AnnualReport
2010

IMPACT
Developer & Contractor

Times changed,
perspectives changed,

global economy changed in 2010.

IMPACT adapted and succeeded, remaining one of the pioneers of the real estate sector due to new dwelling concepts and financial solutions offered to its clients.

Content

About IMPACT Developer & Contractor

The first private developer in Romania

Strong customer base – over 2000 clients

Over 20 years of experience in real estate business

Strong relationship with suppliers, contractors and local authorities

Initiator of new real estate concepts in Romania: residential compound, habitest, callbuy, second home, home upgrade

This report covers the financial year ended 31 December 2010.
For more detailed information, please refer to our website at *www.impactsa.ro*
This report is available on our website as a downloadable pdf.
http://www.impactsa.ro/actionari-investitori/rapoarte-financiare/raport-anual/

Board of Management

DAN IOAN POPP
Chief Executive Officer

Present day situation:

- General Manager of IMPACT Developer & Contractor S.A.
- Main shareholder of IMPACT Developer & Contractor S.A
- Leading Shareholder with Havila Trading International SRL
- USAID partner on housing related matters

Other professional training and experience:

1990 – 1994: Experience in setting up and running, as General Manager, of IMPACT S.A. and SERCA S.A. companies
1993: Founder of the Romanian Agency of Real Estate Companies
1994: Founding the Bucharest Stock Exchange and the National Agency of Transferable Securities
1998: Member of the National Association of Home Builders in USA
1999: Lecturer and President of the Examining Commission of the Real Estate Institute IRECSON
President of the Romanian Agency of the Real Estate Companies (ARAI) Founder and Vice-President of the National Federation of Real Estate Development
2000: President of UNAI (National Union of Real Estate Brokers)
2005: Associated Professor at Master Courses organized by The Bucharest Academy of Economic Studies

Employment History at IMPACT: Since 1991 – CEO

Responsibilities:

- overall management and leadership
- building business relationship
- driving the strategic direction

CARMEN SANDULESCU
Chief Financial Officer

Present day situation:

- Executive Manager of IMPACT Developer & Contractor S.A.
- Important shareholder of IMPACT Developer & Contractor S.A. (>11%)
- USAID partner on housing and mortgage related matters

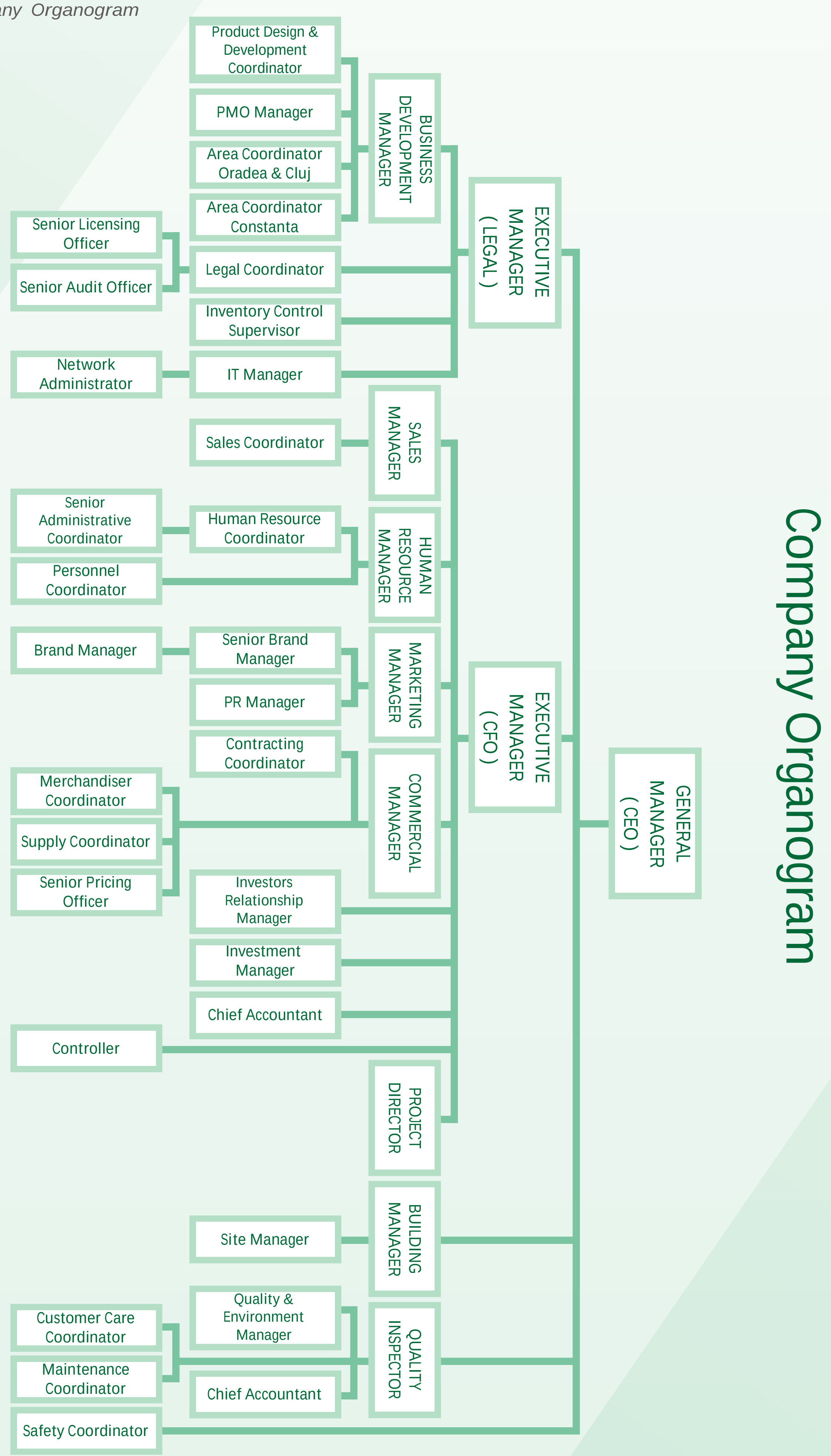
Other professional and training experience:

1991 – 2003: Experience in the field of Capital Markets and Currency Markets as Financial Manager with IMPACT S.A.
1993 – 1995: Graduate of many training programs, including: Evaluation of Trade Companies; ANEVAR Bucharest, Investment Planning; KPMG Romania, Training in the field of Capital Markets with specialists of Know How Fund
2004 – Present: Experience related to economic and development issues as Economic and Development Manager with IMPACT S.A.

Employment History at IMPACT: Since 1991 – CFO

Responsibilities:

- Financial Planning of business development
- Coordination and evaluation of business expansion initiatives


Company Organogram
GENERAL MANAGER (CEO)
EXECUTIVE MANAGER (LEGAL)
EXECUTIVE MANAGER (CFO)
BUSINESS DEVELOPMENT MANAGER
Product Design & Development Coordinator
PMO Manager
Area Coordinator Oradea & Cluj
Area Coordinator Constanta
Legal Coordinator
Senior Licensing Officer
Senior Audit Officer
Inventory Control Supervisor
IT Manager
Network Administrator
SALES MANAGER
Sales Coordinator
HUMAN RESOURCE MANAGER
Human Resource Coordinator
Senior Administrative Coordinator
Personnel Coordinator
MARKETING MANAGER
Senior Brand Manager
Brand Manager
PR Manager
COMMERCIAL MANAGER
Contracting Coordinator
Merchandiser Coordinator
Supply Coordinator
Senior Pricing Officer
Investors Relationship Manager
Investment Manager
Chief Accountant
Controller
PROJECT DIRECTOR
BUILDING MANAGER
Site Manager
QUALITY INSPECTOR
Quality & Environment Manager
Chief Accountant
Customer Care Coordinator
Maintenance Coordinator
Safety Coordinator

Board of Directors

According to the available legislation and the company Deed of Partnership, The General Meeting of Shareholders is the company administration and decision supreme forum which takes activity decisions.

