly enhance the life duration of assets, as well as their production capacity or technical performances are capitalized.

**e) Intangible assets**

***Computer software***

The relevant costs for the acquisition of computer software are capitalized and depreciated on the straight - line method during the 3 years useful economic life.

**f) Cash and cash equivalents**

The cash and cash equivalents consist of cash and available assets in bank accounts.

**g) Trade receivables**

Trade receivables are registered at their value before realisation. For the improbable receivables, a specific adjustment for depreciation is made. Not-recoverable debts are recorded as expenses in the period when they were identified.

**h) Stocks**

The costs of the stocks include all supported costs in order to bring the stock in the form and place that they are found at the present. At the drop-out the inventory, the stocks are evaluated based on the method of the weighted average cost.

Where applicable, adjustments for depreciations are made, for obsolete stocks, with a slow movement or with deficiency.

**i) Trade suppliers**

Trade payables are recorded at their cost value, which represent the fair value of the obligation which is to be paid in the future, for the received goods or services, no matter if they have or haven't been invoiced to the Company.

**SC INSCUT BUCURESTI SA**  
**Notes to the Financial Statements – OMF 3055/2009**  
**for the year ended at December 31, 2012**  
**(All amounts are expressed in RON, otherwise stated)**

**j) Loans**

Loans are initially registered at the received amount, net expenses for contracting those loans. The current portion of long-term loans is included in "Liabilities to be paid within 1 year". The accumulated interest on the date of the balance sheet is included in "Amounts owed to credit institutions" within the current debts. The costs with their interests, relevant to all loans, are registered as expenses at the moment of their accomplishment.

**k) Provisions**

Provisions are recognized when the company has a present obligation (legal or default) generated by a past event, it is probable that an outflow of resources is needed, or diminishing of the receivables, which can affect the economic benefits in order to settle the payable, or the recovery of the receivable, and a reliable estimation can be made for the amount of the payables.

**l) Financial instruments**

Financial instruments used by the company consist mainly in cash, term deposits, receivables and payables.

**m) Pensions**

Within its current activity, the company performs payments to the Romanian State for the benefit of its employees. All the company's employees are included in the pension plan of the Romanian State. The company does not operate other pension scheme or post-pensioning benefits plan, and therefore, accordingly, the company has no obligation regarding pensions. Moreover, the company has no obligation in supplying additional benefits to its former or present employees.

**n) Taxes and fees**

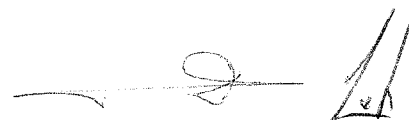
The company registers current income tax according with the Romanian legislation effective on the date of the financial statements. The debts for the taxes and fees are registered in the period they refer to.

**o) Revenues**

The revenues are registered when the semnificative risks and the advantage of having the assets are transferred to the client. The amounts that represent the revenue do not include selling taxes (VAT), but include given commercial discounts. The financial solds given to te clients (discounts) are registered as financial expenses for that period, without altering the revenues value of the Company.

The revenues for serving providers are acknowledged during the period that the services were made, and according with the execution stage.

The revenues from interests are periodically acknowledged, proportionally, as the revenue is generated, based on the accrual accounting.



**SC INSCUT BUCURESTI SA**  
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The royalties are acknowledged based on the accrual accounting, according with the contract.

**p) Accounting for the leasing contracts**

Financial leasing is the leasing operation which mainly, transfers all the risks and advantages associated with the right of owning the asset. In May 2009 the company has redeemed all the financial leasing contracts, with the total amount of 3.687.633 lei, therefore at 31<sup>st</sup> of December 2009 there were no leasing contract ongoing. At 31.12.2012 there are no leasing contracts in course.

**r) Going concern**

The company activity nature can bring unpredictable variations regarding future cash flow. The management analyzed the problem opportunity of issuing the financial statements on a going concern basis considering.

