

## CREDITINFO REPORT FOR "SAMPLE"

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Last Update: 4-7-2006

### COMPANY DETAILS

**COMPANY NAME: SAMPLE**

**Delos number:** 111

**Address:** Sos. Mihai Bravu nr. 15, cod postal 070000

**City:** Otopeni

**County:** Ilfov

**Tel:** 021/2222222

**Fax:** 021/2222223

**E-mail:** office@sample.ro

**Web:** www.sample.ro

**Sector:** Retail

**Managing director:** NICOLAE POPESCU

**Board:**

Nicolae Popescu

Ion Marinescu

**Contact person:**

Maria Ionescu - Administrative Manager

E-mail: maria.ionescu@sample.ro

**Capital ROL:** 135,375,000.0 (Thousands lei)

**Capital RON:** 13,537,500.0

**Employees:** 5277

**Register of commerce:** J23/15/2004

**Date of registration:** 8-2-1991

**Fiscal code:** 111111

**Company type:** SRL

**Business history:**

The company was established in 1999.

The previous name of the company was SAMPLE IMPORT SRL.

The previous registration number of the company was J40/111/1991.

The previous address of the company Bucharest, Sos. Panduri nr. 14, bl. P31, sc. A, et. 3, ap. 15, sector 5, cod postal 050000.

**Activity:** Miscellaneous retail trades in specialized shops

**Company profile:** Other retail sale in specialized stores

**Bankers:**

Alpha Bank Romania Bucuresti Sucursala Libertatii

Finansbank (Romania) Sucursala 1 Mai

Piraeus Bank Romania

**Branches:**

The company is not registered with branches and subsidiaries.

The company is registered with 5 working points.

**Working points:**

Bucharest, Sos. Mihai Bravu nr. 243, sector 3

Braila, Str. Galati nr. 151

Galati, Str. 1 Decembrie 1918 nr. 12

Vrancea, Focsani, Str. Victoriei nr. 14, bl. B3, sc. 1, et. 4, ap. 15

**Notes:**

On the 31<sup>st</sup> of March 2006 the company was registered with a debt at the state budget in value of RON 1,541. For this debt the enforcement procedure has been started.

The last statement regarding the payment to the state budget was made in March 2006.

2004 Employees - 5277

2003 Employees - 5169

2002 Employees - 4174

2001 Employees - 3089

2000 Employees - 1962

The company is registered with 8 payment incidents during the 24<sup>th</sup> of March 2000 - 24<sup>th</sup> of March 2004.

The company was forbidden to issue cheques between the 7<sup>th</sup> of July 2003 - 9<sup>th</sup> of February 2005.

## SHAREHOLDERS

**NAME:** SAMPLE IMPORT SRL - 55%

**NAME:** SAMPLE SA - 45%

Also owns  
shares in: MAGIA SRL  
DUNAREA SA

## REAL SECURITIES

### ALPHA BANK ROMANIA BUCURESTI SUCURSALA LIBERTATII

**Date:** 20-2-2006

**Description:** Personal real security over creditor balance of the current accounts opened at creditor bank; in value of 717,594.10 EURO guaranteeing the credit contract no. X.

### FINANSBANK (ROMANIA) SUCURSALA 1 MAI

**Date:** 8-6-2005

**Description:** Claims in total value of 4,085,800,786 ROL ceded by X SRL, to be received from X SRL according to invoices, cession contract X for the guarantee of import letter of credit in value of 131,000 EURO, according to credit agreement X.

### PIRAEUS BANK ROMANIA

**Date:** 27-6-2003

**Description:** The asset in guarantee is the real security contract no. 1325/08.05.2003 by which X guarantees the payment of the debt resulted from the additional act no. 1223/1/07.05.2003 to the credit contract no. 1223/23.01.2003. The guarantee consists in the cession of the claim rights in total amount of EUR 355,596 that the debtor is to cash from X SRL according to the sales contract concluded on 03.04.2003.

