

# Investment Daily

## Romania

Monday, May 04, 2009



### Indices

	RON	EUR	1d %	Ytd %	52 Wk
BET	3,048.9	2,545.3	4.02	5.10	-56.57
BET-C	1,949.2	1,273.3	4.01	-1.41	-61.23
BET-FI	18,525.0	9,632.4	5.07	47.61	-64.71
ROTX	5,970.4	4,032.7	4.17	-9.41	-63.61
BET-XT	316.1	262.4	3.91	13.98	-60.14
BET-NG	428.5	355.8	4.72	22.98	-51.65
RAQ-I	1,775.2		1.25	-20.72	-47.34
RAQ-II	4,125.3		0.77	-15.54	-40.47
Rasdaq-C	2,040.3		0.47	-1.49	-40.86

% in RON

### Trading Volumes

BSE	
Previous Day (EUR mn)	9.22
YTD Avg. (EUR mn)	3.31
Mcap (EUR bn)	11.62
Rasdaq	
Previous Day (EUR mn)	0.95
YTD Avg. (EUR mn)	0.19
Mcap (EUR bn)	2.95

### Watchlist

RRC, FLA, TLV, OLT and IMP will resume trading today after holding their GSMs.

### Most Traded

	EUR '000	Price	1d %
SIF5 Oltenia - SIF5	2,205.3	0.9100	6.43
BRD - GSG - BRD	1,999.8	7.3000	8.96
SIF2 Moldova - SIF2	1,309.2	0.7750	5.44
SIF3 Transilvania - SIF3	715.8	0.4550	3.41
SIF4 Muntenia - SIF4	568.6	0.6750	3.85
Iproeb Bistrita - IPRU	548.8	1.1600	7.41
Petrom - SNP	483.3	0.1870	2.19
SIF1 Banat-Crisana - SIF1	462.9	1.0200	6.25
Rompetroil Well - PTR	433.9	0.3610	1.40
Biofarm Bucuresti - BIO	279.2	0.1590	1.27

### Tops/Flops

	EUR '000	Price	1d %
Transelectrica - TEL	114.0	12.7000	11.40
Transgaz - TGN	154.7	149.4000	9.85
BRD - GSG - BRD	1,999.8	7.3000	8.96
Iproeb Bistrita - IPRU	548.8	1.1600	7.41
Compa Sibiu - CMP	13.6	0.1940	6.59
Artego Tg. Jiu - ARTE	1.3	1.5100	-8.48
Zentiva Bucuresti - SCD	147.0	0.4860	-6.54
Banca Carpatica - BCC	7.8	0.1240	-4.62
Prefab Bucuresti - PREH	0.8	3.3000	-4.35
Albalact - ALBZ	23.1	0.2500	-1.96

out of our watchlist (see page 2)

### Central Bank Rates

	Closing	1d %	Ytd %
EUR/RON	4.1835	-0.33	4.98
USD/RON	3.1447	-0.77	10.96
	3M	6M	12M
BUBID	13.83	13.69	13.63
BUBOR	15.49	15.38	15.34

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### In the news

#### Flamingo 2008 IFRS results and auditor's report

The consumer electronics retailer Flamingo International (FLA) released its full IFRS 2008 results. As previously mentioned, the revenues (RON 744.6 mn) and the operating loss (RON 10.2 mn) stand very close to the previously reported pro-forma consolidated figures. At the bottom line level however, the net loss came 8.6% higher, at RON 40.9 mn, due to an income tax expense of RON 2.6 mn, which includes a deferred tax charge of RON 3.1 mn. The auditor's report also mentions that Flamingo does not comply with certain covenants of a loan undertaken with one of its financing banks regarding solvency ratio (30% required, 27% effective at the end of 2008) and EBITDA margin (2% required, 0.14% attained in 2008). The loan, amounting to RON 26.5 mn at the end of 2008, which represented 28% of total loans at that time, might become immediately payable. The management assessed that no significant impact is expected as the lender is aware. However, considering the liquidity risk in case the loan is called, we see the news as negative.

