

**SCHEDULED WORKS TO BE CONDUCTED IN 2012  
FOR THE PARKING AREA AND AREAS FOR OTHER OPERATIONS  
ON THE Str. Aurel Vlaicu No 34 SITE  
WITH THE COMPANY'S OWN FUNDING AND THEIR VALUE**

In 2012, the company continues to apply measures with a view touching returns from renting buildings and land together with implanting the measures under the Programme for the increase of its asset value, e.g., demolishing buildings that bring no return in order to arrange a parking area in the cleared clear land.

Thus, at the end of January 2012, demolition works of the forging plant and its annexed buildings are to be completed 2012.

With respect to increasing the returns form rentals, we will intensify renting the space remained unoccupied and we will conduct refurbishing works (connections to power supply, dividing in interior space, access doors, etc.) at minimum costs, to facilitate rentals.

Taking into account the 2011 profit resulted from rentals and sales of scrap metal from demolition works, i.e., some 180,000 lei, the investment programme for 2012 includes provisions of 150,000 lei for the commencement of works for a 8,500-square metre parking area.

Works and their related cost estimate are as given below:

- Earth levelling on a 8,500-square metre area; = 16,000 lei
- Demolishing basement and line filling on some 70-square metre area; = 2,000 lei
- Manufacturing and purchasing heavy duty-proof caps for the existing manholes, i.e., 8 pieces ; = 2,800 lei
- Ballast filling and levelling various concrete thresholds, i.e., representing borders of the demolished building foundations; = 6,000 lei
- Filling and levelling a 10cm-thick ballast layer on a 8,500-square metre area; = 50,000 lei
- Manufacturing and purchasing 10 lighting poles with individual switches mounted in console on the existing buildings or on support poles (poles, lamps, switches, cables/wiring, cut-out board, etc.); = 14,000 lei

- Manufacturing and applying traffic marking and sign; = 9,000 lei
- repairing fences; = 5,700 lei
- Enlarging gate width and mounting an automatic barriers without automatic ticket issue; = 9,500 lei
- Video Monitoring system, i.e., 6 video cameras; = 15,000 lei
- Purchasing three ecological toilets; = 10,000 lei
- Unforeseen works; = 10,000 lei

The parking area occupies some 60% of the 8,500-square metre area, the 40% balance representing an area allotted to traffic and technical equipment.

The parking area itself will have some 5,100 square metres.

In order to calculate the investment depreciation, the parking load estimate on the 5,100 square metres is as follows:

- 40 % of total parking area (i.e., 2,040 square metres) for motorcars, i.e., a 15-square metre usable area per vehicle, i.e., 136 bays for light-duty vehicles.
- 30% of the parking area (1,530 square metres), i.e., lorry park, coach park, etc., requiring a 42-square metre usable area per vehicle, i.e., 36 bays.
- 30% of the parking area (1,530 square metres), for long vehicles, articulated buses, tractor-trailers, requiring a de 63-square metre usable area per vehicle, i.e., 24 bays.

Estimating 3 lei/square metre/parking day, for each type of vehicles the following fees will be applied:

- a) Light-duty vehicles = 45 lei/day
- b) Lorries = 126 lei/day
- c) Tractor-trailers = 189 lei/day

For 100% load per day, the estimate daily return is of 11,112 lei.

Estimates costs for maintenance, lighting, monitoring, advertising amount to some 27,000 lei/month, i.e., 900 lei/day.

We consider two variants:

1) The pessimistic scenario: for a 10% daily load, the estimate return is of 1,111 lei per day; after deducing the costs, the estimate profit is of 211 lei/day, i.e., 77,015 lei per annum. This annual profit would cover the depreciation of investment in two years and, in the third year, the investment becomes profitable.

2) The optimistic variant: for a 30% daily load, the estimate return is of 3,333.6 lei per day; after deducing the costs, the estimate profit is of 2,434 lei/day, i.e., 876,240 lei per annum.

In the optimistic variant, the investment shall be depreciated in 2.5 months.

For the first year, we could consider the pessimistic variant as the location of the parking area is not known to drivers, and taking into account that length of time needed to disseminate the information and to appropriately advertise the car park, including the time needed to develop the habit of parking in the same location.

Looking forward to a profitable development of such business, we could develop a strategy to improve the location both in terms of structure - e.g., a concrete platform with tarmac - and in terms of facilities, such as catering, shower & toilets, rest areas and accommodation for some 48 hours, as well as car part shops, car wash, etc.

B.M.E.I.

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