The company is administered by the Board of Directors made up of three administrators:

- Two natural persons: Valeriu N. Ionescu and Radu Bugica
- Legal person: Havilla Trading International S.R.L. – Chairman of BoA., represented by Dan Ioan Popp

The current members of the Board were elected in October, 2007, for a four years mandate, until October, 2011, during the Ordinary General Meeting, excepting Mr. Radu Bugica who was elected in the position of temporary administrator on the vacancy of July 1st, 2010 through the Decision of the Board of Administration no. J1179. The choice of the latter comes further to the decision of Mrs. Andreea-Ioana Rosca to withdraw from this position.

The permanent representative of the administrator, legal person, also fulfills the position of Chairman of the Board of Administration. This one leads the executive officers.

Mr. Radu Bugica

Mr. Radu Bugica graduated the Technical Institute of Bucharest in 1990 and the Economic Academy of Bucharest in 1997.

Mr. Radu Bugica, held various managing positions, such as: Institutional Sales Manager, Member of the Executive Committee and General Manager for Global Valori Mobiliare, a Subsidiary of the Global Securities (1997-2004), Manager for Romania for SIGMABLEYZER INVESTMENT GROUP LLC (Since 2004), President of the Board of Directors for Covalact and Primulact (companies in the portfolio of the SigmaBleyzer SouthEast Europe Fund IV) (since 2008).

Mr. Valeriu N. Ionescu

Mr. Valeriu Ionescu graduated the Technical Institute of Bucharest – Faculty of Electronics and Telecommunications in 1976. He graduated the Master of Business Administration held by ASEBUSS and University of Washington in 1995.

Mr. 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).

Mr. 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, Mr. Valeriu Ionescu is Managing Partner of Valeriu Ionescu & Asociatii SRL as from 2004, which is a company of consulting and services in the field of direct investments.

Havila Trading International SRL. – The Managing Board President is represented by Dan Ioan Popp.

The rights, the power and the activity of the Board of Administration are according to art. 8, art. 9 and art. 10 from the Article of Incorporation of Impact Developer & Contractor SA.

The General Meeting of Shareholders' attributes and its activities are according to art. 12 from the company's Article of Incorporation.

Corporate Governance is according to the Romanian law, aiming to ensure both accuracy and transparency of the company's results, as well as equal access for all stakeholders to relevant information about the company.

Report regarding the financial situation

The undersigned, have audited the attached individual financial statements of IMPACT DEVELOPER&CONTRACTOR SA company ("Company") including: the balance sheet as of 31st of December 2010, the results account, the statement of changes of equity and the statement of the treasury flow for the year concluded on such date, as well as a synthesis of the significant accounting policies and other explanatory notes. The said financial statement refers to:

	RON 31st of December 2010
Total equity	315,930,582
Net turnover	34,288,806
Net profit result	(17,546,665)

Responsibility of the management for the financial statements

The management is responsible for accurate drafting and presentation of such financial statements according to OMF 3055/2009 for the approval of the accounting regulations compliant with the European directives.

Such responsibility includes: preparation, implementation and maintenance of a relevant internal control for accurate drafting and presentation of the financial statements not including significant alterations either due to fraud or errors; selection and application of adequate accounting policies; elaboration of reasonable accounting estimates for the given circumstances.

Responsibility of the auditor

Our responsibility consists in expressing an opinion regarding such financial statements based on the carried out audit. Except for the aspects presented in paragraphs 5 and 6 we carried out the audit according to the International Standards of Audit, as adopted by the Chamber of Financial Auditors in Romania. These standards require us to comply with the ethical requirements and to plan and carry out the audit in order to obtain a reasonable insurance of the fact that the financial statements have no significant alterations.

An audit involves the performance of the procedures necessary to obtain the audit evidence regarding amounts and other information published in the financial statements. The procedures selected depend on the auditor's reasoning, including the evaluation of risks for the financial statements to present significant alterations due to fraud, or errors. In such risks evaluation, the auditor analyzes the relevant internal control system for the accurate preparation and presentation of the financial statements of the entity for the purpose of planning the adequate audit procedures under given circumstances, but not for the purpose of expressing an opinion regarding the efficiency of the company's internal control system. Within such an audit there are also evaluated the level of adequacy of the accounting policies used and the extent to which the accounting estimates elaborated by the management are reasonable, as well as the global presentation of the financial statements. Except for the aspects presented in paragraphs 5 and 6, we consider that the audit evidence we have obtained is sufficient and adequate to constitute a ground for our audit opinion.

Scope limitation:

During the year of 2010 the company was subject to controls regarding the method of set up and payment of the local taxes owed for the buildings and lands held under property, without such controls being concluded on the date of the present report. Also, until the date of our report, the fiscal and accounting evidences of the company regarding such local taxes were not confirmed by all the control bodies (in this regard see address no 1328482/23.03.2011 issued by the General Division of Local Taxes 1st District). Given the fact that local taxes represent significant values in the financial statements drafted by the company, and, to the extent that, local taxes are differently set forth by each local authority to the extent provided by the Fiscal Code, we consider that, in lack of the final control reports, we may not ensure of the correctness of set up of the debt toward the local budgets regarding the buildings tax (buildings and lands), and we are not expressing any opinion regarding its impact on the profit and loss account. Also, we may not express any opinion on the value of debts afferent to the local taxes recorded into accountancy on 31.12.2010.

As the company did not proceed with the establishment of the net realizable value of all housing stock by evaluation reports, we may not express an opinion on the registration value of such stocks of houses into the financial statements drafted on 31.12.2010 (Finished products account balance) not on the potential impact of the results of such estimations on the profit and loss account.

Opinion

In our opinion, except for the effects on certain adjustments that might have been observed as being necessary if we would have been convinced of the aspects mentioned in paragraphs 5 and 6, the financial statements of the company IMPACT DEVELOPER & CONTRACTOR SA offer an accurate image of the financial position and of the financial performance on 31st of December 2010 in compliance with OMF 3055/2009 with the accounting policies described in the unconsolidated financial statements' notes.

Evidencing certain aspects

Without classifying our opinion, we bring the attention on the following aspects:

a) As result of the financial crisis and economic recession, the Romanian real estate market registered a significant decrease in 2010 compared to the previous years regarding both the individual value of the transactions and their volume. This tendency also manifested in case of Impact Developer&Contractor SA company. Information available on the date of the present report does not allow us to estimate the future effect of such changes.

b) In January 2010 Romconstruct SA (sub contractor Impact) submitted with Bucharest Court Section VII a petition by which it shows that Impact Developer&Contractor SA has certain unpaid debits to Romconstruct, and consequently it requested the opening of the insolvency procedure according to the provisions of Law. The Bucharest Court decided the opening of the insolvency procedure, through the commercial decision nr. 5061/2010.

