

SC INSCUT BUCURESTI SA

**FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
THE ORDER OF THE MINISTRY OF FINANCE
NO. 3055/2009**

31 December, 2010



CONTENT:

Balance sheet

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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: 318.2080 Fax: 318.2088
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 2010

-RON-

ASSETS	Row no.	Balance at	
		beginning of period	end of period
A	B	1	2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1. Set-up costs	01	-	-
2. Development costs	02	-	-
3. Concessions, patents, licenses, trade marks and similar rights and other intangible assets	03	1536	1385
4. Goodwill	04	-	-
5. Advances and intangible assets in progress	05	-	-
TOTAL: (Row. 01 to 05)	06	1536	1385
II. TANGIBLE ASSETS			
1. Land and buildings	07	20434793	19817861
2. Technical equipment & machinery	08	4180694	2289980
3. Other equipment & furniture	09	105399	89858
4. Prepayments & tangible assets in progress	10	0	0
TOTAL: (Row. 07 to 10)	11	24720886	22197699
III. INVESTMENTS			
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	395689	550242
7. Own shares held	18	-	-
TOTAL: (Row.12 to 18)	19	395689	550242
TOTAL NON-CURRENT ASSETS (Row. 06+11+19)	20	25118111	22749326
B. CURRENT ASSETS			
I. INVENTORY			
1. Raw materials and consumables	21	423228	711828
2. Work in progress	22	-	-
3. Finished goods and merchandises	23	320652	0
4. Prepayments for inventory acquisition	24	-	-
TOTAL: (Row. 21 to 24)	25	743880	711828
II. RECEIVABLES			
1. Trade receivables	26	2945848	1787165
2. Intra-group receivables	27	-	-
3. Receivables from controlling interests	28	-	-
4. Other receivables	29	1712291	1757030
5. Capital account - receivables	30	-	-
TOTAL: (Row. 26 to 30)	31	4658139	3544195
III. MARKETABLE SECURITIES			
1. Controlling interests within the Group (short term)	32	-	-
2. Own shares held	33	-	-
3. Other financial investments	34	-	124592
TOTAL: (Row. 32 to 34)	35		124592
IV. PETTY CASH AND BANK ACCOUNTS	36	186938	454240
TOTAL CURRENT ASSETS (Row. 25+31+35+36)	37	5588957	4834855
C. PREPAYMENTS	38	111617	69572
TOTAL ASSETS		30818685	27653753



SC INSCUT BUCURESTI SA

-RON-

LIABILITIES	Nr. Rd.	balance at	
		beginning of period	end of period
		1	2
A	B		
D. PAYABLES DUE WITHIN 1 YEAR			
1. Debenture loans	39	-	-
2. Amounts due to crediting institutions	40	11189075	11394576
3. Advances payments from customers	41	0	-
4. Trade payables	42	946008	634379
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	421818	388853
TOTAL : (Row. 39 to 46)	47	12556901	12417808
E. CURRENT ASSETS, RESPECTIVELY CURRENT LIABILITIES	48	(6863105)	(7513381)
F. TOTAL ASSETS MINUS CURRENT LIABILITIES (Row.20 + 48)	49	18255006	15235945
G. PAYABLES DUE IN MORE THAN 1 YEAR			
1. Debenture loans	50	-	-
2. Amounts due to crediting institutions	51	0	-
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
TOTAL : (Row. 50 to 57)	58	0	0
H. PROVISIONS			
1. Provisions for pensions and other related obligations	59	-	-
2. Other provisions	60	-	-
TOTAL PROVISIONS (Row. 59 to 60)	61	-	-
I. INCOME IN ADVANCE	62	6778	
J. CAPITAL AND RESERVES			
I. SHARE CAPITAL	65	9,120,034	9,120,034
Out of which:			
- subscribed and not paid-in capital	66	-	-
- paid-in capital	67	9,120,034	9,120,034
- patrimony of administration	68	-	-
II. SHARE PREMIUM	69	-	-
III. REVALUATION RESERVES			
- Credit balance	70	11876438	11876285
- Debit balance	71	-	-
IV. RESERVES	72	522694	522847
1. Legal reserves	73	183020	183020
2. Reserves for own shares	74	-	-
3. Statutory or contractual reserves	75	-	-
4. Other reserves	76	339674	339827
V. RETAINED EARNINGS			
Profit carried forward	77	160441	0
Loss carried forward	78	-	3264160
VI. NET RESULT			
Profit	79	-	88425
Loss	80	3424601	3019061
Profit appropriation	81	-	-
TOTAL CAPITAL (Row. 65+67+68-69+70+72+75-76+77-78+79+81)	82	18255006	15235945
Public patrimony	83	-	-
TOTAL EQUITY (Row. 82+83)	84	18255006	15235945
TOTAL LIABILITIES (Row. 47+58+62+82)		30818685	27653753