#### Mr. Ciorcila to resign from SIF1 Board

According to local media, Mr. Ciorcila, who was recently elected Board of Directors member at SIF1, has resigned at the end of last week. We remind that Mr. Ciorcila is the Chairman of Banca Transilvania (TLV), which together with companies of the Group controls some 17.5% of SIF1 shares. Mr. Ciorcila explains that his decision to resign from SIF1 board is due to the fact that the current management of SIF1 capped to 1% the voting rights of several stakes whose owners were presumed to act in a concerted manner. Mr. Ciorcila said that several large investors of SIF1 have contested SIF's management decision regarding voting rights limitation and request to hold another shareholders meeting to re-elect the Board of Directors members.

#### Impact Contractor & Developer 2009 strategy

During a GSM held on April 29, real estate developer Impact Contractor & Developer (IMP) shareholders approved the 2009 strategy and budget. The company said that in view of the current weak real estate sector it is willing to seize on lower profits in order to increase its market share in Bucharest in terms of units delivered from 9.5% (IMP own estimates) to 11% in 2009. Impact expects 2009 revenues to reach RON 102.8 mn, meaning a 32% drop yoy, while EBT is expected to go down by 60% yoy to RON 4.1 mn.

#### Iproeb to reduce activity in May as well

According to a media release, Iproeb (IPRU) announced that due to the falling number of orders it decided to reduce its activity in May. Some 193 people (out of 556) will be put under temporary unemployment, while continuing to receive 75% of their salaries. We remind that the first time the company appealed to this measure was in January 2009. We view the news as negative and we expect a negative impact on the stock price.

#### Turbomecanica 1Q 2009 results

The aircraft engine manufacturer Turbomecanica (TBM) posted sales of RON 9.6 mn, 15% higher yoy in the first quarter of 2009. By reducing considerably raw materials costs (-35% yoy to RON 4.9) and third party expenses (-39% yoy), Turbomecanica was able to slash operating losses to RON 0.7 mn compared to RON 4.9 mn in 1Q 08. Other financial revenues amounted to RON 1 mn (vs. RON 0.04 in 1Q 08) and financial losses were cut in half to RON 0.5 mn from RON 1.1 mn in 1Q 08. The company posted a net loss of RON 1.2 mn, 80% lower yoy.

#### Comnord 2009 guidance

According to the media, the shareholders of the constructions company Comnord (COSC) approved in the GSM of April 29 the 2008 results and the 2009 budget. The company sees its 2009 revenues down 30% to RON 164.4 mn and a net profit of RON 7.3 mn, half the result of 2008. The company's activity contracted in 2008 as well, the revenues falling 11.2% to RON 233.8 mn. As consequence the company cut its workforce from 218 in 2007 to 146 at the end of 2008.

## BVB Market Watchlist

	Closing Price		Price Range(RON)		RON Performance (%)				MCap		Float	Daily Volumes		
	RON	EUR	High	Low	1Day	1M	6M	YTD	RON mn	EUR mn	%	No.Sh	EUR	%of Tot
Alumil Rom Industry - ALU	1.8500	0.4422	1.9000	1.8400	2.21	28.5	4.5	168	58	14	20.1	54,842	24,341	0.26
Antibiotice Iasi - ATB	0.5700	0.1362	0.5900	0.5600	2.70	43.9	29.8	58	259	62	36.9	446,800	61,130	0.66
Banca Carpatica - BCC	0.1240	0.0296	0.1350	0.1240	-4.62	51.6	-40.7	-32	250	60	64.2	251,900	7,791	0.08
Biofarm Bucuresti - BIO	0.1590	0.0380	0.1680	0.1570	1.27	111.4	109.2	104	174	42	60.8	7,134,931	279,154	3.03
BRD - GSG - BRD	7.3000	1.7450	7.3500	7.1500	8.96	25.9	-2.0	-12	5,087	1,216	41.7	1,153,856	1,999,789	21.69
Compa Sibiu - CMP	0.1940	0.0464	0.1940	0.1880	6.59	109.3	16.2	104	42	10	45.4	296,700	13,582	0.15
Oil Terminal - OIL	0.1540	0.0368	0.1570	0.1530	0.65	10.0	-23.0	-4	90	21	30.4	41,265	1,532	0.02
Rompetro Well - PTR	0.3610	0.0863	0.3640	0.3580	1.40	14.6	82.3	20	100	24	49.0	5,302,700	433,865	4.71
Zentiva Bucuresti - SCD	0.4860	0.1162	0.5250	0.4820	-6.54	22.1	47.3	79	203	48	13.1	1,227,130	147,008	1.59
Petrom - SNP	0.1870	0.0447	0.1890	0.1800	2.19	26.4	12.0	3	10,592	2,532	6.2	10,951,592	483,308	5.24
Teraplast Group - TRP	0.3840	0.0918	0.3900	0.3800	1.86	14.6	-9.6	-4	114	27	34.9	69,500	6,444	0.07
Transelectrica - TEL	12.7000	3.0357	12.7000	11.8000	11.40	28.3	-3.1	15	931	223	12.8	39,062	113,975	1.24
Transgaz - TGN	149.4000	35.7117	150.0000	138.0000	9.85	29.9	26.6	22	1,759	420	10.0	4,515	154,730	1.68
Vrancart Adjud - VNC	0.0585	0.0140	0.0599	0.0521	4.65	34.5	-5.6	10	37	9	25.3	135,688	1,837	0.02
Dafora - DAFR	0.0572	0.0137	0.0592	0.0568	2.51	76.5	15.6	46	56	13	26.0	2,161,000	30,195	0.33