Impact Developer & Contractor SA considered that the decision of such instance was illegal and, on one hand, it pleaded for appeal with the Court of Appeal, and on the other hand, it submitted a petition for the suspension of the execution of the decision of Bucharest Court. According to the litigations confirmation letter received from Bostina & Associates law firm, the Court of Appeal admitted the petition for the suspension of the execution of the Commercial Decision no 5061/07.07.2010 pronounced by Bucharest Court until settlement of appeal, appeal that has its first term on the date of 28.04.2011.

c) On 31.12.2010 the company shows in the financial statements outstanding debts amounting to RON 5,228,800 over Pasteur Institute and the stamp tax amounting to RON 1,685,503 (see note 4 to the financial statements).Although the amounts originate from 2007, the estimations of Ghe. Florea law firm, independent attorney at law are optimistic regarding both the recovery of the down payment and of the paid up stamp taxes, and regarding the receipt of damage-interests provided by the sale-purchase pre-agreement. In regards to this on 24.03.2011 the Bucharest Court by its Commercial Decision no 3354/24.03.2011, admitted with right to an appeal the action of Impact Developer & Contractor SA and it ordered the return of the parties in the previous situation and courses Pasteur Institute, and reimbursement of the down payment amounting to EUR 1,250,000 and to pay the court expenses representing the judiciary stamp tax and the judiciary stamp.

d) As presented in Note 12 to the Financial statements drafted on 31.12.2010, the company holds outstanding debts in total amount of RON 20,874,619 originating from house sale within the residential complex Europa Oradea. According to the management's statements, respective houses are built in compliance with the provisions of the association agreement FN/06.07.2004.

e) For some of the litigations presented in appendix 1 to the Note 11 of the financial statements "Contingency Liabilities" no confirmations were received from the company's attorneys, such as: Traian Briciu, Silvan Gavenea, Domocos Golea, Diana Moldoval and Dobre Iuliana. In lack of such confirmations we can not appreciate the risks that the company could face and their potential impact on the company's financial performance and position.

f) As shown in Note 1 to the financial statements, during the year of 2010, Impact Developer & Contractor SA sold its participation held in Intop Construction SRL company in amount of RON 2,010,000 to Lomb SA (company within the group), trading of the shares being made at nominal value.

g) As shown in Note 1 to the financial statements, during the year of 2010, the participation held by Impact Developer & Contractor SA in Actual Invest House SRL decreased from 99% to 4.588% following the increase of the share capital made by Lomb SA – affiliated part in Actual Invest House. The increase of the share

capital of Actual Invest House from RON 5,000 to RON 11,005,000 was made by contribution in cash amounting to RON 10,500,000 brought by Lomb SA and by transformation of a credit granted by Impact amounting to RON 500,000 into share capital.

h) As shown in Note 1 to the financial statements drafted on 31.12.2010, Impact Developer & Contractor SA holds participations in Lomb SA in amount of RON 45,445,028. According to the management's statements, although by Decision of GAS no 3 as of 20.09.2010, the decrease of the share capital of Lomb SA was decided from RON 45,445,028 to RON 125,000 by reimbursement of payments to associates, the board of administration shall request GAS that the share capital decrease to be made to the extent of the liquidities existing into the bank accounts of Lomb SA.

i) On the date of 31.12.2010 Impact Developer & Contractor SA submits products and services currently in execution afferent to Dealul Lomb project in amount of RON 4,008,222. These investments mainly represented by the elaboration of PUZ documentation and the roads network afferent to Dealul Lomb – Cluj neighborhoods were set forth by the framework agreement no 55423/04.07.2007 concluded between Impact Developer & Contractor SA and Cluj-Napoca Local Council as a precondition for the set up of Lomb SA company. According to the management's and company's lawyer Vladescu Lucian Dan there are significant chances that such costs be further recovered by Cluj Local Council.

j) As it is mentioned in the notes to the financial statements, independent of the individual financial statements audited of Impact Developer & Contractor SA prepared by the company's management according to OMFP 3055/2009, the auditor SCOT & Company Consulting SRL was appointed also to audit the consolidated financial statements of Impact Developer & Contractor SA group, prepared under the management's responsibility according to the International Financial Reporting Standards (IFRS).

Report on other legal and regulating claims

According to OMFP 3055/2009, we have also reviewed the report of the administrator issued on the same date with the attached financial statements. As a result of the review, we didn't identify any aspect that could indicate significant inconsistency between the board of administration's report and the attached financial statements prepared under the management's responsibility.

The present Auditor's Report was drafted for further utilization by: the management and its shareholders united by GMS according to the law 31/90 republished. To the extent of the law, SCOT doesn't accept and doesn't assume any responsibility to a third party, other than the company or its General Meeting regarding of its audit, the audit report and any opinion it formed.

Dan Schwartz, Managing Partner
Member of CAFR (no 404/09.12.2000)

On behalf of the company

Scot & Company Consulting S.R.L.
Member of CAFR (no 322/31.05.2001)

11th of April 2011
Bucharest

Scot & Company Consulting srl

S.C. SCOT & COMPANY CONSULTING S.R.L. BUCUREȘTI
EVIDENȚA ȘI EXPERTIZA CONTABILĂ
ACCOUNTING & AUDITING
* 210 *

Risk Management

Market risks

The effects of global financial crises have been dramatically felt by the Romanian economy, 2010 being the second year of recession.

The negative perspective regarding the economic growth collaborated with governmental austerity measures (VAT increase and salary cuts for employees in the public sector), affects the real estate field, and postpone individual's decision to take a mortgage loan and to buy a new house.

The company has continued to provide finance for the potential customers that encounter difficulties in getting a mortgage from the bank. The finance is assured through a company loan with the condition to assign to the bank the revenues that are raised throughout these contracts.

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 interest rates increased and the RON depreciated relative to the EUR.

The year 2010 started with an exchange rate of 4.22 RON/EUR, and after a peak of 4.36 RON/EUR, caused by the political instability due to governmental austerity measures, finished the year at 4.28 RON/EUR. The average exchange rate for 2010 was 4.21 RON/EUR.

The economy recovery perspective for Romania and a weaker EURO caused by inflation from EURO area create premises for a stronger national currency at the beginning of year 2011.

The accelerated national currency appreciation, was assessed as unsustainable on long term by various analysts, and the National Romanian Bank gave signal in order to establish a threshold around 4.10 RON/EUR as limit for slow variations.

The exchange rate variations affect the company price strategy as the company has accounted the prices in national currency and translate them in EUR for sales promoting.

Price risk

The price correction of apartments has continued during the whole year 2010 and according to the Market Report made by Colliers International the apartment's price decreased with 18% comparing with 2009. The reduction in the average price on the market came mainly from middle class projects.

As the company's average monthly sales were above the market average, the company prices decrease during 2010 was only 6-8% depending from product to product, endowments and location. The Real Estate market specialists agreed for a stabilization of the current market price. The beginning of 2011 registered a slow increase of apartment's price mainly due to the limited funds for Prima Casa program.

Regarding the land market and the company offer of land plots, it may be added that for those few transactions made with individuals and small entrepreneurs, the price was in line with the company valuation reports.

