IMPACT DEVELOPER & CONTRACTOR

Annual Report 2012

Outcomes

45% more units sold in 2012 compared with 2011

21% increase in the dwellings sales income compared with 2011

60% increase in the income from sales of units in 2H2012 compared with 2H2011

123 renting and sales contracts were signed in 2012

Content

This report covers the financial year ended 31 December 2012. For more detailed information, please refer to our website at http://www.impactsa.ro/actionari-investitori/rapoarte-financiare/raport-anual/

CORPORATE GOVERNANCE

Board of Directors

According to the legislation in force and the Company's Articles of Incorporation, the General Shareholders' Meeting is the Company's supreme management and decision body, which decides with regard to its activity. The Company is run by the Board of Directors formed of five administrators, individuals:

- Dimitrios Sophocleous, President of the Board of Directors
- Stefan Gheorghiu Milicin,
- Dan Ioan Popp
- Valeriu N. Ionescu
- Vlad N. Neacsu

On 24 September 2012, the Board of Directors appointed as General Manager Mr. Stefan Gheorghiu-Milicin.

By Resolution no. 5/AGOA of 20.12.2012, following the resignation of Mr. Radu Bugica on 16.11.2012 and his revocation as Director, Mr. Vlad Neacsu was elected new member of the Company's Board of Directors.
The rights, powers and functioning of the Board of Directors are in accordance with art. 8, art.9 and art.10 of the Articles of Incorporation of Impact Developer & Contractor SA.
The manner in which the General Shareholders' Meeting must be held and its attributions are set forth in art. 12 of the Company's Articles of Incorporation.

Mr. Dimitrios Sophocleous- President of the Board of Directors

Dimitrios Sophocleous, the President of the Board of Directors since April 2012, has a international finance experience gained through the various positions he held over the years, such as: Managing Partner for CDI Corporate Development and Investment SRL, Romania (since 2010), Financial Executiv Director for AD Pharma Holding, Romania (2008-2010), Financial Executive Director for Romtelecom, Romania (2001-2007), Non-Executive Member of the Board of Directors for Pagini Aurii, Romania and Non-Executive Member of the Board of Directors for Garanta SA, Romania (2004-2006), President of the Board of Directors for ART Telecom SA, Romania (2004-2006), President of the Board of Directors for CVR SRL, Romania (2004-2005), Financial Executive Director for Cosmorom, Romania (2001-2004), Financial and Administrative Director for Lannet Telecommunications, Greece (1999-2001), Financial Executive Director for Andreadis Shipping Group, Greece (1995-1999), Audit Manager for Ernst & Young, Greece (1994-1995), Audit Manager for Mouskis & Co OE. Greece (1992-1994), Audit Senior for Mouskis & CO Certified Accountants, UK (1988-1992), Accountant for Andreadis (UK) Shipping CO LTD, UK (1987-1988), Accountant for Norsk Hydro Oil & Gas CO S.A., Norway (1986-1987).

Mr. Stefan Gheorghiu-Milicin – Administrator, General Manager

Stefan Gheorghiu-Milicin graduated the Faculty of Chemical Engineering in 1995 in Monash University, Melbourne, Australia.
Stefan Gheorghiu-Micilin held various positions in international companies such as: Senior Commercial Broker for Colliers International, Bucharest, Romania (1997- April 2002), Senior Commercial Broker for Colliers International, Mexico City, Mexico (May 2002-May 2003), Director Corporate Services for Colliers International, Bucharest, Romania (January 2004 - September 2005), Managing Director for Europolis Romania – real estate fund (January 2006 - May 2007),Managing Director for Polimeni Romania(New York based developer) (June 2007 – October 2007), Commercial Director for Romania, Georgia & Bulgaria for Willbrook International - London based developer (September 2009 – June 2011).
Starting with October 2007, Stefan Gheorghiu-Milicin holds the Managing Partner position at Tegron Consulting, company offering integrated services for development and real estate management consulting services.

Mr. Dan Ioan Popp – Administrator

Dan Ioan Popp is one of the founders of Impact Developer & Contractor SA and also one of the main shareholders of the company. He held the President of the Board of Directors and CEO position of the company from 1991 until April 2012.
He is one of the pioneers in the Romanian real estate field, being also one of the founders of the Romanian Agency of Real Estate Companies in 1993. In 1994 Dan Ioan Popp was one of the founders of the Bucharest Stock Exchange and the National Agency of Transferable Securities. In 1998 he was member of the National Association of Home Builders in USA. In 1999 he held the position of Lecturer and President of the Examining Commission of the Real Estate Institute IRECSON, and President of the Romanian Agency of the Real Estate Companies (ARAI). In the same year he was one of the founders and Vice-President of the National Federation of Real Estate Development. In 2000 Dan Ioan Popp was President of UNAI (National Union of Real Estate Brokers) and in 2005 he was Associated Professor at Master Courses organized by The Bucharest Academy of Economic Studies.

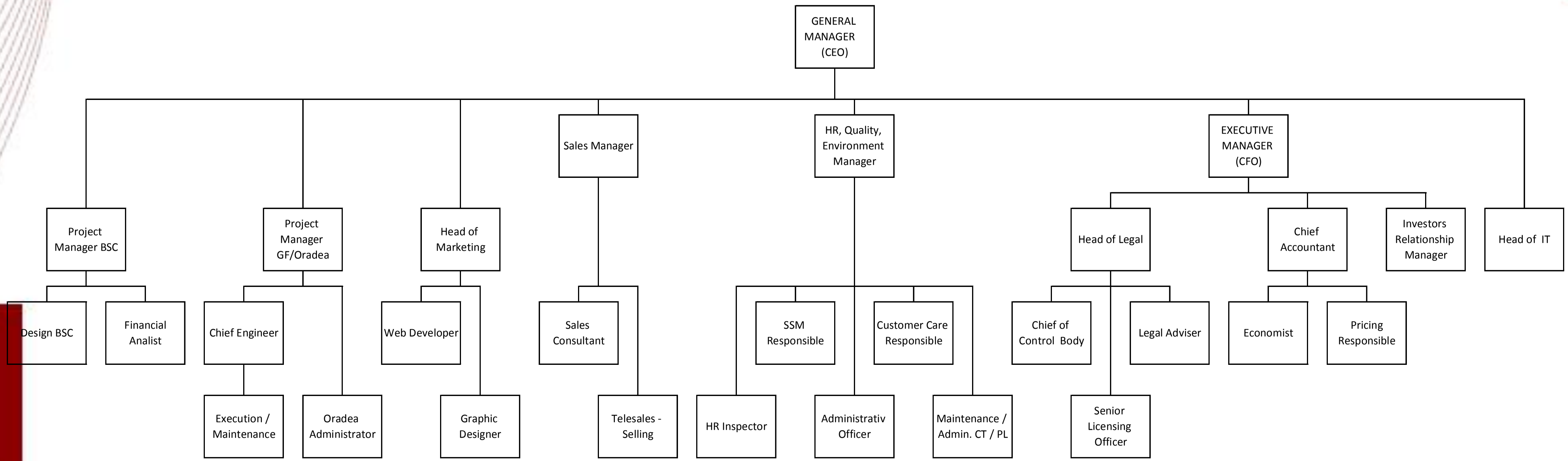
Mr. Valeriu N. Ionescu – Administrator

Valeriu Ionescu graduated the Polytechnic Institute of Bucharest – Faculty of Electronics and telecommunications in 1976. He graduated the course of Master of Business Administration held by ASEBUSS and University of Washington in 1995.
Valeriu Ionescu held various managing positions within international companies such as: Country Director for International Executive Service Corp. (1991-1995), Regional Manager for New Europe Fund (1998-2004). Also he was part of the Board of Directors of various companies, such as: S.C. Astral SA (2000-2002), Luxten SA (1999-2003), deputy director of Orange (1999-2004).
Valeriu Ionescu was funding partner of Focus Sat Romania S.A., being Sr. Vice-president of this company from its incorporation until its full sale to UPC (April 2006). Currently, Valeriu Ionescu is Managing Partner of SC Valeriu Ionescu & Asociatii S.R.L. as from 2004, which is a company of consulting and services in the field of direct investments.

Mr. Vlad Nicolae Neacsu - Administrator

Vlad Nicolae Neacsu graduated the Academy of Economic Studies, The Management Faculty in 2004 and participated at several training courses in the capital market field.
Vlad Nicolae Neacsu accumulated a great experience in capital market, working for prestigious companies such as Raiffeisen Capital & Investment and AlianzTiriac Pensii Private. Since 2011 Mr. Vlad Nicolae Neacsu manage the Pricom Bucuresti Company firstly as President of the Board of Directors and since April 2012 as CEO.

Company Organization Chart



Report of the Independent Auditor

To:
The Shareholders and Board of Administrators of Impact Developer and Contractor S.A.

1. We audited the individual financial statements of the company IMPACT DEVELOPER & CONTRACTOR SA (“Company”) enclosed which include: the statement of the financial position as of December 31st , 2012 , the statement of the global result, the statement of changes in equity and the statement of cash-flow for the year ended at this date, and a summary of the significant accounting policies and other explanatory notes. The financial statements mentioned above refers to:

	- Lei -
	31 December 2012
Total Shareholders' Equity	326,121,387
Net Turnover	22,003,647
Net Result (loss)	(74,892,467)

The Management’s Responsibility for the Financial Statements

2. The management is responsible for the fair preparation and presentation of these financial statements according to the International Financial Reporting Standards adopted by the European Union. This responsibility includes: conceiving, implement and maintain a relevant internal control for the preparation and fair presentation of the financial statements that are free of material misstatements due to either evasion or mistakes; selection and application of appropriate accounting policies; making reasonable accounting estimates for the giving circumstances.

The Responsibility of the Auditor

3. Our responsibility is to express an opinion on these financial statements based on our audit. Except for the matters described in paragraphs 5 and 6 we have conducted our audit according to the International Audit Standard as they were adopted by the Chamber of Financial Auditors of Romania. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements.

4. An audit involves performing procedures to obtain audit evidence related to amounts and other disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including risks evaluation as the financial statements to present significant misstatements due to either evasion, or mistake. In making those risk assessments, auditor analysis the relevant internal control system in preparation and fair presentation of the financial statements of the company with the purpose of planning the proper audit procedures in the given circumstances, but not with the purpose of expressing an opinion related to the effectiveness of the internal control of the company. During the audit, there is also evaluated the appropriateness of accounting policies used and the extent to which the accounting estimates made by the management are reasonable and the overall presentation of the financial statements. Except for the matters presented in paragraphs 5 and 6, we believe that the audit evidence we have obtained is sufficient adequate to form a basis for our audit opinion.

Limitation of the scope of the auditor’s work:

5. For the litigations presented in Note 28 “Contingencies” point B2) to the financial statements, either we didn’t receive the confirmation of the company’s lawyers, or we received the confirmation but without the estimation of the result of these litigations. Without this information, we cannot appreciate that risks that could arise for the company and their possible impact on the financial position and performance of the company.

6. On December 31, 2012 we couldn’t express an opinion regarding the registering value of inventories of dwellings (Finished Products account), regarding to the registering value of its stake in the subsidiary ClearlineDevelopment SRL

and therefore neither the profit and loss statement of the financial year ended on December 31st, 2013. If the company would have done the above balance sheet valuation, at the end of the year according to the accounting rules in force, there would have been possible the current result of the year 2011 to be different than the one presented in the financial statements as of December 31st,2011. Even if in year 2012, the company registered allowance for impairments both for dwellings stock and for investments held in subsidiaries due to the current result of the year ended, since we could not determine the depreciation related to the retained earnings, we were unable to determine to what extent these adjustments affect profit and loss statement and/or retained earnings as of December 31st, 2012.

Opinion

7. In our opinion, except for the effects of the adjustments that might have been necessary if we have ensured on the aspects mentioned in paragraph 5 and except the possible effects of the limitations expressed on initial balances as they were presented at point 6, the financial statements of the company **IMPACT DEVELOPER & CONTRACTOR SA** gives a true picture of the position and financial performance as of December 31st, 2012 according to the International Financial Reporting Standards adopted by European Union and with the accounting policies described in the notes to the financial statements.

Emphasis of matters:

8. Without qualifying our opinion, we draw attention to the following matters:

   a. As it is presented in Note 13 "Long term loans" at the financial statements as of December 31st, 2012, the company's management started in January 2013 the negotiation/restructuring/rescheduling of debt with the main banks the company has loans with, respectively Piraeus Bank and BancaRomaneasca.

   b. As it is presented in Note 6 paragraph "Participations held in affiliated entities", in 2012 the board of director of Impact, respectively at Clearline Development SRL decide to reduce the share capital of ClearlineDevelopment SRL from 26,900 thousand lei to 22,400 thousand lei, respectively to reduce the share capital of Actual Invest House SRL from 11,005 thousand lei to 8,105 thousand lei, decreased which resulted partially with cash refund to Impact, partially compensated debt previously recorded in other transactions.

   c. As it is presented in Note 6 paragraph "Participations held in affiliated entities" and in Note 8 – Inventories, Impact holds a participations in amount of 2,329,020 lei (45%) in Millenium Consult Invest 2002 SA, the developer of the Business Support Center – Greenfield 2 project, which is co-financed with European Regional development Fund, the Regional Operation Program and it has made investments (services and work in progress) in amount of 3,129,378 lei in the above mentioned project. In March 2013, there is signed the financing contract under the Regional Operational Program 2007-2013 Priority Axis 4

9. Considering the provisions of Ministry of Finance Order 1286/2012, we revised the administrator's report issued at the same date with the attached financial statements. Following this review, we have not identified any aspect indicating significant inconsistencies between the administrators' report and the attached financial statements prepared under the management's responsibility.

10. The current Auditor's report was prepared in order to be used by the Company and its shareholders gathered in GMS according to the provisions of Law 31/90 republished. At the extend of the law, RMS SCOT doesn't accept and it doesn't take any liability to a third parties, other than the company and the GMS, regarding its audit and its opinions.

Dan Schwartz
Managing Partner
C.A.F.R. member (no. 404/09.12.2000)
On behalf of the company

R.S.M. Scot S.R.L.
C.A.F.R. member (nr. 322/31.05.2001)

April 11, 2013
Bucharest

Translation from Romanian language

Risk Management

In order to prevent liquidity risks, the Company prepares 5-year, 1-year and monthly reports; it analyses the forecasts made and compares them to the real situation in order to prevent situations in which liquidity problems may appear.

Market risks:the global financial crisis combined with the recession in Europe exposed Romania to risks on the financial market.In order to maintain and even increase sales, IMPACT followed a strategy of funding the potential clients facing difficulties in accessing a bank mortgage.In order to achieve this goal, in 2009 IMPACT obtained a bank loan of RON 12.8 million (nearly EUR 3 million), used for the funding of clients buying residential facilities buying residential facilities by installments.At the end of 2012, the balance of this loan was RON 0.84 million, amount which must be fully repaid until June 2013.

The Company's internal control is made:

- Through the Contracting Department: contracts are signed by the Legal Department, Project Manager and General Manager;
- Through the Sales Department: contracts are analyzed by the Price and Analysis Department and signed by the General Manager;
- Through preventive financial control which checks the observance of the contract compliance;

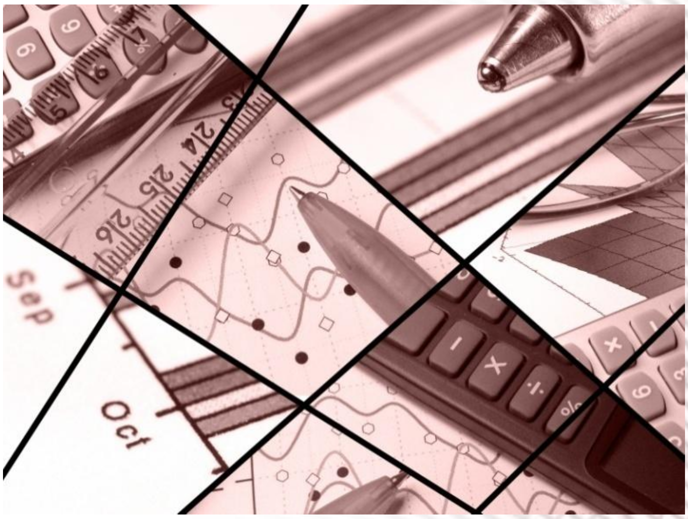
Through the monitoring of the payments, checked by the Preventive Financial Control and approved by the Chief Accountant.

Exchange rate and higher cost of financing are the major sources of financial risk. The access to financing is more difficult and more expensive as the new credit regulation gets even more restrictive, and the RON currency depreciates relative to the EUR.

The year 2012 started with an exchange rate of 4.32 RON/EUR, and after a maximum of 4.65 RON/EUR, caused by the political instabilityduring the summer of 2012, hasstabilized after the election from autumn and finished the year 2012 at a level of 4.43RON/EUR.

The average exchange rate for 2012 was of 4.46 RON/EUR.

The exchange rate variations affect the financial result because the company loans contracted in foreign currency.



Price risk: According to Colliers Report the prices continued to adjust in 2012. Consequently, the overall market average registered an 8% drop in prices in the last 12 months, reaching 920 € per built sqm at the end of December 2012.

The company prices during 2012 were lower than in 2012. This was the decision of the Board of Directors in order to improve the sales and to assure the liquidity for loans repayment and current expenditures.

On the other hand, the price decrease affects the company profitably in a negative way.

THE COMPANY

Company Introduction

Founded in 1991, by public subscription, Impact Developer & Contractor S.A. (also called IMPACT) is one of the first private companies active in the real estate industry. Initially, its main activities were the rental and maintenance of luxury villas in the Bucharest area. In 1995, Impact introduced the concept of the "residential compound" to the Romanian market and thereafter progressively evolved into a pure real estate developer. In 1996, Impact was listed on the Bucharest Stock Exchange (BSE). The company's shares were promoted to the first tier of the stock market in 2006, becoming the first company in the real estate development and building sector to do so.

Initially a developer of small, residential properties in Bucharest, Impact now focuses mainly on developing large-scale and mixed-use projects in Bucharest.

Residential Units Completed

Bucharest
1011 villas

Ploiesti
38 villas

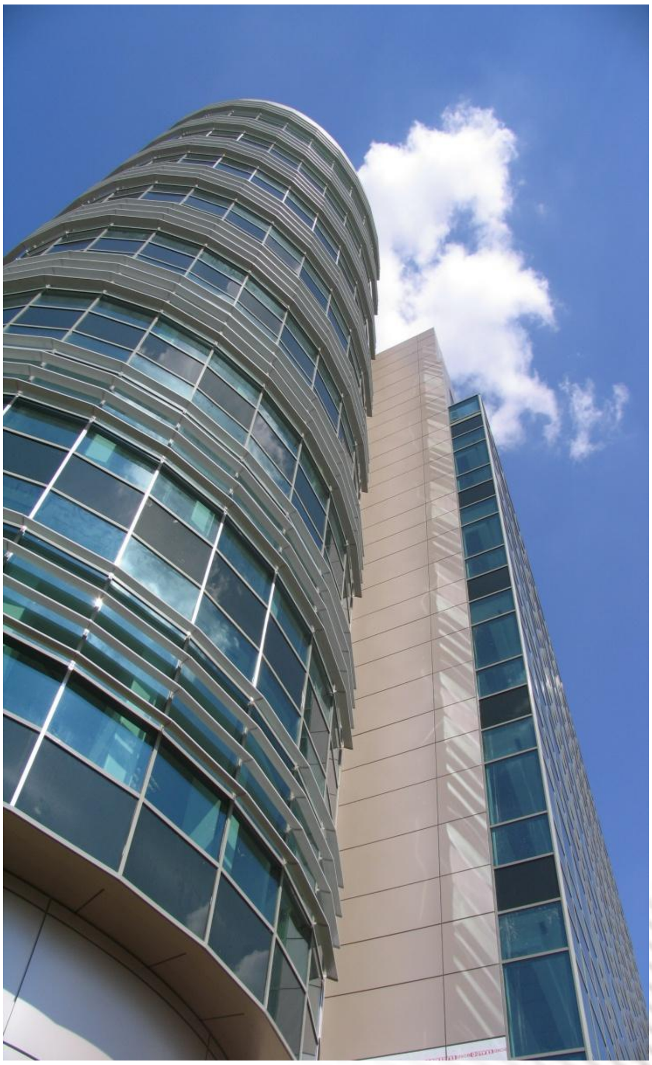
Bucharest Greenfield
10 ha already developed and more than 668 units

Constanta
151 villas

Oradea
314villas

Company Overview

IMPACT is the company that builds more than dwellings, it develops communities



Over the last 20 years, Impact has developed more than 2,500 dwellings and expanded its activities in Bucharest, Oradea, Ploiesti, Constanta. The portfolio is completed by 25,000 sqm of office and retail space comprised in the first A class office building developed in Pipera area and in the retail spaces from mixed-use developments developed by IMPACT.

IMPACT focused in the last few years its attention more towards projects with mixed destination (ample residential areas, custom made houses, office, retail areas, as well as to education systems - schools, kinder gardens- and medical facilities). Its pipeline is dominated by its major project Greenfield Residence development, a mixed-use real estate project in the North Part of Bucharest.
Having a total of 16 residential completed projects, Impact is always trying to find new solution to fulfill client's needs.

Mission

The mission of Impact is to turn into reality the clients' real estate dreams through the employees' professionalism which is continually developing, thus fulfilling the investment expectancies of the owners/shareholders.

IMPACT identifies a clean location for its projects, linked to the city by modern roads; offers level plans and facades which can cover a larger area of the financial possibilities of its clients; accomplishes durable and high quality construction and fittings; grants performance guarantees and more flexible payment mechanisms, adapted to the financial availability of the clients.

In order to draw respect and exceed the expectations of the real estate market, IMPACT promotes its values, applying them in any activity.

The Company's organizational culture is based the following set of values:

- ✓ **Client satisfaction** – translated as client orientation, by providing high quality products, adapted to client's needs;
- ✓ **Communication** – we believe that efficient communication is at the core of the development;
- ✓ **People** – the concern for people is translated through the attention offered in representing the interests of our employees and shareholders;
- ✓ **Pro-activity** – or choosing the progress through the identification of new development opportunities;
- ✓ **Continuous learning** – is the essential lever to be competitive on a developing market that is changing quickly;
- ✓ **Business ethic** – granting safety to clients and suppliers.

Business Overview

Romania struggled throughout 2012 among political turmoil, the international credit crunch and a general election process, while the IMF stand-by agreement remained an anchor against economic derailment. Thus, due to the shaky economic environment, the real estate market's dynamics were affected in the first half of the year, all segments registering a reduced activity compared to 2011.

Over the past two years, the Company's main strategy was to capitalize as much as possible from the residential units from the portfolio.

Due to the changes registered in the real estate market over the past four years, in 2012 IMPACT continued to modify its operational activity and adapt it to the current market conditions. The economic crisis of the past years determined a drop in consumer's trust and an increase of its expectations with regard to the quality of the environment it is living in. IMPACT found solutions in order to satisfy as much as possible the new social values and more and more sophisticated habitat requirements, bringing in the developed projects various operators for facilities such as: English school, fitness and beauty center, pharmacy, groceries store, sweetshop and bar, and diversified playgrounds.

In 2012 IMPACT signed 123 contracts, of which 100 were sale contracts and 23 were rental contracts, with 45% more sale contracts signed than in 2011.

Management keeps an eye on the market's pulse and responds appropriately to any changes in demand by adapting very quickly to the market changes.

Strengths

- *Experienced management team;*
- *Track record provides leverage with lenders and customers alike;*
- *The company's strategy with flexible product range allows the company to react to the market conditions;*
- *Creative financing solutions for residential customers may support sales figures;*
- *Impressive land stock can provide potential source of cash inflow and collateral for financing for future projects in the medium and long term;*
- *Company has enough stock of finished dwellings to respond quickly to a recovery in the residential market;*
- *Low indebtedness compared to CEE peers;*
- *Attractive characteristics of the company's core project – Greenfield project - 48 ha, located close to office and commercial area in an unpolluted area of Bucharest.*

Weaknesses

- *Operating profitability has been under pressure due to market conditions, and will likely remain under pressure through 2012;*
- *Customers' preference for renting over purchasing could threaten short-term profitability. Impact overcomes this weakness by offering to its customers the possibility to buy the dwelling they rent in the first 9 months of the renting contract and to recognize part of the rent paid by the customer as advance payment at the moment they decide to purchase the dwelling.*

Opportunities

- *Housing deficit leaves room for sustainable residential market growth in the long term (much more than any other CEE country);*
- *Beneficiate of dwellings which meet the requirements for the First House government program;*
- *Prepared to capitalize on the good location of the land stock.*

Threats

- *Prolonged tight credit conditions and deterioration of households' expectations on their financial standing will persist on the market and could threaten short-term operating profitability;*
- *Higher cost of funding;*
- *Competitor's low-priced products, sold with aggressive offers, could affect the company's sales plan.*

Strategy and Business Model

In 2012, the evolution of Romanian economy registered a slight growth of +0.3%[1] (according to the National Institute for Statistics), growth determined mainly by the increase of the volume of activity and gross added value of information and communications (+29.4%) and professional, scientific and technical activities; activities of administrative and support services (+8,4%). The construction sector stagnated in 2012 as compared to 2011, whereas real estate transactions registered a slight growth of 1.5%. The greatest reductions of the activity volume were registered in agriculture, forestry and fishing (-21.2%), in industry (-2.1%) and in the financial brokerage and insurance sector (-0.2%).

Fall in unemployment determined an increase by 0.6% of the final consumption of population households in 2012, as compared to the previous year. At the same time, in 2012 the expenditure for the final consumption of public administrations went up 1.9%.

Although globally the significant decreases registered over the past few years got stable, both investors and creditors remain cautious, and the funding activity remains very limited.

Under these circumstances, it is worth mentioning that IMPACT adapted constantly to the new market conditions by measures aiming to:

(i) reduce fixed costs, strategy initiated at the beginning of the economic recession period, by reducing office space rent, company staff, vehicle fleet, reduce the stock of fixed assets and machines that had not been used over the past few years due to the reduction of the company activity volume and completion of the residential projects;

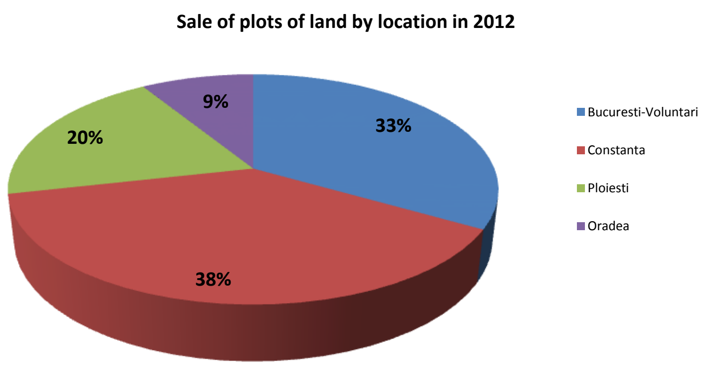
(ii) adjust the prices of the existing housing stock in order to respond as much as possible to the market needs. The most significant price reductions were registered for the residential complexes of Oradea, which were finished in 2009;

(iii) the decrease of the degree of indebtedness to 18.8% of the value of the assets in 2012, as compared to 22.9% at the end of 2011;

Therefore in 2012 IMPACT signed 123 contracts, of which 100 were sale-purchase contracts and 23 were rental contracts, 45% more sale-purchase contracts than in 2011.

Regarding the company strategy, IMPACT, in 2012 had as goals:

- Sale of the residential facilities finished in Bucharest, Ploiesti, Oradea and Constanta;
- Offering plots of land for sale to individuals and legal entities for the development of houses or small commercial premises. Following this activity, in 2012 plots of land with a total area of 5,500 sqm were sold in Bucharest, Ploiesti and Constanta.



[1] +0.7% growth according with last statement of NIS from April 2013 (+0.3% growth according with provisionary reporting)

Sale strategy for existing projects

The residential units offered by IMPACT are grouped in 3 finishing phases: shell and core stage, completed units without finishings and finished units, the clients having the possibility to choose the type of unit that best suits their needs.

In the summer of 2012, the new management decided the significant reduction of the selling price of the existing residential units in the compounds developed in Oradea between 2004-2009. The discount is applied only to the sale contractspaid in full. The reasons that led to this decision were: stimulation of the sale of residential units in Oradea (which was very low over the past three years), which would have as result the reduction of the maintenance and repair expenditure, real estate tax and would generate great amounts of cash. Following this decision, in the second half of 2012, 52 houses were sold in Oradea.

Money policy restrictions and the new regulations published by the National Bank of Romania rendered the access to funding sources more and more difficult. Due to this, since 2008, Impact had offered different funding solutions, adapted to its clients' needs and flexible in their application. They were continued in 2012 with financial solutions adapted especially to the sales strategy for the products developed by IMPACT and in accordance with the market conditions.

Clients may chooseto purchase a dwelling in installments on a 6-year period, with a minimum down payment of 30%, this product being offered to the clients purchasing residential units in Bucharest and Constanta. For the purchase of plots of land, clients may choose for a one-year payment in installments with a minimum down payment of 40%.

In 2012, aiming to increase Company's cash, the Company gave up the financial products MAX AVANTAJ, which allowed the client to purchase by installments on a 10-year period and FIND-L, which allowed the purchase by installments on a 6-year period with an advance payment of 25% (for prices in RON). At the same time, the company's strategy was to focus mainly on the sale of residential units rather than renting them, based on the same objective – increase company's liquidities.

At the same time, IMPACT chose to address, by different purchase alternatives, to various types of clients: from buyers with cash who can pay in full, obtaining a discount, to the ones who have less financial resources and choose the installment-purchase product on a maximum period of 6 years.

Key Factors and Major Drivers for the Development Business

Cutting the price – the strategy for 2012

With a significant number of units in stock and with an increased risk of degradation, the new Board of Directors decided to cut the prices in order to stimulate the sales and to avoid future maintenance cost. The most significant price reductions was registered for the residential compoundsfrom Oradea, which were finished in 2009. As a result, during 2012 there were registered 45% more sale-purchase contracts than in 2011.

First House program

The “First House” program has continued during 2012 and it is addressing to the low products segment.

This program was appreciated for its effects on the real estate market. It also creates competition between banks regarding the standard mortgage loans.

Regarding IMPACT Developer & Contractor sales activity in 2012, a small percent of the units sold during 2012 were acquired by its customers through “First House” program.

This program has a favorable impact on the company’s sales, on one hand directly through its customers that are eligible for the “First House” program, and on the other hand indirectly through customers who sell an old apartment to someone else that beneficiates of the “First House” program and decides to buys a new apartment from IMPACT.

The VAT

While the VAT reduce rate of 5% which applies for low products segment (for transaction that do not exceed the amount of RON 380,000 and only for dwellings with a maximum utile area of 120 sqm) represents an oxygen bubble and a lot of transactions have befit for this facility, the Government decision to rise the VAT from 19% to 24% negatively affects the demand for middle and upper middle projects that do not fit to the requirements for the 5% VAT.

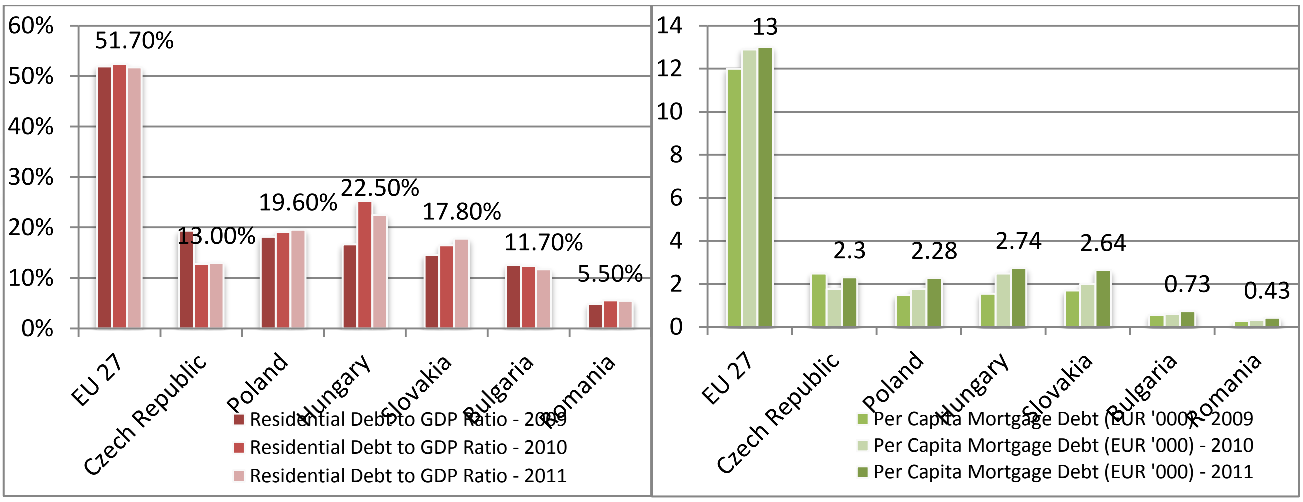
The gap between the demand and the supply on the residential market

It must be considered that the Romanian residential real estate market is still substantially lacking supply in residential units compared to other peer countries in the CEE region. This fact gives further confidence in the long-term potential of the residential real estate market.

Mortgage loan market is still undeveloped and the bank availability for the new mortgages is increasing

Romania continues to hold the last place in EU in terms of mortgage loans to GDP ratio.

The figures below show that, despite the difficult situation of the real estate sector, on the medium and long term, Romania will continue to remain an attractive market for banks. The growth potential in this segment is significant.



Data source: European Mortgage Federation, hypo.org

The current business environment, where National Bank of Romania keeps the Monetary Policy Interest Rate at the lower level, give a strategic sign for loans market, trying to stimulate the loans denominated in national currency.

Despite this NBR decisions, a mortgage loan denominated in national currency, remains still expensive, comparing it with a mortgage loan denominated in Euro currency.

Completed Products

1996 – 1998

Impact has built individual luxurious housing with a modern design, with attention for details and for client's satisfaction. The build area of the houses was between 180 sqm and 350 sqm.

1998

The company started to build semidetached houses, more accessible villas, with a built area between 120 sqm and 150 sqm. Those villas were for people who appreciate family values, people who want their dreams to come true.

2003

It was introduced the raw houses product with a built area between 80 sqm and 115 sqm. This was a product for young people, for those who aspire and are in a continuous ascension, for those who want more from life.

2006

Impact started to develop mixt used projects with blocks and flats with two, three and four bedrooms design for active people who want a new, spacious, functional home. In the residential compounds there were also developed small retails spaces with a built area between 300 sqm and 1000 sqm in order to serve the community needs.

The company, also, entered the market of office spaces one with the delivery of the Class A Office Building Construdava Business Center.
CONSTRUDAVA Business Center is located in the northern part of Bucharest, an area where are concentrated over 60% of the office building of the city. The office building has 11 floors, with a structure of 2BS+GF+8FL and is located just 20 minutes drive away to Victoriei Square and 15 minutes to the International Airport Henri Coanda.

Customer Care Department

Customer Care Department as a key component of any successful business provides a valuable link between our clients and our company.

The main goal of the Customer Care department is to meet the client needs, to make sure the clients are satisfied with the services provided.

In order to increase the customer satisfaction, Impact is using research questionnaires and analysis made by the Customer Care Department. Also a priority for this department is to improve the speed, quality and consistency of the responses to client's enquiries by generating the information in a format that can be easily accessed.

Each Customer Care representative is focused to build a win-win relationship between the company and its clients.

Maintaining after sales relationships with customers involve activities such as:

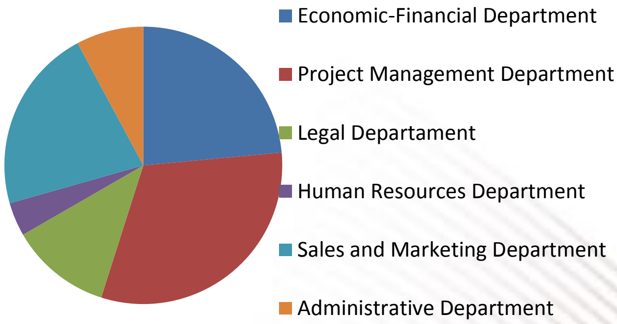
- Talking to the clients and transmitting their complaints to those who are responsible to solve them;
- Setting a schedule for solving the enquires, monitoring the progress of the resolution process and ensuring the customer is informed with the solving process;
- Provide a prompt, courteous and knowledgeable response to all customer enquiries;
- Provide information to the customers regarding the events, programs, status observation/ claim issues and utility services

Process:All complaints are recorded in a CRM database which contains a complete list of Impact's clients. Customer Care Representatives forward these messages to those in charge to solve the enquire and then keep in touch with the customer in order to make sure the customer is satisfied with the service provided. Reports are sent regularly to the Quality Manager to ensure that the appropriate corrective and preventative measures are been taken.

Employees

We believe the employees are the strength and the backbone of any organization. It is their efficiency, performance and knowledge that will determine the level of success for any company. As employee development is crucial for the growth and prosperity of our business, we constantly develop the skills and the talents of our employees, in order for us to be updated with the growing technology and the change in consumer needs.

Employee structure as at 31.12.2012



The Company had 37 employees at the end of 2012, the staff structure being indicated in the above chart. There is no trade union in the Company. The relations between the management and the employees are regulated by employment contracts and job descriptions.

OUR PROJECTS

Completed Projects

Impact has successfully developed a diverse range of projects in the Northern part of Bucharest, and in other secondary cities, allowing it to become one of the most important developers in Bucharest.