**NOTE 7: SHARES AND BONDS**

**Share Capital**

	<b>December 31 2011</b>	<b>December 31 2012</b>
Subscribed capital – no. of shares	1.302.862	2.953.070
Nominal value of each share	7	7
Share Capital – value	9.120.034	20.671.490

At 31.12.2012 the synthetic structure of the SC INSCUT BUCURESTI SA shareholders was:

- SVENON INVESTMENTS LIMITED	2.853.611	shares	96,6320	%
- Physical persons	99.109	shares	3,3561	%
- Juridical persons	350	shares	0,0119	%
TOTAL	2.953.070	shares	100,0000	%

In 2012 took place the increase share capital operation, where there have been subscribed a number of 1.650.208 shares, representing 11.551.456 lei. Following this action, the percentage hold by Svenon Investment Limited, in the share capital, raised up to 96,6320 %. The action took place with the approval of CNVM and made publicly through BVB. The action ended in August 2012.





**SC INSCUT BUCURESTI SA**  
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**Shares issued during the financial year**

During the year ended at 31 Decembe 2012, the company issued a number of 1.772.060 new shares, with a nominative value of 7 lei, out of which 1.650.208 shares wee subscribed, and the rest of 121.792 unsubscribed shares, were annuled.

**Issued bonds**

The company did not issue any bonds during the year ended at 31<sup>st</sup> of December 2012.

**NOTE 8: INFORMATION REGARDING EMPLOYEES, ADMINISTRATORS AND DIRECTORS**

**Adinistrators and managers**

Following the modifications of the shareholder's structure, the AGM from 17.07.2008 named a new Board of Directors :

- Dimitrios Koutras- President
- Petros Katsias- Vicepresident
- Anastasios Kallitsantis- Member
- Georgios Sossidis- Member
- Spyros Kalodikis- Member

The Board of Directors named the new management of the company, as following:

- Dumitru Stefan –General Manager and Financial Manager (former Financial Manager)
- Mustafa Dumitru – Production Manager (same position)
- Filippos Tzefronis- Commercial Manager (same position)
- Kokolakis Matthaïos – Marketing Manager – named on 18.06.2010, replacing Mr. Georgios Sotiriou who's mandate ceased.

The naming of the new management was made on 18.06.2010 for a 4 year mandate, until 31.07.2014.

All operations were registered at the Bucharest Trade Register Office and made public at CNVM and on the Stock Exchange Market.

At December 31<sup>st</sup> 2012 the company had no obligations regarding the pensions for its administrators and managers (in activity or retired).

The company didn't offer loans to its managers or administrators, during the year ended at December 31<sup>st</sup> 2012.



**SC INSCUT BUCURESTI SA**  
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**Employees**

	<b>December 31 2011 (No.)</b>	<b>December 31 2012 (No.)</b>
Average number of employees		
- direct productive	46	21
- indirect productive	16	16
<b>TOTAL</b>	<b>62</b>	<b>37</b>
	<b>RON</b>	<b>RON</b>
Paid Salaries	1.813.475	1.312.886
Expenses with social insurances and protection	532.845	387.487
Other expenses with employees – meal tickets		
<b>TOTAL</b>	<b>2.346.320</b>	<b>1.700.373</b>

**NOTE 9: ANALYSIS OF THE MAIN ECONOMICAL – FINANCIAL INDICATORS**

Main financial indicators at December 31 2012 are as follows:

<b>1 PROFITABILITY AND RETURN ON EQUITY</b>	<b>2011</b>	<b>2012</b>
<b>Return on equity</b>		
Net profit (A)	-2.292.514	-2.729.110
Equity (B)	12.943.430	22.084.337
<b>A/B</b>	<b>-17.71</b>	<b>-12.36</b>
<b>Operating result ratio</b>		
Profit from exploitation (A)	-1.462.852	-1.538.762
Incomes from exploitation (B)	6.419.745	4.383.754
<b>A/B</b>	<b>-22.79</b>	<b>-35.10</b>
<b>Net profit ratio</b>		
Net profit /(loss) (A)	-2.292.514	-2.729.110
Total entries (B)	7.550.683	4.484.310
<b>A/B</b>	<b>-31.88</b>	<b>-60.86</b>
<b>Total assets turnover</b>		
Turnover (A)	6.284.329	4.152.945
Total assets (B)	25.069.001	22.508.430
<b>A/B</b>	<b>0.25</b>	<b>0.18</b>
<b>2 SOLVABILITY</b>		
<b>Debt ratio</b>		
Total liabilities (A)	12.125.571	424.093
Total assets (B)	25.069.001	22.508.430
<b>A/B</b>	<b>0,48</b>	<b>0.02</b>