The Colliers Report for 2010 said that:

“ On the short and medium term, the land market will remain a buyers' market, where only those owners with a competitive price offer can conclude a deal. Thus, it's highly important that owners remain flexible not only in terms of price but also in terms of the various forms of transaction structure by which a deal can be undertaken. ”

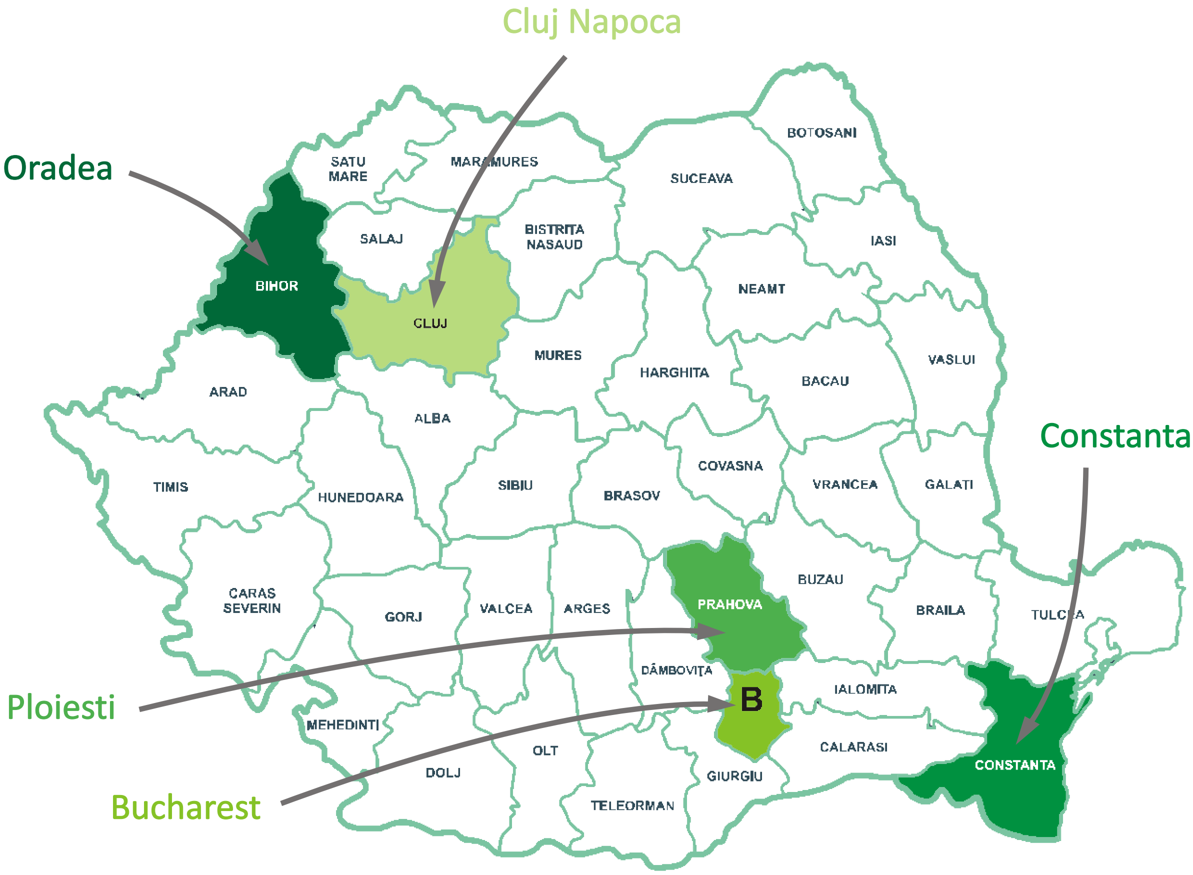
The Company

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 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). 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 in the development of large-scale projects having initiated mixed-use projects in Bucharest.

Impact has also built partnerships with several financial institutions in order to provide a variety of financing solutions to customers.



Company Overview

Over the last 19 years, Impact has developed more than 2,000 dwellings and expanded its activities in Bucharest, Cluj-Napoca, Oradea, Ploiesti and Constanta. The portfolio is completed by 25,000 sqm of office and retail space.

Impact completed 16 small and medium projects by now. Over the last few years, IMPACT focused its attention more towards projects with mixed destination (ample residential areas, office, business areas, hotel facilities, as well as to education systems - schools, kinder-gartens- and medical facilities). Its pipeline is dominated by major project like Greenfield development, a mixed-use real estate project in Bucharest.

Impact introduced for the first time in Romania new sales concepts: CallBuy, The 2 Home - the old apartment can be sold without any commission through our company and the value will be considered advance payment for the new apartment, Kaleidoscop - multifunctional dwellings, Habitest –the possibility to stay over the weekend in one of the model apartments from Greenfield and discover the true and unique atmosphere.

> *"IMPACT is the company that builds more than dwellings, it develops communities."*

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 them in any activity.

The Company's organisational culture has as 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.

Business Overview

> *"116 contracts signed in 2010, 74 were either paid in full or in installments, and the rest of 42 dwellings were rented."*

In 2010 the local economy recession led to the decrease of the investments volume, the decrease of the consumption and the demand for housing decrease once with the amplification of the financial crisis to the global level.

Despite this, Impact's strategy for 2010 was to capitalize on its assets and to analyze the new opportunities that arise on the market in the restrictive economic conditions. In 2010 the total number of the contracts signed for residential dwellings decrease from 176 contracts signed in 2009 to 116 contracts signed in 2010. From the total number of 116 dwellings, 74 were either paid in full or in installments, and the rest of 42 dwellings were rented. Also in 2010 IMPACT started to sell small land plots that could be used for the development of the houses or small businesses.

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

SWOT

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 market conditions
- Creative financing solutions for residential customers may support sales figures further in 2011
- Impressive land stock can provide potential source of cash inflow and collateral for financing pipeline 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 - 58 ha, located close to office and commercial area in an unpolluted section of Bucharest
- No pressure on short-term indebtedness

Opportunities

- Housing deficit leaves room for sustainable residential market growth in the long term (much more than any other CEE country)
- Well positioned to maximize benefits of First House government program
- Prepared to capitalize on the good location of the land stock.

Weaknesses

- Operating profitability has been under pressure due to market conditions, and will likely remain under pressure through 2011
- Uncomfortable levels of debt sustainability indicators in spite of the company's relatively low indebtedness compared to CEE peers

Threats

- Prolonged tight credit conditions and deterioration of households' expectations on their financial standing will result in difficult market conditions (at least in 2011) 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

Year 2010 was marked by the deepening of the economic crisis and its effects due to the government measures to reduce the incomes of the public system's employees, the increase of unemployment and the more difficult access to the financial sources.

The decrease of the GDP (Gross Domestic Product) by 1.3% in 2010 compared to 2009 was due especially to the decrease of the construction sector activity by 10.4%, the transportations and telecommunications sector with 4%, the services sector by 2.8% and the reduction of the consumption by 2%, further to decrease of expenses volume for the final individual and collective consumption of public administrations by 4.2%, respectively 4.5%. A positive evolution at macroeconomic level was in the industry sector by 5.1 % increase compared to last year and the improvement of the net exportation further to the imports volume outrunning (12.2%) by the exports volume (17.1%).

Under such conditions it is remarkable the fact that IMPACT quickly adapted to the new market conditions and to the uncertainty induced by the length of the recession in Romania by measures of:

a) Fixed costs reduction even from the beginning of the recession period by reducing the office areas and the company personnel.

b) Redesigning the dwelling facilities in order to best possibly fulfill the new requirements on the market, therefore taking measures of modifying the future projects, as well as the projects in progress.

c) Decreasing the debt rate to approx. 32% of the total assets value in 2010 compared to approx. 34% as it was in 2009.

d) The orientation towards projects that can be developed through European funds.

Therefore Impact signed 116 contracts in 2010, out of which 74 sale contracts and 42 dwelling lease contracts by 34% less than in 2009.

Regarding the company strategy, IMPACT, in 2010 had as goals:

- Focusing on completing the facilities started in 2008 and redesigning the estates in different stages of execution, allowing changes such as to best possibly fulfill the market requirements, adapting the sale strategy for dwelling facilities to the market conditions by introducing new sales solutions.
- Preparing the necessary documentation and the file submission to the Ministry of Development for developing “Business Support center” the first class B office project that will be financed in proportion of 50% through European funds.
- Prospecting the market in order to attract partners, to diminish the risks of the new projects.
- Other activities in analysis
- Focusing on completion of facilities started in 2008 and redesigning the dwellings in different stages of execution, and the ones that allow changes.