Residential Project	Residential Units	Built Area (sqm)	Started	Completed
Alpha	40	7000	1995	2001
Beta	70	12,250	1998	2002
Gamma&Delta	250	43,750	1999	2003
Epsilon&Zeta	106	19,950	2001	2005
Junior	54	7840	2004	2005
Class	202	41,375	2001	2006
Azur 1&2	150	53,500	2004 & 2005	2007
Europa	298	112,000	2004	2008
Boreal	151	60,000	2002	2008
Rubin	154	18,155	2006	2009
Topaz	123	9,420	2006	2011
Onix	104	7,580	2006	2011
Lotus	16	3,515	2004	2012
Roua	38	13,000	2004	2012

Figure: Completed Projects

Alpha Project

Completed in 2001, Alpha was the first residential compound built by Impact and comprises 40 luxury houses. Financed with the support of a bank loan in 1995 – which was repaid 15 months later, Impact succeeded in proving its competence, resourcefulness, viability and its worth as a trusted company.

Beta Project

Initiated in 1998 and completed in 2002, Beta Project is the second residential compound developed by Impact. The project includes 70 deluxe and prestige villas and is located in the North Part of Bucharest, just 25 minutes drive away from International Airport Henri Coanda and 20 minutes drive away from the center of the city.

Gamma & Delta Projects

Gamma & Delta developments were started in 1999 and completed in 2003. These compounds comprise 250 units including personalized deluxe, prestige and freedom villas.

Epsilon & Zeta Projects

Initiated in 2001 and completed in 2005, the Epsilon & Zeta compounds comprise 106 houses including luxury and prestige-type villas. Both are located on the Pipera lakeside and benefit from special landscaping.

Junior Project

Comprising 54 town houses, Junior was initiated in May 2004 and completed in 2005. Muguras and Margarit type villas were built with one structured as a ground floor and attic, the other as ground floor, first floor and attic.

Class Project

Class was initiated in 2001 and completed in 2006. Developed on an area of 75,000 m², the compound includes 202 villas and a number of playgrounds. After only 6 months, 60% of the compound had been contracted.

Azur 1&2 Projects

Azur 1 project was initiated in September 2004 and was developed on a 53,500 m² area. The complex includes 150 Prestige and Junior type villas, supplemented with sports grounds, playgrounds, green areas and 50 parking spaces. Azur2 development was initiated in February 2005. Both developments were completed in 2007.

Europa Project

In close proximity to the university and with easy access to the Oradea city centre, Europa Project is developed on plot of 130.000 sqm and a total built-area of 112,200 sqm with 298 villas.

Boreal Project

Located in Constanta and comprising 151 villas, Boreal 1 was initiated in 2002. Developed on an area of 60,000 m², the project includes villas with 150-700 m² plot and 115-450 m² built area.

Rubin Project

Rubin Residential Compound came as a response to the desire for diversity and new built apartments for an active person who wants a high standard of living, comfort, free of pollution place, privacy and accessibility. It comprises 34 villas (Valetta and Sienna) and 120 apartments in blocks with 2 or 3 floors.

Topaz Project

Topaz Residential Compound comprises 123 units and the inhabitants benefit of a new life style characterized by a very low noise and unpolluted air due to the 900 a of forest that surrounds Greenfield Projects.

Onix Project

Located in the north part of Bucharest as part of Greenfield Project, Onix Compound includes 104 residential units.

Lotus Project in Oradea

Lotus Residential Project fits perfectly to the ones who choose a quiet and unpolluted area. The project comprises villas with 300 – 500 sqm plot and 150 – 280 sqm built area. Lotus was started in 2004. The compound is situated close to the Criş River, and about 4 km far away from Oradea city, which is close to the Hungarian border.

Roua Project in Ploiesti

Roua is a residential project comprising more than 38 houses that represent a new era in the company's activities: the expansion in to another market – the city of Ploiesti, located in the close vicinity of the future highway Bucharest-Brasov, the main road towards the north and west provinces and the Western EU. The compound was started in November 2004. Developed on 13.000 sqm, the project has villas with 140 – 300 sqm plot and 125 – 135 sqm built-area.

Construdava Business Center

CONSTRUDAVA Business Center, is the first A-class office building from Baneasa-Pipera area and hosts, besides the headquarters of IMPACT, also the headquarters of some prestigious companies. These companies have chosen to perform their activities in high class premises, accomplished by the profile of Western standards.

With a total built area of 13.236 sqm, the office building has 11 floors, with a structure of 2BS+GF+8FL. **Its location offers easy access downtown** just 20 minutes of driving from Victoriei Square. The building is located also15 minutes to the Henri Coanda Airport and the tenants benefit of an overview upon the entire residential area from Pipera-Baneasa.

Ongoing Projects

Greenfield Project in Bucharest

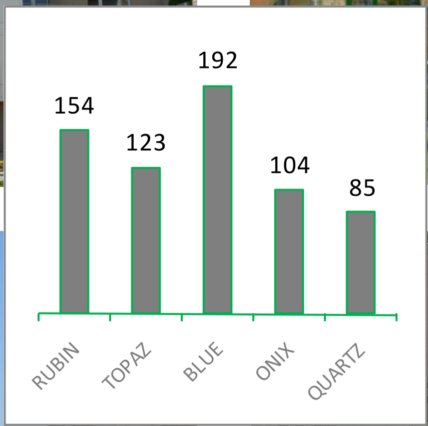
In the last 8 years the North of Bucharest, has developed considerably by attracting investments in large retail projects, residential developments and office buildings (60% of office buildings are constructed in this part of the city). The development of the area was primarily influenced by the availability of large land plots, good infrastructure, the vicinity to Baneasa Airport and Baneasa Forest (the only one existing forest in Bucharest) as well as the importance of immediate access to Bucharest – Ploiesti Road (DN1).

Greenfield is one of the largest mixed-use development projects in Romania, located in the North of Bucharest, bordered on two sides by Baneasa Forest and Tunari Forest. This provides a relaxed and unpolluted environment together with landscaped green areas.

Greenfield is just 2 km away from the crossroads with the DN 1 Bucharest – Ploiesti (National Road) and from the future Bucharest – Brasov highway, less than 10 minutes away from Henri Coanda International Airport and in the close vicinity of retail facilities such as Metro Cash&Carry, Selgross, IKEA, Mobexpert, Carrefour Feeria, Bricostore.

Surrounded by 900 ha of forest, with a community of more than 1300 inhabitants, Greenfield offers a new life style creating a habitat characterized by a low noise and unpolluted air. Greenfield is based on a "neighbourhood" concept, providing all types of facilities required by habitants of a modern city: residential neighbourhoods – flats, office buildings, shopping malls and commercial galleries, hotels, public facilities – schools, health care facilities, kindergarten, and leisure areas – tennis courts, playgrounds, parks.

The project was conceived in two phases, Greenfield 1 (phase 1, which comprises Rubin, Topaz, Onix, Blue and Quartz residential compounds) and Greenfield 2 (which is phased in 6 sub-phases).



Currently, in Greenfield the apartments are being sold at three different stages of completion (completely finished, without interior finishings or without interior partitioning), the clients having opportunity to choose the most suitable for their income.

With more than 80% of the project sold, new business partners came to Greenfield offering to the entire community facilities such as fitness club, minimarket, beauty salon, pharmacy, and the Little London private school.

Future Projects

Despite the economic problems faced by Romania due to the economic recession (a crisis that led to the unbalance of the real estate market), for the year 2013, IMPACT set objectives by which it can efficiently satisfy market, client and partner needs. The optimism with regard to the market and relation that IMPACT has with its clients is given by the diversification of both the real estate and financial products offered, managing this way to respond to the difficult access to the funding sources and expectations every time higher of the clients with regard to the habitat quality.

The offer proposed by the company for 2013 is complete and complex, providing a wide range of products: from serviced (non-serviced) land properties, finished and unfinished houses and apartments to real estate properties with reconfigurable areas.

In order to increase the quality of the services provided in the finished complexes and plots of land in its property, IMPACT is aiming in 2013 to conclude partnerships with various operators/investors in order to capitalize as much as possible of land properties and buildings of its portfolio.

Overview of the Business Support Centre Project in Bucharest

IMPACT continues to develop the mixed used project Greenfield, with a B class office building of 11,000 sqm to be financed with EU Funds. The Business Support Center will provide a total rental area of 6,280 sqm for offices. All the tenants will benefit of a conference room for 60 persons, dinnig room, 5 meeting rooms placed on each level, large number of parking places.

In 2011 the on-site visit took place and following this visit, the representatives of the Ministry of Regional Development recommended the conclusion of the non-refundable financing contract. Between May – November 2011, the contracting process was suspended, and at the end of November 2011, the contracting process was resumed. In this regard, there was a new on-site visit in December 2011. In March 2012 the project was rejected by the Management Authority for the Regional Operational Program. The project company challenged this decision, won the case and the contracting procedure continued. All in all, three on-site visits took place and several additional documents were requested. The project financing contract was signed on 27.03.2013.

YEAR 2012 AND OUTLOOK

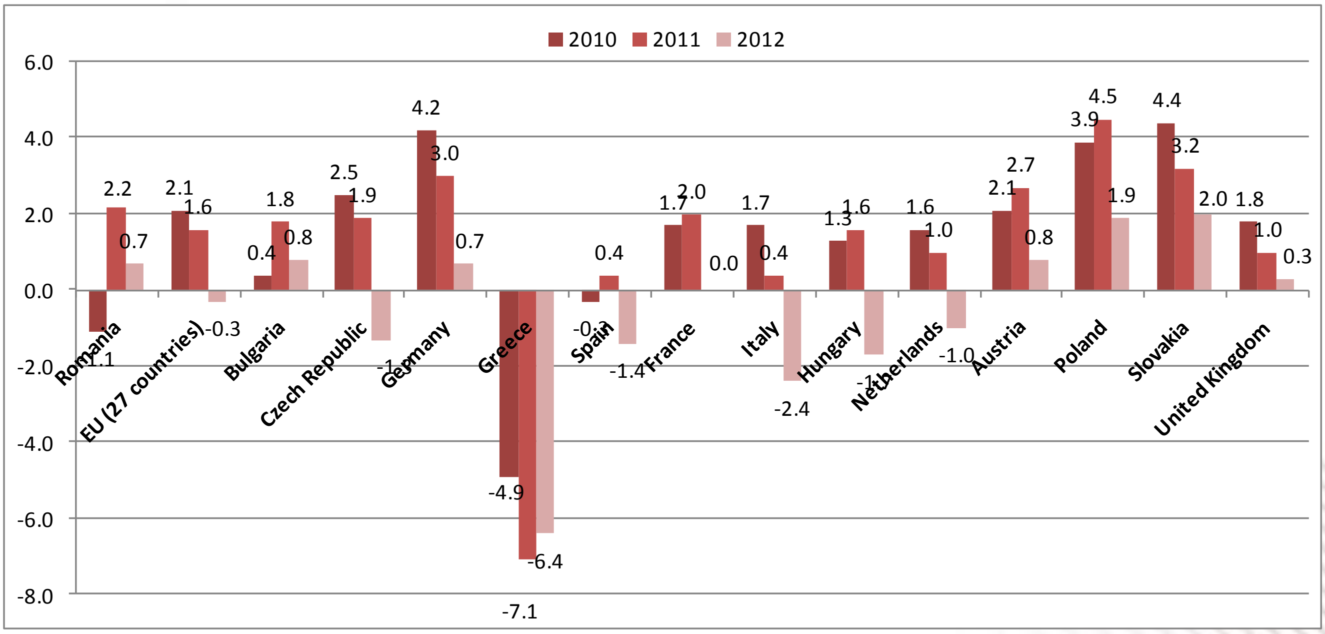
The Economy

During a year with political instability and with poor conditions for agriculture sector, Romania economy registered a small growth rate, respectively 0.7% according with NIS and EUROSTAT. The Industry sector with a weight of 28.4% and Information and Technology sectorwith a weight of 11.5% represents the main component of Romania GDP. It was a good rate comparing with most European countries.

For Europe, 2012 was poor economic year with slowing down of the most European economies, caused especially by the sovereign debts crisis.

Also the political instability from European countries generated by another austerity programs affected the perspective for a long term growth and thereafter the average Real GDP growth rate for EU 27 registered a decrease of-0.3%.

Real GDP growth rate - percentage change on previous year



Data source: EUROSTAT

While Poland and Slovakia, leaded the top of countries with another year of economic growththe Italy and Spain economies make a big step backward with a negative growth of -2.4% and -1.4% respectively.

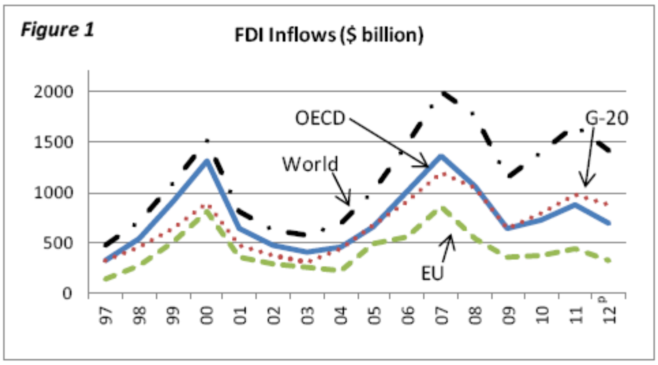
A new recession wall for European economy is also marked by the fast slowing down of the Germany Economy from 3% to 0.7%.

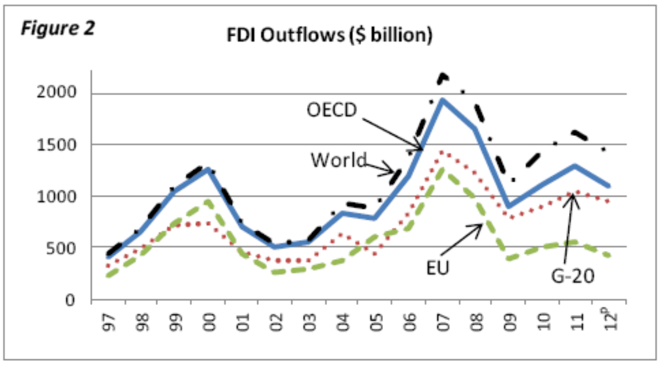
The Romania economy registered in 2012 year a 0.7% economic growth, which is over EU-27 average, according with EUROSTAT and with the latest estimates of National Statistics Institute.

Foreign Direct Investment

According to preliminary estimates, global FDI flows have declined in 2012 by 14% from 2011 to USD 1.4 trillion in spite of the 22% increase in the last quarter but remain comparable to global FDI flows in 2010.

OECD investments abroad declined by 15% to USD 1100 billion in 2012 accounting for 77% of global FDI (80% in 2011) and OECD attracted only USD 686 billion of FDI (or 48% of global FDI) representing an annual decrease of 21%. Investment to and from the European Union, in aggregate, declined by around 25%. China became the first FDI destination in 2012 and the United States maintained its position as the leading investing economy.





Data source: OECD, www.oecd.org

In 2012, 44% of global FDI inflows were hosted by only five countries. China attracted the lion’s share by USD 253 billion (or 18% of total) followed by the United States (USD 175 billion), Brazil (USD 65 billion), the United Kingdom (USD 63 billion) and France (USD 62 billion).

FDI attracted by Romania declined in 2012 for the fourth consecutive year, to 1.6 billion, the reduction being 11% of the 1.8 billion recorded in 2011, according to data of the National Bank of Romania (BNR).

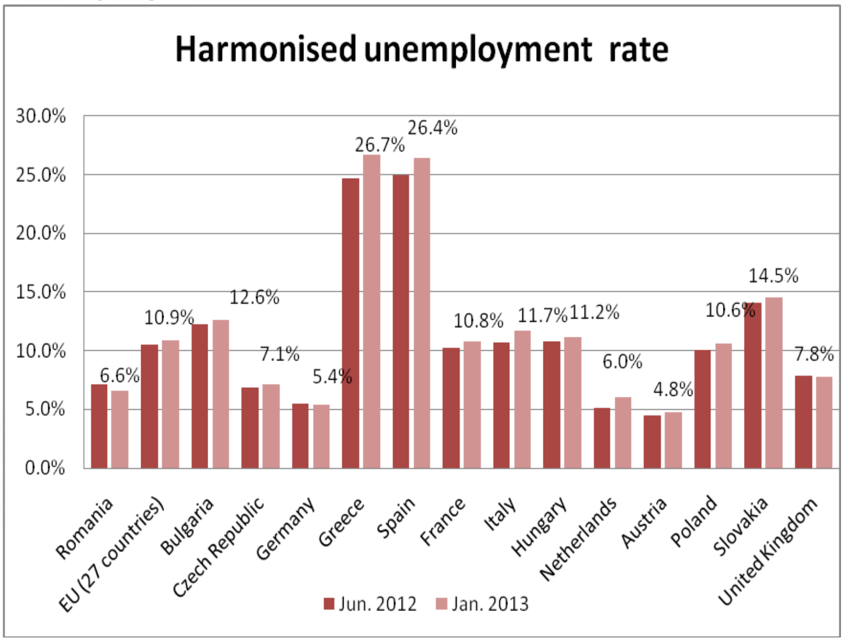
The equity participation consolidated with the estimated net loss amounted to EUR 698 million and intra-group loans amounted 915 million euros.During 2012 the FDI financed 32% of the current account deficit.

Foreign investments attracted by Romania registered a downward trend since the end of 2008, reaching a minimum in 2011 of the last nine years below the level in 2003 of 1.91 billion Euros.

According to preliminary estimates2, foreign direct investment (FDI) activity slowed down in Q3 2011 following steady increase over the previous three quarters. FDI outflows world-wide dropped by -13% from the Q2 2011 to USD 354 billion which is, however, 23% more compared with investments made in the same period of 2010. The quarterly average of global flows for the first nine months of 2011 is USD 380 billion.

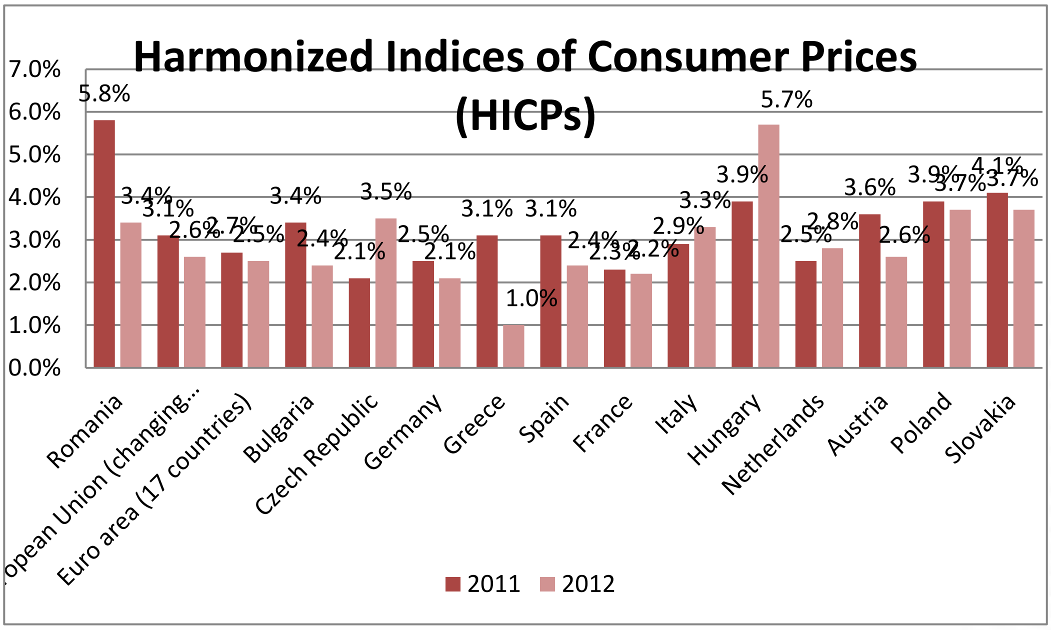
[2] www.oecd.org

Unemployment rate



The financial crisis made the unemployment one of the major problems of the European countries. As a result of the slowdown of the economic in most of the European Countries, the Unemployment Rate showed a concerning increaseduring 2011that continued also during 2012
The unemployment rate from Romania was placed below the EU 27 average.

Data source: EUROSTAT



Inflation Rate

Data source: EUROSTAT

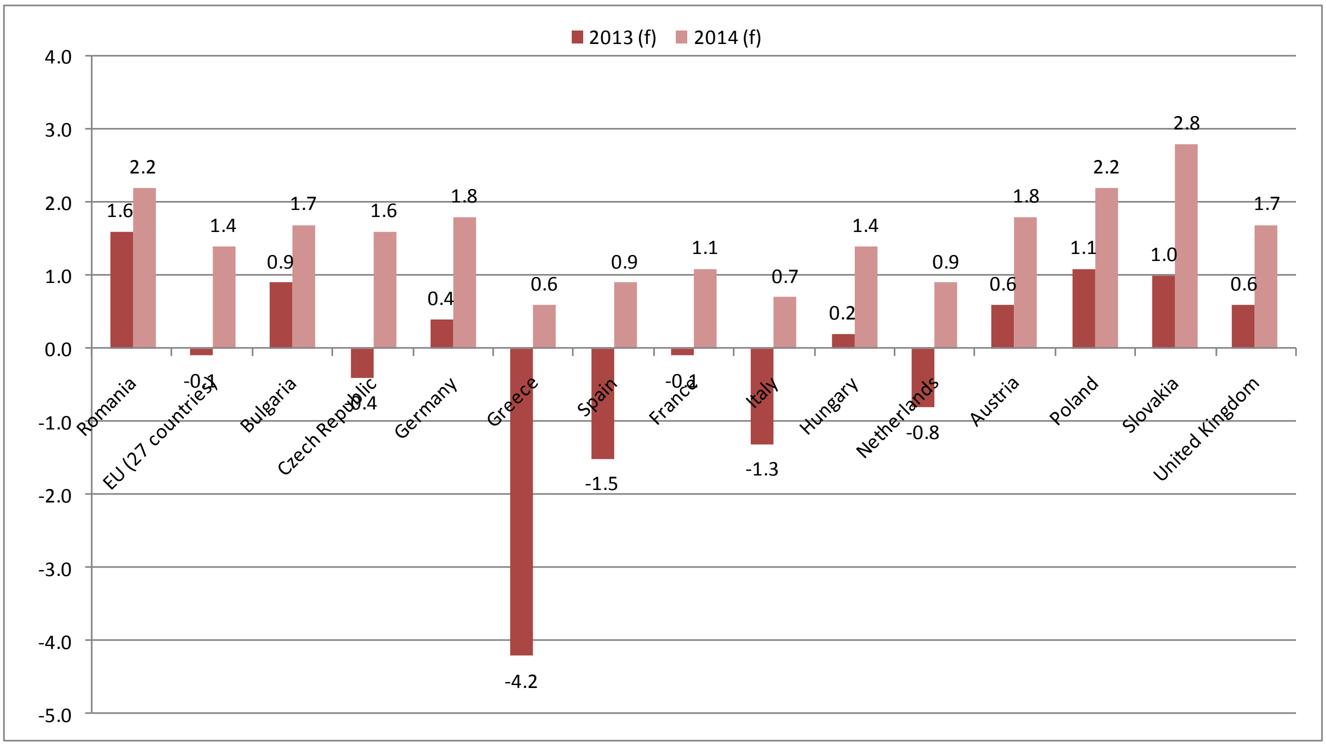
In Romania, the Inflation Rate registered in 2012the lowest level over last 20 years. In 2012, the inflation rate registered an important decrease and for this time it was very close to the European average rate.
In most of the European countries it was registered a decrease of inflation rate and this fact could be explained by the lack of customers demand. This situation also reflects the slowing down of the European Economic Growth.

Economic Outlook 2013

Prognosis of Real GDP growth rate - percentage change on previous year[3].

The EU economy is projected to return to growth in the second half of 2013. Annual GDP is forecast to contract by 0.1% in the EU and 0.4% in the euro area this year, following a contraction in 2012 of 0.3% in the EU and 0.6% in the Eurozone.

On the back of a global economic recovery, external demand is set to remain the predominant growth driver, while multiple headwinds continue to weigh on domestic demand. In particular, balance-sheet adjustments in the public and private sectors, difficult financing conditions in several Member States, the under-utilisation of resources related to deep adjustment processes and unusually high uncertainty will abate only very gradually over the forecast horizon.



Data source: EUROSTA

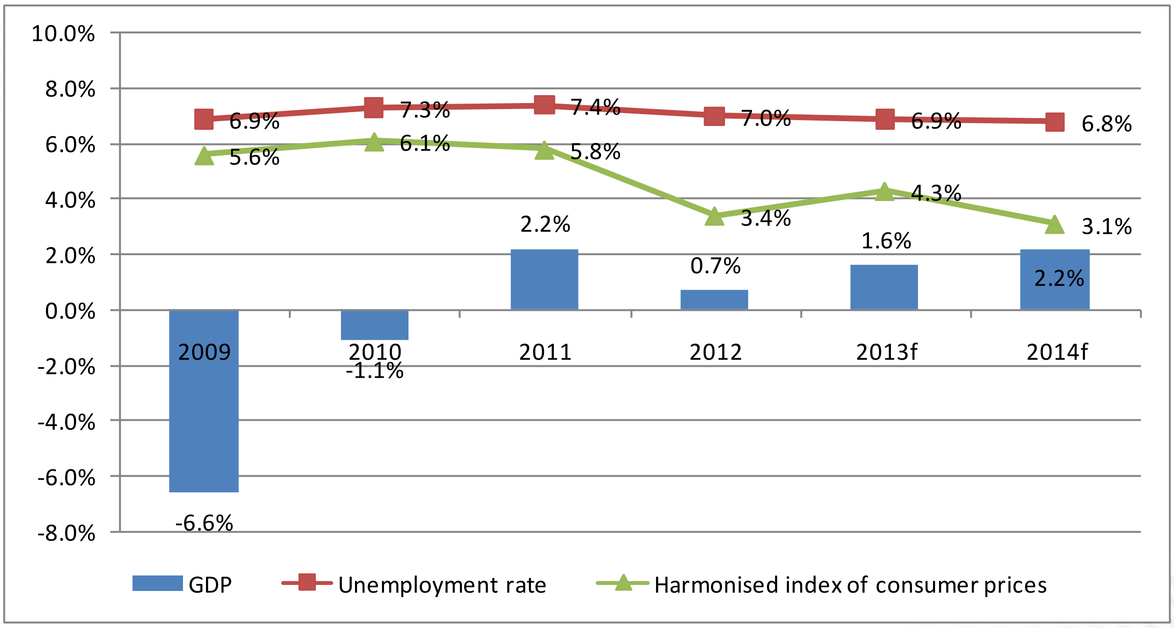
The present forecast continues to rely on the assumption that a resurgence of the sovereign-debt crisis is avoided as continued progress is made on the path of needed structural reforms and policies to strengthen the framework of EMU. This is expected to slowly dissipate lingering policy and economic uncertainty and to eventually bring about a normalisation in financial conditions across countries as well as a gradual return of confidence which will in turn allow reviving domestic demand.

[3]European Economic Forecast, Spring 2013

Romania GDP prognosis[4]

The economy expanded by a mere 0.7% in 2012, having been dragged down by a severe summer drought affecting agricultural output and by a weak external environment. In 2012, the current account deficit declined by 0.5 pp. to 4.0% of GDP due to smaller trade and income deficits.

Economic activity is expected to recover modestly and reach 1.6% GDP growth in 2013. The driver of growth continues to be domestic demand with investment as a key contributor. The country's public investments should be supported by an improved absorption of EU funds. Government consumption is forecast to have a modest, but still positive, contribution to growth. Private consumption is also expected to make a positive contribution although it is likely to be constrainedby households' continuing needs for repairing theirbalance sheets.



Data source: European Economic Forecast, Spring 2013

Real GDP growth is expected to accelerate to 2.2% in 2014 as structural reforms implemented in product and labour markets start paying off. Domestic demand is likely to be the main driver, powered by both investment and privateconsumption, while net exports are still expected to contribute negatively to GDP growth.

Inflationary pressures expected to ease in the second part of 2013.

On the back of the economic recovery and continuous energy price liberalisation, average inflation is expected to reach 4.3% in 2013 while for 2014 an average inflation of 3.1% is forecast.

Labour market to continue to improve slightly in 2013

Employment is expected to recover somewhat further over the forecast horizon. Unemployment came down from 7.4% of the labour force (age group 15-74) in 2011 to 7% in 2012 and it is expected to stay below 7% in 2013 and 2014. Youth unemployment, currently at around 23%, is expected to fall somewhat but to remain high.

[4] European Economic Forecast, Spring 2013

Residential Market[5]

SUPPLY

2012 was off to a bad start with three residential projects entering insolvency process, as the poor sales over the last four years forced banks to consolidate their positions and take charge of the developments they financed. By the end of the first quarter the number of insolvencies reached 13, but following a restructuring process, some managed to re-enter the market.

The supply received additional units throughout 2012, the main contributors being on the one hand the projects that registered demand and continued the development of new units, and on the other hand, projects launched before 2008 that needed to be finalized. The latter too had a better adapted mix and layout to the current market conditions.

Because of the prolonged poor sales period, a growing number of developers turned to the leasing market. With apartment yields of approx. 5% per year, this market segment has been slowly growing over the last few years as owners chose to wait for better selling conditions.

At the end of 2012 the total stock in the analyzed projects had reached 20,000 units, out of which around 75% have been absorbed. Approximately 50% of the remaining units are available in projects launched before 2008, being poorly adapted to the current market conditions.

Bucharest Residential Market

5,000
units available on the market

2,000
units sold

920 €/sqm
average price (without VAT)

DEMAND

Similar to previous years demand came from end users, and mainly focused on the low segment of the offer. Out of the total sales more than 67% were represented by such purchases. This is due to the more affordable prices and to the more accessible financing in the form of the Prima Casa Programme, which continued to be the main driver of the market.

The middle and upper middle segments resurrected after undergoing a process of restructuring and reduced prices in an attempt to be more competitive.

As a consequence sales per month increased for a number of developments, reaching a total of approximately 650 units per year in all analyzed projects.

Sale levels were comparable with the previous year, although most developers mentioned a slower start in 2012 primarily because of the national political turmoil. By the end of 2012 close to 2,000 apartments were sold in the analyzed projects.

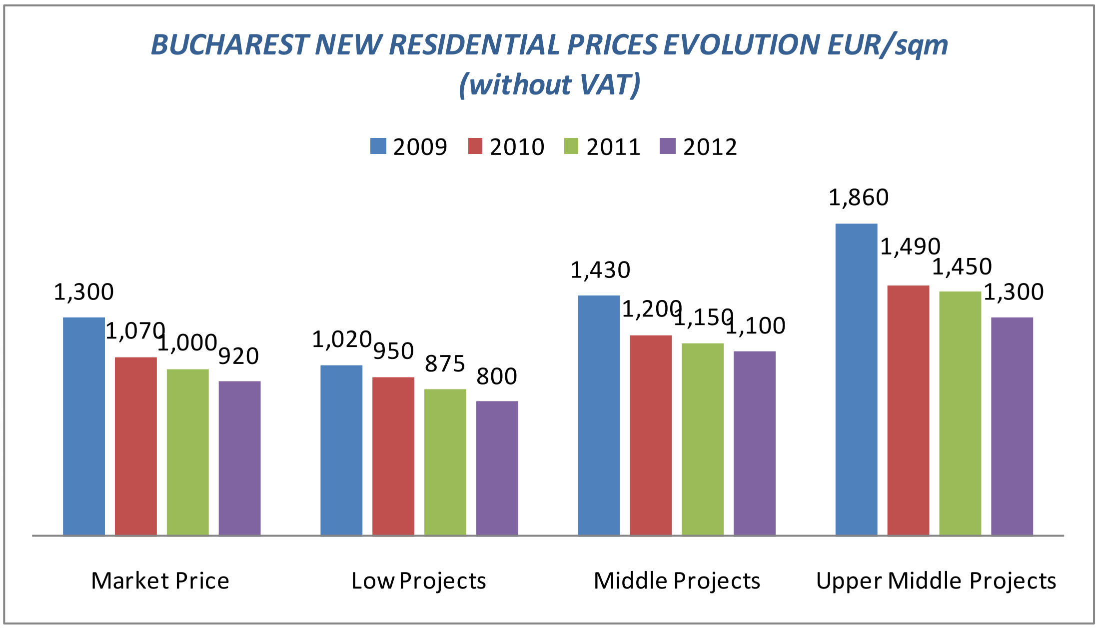
Residential investors continued to be present in the market throughout 2012 looking more actively to close deals, particularly for distressed assets. Nevertheless, banks were still unwilling to discuss projects at high discounts.

PRICES

The prices continued to adjust in 2012. Consequently, the overall market average registered an 8% drop in prices in the last 12 months, reaching 920 € per built sqm at the end of December 2012. While the developments targeting the low and upper middle income population registered a 10% reduction, those addressing the middle income class saw a contraction of 5%.

[5] 2013 REAL ESTATEMARKET REVIEW, COLLIERS INTERNATIONAL

For a number of middle and upper middle projects, banks stopped artificially imposing the minimum selling prices and succeeded in aligning to the current market conditions only last year. Moreover, most of the projects facing insolvency entered the restructuring phases in 2012 and they resumed the selling process by the end of the year, offering discounted prices in order to be more competitive.



The decrease in the average price for low projects came from a number of developments that are located in unattractive areas. Thus, they reduced the prices in order to overcome the location drawback. In several particular cases the drop in prices came as these projects are almost completely sold out, only large units still being available for sale. The prices were decreased in order to make the units more affordable.

FORECAST

After 2012 with limited new projects brought to the market, a boost in the supply is announced for 2013. A number of new projects and also subsequent phases in the existing developments are planned to break ground this year. 2013's novelty consists in the increase in the supply targeting the middle income segment: average quality developments in semi-central traditional residential area such as Iancului – Muncii, Tineretului or Aviatiei.

In 2013 demand will be reliant on the available financing conditions. Prima Casa Programme proved to be successful both because it was backed by the Government but also because of the good offered conditions compared to the complementary financing schemes available on the market. Thus, in 2013 the demand will continue to be dependent on Prima Casa Programme or any other similar project. The recent announcements regarding the shift of the existing programme towards new units might generate a slight increase in the demand for this type of apartments. Nonetheless, only a certain part of those who can afford an old unit will qualify for a new unit.

Provided that the new programme is approved and launched during this year, the demand for new units will improve and most likely the prices will remain unchanged.

OUTLOOK AND GOALS

The extended currently economic crisis is continuing to affect consumer's sentiment, and has resulted in a significant reduction of market activity in the real estate sector.

In 2012, the Company looked for solutions to stimulate sales of land plots for house construction. In this regard, Land plots with utilities and without utilities were offered for sale in Bucharest, Voluntari, Ploiesti, Constanta and Oradea.

In 2012,the Company started the activity to obtain a Regional Town Planning (PUZ) for one of the land plots in its portfolio, which will allow land buyers to build individual villas. Currently, IMPACT is in the final phase for the obtainment this PUZ.

Also, a land plot of nearly 2 hectares owned by the Company in Constanta was split into 48 land plots for houses that were already offered for sale in 2012. These plots of land are next to the Boreal villas compound developed by IMPACT.

In Bucharest, near the Greenfield residential complex, 25 plots of land with a total area of 8,600 sqm, dedicated exclusively to the construction of villas, were offered for sale.

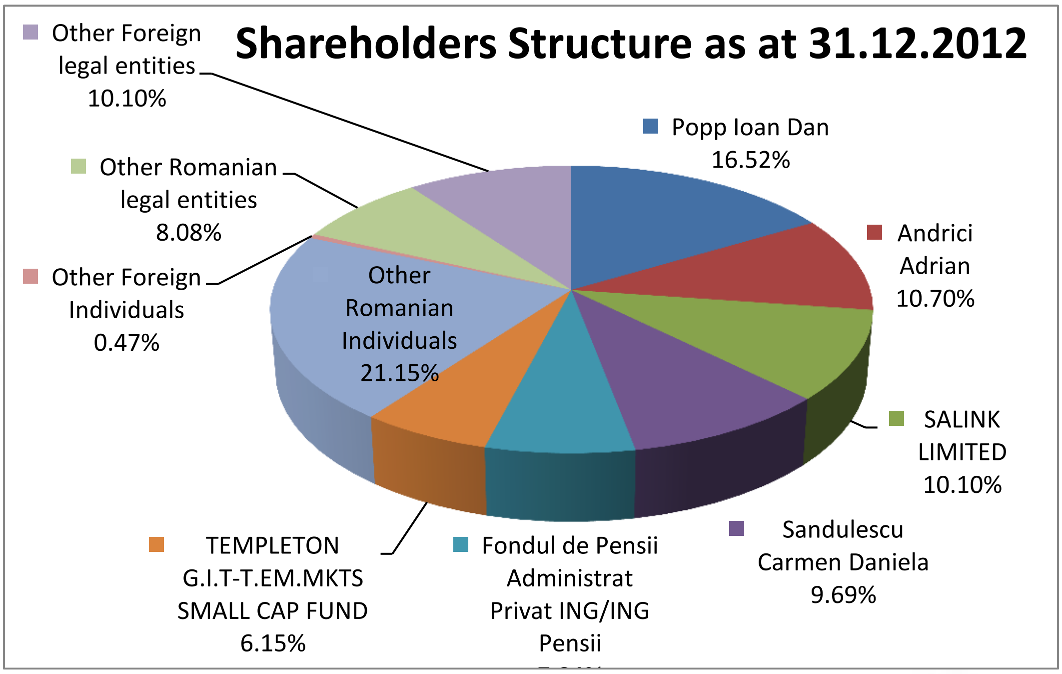
In order to continue the activity of development, IMPACT shall use mixed funding sources:

- Cash obtained from the sale of residential units and existing land plots, in accordance with the sales plan for 2013;
- Attract bank loans for the development of the second phase of the Greenfield project. The start of this new development shall be tightly correlated on one hand with the evolution of the sales of housing units of the first phase of the project and on the other with the evolution of the real estate market;
- Partnerships with financers attracted in the facilities to be developed in the Greenfield project area in Bucharest.

At the same time, in order to ensure the liquidities necessary for the continuation of the activity in good conditions and in order to initiate new real estate developments in the near future, the Company started at the end of 2012 the credit-restructuring activity.The completion of this restructuring shall mean a reduction by 56% of the amounts refunded quarterly for credit payment.