DIRECTOR GENERAL
DUMITRU STEFAN



DRAWN UP BY
CALIN ELENA

Calin

SC INSCUT BUCURESTI SA

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010

-RON-

INDICES DENOMINATION	Row no.	Financial period	
		previous	closed
A	B	1	2
1. Net turnover	01	9.514.172	7.826.971
Sold production	02	9.513.172	7.826.547
Income from sale of goods	03	1.000	424
Incomes from operation subsidies to net turnover	04	-	-
2. Stock variation			
- Credit balance	05		
- Debit balance	06	0	-
3. Capitalised production	07	225.786	37.835
4. Other operating income	08	99.321	47.855
OPERATING INCOME -TOTAL	09	9.839.279	7.912.661
5.a. Raw materials and consumables costs	10	1.615.985	1.869.586
Other material costs	11	53.722	7.687
b. Other operating expenses (energy and water)	12	717.794	564.958
Expenses with goods	13	988	365
6. Personnel expenses	14	3.424.510	3.086.448
a. Salaries	15	2.696.698	2.389.540
b. Social security costs	16	727.812	696.908
7.A. Adjustment to tangible and intangible assets	17	2.572.572	2.621.746
a.1. Expenses	18	2.572.572	2.621.746
a.2. Revenues	19	-	-
7.B. Adjustment to current assets	20	480.622	
b.1. Expenses	21	480.622	
b.2. Revenues	22	-	-
8. Other operating expenses	23	3.106.310	2.215.658
8.1. External expenditure	24	2.750.068	1.944.370
8.2. Expenses with other taxes, fees and similar payments	25	298.527	256.964
8.3. Expenditure for damages, donations and disposed assets	26	57.515	14.324
Adjustment to provisions	27	0	-15.810
Expenses	28	-	-
Revenues	29	0	15.810
OPERATING EXPENSES-TOTAL	30	11.972.503	10.350.638
OPERATING RESULT			
Profit (Row. 09-30)	31	2.133.224	2.437.977
Loss (Row.30-09)	32	-	-
9. Financial income from controlled entities	33		
- from Group companies	34		
10. Revenue form long term debtors	35		
- from Group companies	36		
11. Interest income	37	9.203	599
- from Group companies	38		
Other financial income	39	28.757	680.726
FINANCIAL INCOME-TOTAL	40	37.960	681.325
12. Adjustment to investments	41	-	-
Expenses	42	-	-
Revenues	43	-	-
13. Interest expenses	44	662.309	423.507
- from Group companies	45		
Other financial expenses	46	659.695	830.652
FINANCIAL EXPENSES -TOTAL	47	1.322.004	1.254.159
FINANCIAL RESULT			
- Profit	48		
- Loss	49	1.284.044	572.834
14. CURRENT RESULT			
- Profit	50		0
- Loss	51	3.417.268	3.010.811
15. Extraordinary income	52	-	-
16. Extraordinary expenses	53	-	-
17. EXTRAORDINARY RESULT			
- Profit	54	-	-
- Loss	55	-	-
TOTAL INCOME	56	9.877.239	8.593.986
TOTAL EXPENSES	57	13.294.507	11.604.797
GROSS RESULT			
- Profit	58		
- Loss	59	3.417.268	3.010.811
18. PROFIT TAX EXPENSES	60	7.333	8.250
Current profit tax expenses	61	7.333	8.250
Deferred profit tax expenses	62		
Income from deferred profit tax	63		
19. Other expenses not included above	64		
20. NET RESULT OF THE PERIOD			
- Profit	65		
- Loss	66	3.424.601	3.019.061
21. Earning per share (ROL/SHARE)			
- basic	67		
- diluted	68		

DIRECTOR GENERAL
DUMITRU STEFANDRAWN UP BY
CALIN ELENA

SC INSCUT BUCURESTI SA
**CASH FLOW STATEMENT
AS AT 31 DECEMBER 2010**
**2009
RON**
**2010
RON**
Cash flow from operating activities

