

Bucharest Equity Research Group SA is an investment advisory company authorized by the National Securities Commission (Decision no. 4494/17.11.2004).



Bucharest Equity Research Group

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PROSPECTUS
INVESTMENT CONSULTANCY

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CONSULTING PRODUCTS AND SERVICES

- **Studies and recommendations** made from the client's specific perspective and about macroeconomic developments, Romanian and East European capital market, privatization of companies in Romania and other emerging markets, economic and financial assessing of various public companies and sectors from the economic activity.
- **Assistance for feasibility studies**, method of financing various projects, contacts with foreign and local investors, improving shareholders' office activity and increasing transparency regarding investors.
- **Special reports**

ABOUT US...

In November 1997 a group of specialists in field of finance decided to set up the first rating agency in Romania and the placement advisor authorized by the National Securities Commission. The company is called Berg - Bucharest Equity Research Group, a dynamic organization, with desire, ambition and resources to be the best.

We believe in the principles of **Independence, Objectivity and Transparency**. Guided by these principles we plan to offer customers our entire experience, for our mutual benefit and Romanian capital market development.

"To speculate is human, to hedge is... divine"



Board of Directors

Maria Angheluta

BD President

Economist, Commerce Faculty, ASE - 1999

Master in Business Administration in Tourism, ASE – 2006

Investment consultancy courses at the “Millennium” Financial Training Center - 2006

Marilena Gheorghiu

Board Member

Mariana Stan

Board Member

Investment consultancy courses at the “Millennium” Financial Training Center - 2006

Associated Analysts

Dan Barbulescu

Mathematician, Mathematics Fac., University of Bucharest

Beneficiary of Reuters Foundation scholarship, Graduate of REI, ASE

Fervent campaigner for the development of capital market institutions since the opening of the Bucharest Stock Exchange in November 1995; possesses an extensive experience on analysis of securities' investments.

Cristina Ioana Hodea

CFA

MBA, MBA Canadian Program

Ovidiu Petre-Melinte

Associate

MBA, MBA Canadian Program

Dipl. Ing. Fac. Mecanica Fina, UPB 1988

Danut Trifu

Associate

MBA, MBA Canadian Program

Sociologist, University of Bucharest, 1997

Augustin Avram

Asociat

MBA, Pittsburgh University

Dipl. Ing. , Fac. Aeronave, UPB, 1991



DAILY REPORTS

PRESS REVIEW

Contains public information concerning listed companies as well as the way the information is reflected in the economic press. The press review is structured in six chapters, as follows: Macroeconomics, Financial-Monetary and Currency Markets, Sectors- Utilities- Infrastructure, Capital Market-Listed Companies, A.V.A.S (Authority for Recouping State Assets) - Privatization-Investments and News of the Day. The product is available in Romanian language and is delivered before 10 a.m.

MARKET REPORT

GAS & ENERGY SECTOR

Contains information from the Romanian press on natural gas & electricity sector (prices, gas pipes, gas sector investments, companies and contracts in the natural gas & electricity field, news from the Romanian and international press regarding natural gas & electricity markets etc). It is available both in Romanian (before 12 p.m.) and in English (before 6 p.m.).

CAPITAL MARKET - LISTED COMPANIES

It is a report monitoring the most important news on events affecting listed companies and the capital market as well as previous day transactions, General Shareholders Meetings taking place the day of the report. The report is sent every day at 9 a.m., before the start of the trading session.

ROMANIAN MARKET REPORT

“Daily Report” is an English language briefing of the most important news regarding the financial market, legal regulations, the privatization process and the Romanian capital market. It is available before 6 p.m.

FINANCIAL MARKET REPORT

Contains information on banking, insurance and leasing companies, as well as news regarding the currency markets. It is available in Romanian before 12 p.m.

REAL ESTATE REPORT

It is a report monitoring the national and local press, containing information from the real estate market (retail market, residential projects, office building spaces, sites, deposits, transactions on the real estate market etc). It is available every Monday before 12 p.m. in both Romanian and English.