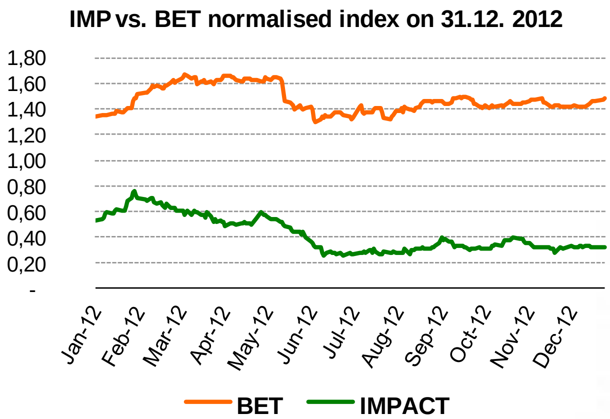
The IMPACT Developer & Contractor Shares and Shareholders

Impact Developer & Contractor SA is listed on the Bucharest Stock Exchange since 1996, and since 2006 its shares (**197 866 574**)are listed in the 1st category of BSE. The Company's stock exchange capitalisation at the end of 2012 amounted to EUR 5,11 million.



Among the shareholders that held over 5% of the company shares on 31.12.2013, we mention: Dan Ioan Popp with 16.52%, Adrian Andrici 10.7% Salink Limited 10.1%, Carmen Sandulescu 9.69%, Fondul de Pensii Administrat Privat ING 7.04%, Templeton GIT Emerging Markets Small Cap Fund 6.15%, ING International Romanian Equ 5%.

At the end of 2012, 41.48% shares were held by legal entities and 58,52% were held by individuals. Thus, we notice that over the past year the percentage of shares held by individuals went up 13%, as compared to the percentage of shares held by legal entities.



After the descending tendency registered in 2011, the BET index went up over 15% in 2012. In 2012 the IMP shares registered a drop of 37.7% as compared to 2011, after a drop of 32% registered the previous year. Whereas at the beginning of the year IMP registered a slight increase and a maximum exchange rate of RON 0.2630/share registered in 01.02.2012, in February, the exchange rate of shares started to gradually drop, at the end of the year shares dropping 37.7% as compared to the beginning of the year. The lowest exchange rate of the IMP shares of RON 0.0923/share was registered on 27 June 2012.

Investors Relations

Professional investor relations have gained a high priority at Impact over the past year. The Investor Relations Manager reports directly into the Chief Financial Officer, but the work is also integrated closely with the Marketing and Communication Department. The goal of our investor relations activities is to provide a true and fair value of the company to current and future shareholders, and thereby facilitate a correct valuation of Impacts's shares.

The Impact website represents an important communications medium, and provides a wide range of information on the company as well as downloads of financial situations, the company's financial calendar, the annual report, and the reporting to the Bucharest Stock Exchange.

Information on Impact Shares:

Investors Relations Officer:	Oana Trifu
Telephone:	+4.021.230.75.70
Mobile:	+4.0729.100.121
E-mail:	oana.trifu@impactsa.ro
Website:	www.impactsa.ro
Bucharest Stock Exchange:	IMP

http://www.bvb.ro/ListedCompanies/SecurityDetail.aspx?s=imp

FINANCIAL STATEMENTS

Financial Indicators

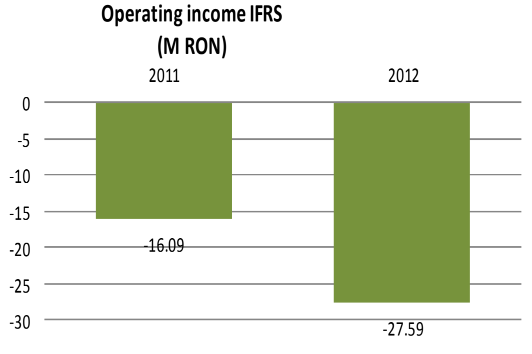
The individual financial statements are presented in accordance with IFRS starting this year. The Order 881/2012 of the Ministry of Public Finances **stipulates that the companies listed on the stock exchange must adopt the international financial reporting standards – IFRS when preparing the annual individual financial statements for 2012.**

	Indicators according to IFRS (RON)	2011	2012
Result indicators	Turnover	8,076,674	22,003,647
	Operating income, of which:	(16,090,232)	(27,594,174)
	Effects of IAS 40	(34,718,145)	(37,220,889)
	Operating expenses	(31,610,076)	(49,684,110)
	Operating result	(47,700,307)	(77,278,284)
	Net financial cost	(4,455,726)	(3,335,603)
	Total revenues	(14,750,903)	(26,886,003)
	Total expenditure	(37,405,130)	(53,727,884)
	Gross profit	(52,156,033)	(80,613,887)
	Profit tax	7,092,910	5,721,420
	Net profit at the end of the period	(45,063,123)	(74,892,467)
Asset indicators	Tangible assets	21,256,671	20,784,144
	Real estate investments	262,617,086	230,508,536
	Financial assets	29,828,673	18,634,631
	Total fixed assets	313,810,991	269,976,474
	Total stocks	158,578,876	114,167,133
	Total current assets	218,765,582	158,775,383
	Total assets	532,576,574	428,751,857
	Share capital	205,330,158	205,330,158
	Equity	400,481,553	326,121,387
	Total liabilities	132,095,021	102,630,470

Company Revenues

In 2012 Company's revenues registered a negative value of (26,886,003) mainly due to the effects of the application of IAS 40 which amounted to RON (37,220,889).

Total revenues (RON)	2012	2011
Turnover	**22,003,647**	**8,076,674**
Effects of IAS 40 – revenue/(cost)	(37,220,889)	(34,718,145)
Other operating income	8,887,867	13,788,177
Changes in the stock of finished products and production in progress	(27,549,580)	(27,884,020)
Works performed by the company and capitalized	6,284,781	24,647,083
Financial income	708,171	1,339,328
TOTAL REVENUES	**(26,886,003)**	**(14,750,903)**



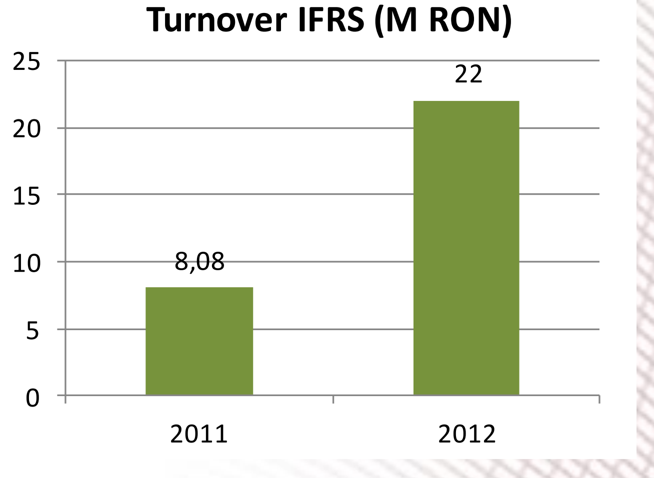
The effects of the application of IAS 40 had a negative impact over the **operating income** in 2012, which amounted to RON (27.59) million, decreasing as compared to 2011, when they amounted to RON (16.09) million mainly due to the depreciation of the value of the land property held in the portfolio and which fall under the incidence of IAS 40.

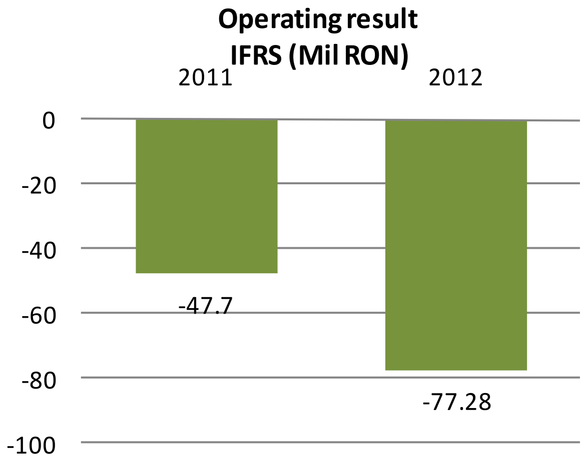
Turnover

Turnover went up 172% in 2012 as compared to 2011.

The low turnover in 2011 was due to the termination of contracts signed in 2008, amounting to RON 18.1 million. In 2012 IMPACT focused on capitalizing of the residential facilities finished during the previous years, without starting the development of new projects generating additional income and expenditure.

In 2012, 7 sale-purchase contracts signed the previous years and amounting to RON 2.24 million were canceled, which had a negative impact over the turnover.





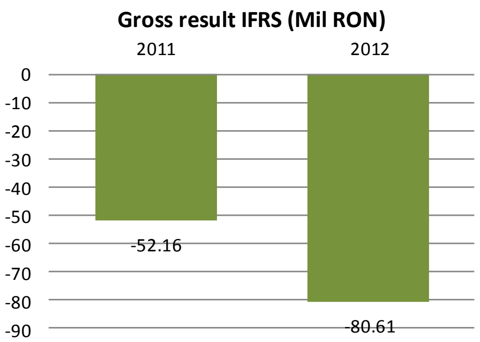
Operational result

Operating loss went up from RON 47.7 million registered at the end of 2011 to RON 77.28 million registered at the end of 2012. This increase of the operating loss is due to:

- loss generated by the effects of the application of IAS 40, which in 2011 amounted to RON 34.7 million and in 2012 amounted to 37.22;

- provision expenditure amounting to RON 22.05 million, of which: RON 6.6 million for adjustment of the share held in Actual Invest House and Clearline Development Management, RON 14.7 million for the depreciation of the stock value and other provisions amounting to RON 1.25 million.

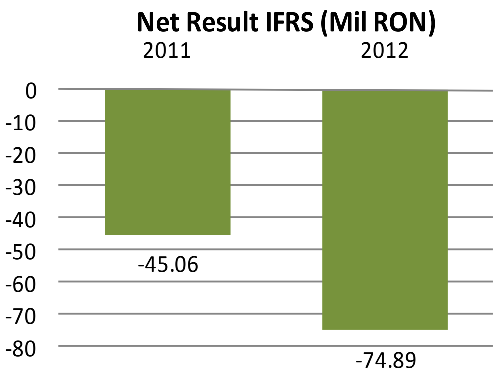
- currency exchange losses amounted to RON 2.64 million and resulted from accounting modalities of treating loans in Euros, which suppose the assessment of the credit balance at the end of the year, on 31 December 2012. This accounting procedure makes the accounting value of the loans in Euros to be determined by the RON/EUR exchange rate at the end of the year. But this loss is only an accounting loss and is not registered from the operational point of view, as the loans, which maintain the same value in Euros, shall be repaid over the next few years, according to the repayment schedules.



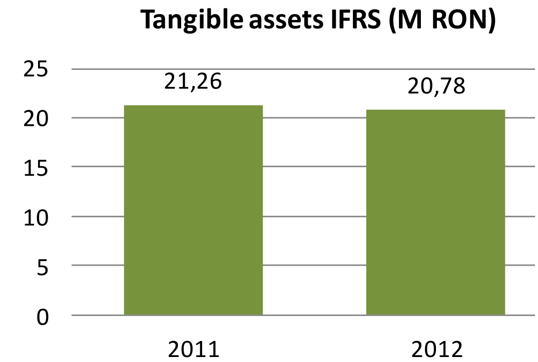
Gross result

According to IFRS, the gross loss registered in 2012 amounted to RON 80.61 million due to the operational loss and financial loss. From the financial activity resulted revenues of RON 0.71 million (47% lower than in 2011), but due to the interest rates corresponding to the credits of RON 4.04 million (30% lower than in 2011), the financial result registers a loss of RON 3.33 million (25% lower than the financial loss registered in 2011).

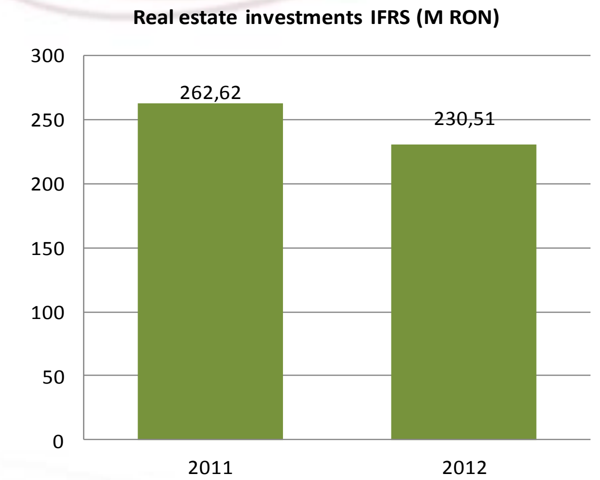
Net result



In 2012, the Company registered a net loss, according to IFRS, amounting to RON 38.79 million.According to IFRS, tangible assets dropped nearly 2% in 2012 as compared to 2011, from RON 21.26 million to RON 20.78 million. This increase was mainly due to the reclassification of the real estate properties leased in the previous years, which gradually remained without tenants, from the intangible assets to the inventories account, as well as to the sale of certain units that had previously been leased.



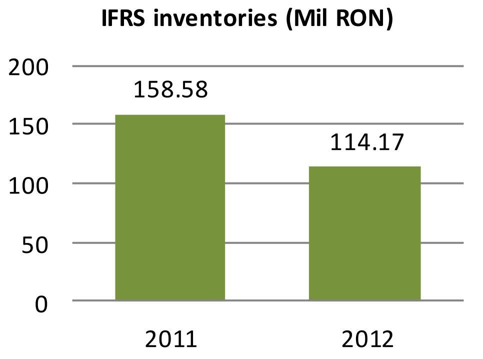
Real estate investments

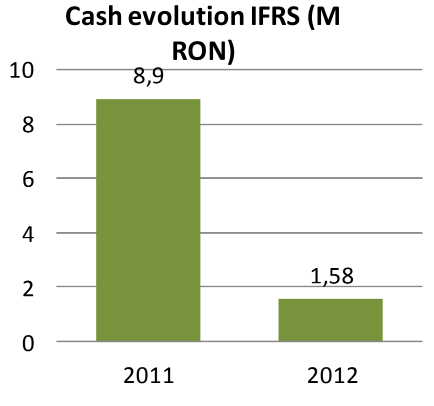


Real estate investments dropped 12% in 2012, mainly due to the depreciation of the assets held in the portfolio.

Inventories

In accordance with IFRS, stocks dropped 28%, from RON 158.58 million in 2011 to RON 114.17 million in 2012. The drop is due on one hand to the sale of residential facilities and on the other to the depreciation of the assets held on stock.





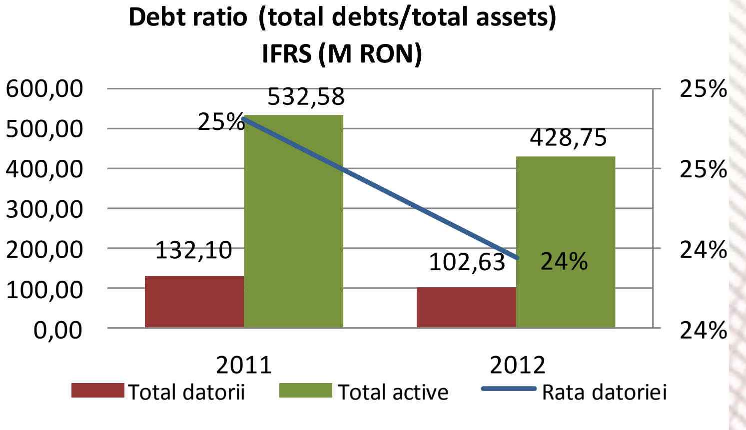
Cash and Cash Equivalents

Cash dropped 82% from RON 8.9 million in 2011 to RON 1.58 million in 2012.

Cash reduction was mainly due to credit repayment, as credits amounting to RON 25.27 million were repaid in 2012.

Total debts

In accordance with IFRS, total debts dropped 22%, from RON 132.1 million in 2011 to RON 102.63 million in 2012, at the reporting date the amounts granted by the credit institutions representing 66% of the total debts.Amounts owed to credit institutions dropped 26% in 2012 as compared to 2011 due to the credit repayment amounting to RON 25.27 million.



Company's total assets dropped 19% from RON 532.58 million in 2011 to RON 428.75 million in 2012, mainly due to the reduction of the inventories by 28% , of credits by 16% and of financial assets by 37%. Receivables were reduced due to on one hand the collecting of payable amounts corresponding to hire purchase agreements and on the other to the reduction of the number of hire purchase agreements signed, due to the fact that clients opted for the First House program or other bank crediting forms. Financial assets dropped RON 4.5 million due to the reduction of the share held in Clearline Development & Management and RON 6.6 million due to adjustments for equity impairment.

Debt ratio dropped 24% in 2012 as compared to 25% in 2011.

Share capital

The Company's subscribed and paid-in share capital as at 31 December 2012 amounted to RON 197 866 574.The nominal value of a share is RON 1.

On 31.12.2012, the share capital amounting to RON 205 330 158 includes the effects of the restatement according to the application of IAS 29 'Financial reporting in hyperinflationary economies.

Reconciliation of the share capital is as follows:

	31.12.2012	31.12.2011
Share capital nominal value	197,866,574	197,866,574
Effect of the adoption of IFRS	7,463,584	7,463,584
Restated share capital	**205,330,158**	**205,330,158**

The difference of RON 7,463,584 corresponding to the share capital is due to the application by the Company of the provisions of IAS 29 'Financial reporting in hyperinflationary economies'. Hyperinflation adjustment was registered in consideration of the retained earnings resulting from the reporting of IAS 29 for the first time.

Individual Financial Statements

SC IMPACT DEVELOPER & CONTRACTOR SA

Financial statements for the year ending December 31st, 2012

Prepared according to the International Financial Reporting Standards adopted by the European Union

Content :

Statement of Financial Position

As of December 31st , 2012

Lei	**31.12.2012**	**31.12.2011**	**31.12.2010**
ASSETS			
Nontangible Assets	49,163	108,562	163,816
Tangible Assets	20,784,144	21,256,671	20,588,724
Investment Property	230,508,536	262,617,086	289,805,405
Financial Assets	18,634,631	29,828,673	48,374,955
Total fixed assets	**269,976,474**	**313,810,992**	**358,932,900**
Inventories	114,167,133	158,578,876	172,553,467
Trade Receivables	42,872,401	51,052,788	75,672,409
Prepayments	154,748	218,690	332,684
Cash and Cash Equivalents	1,581,101	8,915,228	13,625,290
Total current assets	**158,775,383**	**218,765,582**	**262,183,850**
Total assets	**428,751,857**	**532,576,574**	**621,116,750**
EQUITY AND LIABILITIES			
Share Capital	205,330,158	205,330,158	207,463,584
Capital Paid in Excess to Par Value	84,041,878	84,041,878	84,336,381
Revaluation Surplus	9,134,318	8,602,018	8,878,289
Accumulated Result	27,615,033	102,507,499	147,570,621
Total Equity	**326,121,387**	**400,481,553**	**448,248,875**
LONG TERM LIABILITIES			
Long Term Borrowings	35,101,809	64,649,104	98,396,039
Deffered Income Tax	15,235,127	20,750,433	27,867,949
Total Long Term Liabilities	**50,336,936**	**85,399,537**	**126,263,988**
Trade and Other Payables	17,002,408	17,297,077	17,173,995
Short Term Borrowings	32,883,133	26,988,751	27,277,115
Provisions	2,407,993	2,409,656	2,152,777
Total Current Liabilities	**52,293,534**	**46,695,484**	**46,603,887**
Total Liabilities	**102,630,470**	**132,095,021**	**172,867,875**
Total Equity and Liabilities	**428,751,857**	**532,576,574**	**621,116,750**

Individual financial statements, together with the nothes to the financial statements presented in pages 9 to 76 were authorized to be presented on 11 April 2013 to the Executive Management and signed by:

President of the Board of Directors
Dimitrios Sophocleous

Chief Accountant
Lidia Varzaru

Statement of Comprehensive Result
Fot the year ending 31 December 2012

Lei	**31.12.2012**	**31.12.2011**
Turnover	22,003,647	8,076,674
Other operating income	8,887,867	13,788,177
Change in inventory of finished goods and work in progress	(27,549,580)	(27,884,020)
The work performed by the entity and capitalized	6,284,781	24,647,083
Raw materials and consumables	(2,594,971)	(2,137,096)
Staff costs	(1,687,124)	(1,128,428)
Depreciation and amortization expenses	(7,307,299)	(1,682,190)
Profit/Loss from IAS 40	(37,220,889)	(34,718,145)
Other operating costs	(38,094,716)	(26,662,361)
Net finance cost	(3,335,603)	(4,455,726)
Profit before tax	**(80,613,887)**	**(52,156,032)**
Income tax	5,721,420	7,092,910
Net profit of the period	**(74,892,467)**	**(45,063,122)**

President of the Board of Directors
Dimitrios Sophocleous

Chief Accountant
Lidia Varzaru

Statement of changes in equity

For the year ending 31 December 2012

	Share Capital	Capital Paid in Excess to Par Value	Revaluation Surplus	Accumulated Result	Effects from IFRS	Total
Balance as of January 1, 2012	**05,330,158**	**84,041,878**	**8,602,018**	**(39,807,710)**	**142,315,209**	**400,481,553**
Net result of the period				**(43,687,729)**	**(31,204,738)**	**(74,892,467)**
						0
Revaluation reserves			2,037,915			**2,037,915**
Current and deffered income taxrecognized based on equity			(206,114)			**(206,114)**
						0
Decrease in value of fixed assets, previously recognized as revaluation surplus			(1,299,500)			**(1,299,500)**
Balance as of December 31, 2012	**205,330,158**	**84,041,878**	**9,134,319**	**(83,495,439)**	**111,110,471**	**326,121,387**

For the year ending December 31, 2011

	Share Capital	Capital Paid in Excess to Par Value	Revaluation Surplus	Accumulated Result	Effects from IFRS	T o t a l
Balance as of January 1, 2011	**207,463,584**	**84,336,381**	**8,878,289**	**(17,546,665)**	**165,117,286**	**448,248,875**
Decrease of share capital	(2,133,426)					**(2,133,426)**
						0
Loss from redeemed shares		(294,503)				**(294,503)**
						0
Net result of the period				(22,261,045)	(22,802,077)	**(45,063,122)**
						0
Revaluation reserves			2,311,944			**2,311,944**
						0
Decreases in value of fixed assets, previously recognized as revaluation surplus			(2,588,215)			**(2,588,215)**
Balance as of December 31, 2011	**205,330,158**	**84,041,878**	**8,602,018**	**(39,807,710)**	**142,315,209**	**400,481,553**

Cash Flow Statement

For the year ending at December 31, 2012

	31.12.2012	31.12.2011
Cash flows from operating activities		
Profit before income tax	**(80,613,885)**	**(52,156,033)**
Adjustments for:		
Effect of transition to IFRS	35,758,874	29,919,732
Amortisation	945,024	1,395,870
Loss / (profit) on disposals of non-current assets	(680,264)	250,568
Increase / (Decrease) in provisions for risks and charges	7,415,639	880,861
Increase / (Decrease) in allowances for bad debts	(414,736)	107,952
Increase / (Decrease) in allowances for inventories	14,673,699	(209,521)
Increase / (Decrease) in impairment for participations	0	0
Net interest expenses	3,368,930	4,464,774
Other finance (income)/expenses, net	2,648,630	1,516,002
Operating profit before working capital changes	**(16,898,089)**	**(13,829,795)**
Decrease / (Increase) in trade and other receivable	8,659,065	24,625,663
Decrease / (Increase) in inventories	29,738,043	14,184,113
Increase / (Decrease) in trade and other payable	(1,112,602)	(2,901,829)
Net cash from operating activities	**37,284,506**	**35,907,947**
Cash flows from investing activities		
Aquisition of other financial assets	4,594,673	18,519,282
Purchase of property, plant and equipment	2,024,425	2,254,259
Increase / (Decrease) of investment property	(5,112,339)	(7,529,826)
Proceeds from sale of non current assets	443,170	8,752
Net cash used in investing activities	**1,949,929**	**13,252,467**
Cash flows from financing activities		
Proceeds / (Payments) of long term loans	(26,301,543)	(35,575,907)
Interest (paid)/received, net	(3,368,930)	(4,464,774)
Net cash used in financing activities	**(29,670,473)**	**(40,040,681)**
Net increase/(decrease) in cash and cash equivalents	(7,334,127)	(4,710,062)
Cash and cash equivalents at beginning of period	**8,915,228**	**13,625,290**
Cash and cash equivalents at end of period	**1,581,101**	**8,915,228**

1. The reporting entity

Impact Developer & Contractor S.A. is one of the first private companies active in this industry, having been founded in 1991 by public subscription. Initially, its main activities were the lease and maintenance of luxury villas in the Bucharest area. In 1995, Impact introduced the concept of the “residential compound” to the Romanian market and thereafter progressively evolved into a pure real estate developer. Since 1996, Impact has been the only local developer to be listed on the Bucharest Stock Exchange (BSE). In 2006, the company’s shares were promoted to the first tier of the stock market, becoming the first company in the real estate development and building sector to do so.

Since 1995, Impact has expanded its activities nationally and developed over 2,500 dwellings as well as 25,000 sqm of office and retail space.

Impact completed 16 small and medium projects in the last 20 years. The company is currently involved in four developments, each with a distinct project time frame and at a different stage of completion. Its pipeline is dominated by one major project: the Greenfield residential project from Bucharest.

In 2012 there were signed 123 contracts, out of which 100 sales contracts and 23 lease contracts, with 45% more sales contracts than in 2011.

Management has emphasized the need to keep their finger on the market’s pulse and respond appropriately to any changes in demand.

The real estate sector has registered a drop over the past few years especially due to the difficult access to funding sources, in the case of both real estate developers and buyers of finished products.

In 2012, the evolution of Romanian economy registered a slight growth of +0.3% (according to the National Institute for Statistics), growth determined mainly by the increase of the volume of activity and gross added value of information and communications (+29.4%) and professional, scientific and technical activities; activities of administrative and support services (+8,4%). The construction sector stagnated in 2012 as compared to 2011, whereas real estate transactions registered a slight growth of 1.5%. The greatest reductions of the activity volume were registered in agriculture, forestry and fishing (-21.2%), in industry (-2.1%) and in the financial brokerage and insurance sector (-0.2%).

Although globally the significant decreases registered over the past few years got stable, both investors and creditors remain cautious, and the funding activity remains very limited.

Regarding the company’s strategy, in 2012 Impact had as goals: the sale of completed dwellings from Bucharest, Ploiesti, Oradea, Constanta; as well as offering land plots to individuals and legal entities, for the development of houses of small retail spaces. Following this activity, in 2012 there were sold land plots in total area of 5,500 sqm in Bucharest, Ploiesti and Constanta.

Company Organization

IMPACT Company is led by the General Shareholders’ Meeting which, through the Managing Board chosen by the shareholders, takes the decisions regarding the company’s strategy. The executive power is exercised by the General Manager of the company.

Mission

IMPACT must identify a clean setting, linked to the city by modern roads, must offer level plans and facades which can cover a larger area of the financial possibilities of its clients, accomplish durable and high quality construction and fittings, grant performance guarantees and more flexible payment mechanisms, adapted to the financial availability of the clients.

In order to draw respect and exceed the expectations of the real estate market, the corporation IMPACT promotes its values, abiding by them in any activity.

The Company's organisational culture has as a basis the following set of values:

• **Client satisfaction** – translated as client orientation, by the provision of high quality products, adapted to its needs;
• **Communication** – we believe that efficient communication is at the core of development;
• **People –** concern for people is translated through the attention offered to representing the interests of our employees and shareholders;
• **Pro-activity** – or product choice based on the identification of opportunities;
• **Continuous learning –** is the essential leverage for being competitive on a market with incessant development;
• **Business ethic –** granting safety to clients and suppliers

Company History

Impact has successfully developed a diverse range of projects in the Northern part of Bucharest, allowing it to become the most prominent developer in Bucharest.

Beginning with 2003 IMPACT has expanded, as well, in Constanta, Ploiesti and Oradea, and it developed more than 500 dwellings in these locations.

On going projects

The company is currently involved in four residential compounds, each one with a distinct project time frame and at a different stage of completion. Its pipeline is dominated by one major project: the Greenfield residential project from Bucharest.

Greenfield Project from Bucharest

Greenfield, one of the largest mixed-use development projects in Romania, is located in the northern area of Bucharest, bordered on two sides by Baneasa Forest and Tunari Forest. This provides a relaxed and unpolluted environment together with landscaped green areas. Greenfield is based on a "neighbourhood" concept, providing all types of facilities required by habitants of a modern city: residential neighbourhoods – flats, office buildings, shopping malls and commercial galleries, hotels, public facilities – schools, health care facilities, kindergarten, and leisure areas – tennis courts, playgrounds, parks.

The project was conceived in two phases, Greenfield 1 (phase 1) and Greenfield 2 (Phase 2 – which is divided in 7 subphases).

Greenfield I (phase 1) is located in the South-Eastern part of the project and is developed on 9 ha. It is a residential project and it comprises over 670 residential units divided in 5 compounds: Rubin, Topaz, Blue, Onix, Quartz.

Rubin, Topaz and Onix compounds were finalized in 2008; Blue compound in 2009 and the Quartz compound were finalized in May 2010. The dwellings from Quartz compound can be delivered either completely finished or without finishing depending on the client's choice.

2. Bases of preparation

(a) Compliance statement

The financial statements are prepared in accordance with and complying with International Financial Reporting Standards adopted by the European Union (“IFRS”). The company prepared the current financial statements in order to comply with the Order nro. 881/2012 regarding the International Financial Reporting Standards adopted by the European Union by the authorized entities, regulated and supervised by the National Securities Commission, as amended and aupplemented.

This set of financial statements represents the company’s first financial statements according IFRS and IFRS 1 („First-time Adoption of IFRS”) was applied. Detailing of the transition to IFRS with effects to the financial position and financial performance of the Company is shown in note 30.

Financial statements were approved by the Board of Directors in its meeting dated April 11, 2013.

The Company’s accounting reccords are held in lei, according to the Romanian Accounting Regulation („RCR”). These acounts were restated to reflect the existing differences between the accounts in compliance with RCR and the once in compliance with IFRS. Correspondingly, the accounts according to RCR were adjusted, where necessary, to bring the financial statements, in all material aspects, with IFRS adopted by the European Union.

The most inportant changes brought to the financial statements prepared according to RCR in order to align with IFRS adopted by the European Union are:

- Grouping multiple items into more comprehensive;
- Adjustments to recognize receivables and liabilities regarding the deffered income, according to IAS 12 „Income tax”; and
- Disclosure requirements under the IFRS.

(b) Presentation of Financial Statements

The Company adopted a presentation based on the division of assests and liabilities in fixed/current in the financial statements and a presentation of the income and expenses according to their nature in the income statement, considering that these methods of presentation provide information that are reliable and more relevant than those that would have been presented based on other methodes allowed by IAS 1 „Presentation of financial statements”.

(c) Basis of measurement

IFRS 1 "First-time Adoption of International Financial Accounting Standards” requires that the the financial statements of an entity that reports in the currency of a hyperinflationary economy has to be restated in accordance to IAS 29 „ Financial reporting in hyperinflationary economies”. The retreatment of the financial statements according to IAS 29 requires the use of a general price index which reflects the changes of the purchasing power of the reporting currency.

It is known that Romania stoped to be a hyperinflationary economy during the year 2004. Thus, the company prepares financial statements based on the fair value of the non-monetary assets and liabilities, monetary items are not restated, they being already expresedin terms of existing monetary unit at the end of the reporting period, restating the equity items, except retained ernings and any other revaluation surplus, by applying a general price index from the dates on which the components were brought as contribution.

(d) Functional and presentation currency

Company's Management considers the functional currency; the way it is defined by IAS21 „Effects of variation of exchange rate" is Romanian leu (RON or lei). Financial statements are presented in lei, rounded to closest leu, the currency that the company's management has choosen as presentation currency.

The operations expressed in foreign currency are registrered in lei at the official exchange rate at the transactions settlement date. The monetary assets and liabilities in foreign currency at the balance sheet date are translated to the functional currency at the exchange rate of the day. Gains or losses from settlement of these and the conversion using the exchange rate at the end of the financial year of the monetary assets and liabilities in foreign currency are recognized in profit and loss.

Conversion differences on realty investments accounted for a fair value in the profit and loss statement are presented as gains or losses from fair value.

The exchange rates of main foreign currencies were:

Currency	**Spot Rate 31 December 2012**	**Spot Rate 31 December 2011**	**Spot Rate 1 January 2011**
EUR	4,4287	4,3197	4,2848
USD	3,3575	3,3393	3,2045

(e) Use of estimates and judgments

As a result of inherent uncertainties in the conduct of activities, many items in financial statements can not be evaluated precisely, only estimated. The estimation process involves judgments based on the latest information credible considered available. There were made estimates for: doubtful debts, inventory obsolescence, the fair value of financial assets and liabilities.

The use of reasonable estimates is an essential part of the financial statement and does not undermine their reliability.

Estimation may need revision if changes occur in their circumstances on which the estimate was based or as a result of new information or more experience.

By its nature, the revision of the estimate does not relate to the prior periods and it doesn't represent the correcton of an error. Thus, the company's management proceeded to revise the value of these items and their influence with possible changes in circumstances, of some subsequent events to the closing excercise, or other informations, if they were considered significant.

Use of estimates by the company led to recording the provisions for impairment losses for risks and charges. The effect of such operations has been included in the balance sheet positions of these items and affected the profit and loss statement.

3. Significant accounting policies

The accounting policies presented bellow has been applied consistently to all periods presented in these financial statements.

Starting with 2012, the company prepares its financial statements in accordance with OMF 1286/2012 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market.

(a) Tangible assets

(i) Recognition and evaluation

Tangible assets are evaluated at their initial cost. The cost of the assets built by the company comprises the cost of the raw materials, labor and a percentage from the indirect costs, resonably allocated to the construction of tangible assets.

Tangible assets are clasified by the Company in the following assets classes of the same nature and similar uses:

Land

Buildings

Equipment, plant and vehicles

Transportation vehicles

Furniture and other tangible assets

(ii) The evaluation after recognition

The buildings are presented in the balance sheet at their revaluated value, less the accumulated depreciation and the any impaiment. The last evaluation of the buildings portfolio was made on December 31st, 2012.

When the result of the revaluation shows a decrease of the net accounting value of the tangible asset, this is treated as an expense with the entire amount of impairment, if there is not recorded in the revaluation reserve an amount for that asset or a decrease of the revaluation reserve with the minimum of the value of the reserve and the decrease value, and just the uncovered difference is recorded as an expense. The decrease of the revaluation reserves and taking them in the account „Reserves representing the surplus realized from revaluation reserves" is made when the revaluated tangible assets is disposed or sold.

(iii) Subsequent costs

Subsequent costs of the tangible assets are evaluated through the general recognition criteria of tangible assets described in chapter (i) Recognition.

Daily maintenance costs („costs of repairs and maintenance") for tangible assetsare not capitalized; they are recognized as costs of the period they are made. These costs are mainly labor costs and supplies, and they can include cost of small value components.

The repairs and maintenance costs of tangible assets are recorded in the profit and loss statement when they occur, the significant improvements brought to the tangible assets, that add value or their life, or which significantly increase the capacity to generate economic benefits of them, are capitalized.

(iv) Depreciation

Depreciation is calculated for asset's cost or other amount substituted for cost, minus residual value. Depreciation is recognized in profit and loss statementusing the linear method for the estimated useful life of tangible assets from the date they are available for use, this method reflecting more accurate the expected pattern of consumtion of the economic benefits embodied in the asset.

Estimated useful lives for the current and comparative periods are as follows:

Buildings	40 ani
Equipments, plant	3-5 ani
Transportation vehicles	4 ani
Furniture and other tangible assets	3-12 ani

Land is not depreciated.

The depreciation method, estimated duration of useful lives and the residual values are revised by the Company's management at each reporting date.

(v) Sales/Disposal of tangible assets

The accounting value of a tangible asset item is eliminated from the statement of financial position on disposal or when no longer expects any future economic benefit from its use or disposal.

Tangible assets which are retired or sold are eliminated from the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulted from such transactions are included in the current profit and loss statement.

(b) Non-tangible assets

(i) Recognition and evaluation

Non-tangible assets are evaluated at their initial cost. After the initial recognition, a non-tangible asset is accounted at cost minus the accumulated depreciation and any impairment from accumulated depreciation.

(ii) Subsequent expenditure

Subsequent expenditures are capitalized only when these increase the value of future economic benefits embodied in the asset to which they are intended. All other expenses are recognized in the profit and loss statement when incurred.

(iii) Depreciation of non-tangible assets

Depreciation is calculated for the asset cost or other amount substituted for cost, minus residual value. Depreciation is recognized in profit and loss statement using the linear method for the estimated useful life of the non-tangible asset, from the date they are available for use, this method reflecting more accurate the the expected pattern of consumtion of the economic benefits embodied in the asset.

Estimated useful life for the current and comparative periods is as follows:

Software	3 years
Other non-tangible assets	1- 5 years

The depreciation methods, estimated duration of useful lives and the residual value are revised at the end of each fiscal year and they are adjusted accordingly.

(c) Impairment of assets

The accounting value of the Company's assets is revised at each reporting date in order to identify the existing impairment indicators. If there are such indicators, there is estimated the recoverable amount of these assets.

An impairment loss is recognized when the accounting value of the asset or of its cash generating unit exceeds the recoverable amount of the asset or of its cash generating unit. A cash generating unit is the smallest identifiable cash generating independent from other assets or other groups of assets. Impairment losses are recognized in the statement of comprehensive result.

The recoverable value of an asset or of a cash generating unit is maximum between the use value and the fair value less costs to sell the asset or units. In assessing the net use value, the future cash inflows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date in order to determine whether decresed or no longer exist. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the accounting value of the asset doesn't exceed the accounting value that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(d) Financial assets

Financial assets comprise other loans and guarantees.

