

***S.C. MECANICA CEAHLAU SA***  
**Ordinary General Meeting of Shareholders 29/01/2010**

**PRELIMINARIES**  
**regarding the accomplishment of the main economical-financial indicators**  
**established for the year 2009**

The activity of the company Mecanica Ceahlau and its economic and financial results in 2009 were negatively affected by two important factors: unfavorable economic environment we faced, generated by increased economic and financial crisis in Romania and the effects of the year 2007 of the purchasing operations in financial leasing system of the agricultural machinery to be sublease to the customers.

During the year there were taken measures to adjust the sales and production to the real requirements of the market, capitalization on the priority of products in stock and debt collection, reducing to the absolute minimum of technical work plan, repairs, accomplishment of the investments in limit of the financial resources and proper dimensioning of staff and work schedule.

**Preliminaries accomplishment of BIE for year 2009**

Budget of incomes and expenses for the year 2009 approved by the General Meeting of Shareholders in 12.12.2008, the preliminaries to are be made as follows:

<b>No.</b>	<b>Indicators</b>	<b>BIE 2009 approved</b>	<b>BIE2009 preliminaries</b>
1	Turnover	27.500.000	17.333.679
2	Total incomes	27.377.723	19.516.445
3	Total expenses	26.276.725	26.435.141
4	Gross profit	1.100.998	(6.918.696)

**Turnover** is preliminary to be made at a rate of 63.03%.

We mention that in addition to domestic problems due to lack of financing sources for investments in technique agricultural of the farmers, the most biggest failure is the export on the traditional markets: Russian Federation, Ukraine, Moldova, Bulgaria, Hungary and Poland, countries affected by the economic crisis.

**Total incomes** are preliminary to be made in the amount of 19.516.445 lei, the rate of 71.28% over the approved budget. Failure of total incomes due to failure of turnover with 36.97% and 29.30% of operating incomes.

**Total expenses** is expected to be completed at 26.435.141 lei, the rate of 100.60%.

Overcoming the total expenses is due to record additional costs of running the financial leasing contracts for agricultural machinery from sublease (depreciation of 4.840.288 lei, insurance of 88.582 lei, exchange differences expenses of 367.858 lei, interests of 315.604 lei and penalties of 444.111lei ), also to the record of adjustments of impairment of assets operating costs 900.000 lei and exceeded financial expenses 2.929.896 lei.

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**Total claims** compared with the beginning of the year decreased until 30 November 2009 to 4.692.407 lei in particular on account of claims receivables, in condition that collection period increased from 198 days to 262 days.

**Total debts** compared with the beginning of the year decreased until 30 November 2009 to 4.652.396 lei in particular to the reduction of commercial debt and trade effects.

The period for repayment of debt to the providers was diminished from 89 days to 85 days.

**Bank debt** at 31.12.2009 is estimated to be 12.200000 lei falling within the limit approved by EGMS in amount of 12.500.000 lei.

**Measures to improve liquidity**

The increasing of the stock capital from amount of 15.990.846 lei to the amount of 23.990.846 lei with 8.000.000 lei through subscription of shares had an effect in 2009 by covering the cash deficit and termination of the debt of leasing contracts and in the future the insurance of the funds that are necessary for development of the company and implementation of the second profile of activity by approaching non-conventional energy and mechatronic devices with medical applications.

**BOARD OF DIRECTORS**

**BOARD OF DIRECTORS CHAIRMAN**  
*University Prof. Dr. Eng. Dumitru Bontas*

**GENERAL MANAGER**  
*Eng. Neculai Timaru*

**ECONOMIC MANAGER**  
*Ec. Gabriela Marian*