



CONSTRUCTION MARKET REPORT

February 1st – 5th, 2010

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Building Materials

Rehau closes pipe plant in Cisnadia. Rehau Polymer, the Romanian subsidiary of German group Rehau, will close its plastic pipes plant in Sibiu in May, after investing around 10 million euros since 2003 in developing the plant, and will drop 32 of its 37 employees due to the low volume of sales recorded in the last year. After suspending production, the company will refocus its commercial activity on other civil engineering and infrastructure segments, such as sewerage, heat distribution, water management systems, systems used in the geothermal energy and biomass sector. "Amid a deepening of the economic crisis and the local market shifting to low quality standards and small prices, the advantages of Rehau's local production of PVC and PE pipes in Sibiu have proven insufficient for it to continue to operate the Cisnadia plant. The decision to suspend its operations at the end of May 2010 was made in view of streamlining international distribution and of cutting costs. The employees affected by this step will have the company's support to find another job," says Emil Pop, general manager of Rehau Polymer. The company's turnover fell by 30% last year, to around 45 million euros, but company representatives say compared with the massive declines recorded in their sectors, the sales decline was lower than anticipated.

SICERAM: For 2010 we estimate maintenance of revenues. The company Siceram achieved in 2009 a turnover of RON 53.9mln, of which the value of floors and ceramic tiles sales was of RON 1.7mln. For 2010 is estimated that the turnover will maintain. "Last year we recorded a

reduction by 40% of floors and ceramic materials deliveries compared to 2008. Our products target a particular market segment, the renovation or construction of hostels, hotels and holiday homes. In this respect, because of the financial crisis, there was a decrease in the number of building permits, diminishing that affects that market segment. According to data available, in 2008 the volume of ceramic tiles sold was of 2,016,858 pieces, compared to 1,214,375 pieces in 2009. Of them 50% were exported to Italy. In the country, most sales were recorded in the central area, followed by Bucharest and the counties in the south of the country. Most requests we recorded for handmade ceramic floors", Nicolae Neag, company's commercial director, declared.

PAZO: 30% decrease in ceramic tiles sales. In 2009, Pazo Grup recorded a turnover of EUR 10.1mln, down 10% (in EUR) compared to 2008. The reduction on the ceramic tiles division was of approximately 30%, but it was offset by high growth of assembly division. "The ceramic tiles segment has fallen, from our point of view, by over 40% compared to 2008. For the first six months is estimated that the specific market will continue to decline, following to record a slight increase in the second half of the year. Compared to 2008, the ceramic tiles sector recorded drops between 30% and 50% (it depends on the price level of products: for the cheap ones – 30%, average – 40% and superior – over 50%). Bucharest remains the main sale market with over 60% of total sales. In the following period we will try to rebuild the

distribution network, because many companies had financial problems. Among the problems that we encounter in developing our activity, we can remind: lower orders, lack of new projects, liquidity crisis in the market, leading to large delays in payments, and customers that prefer to enter into insolvency rather than try to recover their business”, Pazo’s general manager, Lucian Azoitei, declared.

PROFINE: Crisis in construction led to lower sales of PVC joinery. The company Profine Romania was established in 1997, as a subsidiary of the German concern Profine GmbH – International Profile Group (part of the multinational holding HT Troplast). The group of companies is in the top of global manufacturers of PVC profile systems. Ovidiu Dirmon, general manager of Profine Romania: “In the past year the main objective was the preservation of the market share for the brands Trocal, Kommerling and KBE, while constantly adjusting the general offer at market’s demand. In 2009, the local sector of thermal-insulating joinery recorded a major decline, following the general trend in the region in this field of activity. The contraction of demand put heavy pressure both on the price of PVC profiles and on the price of fitting, being recorded – at least in the first half of the previous financial year – attempts of some competitors in the field to sell even below costs”.

REHAU: PVC profiles sales amounted to EUR 30.1mln in 2009. The company Rehau AG – Germany specializes in extruding/selling of PVC profiles, being, at present, through the subsidiary Rehau Polymer (in Tunari – Ilfov County), one of the main suppliers in Romania of profiles for windows and doors. The company promotes a wide range of anchor points for the execution of windows/doors, framed in classes A and B, according to provisions of harmonized European Standard SR EN 12608:2004. Adin Tabacu, director of the PVC profiles division in Rehau Polymer: “The turnover achieved in 2009, corresponding to the PVC profiles department, stood at around EUR 30.1mln, down by nearly

33% compared to the previous year. We can state however that the diminishing is inferior to the general contraction of profile market, the estimated regression of the windows market being of at least 40%. Our company’s objectives for the previous year were not different to those in the period before the crisis and consisted of: prompt and complete service of customers specialized in manufacturing of insulation carpentry, a valuable assistance (to ensure enhanced quality of final product), promoting latest high technology Rehau products, as well as their implementation in the market etc.”