Financial assets are recognized in the balance sheet at the purchasing cost or other value determined by the contract for aquiring the asset. The purchasing cost includes the transaction cost as well. Financial assets are subsequently assessed at input value less the accumulated adjustment for impairments.

(e) Investment properties

Investment properties are real estate properties (land or buildings) held by the company reather with the purpose of leasing or to increase the value of the asset or both, than for:

(i) To be used in the production of goods, provision of services or for administrative purposes;
(ii) To be sold in the ordinary course of business.

Investment properties are assessed at their initial cost. The cost of the investment properties held by the company includes the cost of raw material, labor, and a percentage of indirect costs, resonably allocated to the investment properties.

After the initial recognition of the real estate properties the company has chosen the fair value model, which involves evaluating real estate investments at fair value with variations in value in the income statement. Fair value is determined based on the valuation of an independent valuer. The fair value of investment property shall reflect the market conditions at the end of each reporting period.

Gains or losses on the disposal of the investment propertyare determined as a diffrence between net disposal proceeds and the accounting value of the asset and it is presented in income statement.

(f) Investories

Investories are assets:

(i) held to be sold in the ordinary course of activities;
(ii) work in progress for sale in the same conditions as above ; or
(iii) raw materials and other supplies to be used in manufacturing or services.

The cost of inventories shall comprise all the expenses with acquisition and processing, and other costs incurred in bringing the inventories in form and in the place where they are today.

Cost of inventories subject to processing are determined by adding the direct costs with a share of indirect costs of production, fixed and variable costs incurred by transforming raw materials in finished goods.

Inventories of raw materials and supplies are stated at acquisition cost. The cost of inventories is calculated by the first-in first-out method (FIFO).

In accordance with the economic reality and the company's policy, due to the fact that most of the land is intended for sale, it is considered as raw materials. Because of their special character, the methode used for calculating the cost is the weighted average cost (WAC) and includes beside the actual acquisition cost and other expenses incurred in bringing them into the form intended for sale.

The inventories of finished goods are registred at the production cost.

The inventories of work in progress are registerd at the production cost.

When the inventories are sold, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period that takes place decrease of the accounting value or loss. The amount of any reversal of any write-down of inventories as a result of an increase in net realizable value shall be recognized as a decrease of the inventories value recognized as expense in the period in which the reversal occurs.

(g) Trade receivables

Trade receivables are carried at the invoiced value less the provision made for impairment of these receivables. The impairment for trade receivables is established when there are evidences that the company won't be able to collect all the amounts at the initial deadline.

(h) Cash and cash equivalents

Cash and cash equivalents are carried in balance sheet at cost. For cash-flow statement, cash and cash equivalents comprise cash in hand, bank accounts, short-term financial investments, cash advances, net of overdrafts. In balance sheet, overdafts is shown as liabilities that have to be paid over a period of one year – amounts owed to credit institutions.

(i) Provisions

Provisions are recognized in the financial statements when the company aquires a liability related to a past event and it is possible as in the future to be necessary the consumption of economic resources in order to set off the liability and it can be made a reasonable estimation of the value of the obligation. In order to determine the provision, future cashflows are discounted using a pre-tax discount rate that reflec current current market conditions and the risks specific to the liabilitiy. The value recognized as provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(j) Liabilities

Short and long term liabilities are initialy recorded at the amounts received, net of costs related with obtaining the loan. At the end of the fiscal year the company has long term liabilities.

The short term portion of the long term liabilities is clasified as „Liabilities: Amounts that must be paid over a period up to one year" and included together with the interest accrued on the balance sheet in „Amounts due to credit institutions" of the current liabilities.

(k) Accounting of leasing contracts in which the company is the locator

Financial Leasing contracts

Leasing contracts for tangible assets where the company takes the risks and benefits related to the properties are clasified as financial leasing contracts. Financial leasing is capitalized at the estimated updated value of the payments. Each payment is divided between principle element and interest in order to get a constant rate of the interest for the payment period. The amounts due are included in the long or short term liabilities. Interest element is included in the profit and loss statement for the contract period. The assets held due to the financial leasing contracts are capitalized and deprecieted during their lifetime.

Operational Leasing Contracts

Leasing contracts, where the most of the risks and benefits associated with the ownership are held by the locator, are clasified as operational leasing contracts. The payment made in such a contract (net by any facility offered by the locator) is recognized in profit and loss statement on a linear base over the contract period.

(l) Commercial liabilities

Commercial liabilities are registered at the amounts that will be paid for goods or services received.

(m) Employees' benefits

Retirement and other benefits after the retirement

In normal course of activity, the company makes payments to the social security, retirement fund and unemployment fund for employees' accordig to the statutary rates. All Company's employees are members of the retirement plan of the Romanian state. These expenses are recognised in the profit and loss statement at the same time with the salaries recognition.

Company doesn't operates any other retirement plan or other benefits after the retirement and, thus, doesn't have any other obligations related to pension funds.

(n) Taxes

Current income tax

Company recors accounting and fiscale losses, so it doesn't owe income tax.

Deferred income tax

Deferred income tax is determined using the balance sheet method for those temporary differences that arise between the tax base for computing tax assets and liabilities and their carrying value for financial reporting.

Deferred income tax it is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities arising from transactions that are not business combination and that affects neighter the acounting nor fiscal profit and the differences arising from investments in subsidiaries, with the condition that they will not reverse in the forseeable future. Deferred income is determined using tax rates that are expected to be applied to the resumption of temporary differences according to the law in force at the reporting date.

Receivables and liabilities regarding the deferred income do not compensate.

The receivable regarding the deferred income is recognised only to the extent that it is probable that future taxable profit after offseting tax loss of previous years and recoverable income tax.

Deferred tax assets are reduced to the extent that the related tax benefit is unlikely to be achived.

(o) Income recognition

Income refers to the goods sold and services provided.

Revenue from sale of goods is recognized when the Company has transferred to the buyer the main risks and benefits associated with owning property.

Income and expenses are accounted for in the periods to which they relate on the basis of supporting documents. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be determined correctly.

The main income derived from operations is the ones from sale of houses / apartments built. Thus, the income related to the houses / apartments sold are recognized upon delivery of the building to the beneficiary. Part of the contracts closed with beneficiaries provides the execution of construction with the payment on construction stages. Starting with 2007, Company has chosen to recognize the revenue generated from such contracts upon delivery based on document sign at the delivery of the construction stage. Thus, the Company recognizes revenues on stages of completion. Aince 2008, because there is always a stock of completed apartments and houses, there wasn’t concluded such contracts, the sales being made directly from the existing stock.

Regarding the work in progress, revenues are recorded at cost and distributed to every house that is under construction and they are reported as revenues from production.

In addition to revenues from sales of goods the company realizes income from rent and sale of land plots.

Service revenues are recognized in the period to which is relates.

Interest income is recognized periodically, on a pro rata, as the income is generated, based on accrual.

(p) Operating expenses

Operating expenses are recognized in the period to which is relates.

(q) Financial expenses

Financial expenses are recognized in the period to which is relates.

(r) Contingencies

A contingent liability is not recognized in the balance sheet, but it will be presented in the notes, which is why it is known as a non balance sheet item.

Contingent liabilities are continually assessed to determine whether it has become probable that an outflow of resources which embodyes economic benefits. If it is considered necessary the outflow of resources, generated by an element which was previously considered contingent liability, it will be recognized, where appropriate, a liability or a provision in the financial statements for the period in which the change occured framing event, except when no reliable estimate can be made.

(s) Related parties

Companies are considered related if one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly control or significantly influence the other.

Fixed Assets

Variation of gross amount, of amortization and net book value as of December 31st, 2012, for each category of fixed assets, is presented as follows:

4. Nontangible assets

	Softwares	Other nontangible assets	Nontangible assets in progress	TOTAL
Gross value				
Balance as of 01.01.2011	**1,296,718**	**6,300**	**70,927**	**1,373,945**
Increases	113,564	3,883	0	**117,447**
Decreases	0	6,300	70,927	**77,227**
Balance as of 31.12.2011	**1,410,282**	**3,883**	**0**	**1,414,165**
Increases	0	0	0	**0**
Decreases	0	0	70,927	**70,927**
Balance as of 31.12.2012	**1,410,282**	**3,883**	**-70,927**	**1,414,165**
Depreciation				
Balance as of 01.01.2011	**1,210,129**	**0**	**0**	**1,210,129**
Increases	94,503	971	0	**95,474**
Decreases				**0**
Balance as of 31.12.2011	**1,304,632**	**971**	**0**	**1,305,603**
				0
Increases	58,105	1,294	0	**59,399**
Decreases				**0**
Balance as of 31.12.2012	**1,362,737**	**2,265**	**0**	**1,365,002**
				0
Net accounting value				**0**
01.01.2011	**86,589**	**6,300**	**70,927**	**163,816**
31.12.2011	**105,650**	**2,912**	**0**	**108,562**
31.12.2012	**47,545**	**1,618**	**70,927**	**49,163**

5. Tangible assets

	Land and buildings	Equipment, plant, machinery	Furniture and other tangible assets	Tangible assets in progress	TOTAL
Gross value					
Balance as of 01.01.2011	**20,284,912**	**6,534,544**	**809,626**	**199,807**	**27,828,889**
Increases	1,524,717	204,731	-	-	**1,729,448**
Revaluation surplus	68,505	-	-	-	**68,505**
Decreases	21,857	81,018	1,755	199,807	**304,437**
Balance as of 31.12.2011	**21,856,277**	**6,658,257**	**807,871**	**-**	**29,322,405**
Increases	396,907	-	-	-	**396,907**
Revaluation surplus	781,550	-	-	-	**781,550**
Decreases	912,851	3,406,163	277,916	-	**4,596,930**
Balance as of 31.12.2012	**22,121,883**	**3,252,094**	**529,955**	**-**	**25,903,932**
Depreciation					
Balance as of 01.01.2011	**1,422,408**	**5,235,274**	**582,483**	**-**	**7,240,165**
Increases	694,533	504,906	100,957	-	**1,300,396**
Decreases	403,795	69,569	1,463	-	**474,827**
Balance as of 31.12.2011	**1,713,146**	**5,670,611**	**681,977**	**-**	**8,065,734**
	-				**-**
Increases	607,326	228,457	49,843	-	**885,626**
Decreases	265,754	3,299,197	266,621	-	**3,831,572**
Balance as of 31.12.2012	**2,054,718**	**2,599,871**	**465,199**	**-**	**5,119,788**
Net book value					
01.01.2011	**18,862,504**	**1,299,270**	**227,143**	**199,807**	**20,588,724**
31.12.2011	**20,143,131**	**987,646**	**125,894**	**-**	**21,256,671**
31.12.2012	**20,067,165**	**652,223**	**64,756**	**-**	**20,784,144**

Fixed assets are recorded at cost or revalued value and they are depreciated when they are put into use on normal operation, according to « Classification catalog and useful life of the fixed assets ». There was taken into consideration the minimum useful life. The accounting method used is straight-line depreciation.

Fixed asstes in progress are depreciated since they are put in use, moment that coincides with the time of their transfer in the category of fixed assets. Land is not depreciated.

Since 2009 Impact's management has decided to sign lease contract of the dwellings with various clients. Thus, in previous years, 2009 and 2010 there were signed a number of 80 lease contracts. According to OMFP 3055, these apartments were recorded in fixed assets accounts, and the land related to these units was recorded in fixed assets accounts as well, in the account 211.

In 2011 there were signed 23 lease contracts in amount of 431.934 RON (building and related land).

Selling dwellings that are built with the purpose to be sold, which at the time of sale (finding a buyer) are recorded in accounting terms in the category of fixed assets (were rented for a period), are restored to inventories, and the income from sale will be accounted in an account from Group 70-« Net turnover », according to the Company's accounting principles and procedures.

This is based on the activity of the entity, the substance of the transaction is the sale of dwellings by a real estate developer.

In 2009 Impact has paid an advance of 195.000 EURO to an individual in order to purchase a land plot in Greenfield area. This amount was recorded in the account advances given for tangible assets. Given the changing economic conditions, in October 2012, Impact has negociated with the land plot owner not to pay the remaining price and for the advance paid to receive shares to a company involved in the development of an office building. Until the date of the balance sheet, the shares transfer agreement has not be finalized, it will be finalized by the end of 2013. Information on behalf of the person and the company involved are subject to art. 226 line 3 Law 297/2004.

6. Investment property

	Book value	**At fair value through retained ernings**	**At fair value through profit and lass account**	**TOTAL**
Balance as of 01.01.2011	131,021,570	261,874,574	(103,090,739)	**289,805,405**
Increases	15,133,442	-	-	**15,133,442**
Decreases	(7,603,616)	-	(34,718,145)	**(42,321,761)**
Balance as of 31.12.2011	**138,551,396**	**261,874,574**	**(137,808,884)**	**262,617,086**
Increases	45,538,367	-	-	**45,538,367**
Decreases	(40,426,028)	-	(37,220,889)	**(77,646,917)**

Balance as of 31.12.2012	**143,663,735**	**261,874,574**	**(175,029,773)**	**230,508,536**

7. **Financial assets**

	31.12.2012	31.12.2011	31.12.2010
Shares in affiliated entities	25,233,970	29,828,647	48,374,955
Other financial assets	30	26	-
Impairment in value of shares	(6,599,369)	-	-
Net value	**18,634,631**	**29,828,673**	**48,374,955**

Shares held in affiliated entities

Shares held in affiliated entities

Name of the company	Headquarters	Capital value 31.12.2012	IMPACT investment value 31.12.2011	IMPACT investment value 31.12.2012	Percentage of ownership IMPACT 31.12.2012
Actual Invest House SRL	Voluntari Str. Drumul Bisericii no.50 bl corp A, ground floor	8.105.000	504,950	504,950	6.23%
Clearline Development&Management SRL	Voluntari, sos Pipera Tunari no 4C, Construdava, ground floor	22.400.000	26,900,000	22,400,000	100.00%
Millenium Consult Invest 2002 SA	Bucuresti Sector 1 Str. Padurea Pustnicu no. 145	5,175,930	2,329,020	2,329,020	45.00%
Bipact 1995 SRL	Voluntari Str. Sos. Pipera Tunari no. 4C, 6th floor	1,550	75	0	
Hobbit Broker de Asigurare Reasigurare SRL	Voluntari Str. Sos. Pipera Tunari no. 4C, 6th floor	25,000	94,602	0	
			29,828,647	**25,233,970**	

Company SC Millenium Consult Invest 2002 SA is the holder of a project that involves the development and operation of a building support center that provides services to SMEs in Bucharest-Ilfov region. It's about Greenfield Support Center – Greenfield 2, co-financed by the European Regional Developemnt Fund, the Regional

Operational Programme. Impact holds 45% of the shares in Millenium, respectively 2,329,020 lei. Financing agreement for the project was signed on 03.27.2013.

S.C. LOMB S.A. was established in 2008 as a joint stock company that had as shareholders Cluj Napoca Council (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%). Impact subscribed in 2008 the amount of 45,445,027.51 RON to the share capital of Lomb SA Project Company. Impact currently owes 100% of the share capital of Clearline Development & Management SRL (formarly Lomb SA), in amount of 22,400,000 lei.

In 2012 was decided by the Board of Directors, the capital reduction of Actual Invest House from 11,005,000 to 8,105,000 lei and of Clearline Development& Management from 26.900.000 lei to 22.400.000 lei.

For investments made by Clearline Development&Management SRL for Lomb project, the project company is in a litigation for the amount of 17,053,000 lei plus legal interest, the file which is currently judging at Arges Court, and it is being conducting expertise (Urban planning and CBuildings) placed in the file.

As of 31.12.2012 there were made impairments for the holdings in affiliated entities.

Long term receivables

Name of the company	Loan balance as of 31.12.2011	Loan balance as of 31.12.2012
Rot Apact	0	27,000
Intop Construction	1,128,838	1,128,838
Investimob	27,000	0
TOTAL	**1,155,838**	**1,155,838**

The long term receivables mentioned above are fully provisioned.

8. Inventories

Inventories structure is presented below:

	31.12.2012	31.12.2011	31.12.2010
Raw materials and consumables	32,960,781	75,494,517	76,667,074
Adjustments for impairment of raw materials and consumables	-1,062,212	-933,884	-978,074
Work in progress	48,112,846	39,884,522	40,722,984
Adjustments for work in progress	-945,506	0	0
Finished goods	48,824,118	44,144,256	56,275,825
Adjustments for finished goods	-13,837,470	-237,603	-402,934
Advances for inventories	114,576	227,068	268,592
Total	**114,167,133**	**158,578,876**	**172,553,467**

At the end of December of 2012 there were 188 completed houses and apartments and 108 in progress, respectivelly finalized without finishings.

The value of work in progress is represented dwellings in amount of 2,806,395 lei, infrastructure works in amount of 33,305,764 lei, services in progress of 2,809,459 lei. At 31.12.2012 there were recorded provisions for impairment of finished goods and work in progress inventories.

The investment in Lomb project is in amount of 4,008,222 lei and represents mainly the preparation of documents for zoning permit and roads infrastructure related to Lomb Hill project in Cluj. These were established by the framework agreement no. 55423/04.07.2007 concluded between Impact Developer&Contractor SA and City Council of Cluj-Napoca as a condition preliminary of the establishment of the company Clearline Development (formerly Lomb SA). For the work in progress related to this project was established provision.

9. Trade receivables and other receivables

The detailed receivables as of December 31st, 2012 are presented below:

Receivable	**31.12.2012**	**31.12.2011**	**31.12.2010**
Trade receivable	37,184,895	39,640,219	40,549,017
Adjustments for trade receivables	(3,145,663)	(2,984,162)	(1,477,788)
Receivables with affiliated entities	3,108,274	4,604,035	22,467,998
Adjustments for receivables for affiliated entities	(1,128,838)	(1,128,838)	(1,128,838)
Sundry debtors	4,465,898	4,784,665	10,060,869
Adjustments for sundry debtors	(2,092,827)	(1,851,131)	(2,627,965)
Claims receivable from State Budget	2,647,750	5,845,678	3,173,922
Accrued interest	693	129,747	30,169
Short term investments	0	0	2,427,929
Advances paid to suppliers	1,832,276	2,012,632	2,197,153
Other receivables	(57)	(57)	(57)
Total	**42,872,401**	**51,052,788**	**75,672,409**

Receivable	31.12.2012	Maturity	
		Less than 1 year	Over 1 year
Trade receivable	36,845,524	10,663,185	26,182,339
Adjustments for trade receivables	(3,145,663)	(910,363)	(2,235,300)
Receivables with affiliated entities	3,456,527	3,456,527	0
Adjustments for receivables for affiliated entities	(1,128,838)	(1,128,838)	0
Sundry debtors	4,457,016	1,433,463	3,023,553
Adjustments for sundry debtors	(2,092,827)	(673,094)	(1,419,733)
Claims receivable from State Budget	2,647,750	2,647,750	0
Accrued interest	693	693	0
Short term investments	0	0	0
Advances paid to suppliers	1,832,276	1,832,276	0
Other receivables	(57)	(57)	0
Total	**42,872,401**	**17,321,542**	**25,550,859**

Contracts signed between Impact and the beneficiary can be paid in full or in installments to the developer.

Installment payments contracts may be concluded for:

- Dwellings purchased in Bucharest or Constanta over a period of maximum 6 years with a down payment of minimum 40%
- Land plots for a period of 2 years and a minimum down payment of 40%

In the sundry debtors accounts are registered utilities (energy, water, security, gas) reinvoiced to customers. As of 31.12.2012 the significant amount from the balance of sundry debtors account is made of the amount to be received from the share capital adjustment from la Clearline Development & Management and by the bail paid to various litigations.

There were registrered provisions in amount of 6,367,328 lei for doubtful receivables.

10. Expenses in advance

The structure of the advance expenses is presented below:

Description	31.12.2012
Other expenses in advance	10,918.27
Other taxes	15,841.00
Insurance (buildings and cars)	31,596.25
Commissions paid in advance	96,392.28
Total	**154,747.79**

The amounts secured in advance are due in one year.

11. Cash and cash equivalents

	31.12.2012	31.12.2011	31.12.2010
Bank accounts	1,558,114	8,861,316	13,590,061
Cash on hand	22,987	53,912	35,229
Total	**1,581,101**	**8,915,228**	**13,625,290**

Below there are presented the main banks and current accounts:

BANK	CURRENCY	BANK ACCOUNT
Banca Romaneasca	RON	RO27BRMA0500053004600000
Banca Romaneasca	EUR	RO62BRMA0500053004695400
Banca Transilvania	RON	RO83BTRL05001202G09191XX
Banca Transilvania	EUR	RO58BTRL05004202G09191XX
Banca Comerciala Romana	RON	RO79RNCB0085005796390001
Banca Comerciala Romana	EUR	RO25RNCB0085005796390003
Piraeus Bank	RON	RO19PIRB4201702814001000
Piraeus Bank	EUR	RO82PIRB4201702814002000

12. Share capital

SC Impact SA was established in 1991, according to the Law 31/1990. As of 04.10.2006 the company changed its headquarter from Bucharest Sector 1 to Ilfov, Voluntary town in Construdava office building. At the same date the company changed its name as well. The identification of the company:

Name : IMPACT DEVELOPER & CONTRACTOR SA

Adress : Voluntari, Pipera-Tunari Street no. 4C, Construdava Building Center, 6th floor, Ilfov county

Tel.: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83

Registrered at the Commerce Registry Office attached to the Bucharest City Court with no. J 23/1927/2006

Unique Registration Code: RO1553483

The subscribed and paid uo share capital of the company as of December 31st, 2012 is of 197,886,574 RON. The nominal value of one share is 1 RON.

As of 31.12.2012, the share capital in amount of 205.330.158 lei, includes the effects of applying restatement approach under IAS 29 "financial reporting in the hyperinflationary economies".

Reconciliation of share capital is as follows:

	31.12.2012	**31.12.2011**	**31.12.2010**
Nominal value of share capital	197,866,574	197,866,574	200,000,000
Effect of transition to IFRS	7,463,584	7,463,584	7,463,584
Share capital restated	**205,330,158**	**205,330,158**	**207,463,584**

The difference of 7.463.584 lei related to the share capital comes from the application of IAS 29 "Financial reporting in hyperinflationary economies". Hyperinflation adjustment was recorded in the retained ernings as of applying for the first time the IAS 29.

Shareholders structure as of December 31st, 2012, was as follow:

Shareholder	Ownership – according to the Depozitarul Central statement
Popp Ioan Dan	16.52%
Andrici Adrian	10.70%
SALINK LIMITED	10.10%
Sandulescu Carmen Daniela	9.69%
Fondul de Pensii Administrat Privat ING/ING Pensii	7.04%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.15%
Other legal persons, out of which	18.18%
- foreign institutions	10.10%
Other individuals, out of which	21.62%
- foreign individuals	0.47%
Total	**100.00%**

Company Impact Developer & Contractor SA is listed at the Bucharest Stock Exchange since 1996, and starting with 2006 its shares, currently in number of 197,866,574, are traded in the first tier.

13. Long term borrowings

	31.12.2012	31.12.2011	31.12.2010
Long and medium term borrowings	66,385,982	89,143,924	95,210,170
Other liabilities (financial leasing agreements)	3,197,920	4,970,506	6,354,522
Other long term liabilities (guarantees)	-1,598,960	-2,476,575	-3,168,653
Total	**67,984,942**	**91,637,855**	**98,396,039**

	31.12.2012	Maturity		
		Less than 1 year	Between 1 and 5 years	Over 5 years
Long and medium term bank loans	66,385,982	32,883,133	33,502,849	0
Other long term liabilities (guarantees)	-1,598,960		-1,598,960	0
Total	**64,787,022**	**32,883,133**	**31,903,889**	

The ongoing bank loans situation at the end of December 2012 is presented below:

At chapter subsequent events there appears the statement as of 31.03.2013 of the loans balance.

1. Piraeus Bank

Credit contract no. 301/30.08.2006 Value: 12,807,256 EUR Due date: 31.07.2015

Object: financing in a proportion of 85% of the acquisition of a land plot situated in Bucharest, 6th district, Prelungirea Ghencea no. 402 - 412.

Interest: EURIBOR at 3 months plus a margin of 6 percentage points per year, the calculation of interests will be performed for the daily balance of the credit account and will be reported to a 360-days year.

Penalties: Annual rate by 6 percentage points higher than the interest rate.

The balance of drawings from this credit as at 31.12.2012 is of: 7,613,084.95 EUR.

Reimbursement: the reimbursement of the Facility will be made according to the reimbursement schedule annexed to the Contract and an integral part hereto.

Guarantees: 3 blank promissory notes with the mention without protest and movable real guarantee upon the balance of all the current accounts opened by Impact with Piraeus Bank and mortgages on land according to the situation below.

On December 31st, 2012 Impact D&C SA Impact D&C SA had an outstanding in amount of 569,094.33 EURO related to installments due on December 21st, 2012. For rescheduling the outstanding and remaining loan payments due to Piraeus Bank, starting with January 2013 there was initiated the process of restructuring the facility, a process that is under negotiation.

2. Piraeus Bank

Credit contract no. 10/11.01.2007 Value: 250,415.66 EURO Due date 07.11.2013

Object: issue of two security letters with a value of 250,415.66 EURO, with a maturity on 07.11.2013.

Interest: EURIBOR at 3 months plus a margin of 3.15 percentage points per year.

Penalties: Annual rate by 6 percentual points higher than the interest rate

Reimbursement: reimbursement of the Facility will be made integrally on the due date.

The statement of the mortgaged assets for Piraeus Bank is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
first rank mortgage; second rank mortgage	6515/2/6/1	258,925.36	2781/31.08.2006; second rank by 129/23.01.2009	land	Bucharest, Prelungirea Ghencea no. 402-412, District 6
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234081	287.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234082	315.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234083	320.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234084	325.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second	234085	330.00	2044/08.07.2005; second rank by 129/23.01.2009;	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage			third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234086	335.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234087	340.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234088	345.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234089	350.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234090	355.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage;	234091	360.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
third rank mortgage; fourth rank mortgage; fifth rank mortgage			273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234092	391.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234093	382.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234094	391.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234095	390.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234096	339.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth	234097	378.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011;	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
rank mortgage; fifth rank mortgage			fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234098	458.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234099	398.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234100	384.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234101	384.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234102	377.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage;	234103	449.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
fifth rank mortgage			583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234104	402.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234105	367.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234106	420.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234107	349.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234108	364.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage;	234109	383.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
fifth rank mortgage			583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234111	446.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234112	395.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234113	371.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234114	441.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234115	410.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage;	234116	378.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
fifth rank mortgage			583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234117	464.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234118	426.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234119	413.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234120	446.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234121	432.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage;	234122	401.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
fifth rank mortgage			583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234123	386.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234124	418.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234125	405.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234126	385.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234127	416.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage;	234128	495.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
fifth rank mortgage			583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234129	3,106.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234130	50.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234131	47.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234132	50.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234133	9,568.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage;	234134	11.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
fifth rank mortgage			583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	10250 Constanta	9,100.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 264
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	10253-Constanta	13,600.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 267/2

3. Banca Romaneasca

3.a Loan contract for investments 50070065/25.07.2007. Value: 7,993,204 EUR. Validity: 7 years, 25.07.2007 – 24.07.2014 Object:

a) Refinancing of some credit facilities being in balance at SC BANCPOST SA, credit facilities that had as a destination the financing of the different real estate projects/real estate acquisitions or acquisition of shares in companies that owned such real estates.

b) Financing of the commission for anticipated reimbursement charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility. Interests:

a) Current interest rate: EURIBOR (1M) + 2.5% p.y.

b) Penalty interest rate: Current interest rate plus 50% of the Current interest rate

Reimbursement: the credit facility will be reimbursed on a quarterly basis, in equal installments.

3.b. Loan contract for investment 50070066/25.07.2007. Value: 22,306,796 EUR. Validity: 7 years, 25.07.2007 – 24.07.2014. Object:

a) Refinancing of credits being in balance at SC BANCPOST SA, credits that had as an object the financing of the construction works for the Project;

b) Financing of the commission for anticipated reimbursement charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility;

c) Financing / refinancing of construction costs related to the Project under development;

d) The amount of 3,000,000 EUR from the total of the present credit facility may be also used for the financing in a proportion of up to 100 % of the acquisition cost afferent to some lands where the Project will be developed, including for the acquisition by the Borrower of shares issued by companies that own such lands, but only on the prior agreement of the Bank.

Grace period: 18 months from the date of the first use.

a) Current interest rate: EURIBOR (1M) + 2.5% p.y. The current interest is calculated according to the used balance of the credit facility, beginning with the date of the first use and is paid until the integral reimbursement of the Facility.

b) Penalty interest rate: Current interest rate plus 50% of the Current interest rate

Reimbursement: The credit facility will be reimbursed on a quarterly basis in equal installments after the finish of the grace period. Also, the credit facility will be reimbursed on a pro-rata basis from the collections related to the sale of each apartment/villa that is a part of the project.

The ratio that defines pro-rata is the following: Amount to be reimbursed = Value of Credit Facility * surface of apartment/villa sold according to the sale-purchase contract signed by the Borrower with the final client / Total area of the Project.

As of 31.12.2012 the loan balance, representing the amount to be paid to Banca Romaneasca, was of 7,187,493.81 EUR.

Guarantees:

- Assignment of receivables from trade contracts;
- Assignment of receivables on all the rights that result from the insurance contracts;
- Real movable guarantee coming from the guarantees that will be constituted by the constructor/ subcontractor
- Assignment of the rights that come from the bank guarantees letters;
- Pledge on the current accounts;
- 2 promissory notes issued without protest.

The statement of the assets pledged to Banca Romaneasca is presented below:

Type of receivable	**Cadastral No.**	**Mortgaged surface**	**No. of Mortgage Contract**	**Real estate**	**Address/ Residential compound**
first rank mortgage; second rank mortgage	20254	6,732.86	2648/25.07.2007; 2049/09.07.2008	Land and buildings	Padurea Neagra no.52-54
first rank mortgage; second rank mortgage	23574	4,144.60	2648/25.07.2007; 2049/09.07.2008	Land and buildings	Padurea Neagra no. 22-28
first rank mortgage; second rank mortgage	22705	11,438.24	2648/25.07.2007; 2049/09.07.2008	Land and buildings	Padurea Pustnicu no. 125-135
first rank mortgage; second rank mortgage	21763 / 16060	23,349.66	2648/25.07.2007; 2049/09.07.2008	Land and buildings	Padurea Neagra no. 56-64
first rank mortgage; second rank mortgage	18217/2/1	17,053.00	2648/25.07.2007; 2049/09.07.2008	Land	Bucharest, district 1
first rank mortgage; second rank mortgage	18217/2/2	3,817.00	2648/25.07.2007; 2049/09.07.2008	Land	Bucharest, district 1
first rank mortgage; second rank mortgage	18217/2/3	23,041.00	2648/25.07.2007; 2049/09.07.2008	Land	Bucharest, district 1
first rank mortgage; second rank mortgage	18216/2	19,931.00	2648/25.07.2007; 2049/09.07.2008	Land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/1	22,166.00	2648/25.07.2007; 2049/09.07.2008	Land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/2	2,186.00	2648/25.07.2007; 2049/09.07.2008	Land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/3	33,074.00	2648/25.07.2007; 2049/09.07.2008	Land	Bucharest, district 1

At the end of 2012 there were no outstanding amounts to the loan agreements with Banca Romaneasca.

Taking in consideration the necessity to reschedule this loan starting with year 2013, in January 2013 have started the negotiations for restructuring the loan until the end of 2017. On January 23rd there was received the rescheduling offer which was approved by the Board of Directors of Impact in the meeting from 12.03.2013 and later approved by the EGMS from 29.03.2013. Until April 15 will be signed the Addendum for loan restructuring which provides:

- Extending the payment period until 31.12.2017
- The principal will be paid in 20 equal installments. The installments will be due quarterly, and in the last year there will be paid 5 installments, the last installment being due on 31.12.2017
- Interest rate increases to EURIBOR (1M) + 6% p.a.
- Borrower won't distribute or pay dividents without prior written consent of the bank.

6. Banca Transilvania

Credit contract no. 15/21.07.2009.

The overall ceiling value of operating according to AA/29/15/21.01.2012: 6,891,472.60 RON .

Date of maturity: 27.06.2013.

Object: financing of current activity – finish of the projects being under development.

Interest: ROBOR at 6 months to which there is added the bank margin of 5.94%. The annual interest rate is fluctuating, being able to modify during the entire credit duration, according to the evolution of interests on the banking market.

Penalties: the penalty interest to credit is of 20%/year.

Reimbursement: The credit will be reimbursed in monthly installments, according to the reimbursement schedule. The anticipated reimbursement can only be made with the prior and express agreement of the Bank.

The balance afferent to the drawings from this credit as at 31.12.2012 is of 838,659.21 RON.

For the purpose of fulfilling the obligations that derive from the loan contract, between Impact and Banca Transilvania there were signed a series of receivable assignment contracts by which Impact constitutes in favour of the bank first rank guarantees having as an object the present and future receivables.

The statement of the assets mortgaged to Banca Transilvania is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
first rank mortgage	20254/40/2;1;3	90.61	218/21.07.2009	Land and buildings	Padurea Neagra no.52-54
first rank mortgage	23574/1/1/6	22.01	218/21.07.2009	Land and buildings	Padurea Neagra no. 22-28
first rank mortgage	21763/1/2/7/2/1;2;9	21.77	218/21.07.2009	Land and buildings	Padurea Neagra no. 56-64 and Padurea Pustnicu no.145
first rank mortgage	21763/1/2/7/2/2;2;8	16.47	218/21.07.2009	Land and buildings	Padurea Neagra no. 56-64 and Padurea

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
					Pustnicu no.145
first rank mortgage	21763/1/2/11/2/1;2;7	20.03	218/21.07.2009	Land and buildings	Padurea Neagra no. 56-64 and Padurea Pustnicu no.145
first rank mortgage	222043 (110022)	139.00	1956/30.07.2012	Land	Constanta, str. Brest nr.2, Constanta county
first rank mortgage	222044 (110023)	56.00	1956/30.07.2012	Land and buildings	Constanta, Brest Str. no.2, Constanta county
first rank mortgage	221909 (109920)	241.00	1956/30.07.2012	Land	Constanta, Brest Str. no.2, Constanta county
first rank mortgage	221910 (109921)	56.00	1956/30.07.2012	Land and buildings	Constanta, str. Brest nr.2, judetul Constanta

As of December 31st, 2012 there wasn't outstanding amount for this loan.

14. Information regarding employees, administrators and directors

Structure of personnel expenses

During 2012 the expenditures with indemnities of the Board of Directors have increased compared with the same period of last year, the indemnities being approved by decission no. 1/25.04.2012 and decission no. 5/20.12.2012.

Description	31.12.2011	31.12.2012
Indemnities of the Board of Directors	151,814	395,292
Salaries	759,533	927,820
Expenses with insurance and social security	217,081	364,012
TOTAL	**1,128,428**	**1,687,124**

Company's Management

The current members of the Board of Directors have been appointed through the GMS decision no. 1/25.04.2012, for a four year mandate.

There was elected as President of the Board of Directors Mr. Sophocleous Dimitrios.

The rights, powers and operating mode of the Board of Directors are in accordance with art. 8, art. 9, respectively art. 10 in the Articles of Association of the company Impact Developer & Contractor SA.

According to the Decision of GMS no. 1/25.04.2012, the members of the BoD have the right to monthly indemnifications with a value of 5,000 RON net, and the chairman of the Board of Directors Mr. Sophocleous Dimitrios has the right to the monthly indemnity with a gross value of 10,000 RON.

The members of the BoD have the right, according to the articles of association, to a percentage of 0.44% from the net profit, as well.

Administrators as of 31.12.2012

	Name	Position	Identification Data
1.	Sophocleous Dimitrious	Presedinte	7660403400011
2.	Gheorghiu – Milicin Stefan	Administrator	1730226163261
3.	Popp Ioan Dan	Administrator	1570411400459
4.	Ionescu Valeriu Nicolae	Administrator	1520411400095
5.	Neacsu Vlad-Nicolae	Administrator	1810630410031

Executive Management

Surname	Name	Position	Citizenship
Gheorghiu Milicin	Stefan	General Director	Romanian
Sandulescu	Carmen Daniela	Executive director (Economic)	Romanian

15. Trade payables and other payables

	31.12.2012	31.12.2011	31.12.2010
Various Suppliers	9,472,424	10,051,168	11,792,653
Suppliers of fixed assets	4,002	4,002	4,002
Dividends to be paid	46,367	46,367	46,367
Clients-creditors	559,313	726,681	498,116
Interest to be paid	206,358	47,559	722,829
Debts related to affiliated parties	26,868	42,361	(35,719)
Debts related to employees	814,146	786,938	785,698
Debt to State Budget	541,527	472,665	512,889
Deffered income	3,563,964	3,853,842	4,132,597
Sundry creditors	394,501	630,510	267,987
Other liabilities (guarantees)	1,584,284	847,411	(878,380)
Amounts to be clarified	(211,346)	(212,427)	(675,044)
Total	**17,002,408**	**17,297,077**	**17,173,995**

Deffered income consists of interest related to contracts paid in installments and lease contracts. The transition of interest income to revenues it is made gradually, as its maturity or due date, depending on which comes first.

Deffered income structure is presented below

Deffered income	31.12.2012
Rent	326,830
Interest and cost of financing	2,938,791
Maintenance	298,343
Total	**3,563,964**

The maturity for deffered income it is presented below.