WEEKLY REPORTS

MARKET REPORT-ENERGY SECTOR

Covers monitoring of the energy sector (cogeneration, heat, grants for heat, grants for cogeneration projects, etc.) is available in Romanian and in English, each Friday before 12 a.m.)

CORPORATE ACTION WATCH

It offers the business/investment Romanian and international community an overview of the most important Romanian companies, by monitoring and reporting significant events (including : privatization tenders, mergers & acquisitions, new stock issuance, Ordinary and Extraordinary General Shareholders’ Meetings, divisions and consolidations, dividends, joint-ventures, management changes, changes in registries, share capital changes, reorganizations). It is available in English every Friday, before 6 p.m.

MERGERS & AQUISITIONS WATCH

It is a weekly English language report presenting events related to the privatization of companies in the portfolio of the Authority for Recouping State Assets (AVAS), public acquisition offers and public selling offers on the capital market as well as company takeovers. . It also includes AVAS, ADS, and MEC (Ministry of Economy and Commerce). It is available in English every Friday before 6 p.m.

CONSULTANCY SERVICES

Bucharest Equity Research Group SA offers consultancy for the following types of financial instruments:

- Shares
- Municipal bonds

PUBLISHING AND PROVIDING OPINIONS OR RECOMMENDATIONS ON THE SALE OR PURCHASE OF SECURITIES

Based on the technical and fundamental analysis of the titles in question.

ROMANIAN MARKET NEWSLETTER

It is a weekly English language report presenting at length events having a major impact on Romanian economy. It is available every Friday before 6 p.m.

TOP 100 STOCK MARKET INVESTMENTS

It's a system evaluating the attractiveness of shares listed on the Romanian capital market according based on share classification criteria and issuers' performance. The criteria used are the following:

- Capitalization value
- Transactions value
- Net profit rate
- Turnover increase

TOP 100 is presented every year during the "Capital Market" conference organized together with "Financial Market" magazine in October.

CR. DM CREDIT RISK DEBT'S MUNICIPAL PUBLIC INFO

Within the frame of the "Rating for Romania and the Black Sea countries" international conference, investment consultancy company BERG (Bucharest Equity Research Group) has launched, for the first time in Romania, CR.DM (Credit Risk Debts Municipal public-info), a program that evaluates the credit default risk of municipal bonds. The service is based on public information provided by the local authorities and it is designed to serve both municipalities and investors on the capital markets, interested in municipal bonds investments. In the context of descending banking interest rates, high capital market volatility and available liquidity on the monetary market, investments in municipal bonds are very profitable and investors' interest in these financial instruments could increase. Municipal bonds legal framework

Law No 189/98 enables municipalities to:

- draw up budgets and be held responsible for their execution;
- plan medium and long term investments on the base of estimated revenues;
- establish local priorities;
- finance themselves by means of bank loans or municipal bonds issuance;
- the Capital Market Law stipulates the issuance and transaction conditions applying to municipal bonds.

SECTOR PROFILES

Includes company profiles for major issuers of shares within an economic sector as well as

sector statistics analyses, major industry events, mergers & acquisitions, interests of foreign investors, privatizations.

POTENTIAL CONFLICT OF INTERESTS

In accordance with the Article 43 lit. I of the CNVM Regulation, BERG is liable to each client by the investment consultancy framework contract (see Annex Contract Model) that for each BERG investment consultancy product to inform the customer about possible conflicts regarding the clients and that product (consultant holding of shares, positions of control or in the board of directors).



SUBSCRIPTIONS PRICES

- PRESS REVIEW– EUR 200/MONTH
- MARKET REPORT-GAS SECTOR – EUR 200/MONTH FOR ROMANIAN LANGUAGE VERSION, EUR 500/MONTH FOR ENGLISH LANGUAGE VERSION
- CAPITAL MARKET – LISTED COMPANIES– EUR 200/MONTH
- ROMANIAN MARKET REPORT – EUR 400/MONTH
- FINANCIAL MARKET REPORT – EUR 200/MONTH
- REAL ESTATE REPORT – EUR 200/MONTH FOR ROMANIAN LANGUAGE VERSION, EUR 350/MONTH FOR ENGLISH LANGUAGE VERSION
- MARKET REPORT – ENERGY SECTOR – EUR 200/MONTH FOR ROMANIAN VERSION, EUR 400/MONTH FOR ENGLISH VERSION
- ROMANIAN MARKET NEWSLETTER – EUR 400/MONTH
- CORPORATE ACTION WATCH – EUR 500/MONTH
- MERGERS & AQUISITIONS WATCH – EUR 300/MONTH