Profit for the year before taxation	0	0
Adjustments for items included as investment or financing activities		
Amortisation of tangible/intangible assets	2.572.572	2.621.746
Interest costs	662.309	423.507
Interest income	(9.203)	(599)
Unrealised foreign exchange losses/(gains)	(401.564)	(151.649)
Provision for bad and doubtful debts	480.622	
(Gain)/loss from sale of tangible assets	7.319	0
Operating profit before working capital changes	3.312.055	2.893.005
Working capital changes		
Decrease/(increase) in inventories	188.760	32.052
Decrease/(increase) in debtors	168.636	1.113.944
Increase/(decrease) in creditors	(967.373)	139.093
Prepayments	(111.617)	(69.572)
Incomes in advance	8.333	
Cash generated from operations	(2.133.224)	(2.032.890)
Paid interest	(662.309)	(423.507)
Paid income tax	(69.921)	(11.000)
Net cash flow from/(used in) operating activities	1.400.994	(2.467.397)

Cash flows from investing activities:

Purchase of tangible and intangible assets	(412.937)	(98.408)
Sale of fixed assets	36.555	10.753
Received interest	9.203	599
Net cash flow from investing activities	(367.179)	(87.056)

Cash flows from financing activities

Proceeds from bank loans	11.189.076	205.500
Repayment of bank loans	(7.032.923)	0
Acquisition of own shares		
Payments of finance lease liabilities	(3.687.633)	0
Paid dividends	(382)	(123)
Net cash flow from financing activities	468.138	(205.377)

Cash flow - total	(515.442)	267.302
Cash and cash equivalent at beginning of the year	702.380	186.938
Cash and cash equivalent at end of the year	186.938	454.240



SC INSCUT BUCURESTI SA

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2010

RON

Equity	Opening balance as of 1 January	Increase		Decrease		Closing balance as of 31 December
		Total, out of which	by transfer	Total, out of which	by transfer	
0	1	2	3	4	5	6
Issued share capital	9,120,034	0	0	0	0	9,120,034
Capital premiums	0	0	0	0	0	0
Revaluation surplus	11.876.437	0	0	153	0	11.876.284
Legal reserves	183.020	0	0	0	0	183.020
Reserves for own shares	0	0	0	0	0	0
Statutory/contractual reserves	0	0	0	0	0	0
Other reserves/own shares	339.674	153	0	0	0	339.827
Conversion reserves	0	0	0	0	0	0
Retained earnings	-3.264.159	0	0	0	0	-3.264.160
- Unappropriated profit	160.441	0	0	0	0	160.441
- Uncovered loss	3.424.601	0	0	0	0	3.424.601
Retained earnings from first adoption of IAS, less IAS 29	0	0	0	0	0	0
- Credit balance	0	0	0	0	0	0
- Debit balance	0	0	0	0	0	0
Retained earnings from changing the accounting policies	0	0	0	0	0	0
- Credit balance	0	0	0	0	0	0
- Debit balance	0	0	0	0	0	0
Retained earnings from correction of errors	0	0	0	0	0	0
- Credit balance	0	0	0	0	0	0
- Debit balance	0	0	0	0	0	0
Retained earnings from surplus of reevaluation of reserves	0	0	0	0	0	0
Result of the year	0	0	0	0	0	0
- Credit balance	0	0	0	0	0	0
- Debit balance	0	0	0	3.019.061	0	-3.019.0610
Appropriations from the net profit	0	0	0	0	0	0
- transfer to legal reserve	0	0	0	0	0	0
- dividends						
TOTAL	18.255.006	153	0	3.019.214	0	15.235.944



SC INSCUT BUCURESTI SA
Notes to the Financial Statements – OMF 3055/2009
for the year - ended December 31, 2010
(All amounts are expressed in RON, otherwise stated)