	31.12.2012	Less than 1 year	Maturity Between 1 and 5 years	Over 5 years
Various Suppliers	9,420,460	4,266,837	5,153,623	0
Suppliers of fixed assets	4,002	4,002	0	0
Dividends to be paid	46,367	46,367	0	0
Clients-creditors	559,313	559,313	0	0
Interest to be paid	206,358	206,358	0	0
Debts related to affiliated parties	78,832	78,832	0	0
Debts related to employees	814,146	814,146	0	0

Debt to State Budget	541,527	541,527	0	0
Deffered income	3,563,964	1,414,039	1,901,648	248,277
Sundry creditors	394,501	394,501	0	0
Other liabilities (guarantees)	1,584,284	1,584,284	0	0
Amounts to be clarified	(211,346)	(211,346)	0	0
Total	**17,002,408**	**9,698,860**	**7,055,271**	**248,277**

Main suppliers are presented below:

MAIN SUPPLIERS	Products/ services	Turnover in 2012
DEGI CONSTRUDAVA	Lease of the office area and payment of fees for services provided by locator	3,210,620.39
ENERGOTRANS SRL	Supply electricity to the patrimony line of the eligible consumer	2,306,832.72
ENEL ENERGIE MUNTENIA (ELECTRICA MUNTENIA SUD SA)	Energy supply	424,058.15
GDF SUEZ ENERGY ROMANIA S.A. (DISTRIGAZ SUD SA)	Gase supply	321,483.22

16. Provisions

Regarding the minute prepared by Referitor la Procesul verbal intocmit de NAFA in year 2010 , after a partial restoration of the control by the General Administration of Large Taxpayers, there was issued the impossing decission 35 from 15.12.2010, communicated on January 6th, 2011. Through the decission no. 3740/ June 24, 2011 there was admitted the appeal filed by Impact Developer& Contractor and there was suspended the imposing decission no.35/15.12.2010 issued by D.G.A.M.C. , until the decission of the first instance court. In the delivery of the first instance court there was admitted in part the request of Impact for the income tax in amount of 760.957 lei, and the file regarding the penalties resulted from the control act was suspended until the final and irrevocable decisiion from the file that was pronounced by the first instance.

Provisions are made of:

Provisions	31.12.2012
Provisions for litigations	2,386,896
Provisions for deffered income tax	21,097
TOTAL	**2,407,993**

17. Turnover

The main income sources included in turnover are income from sale of built dwellings with the purpose to be sold, rent income and income from sale of land plots. Turnover structure is presented below:

	31.12.2012	31.12.2011
Income from sale of finished goods	21,329,872	7,312,076
Income from sale of goods	317,338	109,309
Income from services	356,437	655,289
Total	**22,003,647**	**8,076,674**

18. Profit/losses from IAS 40

The group decided to apply starting with year 2006, alternative treatment recommended by IAS 40 « Investment Property », recording part of the land and rented units from the portfolio, at their market value. An authorized evaluator valuated these properties. The difference between the historical cost of the land and revalued value were fully recognized in the income statement

Effect of change of the fair value model treatment is presented below:

Description	Area (sqm)	Book value	Fair value as of 31.12.2012	Diference
Investment property (land)				
Zenit (Constanta)	38,000	6,877,620	10,199,303	3,321,683
Prelungirea Ghencea (Buc, Sector 6)	258,925	54,128,271	60,774,966	6,646,694
Teisani (Buc, Sector 1)	400,000	50,240,000	124,885,910	74,645,910
Faget (Oradea)	24,460	1,446,564	4,333,040	2,886,476
Neptun (Constanta)	37,562	1,896,879	4,326,840	2,429,961
TOTAL	**758,947**	**114,589,335**	**204,520,058**	**89,930,724**
Investment property (houses and apartments)		29,074,401	25,988,478	-3,085,923
TOTAL		143,663,736	230,508,536	86,844,801

Description	Area (sqm)	Book value	Fair value as of 31.12.2011	Diference
Investment property (land)				
Zenit (Constanta)	38,000	6,877,620	12,728,908	5,851,288
Prelungirea Ghencea (Buc, Sector 6)	180,000	37,629,000	65,317,677	27,688,677
Teisani (Buc, Sector 1)	205,495	25,810,172	109,431,279	83,621,107
Faget (Oradea)	24,460	1,446,564	4,565,923	3,119,359
Neptun (Constanta)	37,562	1,896,879	5,067,008	3,170,129
TOTAL	**485,517**	**73,660,235**	**197,110,795**	**123,450,560**

Investment property (houses and apartments)	64,891,161	65,506,291	615,130
TOTAL	**138,551,396**	**262,617,086**	**124,065,690**

19. Other operational income

	31.12.2012	31.12.2011
Income from sale of waste products	278,813	5,051
Revenue from other services	3,503,442	3,205,132
Rent income	2,698,687	2,253,543
Income from disposal of tangible assets	619,766	35,098
Income from financial investments transferred	41,638	6,194,400
Other operational income	1,143,141	317,913
Revenue from penalties	602,380	1,777,040
Total	**8,887,867**	**13,788,177**

Due to the changes from the real estate market in the last three years, in 2011 Impact continued with changes in the operational activity and adapts it to current market conditions. In the past two years, there has been an increase in customers' preference to rent against the acquisition of dwellings due to the existing restrictive financing conditions. In revenue form other services are revenues from recharging the utilities. There is an increase of the other operational income compares with 2011 mainly due to transition to income of the balances prescribed from the companies that have been struck and recovery of various legal costs.

20. Expenses with raw materials and consumables

	31.12.2012	31.12.2011
Expenses with raw materials	1,334,752	1,195,706
Expenses with auxiliary materials	678,897	670,330
Expenses with goods	367,483	83,593
Expenses with packaging	11,831	-
Expenses with other consumable materials	202,008	187,467
Total	**2,594,971**	**2,137,096**

The expenses categories which recorded the most significant turnover are expenses with raw materials which represent expenses with land plots. A significant increase compared with 2011 had the expenses with goods. This was generated by the decision to liquidate the inventory of materials in the second half of 2012.

21. Expenses with personnel

	31.12.2012	31.12.2011
Wages and other labor benefits	927,820	759,533
Expenditure on civil contracts	395,292	151,814
Social security expenses	364,012	217,081
Total	**1,687,124**	**1,128,428**

22. Expenses with amortization and depreciation of tangible assets

	31.12.2012	31.12.2011
Expenses with amortization	945,024	1,395,870
Expenses with depreciation	6,362,275	286,320
Total	**7,307,299**	**1,682,190**

23. Other operating expenses

	31.12.2012	31.12.2011
Small inventory expenses	238,335	156,112
Expenses on water and energy	3,335,122	2,561,263
Maintenance and repairs expenses	316,877	589,586
Expenses with rent	1,907,055	1,970,100
Expenses with insurance	302,878	437,795
Commissions and fees expenses	26,894	77,535
Advertising expenses	501,205	670,949
Transport of goods and people expenses	62,195	49,774
Travel expenses	1,690	1,367
Postal and telecommunication expenses	216,197	242,595
Expenses on services provided by third parties	6,228,796	8,439,132
Other taxes	2,008,220	917,183
Decrease/increase in provisions for doubtful debts	14,258,965	-101,569
Expenses with assets disposal	176,596	26,346
Expenses with penalties	1,151,548	51,113
Expenses with exchange rate differences	2,648,630	1,516,001
Expenses with investments transfer	95,130	5,848,617
Other expenses	3,323,960	1,761,180
Bank commissions	478,153	593,421
Expenses with provisions for risks and charges	816,270	853,861
Impairments from applying IAS 40	37,220,889	34,718,145
Total	**75,315,605**	**61,380,506**

24. Financial expenses, net

	31.12.2012	31.12.2011
Interest income	(674,844)	(1,339,328)
Interest expenses	4,043,774	5,804,102
Other financial income	(29,749)	(35,125)
Discounts received	(3,578)	(3,185)
Discounts given	0	29,262
Total	**3,335,603**	**4,455,726**

25. Expenses with incomne tax

	31.12.2012	31.12.2011
Expenses with income tax	0	0
Deferred income tax	5,721,420	7,092,910
Total	**5,721,420**	**7,092,910**

26. Affiliated entities

The nature of relationship

In the year 2012, company IMPACT SA had commercial relations with a number of affiliated entities. The list of related entities with which Impact had developed commercial relations is the following:

Name of the company – affiliated party:	Name and date of contract	Type of services/purchased products
Actual Invest House SRL	CTR 158/20.04.07, CTR 296/03.09.07	Client (construction)
	CTR 03.01.2012	Client (rent)
Clearline Development &Management	CTR 43/01.01.2011	Client (rent)
Millenium Consult Invest	CTR/26.01.10; CTR J138/28.02.11; CTR 01.05.2009	Client (rent)
	CTR 514/20.09.2010 cu AA 1720/10.07.2012	Client (sale of land)
	CTR 15/18.01.2012	Supplier (purchase of litigation rights)
	CTR 13/10.10.2011	Supplier (survey)

Prices of the contracts signed with affiliated parties are established according to the market conditions. In year 2012, the company had transactions with affiliated parties, as follow:

Sales to:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	-1,105,288	-355,077
BIPACT 1995 SRL	50,614	14,827
HOBBIT INTERMEDIERE ASIGURARI SRL.	14,067	17,680
INTOP CONSTRUCTION	2,976	2,976
CLEARLINE	9,430	8,953
MILLENIUM CONSULT INVEST	25,940	23,993
SMART FIN INTERNATIONAL	2,608	9,403
Total	**-999,652**	**-277,245**

Purchases from:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	42,403	50,469
BIPACT 1995 SRL	211,469	138,260
INTOP CONSTRUCTION	21,154	13,504
MILLENIUM CONSULT INVEST	113,091	75,023
SMART FIN INTERNATIONAL	34,566	20,000
TOTAL	**422,683**	**297,255**

As a result of the transactions with affiliated parties, there were the following balances as of December 31st, 2012:

Receavables from/Advances given to:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	3,139,920	654
BIPACT 1995 SRL	167,373	1,503
HOBBIT INTERMEDIERE ASIGURARI SRL.	55,649	56,112
INTOP CONSTRUCTION	11,854	14,830
CLEARLINE	15,675	1,955,000
MILLENIUM CONSULT INVEST	426,055	357,205
SMART FIN INTERNATIONAL	358	646
TOTAL	**3,816,883**	**2,385,949**

Debt to/Advances received from:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	7,388	26,160
BIPACT 1995 SRL	0	33,700
CLEARLINE	34,899	663
INTOP CONSTRUCTION	74	45
MILLENIUM CONSULT INVEST	97,200	51,964
TOTAL	**139,561**	**112,532**

The value of the loans given for ongoing contracts is presented below. Due to affiliated relationship, loans given to the affiliated parties were given in order to support and improve their activity; this being the reason why there was decided not to charge interest. In contract it is not specified a specific term regarding the repayment of the loan, but as the existance of available cash.

Loans given	**31.12.2011**	**31.12.2012**
ACTUAL INVEST HOUSE	4,949	0.00
BIPACT 1995 SRL	79,777	0
INTOP CONSTRUCTION	1,128,838	1,128,838
TOTAL	**1,213,564**	**1,128,838**

In March 2012 there were signed loans contracts with Actual Invest SRL and Intop Construction SRL for loans totalling 1,000,000 lei each, given for financing the activity of residential asamblies administration, public utilities, and urban furniture. There has been paid only the amount of 427.700 lei to Actual Invest House out of these contracts.

During the year 2012 there was decided the decrease of share capital of Actual Invest House as a result of the analisys made regarding the future of the company Actual Invest House. The reason of the existence of the company is linked to capitalize on renting houses that haven't clients for sale in Oradea.

Following the Decision of Impact's BoD, to sale all the dwellings from Oradea in the portfolio, including the rented ones, Actual Invest House started a sale process of the dwellings from the portfolio. The proceeds from sale will not be used for other purposes and thus it is no longer justified to mantain so much share capital of Actual invest House, so shareholders took the decision to reduce share capital in order to offset the losses and to return the contributions to associates.

This share capital decrease was possible because Actual Invest House has neither creditors nor litigations that ask for money.

Regarding the dwellings purchased by Actual Invest House from Impact between 2007 and 2008 we mention the fact that these were econimic transffered, but due to the fact that there not signed notarized sales contracts, the transfer could not be registrered at the Land Registry.

At the moment when these buildings were sold by Actual Invest House to other customers the legal transfer of property was made from Impact to the third party customer, the proceeds being recorded by Impact in creditors account. These amounts were offset from creditors account by offsetting against amounts due by Actual Invest House as a result of share capital decrease.

27. Subsequent events

Bank loans

As of March 31, 2013, the bank loan situation was as follow:

No. of Contract	Name	Currency	Contract value	Balance as of 31.12.2012	Balance as of 31.03.2013
301/30.08.2006	Piraeus Bank Grecia suc Londra	EURO	12,807,256	7,613,084.95	7,246,798.99
50070065/25,07,2007	Banca Romaneasca	EURO	7,993,204	1,998,300.94	1,723,002.77
50070066/25,07,2007	Banca Romaneasca	EURO	22,306,796	5,189,192.87	5,123,396.76
15/21.07.2009	Banca Transilvania	RON	6,891,473	838,659.21	465,455.99

28. Other legal and economic information

Related with the litigation with Romconstruct, Impact submitted an application to the Court of Appeal requesting the temporary suspention of the execution of the civil judgment 16053/31.10.2012 of the Bucharest Court, Section IV civil, in the file 35939/3/2011, having as parties Impact Developer & Contractor SA and Romconstruct SA.

The request made the object of the file 9308/2/2012. The court admitted on 09.01.2013 the request of temporary suspention of the execution of the civil judgment 16053/31.10.2012 made by plaintiff Impact Developer & Contractor SA and ordered the temporary suspention of civile judgment 16053/31.10.2012 of the Bucharest Court, Section IV civile, in the file 35939/3/2011 until the resolution of the request of temporary suspention of this judgment made within the appeal.

The next term in the file having as object the appeal against the civile judgment 16053/31.10.2012 is scheduled for 14.05.2013.

On 27.03.2013 was announced the decision of foreclosure for two of Impact shareholders, by selling the stock of shares they held at that time. Judicial Executors Asociati Lex handled the transaction of the shares held by Dan Ioan Popp and Carmen Daniela Săndulescu, representing approximately 25% of Impact Developer & Contractor SA shares. In the same day Mr Iaciu Gheorghe, in a transaction on secondary market of Bucharest Stock Exchange , bought 45.956.535 shares which represents an ownership percentage of 23,226% of the shares.

Auditors

RSM SCOT SRL is a company operating in the professional accounting and auditing services, provided according to the Romanian and International Accounting Standards, and according to the International Auditing Standards.

RSM SCOT ensures to its clients fiscal consultancy and assistance, and also any other professional services specific to the activity field.

The team of RSM SCOT is composed by professionals, chartered accountants and financial auditors.

RSM SCOT has its headquarters in Bucharest and was set up by Otilia and Dan Schwartz in the year 1994, by the merger of the clients of two small consultancy companies where the two were associates.

RSM SCOT is a member of the Romanian Association of Chartered and Certified Public Accountants (C.E.C.C.A.R.) since 1994 and of the Romanian Chamber of Auditors since its set-up in 1999.

29. Contingents

Next, we will present the list of significant litigations (according to the Bucharest Stock Exchange Code) where the company is a party.

A. List of litigations where Impact has the quality of a plaintiff:

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
1.	Prahova Tribunal	7034/105/2010	insolvency procedure	plaintiff-creditor	**Romconstruct**	first instance	**22-apr.-13**	IDC formulated a request of admission to the creditor group. For the judgment of challenges. Impact made a challenge for a receivable in an amount of approximately 15,000,000 RON. THE PROVISIONAL RECORD of Impact IN THE PRELIMINARY TABLE OF THE RECEIVABLE OF 15,047,995.76 LEI It admits Impact's appeal and allowes temporary registration of the claim of 15,047,995.76 lei until the resolution of the file no. 35939/3/2011. Romconstruct had filed the appeal. The appeal was dismissed. The file follows the procedure.	16,025,023	RON
2.	Bucharest Tribunal	39469/3/2008	Obligation of Romconstruct to pay delay penalties for the delay of execution of the constructions in the Rubin assembly	plaintiff	**Romconstruct**	First instance	**22-mar.-13**	It has term to discuss the request for reinstatement and the transformation of the demand in achievement. IDC's request was rejected. With appeal.	14,855,309	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
3.	Bucharest Tribunal	63835/3 /2011	insolvency procedure	plaintiff	**Floreasca Construction (former Summa Romania SA)**	first instance	**5-mar.-13**	IDC is registrered at the statement of affairs with the amount of, 442,674 lei. Files for bankruptcy. The procedure is in the final stage and the discussion of the application based on art. 138 from Insolvency Act.	13,442,674	RON
4.	High Court of Cassation and Justice	23619/3 /2009	action for finding	recurring	**SC Summa Romania SA**	appeal	**No term**	Admits the appeal, scraps and sends for retrial on appeal to the Court of Appeal.	7,602,445	RON
5.	Cluj Tribunal	79/1285 /2012	termination of contract	plaintiff	**Local Council of the Municipality Cluj**	first instance	**17-apr.-13**	Administration of evidences	4,008,222	RON
6.	Bucharest Court of Appeal	11833/2 /2010	cancellation of administrative document regarding the additional payment fiscal obligations established in the charge of the underwritten by the fiscal	plaintiff	**ANAF**	first instance	**7-nov.-13**	Partially admits the challenge. Partly cancels the taxation decision no. 115/19.05.2010 and the fiscal inspection report no. 33.364/18.05.2010 respectively with regard to the tax on profit in an amount of 760,957 lei resulted following the revaluation of the land purchased and resold by SC Patagonia Invest SRL. Partly cancels decision no. 266/29.09.2010 with regard to the solving mode of the challenge with regard to the previously mentioned tax for retrial of the appeal of both parties.	3,403,000	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
			inspection report							
7.	Bucharest Court	26153/3 /2010	bankruptcy	Plaintiff - creditor	**Sqrw Development Romania**	first instance	**17-mai.-13**	Impact requested the registration in the statement of affairs in the quality of successor in title of SC PATAGONIA INVEST SRL. Rejected as unfounded the appeals of the creditor SC Impact Developer & Contractor SA. Irrevocable.	1,975,743	RON
8.	Constanta Tribunal	15426/1 18/2011	dec. that take place to v-c/obligation to make	plaintiff	**Tomis / Orban Lucian and Steluta**	first instance	**23-mai.-13**	Partlly admits the request	200,000	EUR
9.	Bucharest Court of Appeal	5962/2/ 2012	Cancellation act	plaintiff	**ANAF**	first instance	**20-May-13**	For lack of NAFA file	619,954	RON
10.	Bucharest Court	16650/2 99/2011	Challenge of exec, with prov. susp.	challenger	**Bodogan Aurel si Bodogan Constantin**	first instance	**9-mai.-13**	Admits the challenge to execution. Disposes the cancellation of the forced execution itself and the cancellation of all the execution documents performed in the execution file no. 8E/2011 constituted at B.E.J. Georgiana Jalbă, being cancelled the right to request forced execution. Dismisses the request to suspend forced execution, as remaining without object. Obliges the involved parties to pay to the challenger the amount of 8,090.63 lei, as legal expenses. With right of recourse within 15 days from	559,503	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
								communication. Term for settlement of the appeal of Bodogan Aurel and Constantin. Deadline for summoning Aurel Bogdogan's heirs.		
11.	Sector 1 Court	9635/299/2012	Constraint seizure	challanger	**Bodogan Aurel si Bodogan Constantin**	first instance	**No term**	First term after decline. Suspended until the irrevocable resolution of the file no. 16650/299/2011	217,826	RON
12.	Bucharest Court	42605/3/2012	Constraint seizure	challenger	**Bodogan Aurel si Bodogan Constantin**	Declined	**18-Dec-12**	Admits. Scraps and sends to Sector 1 court	168,000	RON
13.	Bucharest Court	19999/3/2012	Insolvency procedure	creditor-plaintiff	**Stratos Leasing IFN SA**	first instance	**17-sep.-13**	Asked for own insolvency. We registrered at the statement of affairs. The file is connected to the file 50128/3/2012	113,383	RON
14.	Bucharest Court	40191/3/2010	claims arising out of non-conforming work, executed by Summit	plaintiff	**Summa Romania SA**	first instance	**No term**	According to art.36 from Law no.85/2006, notes occurred suspension of the judgment	100,222	RON
15.	S1 Court	21136/299/2009	claims, legal expenses	plaintiff-defendent	**SC Summa Romania SA**	first instance	**No term**	Suspended based on art. 36 from Law 85/2006	100,123	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
16.	Judecatoria Buftea	9807/94/2010	Claims non-conforming works	plaintiff	**Floreasca Construction (fosta Summa Romania SA)**	first instance	**No term**	According to art.36 from Law no.85/2006, notes occurred suspension of the judgment	50,292	RON
17.	Buftea Court	1456/94/2013	Payment order	plaintiff	**Ripanu Madalina**	first instance	**16-Apr-13**	First term	37,000	RON
18.	Buftea Court	3005/94/2012	Contravention complaint	plaintiff	**ANRSC**	first instance	**No term**	Suspended until the irrevocable resolution of the file no. 35158/3/2012	35,000	RON
19.	Buftea Court	4392/94/2011	Claims, lease contract	plaintiff	**Manu Elena**	First instance	**No term**	Enforces the defendant to pay to the plaintiff 22480 lei representing rent and 7591.46 lei delays penalties. Takes act of plaintiff weiver orf the judgement of 3rd end of application. Enforces the defendant to pay to the plaintiff the amount of 2034.27 lei representing legal expenses.	33,782	RON
20.	Buftea Court	12633/94/2011	Contravention complaint	plaintiff	**ANRE**	first instance	**5-sep.-12**	Term for evidence. Rejects the complaint as unfounded.	25,000	RON
21.	Bucharest Court	4785/299/2009	claims arising out of paying utilities and rent	plaintiff	**SC Patru Ace SRL**	First instance	**25-mar.-13**	Admits in part the action.First term of the appeal	22,389	RON
22.	Bihor Court of Appeal	13314/111/2011	Action for declaration	plaintiff	**Compania de Apa Oradea**	Appeal	**18-apr.-13**	There was rejected the act, IDC filed for appeal	20,000	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
23.	Buftea Court	13311/94/2012	Cancellation of sale contract of gate cottage	Actual Invest House+Impact	**ASOCIATIA DE PROPRIETARI AZUR**	First instance		first term for summoning Impact; suspended until the resolution file involving the establishment of the owners' association in Azur	19,000	RON
24.	Buftea Court	9376/94/2012	eviction/claims	plaintiff	**Beco Logistic Serv**	First instance	**22-May-13**	First term	18,000	RON
25.	Sector 1 Court	40150/299/2012	claims	plaintiff	**Svetopetric Dinko**	First instance	**15-Apr-13**	was quoting in croatia	15,000	RON
26.	Ilfov Court	8799/94/2012	Annulment of donation contract	plaintiff	**Asociatia Class Pipera, Asociatia de Proprietari Class**	Appeal	**26-Apr-13**	To pay 340,5 lei and legal expenses of 1.5 lei	9,600	RON
27.	Oradea Court	11114/94/2012	eviction	plaintiff	**Simona Suhoi**	First instance	**12-Jun-13**	First term	7,000	RON
28.	Buftea Court	15956/94/2012	eviction	plaintiff	**Giura Luminita**	First instance	**11-Dec-13**	First term	7,000	RON
29.	Sector 2 Court	43636/300/2012	Claims, utilities	plaintiff	**Coca Adina**	First instance	**10-Jun-13**	Declined at JS2	5,000	RON
30.	Sectorul 1 Court	33892/299/2012	Claims taxes for house	plaintiff	**Chiru Gheorghe**	First instance	**17-May-13**	For expertise. There has been paid the fee	3,800	RON
31.	sector 1	56082/2	claims	plaintiff	**Schwalb**	First	**19-Apr-13**	First term	3,500	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
	court	99/2012			**Emanuel**	instance				
32.	Buftea Court	8602/94/2012	claims	plaintiff	**Petcuta Danut**	First instance	**13-May-13**	First term	2,380	RON
33.	Oradea Court	14306/271/2012	Contravention complaint	plaintiff	**Politia Locala Oradea**	First instance	**15-Apr-13**	IDC fined for not mowing the grass of the land of the City Hall	1,500	RON
34.	High Court of Cassation and Justice	2975/2/2010	Appealing the decision 206/2010ANRE	plaintiff	**ANRE**	First instance	**23-apr.-13**	IDC required the annulement of the ANRE decision regarding the approval of the distribution fees in Voluntari assemblies; admits the action. Cancels the decision of the ANRE's President no. 206/04.02.2010. Enforces the defendant to approve the fees for the activity of distribution the electricity of the plaintiff as it is mentioned in the judicial audit report prepared in this cause and the answer to întocmit în cauză şi the answer to the objections. Enforces the defendant to pay to the plaintiff the amount of 15.146,8 lei as legal expenses. Term for judgement the appeal of ANRE.	N/A	N/A
35.	High Court of Cassation and Justice	6391/2/2011	complaint/cancellation of documents issued by ANRE	plaintiff	**ANRE**	First instance	**11-sep.-13**	Rejects the application. First term of Impact's appeal.	N/A	N/A
36.	Sector 1	9122/29	obligation to make periodic	plaintiff	**Regia Nationala a**	defendan	**suspended**	Other procedural incidents, intervention request. Suspended the judgement of the	N/A	N/A

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
	Court	9/2007	penalty payments		**Padurilor-Directia Silvica Bucuresti**	t		case, notifies Bucharest Court of Appeal for solving the exception of illegality of the order no. 645/2003- file 4719/2/2012, on the Bucharest Court of Appeal, having term on 04/09/2012		
37.	High Court of Cassation and Justice	3555/111/2010	Action for declaration	plaintiff	**MTS Leasing;Ban Liviu**	First instance	**12-dec.-13**	IDC asked the court to note that occurred the termination of execution contract, accepted in part the request. Liviu Ban filed appeal .rejects appeals. Impact filed appeal, first term for judgement the appeal.	N/A	N/A
38.	Arges Court	29651/3/2011	eviction	plaintiff	**Hristeno Nicolae**	First instance	**No term**	Decides eviction	N/A	N/A
39.	Prahova Court	2299/105/2012	Obligation to make/ issue an administrative document, Zoning Permit Roua	plaintiff	**Consiliul Local Blejoi**	First instance	**28-nov.-12**	Suspended at the request of the parties	N/A	N/A
40.	Oradea Court	13974/271/2012	Obligation to make/sign individual contracts for water and sewerage	plaintiff	**Compania de Apa Oradea**	First instance	**23-May-13**	evidences	N/A	N/A

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
41.	Buftea Court	7917/94 /2012	evacuare	plaintiff	**Ionescu Elena Ani Mihaela**	First instance	**15-May-13**	First term	N/A	N/A
42.	S3 Court	1416/30 1/2013	Action for declaration	plaintiff	**ANRSC**	First instance	**22-Mar-13**	Action that requires IDC to take note that it has the right to invoice the value of the maintenance of water networks in Greenfield without ANRSC approved price. First term after declination	N/A	N/A
43.	Prahova Court	7034/10 5/2010/ a2	Insolvency procedure	creditor	**Romconstruct**	First instance	**4-Mar-13**	Second appeal against the pv of AC from octomber 2012	N/A	N/A
44.	Bihor Court	564/35/ 2011	Cancellation of document	plaintiff	**CLO-AIO**		**No term**	Admits the action	N/A	N/A
45.	Ilfov Court	8552/94 /2012	Contract cancellation	plaintiff	**SPAAC**	First instance	**16-Sep-13**	To submit statement of deffence	N/A	N/A

B. Litigation list where Impact has quality of defendant :

B.1.

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
1.	Bucharest Court	35939/3/2011(19/105/2010)	Action for contractual damages	defendant	**Romconstruct & BRD SG**	first instance	**14-mai.-13**	Admits Romconstruct's action. Appeal filed by Impact.	33,329,910	RON
2.	Bucharest Court	60772/3/2011	Civil liability	civil liable party	**ANAF**	first instance	**12-apr.-13**	Administration of evidence. Land valuation expertise. Expertiza evaluatorie terenuri. To present expert clarifications.	16,823,946	RON
3.	High Court of Cassation and Justice	32826/3/2010	Claims coming from the takeover by assignment by the plaintiff of receivables of Summa Romania from contr. 42/2007	defendant	**SC Brooklyn Property Management SRL**	appeal	**14-mar.-13**	Dismisses the appeal as ungrounded. First term of the appeal filed by Brooklyn. Delayed for the settlement of the abstention. Irrevocably settled rejects Brooklyn appeal.	9,155,118	RON
4.	High Court of Cassation and Justice	40442/212/2010	claims grounded on sale-purchase contract with payment in installments, respectively	defendant	**Sava Mircea Aurelian**	first instance	**30-mai.-13**	Rejects the appeal as unfounded. first term on the appeal filed by Sava Mircea	500,000	EUR

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
			interests for installments paid in advance and moral damages							
5.	Bucharest Court of Appeal	45886/3 /2009	Refund of the counter-value of guarantee letters	defendant	**Brooklyn Property Management / SC SUMMA ROMANIA SA**	First instance	**No term**	Rejects the appeal as unfounded, maintains the suspention until the irrevocable decision of the file 23619/3/2009.	317,422	EUR
6.	Constanta Court	4320/11 8/2006/ a2	The obligation to make	defendant	**Iorgu Constantin - Lichidator Gamad Shipping**	First instance	**2-Apr-13**	The liquidator of Gamad ordered to Impact to sign a sale contract with the company through the liquidator	50,000	EUR
7.	Constanta Court	81/118/ 2009	claims deriving from construction vices	defendant	**S.C.Isac Maricica Contabilitate**	First instance	**21-iun.-12**	Suspends the cause and sends it to the Prosecutor for research on the offense of forgery.	4,552	RON
8.	Constanta Court	30187/2 12/2012	presidency ordinance, IDC began implementing the termination for recovery	defendant	**Isac Maricica**	Appeal	**25-Jan-13**	Reject the ordinance. Requires the applicant to pay 3,000 lei legal costs.	Not rated	

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
			counter value of utilities obtained by irrevocable decision							

B.2.

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
1.	Bucharest Court	32874/3 /2010	Claims coming from the takeover by assignment by the plaintiff of receivables of Summa Romania from contr. 6/2007	defendant	**SC Brooklyn Property Management SRL**	Appeal	**4-feb.-13**	There was rejected Impact's appeal and the case was sent to the first instance then it was suspended until the irrevocable solution of the file no. 23619/3/2009.	9,138,140	RON
2.	Bihor Court	9297/11 1/2010	request for payment of contractual penalties	defendant	**Municipiul Oradea prin Primaria Oradea**	First instance	**7-mai.-13**	To answer the objections raised by the PMO in the audit report.	1,487,001	EUR

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
3.	High Court of Cassation and Justice	1521/2/2012 (45882/3/2009)	Action in which it was required the recovery of the couter-value of guarantees letters	defendant	**Brooklyn Property Management / SC SUMMA ROMANIA SA**	Appeal	**24-apr.-13**	Rejects the action as unfounded. With appeal in 15 days from communication. Rejects appeal filed by Brooklyn, as unfounded. First term of the appeal filed by Brooklyn.	490,940	EUR
4.	Bucharest Court	14444/3/2012	Cancellation of sale contract	respondent	**Taxi Mondial / Double Insolvency SPRL/Puiu Georgeta**	First instance	**1-mar.-13**	Annulment of sales contract that Taxi Mondial debtor alienated the apartment pledged in favor of Impact for debts in amount of 237.636 lei.	237,636	RON
5.	Buftea Court	4519/94/2012	Annulment of sales contract/ putting the parties in the previous situation	defendant	**Gavris(Pernes) Raluca**	First instance	**14-mar.-13**	To administrate expertise evidence.	191,475	RON
6.	Bucharest Court	21136/299/2009*	claims	plaintiff-defendant	**SC Summa Romania SA**	First instance	**17-oct.-12**	First term of appeal. Suspended based on art. 36 from insolvency law.	100,123	RON
7.	Oradea Court	19954/271/2012	claims, counter-value of net lossed, recorded by	defendant	**Compania de Apa Oradea**	First instance	**4-Mar-13**	evidences; counter-value of net lossed, recorded by the main meter	50,104	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
			the main meter							
8.	Oradea Court	1226/271/2013	claims, deriving from the the consumtion recorded by the main meter	defendant	**Compania de Apa Oradea**	Declined/ first instance	**3-Apr-13**	Compania de Apa Oradea requires to Impact to pay losses recorded by the main meter	37,000	RON
9.	Tulcea Court	949/327/2013	Appeal to the enforcement	defendant	**Marnache Virgil si Nicoleta**	First instance	**2-Apr-13**	Appeal to the enforcement started by IDC for recovery of the amounts owed by the parties for rent, according to the contract signed	12,685	RON
10.	Buftea Court	1765/94/2013	Request for annulment	defendant	**Marinache Virgil si Nicoleta**	First instance	**30-Apr-13**	Request for annulment started by IDC for recovery of the amounts owed by the parties for rent, according to the contract signed	12,685	RON
11.	Buftea Court	1966/94/2013	Request for annulment	defendant	**Marinache Virgil si Nicoleta**	First instance	**30-Apr-13**	Request for annulment started by IDC for recovery of the amounts owed by the parties for rent, according to the contract signed	12,685	RON
12.	Buftea Court	7602/94/2010	Claims for non-conforming works	defendant	**SC Romconstruct SA**	First instance	**No term**	Suspended based on art. 36 law 85/2006	11,611	RON

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
13.	Buftea Court	12589/94/2012	Claims, counter-value of the invoices after cancellation of contract	defendant	**Serviciul de Transport Voluntari**	First instance	**12-Sep-13**	Counter-value of the invoices after the annulment of contract with SPAAC	9,600	RON
14.	Buftea Court	1009/94/2013	Payment rder	defendant	**Atlantis Fitness &Lifestyle Srl**	First instance	**21-May-13**	requests refund of the guarantee, retained by IDC as penalty clause for premature termination	1,560	EUR
15.	High Court of Cassation and Justice	31608/3/2010(1003/94/2010)	Networks	defendent-respondent	**& Amariucai, Salom, Stanescu, Humeniuc, Radio Consult, Paicu Claudia, Ispas Daniel, Ermis Ioana, Mihailesc Cristinel, Grigoriu C, Ciocan D, Antonesc, Cioaca, Onirom, Maftei, Paul Man, Timpu A, Majed Samer, SC**	appeal	**30-mai.-13**	Dismisses as inadmissible; plaintiffs appealed. Rejects appeal of plaintiffs as unfounded. The first term on appeal.	N/A	N/A

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
					Rudyal, Rotaru, Oeru, Naftanaila Ionel, Paun Mihai, Clinciu, Go West, Flash Models					
16.	sector 1 Court	49031/299/2011	Claim againg the resolution of the prosecutor Nup	respondent	**Ionita Florian**	First instance	**14-mar.-12**	Admits claim. It has sent the case to the criminal body to resume criminal investigation.	N/A	N/A
17.	Bucharest Court of Appeal	2488/2/2012 (23136/3/2009) (6108/2/2011)	Annulment of decision of General Council of Bucharest no. 263/2008	defendent	**CGMB / Primarul Municipiului Bucuresti/ Ionita**	Appeal	**19-apr.-13**	Rejects appeal as unfounded. GCB and Ionita Florian requested for annulment. Error of solution. Admits request for annulment, cancels the appealed decision and send the case to the court of appeal for hearing the appeal	N/A	N/A
18.	Bucharest Court of Appeal	5415/3/2009 (43654/3/2009)	Annulment of administrative act	intervener	**Ionita Florian - Consiliul General al municipiului Bucuresti**	Appeal	**18-oct.-12**	Rejects the action as unfounded. Term for settlement of the appeal filed by Ionita Florian. Suspended until the irrevocably decision of the file no. 8/2/2012	N/A	N/A
19.	Sectorul 1 Court	55112/299/2012	obligatie de a nu face in sensul	defendant	**Cremer Marc si**	First instance	**1-mar.-13**	Term to take notice of intervenes made by Radu Alecu, Aldea Marius and Danielescu	N/A	N/A

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
			neingradirii dreptului de servitute		**intervenientii**			Valentin. Dismissed the action		
20.	Bucharest Court	8458/3/ 2012	anulare act administrativ al carui titular/beneficiar este Electrica	defendant	**Regia Nationala a Padurilor- Directia Silvica Bucuresti, Prefectura Bucuresti**	First instance	**16-apr.-13**	First term	N/A	N/A

Besides the above presented litigations appreciated as significant, the company also has ongoing a number of litigations with different debtors of the company coming from the supply of utilities or other small receivables as value. These litigations (approximately 20) comprise a total value of IDC claims of approximately 151,000 RON.

In order to better understand the situation of the litigations, these are grouped in some more important categories, such as:

1. Litigations with Romconstruct that, on the date of the present notes drafting, remained only three, are litigations coming from two construction execution contracts concluded in the year 2006, their cause being very long delays of the subcontructor in finishing the construction works and its claims to receive amounts of money for unfinished construction works. The litigations are in the following situation: At position 1 in the litigations where Impact is a plaintiff by which there was admitted the provisional registration of Impact to the creditor group of Romconstruct for the amount of 16,025,023 RON. The insolvency procedure of Romconstruct is still in progress. At position 2, from the litigations list where Impact is a plaintiff,

Impact has requested the judgement of the file in which it has claimed penalties to Romconstruct in amount of 14,855,309 lei, in the same time with the change of action from action in achievement, in action for declaration.The request was dismissed by the first instance, after the motivation of the decision Impact will file the appeal. In the litigations list where the Impact is defendant, list B1 position 1, is the file in which Romconstruct obtained in the first instance damages of 33,329,910 lei. Implementation of this decision was temporarily suspended, and the file is currently in appeal.

2. Litigations with Floreasca Construction (former Summa Romania SA) and Brooklyn Property Management SRL arose from construction works contracts signed in 2006 in which Summa was subcontractor and Impact the beneficiary. These contracts have been very much delayed. And there were penalities requested by Impact and request for payment of the construction works by Summa. In 2008 Summa has transferred the receivables to the company withing the group Brooklyn, which is part in some of the litigations that have the same source. Currently there are files on the list where Impact is plaintiff, the litigations from positions 3 and 4. At position 3 there is the insolvency file of Floreasca Construction where Impact was admitted to the statement of Affairs for the amount of 13,442,674 lei representing contractual penalties and noncomplying works.