**Notes:** X SRL is co-debtor.

FINANCIALS	All values are in thousand ROL		
	31-12-2002	31-12-2003	31-12-2004
<b>Analyzed Period</b>			
Total Tangible Assets	5,257,940,670	6,670,617,749	7,129,236,890
<b>Total Fixed Assets</b>	5,280,470,704	6,702,458,874	7,174,103,465
Inventory Total	1,278,140,247	1,484,770,673	1,809,437,737
Accounts Receivable	264,646,598	1,092,750,088	1,052,316,564
Bank deposits (ROL)	663,367,378	80,086,889	102,856,607
Other current assets	379,159,596	N/A	N/A
<b>Total Current Assets</b>	3,528,123,327	3,891,117,650	4,789,108,908
<b>TOTAL ASSETS</b>	8,817,085,571	10,664,510,879	12,053,185,946
Share capital	135,375,000	135,375,000	135,375,000
Profit for current year	95,157,653	548,256,083	1,111,128,952
Loss for current year	0	0	0
<b>SHAREHOLDER'S EQUITY</b>	2,548,728,553	3,564,697,007	4,675,670,771
<b>TOTAL DEBTS</b>	6,250,668,252	7,071,490,699	7,342,039,515
Debts payable within 1 year	4,840,429,601	5,423,196,147	5,728,663,773
Debts payable more than 1 year	1,410,238,651	1,648,294,552	1,613,375,742
<b>Total Liabilities &amp; Shareholder's Equity</b>	8,817,085,571	10,664,510,879	12,053,185,946
<b>PROFIT &amp; LOSS</b>	<b>31-12-2002</b>	<b>31-12-2003</b>	<b>31-12-2004</b>
<b>TURNOVERS (SALES)</b>	21,342,300,777	31,024,846,970	41,547,368,890
Revenues from operating	21,363,727,335	31,079,170,792	41,620,327,279
Expenses from operating	20,583,200,918	29,790,378,971	39,874,646,518
<b>Profit/Loss from operating</b>	780,526,417	1,288,791,821	1,745,680,761
Revenues from financial activity	108,462,011	98,402,784	436,747,949
Expenses from financial activity	671,444,768	566,179,899	410,285,754
Interest expenses	143,314,116	157,244,536	167,758,374

<b>Profit/Loss from financial activity</b>	-562,982,757	-467,777,115	26,462,195
<b>Profit/Loss from op. and financial activity</b>	217,543,660	821,014,706	1,772,142,956
<b>Profit/Loss from extraordinary activity</b>	-2,990,131	0	0
Extraordinary revenues	0	0	0
Extraordinary expenses	2,990,131	0	0
Total revenues	21,472,189,346	31,177,573,576	42,057,075,228
Total expenses	21,257,635,817	30,356,558,870	40,284,932,272
<b>GROSS PROFIT</b>	214,553,529	821,014,706	1,772,142,956
<b>NET PROFIT</b>	95,157,653	548,256,083	1,111,128,952

## FINANCIAL ANALYSIS

The firm was profitable over entire analyzed period, but the profitability ratios were small due to the enormous losses from the financial activity registered in the first two analyzed years. In the year 2004, the growth in revenues from financial activity was of 343.83% compared to the year 2003 and the expenses from financial activity decreased in that period, so the end results of that fact was the positive value recorded by the profit from financial activity.

Regarding the situation of the net profit it could be observed that it had an ascending trend over the analyzed period. The net profit's excellent expansion in the year 2003 was of 404.957% compared to 2002, due to improvement of the company's activity efficiency measured through the profitability of the revenues, respective expenses from the operating activity.

In the year 2004, the operating profit recorded a satisfying increase, of 123.65%, compared to the year 2002 due to a larger difference between the revenues and expenses from operating activity than the same difference from the year 2002. As a consequence, the operating profit / total assets increased over the analyzed period.

The turnover of the firm increased almost twice over the analyzed period and it can be said that the average of the value of turnover was approximately 99.22% from the total revenues, indicating a very good situation for the activity accomplishment. The increase of the turnover over the period determined a good enlargement of the business volume.

A higher profit margin indicates a more profitable company that has better control over its costs compared to the competitors in the market. The profit margin recorded low values in the analyzed period, so the company was not so operative at converting the revenue into actual profit, especially in the year 2002. The value registered in 2004, of 2.674%, means the company had a net income of 0.026 ROL for each ROL of sales.