NOTE 1: Non current assets

	Historical cost (including revaluation)				Depreciation			Net book value	
	Balance at 1 January	Additions	Disposals	Balance at 31 December	Balance at 1 January	Additions	Disposals	Balance at 1 January	Balance at 31 December
	1	2	3	4 = 1 + 2 - 3	5	6	7	9 = 1 - 5	10 = 4 - 8
I. INTANGIBLE ASSETS									
1. Organisation cost	-	-	-	-	-	-	-	-	-
2. Research and development expenses	-	-	-	-	-	-	-	-	-
3. Concessions, licenses and other similar assets	3.558	1.661	-	5.219	2.022	1.812	3.834	1.536	1.3
4. Goodwill	-	-	-	-	-	-	-	-	-
5. Intangible assets in progress	-	-	-	-	-	-	-	-	-
TOTAL	3.558	1.661	-	5.219	2.022	1.812	3.834	1.536	1.31
II. TANGIBLE ASSETS									
1. Land and buildings	20.434.793	96.747	0	20.531.540	0	713.679	713.679	20.434.792	19.817.8
2. Technical equipment & machinery	13.199.885	0	49.461	13.150.424	9.019.191	1.890.714	49.461	4.180.694	2.289.9
3. Other equipment & furniture	154.056	0	0	154.056	48.657	15.541	0	105.399	89.8
4. Prepayments & tangible assets in progress	-	0	0	-	-	-	-	-	-
TOTAL	33.788.734	96.747	49.461	33.836.020	9.067.848	2.619.934	49.461	24.720.885	22.197.61
III. INVESTMENTS									
1. Controlling interests in Group companies	-	-	-	-	-	-	-	-	-
2. Intercompany receivables	-	-	-	-	-	-	-	-	-
3. Controlling interests	-	-	-	-	-	-	-	-	-
4. Receivables from controlling interests	-	-	-	-	-	-	-	-	-
5. Securities	-	-	-	-	-	-	-	-	-
6. Other long term investments	395.689	154.642	89	550.242	-	-	-	395.689	550.2
7. Own shares held	-	-	-	-	-	-	-	-	-
TOTAL	395.689	154.642	89	550.242	-	-	-	395.689	550.2
TOTAL NON-CURRENT ASSETS	34.187.981	253.050	49.550	34.391.481	9.069.870	2.621.746	49.461	25.118.110	22.749.3



SC INSCUT BUCURESTI SA
 Notes to the Financial Statements – OMF 3055/2009
 for the year ended at December 31, 2010
 (All amounts are expressed in RON, otherwise stated)

NOTE 2: Provisions for risk and charges

Description	Balance at 1-Jan-10	Movements		Balance at 31-Dec-10
		Debit	Credit	
	1	2	3	4 = 1 + 2 - 3

Provisions for risk and charges

TOTAL

NOTE 3: Profit Appropriation

Destination	Amount
Net income for appropriations 2007	
-legal reserve	
-other reserves	-
-covering the accounting loss	-
-dividends	-
Unallocated Profit 2007	<u> </u>

According with IAS 10, the company can record the profit appropriation in accounting, only if Shareholders General Meeting approved this before the balance sheet date. Consequently the profit appropriation, except legal reserve, is not recorded.



SC INSCUT BUCURESTI SA
Notes to the Financial Statements – OMF 3055/2009
for the year ended at December 31, 2010
(All amounts are expressed in RON, otherwise stated)

NOTE 4: Operating result analysis

Description		31-Dec	31-Dec
		2009	2010
		1	2
1. TURNOVER		9.514.172	7.826.970
2. Cost of goods sold and services rendered	(3+4+5)	9.249.106	7.782.883
3. Direct expenses		9.249.106	7.782.882
4. Expenses related to auxiliary operations		0	
5. Production overheads		-	-
6. Gross margin	(1-2)	265.066	44.087
7. Sales and distribution expenses		-	-
8. General and administration expenses		2.723.395	2.607.905
9. Other operating income/ (expenses) net		325.108	125.841
10. Operating result	(6-7-8+9)	<u>(2.133.221)</u>	<u>(2.437.977)</u>



SC INSCUT BUCURESTI SA
Notes to the Financial Statements – OMF 3055/2009
for the year ended at December 31, 2010
(All amounts are expressed in RON, otherwise stated)

NOTE 5: Receivables and payables

Receivables	Balance as at 31-Dec-10 (2 + 3) 1	Liquidity term	
		Below 1 year 2	Above 1 year 3
RECEIVABLES FROM NON CURRENT ASSETS TOTAL	550.242	154.553	395.689
RECEIVABLES FROM CURRENT ASSETS TOTAL, out of which:	3.544.196	1.887.744	1.656.452
1. Trade receivables	1.787.165	1.780.713	6.452
2. Receivables – intragroup	-	-	-
3. Receivables from controlling interests	-	-	-
4. Other receivables	1.757.030	107.030	1.650.000
5. Capital account – receivables	-	-	-

Liabilities	Balance as at 31-Dec-10 (2 + 3 + 4) 1	Payable term		
		below 1 years 2	1 - 5 years 3	above 5 years 4
Total, out of which:	11.394.575	11.394.575	0	-
1. Debenture loans	-	-	-	-
2. Amounts due to crediting institutions	11.394.575	11.394.575	-	-
3. Advances payments from customers	-	-	-	-
4. Trade suppliers	0	0	0	-
5. Trade notes payables	-	-	-	-
6. Inter- group payables	-	-	-	-
7. Payables related to controlling interests	-	-	-	-
8. Other payables, including fiscal debts social security	0	0	0	-



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 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.
- 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 were 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 the transaction date. The assets and liabilities expressed in circulating medium 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.