   Summa's patrimony has been sold and as a result of the sale Impact could not recover any amount that was registered with at the statement of affairs, and on 5th of March was admitted the bankruptcy of Floreasca Construction. Impact had filed the appeal against this decision since the company Floreasca Construction can not dispose the company without the litigations from position 4 from the same list to be final, in which Impact requests to obtain the declaration of the existing debt of Floreasca Construction towards Impact, in amount of 7,602,445 lei. On the list where Impact is defendant, litigations with Brooklyn, arised from the disposal of receivable rights Floreasca Constrauction related to Impact, is in the list B1 positions 3 and 5 and list B2 positions 1 and 3. Claims from list B1 position 3 were irrevocably rejected. Files from list B1 position 5 and list B2 position 1 are suspended until the final decision of file from position 4 – plaintiff Impact, and the file from position 3 from list B2, in which Brooklyn claims the value of letter of guarantee in amount of 490,940 EURO in in appeal filed by Brooklyn after it lost the appeal at the first instance.

3. Litigations with NAFA are at positions 6 and 9 on the list where Impact is plaintiff. The litigation from position 6 is the one in which Impact contested the amount of 3,403,000 lei and won at the first instance the cancellation as undue amount of about 2,000,000 lei. This file is in the

process of appeal filed by Impact and ANAF. At position 9 Impact contested as incorrect calculated the outstanding amount of 619,954 lei. Both amounts are collected by NAFA, so favorable litigation settlement will bring the recovery of the amounts unjustifiably collected by NAFA.

4. Litigation with Local Council Oradea arised from « penalties according to the association contract from 02.07.2004 » from position 2 from list B2 Impact-defendant. There was administrated the evidence with technical expertise which is favorable to Impact.
5. Litibations with LC Cluj in which Impact requires amounts arised from investments made by Impact and the project company Clearline Development&Management SRL for the development of Lomb in which LC Cluj Napoca didn't contribute with land, so the project cannot be realized. The total amount requested is over 21 million lei plus legal interest, but which doesn't include the non-realized benefits requested by Impact by calling to conciliation. For these amounts there will be open a separate file. These litigations are currently on trial in Cluj (the one with Impact) and in Arges (the one with Clearline) and are in the phase of administrating the urban and construction expert analysis.
6. Litigation with NAFA where Impact is called as part civilly responsible for the acts of another, in amount of 16,823,946 lei, is in the phase of first instance and there was conducted a technical expertise which had as result that the demaged determined by NAFA is not real, land value being much smaller than the one calculated by NAFA without expertise. In year 2012 the court ordered the seizure of Impact's patrimony for the whole amount of 16,823,946 lei. In order to solve the problem of seizure Impact had pledged in favour of NAFA land with total area of 52.234 sqm located in Sector 1, Bucharest.

7. There are 2 litigations on Impact defendant list where the judicial administrator of two companies in the insolvency procedure request the cancellation of the contracts having as object dwellings sale to the administrators of these companies (positions 4 from list B2 and 6 from list B1), litigations totaling 100,000 EURO.

8. Besides the litigations mentioned above there is a number of lower value litigations where Impact requires rent and damages until the release of the property for the lease contracts or contracts with payment in instalments that have been cancelled: positions 17, 19, 21, 24, 25, 27, 28, 29, 37 and 41.

30. The applicationfor the first time of IFRS

Financial Position Statement

In Lei	31.12.2012 IFRS	31.12.2011 IFRS	31.12.2012 RCR	31.12.2011 RCR	31.12.2012 Diferente	31.12.2011 Diferente
ASSETS						
Nontangible assets	49,163	108,562	49,163	108,562	0	0
Tangible assets	20,784,144	21,256,671	46,772,620	60,789,028	-25,988,476	-39,532,357
Investments property	230,508,536	262,617,086	0	0	230,508,536	262,617,086
Financial assets	18,634,631	29,828,673	19,846,731	31,093,999	-1,212,100	-1,265,326
Total fixed assets	**269,976,474**	**313,810,992**	**66,668,514**	**91,991,589**	**203,307,960**	**221,819,403**
					0	**0**
Inventories	114,167,133	158,578,876	228,756,468	257,259,729	-114,589,335	-98,680,853
Trade receivables and other receivables	42,872,401	51,052,788	41,659,580	49,786,726	1,212,821	1,266,062
Prepaid expenses	154,748	218,690	154,748	218,690	0	0
Cash and cash equivalent	1,581,101	8,915,228	1,581,101	8,915,228	0	0
Total current assets	**158,775,383**	**218,765,582**	**272,151,897**	**316,180,373**	**-113,376,514**	**-97,414,791**
					0	0
Total assets	**428,751,857**	**532,576,574**	**338,820,411**	**408,171,962**	**89,931,446**	**124,404,612**
					0	0
EQUITY AND LIABILITIES					0	0
Share capital	205,330,158	205,330,158	197,866,574	197,866,574	7,463,584	7,463,584
Premiums related to capital	84,041,878	84,041,878	84,041,878	84,041,878	0	0
Revaluation surplus	9,134,318	8,602,018	7,302,518	11,190,233	1,831,800	-2,588,215
Retained earnings	27,615,032	102,507,499	-37,785,182	3,729,425	65,400,214	98,778,074

Total equity	**326,121,386**	**400,481,553**	**251,425,788**	**296,828,110**	**74,695,598**	**103,653,443**
					0	0
LONG TERM LIABILITIES					0	0
Long term borrowings	35,101,809	64,649,104	35,101,809	64,649,104	0	0
Deffered income tax	15,235,127	20,750,433	0	0	15,235,127	20,750,433
Total long term debt	**50,336,936**	**85,399,537**	**35,101,809**	**64,649,104**	**15,235,127**	**20,750,433**
					0	0
Commercial debt and of other nature	17,002,408	17,297,077	15,417,403	16,448,930	1,585,005	848,147
Short term borrowings	32,883,133	26,988,751	34,467,418	27,836,162	-1,584,285	-847,411
Provisions	2,407,993	2,409,656	2,407,993	2,409,656	0	0
Total current liabilities	**52,293,534**	**46,695,484**	**52,292,814**	**46,694,748**	**720**	**736**
Total liabilities	**102,630,470**	**132,095,021**	**87,394,623**	**111,343,852**	**15,235,847**	**20,751,169**
Total equity and liabilities	**428,751,857**	**532,576,574**	**338,820,411**	**408,171,962**	**89,931,446**	**124,404,612**

Global Result Statement

In Lei	31.12.2012 IFRS	31.12.2011 IFRS	31.12.2012 RCR	31.12.2011 RCR	31.12.2012 Diferente	31.12.2011 Diferente
Turnover	22,003,647	8,076,674	22,003,647	8,076,674	-	-
Other operating income	8,887,867	13,788,177	8,887,867	13,788,177	-	-
Chenges in inventories of finished goods and work in progress	(27,549,580)	(27,884,020)	(27,549,580)	(27,884,020)	-	-
The work performed by the entity and capitalized	6,284,781	24,647,083	6,284,781	24,647,083	-	-
Raw materials and consumables	(2,594,971)	(2,137,096)	(2,594,971)	(2,137,096)	-	-
Expenses with personnel	(1,687,124)	(1,128,428)	(1,687,124)	(1,128,428)	-	-
Expenses with depreciation and impairment	(7,307,299)	(1,682,190)	(8,769,314)	(6,480,604)	1,462,015	4,798,414
Other operating expenses	(75,315,605)	(61,380,506)	(36,927,432)	(26,687,105)	(38,388,173)	(34,693,401)
Financing cost	(3,335,603)	(4,455,726)	(3,335,603)	(4,455,726)	-	-
Profit before tax	**(80,613,887)**	**(52,156,032)**	**(43,687,729)**	**(22,261,045)**	**(36,926,158)**	**(29,894,987)**
					0	0
Income tax	5,721,420	7,092,910	-	-	5,721,420	7,092,910
					0	0
Net profit of the period	**(74,892,467)**	**(45,063,122)**	**(43,687,729)**	**(22,261,045)**	**(31,204,738)**	**(22,802,077)**

Statutary accounts were retreted in order to reflect the differences between RCR and IFRS. Accordingly, statutay accounts were adjusted, where necessary, in order to bring the financial statements, in all material aspects, with IFRS.

The most important changes brought to the financial statements in order to align with IFRS are:

- Adjustments in accordance with IAS 29 «Financial Reporting in Hyperinflationary Economies » because the Romanian economy was a hyperinflationary economy until December 31st, 2003 ;
- Adjustments according to IAS 40 « Investment Properties » by restatement the investment properties (land and buildings) and identifying the investment property held with the purpose of rent or for increasing their value.
- Deferred income IAS 12 « Income tax ».

Chairman of the Board of Directors — Chief Accountant

Dimitrios Sophocleous — Lidia Varzaru

Translation from Romanian language

Report of the Independent Auditor for Consolidated Financial Statements

RSM Scot
Auditors Accountants Tax Advisors

RSM Scot s.r.l

Report of the Independent Auditor

To:

The Shareholders and Administrative Board of IMPACT DEVELOPER & CONTRACTOR Group

1. We have audited the attached consolidated financial statements of Impact Developer & Contractor SA and its subsidiaries ("the Group"), which comprise: the consolidated balance sheet as of 31 December 2012, the consolidated income statement, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year closing on that date, as well as a synthesis of significant accounting policies and other explanatory notes. The above-mentioned financial statements refer to:

	- lei - 31 December 2012
Total shareholders' equity	324,430,754
Net turnover	28,528,929
Net result-loss	(75,530,517)

Management responsibility for financial statements

2 The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The responsibility of the auditor

3. Our responsibility is to express an opinion on these financial statements based on our audit. Except for the issues presented in paragraph 5 and 6, we conducted our audit in accordance with the International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Except for the issues presented in paragraph 5 and 6, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RSM Scot
Auditors Accountants Tax Advisors

RSM Scot s.r.l

Disclaimer of opinion

5. For the legal litigations presented in Note 25 "Contingent Liabilities", paragraph B2) to the financial statements, either we have not received confirmation from the company's lawyers, or we have received confirmations but without an estimate of the result of each respective litigation. In the absence of this information, we cannot estimate the risks that might arise for the company and the possible impact of these risks on the company's financial position and performance.

6. As of December 31, 2011 we were not able to express any opinion on the accounting value of inventories (account Finished goods), on the accounting value of work and services in progress representing investments in Lomb Hill project (PUZ, roads, water and electricity networks etc) and, consequently, we were not able to express an opinion on the 2011 profit and loss statement. If the company had evaluated the above mentioned assets at the financial year closing date, in accordance with the applicable accounting standards, the 2011 financial result might have been different from the one presented in the financial statements as of December 31, 2011.
Even if in 2012, the company recorded allowances for depreciation both for the stock of houses and for the work and services in progress in the Lomb Hill project, as long as it was not able to determine the allowance corresponding to the retained earnings, we were not able to asses in what extend these adjustments have influenced the profit and loss statement and/or the retained earnings as of December 31, 2012.

Opinion

7. In our opinion, with the exception of the effects of adjustments that might have been ascertained as being necessary if we had been able to ensure ourselves on the issues mentioned in paragraphs 5 and with the exception of the effects of the limitations expressed on the opening balances as we presented in paragraph 6, the consolidated financial statements give a true and fair view of the consolidated financial position of **IMPACT DEVELOPER & CONTRACTOR SA** and its subsidiaries as of December 31, 2012 and of the financial results of the group's operations and its cash flow for the year then ended in accordance with International Financial Reporting Standards and the accounting policies described in the notes to the consolidated financial statements.

Noteworthy issues

8. Without qualifying our opinion, we draw attention to the following issues:

a. As presented in Note 23 "Other economic and legal information" to the consolidated financial statements, significant changes regarding the company' shareholders and the company's management took place in 2013.

b. As presented in Note 9 "Loans" to the consolidated financial statements as of December 31, 2012, the company's management started in January 2013 an action for negotiating/restructuring/rescheduling of the debts to Pireus Bank and Banca Romaneasca.

c. As laid out in Note 24 at the paragraph titled "Shares owned in affiliated entities", Impact owns shares with a par value of 2,329,020 lei (45%) in Millennium Consult Invest 2002 S.A., the developer of the Greenfield 2 Business Support Centre, a project co-financed from the European Development Fund via the Regional Operational Program and has executed

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investments (work in progress) with a value of 3,129,378 lei. Although in March 2013, the financing contract was signed by both parties, in June 2013 Millenium Consult Invest shareholders gave up the project and requested the termination of the contract concluded with the Management Authority, termination that was approved in August 2013.

d. As presented in Note 25 "Contingencies", Impact was involved in more legal litigations with Romconstruct SA, out of which, the most significant lawsuit was the object of the file no/35939/3/2011. In this law suit, the civil sentence no.16053 was pronounced, through which Impact was obliged to pay Romconstruct SA an amount of app.33 mil.lei. Both Impact and Romconstruct SA have appealed this sentence in a higher court. In June 2013, both parties concluded an agreement through which they reciprocally gave up all legal disputes in place both as plaintiff or defendant.

e. As presented in Note 23 "Other economic and legal information" to the consolidated financial statements, Impact has concluded an agreement with 2 natural persons, through which the parties give up any mutual claims, including the execution of the civil sentence no.1506/2006 and the execution of the contract no.180/2004 signed by parties.

f. In 2009 Impact paid an amount of 195,000 euro to a beneficiary-natural person for purchasing of a plot of land in the residential area Greenfield District 1 Bucharest. In October 2012, Impact negotiated with the landowner the giving up the acquisition agreed in 2009 and the receiving directly or indirectly, against the amount paid as an advance, of the shares owned by the landowner in a real estate company. As presented in Note 22 "Subsequent events", in July 2013 Impact acquired 99.98% of that company shares.

g. Because starting with 2012, Impact Developer& Contractor SA draws up stand-alone financial statements in lei according to the provisions of OMFP 1286/2012, the group's 2012 IFRS consolidated financial statements were also prepared in lei; for comparability reasons, 2011 IFRS consolidated financial statements were also prepared in lei.

9. The present auditor's report was prepared with a view to its use by the company and its shareholders gathered in the General Meeting of Shareholders, according to the provisions of Law 31/1990 republished. To the fullest extent permitted by law, we do not accept or assume liability to anyone other than the company or the company's members as a body, for our audit work, for this report or for the opinions we have formed.

RSM Scot SRL
CAFR member (no. 322/31.05.2001)
Dan Schwartz
Managing partner

AUDITORS · ACCOUNTANTS · TAX ADVISORS · RSM SCOT S.R.L. 2

August 26, 2013
Bucharest

Consolidated financial statements for the year ended December 31, 2012

SC IMPACT DEVELOPER & CONTRACTOR SA

Consolidated Financial Statements

for the Reporting Period Ended as at the 31st of December 2012

Contents:

Statement of Financial Position

	31 December 2012	31 December 2011
ASSETS		
Fixed assets		
Tangible assets	21,410,497	21,903,001
Real estate investments	231,093,124	263,489,126
Financial non-current assets	2,329,020	2,329,170
Intangible assets	49,163	116,694
Other financial assets	30	
	254,881,834	**287,837,990**
Current assets		
Stocks	129,256,768	185,719,539
Trade receivables and other receivables	41,221,118	48,990,719
Deferred expenses	200,555	220,850
Cash and cash equivalents	1,685,076	9,160,688
	172,363,517	**244,091,797**
Total assets	**427,245,351**	**531,929,787**
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	205,330,158	205,330,158
Share premiums	84,041,878	84,041,878
Revaluation surplus	9,134,318	8,602,018
Retained earnings	25,924,400	101,439,970
	324,430,754	**399,414,024**
Minority interests	**-58**	**-8,426**
Non-current liabilities		
Loans	35,101,809	64,761,034
Deferred tax	15,235,127	20,770,490

	50,336,936	**85,531,524**
Current liabilities		
Other liabilities	17,185,636	17,590,258
Short-term borrowings	0	0
	32,884,091	26,988,751
Provisions	2,407,993	2,413,656
	52,477,720	**46,992,665**
Total equity and liabilities	**427,245,351**	**531,929,787**

The consolidated financial statements, together with the notes to the financial statements presented at pages from 8 to 71 were authorized to be presented as at 26.08.2013 to the Board of Directors and signed by :

President of the BoD — Chief Accountant

Iuliana Mihaela Urda — Lidia Varzaru

Statement of Comprehensive Result

for the reporting period ended as at the 31st of December 2012

	31 December 2012	31 December 2011
Turnover	**28,528,929**	**9,604,873**
Effect of IAS 40	(37,508,742)	(34,964,742)
Other operating income	8,879,496	14,245,579
Change in inventory of finished goods and work in progress	(27,549,580)	(27,884,020)
The work performed by the entity and capitalized	6,284,781	24,647,083
Used raw materials and consumables	(10,660,047)	(3,026,013)
Expenses for employee benefits	(1,820,612)	(1,659,200)
Expenses for amortization and depreciation	(711,623)	(1,754,189)
Other operating expenses	(43,523,300)	(28,124,500)
Financing costs	(3,280,171)	(6,728,080)
Income from ownership interests	88,871	(35,655)
Profit before tax	**(81,271,999)**	**(55,678,865)**
Expenses for tax on profit	5,741,477	7,116,617
Profit before tax	**(75,530,522)**	**(48,562,248)**
Minority interests	5	97,151
Net profit	**(75,530,517)**	**(48,465,096)**

President of the BoD | Chief Accountant

Iuliana Mihaela Urda | Lidia Varzaru

Statement of changes in equity

for the reporting period ended as at the 31st of December 2012

Description	Share capital	Capital premiums	Revaluation surplus	Retained earnings	Effect of transition to IFRS	T o t a l
Balance as at						
Dec. 31, 2011	**205,330,158**	**84,041,878**	**8,602,018**	**(40,875,241)**	**142,315,209**	**399,414,022**
						-
						-
Net result of the period				(75,530,517)		**(75,530,517)**
						-
Distributed dvidends	-	-	-	-	-	**-**
						-
Losses from redempted shares	-		-	-	-	**-**
						-
Decrease of share capital						**-**
						-
Equity assignments to Bipact and Hobbit	-	-	-	14,949	-	**14,949**
						-
Decrease of non-current assets value, recognized at first as revaluation surplus	-	-		-	-	**-**
Revaluation reserves			2,037,915			**2,037,915**
Tax on current and deferred profit recognized following the capital			(206,114)			**(206,114)**
Decreases of fixed assets value, at first recognized as revaluation surplus			(1,299,500)			**(1,299,500)**
Balance as at 31st of December 2012	**205,330,158**	**84,041,878**	**9,134,319**	**(116,390,809)**	**142,315,209**	**324,430,755**

Statement of Cash Flows

for the reporting period ended as at the 31st of December 2012

	31.12.2012	31.12.2011
Cash flows from operating activities		
Profit before taxation	**(75,530,517)**	**(52,156,033)**
Adjustments for:		
Effect of transition to IFRS	37,508,742	29,919,732
Amortization	1,060,286	1,395,870
Losses /(Earnings) from the assignment of non-current assets	(389,678)	250,568
Increases /(Decreases) in provisions for risks and expenses	(1,663)	880,861
Increases /(Decreases) in adjustments for receivable depreciation	403,197	107,952
Increases /(Decreases) in adjustments for stock depreciation	19,615,621	(209,521)
Increases /(Decreases) in adjustments for ownership interests	0	0
Expenses with interest, net	3,313,498	4,464,774
Other financial income (expenses), net	2,645,231	1,516,002
Cash flows before the modifications of assets and liabilities afferent to operating activity	**(11,375,283)**	**(13,829,795)**
Decreases /(Increases) of trade receivables and other receivables	7,125,135	24,625,663
Decreases /(Increases) of inventories	36,847,192	14,184,113
Increases /(Decreases) of trade liabilities and other liabilities	(5,758,047)	(2,901,829)
Net cash from operating activities	**38,214,280**	**35,907,947**
Cash flows from investing activities		
Purchases/assignments of other financial assets	41,638	18,519,282
Purchase of tangible assets	(245,216)	2,254,259
Increases/decreases of real estate investments	(5,112,740)	(7,529,826)
Proceeds from sales of tangible assets	443,170	8,752
Net cash used in investing activities	**(4,873,148)**	**13,252,467**
Cash flows from financing activities		
Proceeds / (Payments) from long-term loans	(26,302,790)	(35,575,907)
Interests paid/ (collected), net	(3,313,498)	(4,464,774)
Net cash used in financing activities	**(29,616,288)**	**(40,040,681)**
Net increase/(decrease) of cash and cash equivalents	(7,650,439)	(4,710,062)
Cash and cash equivalents at the beginning of the period	**9,080,376**	**13,625,290**
Cash and cash equivalents at the end of the period	**1,685,076**	**8,915,228**

2. Reporting Entity

Impact Developer & Contractor S.A. is one of the first active companies in this industry, being established in the year 1991 by public subscription. Initially, its main actions were the rent and maintenance of luxury real estate in Bucharest area. In the year 1995, Impact introduced the 'residential assembly' concept on the Romanian market and therefore gradually became a pure real estate developer. Beginning from the year 1996, Impact is traded at the Bucharest Stock Exchange (BVB). In the year 2006, the company shares were promoted to the first category of the Stock Exchange, becoming the first company in the real estate development and buildings sector that did this thing.

Beginning from the year 1995, Impact expanded its activities at a national level and developed over 2,500 dwellings and 25,000 square meters of office and commercial premises.

Impact finished 16 small and medium projects during the last 20 years. The company is involved in four residential developments, each project having different dimensions and being in a different finishing stage. The company activity is dominated by a major project: the Greenfield Residential Assembly from Bucharest.

In the year 2012 IMPACT signed 123 contracts, out of which 100 sales contracts and 23 dwelling rent contracts, by 45% more sale-purchase contracts than in 2011.

The company management follows up in an ongoing manner the market pulse and adequately responses to any modifications of the demand and adapts very quickly to the changes in the market.

The real estate sector met a decrease period during the last years, especially due to the difficult access to the financing sources, bot with regard to the developers and to the purchasers of finished products.

The evolution of the Romanian economy presented a slight increase of +0.3% (according to the Romanian National Institute of Statistics), an increase determined mainly by the increase of the activity volume and of the gross added value from information and communication (+29.4%) and from the professional, scientific and technical activities; administrative service activities and support service activities (+8.4%). The building sector stagnated in 2012 in comparison to 2011, while the real estate transactions recorded a slight increase of 1.5%. The most important decreases of the activity volume were recorded in agriculture, silviculture and fishing (-21.2%), in industry (-2.1%) and in the financial brokerage and insurance sector (-0.2%).

Although at a global level the significant decreases from the last years stabilized, both the investors and the creditors remain cautious, and the financing activity remains very limited.

With regard to the company strategy, in the year 2012 Impact had as targets: sale of the dwellings finished in Bucharest, Ploiesti, Oradea and Constanta; as well as to offer for sale the plots of land to natural persons and legal entities, for the development of houses or of small commercial premises. Following this activity, in the year 2012 there were sold land plots with a total surface of over 5,500 sqm in Bucharest, Ploiesti and Constanta.

Company Organization

The company IMPACT is led by the General Assembly of the Shareholders, that, by the Board of Directors elected by the shareholders, makes the decisions related to the company strategy. The executive power is exercised by the General Director of the company.

Mission

IMPACT must identify a free location, linked to the city by means of some modern roads, must offer level plans and facades that can cover a greater range of the financial possibilities of its customers, accomplish durable buildings and of a superior quality, offer performance guarantees and mechanisms for a more flexible payment, adapted to the financial availability of the customers.

In order to fulfill the expectations of the real estate market, the company IMPACT promotes its values, observing them in any of its activities.

The organizational culture of the Company is based on the following values:

• **Customer satisfaction** – that is translated in customer orientation, being supplied products of a superior quality, adapted to his/her needs;

• **Communication** – we consider that development is based on an efficient communication;

• **People** – the care for people is translated in the attention offered to the representation of the interests of our employees and associates;

• **Pro-active character** – or the choice of products based on the opportunity identification;

• **Ongoing learning** – is the essential actuator in order to be competitive on a continuously developing market;

• **Ethics in business** – an element that offers safety to customers and suppliers

Company History

Impact has successfully developed a varied range of products in the Northern area of Bucharest, a fact that allowed it to become one of the most renowned developers from Bucharest.

Beginning from the year 2003 Impact expanded, also, in Constanta, Ploiesti and Oradea and developed more than 500 units in these places.

Projects in Progress

At present, the company is involved in four compounds, each with a different planning of the project and in different finishing stages. The company activity is dominated by a major project: the Greenfield Residential Assembly from Bucharest.

The Greenfield Project from Bucharest

Greenfield, one of the greatest development projects with a mixed destination from Romania, is situated in the Northern area of Bucharest and is in the vicinity, on two sides, with the Băneasa Forest and Tunari Firest. This thing ensures a relaxed and unpolluted environment and landscaped green spaces. Greenfield is based on the „community” concept, by supplying all kinds of facilities necessary for the inhabitants of a new dwelling assembly: residential quarters - apartments, school, pharmacy, food stores and leisure spaces - tennis courts, playing spaces for children, parks.

The project was conceived in two phases, Greenfield 1 (phase 1) and Greenfield 2 (Phase 2 – that is divided in 7 subphases).

Greenfield I (phase 1) is placed in the South-Eastern part of the project and is developed on 9 ha. It is a residential project and comprises over 660 residential units divided in 5 assemblies: Rubin, Topaz, Blue, Onix and Quartz.

The compounds Rubin, Topaz and Onix were finished in the year 2008, the assembly Blue in 2009 and the assembly Quartz was finished in the month of May 2010. The dwellings in the assembly Quartz may be delivered completely finished or without finishings, according to the choice of the customer.

3. Preparation Bases

(a) Declaration of Conformity

Impact Developer & Contractor SA (the Company) hereby presents its consolidated financial statements. These consolidated financial statements embed the results of the Company and of its branches: Actual Invest House, Intop Construction SRL and Clearline Development &Management SA, as detailed in note 21 "Affiliated Parties". The financial statements were approved by the Board of Directors in the meeting dated 26.08.2013.

The acocunting evidences of the Company are maintained in lei, in accordance with the Romanian Accounting Regulations („RCR"). These accounts were restated in order to reflect the differences existing between the accounts according to RCR and those according to IFRS. Accordingly, the accounts according to RCR were adjusted, where necessary, in order to harmonize these financial statements, in all of their significant aspects, to the IFRS adopted by the European Union.

The most important modifications brought to the financial statements prepared in accordance with RCR in order to put them in line with the requirements of IFRS adopted by the European Union are:

- grouping of several elements in more comprehensive categories;
- adjustments for recognizing receivables and liabilities concerning the deferred tax on profit, in accordance with IAS 12 „Tax on profit"; and
- the presentation requirements in accordance with IFRS.

(b) Presentation of Financial Statements

The Company adopted a presentation based on the division of assets and liabilities in non-current/current within the statement of the financial position and a presentation of the income and expenses according to their nature within the statement of the Comprehensive Result, considering that these presentation methods offer information that are believable and more relevant than those that would have been presented on the basis of other methods allowed by IAS 1 „Presentation of Financial Statements".

(c) Bases of Evaluation

The financial statements of an entity that reports in the currency of a hyper-inflationist economy must be restated in accordance with IAS 29 "Financial reporting in hyper-inflationist economies". The restatement of financial statements in accordance with IAS 29 imposes the use of a general price index that would reflect the modifications of the general purchase power of the reporting currency.

It is recognized that România ceased to ba a hyper-inflationist economy during the year 2004. Thus, the company prepares its financial statements on the basis of the right value convention for the non-cash assets and liabilities, the cash elements are not restated, they are already expressed in relation to the currency unit existing at the end of the reporting period, restating the components of ownership equities, except for the deferred result and for any revaluation surplus, by the application of a general price index from the dates when the components were brought as contribution.

(d) Functional and Presentation Currency

The Company management considers that the functional currency, as defined by IAS 21 „Effects of currency exchange rate variation", is the Romanian leu (RON or lei). The consolidated financial statements are presented in lei, rounded off to the closest leu, a currency that the Company management chose as a presentation currency.

The operations expressed in foreign currency are recorded in lei at the official exchange rate from the date of transactions clearance. The cash assets and liabilities recorded in foreign currencies on the date of the balance sheet preparation are transformed in the functional currency at the exchange rate from the respective day. The gains or losses from their clearance and from the conversion using the exchange rate from the end of the financial reporting period of the cash assets and liabilities denominated in foreign currency are recognized in profit and loss.

The differences of conversion upon the real estate investments taken into account to their right value by the profit and loss account are presented as being gains or losses from the right value.

The exchange rates of the main foreign currencies were:

Currency	Spot exchange rate 31 December 2012	Spot exchange rate 31 December 2011	Spot exchange rate 1 January 2011
EUR	4.4287	4.3197	4.2848
USD	3.3575	3.3393	3.2045

(e) Use of Estimates and Judgements

As a result of the inherent uncertainties in the performance of activities, many elements from the financial statements cannot be evaluated precisely, but just estimated. The estimation process involves reasonings based on the most recent believable information available. There were made estimates for: uncertain customers, moral use of stocks, right value of financial assets and liabilities.

The use of reasonable estimates represents an essential part in the preparation of the financial statements and does not undermine their credibility.

An estimate may need a revision if changes take place with regard to the circumstances that this estimate was based on or following some new subsequent information or experiences.

By its nature, the estimate revision is not related to previous periods and does not represent the correction of an error. Thus, the company management proceeded to the revision of the values of the respective elements and to their influence with the effects of some possible modifications of circumstances, of some events subsequent to the financial period ending, or of other information, if they were considered significant.

The use of estimates led, for the company, to the establishment and record of provisions for asset depreciation and for risks and expenses. The effect of such operations was included in the positions in the balance sheets afferent to the respective elements and affected the profit and loss account.

3. Significant Accounting Policies

The accounting policies presented hereinafter were applied constantly on all the periods presented within these financial statements.

Beginning from the year 2012, the company prepares financial statements in accordance with the provisions of OMF 1286/ 2012 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to trade companies whose movable values are admitted to transactions on a regulated market.

(a) Tangible assets

(i) Recognition and Evaluation

Tangible assets recognized as assets are initially evaluated at cost. The cost of assets built by the company comprises the cost of materials, direct workmanship and a percentage from indirect expenses, reasonably allotted to the building of tangible assets.

Tangible assets are classified by the Company in the following classes of assets of the same nature and with similar uses:

- Lands
- Buildings
- Equipments, technical installations and machines
- Means of transport
- Furniture and other tangible assets

(iii) Evaluation after Recognition

Buildings are presented in the balance sheet at revaluated value, less the cumulated amortization and the eventual value losses. The last revaluation took place on 31.12.2012 for the buildings existing in the patrimony.

On the revaluation of tangible assets, when the revaluation value is a decrease of the net accounting value, this is stated as an expense with the entire value of depreciation, if in the revaluation reserve there is not recorded an amount related to that asset or as a decrease of the revaluation reserve with the minimum between the value of that reserve and the value of decrease, only the eventual difference that remained uncovered is recorded as an expense. The diminishing of revaluation reserves and their takeover in account „Reserves representing the surplus accomplished from revaluation reserves” is made on the cassation or sale of revaluated tangible assets.

(iii) Subsequent Costs

The subsequent costs afferent to tangible assets are evaluated in terms of the general criterion for the recognition of tangible assets described at chapter (i) Recognition.

The costs of daily maintenance („expenses with repairs and maintenance”) afferent to tangible assets are not capitalized; they are recognized as costs of the period when they are produced. These costs consist mainly of expenses with labour force and with consumables and may include also the cost of small value components.

The expenses with the maintenance and repairs of tangible assets are recorded in the profit and loss account when they appear and the significant improvements brought to tangible assets, that increase their value or life duration or that significantly improve their capacity to generate economic benefits are capitalized.

(iv) Amortization

Amortization is calculated for the cost of the asset or another value that substitutes the cost, minus the residual value. Amortization is recognized in the profit and loss account by using the linear method for the estimated useful life duration for tangible assets, from the date they are available for use, this modality reflecting in the most accurate way the envisaged was for the consumption of economic benefits comprised in the asset.

The estimated useful life for the current period and for the comparative periods are the following:

Buildings	40 years
Equipments, technical installations	3-5 years
Means of transport	4 years
Furniture and other tangible assets	3-12 years

Lands are not amortizated.

The amortization methods, the estimated useful life durations as well as the residual values are revised by the Company management on every reporting date.

(v) Sale/ cassation of tangible assets

The accounting value of an element of tangible assets is unrecognized (eliminated from the statement of financial position) on its assignment or when no economic benefit is expected anymore from its use or assignment.

Tangible assets that are cassated or sold are eliminated from the balance sheet together with the corresponding cumulated amortization. Any profit or loss resulted from such an operation are included in the current profit and loss account.

(b) Intangible assets

(i) Recognition and Evaluation

Intangible assets are initially evaluated at cost. After the initial recognition, an intangible asset is accounted by its cost minus the cumulated amortization and any cumulated losses from depreciation.

(ii) Subsequent Expenses

Subsequent expenses are capitalized only when they increase the value of the future economic benefits comprised in the asset for which they are intended. All the other expenses are recognized in the profit and loss account at the moment they are borne.

(iii) Amortization of intangible assets

Amortization is calculated for the cost of the asset or another value that substitutes the cost, minus its residual value. Amortization is recognized in the profit and loss account by using the linear method for the estimated useful life duration for intangible assets, from the date they are available for use, this modality reflecting in the most accurate way the envisaged was for the consumption of economic benefits comprised in the asset.

The estimated useful life durations for the current period and for the comparative periods are the following:

Informational software	3 years
Other intangible assets	1- 5 years

The methods of amortization, the useful life durations and the residual values are revised at the end of every financial year and are adjusted accordingly.

(c) Depreciation of Assets

The accounting value of the Company assets is revised on every reporting date in order to identify the existence of the depreciation clues. If such clues exist, the recoverable value of the respective assets is estimated.

A loss from depreciation is recognized when the accounting value of the asset or of its cash generating unit exceeds the recoverable value of the asset or of the cash generating unit. A cash generating unit is the smallest identifiable group that generates cash independently of other assets or other asset groups. The losses from depreciation are recognized in the statement of Comprehensive Result.

The recoverable value of an asset or of a cash generating unit is the maximum between the use value and its right value less the costs for the sale of that asset or unit. In order to determine the net use value, the future cash flows are updated by using an update rate before taxation that reflects the current market conditions and the specific risks of the respective asset.

Losses from depreciation recognized in the preceding periods are evaluated on every reporting date in order to determine if they diminished or if they do not exist anymore. The loss from depreciation is taken again if a change occurred in the estimates used to determine the recovery value. The loss from depreciation is taken again only in case the accounting value of the asset does not exceed the accounting value that would have been calculated, net of amortization and depreciation, if the loss from depreciation had not been recognized.

(d) Financial non-current assets

Financial non-current assets comprise other loans and guarantees.

Financial non-current assets are recognized in the balance sheet at the purchase cost or at the value determined by the contract of their purchase. The purchase cost also comprised the transaction costs. Financial non-current assets are subsequently evaluated by their entry value less cumulated adjustments for loss of value.

(e) Real estate investments

Real estate investments are those real estate properties (lands or buildings) held by the company rather for the purpose of their rent or for increasing the capital value or for both, than for:

(i) being used in the manufacture of goods, supply of services or for administrative purposes;

or

(ii) being sold during the normal performance of the activity.

Real estate investments are initially evaluated at costs. The cost of real estate investments held by the company comprises the cost of materials, the direct workmanship and a percentage of the indirect expenses, reasonably allotted to the real estate investments.

After the initial recognition of the real estate investments the company chose the model based on the right value, that supposes the evaluation of the real estate investments to their right value with the value variations in the profit and loss account. The evaluation to the right value is determined on the basis of an evaluation made by an independent evaluator. The right value of a real estate property must reflect the market conditions at the end of every reporting period.

The gains or losses from the cassation or assignment of real estate investments are determined as the difference between the net proceeds from the assignment and the accounting value of the asset and are presented in the profit and loss account.

The group adopted in 2006, for the first time, the provisions of IAS 40 "Real estate investments".

(f) Inventories

Inventories are assets:

(i) held to be sold during the normal performance of the activity;

(ii) under manufacture in order to be sold under the same conditions as above ; or

(iii) under the form of raw materials, materials and other consumables that follow to be used in the manufacture process or for the supply of services.

The cost of inventories must comprise all the expenses related to purchase and processing, as well as other costs borne in order to bring the inventories in the shape and at the place where they are at present.

The cost of inventories subject to processing are determined by summing up the direct expenses with a share of the indirect production expenses, fixed and variable, occurred by transforming the raw materials in finished products

The inventories of raw materials and materials are evidenced by their purchase value. The cost of inventories is calculated by the method First In, First Out (FIFO).

In accordance with the economic reality and the company policy, the lands being intended for sale, most of them, these are considered as raw materials. Due to their special character, the cost calculation method is the Weighted Average Cost (CMP) and includes, besides the proper purchase price, other expenses occurred for their bringing in the shape intended for sale.

The inventories of finished products is recorded at production cost.

The inventories of production in progress are evidenced as production cost.

When inventories are sold, the accounting value of these inventories must be recognized as expense during the period when the corresponding income is recognized. The value of any decrease of the inventories accounting value up to the net accomplishable value and all the losses of inventories must be recognized as expense during the period when the decrease of accounting value or the loss takes place. The value of any taking again of any decrease of the inventories accounting value following an increase of the net accomplishable value must be recognized as a decrease of the inventories value recognized as expense during the period when the taking back takes place.

(g) Trade Receivables

Trade receivables are recorded by their invoiced value less the provision for the depreciation of these receivables. The provision for the depreciation of trade receivables is constituted in case there is objective evidence of the fact that the company will not be able to collect all the amounts on the initial terms.