The company should reduce its personnel expenses, in order to improve its effectiveness and profitability. As we can see, the company recorded a small increase over the period for the profitability ratios, which are an important measure of how profitable the company is over a period of time.

In 2002 and 2003 ROA had undersized values for the company's profile and it can be said that the management of the firm did not use efficiently its assets. ROA was enhanced in 2004 compared to 2003 due to the higher increase of the net profit than the increase of the total assets and it can be said that the firm had a good administration, which increased the return of assets in order to extract a little more profit from its assets at disposal in the end of analyzed period.

The return of equity was low in the year 2002 and 2003 due to high values of the shareholders' equity. ROE revealed that the company did not generate more profit with the money shareholders have invested in the firm. In the year 2004, the net profit increased in a higher rhythm than shareholder's equity and that determined a satisfactory increase for the ROE. The value from 2004 revealed that the company used very well reinvested earnings to generate additional earnings. ROE is used as a general indication of the company's efficiency; in other words, it can be observed by its value from 2004, that the management of the company was able to generate appreciably profit given the resources provided by its stockholders.

**Table no. 1**

<b>Profitability Ratios</b>	<b>31-12-2002</b>	<b>31-12-2003</b>	<b>31-12-2004</b>
Profit margin on sales (Net profit/Turnover)	0.446%	1.767%	2.674%
ROA (Net Profit/Total Assets)	1.079%	5.141%	9.219%
ROE (Net profit/Shareholders' equity)	3.734%	15.380%	23.764%
Operating profit or loss/Total Assets	8.852%	12.085%	14.483%
Operating profit or loss/Turnover	3.657%	4.154%	4.202%

Table no. 2

<b>Evolution of the company elements from financial statements</b>	<b>31-12-2003</b>	<b>31-12-2004</b>
Turnover's growth in real terms	27.404%	22.522%
Net profit's growth in real terms	404.957%	85.422%
Operating profit / loss growth in real terms	44.714%	23.926%
Interest expenses' growth in real terms	-3.839%	-2.391%
Inventory's growth in real terms	1.811%	11.497%

From the point of view of the liquidity ratios the firm recorded a not so good liquidity, but in the year 2004 the situation improved a little, meaning that with all the accounts receivable and cash in hand and in bank the firm could cover its current liabilities.

In the year 2002 and 2003 there was a problem for the company, meaning the cash in hand and disposable assets were not enough to pay off near term liabilities, but the firm took measure and it increased the current assets in a higher rhythm than the short term debts increased over the period.

The firm cashed in 2003 almost 101.4% from the turnover and in 2004 cashed almost 99.2% from the turnover, so the firm had not at all problems at all with the recovering the rights from the merchandise sold.

Table no. 3

<b>Liquidity ratios</b>	<b>31-12-2002</b>	<b>31-12-2003</b>	<b>31-12-2004</b>
Current ratios	0.729	0.717	0.836
Quick Ratio	0.465	0.444	0.520
Receipts (Thousand ROL)	N/A	30,575,903,076	41,587,802,414

The company succeeded to rotate its inventory over the analyzed period in about 16-22 days and it could be said that the situation we have here is very good for the company's profile. The inventory was replaced over in a smaller period in 2004 compared to the previous years due to higher increase of the turnover than the increase of the inventory.

In the year 2003 the situation got better from the point of view of the days sales outstanding ratio, because it diminished much and this is very well for the firm to record fewer days for cashing the money from the clients because it could use the money in another purposes.

Table no. 4

<b>Activity ratios</b>	<b>31-12-2002</b>	<b>31-12-2003</b>	<b>31-12-2004</b>
Inventory turnover (days)	22	17	16
Days sales outstanding ratio	11	13	9
Days debt payments outstanding	N/A	N/A	N/A
Fixed assets turnover (times)	4	5	6
Total assets turnover (times)	2	3	3
Tangible assets turnover (times)	4	5	6
Commercial debts turnover (days)	0	0	0

The indebtedness of the firm was near superior limit in the analyzed period and it decreased a little with 10 percent in 2004 compared to the year 2002. In the year 2002, the firm used over double external sources than internal sources to finance the activity, after that, in the year 2004 firm used over double external sources than internal sources to finance its activity. The liabilities increased much over the period, but the firm had a good solvency, meaning that it could obtain other bank loans in the future.