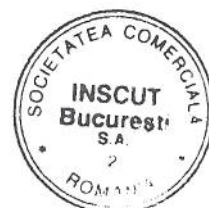
The main rates of exchange used for the conversion of balances presented in foreign currency on December the 31st 2010 were as follows: 1 EUR = 4,2848 lei.

d) Fixed assets and depreciation

The tangible assets were initially recorded 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.

The inial costs of the tangible assets represents 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 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 that would have been obtained through the utilization



SC INSCUT BUCURESTI SA
Notes to the Financial Statements – OMF 3055/2009
for the year ended at December 31, 2010
(All amounts are expressed in RON, otherwise stated)

of an element of fixed asset 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 1752/2005 is determined based on the 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 1st of the next year after the reevaluation took place.

If an element from the tangible assets is reevaluated, all the other assets from the group he is part of, 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 asste's value presented on the balance sheet must be it's reevaluated value at the date of the latest reevaluation, substracting 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, differences obtained being used for the share capital increase in year 2000.

At December 31st, 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).

At December 31st 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.

At December 31st 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 woking methodology recommendaed by ANEVAR.

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

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 taken out of use or disposed are removed from the balance sheet together with the relevant accumulated depreciation. The



SC INSCUT BUCURESTI SA
Notes to the Financial Statements – OMF 3055/2009
for the year ended at December 31, 2010
(All amounts are expressed in RON, otherwise stated)

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".

Depreciation is calculated by using the straight - line method, using the duration 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 occur; 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 at the present location and conditions. The cost is established on the grounds of weighted average method.

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

i) Trade suppliers

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



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j) Loans

Loans are initially recorded at the value of the received amount. 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 recorded 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 execution.

k) Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources is needed or an receivable diminish, which can affect the economic benefits in order to settle the obligation or the recovery of the receivable and a reliable estimate can be made of the amount of the obligation.

l) Financial instruments

Financial instruments used by the company consist mainly in cash, term deposits, receivables and payables. This kind of instruments are evaluated at their correct value.

m) Pensions

Within the current activity, the company performs payments to the Romanian State for the benefit of its employees. All the company employees are included in the pension plan of the Romanian State. The company does not operate other pension scheme or post-pensioning benefits plan, therefore 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 tax on current profit according with the Romanian legislation on the date of the financial statements. The debts for the taxes and fees are registered at 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 client (discounts) are registred as financial expenses for that period, without altering the revenue value of the Company.

The revenues from servicing 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 accounting engagement.



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The royalties are acknowledged based on the accounting engagement, according with the contract.

p) Accounting for the leasing contracts

Financial leasing is the leasing operation which mainly, transfers all the risks and advantages due to 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 31st of December 2009 we have no leasing contract ongoing.

r) Going concern

The company activity nature can bring unpredictable variations regarding future cash flow. The management analyzed the opportunity of issuing the financial statements on a going concern basis considering this principle as an appropriate one.

NOTE 7: SHARES AND BONDS

Share Capital

	<u>31 December 2009</u>	<u>31 December 2010</u>
Subscribed capital – no. of shares	1.302.862	1.302.862
Nominal value of each share	7	7
Share Capital – value	9.120.034	9.120.034

Shares issued during the financial year

The company did not issued any shares during the year ended at 31st of December 2010.

Issued bonds

The company did not issue any bonds during the year ended at 31st of December 2010.

NOTE 8: INFORMATION REGARDING EMPLOYEES, ADMINISTRATORS AND DIRECTORS

Administrators and managers

At 31.12.2010 the synthetic structure of the SC INSCUT BUCURESTI SA shareholders was:

- SVENON INVESTMENTS LIMITED	873.221 shares	67,0233 %
- KESDAL VENTURES LIMITED	162.264 shares	12,4544 %
- KONDITOR CONSULTANTS LIMITED	173.550 shares	13,3207 %
- Physical entity	93.677 shares	7,1901 %
TOTAL	1.302.862 shares	100,0000%



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

- 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 31st 2010 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 31st 2010.