GEALAN: Maintenance of leading position on the PVC profiles suppliers market. Established in 1997, the company Gealan Romania is the local representative of the group Gealan Fenster Systeme – Germany, one of the most important global producers of PVC profiles destined to the execution of insulating carpentry. In 1999 took place the inauguration of the production unit in Bucharest, being, in the last years, in the top of systems suppliers in Romania. Aurel Vlaicu, general manager of Gealan Romania: “Last year was atypical, whose evolution could be predicted with great difficulty, so we established objectives to fold on the market needs and to be realistic in these conditions. We tried to capitalize every opportunity and to promote new, innovative products, keeping high quality standards. Main objectives were keeping the leader position in Romania and to consolidate partnerships with collaborating companies. At the same time, we aimed an improvement of relations with end users. The evolution of insulation joinery market depends, in general, on the construction sector, being a related activity, and the decline in that industrial branch was strongly felt by window manufacturers.

VEKA: Joinery market fell by 50-55%. Veka AG concern owns 11 factories in Europe (two in each of the countries: Germany, France, UK and one in each of the countries: Belgium, Poland, Russia – the European area, Spain and Ukraine), as well as two logistic centers (in Romania and Bulgaria), at world level the activity being done

through a network of factories in the Americas and Asia and through logistic center in Mexico, Argentina, Malaysia and India. Average turnover amounts to nearly EUR 700mln. Alexandru Oancea, marketing and PR representative of Veka Romania: “About 2009 we can say that was a year of contrasts, in which we tried and – above all – we managed to consolidated partnerships established in the Romanian market, pushing for the business development of our partners and thus for the increase of our market share. We tried to help companies to which we supply systems to overcome the economic difficulties caused by the crisis. Moreover, we diversified the range of solutions available for efficiency and development of workforce. The decrease of joinery market in Romania is obvious and can be estimated at a level of 50-55% versus 2008.”

VIGOMARM: The demand for ornamental rocks increased. In 2009, the company Vigomarm achieved a turnover of RON 3.2mln, and for 2010 is expected a growth up to RON 5mln. “It’s gratifying for our activity that the level of demand for ornamental rocks increased compared to 2008 and especially the fact that this market segment began to be known by most of our customers that contact us. If the past year ornamental plaques were not an accessible segment for those requiring this type of materials, in 2009 demands came to the point. Estimates show that 2010 will be a tough year (and current situation confirms this), but I’m optimistic that we will achieve a growth of approximately 30-40% of orders. I believe that we will reach the peak of the crisis in mid-year 2010, in the second half following a period of stability, and from the spring of 2011 the upward trend will be much more visible. Compared with 2008, the volume of sales increased in 2009 by 35%. The area with most deliveries was Bucharest. Unfortunately, the large demand was for materials from China and India (mainly granite – gray, beige, yellow and red), their low price having a decisive influence”, Dacian Alecse, company’s general manager, declared.

Final Distribution relies in 2010 on marketing activities. Metal tile importer, Final Distribution, Gerad’s distributor in Romania, will double its marketing budget in 2010, allocation EUR 235,000 for branding and communication campaigns, according to a company’s release. The company will change its visual identity in the first half of the year, after a re-branding process. Company’s medium-term objective is developing the niche of stone-coated metal tile, currently representing only 3% of the total roof market. “The largest part of the budget will be channeled to PR & Communication activities for the products in our portfolio – Gerard (natural stone coated metal tile), Delta (protective membranes for roofs and foundations) and Keylite dormer windows. For the PR campaign was chosen, following a pitch, the PR agency Pi 2 Communications”, according to company representatives.

Cement market could maintain at the level of 2009. Cement market fell last year in volume by 20-25%, from over 10 million tons to 8-8.5 million tons, but it could stagnate in 2010, “with some luck”, according to Markus Wirth, Holcim (Romania)’s general manager, company controlled by Swiss group Holcim. Wirth stated that the market could decrease slightly in the first half of this year, following to rise in the second half. Thus, at the level of the entire year, the market could remain at 2009 level, hopefully, Holcim (Romania) head said, one of the three important producers in Romania, together with Lafarge Ciment (Romania), part of French group Lafarge, and Carpatcement Holding, controlled by HeidelbergCement Germany. Credit rating agency Fitch revised the rating perspective of the Swiss group Holcim to stable from negative, and reaffirmed long-term and short-term ratings, estimating that the debt situation of building materials producers will improve in the next two years. Holcim ratings were confirmed at “BBB” for long-term loans and “F2” for short-term loans.