The long- term debt to equity ratio of the company decreased in the end of analyzed, acceding at 157.026% in 2004.

In 2004 the situation improved much from the point of view of profit from financial and operational activity and we can see that the company could cover without effort its interest and financial expenses from operational profit and revenues from the financial activity.

**Table no. 5**

<b>Solvency Ratios</b>	<b>31-12-2002</b>	<b>31-12-2003</b>	<b>31-12-2004</b>
Loans and similar debts/Shareholders' equity	N/A	N/A	N/A
Total Debts/Total Assets	70.893%	66.309%	60.914%
Total Debts/Total Shareholder's equity	245.247%	198.376%	157.026%
Times interest earned (interest expenses)	6.203	8.822	13.009
Times interest earned (financial expenses)	1.324	2.450	5.319

**Notes:**

1.

<b>Year</b>	<b>31-12-2002</b>	<b>31-12-2003</b>	<b>31-12-2004</b>
Inflation rate at the end of the period	17.8%	14.1%	9.3%

2. Account receivable refers to all accounts regarding clients (including other accounts receivable).

**CREDIT SCORING**

<b>TYPE</b>	<b>WEIGHT</b>	<b>WEIGHTED SCORE</b>	<b>ADJUSTED SCORE</b>
FINANCIAL PERFORMANCE	20.00%	0.66	0.73
FINANCIAL POSITION	20.00%	0.90	0.90
PAYMENT RECORD	15.00%	1.50	1.50
GOODWILL	10.00%	0.65	0.65
MANAGEMENT	10.00%	0.85	0.85
SHAREHOLDING STRUCTURE	10.00%	0.54	0.54
BUSINESS TRADE	5.00%	0.35	0.35
PROSPECTS	5.00%	0.30	0.30
SIZE	5.00%	0.29	0.29
<b>RISK RATING</b>	<b>100.00%</b>	<b>6.04</b>	<b>6.11</b>
<b>RISK RATING</b>	<b>A</b>	<b>5</b>	<b>NORMAL RISK</b>
<b>CREDIT LIMIT AS DEBTOR</b>		<b>4,405,223,709.00</b>	<b>The values are in thousands ROL</b>
CREDIT BASED ON PURCHASES	4,405,223,709.00		
SHAREHOLDER'S FUNDS	4,675,670,771.00		
<b>CREDIT LIMIT AS CLIENT</b>		<b>631,389,938.40</b>	
CREDIT BASED ON TURNOVER	631,389,938.40		
SHAREHOLDER'S FUNDS	4,675,670,771.00		

## CASES

### 1. Commercial Company SAMPLE SRL, Additional Act

Popescu Iuliana, as sole associate of the company, decided upon the following:

Increasing the share capital of the company from 150,000,000 ROL to 550,000,000 ROL, contribution in cash, divided into 550 shares with nominal value of 1,000,000 ROL per share, owned by Popescu Iuliana.

**Date: 17<sup>th</sup> of February 2005, The Official Monitor of Romania, no. 561, Part IV**

### 2. Commercial Company SAMPLE SRL, Additional Act

Popescu Iuliana, as sole associate of the company, decided upon the following:

The main object of activity of the company is, code CAEN: 222 - Printing and service activities related to printing.

The main activity of the company is, code CAEN: 2222 - Printing n.e.c.

**Date: 8<sup>th</sup> of March 2004, The Official Monitor of Romania, no. 762, Part IV**

### 3. Commercial Company SAMPLE SRL, Additional Act

Popescu Iuliana, as sole associate of the company, decided upon the following:

Opening a working point in Comuna Apahida, Str. Libertatii no. 295, Cluj County.

The following activity is excluded from the object of activity of the company, code CAEN: 7031 - Real estate agencies.

**Date: 1<sup>st</sup> of November 2002, The Official Monitor of Romania, no. 2245, Part IV**

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