Employees

	31 December 2009	31 December 2010
	(No.)	(No.)
Average number of employees		
- direct productive	64	51
- indirect productive	23	18
TOTAL	87	69
		RON
Paid Salaries	2.538.466	2.340.263
Expenses with social insurances and protection	727.712	696.908
Other expenses with employees – meal tickets	158.232	49.277
TOTAL	3.424.410	3.086.448



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NOTE 9: ANALYSIS OF THE MAIN ECONOMICAL – FINANCIAL INDICATORS

Main financial indicators at December 31, 2010 are as follows:

1 PROFITABILITY AND RETURN ON EQUITY	2009	2010
Return on equity		
Net profit (A)	-3.424.601	-3.019.061
Equity (B)	18.255.006	15.235.945
A/B	-18,76	-19,82
Operating result ratio		
Profit from exploitation (A)	-2.133.224	-2.437.977
Incomes from exploitation (B)	9.839.279	7.912.661
A/B	-21,68	-30,81
Net profit ratio		
Net profit /(loss) (A)	-3.424.601	-3.019.061
Total entries (B)	9.877.239	8.593.986
A/B	-34,67	-35,13
Total assets turnover		
Turnover (A)	9.514.972	7.826.971
Total assets (B)	30.818.685	27.653.753
A/B	113	103
2 SOLVABILITY		
Debt ratio		
Total liabilities (A)	12.556.901	12.417.818
Total assets (B)	30.818.685	27.653.753
A/B	0,41	0,45
Gearing		
Total long term debts (A)	0	0
Total assets less curent liabilities (B)	18.255.006	15.235.945
A/B	0,0	0,0
Interest cover		
Profit before interest and taxation (A)	-3.424.601	-3.019.061
Interest expenses (B)	662.308	423.507
A/B	-5,17	-7,13
3 LIQUIDITY AND WORKING CAPITAL		
Current ratio		



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Current assets (A)	5.588.957	4.834.855
Current liabilities (B)	12.556.901	12.417.808
A/B	0,45	0,39

Quick ratio

Current assets (A)	5.588.957	4.834.855
Inventories (B)	743.880	711.828
Current liabilities (C)	12.556.901	12.417.808
(A-B)/C	0,39	0,32

Account receivable collection period (clients)

Trade receivables clients (A)	2.945.842	3.377.046
Turnover (B)	9.514.972	7.826.971
A/B*365 zile	113	157

Inventory turnover period

Stocks (A)	743.880	711.828
Cost of goods sold (B)	1.669.708	1.877.272
(A/B)*365 zile	2	2,6

Accounts payable payment period (suppliers)

Medium sold for suppliers (A)	788.578	790.194
Cost of the aquisitions (B)	1.673.436	1.877.270
(A/B)*365 days	172	154

NOTE 10: Miscellaneous

a) Information regarding the company

SC INSCUT BUCURESTI SA is a joint stock company incorporated in 1991 with headquarters on 11th 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, mecanisation services for cars and equipments to third parties and renting spaces for offices and warehouses,etc.

Beginning with the year 2008 the new major shareholders 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.



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b) Information regarding affiliated parties and subsidiaries

On December 31st 2010 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 2010 or with whom it has solds at December 31st 2010 are as follows:

The name of the company	The type of the relation	Country of Origin	Official address
AKTOR SA Greece, Bucharest Branch	Under the same control	Romania	Preciziei Blvd., no.10, District 6, Bucharest.
ELLAKTOR SA Bucuresti	Under the same control	Romania	Preciziei Blvd., no.10, District 6, Bucharest.
AKTOROM SRL	Under the same control	Romania	Preciziei Blvd., no.10, District 6, Bucharest.
CLH ESTATE	Under the same control	Romania	Preciziei Blvd., no.10, District 6, Bucharest.
PANTECHNIKI-Romania Branch	Under the same control	Romania	Preciziei Blvd., no.10, District 6, Bucharest.
PANTECHNIKI ROMANIA SRL	Under the same control	Romania	Preciziei Blvd., no.10, District 6, Bucharest.
CARPATI AUTOSTRADA SA	Under the same control	Romania	Preciziei Blvd., no.10, District 6, Bucharest.
HOLDING GLINA	Under the same control	Romania	Negustori Sřreet no. 12, District 3, Bucharest.

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

c) Turnover

Sales by geographical areas:

	31 December 2009	31 December 2010
Export	0	0
Intern	9.514.172	7.826.971
Total turnover	9.514.172	7.826.971



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Sales by economical domain areas:

	31 December 2009	31 December 2010
Income from services	7,116.529	5.857.851
Income from rents	1.845.936	1.614.059
Income from selling merchandise	1.000	424
Other income	550.707	354.637
Total turnover	9.514.172	7.826.971

d) Expenses with rents and leasing installments

The company recorded the following rent expenses (lands, buildings, cars) in the financial year ended on December 31st 2010.