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**Gearing**

Total long term debts (A)	0	0
Total assets less curent liabilities (B)	12.943.430	22.084.337
<b>A/B</b>	<b>0,0</b>	<b>0,0</b>

**Interest cover**

Profit before interest and taxation (A)	-2.292.514	-2.729.110
Interest expenses (B)	732.627	486.015
<b>A/B</b>	<b>-3.13</b>	<b>-5.62</b>

**3 LIQUIDITY AND WORKING CAPITAL**

**Current ratio**

Current assets (A)	4.639.656	3.158.447
Current liabilities (B)	12.125.571	424.093
<b>A/B</b>	<b>0,38</b>	<b>7.45</b>

**Quick ratio**

Current assets (A)	4.639.656	3.158.447
Inventories (B)	445.526	339.465
Current liabilities (C)	12.125.571	424.093
<b>(A-B)/C</b>	<b>0,35</b>	<b>6.65</b>

**Account receivable collection period (clients)**

Trade receivables clients (A)	1.839.144	2.197.861
Turnover (B)	6.284.329	4.152.945
<b>A/B*365 zile</b>	<b>106.8</b>	<b>193.2</b>

**Inventory turnover period**

Stocks (A)	445.526	339.465
Cost of goods sold (B)	1.033.143	647.676
<b>(A/B)*365 zile</b>	<b>157.4</b>	<b>191.3</b>

**Accounts payable payment period (suppliers)**

Medium sold for suppliers (A)	458.854	254.436
Cost of the aquisitions (B)	1.033.143	647.676
<b>(A/B)*365 days</b>	<b>162.1</b>	<b>143.39</b>

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**NOTE 10: Other information**

**a) Information regarding the company**

SC INSCUT BUCURESTI SA is a joint stock company incorporated in 1991 with headquarters on 11<sup>th</sup> Preciziei Blvd., District 6, Bucharest, Romania. The company is registered with the Bucharest Trade Register Office with registration no. J/40/2220/1991 and CUI R 449582.

The main object of activity is road and highway construction, mechanization services for cars and equipments to third parties and renting spaces for offices and warehouses, etc.

Beginning with the year 2008 the new major shareholder decided to renounce at the activity of selling construction equipment and car service, and to develop the traditional company activity of renting cars and construction equipments and also a quite new activity- constructions.

**b) Information regarding affiliated parties and subsidiaries**

On December 31<sup>st</sup> 2012 the company does not hold participation titles within other companies.

The Parties are considered to be affiliated if one of them has the ability to control or significantly influence the other concerning the financial and operational decisions. The main affiliated parties with which the company developed transactions during the year 2012 or with whom it has solds at December 31<sup>st</sup> 2012 are as follows:

<b>The name of the company</b>	<b>The type of the relation</b>	<b>Country of Origin</b>	<b>Official address</b>
AKTOR SA Greece, Bucharest Branch	Under the same control	Romania	Preciziei Blvd., no.11, District 6, Bucharest.
ELLAKTOR SA Bucuresti	Under the same control	Romania	Preciziei Blvd., no.11, District 6, Bucharest.
AKTOROM SRL	Under the same control	Romania	Preciziei Blvd., no.11, District 6, Bucharest.
CLH ESTATE	Under the same control	Romania	Preciziei Blvd., no.11, District 6, Bucharest.
PANTECHNIKI-Romania Branch	Under the same control	Romania	Preciziei Blvd., no.11, District 6, Bucharest.
HOLDING AKTOR GLINA Romania	Under the same control	Romania	Negustori Str. no.12, District 3, Bucharest
CARPATI AUTOSTRADA SA	Under the same control	Romania	Preciziei Blvd., no.11, District 6, Bucharest.
PROFIT CONSTRUCT SRL	Sub acelasi control	ROMANIA	Splaiul Unirii nr.96 Sec 4 Bucuresti

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Details on the balances and transactions with the affiliated parties are presented in Note 21.