ROMBETON: Turnover of RON 3mln in Q3. Rombeton SA Bucharest, whose main activity is

constituted in producing and marketing concrete, cement coping and cement grouts for constructing, recorded in the third quarter of 2009 a turnover of approximately RON 3mln. Factors that influenced the activity consist of achieving a production below own capacity (because of the lack of demand) and the general economic situation. Also, the company recorded an increase in raw material costs (representing 69.57% in total revenues), in costs of services from third parties, in the transport of goods, staff and utilities. In 2008, the company achieved a level of sales of over RON 6.3mln.

Macon-Simcor fired 20% of staff, on an AAC market down 30%. Macon-Simcor group, specializing in building materials production, implemented last year a cost cut policy, which provided the cut of administrative, technological and staff costs, in an attempt to avoid business' exposure in front of financial crisis. One of the most important measures of cost cut implemented was to reduce staff by 20%, the holding now having about 1,100 employees. The group was forced to adopt cost savings because of AAC market (autoclaved aerated concrete) decline by 30% compared to 2008, up to about 2 million cubic meters. "Given the economic crisis, but also politic, which influenced the entire industrial sector during 2009, we estimated that the Romanian AAC market recorded a decline of approximately 30% in volume versus 2008. In terms of prices, decreased were of about 16-18% versus the previous year", said Marius Marin, CEO of Macon-Simcor, with business of EUR 63mln in 2008. Together with the thermo-insulating joinery market, which decreased by about 50% last year, the AAC market was among the most affected sectors in construction industry in 2009, in conditions in which, according to the Romanian Association of Construction Entrepreneurs (ARACO), construction sector fell by 17% in 2009, up to EUR 12.2bn. ARACO estimates for 2010 further contraction for industry sector up to EUR 11bn.

Distributors and importers expect a decline of 10% of ceramic tile market. Distributors and importers of ceramic tiles estimate for this year an optimistic decrease of 10% and a pessimistic fall of 20%, compared to the level of EUR 200mln recorded in 2009, when the market crashed by 30-40% compared to the previous year. "Ceramic tile market will continue to decrease slightly this year, the sharper drop in the first months following to be offset by a recovery in the last quarters. From our estimates, January 2010 will record a drop of 15% compared to January 2009, but as I mentioned, the figures will improve over the year", said Dragos Bonea, general manager of Delta Distribution, one of the largest distributors of ceramic tiles on the market, with businesses of EUR 40mln in 2008. Decrease estimate of 10% was announced from December by the Austrian group Lasselsberger, the only producer of ceramic tiles on the local market, amid the lack of new real estate projects. Lasselsberger produces ceramic tiles in Cluj, after it closed during 2008-2009 the production at Mondial Lugoj and Cesarom Bucharest. Recently, KAI Ceramics, the local division of Bulgarian group KAI Group, estimated a decrease of 5-10% of the market for the entire year, up to EUR 180mln.

Intercom Topaz: Expansion of distribution network. The company Intercom Topaz has concluded the previous financial year with a decrease of approximately 15% in revenues, compared to the level of 2008. "Main objectives that we have proposed for the last year were to adapt to general conditions generated by the economic-financial crisis, consolidation of customer relations and improving services offered. The market segment in which we activate was in slight decline, because of the fact that this field is strongly related to the construction market, which faced a strong decline. Main difficulties encountered were the financial blockages of various partners, as well as their payment denials. We estimate that in from the second half of 2010 the profile market will rebalance, and the activity will be back to

normal”, declared Simona Dumitru, company’s deputy manager.

GIP Craiova: For 2010, an increase in sales is expected. GIP Craiova Company had a turnover of approximately 7 million lei in 2009, 35% lower than in 2008. "For the current financial year, we estimate that the activity will follow an upward trajectory, some increases in sales being expected. At present, we have a production capacity of 40,000 window units per year, respectively 100,000 sq m of glazing / year. Our suppliers are represented by Oltchim SA (through Ramplast Division), Maco - Austria and Saint-Gobain Glass Romania. The main objectives proposed in 2009 were the implementation of an investment program for the production of PVC windows and thermo-insulating window glass, by which we tried to diversify our activity, and the expansion of the promoted product mix", Virgil Cocosila, general manager of GIP Craiova, declared.

ACCORDING GROUP: The company promotes GE Sealants silicone sealants. At the end of January this year, Queen Mary room of Hilton Hotel in Bucharest has hosted the seminar "Solutions for structural applications", organized by Momentive Performance Materials (sole owner of the brand General Electric - GE Sealants, one of the largest international producers specialized in the development of technical solutions based on silicone materials) and According Group, a distributor of such products in Romania. The event was attended by professionals from the glass industry, from companies operating in the entire country. The conference was held by the sales director of Momentive Performance Materials, Tarek Bassil, who made some important remarks regarding the use of silicone-based systems in industrial production. During the conference, those present obtained information on GE structural silicones range of products, which can be found in the company's offer. The benefits of their usage was also highlighted, the application field for each assortment being described.