As from year 2007, IMPACT focused its attention more towards projects with mixed-use destination (ample residential areas, office, business areas, hotel facilities, as well as to education systems - schools, kindergartens – and sanitary facilities – medical offices, policlinics). Therefore, over 70% of the project we are developing is represented by residential constructions, the difference being given by business areas, conference centers, schools, kindergartens, parks etc.

Due to the changes registered on the real estate market in the past two years, in 2010 Impact made some changes in the operational activity. Although the incomes of the potential customers were decreasing, their expectations increased in regard to the quality of the habitat. Besides the fact that in case of purchasing an apartment, the potential customers take in consideration the non-banking purchasing solutions, but some of them also choose to get financing from the developer for the purchased dwellings. Impact found solutions to better respond to the new social values and more sophisticated habitat requirements, bringing in its mixed use developments: English private school, restaurant, sport playgrounds, food store, dental care facility etc.

Another important point was the reduction of the dwellings size offered for sale.

Considering all these, IMPACT decided to redesign the Quartz assembly, making available for potential customers apartments with reconfigurable areas between 40 and 200 square meters. Therefore, beneficiaries may choose the area corresponding to their financial possibilities, after which, assisted by IMPACT architects, they configure the walls layout on several adequate perimeters, such as to obtain the number of rooms the customers want.

The new concept of "Kaleidoscop Dwelling" was implemented in the GF+2 and GF+3 buildings, located within Greenfield project. The same rethinking of the area was also applied for the fit out of the private school “Little London School”, of the restaurant and of the fitness center within Greenfield project.

Sale strategy for existing projects

Due to the situation occurred on the real estate market, as from May 2008, Impact offered diverse dwelling solutions, adapted to the customers' needs, and flexible in application. They were continued in 2009 and 2010 as well, by new financial solutions, which were adapted especially to the sale strategy of the products developed by IMPACT and according to the market conditions.

Therefore, currently we offer several financial products for our clients, with a down payment between 10% and 50%, and the difference to be paid in a period of 2 years, 4 years, 6 years, 8 years and 10 years. In addition to last year we added the financial products „home upgrade” and „max advantage” that give the possibility to the client to pay the dwelling in installments to the developer for a period up to 10 years.

The dwellings offered by IMPACT are in 3 stages of completion: red completion, grey completion as well as finished, the customers having the possibility of choosing the best version for their incomes.

Nevertheless, IMPACT has chosen to address, through varied possibilities of purchasing, to different typologies of customers: from buyers with cash, to those with less financial resources, to which Max advantage product is offered.

At the end of year 2010 IMPACT had for sale 174 dwellings in Bucharest and 115 dwellings in Constanta, Ploiesti and Oradea.

Project "Business Support Center"

In 2010, IMPACT has completed a feasibility study for Class B office building development that addresses to small and medium enterprises, and that will be 50% financed through EU structural funds.

This project is developed by the company SC Millenium Consult Invest 2002 SA, in which IMPACT owns 45% of the shares.

Having a social component, this project belongs to the category of projects that may apply for structural funds for development, the file submission in order to obtain EU funds being done during the first quarter of 2010. In August 2010 we obtained the administrative approval and the project eligibility approval, and in November 2010 we obtained the financing with the structural funds approval of the project. In December 2010 Millennium Consult Invest 2002 submitted the technical draft for consideration.

In the spring of year 2011 there is schedule a site visit by the representatives of the Ministry of Development, followed by the signing of the financing contract. The commencement of the construction works is estimated for September 2011

Prospecting the market for attracting partners in order to diminish the risk of the new projects

The company has a flexible strategy in attracting partners in developing its projects, depending on the volume of the investment, the approached partnership structure and the object to be developed following the conclusion of the partnership.

Attracting partners for development of Greenfield project, in order to diminish the risk. It was continued the strategy for attracting financial and strategic investors to develop real estate projects or objectives that will be targeted in the development stages of the company's projects (medical center, technological park, business areas, offices, etc.). This year there were discussions with various investors to attract a strategic partner in developing a sports area of 11.500 sqm, for a medical center in a building of 600 sqm within Greenfield project, as well as potential investors for the space allocated to the business area within Greenfield project (from Bucharest), respectively Zenit (Constanta).

Attracting investors for business areas in Greenfield I, like: fitness and beauty center, restaurant, dental office and school.

In 2010 “Little London” School opened its doors to the students in Greenfield project. Little London is an elementary school with I-VIII grades, authorized by the Ministry of Education in Romania; it follows the official Romanian curricula with intensive English teaching (7-10 hours/week) by Romanian teachers and attested teachers from the United Kingdom.

Other activities under analysis

Ghencea land plot, Bucharest

For the land from Prelungirea Ghencea that Impact owns, the company is considering two strategies: either capitalization of the land by sale, or by developing a real estate development.

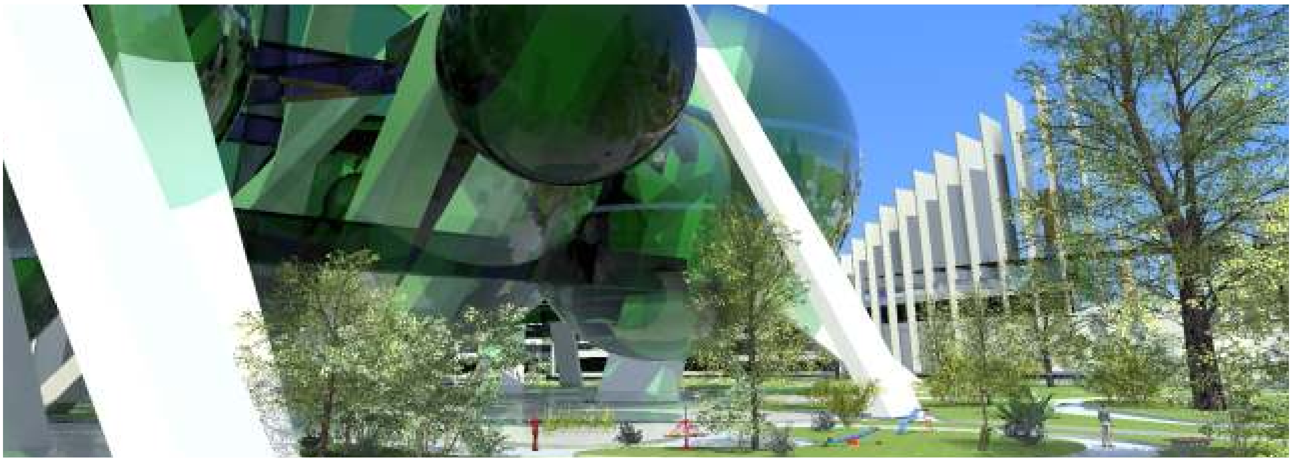
Currently, IMPACT is analyzing the opportunity to develop the first amusement park from Romania on its land plot of 25.8 hectares. In this respect, IMPACT has done prefeasibility studies and began discussions with potential strategic and financial partners in order to ensure financing sources needed to develop this project.

Medical Center Project- in Greenfield, Bucharest

For the best capitalization of the land owned by IMPACT and further to the identification of market opportunities, IMPACT started at the end of 2010 the feasibility study for the development of a medical and spa center in the Greenfield project area. Now we are in the phase of identifying potential investors at the project level and providing the necessary project financing.