**c) Turnover**

Sales by geographical areas:

	<b>December 31 2011</b>	<b>December 31 2012</b>
Export	0	0
Intern	6.284.329	4.152.945
<b>Total turnover</b>	<b>6.284.329</b>	<b>4.152.945</b>

Sales by economical domain areas:

	<b>December 31 2011</b>	<b>December 31 2012</b>
Income from services	4.350.004	1.835.133
Income from rents	1.591.488	1.936.412
Income from selling merchandise	1.670	2.200
Other income	341.167	379.200
<b>Total turnover</b>	<b>6.284.329</b>	<b>4.152.945</b>

**d) Expenses with rents and leasing installments**

The company recorded the following rent expenses (lands, buildings, cars) in the financial year ended on December 31<sup>st</sup> 2012.

	<b>December 31 2011</b>	<b>December 31 2012</b>
Rents	1.994	11.879
<b>Total rent expenses</b>	<b>1.994</b>	<b>11.879</b>

**e) Audit fees**

The contractual costs for the company's audit activity for the financial year concluded on December 31<sup>st</sup> 2012 are of 26.572 lei.

**f) Contingent liabilities**

- **Liabilities regarding capital expenses**

As at December 31<sup>st</sup> 2012, the company had no liabilities regarding the capital expenses.

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- **Given guarantee letters**

As at December 31<sup>st</sup> 2011, the company had no warranty letters given.

**i) Received advance payments**

As at December 31<sup>st</sup> 2012, the company didn't registered any advanced payment from the clients.

**NOTE 12: Trade Receivables**

Trade receivables include the following:

	<b>December 31 2011</b>	<b>December 31 2012</b>
Trade receivables	1.939.424	1.067.557
Doubtful trade receivables	700.306	688.433
Provision for doubtful trade receivables	(700.306)	(688.433)
Clients – invoices to be made	49.506	65.606
Advance payments for suppliers	2.907	-
<b>TOTAL TRADE RECEIVABLES</b>	<b>1.991.838</b>	<b>1.133.163</b>

**NOTE 13: Other Receivables**

Other receivables include the following:

	<b>December 31 2011</b>	<b>December 31 2012</b>
Other receivables	1.611.823	963.444
out of which :		
- Advanced payments to the employees	0	0
- income tax	57.071	57.071
- different debtors	1.558.558	908.558
- provision for different debtors	(8.558)	(8.558)
- other operations (non deductible VAT and employment funds to recuperate)	6.904	6.373
<b>Total other receivables</b>	<b>1.611.823</b>	<b>963.444</b>

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**NOTE 14: Cash and bank accounts**

Cash and bank accounts include the following:

	<b>December 31 2011</b>	<b>December 31 2012</b>
Bank accounts in lei	404.497	650.253
Bank accounts in foreign currencies	127.216	-
Other values		
Cash in hand	1.246	6.612
<b>Total cash and bank accounts</b>	<b>532.959</b>	<b>656.866</b>

**NOTE 15: Amounts owed to the financial institutions**

SC INSCUT Bucuresti SA has the following credits (overdrafts) contracted with local commercial banks for working capital, issuance of guarantee letters and opening/confirmation of letters of credit:

<b>Bank</b>	<b>Currency</b>	<b>Interest</b>	<b>Due date</b>	<b>Decembrie 31 2011</b>
Alpha Bank London	EUR	Euribor 1,312 % p.a. + Margin 5,75 % p.a.	31 .01. 2012	11.466.423
<b>TOTAL Alpha Bank</b>				<b>11.466.423</b>
<b>Totally paid at 02.08.2012</b>				<b>11.466.423</b>
<b>TOTAL CREDITE 31.12.2012</b>				<b>0</b>

The credit facility was fully paid to Alpha Bank London at 02.08.2012, the money come from the increased share capital.

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**NOTE 16: Trade payables**

The trade payables comprise the following:

	<u>December 31</u> <u>2011</u>	<u>December 31</u> <u>2012</u>
Trade suppliers	207.954	126.781
Suppliers of fixed assets		
Trade suppliers–invoiced not received	75.377	98.760
<b>Total trade payables</b>	<b>283.331</b>	<b>225.541</b>

**NOTE 17: Debts generated by the financial leasing**

The company doesn't have any leasing contracts at 31.12.2012.