REHAU POLYMER: Geneo profiles for increasing the efficiency of thermal-insulation.

Geneo series profiles are based on an innovative material (RAU-FIPRO), which ensures a high degree of dimensional stability, and a series of static characteristics which, until this method was developed, were impossible to obtain in other way than by reinforcement with fitting steel. The new system has 6 insulation chambers and a constructive depth of 86 mm. The heat transfer coefficient is 0.85 W / MPK, calculations indicating a 76% saving of the energy consumed for a room in which windows with a heat transfer of 2.7 W / MPK are installed.

AMVIC: thermal-systems based on Neopor.

Neopor material is produced by BASF and it offers high performance for the expanded polystyrene boards, for whose manufacture it is used. Compared to the Styropor assortment (which is white), the product includes graphite, as well as 3 special pigments that ensure the reflection of 75% of high wavelengths solar radiations, thereby offering an increase of the thermal-insulation degree. Another advantage of these boards is that they take over and disperse in their own mass most of the tensions induced by temperature differences, so the probability for a crack to occur is diminished.

ANTICOROSIV: Carboplak boards, an alternative to using glass.

The company Anticorosiv from Bucharest produces a wide range of anticorrosive protection materials, both for industrial and commercial / residential applications. One of the currently promoted products, which can be used in the thermal-insulating carpentry industry and in the curtain façade sector, is represented by Carboplak material of polycarbonate. The boards are recommended for the execution of domes, skylights, canopies, solar panels, curtain walls, elements of division, greenhouses, etc. Also, an interesting application is the construction of noise-insulating panels, which provide protection against the noise of highways.

Less money for Final Distribution's tiles. The importer of metal tiles coated with natural stone, Final Distribution, based in Prahova County, recorded a turnover of EUR 4.2mln last year, down 25% versus 2008. The most important factors that led to lower sales were the depreciation of RON rate, as well as the unpredictability of economic conditions, because of installation of financial crisis. Average exchange rate announced by the National Bank of Romania (NBR) for 2009 was of EUR 4.23/RON, greater than in 2008. "2009 was marked by uncertainty. Because of lack of predictability we had to restore our budget three times. However, even if we recorded an

important decrease in turnover, we are pleased that we managed to be above the decline recorded at the level of roof market, which I estimate at 40% compared to 2008", Dan Mircescu stated, Final Distribution's general manager and majority shareholder. About 80% of company's turnover for 2009 was due to selling Gerard metal tile coated with natural stone, the rest of the money coming from selling protective membranes for roofs and foundations Delta and windows for attic Keylite. For 2010, the company relies on an increase in turnover of 10-15%, due to the increase of windows for attic sales, as well as to the improvement of economic context in the second half of the year.

Infrastructure

WB: Romania has the worse, most expensive roads in Europe. A World Bank (WB) report shows the Romanian state pays a lot more money than the European average on motorway construction, according to Realitatea.Net. Here, in Romania, a kilometer of built motorway costs no less than EUR 80 M, on the Comarnic-Brasov stretch. Authorities say the high cost is due to the rough terrain in the area. By comparison, a kilometer of built motorway costs EUR M in France, 19 M in Germany and as little as EUR 10 M in Greece. The Sun Motorway, including the 50-kilometer Cernavoda-Medgidia and Medgidia-Constanta segments costs a whopping EUR 400 M. The Romanian state pays 30 per cent of the money, with the rest too come from the European Bank for Reconstruction and Development (EBRD). The project is slated for completion in 2011, when the 22-kilometer Constanta beltway is to be finished as well. Works come up to EUR 142 M, of which EBRD will contribute 54 per cent and the Romanian government, 46 per cent. Transylvania Motorway, too, experiences problems.

Solution in time of crisis for A3 – public-private partnership. The state is short of liquidities, and is trying to attract the American company Bechtel in a public-private partnership (PPP). Thus, Premier Emil Boc announced,

before the meeting from Victoria Palace with Bechtel representatives from Friday that he would propose the company to build several segments of Brasov-Bors expressway (A3) through such a business alternative. The same as Comarnic-Brasov expressway, or the guarantee given by the Government for the production of Ford cars at Craiova, the Executive intends to extend the public-private partnership to the main infrastructure projects, and also to certain key domains. The first 42 km of Transylvania motorway, the segment 2B Turda-Gilau, were inaugurated at the end of the past year. Transport Minister Radu Berceanu announced at that time that the Government had a debt of around EUR 100 M to the builder of Transylvania Expressway, the American company Bechtel, the remaining overdue amounts having to be paid in January 2010. Radu Berceanu mentioned that it is necessary to continue in 2010 the works at Transylvania highway in order to connect the segment 3C from Bihor County with the road knot from Gilau, Cluj County, and the works towards Targu Mures, in order to connect subsequently the city of Targu Mures with the Hungarian border. The average cost per km of Transylvania Expressway is EUR 11 M.