Project Lomb, Cluj

In autumn of 2010, due to the fact that the shareholder Cluj Local Council has not fulfilled the obligation by bringing in the equity contribution, the 179 acres of land representing the land subscribed by the Cluj Local Council, there was decided to remove the Cluj Local Council from Lomb SA's shareholders. As a result of this fact the capital of LOMB SA was reduced, and now Impact holds 100% shares in the company.



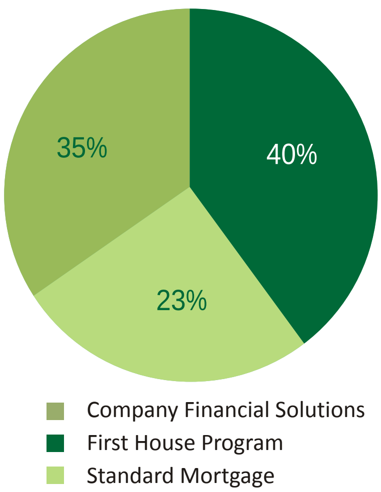
Key Factors and Major Drivers for the Development Business

First House program

The "First House" program has continued during 2010 year has leaded the low products segment. The state guarantees for a dwelling purchase within a limit of EUR 60,000, for those who do not own a property and agree with a rank I mortgage in the state favor, offering as main attraction only a 5% down payment, a maximum of 4% interest margin above EURIBOR, and no fee for advance payments.

This program was appreciated for its effects to release the real estate market and to create competition between banks regarding the standard mortgage loans.

IMPACT Developer & Contractor sold 40% of all units sold during 2010, to customers through "First House" program, while 25% represents units sold through standard mortgage loans and 35% represents units sold through company financial solutions.



The "First House" program was extended for 2011 year but the guaranty limit was considerable lower then previews years (only 0.2 bill EUR which is less than 12% form guarantee threshold of the program in amount of 1.7 bill EUR), and the threshold was attained at the beginning of April, when majority of banks have announced the completion of the allocated funds. This situation leaded to demand increase as people wished to benefit of the program condition.

The Government intends to extend the program, but in a new version, where the people who already have a house smaller than 50 sqm become eligible for the program, and to maintain the financial facilities for customers. The Government intention is to keep the guarantee threshold at 1.7 bill EUR, and to share the guarantee for the current mortgages with the banks in order to continue the program for the new customers. Some banks show their availability to continue the "First House" program in the new version, but final conditions and procedures will be available earliest in May 2011.

On one hand this program favorable affects the company generating direct customers from "First House" program and on the other hand generating indirect customers that sell an old apartment to someone through the "First House" program and buy a new one from the company.

The VAT

While the VAT reduce rate of 5% which applies for low products segment (for transaction do not exceed the amount of RON 380,000) represents an oxygen bubble and a lot of transactions have befit for this facility, the Government decision to raise the VAT from 19% to 24% negatively affects the demand for middle and upper middle projects.

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

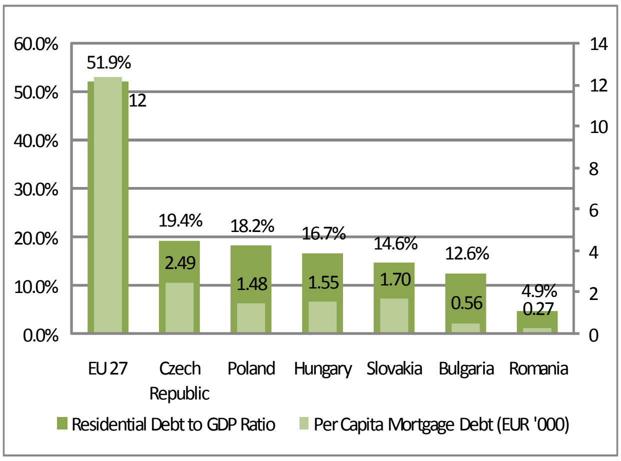
It must be considered that the Romanian residential real estate market is still substantially lacking supply in residential units compared to other peer countries in the CEE region. This fact gives further confidence in the long-term potential of the residential real estate market.

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

Although in the boom years, banks have given very many mortgages, Romania continues to be the last place in EU in terms of mortgage loans to GDP ratio.

The figures below shows that, despite the difficult situation for 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.

Residential Debt to GDP Ratio



The mortgage loans represent a small percentage of the total loans (14%) and it increased slowly in the past three years.

The current business environment, with strong perspective for economic growth in the near future, creates confidence for banks which come with more competitive offers for individuals.

Completed Products

1996 – 1998 Impact has built individual luxurious housing with a modern design, attention for details and for clients' satisfaction. The built area of the houses was between 180 sqm and 350 sqm.

1998 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 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 built flats with two, three and four bedrooms design for active people who want a new, spacious, functional home. Also, the company entered the market of office spaces with the delivery of the Class A Office Building Construdava Business Center. In the residential compounds, developed by IMPACT, there were developed small retails spaces with a built area between 300 sqm and 1000 sqm in order to serve the community needs.

Customer Care Department

> *"Customer Care Department is a key component of any successful business."*

The Customer Care Department provides a valuable link between our clients and our company. The main goal of the Customer Care representative is to meet the needs of the clients, to make sure the clients are satisfied with the services provided. Also, to increasing the customer satisfaction Impact is using research questionnaire and reports drawn up by Customer Care Department. Improving the speed, quality and consistency of response to enquiries by having our information in a format that can be easily accessed represents a priority for Customer Care Department.

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 like:

- Talking to the clients and relaying their complaints to those who are responsible and able to solve them;
- Setting a schedule for the problem resolution, monitoring the progress of the resolution process and ensuring the customer is informed as to the progress
- 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:

The customer complains come directly to the Customer Care department or via the 24 hour customer call center. Customer Care Representatives forward these messages to those in charge to solve them and then keep in touch with the customer in order to make sure the customer is satisfied with the service provided. All complaints are recorded in a CRM database which contains a complete list of Impact's clients. Reports are sent regularly to the Quality Manager to ensure that the appropriate corrective and preventative measures are taken.

Management of Quality, Environment, Occupational Health and Security

IMPACT Developer & Contractor is permanently concerned for the quality of the products and services provided. It is also concerned for the improvement of the life quality of its employees and for the protection and development in a systematical and conscientious mode of the environment.

This concern was materialized in 2008 when Impact obtained the certification of the SRAC body. By the implementation of this integrated management system IMPACT Developer&Contractor S.A succeeded ensuring the coherence of the three aspects (quality, environment, occupational health and security) inside the processes, minimizing the dissipation of responsibilities and, at an equal extent, having an unitary vision upon the development projects or upon the provided products and services. Also, the integrated management system allowed the constitution of the framework for putting into application in an efficient way of the specific concepts and techniques of project management.

On external plan, the concern for quality, environment, occupational health and security took shape by an attentive keeping under control of the outsourced processes for the execution of construction works and of installations afferent to these. Thus, IMPACT Developer& Contractor S.A imposed to all its partners to apply consequently its quality, environment and occupational health and security policies.

Following the audit of all the processes in the year 2009 IMPACT Developer& Contractor S.A obtained the reconfirmation of the fact that the integrated management system works and also obtained the certification for the expansion of the application domain of the integrated system, respectively for the activities of work constructions of residential and non-residential assemblies, manufacture and mounting of the PVC carpentry, design-architecture.