***FOR SUBSCRIPTIONS OVER SIX MONTHS OR MORE A DISCOUNT APPLIES**

***ALL PRICES ARE VAT EXCLUDED**

*** THE PRICES COULD SUFFER CHANGES DEPENDING ON THE PURCHASED PACKAGE OF SERVICES AND SERVICES' PERSONALIZATION ACCORDING TO THE CUSTOMER'S REQUIREMENTS**



CONSULTANCY SERVICES PRICES

TOP 100 STOCK MARKET INVESTMENTS – EUR 1000

CR. DM CREDIT RISK DEBT'S MUNICIPAL PUBLIC INFO- EUR 1000/ MUNICIPALITY

SECTOR PROFILES- EUR 1000

PUBLISHING AND PROVIDING OPINIONS OR RECOMMENDATIONS ON THE SALE OR PURCHASE OF SECURITIES – EUR 200/ TITLE

ROMANIAN MARKET NEWSLETTER – EUR 400/ MONTH

CONSULTANCY CONTRACT Model

Concluded by and between:

(1) **S.C. Bucharest Equity Research Group S. A.**, with headquarter located at No. 3-5 Pierre de Coubertin Boulevard, Office Center, District 2, Bucharest, 021902, Romania, registered with the Romanian Trade Registry under no. J40/9093/1997, sole registration code 9940876, fiscal attribute R, represented by Ms. Maria Elena Angheluta, as President of the Board of Directors, composing the “consortium” hereinafter the “Consultant”, and

(2) **S.C.S.A.**, with headquarter located at...., registered with the Romanian Trade Registry under no., represented by General Manager, as Client (hereinafter the “Client”).

Client states his authority in concluding and executing this contract and invests the Consultant with full power in providing requested services, in conformity with the stipulations of the present contract, understanding and accepting the Consultant’s mode of operating in the rendering of services.

Contract object: The object of the present contract is represented by the rendering of certain consulting services to the Client as defined herein, in conformity with Client’s objectives and the categories of services requested in the present contract.

Definitions: In the present contract, the term “consulting” refers to the rendering of the following periodical financial information services by the Consultant towards a number of two electronic support users:

a) Monitoring communiqués, General Shareholders’ Meeting summons, tenders for selling assets or shares

in the mass-media and the Official Gazette, for the companies appointed by the Client,

b) Development of specific programs, access to the data base including public information for the companies indicated by the Client and updating of the data base with information afferent to the past three years,

c) Distribution of daily and weekly reports elaborated in the English language via electronic mail and access to such reports elaborated in the past three years.

d) Representation in the General Shareholders’ Meeting in the companies indicated by the Client and consulting for proxy-voting.

e) Grade reports for companies indicated by the Client, as well as financial services available on request.

f) Analysis of the economic-financial situation of companies indicated by the client, of their securities, assets, intangible assets (patents, licenses, know-how, etc)

g) Analysis and determination of development and financing opportunities, assessment of creditability on the markets on which companies indicated by the Client operate, selecting the securities portfolio,

h) Publishing and supplying opinions or recommendations regarding the selling or acquisition of securities, assessment of the credibility on the organized securities market and on the financial markets, elaboration of projects or activity financing plans, determining financial strategy regarding restructuring, development and integration of the issuer,

i) Assessment of the financial risk, analysis and negotiation of financial details with co-contractors, preparation and elaboration of selling/purchasing public offerings, notifying financial plans and projects, documentation on the financial potential and analysis of the financial feasibility of investment projects and business plans.

Contract Term: The hereby contract enters into effect on.....and concludes on....., with the possibility of annual term extension.