With 320m-euro turnover, Nelu Iordache becomes the biggest builder. Giurgiu-based

Romstrade company, controlled by businessman Nelu Iordache, has become the biggest builder on the domestic market and also the first that has gone beyond the 300m-euro threshold, owing to the numerous infrastructure contracts sealed with the state. Romstrade has thus outrun Hidroconstructia, with 265m euros in 2009, which had led in this ranking in the past 10 years. Iordache has this way managed to defeat other Romanian entrepreneurs in the past three years, known as kings of asphalt, such as Dorinel Umbrurescu (owner of Spedition UMB of Bacau), Costel Casuneanu (controlling PA & CO International), Theodor Berna (owner of Tehnologica Radion) or Dan Besciu (owning Euro Construct Trading '98), as well as foreign companies such as Strabag (Austria), Bechtel (the US), Colas (France) or Astaldi (Italy).

The Capital to start the construction of suspended highway this year. Construction of the first portion of the suspended highway in Bucharest will start this year, announced yesterday the mayor of Bucharest, Sorin Oprescu. This portion is about 7.4 km long and will be built on pillars in the north of Bucharest, on the route Bucharest – Brasov motorway, Petricani and Pipera roads, Avionului Street, Aerogarii Blvd. Mr. Oprescu also said yesterday in a press conference: "We do not need expropriation for this route, which runs in parallel with the railway, in the protection area of the railway. The project complies with all building rules imposed by CFR to protect railway traffic. I will start this project this year, either in public-private partnership, or with funding from banks or with European funds". This highway will cross Bucharest towards the western side, connecting the Bucharest – Pitesti highway through Elena Vacarescu, DN1, Poligrafiei, Calea Grivitei, Calea Giulesti and Ciurel lake.

Study for the highway section Ditrau – Targu-Neamt costs RON 3.8mln. The National Company for Motorways and Roads in Romania (CNADNR) will pay to the company IPTANA RON 3.8mln, excluding VAT, to make a

feasibility study and the lists of materials needed for the construction of highway section Ditrau (Harghita) – Targu-Neamt. CNADNR received a total of 18 bids, the initial estimate of contract value being of RON 7.37mln, excluding VAT. Award criteria took into account in proportion of 60% the financial proposal and 40% the technical proposal.

Max Boegl expects Lia Manoliu stadium and Sibiu orbital road to be its growth drivers. German builder Max Boegl, one of the main companies carrying out infrastructure works on the Romanian market, posted 74 million-euro turnover last year, an increase of 50% on 2008, because of the revenues from the project to build the new Lia Manoliu stadium in Bucharest, as well as from the infrastructure works conducted in 2009. "This year we are also working on the orbital road of Sibiu city, on the Medgidia Constanta highway section and on the Lia Manoliu stadium, which should go well. Yet I no longer want to make any optimistic forecasts considering that last year we had trouble getting our money from the National Highway and National Road Company," says Romeo Botocan, chief executive of Max Boegl Romania. The builder was faced with delays in the payment of the infrastructure works it had in 2009, especially of those financed by loans from the European Investment Bank (EIB). "The infrastructure projects built with EIB funds were quite slow to progress because loans would have led to a higher budget deficit. There was also talk of paying for some of the EIB financed projects with money from the state budget. Last year we funded some of these projects ourselves," Botocan explains. Max Boegl contributed 8 million euros to the completion of rehabilitation works of a section of the DN 17 (Cluj-Bistrita) financed through the EIB IV loan, 5 million euros of which coming from banks and 3 million euros from the company's working capital.

Works on Transylvania Highway – to be paid through state-guaranteed loan. The debt that the Ministry of Transportation and Infrastructure

(MTI) owes to the Bechtel company for the construction works it executed on the Brasov – Bors (Transylvania Highway) in 2009 will be paid from the state budget. The total value of the debt stands at approximately EUR 200 M. However the construction works this year will be financed through a state-guaranteed loan, Constantin Dascalu, secretary of state with the Ministry of Transportation, stated yesterday during a press conference. Dascalu pointed out that the authorities did not decide the source of the loan nor its value. ‘The loan can be contracted by the Ministry of Finance, by the National Road Company (CNADNR) or by Bechtel, we haven’t decided yet,’ Dascalu added. At the same time Bechtel has to present a timetable for this year, one that would also include the sums needed for the construction works in order for the MTI to know how much of their total cost it can cover. Bechtel announced on Wednesday that it could resort to collective layoffs because of the debts owed by CNADNR, with the persons sacked set to receive financial compensations.