(h) Cash and Cash Equivalents

Cash and cash equivalents are evidenced in the balance sheet by their cost. For the cash flow statement, the cash and its equivalents comprise cash, bank accounts, short-term financial investments, cash advances, net from overdraft. In the balance sheet, the overdraft is presented in liabilities that must be paid in a period of one year – amounts owed to credit institutions.

(i) Provisions

Provisions are recognized in the financial position statement when for every company there appears a liability related to a past event and it is probable that in the future to be necessary to consume some economic resources that would extinct this liability and there may be made a reasonable estimate of the liability value. In order to determine the provision, the future cash flows are updated by using an update rate before taxation that reflects the current market conditions and the specific risks of the respective liability. The value recognized as a provision constitutes the best estimate of the necessary expenses for the clearance of the actual liability at the end of the reporting period.

(j) Loans

Short-term and long-term loans are initially recorded at the received amount, net from the costs afferent to loan obtaining. At the end of the financial period the company has contracted long-term loans.

The short-term portion of long-term loans is classified in “Liabilities: Amounts to be paid in a period up to one year” and included together with the accrued interest on the balance sheet date in “Amounts owed to credit institutions” within current liabilities.

(k) Accounting of Lease Contracts where the Company is Locatee

Financial Lease Contracts

Lease contracts for tangible assets where the company undertakes all the risks and benefits afferent to property are classified as financial lease contracts. Financial leases are capitalized to the estimated updated value of payments. Every payment is divided between the capital element and interest in order to obtain a constant interest rate for the reimbursement duration. The owed amounts are included in short-term or long-term liabilities. The interest element is recorded in the profit and loss account on the contract duration. The assets held within the financial lease contracts are capitalized and amortizated during their useful life duration.

Operating Lease Contracts

Lease contracts where a significant portion of the risks and benefits associated to the property are retained by the locator are classified as operating lease contracts. The payments performed within such a contract (net of any facilities granted by the locator) are recognized in the profit and loss account on a linear basis on the contract duration.

(l) Trade Liabilities

Trade liabilities are recorded at the value of the amounts that follow to be paid for the received goods or services.

(m) Benefits of Employees

Pensions and other benefits after retirement

During the normal performance of the activity, the Company makes payments to the state funds for health, pensions and unemployment for its employees in statutory shares. All the Company employees are members of the Romanian State pension plan. These costs are recognized in the profit and loss account together with the recognition of salaries.

The company does not operate any other pension or benefit plan after retirement and so, it does not have any other type of liabilities related to pensions.

(n) Taxation

Tax on current profit

The company records accounting and fiscal losses, therefore it does not owe tax on current profit.

Tax on deferred profit

Deferred tax is determined by using the balance sheet method for those temporary differences that appear between the fiscal calculation basis of tax for assets and liabilities and their accounting value used for reporting in financial statements.

Deferred tax is not recognized for the following temporary differences: initial recognition of goodwill, initial recognition of assets and liabilities coming from transactions that are not combinations of enterprises and do not affect either the accounting profit or the fiscal one and differences coming from investments in branches, provided that they are not taken again in the near future. The deferred tax is calculated on the basis of taxation percentages that are expected to be applicable to the temporary differences on their taking again, on the basis of the legislation in force on the reporting date.

Receivables and liabilities on deferred tax are not compensated.

The receivable on the deferred tax is recognized only to the extent it is probable to obtain a taxable profit in the future after the compensation with the fiscal loss of the previous years and with the tax on profit to be recovered.

The receivable on the deferred tax is diminished to the extent the afferent fiscal benefit is unlikely to be accomplished.

(o) Recognition of Revenues

Revenues refer to the sold goods and to the supplied services.

The revenues from the sales of goods are recognized at the moment when the Company transferred to the buyer the main risks and benefits associated to the holding of the goods.

The revenues and expenses are recorded in the accounting during the period they refer to on the basis of justifying documents. The revenues are recognized when it is probable that the economic benefits associated to the transaction enter the enterprise, and the amount of the revenues can be determined correctly.

The main revenues obtained from operation are those from the sale of built houses / apartments. Thus, the revenues afferent to the sold houses / apartments are recognized at the moment when the buildings are handed over to the beneficiary. A part of the contracts concluded with the beneficiaries provides the building execution with the payment by execution stages. Beginning with the year 2007, the Company opted for the modality to recognize the revenues generated from such contracts at the moment of handover, on the basis of protocol for the handover of work stage. Thus, the company also recognizes revenues as the work stages for buildings are handed over. Beginning with the year 2008 due to the fact that there is permanently a stock of finished apartments and houses, such contracts were not concluded anymore, the sales taking place directly from the stock.

With regard to the production in progress, revenues are recorded at the level of costs distributed to every house under building and are reported to revenues from stocked production.

Besides the revenues from sales of goods, the company also makes revenues from the rent of buildings and sale of land plots.

The revenues from services are recognized during the period they refer to.

The revenues from interests are periodically recognized, proportionally, as the respective revenue is generated, on the basis of commitment accounting.

(p) Operating Expenses

Operating expenses are recognized during the period they refer to.

(q) Financial Expenses

Financial expenses are recognized during the period they refer to.

(r) Contingent Liabilities

A contingent liability will not be recognized in the balance sheet, but will be presented in the explanatory notes, a reason for which it is known as an extra-balance sheet element.

Contingent liabilities are continuously evaluated in order to determine if there became probable an exit of resources that contain economic benefits. If it is considered that the exit of resources is necessary, generated by an element previously considered a contingent liability, there will be recognized, as the case may be, a liability or a provision in the financial statements afferent to the period when the modification of event range intervened, except for the cases when no credible estimation can be done.

(s) Affiliated Parties

Companies are considered affiliated in case one of the parties, either by property, contractual rights, family relations or of other nature, has the possibility to control directly or to significantly influence the other party.

The subsidiaries that are consolidated are those entities in which the Group has an interest of over half of the voring rights or it has otherwise the power to govern financial and operating policies. Branches are consolidated from the date when the control is transferred to the Group and they are not consolidated anymore from the date when the control ceases. Transactions among companies, balances and inaccomplished earnings from the transactions among the companies from the group are eliminated; inaccomplished losses are also eliminated except for the case when costs cannot be recovered. In case some branches do not have a significant influence in the group, then, they were not consolidated.

Non-current Assets

Variation of gross value, of depreciation and of net accounting value, as at the 31st of December 2012, per each category of non-current assets, is presented as follows:

Note 3. Non-current Assets

Description	Lands and buildings	Installations, equipments, machines	Office equipment	Non-current assets under building	TOTAL
Cost					
As at 31.12.2011	**21,856,276**	**7,332,008**	**866,100**	**-**	**30,054,384**
Exchange rate differences					
Increases (*)	1,191,743				**1,191,743**
Increases/decreases in real estate investments (**)					**-**
Assignments	(912,851)	(3,406,163)	(277,916)		**(4,596,930)**
As at 31.12.2012	**22,135,168**	**3,925,845**	**588,184**	**-**	**26,649,197**
Depreciation					
As at 31.12.2011	**1,713,146**	**5,670,611**	**705,758**	**-**	**8,089,515**

Exchange rate differences					
Cost	607,326	228,457	55,956		**891,739**
Assignments	(265,754)	(3,334,514)	(266,621)		**(3,866,889)**
As at 31.12.2012	**2,054,718**	**2,564,554**	**495,093**	**-**	**5,114,365**
Adjustments					
As at 31.12.2011	-	58,751	-	-	**58,751**
As at 31.12.2012	-	65,584	-	-	**65,584**
Net accounting value					
12/31/11	**20,143,130**	**1,602,646**	**160,342**	**-**	**21,906,118**
12/31/12	**20,080,450**	**1,236,956**	**93,091**	**-**	**21,410,497**

Real estate investments

Description	Real estate investments	TOTAL
Cost of real estate investments		
As at 31.12.2011	**263,489,126**	**263,489,126**
Increases (*)	40,929,500	**40,929,500**
Increases/decreases in real estate investments (**)	(37,508,742)	**(37,508,742)**
Disposals	(35,816,760)	**(35,816,760)**
As at 31.12.2012	**231,093,124**	**231,093,124**

The tangible assets of the Group were revaluated in 1994, 1998, 2000, 2003, 2006, 2009, 2010 and 2011. At the end of the year 2012 there took place a revaluation of the fixed-type building assets. The revaluation was made by Parker Lewis for the lands and by BNP Paribas Real Estate for the remainder of the properties. The revaluation was made on the basis of the real value. Following this revaluation there resulted both positive and negative differences, cumulated with the asset value in decrease. According to the accounting regulations, when the revaluation result is a decrease of the net accounting value, this is stated as an expense with the entire depreciation value, when in the revaluation reserve an amount related to that asset is not recorded.

(*) The Group decided to adopt beginning from the year 2006 the alternate statement recommended by IAS 40 "Real estate investments", by recording a part of the land held and the rented units to their market value. A certified external evaluator revaluated these properties. The difference between the historical cost of the land and the revaluated value was recognized directly in the profit account.

In the year 2012, following the present economic context, the works were done only for the purpose of finishing the started units from the residential compounds. For this reason, the value of building works in comparison to the preceding year is much diminished. In the range of products offered by the company there are included both completely finished dwelling units and some partially finished dwelling units, as that customers can purchase the products that suit most their needs.

Non-current assets are recorded in the accounting at their cost or revaluated value and are depreciated from the moment of their putting into operation on the normal operational duration, according to the «Catalog on the classification and normal operating durations of fixed assets». There was taken into consideration the minimum provided operating duration. The accounting depreciation method that was used is the linear method.

Non-current assets in progress are depreciated beginning from the moment of their putting into operation, a moment that coincides with that of their transfer in the category of fixed assets. Lands are not amortizated.

Beginning from the year 2009 the management of Impact made the decision to conclude with different customers rent contracts for the dwelling units.

The sale of dwellings built for the declared purpose to be sold, that at the moment of their sale (finding of a purchaser) are recorded from the accounting point of view in the category Fixed assets (were rented for a period), are put back in the Inventories category, and the income obtained from sale will be accounted in an account from Group 70-“Net turnover”, according to the accounting policies and procedures of the Company.

This thing is based on the basic activity of the entity, the economic basis o the transaction being that of sale of dwellings by a real estate developer.

Note 4. Inventories

The Inventories structure is presented in the table below:

Description	31 December 2012	31 December 2011
Lands and advances for lands	17,971	17,971
Raw materials and materials	32,943,307	75,477,043
Adjustments for raw material and material depreciation	(15,665,794)	(1,171,487)
Production under execution	63,427,772	55,199,448
Adjustments for production under execution	(5,086,183)	-
Finished products	53,491,118	55,960,812
Merchandises	-	-
Payments in advance	128,577	235,752
Total	**129,256,768**	**185,719,539**

Note 5 . Trade Receivables and other Receivables

The detailed statement of receivables as at the 31st of December 2012 is presented next:

Description	31 December 2012	31 December 2011
Trade receivables	36,981,372	40,016,499
Provisions for uncertain customers	(3,179,510)	(3,007,292)
Tax on profit to be collected	2,505,975	2,998,476
Different debtors	4,741,420	5,110,833

Provisions for different debtors	(2,274,555)	(2,095,915)
V.A.T. and other anounts from the state budget to be collected	249,853	3,825,738
Interest to be collected	693	129,747
Short-term investments	-	-
Advances paid to suppliers	1,838,600	2,012,632
Other receivables	357,270	
Total	**41,221,118**	**48,990,719**

The contracts concluded between Impact and the beneficiary can be with integral payment or with the payment in installments to the developer.

The contracts with payment in installments can be concluded for:

- dwellings purchased in Bucharest or Constanta for a period of maximum 6 years and with an advance of minimum 30%
- lands for a period of 2 years and with an advance of minimum 40%

In the different debtors account there are evidenced the utilities (power, water, guarding, gas) reinvoiced to the customers. As at 31.12.2012 the significant amount from the balance of the different debtors account is composed of the amount to be received from the capital adjustment from Clearline Development & Management and of the bailments paid for different litigations.

Due to the changes that were recorded on the real estate market during the last three years, Impact went on with modifications in its operating activity and its adaption to the present market conditions. In the last two years, there was noticed an increase in the preferences of customers to rent, unfavouring the purchase of dwellings because of the existing restrictive financing conditions. In the second half of the year 2012 the company management decided to focus on the sale of dwellings in defavour of their rent, a thing that determined the significant decrease of signed rent contracts and the increase of dwelling sale.

Note 6. Deferred expenses

The structure of deferred expenses is presented as follows:

Description	31 December 2012	31 December 2011
Deferred expenses	200,555	220,850
Total	**200,555**	**220,850**

Note 7. Cash and Cash Equivalents

The cash availabilities consist of:

Description	31 December 2012	31 December 2011
Current accounts in banks	1,610,927	9,028,943
Short-term investments	-	-
Cash	74,149	131,746
Total cash availabilities	**1,685,076**	**9,160,688**

Note 8. Share capital

SC Impact SA was established in the year 1991, on the grounds of Law 31/1990. As at 04.10.2006 the company moves its registered office from Bucharest District 1 in Ilfov, Voluntari city in the Construdava office building. At the same date the company also changes its name. The identification data of the company are:

Name : IMPACT DEVELOPER & CONTRACTOR SA

Address : Voluntari, Şos. Pipera-Tunari no. 4C, Construdava Business Center, fl. 6, Ilfov county

Tel.: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83

Registered with O.R.C. attached to T.M.B. under no. J 23/1927/2006

C.I.F. RO1553483

As at 31.12.2012, the share capital with a value of 205.330.158 lei includes the effects of restatement according to the enforcement of IAS 29 “Financial reporting in hyper-inflationist economies”.

The share capital reconciliation is presented as follows:

	31.12.2012	31.12.2011
Share capital in nominal value	197,866,574	197,866,574
Effect of passing to IFRS	7,463,584	7,463,584
Restateed share capital	**205,330,158**	**205,330,158**

The difference of 7,463,584 lei afferent to the share capital comes from the enforcement by the company of the provisions of IAS 29 “Financial reporting in hyper-inflationist economies”. The hyper-inflation adjustment was recorded in compensation with the carried forward result coming from the reporting for the first time of IAS 29.

The shareholding structure as at the 31st of December 2012 was the following:

Shareholder	**Holding - according to the statement of Central Repository**
Popp Ioan Dan	16.52%
Andrici Adrian	10.70%
SALINK LIMITED	10.10%
Sandulescu Carmen Daniela	9.69%
Fondul de Pensii Administrat Privat ING/ING Pensii	7.04%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.15%
Other legal entities, out of which	18.18%
- foreign entities	10.10%
Other natural persons, out of which	21.62%
- foreign persons	0.47%
Total	**100.00%**

The company Impact Developer & Contractor SA has been traded to the Bucharest Stock Exchange since the year 1996, and beginning from the year 2006 its shares, at present in a number of 197.866.574, ate traded in the first category.

Company Management as at 31.12.2012

The present members of the Board of Directors were elected by the Decision of GAS no. 1/25.04.2012, for a four-year mandate.

As the chairman of the Board of Directors was elected Mr. Sophocleous Dimitrios.

The rights, powers as well as the operating mode of the Board of Directors are in accordance with art 8, art 9, respectively art 10 from the Articles of Association of the company Impact Developer & Contractor SA.

According to the Decision of GAS no. 1/25.04.2012, the members of BoD have the right to monthly indemnifications with a value of 5,000 lei net, and the chairman of the Board of Directors, Mr. Sophocleous Dimitrios, has the right to a monthly indemnification with a value of 10,000 lei gross.

The members of the BoD have also the right, according to the articles of association, to a percentage of 0.44% from the net profit.

Administrators as at 31.12.2012

	Name	Position	Identification data
1.	Sophocleous Dimitrious	Chairman	7660403400011
2.	Gheorghiu – Milicin Stefan	Administrator	1730226163261
3.	Popp Ioan Dan	Administrator	1570411400459
4.	Ionescu Valeriu Nicolae	Administrator	1520411400095
5.	Neacsu Vlad-Nicolae	Administrator	1810630410031

Executive Management

Surname	First name	Position	Citizenship
Gheorghiu Milicin	Stefan	Chief Executive Officer	Romanian
Sandulescu	Carmen Daniela	Chief Financial Officer (Economic)	Romanian

Note 9. Loans

Description	31 December 2012	31 December 2011
Medium-term and long-term bank loans	66,385,982	89,143,924
Financial lease	3,198,876	17,356
Long-term guarantees	(1,598,960)	2,588,505
Total loans	**67,985,899**	**91,749,785**

Statement of credits under performance at the end of December 2012 is presented below .

At chapter subsequent events there appears the statement as at 31.03.2013 of the credit balance.

1. Piraeus Bank

Credit contract no. 301/30.08.2006 Value: 12,807,256 EUR Due date: 31.07.2015

Object: financing in a proportion of 85% of the acquisition of a land plot situated in Bucharest, 6th district, Prelungirea Ghencea no. 402 - 412.

Interest: EURIBOR at 3 months plus a margin of 6 percentual points per year, the calculation of interests will be performed for the daily balance of the credit account and will be reported to a 360-day year.

Penalties : Annual rate by 6 percentual points higher than the interest rate.

The balance of this credit as at 31.12.2012 is of: 7,613,084.95 EUR.

Reimbursement : the reimbursement of the Facility will be made according to the reimbursement schedule annexed to the Contract and an integral part hereto.

Guarantees: 3 blank promissory notes with the mention without protest and movable real guarantee upon the balance of all the current accounts opened by Impact with Piraeus Bank and mortgages on lands according to the situation below.

As at the 31st of December 2012 Impact D&C SA recorded to this credit an outstanding amount of 569,094.33 EUROS afferent to the installment due as at the 21st of December 2012. For the re-staggering of this outstanding payment and of the remainder to be paid afferent to the credit owed to Piraeus Bank, beginning from January 2013 the facility restructuring process was initiated, a process that is under negotiation.

2. Piraeus Bank

Credit contract no.10/11.01.2007 Value : 250,415.66 EUROS Due date 07.11.2013

Object : issue of two security letters with a value of 250,415.66 EUROS, with a maturitaty on 07.11.2013.

Interest : EURIBOR at 3 months plus a margin of 3.15 percentual points per year.

Penalties : Annual rate by 6 percentual points higher than the interest rate

Reimbursement : reimbursement of the Facility will be made integrally on the due date.

The statement of the mortgaged assets for Piraeus Bank is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage	6515/2/6/1	258,925.36	2781/31.08.2006; second rank by 129/23.01.2009	land	Bucharest, Prelungirea Ghencea no. 402-412, District 6
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234081	287.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234082	315.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234083	320.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234084	325.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank	234085	330.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
mortgage; fifth rank mortgage			583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234086	335.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234087	340.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234088	345.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234089	350.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234090	355.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234091	360.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234092	391.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234093	382.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234094	391.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234095	390.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage;	234096	339.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011;	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
fourth rank mortgage; fifth rank mortgage			fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234097	378.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234098	458.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234099	398.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234100	384.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234101	384.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234102	377.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234103	449.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234104	402.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234105	367.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234106	420.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage;	234107	349.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011;	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
fourth rank mortgage; fifth rank mortgage			fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234108	364.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234109	383.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234111	446.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234112	395.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234113	371.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234114	441.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234115	410.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234116	378.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234117	464.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234118	426.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage;	234119	413.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011;	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
fourth rank mortgage; fifth rank mortgage			fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234120	446.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234121	432.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234122	401.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234123	386.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234124	418.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234125	405.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234126	385.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234127	416.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234128	495.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234129	3,106.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage;	234130	50.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011;	land	Constanta, Constanta county, P VN 269

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
fourth rank mortgage; fifth rank mortgage			fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234131	47.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234132	50.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234133	9,568.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234134	11.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	10250 Constanta	9,100.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 264

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	10253-Constanta	13,600.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 267/2

3. Banca Romaneasca

3.a Contract for investment credit 50070065/25.07.2007. Value : 7,993,203.91 EUR. Validity: 7 years, 25.07.2007 – 24.07.2014 Object:

a) Refinancing of some credit facilities being in balance at SC BANCPOST SA, credit facilities that had as a destination the financing of the different real estate projects/real estate acquisitions or acquisition of shares in companies that owned such real estates.

b) Financing of the commission for anticipated reimbursement charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility. Interests:

a) Current interest rate: EURIBOR (1M) + 2.5% p.a.

b) Penalty interest rate: Current interest rate plus 50% of the Current interest rate

Reimbursement: the credit facility will be reimbursed on a quarterly basis, in equal installments.

3.b. Contract for investment credit 50070066/25.07.2007. Value : 22,306,796.09 EUR. Validity: 7 years, 25.07.2007 – 24.07.2014. Object:

a) Refinancing of the credits in balance at SC BANCPOST SA, credits that had as on object the financing of the Project building works;

b) Financing of the commission for anticipated reimbursement charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility;

c) Financing / refinancing of building costs afferent to the Project in progress;

d) The amount of 3,000,000 EUR from the total of the present credit facility may also be used for refinancing in a proportion of up to 100 % from the purchase cost afferent to some lands on which the Project will be developed, including for the purchase by the Borrower of shares / social parts issued by companies that hold such lands, but only with the prior agreement of the Bank.

Grace period: 18 months from the date of first use

a) Current interest rate: EURIBOR (1M) + 2.5% p.a. Current interest is calculated according to the used balance of the credit facility, beginning from the date of first use and is paid until the entire reimbursement of the Facility.

b) Penalty interest rate: Current interest rate plus 50% from the Current interest rate

Reimbursement: the credit facility will be reimbursed on a quarterly basis in equal installments after the end of the Grace period. Also, the Credit facility will be reimbursed on a pro-rata basis from the proceeds afferent to the sale of every apartment/house that is a part of the project.

The relation that defines pro-rata is the following: amount to be reimbursed = Value of Credit facility * surface of sold apartment/house according to the sale-purchase contract signed by the Borrower with the final customer / Total surface of the Project.

As at 31.12.2012 the amount to be paid in the balance afferent to these credits from Banca Romaneasca was of 7,187,493.81 EUR.

Guarantees:

- assignment of receivables from commercial contracts;

- assignment of receivables upon all the rights that result from the insurance contracts;

- security real interest coming from the guarantees that will be constituted by the builder/ subcontractor

- assignment upon the rights coming from bank guarantee letters;

- pledge on current accounts;

- 2 promissory notes issued without objection.

The statement of the assets mortgaged to Banca Romaneasca is presented below:

Type of receivable	**Cadastral no.**	**Mortgaged surface**	**No. of mortgage contract**	**Real estate**	**Address/assembly**
first rank mortgage; second rank mortgage	20254	6,732.86	2648/25.07.2007; 2049/09.07.2008	land and buildings	Padurea Neagra no. 52-54
first rank mortgage; second rank mortgage	23574	4,144.60	2648/25.07.2007; 2049/09.07.2008	land and buildings	Padurea Neagra no. 22-28
first rank mortgage; second rank mortgage	22705	11,438.24	2648/25.07.2007; 2049/09.07.2008	land and buildings	Padurea Pustnicu no. 125-135
first rank mortgage;	21763 /	23,349.66	2648/25.07.2007;	land and	Padurea Neagra no.

Type of receivable	Cadastral no.	Mortgaged surface	No. of mortgage contract	Real estate	Address/assembly
second rank mortgage	16060		2049/09.07.2008	buildings	56-64
first rank mortgage; second rank mortgage	18217/2/1	17,053.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18217/2/2	3,817.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18217/2/3	23,041.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18216/2	19,931.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/1	22,166.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/2	2,186.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/3	33,074.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1

At the end of the year 2012 there were no outstanding installments afferent to the credit contracts with Banca Romaneasca. Considering the need to restagger this credit beginning from the year 2013, in January negotiations started for the credit restaggering until the end of 2017. As at the 23rd of January the restaggering offer was received and it was approved by the BoD of Impact in the meeting dated 12.03.2013 and subsequently approved by the EGAS dated 29.03.2013. Until the 15th of April the Addendum of restaggering follows to be signed and it comprises the following:

- Extension of the reimbursement period until 31.12.2017
- The principal will be paid in 20 equal installments. The due installments will be paid on a quarterly basis, and on the last year 5 installments will be paid, the final installment being due on 31.12.2017
- The interest is increased to EURIBOR (1M) + 6% p.a.
- The Borrower will not distribute or pay dividends without obtaining the prior written agreement of the Bank

6. Banca Transilvania

Credit contract no.15/21.07.2009.

Value of global operating ceiling acc. to AA/29/15/21.01.2012: 6,891,472.60 RON .

Due date: 27.06.2013.

Object: financing of current activity – finish of the projects being under development.

Interest : ROBOR at 6 months to which there is added the bank margin of 5.94%. The annual interest rate is fluctuating, being able to modify during the entire credit duration, according to the evolution of interests on the banking market.

Penalties: the penalty interest to credit is of 20%/annum.

Reimbursement: The credit will be reimbursed in monthly installments, according to the reimbursement schedule. The anticipated reimbursement can only be made with the prior and express agreement of the Bank.

The balance afferent to the drawings from this credit as at 31.12.2012 is of 838,659.21 RON.

For the purpose of fulfilling the obligations that derive from the credit contract, between Impact and Banca Transilvania there were signed a series of receivable assignment contracts by which Impact constitutes in favour of the bank first rank guarantees having as an object the present and future receivables.

The statement of the assets mortgaged to Banca Transilvania is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of mortgage contract	Real estate	Address/assembly
first rank mortgage	20254/40/2;1;3	90.61	218/21.07.2009	land and buildings	Padurea Neagra no. 52-54
first rank mortgage	23574/1/1/6	22.01	218/21.07.2009	land and buildings	Padurea Neagra no. 22-28

Type of receivable	Cadastral No.	Mortgaged surface	No. of mortgage contract	Real estate	Address/assembly
first rank mortgage	21763/1/2/7/2/1;2;9	21.77	218/21.07.2009	land and buildings	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/7/2/2;2;8	16.47	218/21.07.2009	land and buildings	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/11/2/1;2;7	20.03	218/21.07.2009	land and buildings	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	222043 (110022)	139.00	1956/30.07.2012	land	Constanta, 2, Brest St., Constanta county
first rank mortgage	222044 (110023)	56.00	1956/30.07.2012	land and buildings	Constanta, 2, Brest St., Constanta county
first rank mortgage	221909 (109920)	241.00	1956/30.07.2012	land	Constanta, 2, Brest St., Constanta county
first rank mortgage	221910 (109921)	56.00	1956/30.07.2012	land and buildings	Constanta, 2, Brest St., Constanta county

As at 31.December 2012 there are no outstanding payments afferent to this credit reimbursement.

Note 10. Deferred Tax

Deferred tax consists of:

Description	31 December 2012	31 December 2011
Deferred tax	15,235,127	20,770,490
Total	**15,235,127**	**20,770,490**

Increases (decreases) of deferred tax are detailed as follows:

Description	2012	2011
As at 1 January	**20,770,490**	**27,925,622**
Exchange rate differences		
To be paid / (to be collected)	-5,535,363	-7,155,132
As at 31 December	**15,235,127**	**20,770,490**

The temporary differences appear from: revaluation of lands that come under the incidence of IAS 40 (see note 3) and from the different depreciation rules applied in accounting in comparison to the fiscal purposes.

The cumulated effect of temporary differences is:

a) IAS 40	6,001,399
b) Provisions for taxes	-466,036
Total	**5,535,363**

At present, the adopted taxation rate of 16% is used to determine the deferred tax on income.

Note 11. Trade Payables and Similar

Description	31 December 2012	31 December 2011
Suppliers	9,554,979	10,232,282
Suppliers of non-current assets	4,002	4,002
Advances from customers	590,216	726,729
Dividends to be paid	46,367	131,940
Owed interests	206,358	47,559
Liabilities related to personnel	819,402	794,331
Tax on profit to be paid	7	661
Liabilities to the state budget	552,518	480,763
Venituri inregistrate in avans	3,563,964	3,889,500
Other creditors	263,492	435,081
Guarantees	1,584,329	847,411
Total	**17,185,635**	**17,590,257**

Note 12. Turnover

The Group recorded a net turnover as follows:

Description	2012	2011
Sales of finished products	22,639,715	7,421,583
Sales of merchandises	5,511,249	865,044
Sales of services	377,964	1,318,246
Total	**28,528,929**	**9,604,873**

Note 13. Revenues from IAS 40

The Group decided to adopt, beginning from the year 2006, the alternate statement recommended by IAS 40 "Real estate investments", by recording a part of the held land and rented units to their market value. A certified external evaluator revaluated these properties. The difference between the historical cost of the land and the revaluated value was fully recognized directly in the income statement.

Description	Surface (sqm)	Purchase cost (RON)	Revaluation as at 31.12.2012 (RON)	Difference (RON)
Teisani (Buc, District 1)	400,000	50,240,000	124,885,910	74,645,910
Zenit (Constanta)	38,000	6,877,620	10,199,303	3,321,683
Prelungirea Ghencea (Buc, District 6)	258,925	54,128,271	60,774,966	6,646,694
Faget (Oradea)	24,460	1,446,564	4,333,040	2,886,476
Europa (Oradea)	644	42,709	30,554	-12,155
Neptun (Constanta)	37,562	1,896,879	4,326,840	2,429,961
TOTAL LANDS	759,591	114,632,043	204,550,612	89,918,569
216 rented dwellings		29,732,570	26,542,512	-3,190,058
Net effect from the enforcement of IAS 40		144,364,613	231,093,124	86,728,511

Note 14. Other Operating Income

Other operating income includes:

Description	2012	2011
Income from different services	3,497,025	3,191,743
Sales of residual products	278,813	5,051
Rents	2,679,350	2,314,829
Proceeds from the sale of non-current assets	619,766	301,213
Proceeds from the sale of investments	41,638	6,194,400
Penalties from customers	602,380	1,778,217
Other income	1,160,525	460,125
Total	**8,879,496**	**14,245,579**

Note 15. Expenses for Raw Materials and Consumable Materials

The expenses for raw materials and consumable materians consist of:

Description	2012	2011
Raw materials	1,200,049	1,199,879
Auxiliary materials	678,897	672,903
Merchandises	8,567,264	938,771
Packagings	11,831	-
Other consumables	202,005	214,460
Total	**10,660,047**	**3,026,013**

The categories of expenses that had the most significant rollovers are the expenses for raw materials that represent the expenses with lands. A significant increase was for the expenses with merchandises compared to 2011. This fact was generated by the decision to liquidate the stocks of materials in the second part of the year 2012.

Note 16. Expenses with Personnel

The structure of the expenses with personnel is presented in the table below:

Description	2012	2011
Salaries	998,389	1,128,131
Civil contracts	417,973	192,842
Social insurance expenses	404,250	338,227
Total	**1,820,612**	**1,659,200**

Note 17. Depreciation and Amortization

This position from the profit and loss account includes:

Description	2012	2011
Depreciation	1,060,286	1,467,869
Depreciation-impairment	(348,663)	286,320
Total	**711,623**	**1,754,189**

Note 18. Other Operating Expenses

Other operating expenses include the following:

Description	2012	2011
Services performed by thirds	6,477,608	8,828,950
Expenses for power and water	3,344,855	2,581,007
Expenses for rent	1,918,345	2,009,777
Expenses for commissions and fees	81,200	203,643
Expenses with advertising	501,227	670,949
Expenses for state budget	2,085,986	1,189,885
Losses from receivables and different debtors	19,200,887	172,678
Assets assigned at net accounting value	176,596	325,193
Exchange rate differences (gain)/ loss	2,645,231	1,516,001
Bank commissions	483,169	603,779
Expenses for stocks	239,356	147,846
Maintenance and repair expenses	316,877	594,825
Provisions for risks and expenses	816,270	857,861
Expenses for insurances	302,878	443,623
Postal expenses and telecommunication fees	216,256	258,632
Transportation of goods and personnel	63,481	50,676
Expenses for travel	2,124	1,367
Expenses for fines and penalties	1,159,258	57,642
Cost of assigned investments	95,130	5,848,617
Penalties afferent to commercial contracts	-	-
Expenses for old and damaged stocks	-	-
Other expenses	3,396,566	1,761,549
Total	**43,523,300**	**28,124,500**

Note 19. Net Financial Cost

The table below details the financial expenses/income:

Description	2012	2011
Income from interests	(730,311)	(2,034,248)
Expenses from interests	4,043,809	5,804,104
Other financial income	(29,749)	(35,125)
Other financial expenses	-	-
Received discounts	(3,578)	26,509
Losses from depreciation of equity interests	-	2,966,840
Total	**3,280,171**	**6,728,080**

Note 20. Tax on Profit

Description	2012	2011
Expenses for tax on profit	-	38,515
Expenses/(income) for deferred tax	(5,741,477)	(7,155,132)
Total	**(5,741,477)**	**(7,116,617)**

Note 21. Affiliated Parties

Nature of Relations

In the year 2012, the company IMPACT SA performed trade relations with a number of companies affiliated parties. The list of the affiliated parties with which Impact performed trade relations is the following:

Name of company – affiliated party:	Number and date of contract	Type of purchased services/products
Actual Invest House SRL	CTR 158/20.04.07, CTR 296/03.09.07	Customer (building)
	CTR 03.01.2012	Customer (rent)
Clearline Development &Management	CTR 43/01.01.2011	Customer (rent)
Millenium Consult Invest	CTR/26.01.10; CTR J138/28.02.11; CTR 01.05.2009	Customer (rent)
	CTR 514/20.09.2010 cu AA 1720/10.07.2012	Customer (sale of land)
	CTR 15/18.01.2012	Supplier (purchase of litigious rights)
	CTR 13/10.10.2011	Supplier (survey)

The prices of contracts concluded with the companies affiliated parties are established under market conditions. In the year 2012, the company performed transactions with the affiliated parties as follows:

Sales to:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	-1,105,288	-355,077
BIPACT 1995 SRL	50,614	14,827
HOBBIT INTERMEDIERE ASIGURARI SRL.	14,067	17,680
INTOP CONSTRUCTION	2,976	2,976
CLEARLINE DEVELOPMENT & MANAGEMET	9,430	8,953
MILLENIUM CONSULT INVEST	25,940	23,993
SMART FIN INTERNATIONAL	2,608	9,403
Total	**-999,652**	**-277,245**

Purchases from:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	42,403	50,469
BIPACT 1995 SRL	211,469	138,260
INTOP CONSTRUCTION	21,154	13,504
MILLENIUM CONSULT INVEST	113,091	75,023
SMART FIN INTERNATIONAL	34,566	20,000
TOTAL	**422,683**	**297,255**

Following the transactions with the companies affiliated parties, the following balances resulted as at the 30th of December 2012:

Receivables from/Advances granted to:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	3,139,920	654
BIPACT 1995 SRL	167,373	1,503
HOBBIT INTERMEDIERE ASIGURARI SRL.	55,649	56,112
INTOP CONSTRUCTION	11,854	14,830
CLEARLINE DEVELOPMENT & MANAGEMENT	15,675	1,955,000
MILLENIUM CONSULT INVEST	426,055	357,205
SMART FIN INTERNATIONAL	358	646
TOTAL	**3,816,883**	**2,385,949**

Liabilities to/Advances received from:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	7,388	26,160
BIPACT 1995 SRL	0	33,700
CLEARLINE DEVELOPMENT & MANAGEMENT	34,899	663
INTOP CONSTRUCTION	74	45
MILLENIUM CONSULT INVEST	97,200	51,964
TOTAL	**139,561**	**112,532**

The value of the loans granted for the contracts under performance is presented below. Due to the affiliation relation, the loans granted to affiliated companies were granted in order to support and develop their activity, a reason for which a decision was made not to charge them with interest. In the contract there is not specified a certain date for the loan reimbursement, but as the esistance of the chash availabilities.

Granted credits	**31.12.2011**	**31.12.2012**
ACTUAL INVEST HOUSE	4,949	0
BIPACT 1995 SRL	79,777	0
INTOP CONSTRUCTION	1,128,838	1,128,838
TOTAL	**1,213,564**	**1,128,838**

In March 2012 there were signed credit contracts with Actual Invest SRL and Intop Construction SRL for loans with a value of 1,000,000 lei each, granted for the financing of the activity of residential assembly administration, building equipment, urban furnishing. From these contracts there was paid only the amount of 427,700 lei to Actual Invest House.

During the year 2012 the decrease of the share capital of Actual Invest House was decided following the analysis made in relation to the future of the company Actual Invest House. The reason of the company existence was related to the exploitation by rent of the real estates from Oradea that do not have customers for sale.

Following the Decision of the BoD of Impact, to sell all the real estates held in Oradea, including those rented, Actual Invest House began a sale process of the real estates from its patrimony. The amounts collected following the sale will not be used for other purposes and thus it is not justified anymore to maintain a so great share capital of Actual Invest House, the shareholders taking the decision to decrease the share capital both to cover the losses and to return the contributions to the associates.

This decrease of the share capital was possible because Actual Invest House does not have creditors and does not have litigations by which it is requested amounts of money.

Related to the real estates purchased by Actual Invest House from Impact during the period 2007 – 2008, we specify the fact that these were economically transferred, but, as there were not concluded notarial sales deeds, the transfer could not be registered with the Land Book.

At the moment when the respective real estates were sold by Actual Invest House to other customers, the juridical transfer of property was made from Impact to the third customer, the amounts collected by Impact being recorded in the creditors account. These amounts were extincted from the creditors account by the compensation with the amounts owed by Actual Invest House follosing the decrease of the share capital.

Note 22. Subsequent Events

Bank Credits

As at the 31st of March 2013, the statement of the bank loans was the following:

No. of Contract	Name	Currency	Val. of contract	Balance as at 31.12.2012	Balance as at 31.03.2013
301/30.08.2006	Piraeus Bank Greece, London Branch	EURO	12,807,256	7,613,084.95	7,246,798.99
50070065/25,07,2007	Banca Romaneasca	EURO	7,993,204	1,998,300.94	1,723,002.77
50070066/25,07,2007	Banca Romaneasca	EURO	22,306,796	5,189,192.87	5,123,396.76
15/21.07.2009	Banca Transilvania	RON	6,891,473	838,659.21	465,455.99

Beginning with April 2012, changes occurred both in the Board of Directors, and in the company managemen and during the year 2013 these changes were major.