Employees

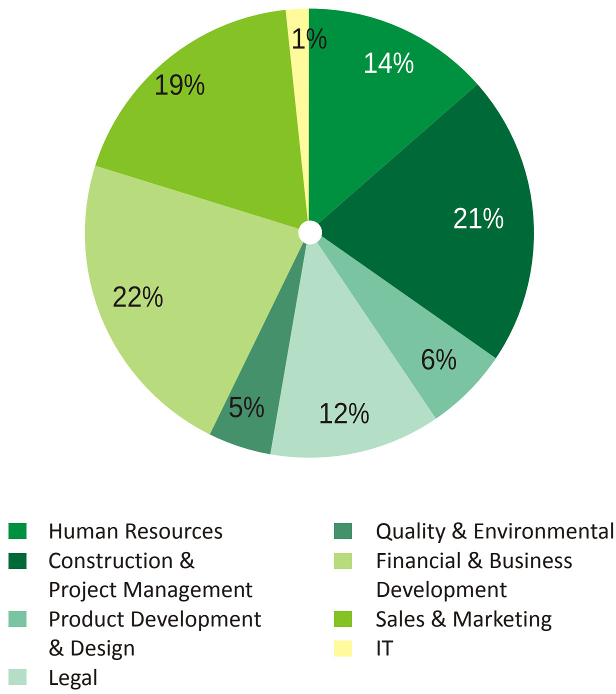
We believe the employees are the strength and backbone of any organization. It is their efficiency, performance and knowledge that will determine the level of success for any company. As employee development is crucial for the growth and prosperity of our business, we constantly develop the skills and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

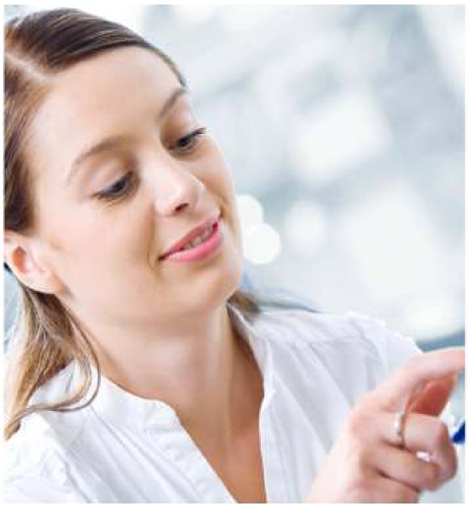
Considering the benefits of the networking in today's business climate, on the first and second quarter of 2010, training and staff development was focused on developing the skills of the sales team. Sales Trainees, Sales Consultants, Key Account Managers attended to a large number of workshops and networking seminars. Events like International Networking Week (2-6th of February), How to sell in 2010 (3rd of February 3), Realtors Conference (30th of March), Real Estate Professionals Club (31st of March), Digital Marketing (20th of April), Networking Like a Pro (20th of May) offered many opportunities for partnerships, exchange of experience and development of marketing, sales, negotiation skills.

Impact employees also took part to training programs such as: Interactive training on Structural Funds held on the 3rd and 4th February 2010 by Ernst & Young, Quality Management Course ISO 9001:2008 on 10-11 May 2010, Course of Internal Auditor in quality field between 12 and 14 of May and Cinema 4D Nemetschek Romania on the 23rd of June.

A main purpose in 2010 was increasing the quality of internal training sessions. Impact sustained the participation at a course approved under the Ministry of Education and CNFPA (National Council for Adult Training) obtaining accreditation of a trainer in the sales department. Thus, regular sessions of training, coaching and evaluation are organized internal to develop sales consultants' skills.

Employees by Segment





Our Projects

Completed Projects

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

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 is the second residential compound, developed by Impact. The project includes 70 deluxe and prestige villas.

Gamma & Delta Projects

The 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

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

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

The 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. The Azur 2 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. Because Europa is located in close proximity to this important area, it is ideal in making journeys quicker and easier.

Boreal 1 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

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.

PROJECTS	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 1	151	60,000	2002	2008
Rubin	154	18,115	2006	2009

Ongoing Projects

Impact is currently involved in four developments in Bucharest, Ploiesti, Oradea and Constanta, each of them having a different completion stage.

Greenfield Project in Bucharest

Bucharest Overview

Being the capital of Romania, Bucharest, is the most economically-developed and industrialized city. Bucharest holds a triple status:

- The biggest Urban Agglomeration of the country
- European Metropolis with a population of 2 million persons and having a strategic position at the intersection of the main Pan-European transportations corridors
- European Capital City, being a political and administrative center and having a key role in the region. According to the map of the Pan-European Transport Corridors Network, Bucharest is an important knot of this network, being located at the crossroad of two of the longest Pan-European Corridors.

With a population over 2 million people, according to the National Institute of Statistics, Bucharest (the urban area extends beyond the limits of Bucharest) is the 6th largest city (after London, Berlin, Madrid, Rome and Paris) in the European Union by population within the city limits.

Greenfield Project

In the last 7 years the northern part 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 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 just 2 km away from the crossroads with the DN 1 Bucharest – Ploiesti (National Road) and from the future Bucharest – Brasov highway, only 5 minutes away from 2 airports Henri Coanda and Baneasa International Airport and in the next 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 500 inhabitants, Greenfield offers a new living style creating a habitat characterized by a very low noise and unpolluted air. Greenfield is based on a "neighborhood" concept, providing all types of facilities required by habitants of a modern city: residential neighborhoods – 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 (Phase 2 – Phase 7).

Specifications:

Greenfield I (phase 1) is located in the South-Eastern part of the project and is developed on 10 ha. It is a residential project and it comprises over 658 residential units divided in 5 compounds:

- 154 units in Rubin compound
- 123 units in Topaz compound
- 192 units in Blue compound
- 104 units in Onix compound
- 85 units in Quartz compound

At the moment, in Greenfield the apartments are being sold at three different stages of interior finishing, the clients having opportunity to choose the most suitable for their income.

With more than 80% of the project sold new partnerships were established and new business partners came to Greenfield offering to the entire community facilities like kindergarten, restaurant, fitness, minimarket, beauty salon and a private school.

Little London School

IMPACT brings the private school Little London in the Greenfield Project, as a perfect educational solution for residents that have already moved in Greenfield and for the neighborhood communities. Little London is an educational institution approved by the Ministry of Education of Romania, which includes kindergarten and elementary school. At Little London, are developed theoretical principles by using both the basic guidelines of the British curriculum and the official Romanian curriculum for nursery school and primary school.

The new headquarters of Little London (with classes I-VIII) was opened in the new building from Quartz Compound in September 2010, offering all the needs of the modern school, an area of 900 sqm, parking, garden of 1,500 square meters including a sports playground of 800 sqm and 15 classrooms laboratories, library, media center, recreational facilities, dining room, gym and medical center.

For the first time in Romania, British Council carries out English courses for children, in other location than its location: Little London School from Greenfield.

In Romania, there have been many initiatives, carried out both with the Ministry of Education and other partners in the private sector, NGO's, etc. The partnership established in October 2010, with Little London School from Greenfield is the first partnership developed in Romania, involving for British Council with a new location for English language courses for children and for Little London School with the opportunity to benefit from the experience and expertise of the British Council creating a style of teaching "Little London". This will be combined with the methods and principles of learning Romanian with the methods of Britain education.

"We chose to be partner with Little London that allows us to perform our English courses in a place that not only meets British Council standards in terms of physical and technical characteristics but corresponds fully to our values our educational and cultural specificity."

Source: British Council

Boreal 2 Project in Constanta

Constanta overview

Situated at the crossroads of several commercial routes, Constanta is the fourth largest port in Europe, ranked just after Rotterdam, Antwerp and Marseille.