‘Suspended’ motorway built piece-by-piece. The suspended motorway will be built by segments, the first module being started this year in Soseaua Petricani-Soseaua Pipera-Strada Avionului-Aerogarii area, according to the daily ‘Jurnalul National.’ Moreover, projects which have remained unfinished, such as Basarab flyover, will be continued. “In July 2008 I took over several sites which were in the process of execution, and others which were blocked. The Basarab flyover was built subject to a project which didn’t have any connection with reality, on Constantin Brancoveanu Blvd the public lighting, water, sewage networks and the car parks had been omitted from the design. In the Revolution Hero Square several flaws were identified. In this case it was found that the finishing of the sidewalks made of asphalt worth RON 500,000 had been replaced by others made of granite worth RON 3,500,000, money paid without any additional act. Although the work is finished only in a proportion of 35 per cent, it was stopped one day before the deadline,” Sorin Oprescu, mayor of Bucharest, said.

Listed companies

Tender wants to build Comarnic-Brasov bridges. Vulcan Bucuresti (**VULC**), controlled by businessman Ovidiu Tender, wants to become one of the leading bridge suppliers for the Comarnic-Brasov motorway over the next few years and of equipment for the 3rd and 4th reactors in Cernavoda power plant (SE Romania). The two projects, with a cumulated value of over 5 billion euros, can generate substantial growth for the Vulcan business, considering that 70% of Vulcan's current business is accounted for by steam generators. "At present there is huge potential for infrastructure works. The starting point was the contract recently signed with the Aktor group for building a steel bridge as part of Bucharest's orbital road. We want to position ourselves as one of the leading suppliers for the nine bridges part of the Comarnic-Brasov motorway," says Peter Eisenkolb, CEO of Vulcan Bucuresti. The steel bridge built for Greek company Aktor, is

estimated to be worth 2 million euros, according to market sources.

VULC	RON pr	ch	EPS	Sales 08 mil USD	NPr 08 mil USD	Mk cap mil USD
4-Feb	1.30	6.33%	0.0732	36.27	0.81	14.50
VULC	RON pr	PER	Npr/Sales 08/07	Sales 08/07 mil USD	NPr 08/07 mil USD	Div yld 08
28-Jan	1.23	17.82	0.02	111.22%	109.60%	0.00%

Dafora Medias (DAFR) safe from the crisis on construction segment. Drilling and construction company Dafora Medias, controlled by businessman Gheorghe Calburean, announced the winning of a contract worth RON 67mln (EUR 16.3mln) for the rehabilitation and expansion of water and sewer network in the city of Medias. Works, which will take 42 months, will be started in March and will be done in partnership with the company Hidroconstructia SA, according to the communiqué submitted to

BSE by company representatives. Rehabilitation and expansion of water and sewer network involves works on a surface of about 89 kilometers and building pumping stations and reservoirs. The announcement of contract award for the company's construction segment comes after at the end of last year Dafor has concluded a contract with Romgaz regarding the execution of drilling works worth RON 74mln (EUR 17.2mln). Contraction of construction works is the main reason for which Dafora recorded a decrease of 37.7% in business in the first nine months of the previous year, up to RON 115.9mln (EUR 27.3mln). Also, company's profit fell in the same period by six times, reaching RON 1.6mln (EUR 0.37mln). For this year, Dafora representatives estimate a business growth of 10-15% compared to that estimated for the year 2009, of about RON 200mln (EUR 47mln). At the same time, Dafora hopes that the profit margin of the company to be similar to the one in 2007, i.e. of about 5%.

DAFR	RON pr	ch	EPS	Sales 08 mil USD	NPr 08 mil USD	Mk cap mil USD
4-Feb	0.12	8.78%	0.0827	106.80	1.09	1.61
DAFR	RON pr	PER	Npr/Sales 08/07	Sales 08/07 mil USD	NPr 08/07 mil USD	Div yld 08
28-Jan	0.11	1.48	0.01	-8.79%	-81.22%	0.00%

Concivia (COKJ): Revenues down 13% in January – September. Concivia SA Braila posted until the third quarter of 2009 a turnover of over RON 28.2mln, down versus the similar period of the last year, when its level stood at approximately RON 32.5mln, representing a decrease in revenues by about 13%. During June – September period, the company continued the execution of construction works of objectives previously contracted. Also, the company recorded a low efficiency because of large dispersion in space of building sites, low productivity and major deficit of qualified human resources. The company has operations in Braila county and in neighboring counties, with main field of activity the completion of construction of dwellings/administrative buildings, production of building materials

(mortars, concrete, prefabricated parts), transportation services and rental of equipment.