**NOTE 18: Other debts including financial debts and debts for social insurances**

	<u>December 31</u> <u>2011</u>	<u>December 31</u> <u>2012</u>
VAT to be paid	44.117	16.157
Salaries to be paid	54.364	43.239
Tax on salaries to be paid	17.434	14.427
Other amounts owed to the state budget	64.949	45.549
Dividends to be paid	144.948	-
Other debts	50.005	79.180
Finance leasing liabilities – low term		
<b>TOTAL OTHER LIABILITIES BELOW ONE YEAR</b>	<b>377.969</b>	<b>198.552</b>

**NOTE 19: Share capital**

	<u>December 31</u> <u>2011</u>	<u>December 31</u> <u>2012</u>
Share capital subscribed and paid-in	9.120.034	20.671.490
<b>Total share capital</b>	<b>9.120.034</b>	<b>20.671.490</b>

The share capital as at December 31<sup>st</sup> 2012 consisted of 2.953.070 shares, each having a nominal value of 7 lei. All the shares are common and they have been subscribed and entirely paid by December 31<sup>st</sup> 2012. All the shares are classified as pari pasu (have the same voting rights).



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At December 31<sup>st</sup> 2012 the structure of the shareholders of the company was the following:

<b>Name of the shareholder</b>	<b>Headquarters</b>	<b>Number of shares</b>	<b>Percentage of shares</b>
Svenon Investments Limited	Zinonis Kitieous 8, Nicosia Cipru	2.853.611	96,6320%
Physical persons		99.109	3.3561 %
Juridical persons		350	0.0119 %
<b>TOTAL</b>		<b>2.953.070</b>	<b>100,0%</b>

**NOTE 20: Reported result and reserves**


According to the Romanian Law, the companies must distribute a value equal to at least 5% of the profit before tax in legal reserves, until it reaches 20% of the share capital. When the level is reached, the company may supplement it according to its own necessities.

The reserves can be used to cover the losses from the operational activities. At January 01, 2012 the Company had registered within the legal reserves an amount of RON 183.020 RON and in other reserves 260,133 RON. In 2012 the company registered loss and there were no suplimentary legal reserves made, therefore the solds are also the same at 31<sup>st</sup> of December 2012.

The AGM reunited on 13.04.2012 was informed that in 2011 loss was registered, therefore there was nothing to be distributed.

**NOTE 21: Amounts due from/to related parties**

The nature of the relationship with the affiliated parties with which the company has made relevant transactions, or which have non reimbursed balances at the date of the balance sheet is shown below. The relationships were developed during the Company activities. The prices used for the transactions were the market prices.



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**a) Receivables (amounts to be collected) from related parties**

	<b>December 31, 2011</b>	<b>December 31, 2012</b>
AKTOR SA	212.204	558.440
AKTOROM SRL	1.556.663	903.113
HOLDING GLINA	-	
CLH ESTATE	-	
<b>AKTOR SA Slatina-Timis Branch</b>	<b>1.395.186</b>	<b>71.298</b>
<b>CARPATI AUTOSTRADA SA</b>	<b>34.854</b>	<b>48.735</b>
<b>Total Inter-Group Receivables</b>	<b>3.198.907</b>	<b>1.581.586</b>

**b) Payables (amounts to be payed) to related parties**

The company doesn't have any debts to the related parties at 31.12.2012.

**c) Incomes transactions with the related parties**

	<b>December 31, 2011</b>	<b>December 31, 2012</b>
<b>AKTOR SA BUCURESTI</b>		
- income from sales, fixed assets and furniture	-	-
- income from services	798.306	1.525.038
<b>TOTAL INCOME</b>	<b>798.306</b>	<b>1.525.038</b>
<b>AKTOROM SRL</b>	<b>12.950</b>	<b>13.394</b>
<b>ELLAKTOR</b>	<b>19.727</b>	<b>3.366</b>
<b>CLH ESTATE SRL</b>	<b>16.380</b>	<b>15.867</b>
<b>AKTOR SA Sucursala Slatina-Timis</b>	<b>2.929.197</b>	<b>9.979</b>
<b>PANTECHNIKI SA Romania Branch</b>		
<b>HOLDING GLINA</b>	<b>25.729</b>	<b>75.799</b>
<b>CARPATI AUTOSTRADA SA</b>	<b>10.919</b>	<b>11.195</b>
<b>PROFIT CONSTRUCT SRL</b>		<b>1.330</b>
<b>TOTAL INCOMES – AFFILIATED PARTIES</b>	<b>3.813.208</b>	<b>1.655.968</b>

**d) Expenses with affiliated parties**

The company hasn't registered expenses with the affiliated parties in 2012.