All market data as of April 30 closing

## Rasdaq Market Watchlist

	Closing Price		Price		RON Performance (%)				MCap		Float	Daily Volumes		
	RON	EUR	High	Low	1Day	1M	6M	YTD	RON mn	EUR mn	%	No.Sh	EUR	%of Tot
Albalact - ALBZ	0.2500	0.0598	0.2650	0.2490	-1.96	31.6	47.9	19	163	39	49.4	382,379	23,082	2.43
Armax Gaz Medias - ARAX	0.0572	0.0137	0.0600	0.0572	-1.04	45.2	-9.2	2	35	8	62.4	1,672,420	23,460	2.47
Artego Tg. Jiu - ARTE	1.5100	0.3609	1.7000	1.5100	-8.48	48.0	-44.1	-1	15	4	30.0	3,300	1,273	0.13
Cemacon Zalau - CEON	0.0930	0.0222	0.0999	0.0881	4.26	0.5	-53.5	3	18	4	87.3	54,100	1,242	0.13
Electromagnetica - ELMA	0.3170	0.0758	0.3180	0.2970	5.32	15.3	-24.7	-9	107	26	54.4	3,468,280	228,625	24.05
Iproeb Bistrita - IPRU	1.1600	0.2773	1.2300	1.1500	7.41	41.5	-28.8	29	55	13	69.3	2,792,240	548,764	57.74
Prebet - PREB	0.7800	0.1864	0.8050	0.7700	-1.27	1.3	23.8	30	27	6	49.6	4,200	776	0.08
Prefab Bucuresti - PREH	3.3000	0.7888	3.3000	3.3000	-4.35	164.0	168.3	323	160	38	7.0	1,000	789	0.08
Prospectiuni - PRSN	0.1570	0.0375	0.1620	0.1560	4.67	53.9	11.3	34	113	27	17.4	163,760	6,188	0.65

## Closed-end Investments Funds

	Closing Price	No. of Shares	MCap	Free Float	3M Avg Daily Turnover	Reported	Adjusted	Adjusted	Discount to	Target	Upside/
						NAV/Share*	NAV**	NAV/Share	Adjusted NAV	Price***	Downside to TP
						RON	RON mn	RON	%	RON	%
SIF1 SIF1 Banat-Crisana	1.0200	548.8	133.8	100	219,635	1.48	888.2	1.62	-37.0	1.28	25.6
SIF2 SIF2 Moldova	0.7750	519.1	96.2	100	381,429	1.60	839.3	1.62	-52.1	1.33	71.7
SIF3 SIF3 Transilvania	0.4550	1,092.1	118.8	100	228,388	1.05	1,289.8	1.18	-61.5	0.93	105.3
SIF4 SIF4 Muntenia	0.6750	807.0	130.2	100	185,952	1.46	1,172.8	1.45	-53.6	1.17	73.2
SIF5 SIF5 Oltenia	0.9100	580.2	126.2	100	514,159	1.65	1,096.2	1.89	-51.8	1.45	59.8

\* Reported by the SIFs as of April 03, 2009

\*\* Adjusted NAV according to our methodology

\*\*\*Target Price is computed by applying a 15% discount to adjusted NAV

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