COKJ	RON pr	ch	EPS	Sales 08 mil USD	NPr 08 mil USD	Mk cap mil USD
4-Feb	6.70	8.06%	2.4240	19.80	0.98	2.72
COKJ	RON pr	PER	Npr/Sales 08/07	Sales 08/07 mil USD	NPr 08/07 mil USD	Div yld 08
28-Jan	6.20	2.76	0.05	25.90%	198.47%	0.00%

Condmag (COMI): Investment process for the execution of large-scale works. Condmag SA Brasov, company specializing in the execution of installations, recorded in the third quarter of 2009 a net turnover of approximately RON 187.7mln, up versus the similar interval of 2008, when its level reached over RON 86.1mln. "For the entire year 2009 we expect revenues of RON 222mln (+12% compared to 2008, when their level exceeded the value of RON 173.6mln). Positive trend that we recorded in this crisis period is determined – mainly – by measures that we took regarding cost control and the quality of services", declared Alexandru Tatar, company's general manager. Recently, the company has signed a contract for execution of drilling works with the company Flowtex Technology SA, based in Medias (Sibiu County).

COMI	RON pr	ch	EPS	Sales 08 mil USD	NPr 08 mil USD	Mk cap mil USD
4-Feb	0.79	0.66%	0.0514	57.69	3.53	54.53
COMI	RON pr	PER	Npr/Sales 08/07	Sales 08/07 mil USD	NPr 08/07 mil USD	Div yld 08
28-Jan	0.79	15.45	0.06	32.32%	90.52%	0.00%

Constructii Bihor (COBJ): Investment in a station of asphalt mixtures. Constructii Bihor SA, based in Oradea, recorded in the period January – September 2009 a net turnover of over RON 40mln, down versus the similar period of 2008, when its level was of approximately RON 53mln. The largest share in the turnover had the construction works (84.54%) and the production of concrete/mortars (11.2%). Company representatives appreciate competition in the market as strong, and the dynamic of demand – negative, caused by the economic crisis, which

had a major impact on this specific segment. Recently, the company approved the accession of grants to purchase a new station of asphalt mixtures within the Sectoral Operational Program – Increase of Economic Competitiveness 2007-2013. Established in 1991, the company Constructii Bihor SA specializes in the execution of construction – assembly works, in the production of sorted aggregates, concrete, mortars and related activities.

COBJ	RON pr	ch	EPS	Sales 08 mil USD	NPr 08 mil USD	Mk cap mil USD
4-Feb	37.00	0.00%	4.3344	31.18	1.76	14.99
COBJ	RON pr	PER	Npr/Sales 08/07	Sales 08/07 mil USD	NPr 08/07 mil USD	Div yld 08
28-Jan	37.00	8.54	0.06	68.13%	-1.76%	0.00%

Teraplast (TRP): Over 180,000sqm of windows made by Teraglass. The company Teraplast is part of the group Teraplast-Bistrita, which includes besides Teraplast its subsidiaries: Plastsistem and Politub. Teraplast is the largest PVC processor in Romania, Plastsistem produces sandwich panels and metallic structures for commercial and industrial constructions, and Politub makes polyethylene tubes for gas and water. Florin Urite, general manager of Teraplast: “Company’s objectives in 2009 were the completion, in proportion of 90%, of the relocation process of Bistrita factories in the industrial park of Saratel, products portfolio expansion and the development of divisions in conditions of strict control of costs. Last year, markets where Teraplast operates recorded declines of up to 35%, being affected by the lack of financing for public infrastructure projects, as well as by the blockage of banking loans for private objectives in the residential field. In

these difficult conditions, our company achieved, in the first 9 months of 2009, a turnover of RON 141.2mln, down 8% compared to the same period of 2008, with a profit of RON 11.4mln (value representing a decrease of 27% compared to that of the first 9 months of 2008).

TRP	RON pr	ch	EPS	Sales 08 mil USD	NPr 08 mil USD	Mk cap mil USD
4-Feb	0.62	3.24%	0.0649	77.38	7.67	73.54
TRP	RON pr	PER	Npr/Sales 08/07	Sales 08/07 mil USD	NPr 08/07 mil USD	Div yld 08
28-Jan	0.60	9.59	0.10	4.91%	18.42%	0.00%

Forconcid (FOND): Turnover of RON 21mln in Q3. Forconcid SA achieved until the third quarter of 2009 a turnover of over RON 21mln, down compared with the similar period of 2008, when its level stood at approximately RON 53mln. According to company representatives, the world economic crisis contributed to a reduction in revenues recorded by the company, because many clients decided to temporarily suspend their activity. Also, by not collecting in time the invoiced production, company’s profitability and liquidity were directly affected. The company was established in 1991 and has as main activity the execution of buildings and civil works. The company is headquartered in Ramnicu Valcea city and owns three branches: Valea Oltului, Targu Jiu and SUTPI Ramnicu Valcea.