	31 December 2009	31 December 2010
Rents	31.218	2.443
Total rent expenses	31.218	2.443

e) Audit fees

The contractual costs for the company's audit activity for the financial year concluded on December 31st 2010 are of 25.709 lei.

f) Contingent liabilities

- **Liabilities regarding capital expenses**

As at December 31st 2010, the company had no liabilities regarding the capital expenses.

- **Given guarantee letters**

As at December 31st 2010, the company had no warranty letters given.

i) Received advance payments

As at December 31st 2010, the company didn't recorded any advanced payment from the clients.



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NOTE 12: Trade Receivables

Trade receivables comprise the following:

	31 December 2009	31 December 2010
Trade receivables	2.937.290	1.787.165
Other receivables	480.622	
Adjustments for depreciation for uncertain receivables	(480.622)	15.810
Total trade receivables	2.937.290	1.802.975

NOTE 13: Other Receivables

Other receivables comprise the following:

	31 December 2009	31 December 2010
Other receivables	1.720.849	1.757.030
out of which :		
- Advanced payments to the employees	0	0
- income tax	54.321	57.071
- different debtors	1.658.558	1.658.558
- provision for different debtors		
- other operations (non deductible VAT and employment funds to recuperate)	7.970	41.401
Total other receivables	1.720.849	1.757.030

NOTE 14: Cash and bank accounts

Cash and bank accounts comprise the following:

	31 December 2009	31 December 2010
Bank accounts in lei	129.695	449.812
Bank accounts in foreign currencies	53.550	710
Other values	3.118	2.952
Cash in hand	575	766
Total cash and bank accounts	186.938	454.240



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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:

Bank	Currency	Interest	Due Date	31 December 2010
Alpha Bank London	EUR	Euribor 1.043 % p.a. +	31.01.2011	11.394.576
TOTAL Alpha Bank		Mrgin 3,60 % p.a.		11.394.576
TOTAL CREDITS AT 31.12.2009				11.394.576
				11.394.576

The maximum amount of the Credit facility from Alpha Bank, at December 31st 2010 is of EUR 3.500.000 EUR and can be used for the working capital, warranty letters, acreditive, incasso, etc.

This facility is guaranteed by "letter of confort" issued by the mother company AKTOR ATHENS GREECE.

NOTE 16: Trade payables

The trade payables comprise the following:

	31 December 2009	31 December 2010
Trade suppliers	794.923	545.433
Suppliers of fixed assets		1.916
Trade suppliers–invoiced not received	151.085	87.030
Total trade payables	946.008	634.379



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NOTE 17: Debts generated by the financial leasing

	<u>31 December 2009</u>	<u>31 December 2010</u>
Amounts owed for less than 1 year	0	0
Amounts owed for more than 1 year	0	0
Total amounts owed	0	0
Less deferred interest	0	0
Net amount of financial leasing obligations	<u>0</u>	<u>0</u>
Current debts	0	0
Long term debts	0	0
TOTAL DEBTS GENERATED BY THE FINANCIAL LEASING	<u>0</u>	<u>0</u>

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

	<u>31 December 2009</u>	<u>31 December 2010</u>
VAT to be paid	36.241	0
Salaries due	104.183	52.270
Tax on salaries	26.841	22.286
Other amounts owed to the state budget	70.230	83.846
Dividends to be paid	145.164	145.041
Other debts	39.159	85.410
Finance leasing liabilities – low term		
TOTAL OTHER LIABILITIES BELOW ONE YEAR	<u>421.819</u>	<u>388.853</u>

NOTE 19: Share capital

	<u>31 December 2009</u>	<u>31 December 2010</u>
Share capital subscribed and paid-in	9.120.034	9.120.034
Total share capital	<u>9.120.034</u>	<u>9.120.034</u>

The share capital as at December 31st 2010 consisted of 1.302.862 shares, each having a nominal value of 7 lei. All the shares are common and they have been subscribed and entirely paid by December 31st 2010. All the shares are classified as pari pasu (have the same voting rights).



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As at December 31st 2009 the structure of the shareholders of the company was the following:

Name of the shareholder	Headquarters	Number of shares	Percentage of shares
Svenon Investments Limited	Zinonis Kitieous 8, Nicosia Cipru	873.221	67,0233 %
Kensdal Ventures Limited	Falirou 9A, Nicosia, Cipru	162.264	12,4544 %
Konditor Consultants Limited	Samou13, Nicosia, Cipru	173.550	13,3207 %
Other shareholders (non-juridical persons)		93.677	7,20161 %
TOTAL		1.302.862	100%

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 registered capital. When this limit is reached, the company may supplement it according to its own necessities.