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**NOTES 22: Information regarding the financial activity**

	December 31, 2011	December 31, 2012
Incomes from interests	92	-
Incomes from currency differences	771.045	88.683
Other financial incomes	160	
<b>Total financial incomes</b>	<b>771.297</b>	<b>88.683</b>
Expenses with interests	732.627	486.015
Losses from currency differences	868.332	793.016
Other financial expenses	-	
Value adjustments for financial imobilisations	-	
<b>Total financial expenses</b>	<b>1.600.959</b>	<b>1.279.031</b>
<b>Financial results profit/(loss)</b>	<b>(829.662)</b>	<b>(1.190.348)</b>

**NOTE 23: Income tax**

The company registered fiscal loss in 2012 and didn't register expenses with the income tax.

	December 31 2011	December 31, 2012
Current tax on profit		
Postponed tax	-	-
<b>Total expenses with income tax</b>		

	December 31, 2011	December 31, 2012
Operating profit	(1.462.852)	(1.538.762)
Profit/(loss) from the financial activity	(829.662))	(1.190.348)
<b>Profit</b>	<b>(2.292.514)</b>	<b>(2.729.110)</b>
Deduction of taxable income	359.641	11.873
Legal reserves	191.186	
Non-deductible expenses	222.333	215.148
<b>Taxable profit</b>	<b>(2.621.008)</b>	<b>(2.525.835)</b>
<b>Fiscal loss in former years</b>	<b>(5.559.627)</b>	<b>(8.180.635)</b>
<b>Fiscal loss to be recuperated</b>	<b>(8.180.635))</b>	<b>(10.706.470)</b>
<b>Expenses with tax on profit</b>		

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**NOTE 24: Financial risks**

**Currency risk**

The company carries out its activity in a developing economy where the foreign exchange rates can fluctuate significantly.

**Payment risk**

The Romanian economy is a developing economy and therefore there is a degree of uncertainty regarding the evolution of the political and business environment. Due to these reasons, it is not possible to estimate the changes that will take place in Romania and their effects on the financial position, the operating results and the cash flow of the company.

**Financial crisis:**

The present international financial crisis begun in 2008 and grew deeper until 2013. Significant turbulences that appeared on the global credit market have had a significant effect upon the entities that operate in different types of industry, creating a generalized crisis of liquidity and solvability on the financial banking markets.

Other significant effects of this crisis are the increasing of the financing costs, reducing the consumption and credit market, a significant volatility of the capital markets and of the exchanging rates, etc. The bankruptcies have affected the financial banking markets, some states have contributed to the re-capitalization of some entities, with the purpose of saving them from bankruptcy. The lending capacity has been significantly reduced also as the availability to give credits, so the biggest part of the worldly non-banking sector, is confronting with a slow growth or with a severe economical recession.

At the moment it is impossible to forecast the effects of this financial crisis. The management of the Company knows the current situation of the market and considers that has taken necessary measures for the Company to carry on with its activity.

**NOTE 25: Commitments and contingent liabilities**

**Uncertainties associated to the legal and fiscal system in Romania**

The legal provisions and the Romanian regulations in the fiscal area, the currency transactions and the approval of loans in currency often modifies as a result of the Government's efforts to obtain a market economy. These provisions and regulations are not always very clearly stated, and leave room for different opinions.

The current penalties regime and fine policy that are applicable in case of failure to comply with the legal regulations of Romania is very severe. The penalties may go as far as to the forfeiture of the sums in question (in case of currency policy infringement) and also fines may be applied up to 100% of the unpaid tax's value. The increases due to delays (applied to the effective sums to be paid) are



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percentages that vary, and are applied daily or monthly. As a result, the penalties and the fees may reach major sums to be paid to the state budget.

**NOTE 26: Events subsequent to the date of the balance sheet**

At the date of this report there are no related events that could influence the annual balance sheet, closed at 31.12.2012.

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