FOND	RON pr	ch	EPS	Sales 08 mil USD	NPr 08 mil USD	Mk cap mil USD
4-Feb	60.10	0.00%	44.3267	56.18	4.47	6.06
FOND	RON pr	PER	Npr/Sales 08/07	Sales 08/07 mil USD	NPr 08/07 mil USD	Div yld 08
28-Jan	60.10	1.36	0.08	90.14%	158.08%	0.00%

Investments

Polish company Pruszynski reached investments of EUR 6mln after taking over VikingProfil from Ghenea. Metal tiles manufacturer VikingProfil, acquired in 2008 by Polish group Pruszynski from businessmen

Marius Ghenea and Radu Mircescu, posted last year a growth of 51% in turnover, up to about EUR 6mln, due to triple production capacity. “We increased last year by three times production, after we changed the two lines with

other six new lines. We completed the investment in June 2009 and managed to grow by 51% compared to last year”, declared Grzegorz Siudyla, general manager of VikingProfil. Blachy Pruszynski, the largest producer of metal tiles in Poland, entered the

local market in 2008 by taking over the company VikingProfil, following a transaction of EUR 1.7mln from Marius Ghenea, one of the founders of Flamingo business, and Radu Mircescu, the founder of VikingProfil in 2006, who owned 51%, respectively 49% of the business.

Construction Works

Construction company Confort Timisoara took a EUR 3mln loan from Bancpost. Construction company Confort Timisoara, part of Izometal Confort group, contracted a loan of RON 13mln (about EUR 3mln) from Bancpost, to finance working capital. The operation has been approved by shareholders at the end of last year. The loan is under a revolving credit facility. Izometal Confort group, controlled by businessman Georgica Cornu, carries out several types of activities, in construction, real estate, retail, food services, sports or media.

City Hall of Sector 3 Bucharest will build 3 multi-storey parking with EUR 4mln. The City Hall of Sector 3 Bucharest awarded a contract worth RON 16.3mln (EUR 4mln), excluding VAT, for building 3 multi-storey parking to the company Delta ACM 93. The three parking will be built in Rotunda Street, Block Y2, Textilistilor Street and Solidaritatii Street in Sector 3. For the contract awarded through open auction on December 22nd 2009, the institution received two offers. The winner, Delta ACM 93, was established in 1993, under the name Delta Transport 93, and in 2003 became Delta Antrepriza de Constructii si Montaj 93. Company's shareholding structure is 100% Romanian.

GEPLAS: Turnover of RON 6mln. Geplas, based in Miercurea-Ciuc (Harghita county) is present on the domestic market since 1997, and is specialized in the design, production, assembly and commercializing of Gealan carpentry systems. The company also nationally imports and distributes industrial and garage doors (Olymps Door, Nassau) and appropriate automation equipments (Nice, Bernal) and also

Schindler dormer windows. Lörincz Barnabas, general manager Geplas: "Our company demonstrated enough skills to pass the current economic crisis. We can say this because, compared to 2008, when we posted a turnover of over RON 7mln, for 2009 we forecast financial results only 20% lower, and we aim to register deliveries worth RON 6mln. In conditions in which the construction market generally has fallen by about 50%, Geplas's reported results are encouraging.

ARAD: Public funds for the rehabilitation of buildings. Funds of approximately RON 3.5mln will be used for the rehabilitation and extension of (P +1E) building in which functions "Pecica Care and Support Center" (from the homonym town). The works will include the ground floor's and first floor's re-compartment and the extension of the build surface for the arrangement of offices, and the installment of an elevator for persons with motor disability. Also, the electricity, sanitation and sewerage networks will be restored, a central heating system will be put into operation and the existing carpentry (PVC and insulating glass) and bottom covering of all rooms will be replaced. Also, it was proposed the interior and exterior of the four bodies finishing, the roof repair by partial substitution of the roof structures' damaged items and the fully replacing of the brick cover. The works will start this spring, will be awarded through a public tender and will be completed in 12 months.

House Construct Invest Environment requested the insolvency of Proiect Bucharest for a nonexistent debt. House Construct Invest Environment asked the Bucharest Court to

trigger insolvency procedure of the design company Proiect Bucharest. The first term of the lawsuit took place yesterday. Proiect Bucharest management declared: “The request to enter into insolvency is not founded because the debt claimed by House Construct Invest Environment does not exist and we will prove this in court. The contract under which we are asked to pay the debt has been terminated two years ago and no bills have been issued to Proiect Bucharest because the work was not executed. Unfortunately, many solvent construction companies pass through this unpleasant situation for nonexistent debts”. Representatives of House

Construct Invest Environment said that they requested the insolvency of Proiect Bucharest because this contract concluded two years ago was partly honored, in a small proportion compared to the amount stipulated in documents. They claim that have recorded about EUR 150,000 from Proiect Bucharest. Proiect Bucharest has a tradition on the Romanian market of 57 years, being established on January 1st 1953. In 1994, Proiect Bucharest SA became a company with entirely private capital, and in 2007 the majority stake was taken over by Romanian and foreign private investors.