By the OGAS as of 29.04.2013 with a number of 13,418,153 validly expressed votes, the members of the Board of Directors were elected. The voting result and the componence of the new Board of Directors for a mandate beginning from 26.04.2013 until 26.04.2017 is the following:

No.	First name, surname	Cumulated votes
1	Stefan Gheorghiu Milicin	13,098,625
2	Iuliana Mihaela Urda	11,166,010
3	Draguta Mihaila	11,303,010
4	Petre Ecaterina	11,317,350
5	Lucian Claudiu Mateescu	11,323,825

Consequently, there were revoked from the position of administrators Mr. Dimitrios Sophocleous, Vlad Nicolae Neacsu, Valeriu Ionescu and Dan Ioan Popp.

Beginning from 08.06.2013 the President of the the Board of Directors of the company is Mrs. Iuliana Mihaela Urda.

Significant changes in the year 2013 took place also at the company management level, so as on 20.05.2013 the mandate contract of the General Director Stefan Gheorghiu Milicin ceased, this position being held by Mr. Lucian Claudiu Mateescu beginning from 14.06.2013 and since 08.07.2013 the CEO position is held by Mr. Bogdan Geanta.

By the EGAS as of 10.06.2013 there was approved the decrease of the share capital of SC IMPACT DEVELOPER & CONTRACTOR SA from the value of 197,866,574 lei to the value of 19,786,657.4 lei, by the decrease of the nominal value of shares from 1 leu/share to 0.1 lei/share.

Following the modifications that took place in the spring of 2013 at the level of the shareholders representatives of SC Millenium Consult Invest 2002 SA, the vision about the Business Support Centre – Greenfield 2 project was changed. Thus, on the 26th of June 2013, the shareholders of SC Millenium Consult Invest 2002 SA decided to give up the implementation of the Business Support Centre – Greenfield project and termination of the contract for non-reimbursable financing through the Regional Operational Program. In this respect the necessary steps were taken for the termination of the financing contract, and on the 1st of August 2013, the decision from the authorities with regard to the cease of this contract of non-reimbursable financing was received.

Steps were taken for the merger of Intop with Clearline Development & Management. The merger project was submitted to the trade register accompanied by a statement of the company that ceases to exist following the merger. The merger report was published in the Official Gazzette, Part IV of no. 3308/21.06.2013. The merger decision was mentioned to the Trade Register after the elapse of those 30 days from the publishing in the Official Gazzette. The Trade Register sent the merger file to the Ilfov Tribunal that must rule about the merger, with a term on 17.09.2013.

Impact purchased in July 2013 a number of 82,875 social parts for the amount of 837,000 lei, becoming a majority shareholder in the company Destiny Weel, with a share of interests in benefits and losses of 99.9758% from the share capital.

Note 23. Other Juridical and Economic Information

In relation to the litigation with Romconstruct, Impact submitted a request by which it requested to the Bucharest Court of Appeal the temporary suspension of the execution of the civil sentence 16053/31.10.2012 ruled by the Bucharest Tribunal, Sixth Civil Section, in the file 35939/3/2011, having as parties Impact Developer & Contractor SA and Romconstruct SA.

The request made the object of file 9308/2/2012. The court sustained on 09.01.2013 the request for the suspension of the temporary execution of the civil sentence 16053/31.10.2012 formulated by the plaintiff Impact Developer & Contractor SA and disposed the suspension of the temporary execution of the civil sentence 16053/31.10.2012 ruled by the Bucharest Tribunal, Sixth Civil Section, in file 35939/3/2011 until the solving of the request to suspend the temporary execution of this sentence formulated within the appeal.

The following term in the file having as an object the appeal against the civil sentence 16053/31.10.2012 is on 14.05.2013.

On 27.03.2013 there was notified the decision of forced execution of two if the Impact shareholders, by the sale of the share package that they held on that date. The office of associated receivers Lex took care of the transaction of the shares held by Dan Ioan Popp and Carmen Daniela Săndulescu, representing approximately 25% of the shares of Impact Developer & Contractor SA. On the same day, Mr. Iaciu Gheorghe, following a transaction on the secondary market of the Bucharest Stock Exchange, purchased 45,956,535 shares, that represent a holding percentage of 23.226% from the total shares.

On the 16th of July 2013 Mr. Iaciu Gheorghe purchased another no. of over ten thousand shares. Following this transaction Mr. Iaciu Gheorghe holds a percentage of 38.05 % of the share capital.

The company concluded on 26.06.2013 a transaction contract with SC Romconstruct, a former contractor of the developer Impact. The object of this transaction was the extinction in an amicable way of all the litigious situations between the two companies, present and future, that result from the performance of the contracts of building works execution no. 3/ 15.11.2006 and no.4/20.02.2007, irrespective of the trial quality of the parties, plaintiff or defendant. By this transaction Impact undertakes the obligation to pay the amount of 7,285,643.87 lei and 392,000 Euros until 30.09.2013.

The company Impact concluded on 02.07.2013 a transaction contract with Bodogan Constantin and Bodogan Maria, authenticated under no. 1059/02.07.2013 by BNP Baias si Asociatii. The parties agreed by the transaction to extinct all the litigations between them and of the procedures of forced execution, coming from the commercial sentence no. 1506/08.02.2007 of the Bucharest Tribunal – Sixth Commercial Section and/or from contract 180/2004, concluded between the parties. Bodogan Constantin and Bodogan Maria waiver by the transaction the right to request the execution of the commercial sentence no. 1506/08.02.2007 of the Bucharest Tribunal – Sixth Commercial Section and any other right that would come from the contract 180/2004 concluded by the parties.

Note 24. Related parties

The Related Parties within the group, including the degree of control exercised by Impact Developer & Contractor, are the following:

Affiliated parties	31-Dec-12 % share	31-Dec-11 % share
Actual Invest House SRL	100%	100%
Intop	100%	99%
Bipact 1995 SRL	0%	63%
Hobbit Intermediere Asigurari SRL	0%	95%
Clearline Development&Management SRL	100%	100%
Millenium Consult Invest SA	45%	45%

The company SC Millenium Consult Invest 2002 SA is the holder of a project that supposes the accomplishment and operation of a structure of business support that would offer services for the SMEs in the Region Bucharest-Ilfov. It is about the Business Support Centre – Greenfield 2, a project cofinanced from the European Regional Development Fund, through the Regional Operational Program. Impact holds 45% of the share capital of Millenium, respectively 2,329,020 lei. The financing contract for the project building was signed on 27.03.2013.

S.C. LOMB S.A. was established in 2008 as a share trade company that had as its shareholders the Local Council of Cluj Napoca Municipality (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%). Impact subscribed in the year 2008 the amount of 45,445,027.51 RON to the share capital of the project company Lomb SA. At present Impact holds 100% of the share capital of Clearline Development & Management SRL (former Lomb SA), with a value of 22,400,000 lei.

During the year 2012, by a decision of the BoD, a resolution was made to decrease the share capital of Actual Invest House from 11,005,000 to 8,105,000 lei and of Clearline Development & Management from 26,900,000 lei to 22,400,000 lei.

For the investments performed by Clearline Development&Management SRL for the accomplishment of the Lomb project, the project company has a litigation with a value of 17,053,000 lei plus the legal interests, a file that is judged at present at Argeș Tribunal and is under the performance of the expertises (Urbanistic and Buildings) disposed to the file.

On 31.12.2012 provisions were constituted for the depreciation of the equity interests held in the affiliated entities.

The investment afferent to the Dealul Lomb project is in an amount of 4,008,222 lei and represents mainly the preparation of the PUZ documentation and the road networks afferent to the quarter Dealul Lomb - Cluj. These were established by the framework contract no. 55423/04.07.2007 concluded between Impact Developer & Contractor SA and the Cluj-Napoca Local Council as a prerequisite for the establishment of the company Clearline Development (former Lomb SA). For the operation in progress afferent to this project, a provision was constituted.

Auditors

RSM SCOT SRL is a company that develops its business in the field of professional services of financial accounting and audit, supplied in accordance with the Romanian and international accounting standards and also with the international audit standards.

RSM SCOT ensures to its clients fiscal consultancy and assistance, and also any other professional services specific to the activity field.

The team of RSM SCOT is composed by professionals, chartered accountants and financial auditors.

RSM SCOT has its headquarters in Bucharest and was set up by Otilia and Dan Schwartz in the year 1994, by the merger of the clients of two small consultancy companies where the two were associates.

RSM SCOT is a member of the Romanian Association of Chartered and Certified Public Accountants (C.E.C.C.A.R.) since 1994 and of the Romanian Chamber of Auditors since its set-up in 1999.

Note 25. Contingents

Next, we will present the list of significant litigations (according to the Bucharest Stock Exchange Code) where the company is a party.

A. List of litigations where Impact has the quality of a plaintiff:

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
46.	Prahova Tribunal	7034/105/2010	insolvency procedure	plaintiff - creditor	**Romconstruct**	first instance	**22-apr.-13**	IDC formulated a request of admission to the creditor group. For the judgment of challenges. Impact made a challenge for a receivable in an amount of approximately 15,000,000 RON. THE PROVISIONAL RECORD of Impact IN THE PRELIMINARY TABLE OF THE RECEIVABLE OF 15,047,995.76 LEI. Sustains the challenge of Impact, disposes the provisional registration also with the receivable of 15,047,995.76 lei until the solving of file no. 35939/3/2011 Romconstruct declared recourse. The recourse was overruled. In the file the procedure is continued.	16,025,023	RON
47.	Bucharest Tribunal	39469/3/2008	Obligation of Romconstruct to pay delay penalties for the delay of execution of the constructions in the Rubin	plaintiff	**Romconstruct**	First instance	**22-mar.-13**	Term for discussing the request to be pending on the dockets again and about the transformation of the request into accomplishment. The request of IDC was overruled, with recourse	14,855,309	RON

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
			assembly							
48.	Bucharest Tribunal	63835/3 /2011	insolvency procedure	plaintiff	**Floreasca Construction (former Summa Romania SA)**	first instance	**5-mar.-13**	IDC recorded to the creditor group with the amount of 13,442,674 lei. Disposes entering to bankruptcy. The procedure is in the stage of final report and discussion of the request grounded on art. 138 from Insolvency Law.	13,442,674	RON
49.	High Court of Cassation and Justice	23619/3 /2009	action for finding out	recurring	**Sc Summa Romania SA**	recourse	**no term**	sustains the recourse, cassates and sends to be rejudged in appeal to the Bucharest Court of Appeal.	7,602,445	RON
50.	Cluj Tribunal	79/1285 /2012	contract termination	plaintiff	**Local Council of Cluj Municipality**	first instance	**17-apr.-13**	administration of evidence.	4,008,222	RON
51.	High Court of Cassation and Justice	11833/2 /2010	cancellation of administrative deed, on the additional fiscal payments to be paid in charge of the underwritten by the Fiscal Inspection	plaintiff	**ANAF**	first instance	**7-nov.-13**	Partially sustains the challenge. Partially cancels the taxation decision no. 115/ 19.05.2010 and the fiscal inspection report no. 33.364/18.05.2010 respectively with regard to the tax on profit in the amount of 760,957 lei resulted following the revaluation of the land purchased and sold by SC Patagonia Invest SRL. Partially cancels the decision no. 266/29.09.2010 with regard to the solving mode of the challenge with regard to the previously mentioned tax. For the judgment of recourse formulated by	3,403,000	RON

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
			Report					both of the parties.		
52.	Bucharest Tribunal	26153/3/2010	bankruptcy	plaintiff-creditor	**Sqrw Development Romania**	first instance	**17-mai.-13**	Impact requested the registration to the creditor group as the successor in rights of SC PATAGONIA INVEST SRL. Overrules as ungrounded the challenges formulated by creditor SC Impact Developer & Constructor SA. Final.	1,975,743	RON
53.	Constanta Court of Appeal	15426/118/2011	dec. that would take place of v-c/obligation to make	plaintiff	**Tomis / Orban Lucian and Steluta**	**first instance**	**23-mai.-13**	Partially sustains the request	200,000	EUR
54.	Bucharest Court of Appeal	5962/2/2012	cancellation of deed	plaintiff	**ANAF**	First instance	**20-May-13**	for the lack of anaf file	619,954	RON
55.	Bucharest Tribunal	16650/299/2011	challenge to exec. with prov. susp.	challenger	**Bodogan Aurel and Bodogan Constantin**	first instance	**9-mai.-13**	Sustains the challenge to execution. Disposes the cancellation of the forced execution itself and the cancellation of all the execution deeds performed in the execution file no. 8E/2011 constituted at B.E.J. Georgiana Jalbă, being prescribed the right to request forced execution. Overrules the request to suspend the forced execution, as remained without object. Obliges the appellees to pay to the challenger the amount of 8,090.63 lei, as	559,503	RON

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
								legal expenses. With right of recourse within 15 days from communication. Term for solving the recourse formulated by Bodogan Aurel and Constantin. Term for summoning Bogdogan Aurel by heirs.		
56.	Court of law of District 1	9635/299/2012	challenge to execution	challenger	**Bodogan Aurel and Bodogan Constantin**	first instance	**no term**	first term after declining. Suspends until the final solving of file no. 16650/299/2011	217,826	RON
57.	Bucharest Tribunal	42605/3/2012	ensuring distraint	recurring	**Bodogan Aurel and Bodogan Constantin**	Declined	**18-Dec-12**	Sustains. Cassates, sends to CLD1	168,000	RON
58.	Bucharest Tribunal	19999/3/2012	insolvency procedure	creditor-plaintiff	**Stratos Leasing IFN SA**	first instance	**17-sep.-13**	Came voluntarily in insolvency. We registered in the creditor group. The file was connected to file 50128/3/2012	113,383	RON
59.	Bucharest Tribunal	40191/3/2010	claims from incompliant works, executed by SUMMA	plaintiff	**Summa Romania SA**	first instance	**no term**	On the grounds of art. 36 from Law no. 85/2006, finds as intervened the lawful suspension of judgment	100,222	RON
60.	Court of law of D1	21136/299/2009	claims, legal expenses	plaintiff-defendant	**SC Summa Romania SA**	first instance	**no term**	suspended on art. 36 from law 85/2006	100,123	RON
61.	Court of law of	9807/94/2010	claims for incompliant	plaintiff	**Floreasca Construction (former**	first instance	**no term**	On the grounds of art. 36 from Law no. 85/2006, finds as intervened the lawful	50,292	RON

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
	Buftea		works		**Summa Romania SA)**			suspension of judgment		
62.	Buftea Court	1456/94 /2013	payment summons	plaintiff	**Ripanu Madalina**	first instance	**16-Apr-13**	First term	37,000	RON
63.	Court of law of Buftea	3005/94 /2012	complaint of violation	plaintiff	**ANRSC**	first instance	**no term**	suspended until the filan sol. of file 35158/3/2012	35,000	RON
64.	Court of law of Buftea	4392/94 /2011	claims, rent contract	plaintiff	**Manu Elena**	first instance	**no term**	Obliges the defendant to pay to the plaintiff 22480 lei representing rent and 7591.46 lei delay penalties. Ascertains the waiver of plaintiff to the judgment of count 3 of the request. Obliges the defendant to pay to the plaintiff the amount of 2034.27 lei representing legal expenses.	33,782	RON
65.	Court of law of Buftea	12633/94/2011	complaint of violation	plaintiff	**ANRE**	first instance	**5-sep.-12**	term for evidence. Overrules the complaint as ungrounded.	25,000	RON
66.	Bucharest Tribunal	4785/299/2009	claims deriving from the failure to pay utilities and rent	plaintiff	**SC Patru Ace SRL**	first instance	**25-mar.-13**	Partially sustains the action. First term of the recourse declared by them.	22,389	RON
67.	Bihor Court of	13314/111/2011	action for finding out	plaintiff	**Compania de Apa Oradea**	**recourse**	**18-apr.-13**	The action was overruled, IDC declared recourse	20,000	RON

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
	Appeal									
68.	Court of law of Buftea	13311/94/2012	cancellation of sale deed gate house	Actual Invest House+Impact	**ASOCIATIA DE PROPRIETARI AZUR**	first instance		first term for summoning Impact; suspended until the solving of the file having as object the establishment of Azur owners association	19,000	RON
69.	Court of law of Buftea	9376/94/2012	eviction/claims	plaintiff	**Beco Logistic Serv**	first instance	**22-May-13**	first term	18,000	RON
70.	Court of law of District 1	40150/299/2012	claims	plaintiff	**Svetopetric Dinko**	first instance	**15-Apr-13**	we summon him in Croatia	15,000	RON
71.	Ilfov Tribunal	8799/94/2012	cancellation of donation contracts	plaintiff	**Association Class Pipera, Owners Association Class**	Recourse	**26-Apr-13**	to pay the stamp tax of 340.5 lei and legal tax of 1.5 lei	9,600	RON
72.	Court of law of Oradea	11114/94/2012	eviction	plaintiff	**Simona Suhoi**	first instance	**12-Jun-13**	first term	7,000	RON
73.	Court of law of Buftea	15956/94/2012	eviction	plaintiff	**Giura Luminita**	first instance	**11-Dec-13**	first term	7,000	RON
74.	Court of law of	43636/300/2012	claims, utilities	plaintiff	**Coca Adina**	first instance	**10-Jun-13**	declines to CLD2	5,000	RON

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curre ncy
	District 2									
75.	Court of law of District 1	33892/299/2012	claims tax for house	plaintiff	**Chiru Gheorghe**	first instance	**17-May-13**	for expertise. The fee was paid	3,800	RON
76.	Court of district 1	56082/299/2012	claims	plaintiff	**Schwalb Emanuel**	first instance	**19-Apr-13**	first term	3,500	RON
77.	Court of law of Buftea	8602/94/2012	claims	plaintiff	**Petcuta Danut**	first instance	**13-May-13**	first term	2,380	RON
78.	Court of law of Oradea	14306/271/2012	complaint of violation	plaintiff	**Oradea Local Police**	first instance	**15-Apr-13**	fine applied to IDC for the fact it did not cut the grass on the City Hall land	1,500	RON
79.	High Court of Cassation and Justice	2975/2/2010	Attack of decision 206/2010ANRE	plaintiff	**ANRE**	First instance	**23-apr.-13**	IDC requested the cancellation of ANRE decision with regard to the approval of distribution tariffs in ans in Voluntari; Sustains the action. Cancels the decision of the ANRE chairman no. 206/04.02.2010. Obliges the defendant to approve the tariffs for the electric power distribution activity of the plaintiff as results from the judicial expertise report prepared in the case and response to objections. Obliges the defendant to pay to the plaintiff the amount of 15,146.8 lei as legal expenses. Term for	N/A	N/A

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
								judging the recourse declared by ANRE.		
80.	High Court of Cassation and Justice	6391/2/2011	complaint/cancellation of deeds issued by ANRE	plaintiff	**ANRE**	first instance	**11-sep.-13**	Overrules the request. First term to the recourse declared by Impact.	N/A	N/A
81.	Court of law of District 1	9122/299/2007	obligation to make comminatory danages	plaintiff	**Regia Nationala a Padurilor-Directia Silvica Bucharest**	defendant	**suspended**	other procedural incidents, requests of intervention. Disposes the suspension of case judgment, notifies the Bucharest Court of Appeal to solve the exception of illegality of order no. 645/2003 - file 4719/2/2012, on the dockets of the Bucharest Court of Appeal, with term on 04/09/2012	N/A	N/A
82.	High Court of Cassation and Justice	3555/111/2010	Action for finding out	plaintiff	**MTS Leasing; Ban Liviu**	First instance	**12-dec.-13**	IDC requested the court to find out that the termination of the execution contract intervened; partially sustains the request. Ban Liviu declared appeal. Overrules the appeals. Impact declared recourse, first term for the recourse judgment.	N/A	N/A
83.	Arges Tribunal	29651/3/2011	eviction	plaintiff	**Hristeno Nicolae**	first instance	**no term**	disposes the eviction	N/A	N/A
84.	Prahova Tribunal	2299/105/2012	obligation to make/ issue of administrative deed, PUZ	plaintiff	**Blejoi Local Council**	first instance	**28-nov.-12**	suspends it upon the request of the parties.	N/A	N/A

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
			Roua							
85.	Court of law of Oradea	13974/271/2012	obligation to make/to conclude individual contracts for water and sewage	plaintiff	**Compania de Apa Oradea**	first instance	**23-May-13**	evidence	N/A	N/A
86.	Court of law of Buftea	7917/94/2012	eviction	plaintiff	**Ionescu Elena Ani Mihaela**	first instance	**15-May-13**	first term	N/A	N/A
87.	Court of law of D3	1416/301/2013	action for finding out	plaintiff	**ANRSC**	first instance	**22-Mar-13**	action by which IDC requests to be found out that it has the right to invoice the countervalue of water networks maintenance in Grennfield without a tariff approved by ANRSC. First term after declining	N/A	N/A
88.	Prahova Tribunal	7034/105/2010/a2	insolvency procedure	creditor	**Romconstruct**	first instance	**4-Mar-13**	second challenge against prot. of AC from October 2012	N/A	N/A
89.	Bihor Tribunal	564/35/2011	cancellation of deed	plaintiff	**CLO-AIO**		**no term**	sustains the action	N/A	N/A
90.	Ilfov Tribunal	8552/94/2012	contract termination	plaintiff	**SPAAC**	first instance	**16-Sep-13**	to submit counterclaim	N/A	N/A

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
46.	Cluj Tribunal	3397/1285/2011	claims	Active	**Universitatea Cluj**	first instance	**no term**	suspends for art 36 of insolvency law, Universitatea Cluj entered insolvency, we are registered in the creditor group	100,000.00	RON
47.	Arges Commercial Trib.	1032/1259/2012	claims	Active	**Cluj Municipality by Mayor**	first instance	**24-Sep-13**	for the performance of the expertises disposed in the case	17,000,000	RON
48.	Cluj Commercial Tribunal	1712/1285/2012	claims/ call for guarantee in file 3397/1285/2011	active	**Universitatea Cluj**	first instance	**no term**	suspends for 244		
49.	Cluj Tribunal	1121/1285/2012	cancellation of deed, loan contract	active	**Universitatea Cluj**	first instance		Overrules the request formulated by plaintiff SC I C SRL against the defendant SC F C U C SA, in insolvency, by judicial administrator, request having as object to find out the absolute voidance of loan contract no. 1397 as of 07.11.2007 for the amount of 2,020,000 lei.	2,020,000	
50.	Court of law of Buftea	13311/94/2012	cancellation of deed, sale-purchase contract	Passive	**AZUR OWNERS ASSOCIATION**	first instance		On the basis of art. 244 para. 1 pt. 1 C.p.c. suspends the judgment of request until the final solving of file 3810/2/2012	19,000.00	RON
51.	Court of law of Buftea	4416/94/2012	eviction	active	**Bitsper Srl**	first instance		handed over the house, the action remained without object and was overruled	N/A	

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
52.	CA Oradea	7765/111/2011	authentic cvc dec.	Active	**Oradea Municipality by Mayor**	first instance		Overrules as ungrounded commercial appeals. With legal expenses. AIO declared recourse	N/A	
53.	Oradea court of law	8783/271/2012	authentic cvc dec.	Active	**Oradea Municipality by Mayor**	first instance	**no term**	Sustains the request	N/A	
54.	CA Oradea	7823/111/2012	authentic cvc dec.	Active	**Oradea Municipality by Mayor**	recourse	**no term**	Cancels the recourse as unstamped. No legal expenses	N/A	

B. List of litigations where Impact has the quality of defendant :

B.1.

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
9.	Bucharest Tribunal	35939/3/2011(19/105/2010)	Action for contractual damages	defendant	**Romconstruct & BRD SG**	first instance	**14-mai.-13**	sustains the action of Romconstruct. Appeal declared by Impact.	33,329,910	RON
10.	Bucharest Tribunal	60772/3/2011	Civil liability	Civil responsible party	**ANAF**	first instance	**12-apr.-13**	administration of evidence. Evaluation expertise of lands. The expert is to present for clarifications	16,823,946	RON
11.	High Court of Cassation and Justice	32826/3/2010	Claims coming from assignment takeover by plaintiff of receivables of Summa Romania from contr. 42/2007	defendant	**SC Brooklyn Property Management SRL**	appeal	**14-mar.-13**	Overrules the appeal as ungrounded. First term to the recourse declared by Brooklyn. Postponed for solving the abstraint request. Finally solved, overrules the recourse of Brooklyn	9,155,118	RON
12.	High Court of Cassation and Justice	40442/212/2010	claims grounded on sale-purchase contract with payment in installments, respectively interests for	defendant	**Sava Mircea Aurelian**	first instance	**30-mai.-13**	Overrules the appeal as ungrounded. First term of the recourse declared by Sava Mircea	500,000	EUR

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
			installments paid in advance and moral damages							
13.	Bucharest Court of Appeal	45886/3/2009	Return of c-val of guarantee letters	defendant	**Brooklyn Property Management / SC SUMMA ROMANIA SA**	First instance	**no term**	Overrules the recourse as ungrounded, maintains the case suspension measure until the final solving of file 23619/3/2009.	317,422	EUR
14.	Constanta Tribunal	4320/118/2006/a2	obligation to make	defendant	**Iorgu Constantin - Liquidator of Gamad Shipping**	first instance	**2-Apr-13**	The liquidator of Gamad requests the obligation of Impact to conclude the sale-purchase contract with the company through the liquidator	50,000	EUR
15.	Constanta Tribunal	81/118/2009	claims coming from building vices	defendant	**S.C.Isac Maricica Contabilitate**	First instance	**21-iun.-12**	suspends the case and sends it to the Prosecutor’s Office for investigations upon the forgery allegations.	4,552	RON
16.	Constanta Tribunal	30187/212/2012	pres. ordinance, cease of execution begun by IDC for the recovery of cv utilities,	defendant	**Isac Maricica**	recourse	**25-Jan-13**	overrules the ordinance. Obliges the plaintiff to pay 3,000 lei, legal expenses.	Unevaluated	

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
			obtained by final decision							

B.2.

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
21.	Bucharest Tribunal	32874/3 /2010	Claims coming from assignment takeover by the plaintiff of receivables of Summa Romania from contr. 6/2007	defendant	**SC Brooklyn Property Management SRL**	recourse	**4-feb.-13**	The recourse of Impact was overruled and the case was sent to the first instance, then it was suspended until the final solving of file no. 23619/3/2009.	9,138,140	RON
22.	Bihor Tribunal	9297/11 1/2010	request for payment of contractual penalties	defendant	**Oradea Municipality by Oradea City Hall**	First instance	**7-mai.-13**	to respond to the objections formulated by PMO to the expertise report.	1,487,001	EUR
23.	High Court of Cassation and Justice	1521/2/ 2012 (45882/ 3/2009)	action by which there was requested the return of c-val of guarantee letters	defendant	**Brooklyn Property Management / SC SUMMA ROMANIA SA**	recourse	**24-apr.-13**	overrules the request as ungrounded. With appeal in 15 days from communication. Overrules the appeal declared by Brooklyn, as ungrounded. First term from the recourse declared by Brooklyn.	490,940	EUR

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
24.	Bucharest Tribunal	14444/3/2012	cancellation of sale-purchase deed	intimate	**Taxi Mondial / Double Insolvency SPRL/Puiu Georgeta**	first instance	**1-mar.-13**	cancellation of sale-purchase deed by which the debtor Taxi Mondial alienated the real estate mortgaged in favour of Impact for the receivable in the amount of 237,636 lei.	237,636	RON
25.	Court of law of Buftea	4519/94/2012	cancellation of sale-purchase contract/reposition of parties in the previous situation	defendant	**Gavris(Pernes) Raluca**	first instance	**14-mar.-13**	for the administration of evidence with expertise.	191,475	RON
26.	Bucharest Tribunal	21136/299/2009*	claims	plaintiff-defendant	**SC Summa Romania SA**	first instance	**17-oct.-12**	first term from recourse. Suspends it for art. 36 from insolvency law.	100,123	RON
27.	Court of law of Oradea	19954/271/2012	claims, coontervalue of losses on network, recorded by main counter	defendant	**Compania de Apa Oradea**	first instance	**4-Mar-13**	evidence; coontervalue of losses on the network, recorded by the main counter	50,104	RON
28.	Oradea county	1226/271/2013	claims, coming from consumption recorded by	defendant	**Compania de Apa Oradea**	Declined/ first instance	**3-Apr-13**	Compania de Apa Oradea request the obligation of Impact to pay the losses in the network recorded by the main counter	37,000	RON

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
			main counter							
29.	Court of law of Tulcea	949/327 /2013	challenge to execution	defendant	**Marnache Virgil and Nicoleta**	first instance	**2-Apr-13**	challenge to the execution begun by IDC to recover the amounts owed by the defendants as rent, according to the concluded contract	12,685	RON
30.	Court of law of Buftea	1765/94 /2013	challenge for cancellation	defendant	**Marinache Virgil and Nicoleta**	first instance	**30-Apr-13**	challenge to the execution begun by IDC to recover the amounts owed by the defendants as rent, according to the concluded contract	12,685	RON
31.	Court of law of Buftea	1966/94 /2013	challenge for cancellation	defendant	**Marinache Virgil and Nicoleta**	first instance	**30-Apr-13**	challenge to the execution begun by IDC to recover the amounts owed by the defendants as rent, according to the concluded contract	12,685	RON
32.	Judecătoria Buftea	7602/94 /2010	Action for the recovery of incompliant works	defendant	**SC Romconstruct SA**	First instance	**no term**	suspended according to art. 36 law 85/2006	11,611	RON
33.	Court of law of Buftea	12589/94/2012	claims, cv of invoices after the contract termination date	defendant	**Serviciul de Transport Voluntari**	First instance	**12-Sep-13**	cv of invoices after the termination date of the contract with SPAAC	9,600	RON
34.	Buftea county	1009/94 /2013	payment call	defendant	**Atlantis Fitness**	first instance	**21-May-13**	request of guarantee return, retained by IDC as penal clause for termination before the	1,560	EUR

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
					&Lifestyle Srl			term		
35.	High Court of Cassation and Justice	31608/3/2010(1003/94/2010)	Networks	defendant-intimate	**& Amariucai, Salom, Stanescu, Humeniuc, Radio Consult, Paicu Claudia, Ispas Daniel, Ermis Ioana, Mihailesc Cristinel, Grigoriu C, Ciocan D, Antonesc, Cioaca, Onirom, Maftei, Paul Man, Timpu A, Majed Samer, SC Rudyal, Rotaru, Oeru, Naftanaila Ionel, Paun Mihai, Clinciu, Go West,**	appeal	**30-mai.-13**	overrules the action as inadmissible; the plaintiffs declared appeal. Overrules the appeal declared by the appealants as ungrounded. First term from recourse.	N/A	N/A

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
					Flash Models					
36.	Court of law of district 1	49031/299/2011	complaint against NUP resolution of prosecutor	intimate	**Ionita Florian**	first instance	**14-mar.-12**	sustains the complaint. Disposes the case to be sent to the criminal body for the resume of the penal investigation.	N/A	N/A
37.	Bucharest Court of Appeal	2488/2/2012 (23136/3/2009) (6108/2/2011)	Cancellation of decision of General Council of Bucharest Mun. no. 263/2008	defendant	**CGMB / Primarul Municipiului Bucharest/ Ionita**	Recourse	**19-apr.-13**	Overrules the recourse as ungrounded. CGMB and Ionita Florian made challenge for cancellation. Solution error on ecris. Sustains the challenge for cancellation, cancels the challenged decision and sends the case to the recourse court to be judged the recourse.	N/A	N/A
38.	Bucharest Court of Appeal	5415/3/2009 (43654/3/2009)	cancellation of administrative deed	intervenient	**Ionita Florian - General Council of Bucharest Municipality**	recourse	**18-oct.-12**	overrules the action as ungrounded. Term for solving the recourse declared by Ionita Florian. Suspended until the final solving of file no. 2488/2/2012	N/A	N/A
39.	Court of law of District 1	55112/299/2012	obligation not to make in the meaning of not restricting the servitude right	defendant	**Cremer Marc and intervenients**	first instance	**1-mar.-13**	term to become familiar with the intervention requests formulated by Radu Alecu, Aldea Marius and Danielescu Valentin. Overrules the action	N/A	N/A
40.	Bucharest Tribunal	8458/3/2012	cancellation of administrative	defendant	**Regia Nationala a Padurilor-**	first instance	**16-apr.-13**	first term	N/A	N/A

Pos.	Court	Number of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
			deed whose holder/beneficiary is Electrica		**Directia Silvica Bucharest, Prefectura Bucharest**					

Besides the above presented litigations appreciated as significant, the company also has under performance a number of litigations with different debtors of the company coming from the supply of utilities or other small receivables as value. These litigations (approximately 20) comprise a total value of IDC claims of approximately 151,000 RON.

In order to better understand the situation of the litigations, these are grouped in some more important categories, namely:

1. Litigations with Romconstruct that, on the date of the present notes preparation are in a number of 3, litigations coming from two construction execution contracts concluded in the year 2006, their cause being the very long delays of the constructor in the finishing of the works and its claims to receive amounts of money for unfinished works. The litigations are in the following situation: at position 1 in the litigations where Impact is a plaintiff by which there was finally admitted the provisional registration of Impact to the creditor group of Romconstruct for the amount of 16,025,023 RON. The insolvency procedure for Romconstruct is still under performance. At position 2, from the statement of litigations where Impact is a plaintiff, Impact requested to be put again on the dockets the file by which it requested from Romconstruct penalties of 14,855,309 lei, in parallel with the action modification from action for accomplishment, in action for finding out. In the first instance the request was overruled, after the reasoning of the decision Impact follows to submit the recourse request. In the statement of the litigations where Impact is a defendant,

from list B1 at position 1, there is the file in which Romconstruct obtained in the first instance contractual damages of 33,329,910 lei. The execution of this decision was provisionally suspended, and at present the file is in appeal.

2. Litigations with Floreasca Construction (former Summa Romania SA) and respectively Brooklyn Property Management SRL come from execution contracts signed in the year 2006 where Summa was executant and Impact beneficiary. These contracts were very much delayed and appeared from the part of Impact requests for penalties and from the part of Summa the request for the payment of some executed works. In the year 2008 Summa assigned the receivables to the company in the Brooklyn Group, that is a party in some of the trials that have the same origin. At present there are files on the list where Impact is a plaintiff, litigations from positions 3 and 4. At position 3 there is the insolvency file of Floreasca Construction where Impact was admitted in the creditor group for the amount of 13,442,674 lei that represents contractual penalties and incompliant works. The patrimony of Summa was sold and following the sale Impact could not recover any amount of those with which it was registered in the creditor group, and on the 5th of March the bankruptcy of Floreasca Construction was sustained. Impact declared recourse against this decision as the company Floreasca Construction cannot be cancelled without being finished the file from position 4 from the same list, where Impact requests the finding out of the existence of the debts of Floreasca Construction towards, in an amount of 7,602,445 lei. On the list where Impact is a defendant, the litigations with Brooklyn, coming from the assignment of receivables of the rights of Floreasca Construction towards Impact, appear in list B1 at positions 3 and 5 and list B2 at positions 1 and 3. The claims from list B1 from position 3 were finally overruled. The files from list B1 from position 5 and list B2 from position 1 are suspended until the finishing of the file from position 4 - plaintiff Impact, and the file from position 3 from list B2, by which Brooklyn requests the recovery of a guarantee letter c/val of 490,940 EUROS is in the recourse declared by Brooklyn after they lost in appeal and in the first instance.
3. Litigations with ANAF are at positions 6 and 9 on the list where Impact is a plaintiff. Litigation from position 6 is the litigation where Impact challenged the amount of 3,403,000 lei and won in first instance the cancellation as not owing the amount of about 2,000,000 lei. This file is in the recourse stage declared both by Impact and ANAF. At position 9 Impact challenged as incorrectly calculated the failure to reimburse of Impact of the amount of 619,954 lei. Both amounts are collected by ANAF, so the favourable solving of the litigation will bring the recovery of the amounts collected in an unjustified way by ANAF.

4. Litigation with Oradea Local Council comes from so-called “penalties according to the association contract as of 02.07.2004“ from position 2 on the list B2 Impact- defendant. In the case there was administered the evidence of technical expertise that is favourable to Impact.
5. Litigations with CL Cluj by which Impact requests amounts coming from the investments made by Impact and respectively by the project company Clearline Development&Management SRL for the accomplishment of Lomb project for which CL Cluj Napoca did not bring the land, so the project cannot be made anymore. The total amount requested until at present is about over 21 million lei plus legal interests, but that does not include the unaccomplished benefit requested by Impact by the call to conciliation. For these amounts a separate action follows to be started. These litigations are judged at present in Cluj (that with Impact) and in Arges (with Clearline) and are in the stage of administering the Urbanistic and Building expertises.
6. Litigation with ANAF where Impact is called as civil responsible party for the deeds of someone else, with a value of 16,823,946 lei, is in the first instance stage and a technical expertise was prepared from which there resulted that the prejudice determined by ANAF is unreal, the value of lands being much smaller than the one calculated by ANAF without an expertise. In the year 2012 the court disposed the distraint upon the patrimony of Impact for the entire amount of 16,823,946 lei. For solving the distraint problem, Impact mortgaged in favour of ANAF lands with a surface of 52,234 sqm placed in Bucharest, district 1.
7. There are 2 litigations on the list with Impact Defendant by which the judicial administrator of two companies under insolvency requests the cancellation of the contracts by which real estates were sold to the administrators of the respective companies (positions 4 from list B2 and 6 from list B1), litigations that amount, in a cumulated way, about 100,000 EUROS.
8. Besides the litigations above, there is also a number of litigations with smaller values by which Impact requests damages and rents until the release of the real estates for the lease contracts or the contracts with payment in installments that were terminated: positions 17, 19, 21, 24, 25, 27, 28, 29, 37 and 41.

Translation from Romanian language

Impact Developer & Contractor

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