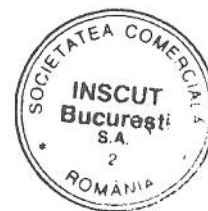
The reserves can be used to cover the losses from the operational activities. At January 01, 2010 the Company had registered within the legal reserves an amount of RON 183.020 RON and in other reserves 260,133 RON. In 2010 the company registered loss and there were no amounts distributed to the legal reserves, therefore the solds are also the same at 31st of December 2010.

The allocation of the profits for 2010 was made and registered in accounts following the approval of the AGM, during the year 2010.

The AGM reunited on 28.04.2010 was informed that for 2010 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 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 during the transactions were the market prices.



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

	31 December 2009	Decembrie 31, 2010
AKTOR SA	1.143.337	863.815
AKTOROM SRL	1.653.567	1.651.749
HOLDING GLINA	1.694.554	1.217.339
CLH ESTATE	3.503	0
PANTECHNIKI ROMANIA SRL	0	0
PANTECHNIKI SA Romania Branch	499	548
CARPATI AUTOSTRADA SA	4.110	21.314
Total Inter-Group Receivables	4.499.570	3.754.765

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

	31 December 2009	31 December 2010
AKTOR SA	0	0
AKTOROM SRL	0	0
HOLDING GLINA	0	0
CLH ESTATE	0	0
PANTECHNIKI ROMANIA SRL	0	0
PANTECHNIKI SA Romania Branch	0	0
CARPATI AUTOSTRADA SA	0	0
Total Intra-Group Payables	0	0

c) Incomes transactions with the related parties

	31 December 2009	31 December 2010
AKTOR SA BUCURESTI		
- income from sales, fixed assets and furniture	19.453	0
- income from services	3.313.071	2.321.900
TOTAL INCOME	3.332.524	2.321.900
AKTOROM SRL	5.678	12.635
ELLAKTOR	13.020	19.613
CLH ESTATE SRL	74.335	76.013
PANTECHNIKI SA Romania Branch	7.548	15.777
PANTECHNIKI ROMANIA SRL	4.059	6.277
HOLDING GLINA	2.971.563	3.273.245
CARPATI AUTOSTRADA SA	3.454	13.525
TOTAL INCOMES – AFFILIATED PARTIES	6.412.181	5.738.984



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d) Expenses with affiliated parties

	31 December 2009	31 December 2010
CLH ESTATE		
- expenses with protection equipments	0	0
TOTAL EXPENSES WITH AFFILIATED PARTIES	0	0

NOTES 22: Information regarding the financial activity

	31 December 2009	31 December 2010
Incomes from interests	9.203	599
Incomes from currency differences	28.757	679.004
Other financial incomes		1.722
Total financial incomes	37.960	681.325
Expenses with interests	662.309	423.507
Losses from currency differences	659.695	830.652
Other financial expenses	0	
Value adjustments for financial imobilisations	0	0
Total financial expenses	1.322.004	1.254.159
Financial results profit (loss)	(1.284.044)	(572.834)

NOTE 23: Tax on profit

The elements of the expenses with the profit taxes are:

	31 December 2009	31 December 2010
Current tax on profit	67.705	8.250
Postponed tax	0	0
Total expenses with tax on profit	67.705	8.250



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	31 December 2009	Decembrie 31, 2010
Operating profit	(2.133.224)	(2.437.977)
Profit/(loss) from the financial activity	(1.284.045)	(572.834)
Profit	(3.417.268)	(3.010.811)
Deduction of taxable income		
Legal reserves	0	0
Non-deductible expenses	589.705	294.155
Taxable profit	(3.417.268)	(3.010.811)
Current tax on profit expenses	7.333	8.250

NOTE 24: Financial instruments

Currency risk

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

Market 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.

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 transactions in currency and the approval of loans in currency often modify as a result of the Government's efforts to obtain a market economy. These forecasts and regulations are not always very clearly presented, and leave room for different opinions.

The current penalties and fine policy that is 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 fine may be applied up to 100% of the unpaid taxes' value. The increases due to delays (applied to the sums to be paid) are percentages that vary and are calculated daily or monthly. As a result, the penalties and the fees may reach major sums to be paid to the state budget.



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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 balance sheet, respectively the annual financial statements.