Use of rendered services: Services rendered by the Consultant according to the hereby contract are destined for the exclusive use of the Client, who is obliged to use the information only in own interest and not to communicate to a third party the results of services provided by the Consultant (ideas, solutions, analysis, recommendations, etc), cite or indicate the Consultant as source. Any infringement of these obligations will be considered as default in the fulfillment of obligations stipulated herein and will attract the rightful dissolution of the contract, without warning and without delay, the guilty party following to pay damages and interest to the other party.

Fee for services: Consultant shall receive for its monthly services a fee of..... (VAT included), at NBR’s reference exchange rate available at the date of invoicing.

Location for services rendering: Consultant shall render services stipulated herein in a location of its choice. Services may be rendered by phone, mail, electronic mail or other similar means of communication when their nature calls for it, in conformity with the stipulations of the hereby contract.

Client’s obligations: to cover the expenses necessary for rendering the requested services, to cooperate with the Consultant in the execution of services by providing necessary information in rendering of the services, to ensure the reality, sincerity and integrality of information provided to the Consultant, to reimburse expenses made by the Consultant in the name of the Client, to which the Client previously agreed, to maintain the confidentiality of purely intellectual elements (ideas, indications, solutions) used by the Consultant in the rendering of services, to immediately inform the Consultant on any changes in the provided information, which could influence the results or the carrying out of rendered services, to not engage in a business competing with the Consultant’s activity.

Consultant's obligations: to present the client with the consulting prospectus submitted to CNVM, to execute its obligations in conformity with professionalism standards (competence, objectivity) stipulated for the rendered services and afferent legal framework, to make use of its maximum capacity and efficiency, to update the client with information regarding the execution of rendered services and the stage of executed works, to answer promptly to Client's solicitations regarding the rendered services, to check, from own choice and within the limits of its abilities, the information received from other sources used in the process of rendered services, to maintain confidentiality of information received from the Client, to present the Client, wherever is the case, the time chart afferent to the execution of services solicited by the Client, not to engage in a business competing with the Client's activity.

Consultant's liability: Consultant is in no way liable to any other persons/entities besides the Client for any documents or omissions regarding the results of its services (solutions, ideas and information forwarded as final product), whether belonging to the Consultant as legal entity, or to its employees and agents. Client will not hold Consultant responsible for any obligation or pretension raised by any other person or entity, in connection with services rendered according to the hereby contract. Consultant is not liable for services rendered to the Client, based on inaccurate, erroneous, false or incomplete information provided as such by the Client.

Warranties: Consultant does not guarantee the Client's success in business (profit or investment/work quality) through rendered services, and all its obligations will be considered as obligation of means and not as obligation of results.

Governing law: This Agreement shall be governed by the laws of Romania.

Nullity: In case a clause in the herein contract is declared null, it will be dismissed and will not affect the other clauses of the contract. The parties agree that once the null clause is dismissed, it will be replaced by the parties with another clause, in conformity with the hereby contract.

Litigations: the parties agree that litigations arising from the interpretation or execution of the hereby contract shall be submitted to arbitration, if they cannot be solved amicably by the parties themselves. Before submitting the litigation to the arbitration institution, it is necessary that the parties meet beforehand in order to solve the litigation amicably. This meeting has to be on written record signed by both parties. The official language of this contract is the Romanian language.

Notices: Any notice required or permitted hereunder shall be given in writing through fax sent by registered or certified mail with postage and fees prepaid, addressed to the other party hereto at its address shown in the preamble or, in emergency cases, by phone, immediately followed by a written notification with the same content. Communication by phone is prevalent in emergency cases and draws the liability of the party that omitted the communication for any damages resulting from this omission.

Termination: The hereby contract may be terminated in the following cases: (1) Consultant finds itself in the impossibility of rendering financial/consulting services; (2) term expiry; (3) in case of payment reported to labor time, at-will by any of the parties, upon a 15 days notice to the other party; (4) through mutual agreement; (5) contract cancellation in case a party fails to execute or defaults in execution of obligations assumed herein.

Concluded in (city)_Bucharest___, today_ __, in two (2) counterparts, one for each party.