Constanta Municipality, administrative and economic center of the county with the same name, is located in the south-eastern part of Romania. The east side of the city is bathing in the Black Sea (continental sea that communicates with the Mediterranean Sea through the Dardanelles Bosfor stump), and approximately 50 km far away from the Danube Delta. At the northern limit of the city there is Mamaia resort on 6 km of coast.

The third largest city in Romania, Constanta is now an important cultural and economic center, worth exploring for its archaeological treasures and the atmosphere of the old town center. Its historical monuments, ancient ruins, grand Casino, museums and shops, and proximity to the beach resorts make it the central point of Black Sea coast tourism.

The main fields in Constanta are the harbor and the maritime transportation, tourism, food industry, trade, machine construction industry, chemical industry and petrochemical industry, electric and thermal energy, wood processing and the product of paper, clothing industry. After the total number of registered economic entities, the city of Constanta occupies the second place in the country, after Bucharest.

Boreal 2 Project

The Impact's decision to invest in developments within Constanta was influenced by the important role the area plays for the country as a whole. The area has an exciting development potential which, together with its close proximity to Bucharest and the completion of the new highway, will increase considerably the demand.

Boreal 2 is the second phase of the Boreal Project, located just 3,5 km away from the beach and will be developed on a plot of 5,578 sqm with a selling built area of 3,578 sqm.

The residential compound incorporates children's playground and entertainment centres.

Lotus 1 Project in Oradea

Oradea overview

Due to its location close to the Hungarian border, making it the gateway towards Western Europe, Oradea has been one of the more prosperous cities in Romania. Oradea is one of the most important economic and cultural centers of Western Romania and of the country in general, and one of the great academic centers with a special development dynamics.

The City of Oradea has an economy whose structure contains the majority of the fields and it represents more than 60% of the industrial output of the county: car industry, chemistry, textiles and ready-made clothes, knitwear, footwear, leather and furrier's trade, wood manufacturing, building materials, metallic manufacture, spare parts, plastics, nourishment industry and energetic. The City of Oradea has a network of public interest institutions and services: transport, designing, constructions, installations, tourism, hotel activity, and import-export.

Lotus 1 Project

Lotus Residential Project fits perfectly to the ones who choose a quiet and unpolluted area. The project comprises 16 villas with 300 – 500 sqm plot and 150 – 280 sqm built area. Lotus 1 was started in 2004. The compound is situated close to the Criş River, and about 4 km far away from Oradea city.

Roua 1 Project in Ploiesti

Ploiesti Overview

There was a quick economic growth that a Ploiesti has experienced, due to major investments from foreign companies. Ploiesti is situated on the future highway Buchares-Brasov, the main path towards the north and west provinces and the Western EU. The ski resorts from Prahova Valley can be reached in one hour of driving away from Ploiesti and the Henri International Airport is just at 45 km distance.

The city is situated at just 60 km north of Bucharest, with promising infrastructure and many development projects currently underway. Ploiesti is a strong industrial center, focused especially on the oil production and refining industry and an important educational center represented with excellent colleges and universities.

Ploiesti concentrates many foreign investments: OMV – Petrom, Lukoil, Shell Gas, Timken, British American Tobacco. Also, many retailers like Carrefour, Metro, Selgros, Kaufland, Billa, Bricostore, Praktiker found in Ploiesti a continuously growing market.

Roua 1 Project

Roua is a residential project comprising more than 35 houses that represent a new era in the company's activities: the expansion in to another market – the city of Ploiesti. 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.

Future Projects

Overview of the Greenfield II Project in Bucharest

Starting with the end of 2011 and the beginning of 2012, IMPACT will start the development of the Phase II of Greenfield Project. The first part of this phase will be developed on 4 hectares, having a total number of 628 residential units, in 16 blocks of flats with reduced heights. There will be 5 blocks in Tattoo Residence compound, 6 blocks in Bloom Residence compound and 5 blocks in the Briza Verde compound. These new residential compounds are being designed for young people, with high aspirations (Tatoo Residence), for families with children (Bloom Residence) and for those clients with a busy daily schedule and looking to relax at home in an eco-friendly environment (Briza Verde).

The project will start developing one block of flats in each one of the three compounds, which will include 127 residential units (48 apartments in Tattoo Residence compound, 44 apartments in Briza Verde compound and 35 apartments in Bloom Residence compound). Depending on the compound, the blocks will comprise studios, 1,2 or 3 bedrooms apartments.

The architects design the buildings with a large interior garden, used as semi-private spaces accessible only to the tenants. Also, Tattoo Residence, Briza Verde and Bloom Residence will benefit of all the advantages offered by the great location: 900 ha of forest, near the Baneasa Forest, only 5 minutes from Baneasa commercial area - Metro Cash & Carry Selgross, Ikea, Mobexpert, Carrefour Feeria, Bricostore, easy access to Dn1 Bucuresti - Ploiesti, 5 minutes far away from two airports: Henri Coanda and Baneasa Airport.

Overview of the Business Support Center Project in Bucharest

IMPACT continues to develop the mixed used project Greenfield, bringing a B class office building of 11,000 sqm after the first part of 668 residential units. There is estimated a period of 18 months for completion and the new building will offer the perfect spacing solution for the development of the local business environment.

The Business Support Center will have 2 undergrounds, ground floor and 5 floors, providing a total rental area of 6,280 sqm for offices. All the tenants will benefit of a conference room for 60 persons, dining room, 5 meeting rooms placed on each level, large number of parking places. The construction works for this office building are estimated to start in September, 2011.

The main purpose of this project is to offer support to the regional economy by providing services and facilities to the main promoters of economic development - private enterprises, especially SMEs.

Medical Hub and SPA in Bucharest

Impact has started at the end of 2010 a prefeasibility study for developing a medical center and spa in the north part of Bucharest, as a result of the market opportunities identified.

Taking advantage of the unique healing power of mineral thermal water springs and green environment Medical Hub and SPA is projected as one of the most ambitious medical industry investments in Romania. It represents a step forward for Romanian medical infrastructure in providing an integrated health and wellness facility for the cardiovascular problems, metabolism upsets, rheumatism or respiratory complaints as well as anti-ageing clinical facilities and laboratories.

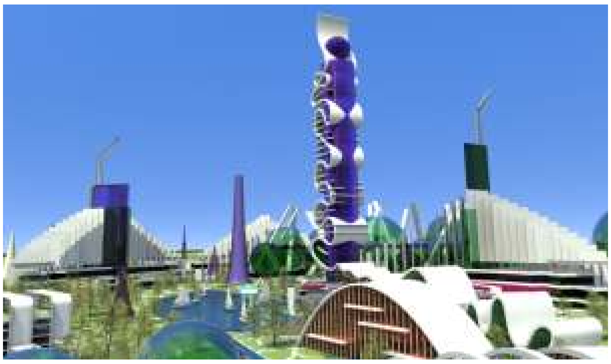
Taking advantage of the unique healing power of mineral thermal water springs and green environment Medical Hub and SPA is projected as one of the most ambitious medical industry investments in Romania. It represents a step forward for Romanian medical infrastructure in providing an integrated health and wellness facility for the cardiovascular problems, metabolism upsets, rheumatism or respiratory complaints as well as anti-ageing clinical facilities and laboratories.

The highly skilled and competitive medical staff and doctors would provide human-touch patient oriented medical services, using latest medical technologies in chronic diseases and anti-ageing treatment.

At the moment we are at the stage of identifying potential investors for this project and the necessary funding sources.







World of Adventure Park in Bucharest

Located in the west of the Bucharest between two major city boulevards and very close connected with the Bucharest Ring Road, the World of Adventures Park will spread over an area of about 25,8 ha.

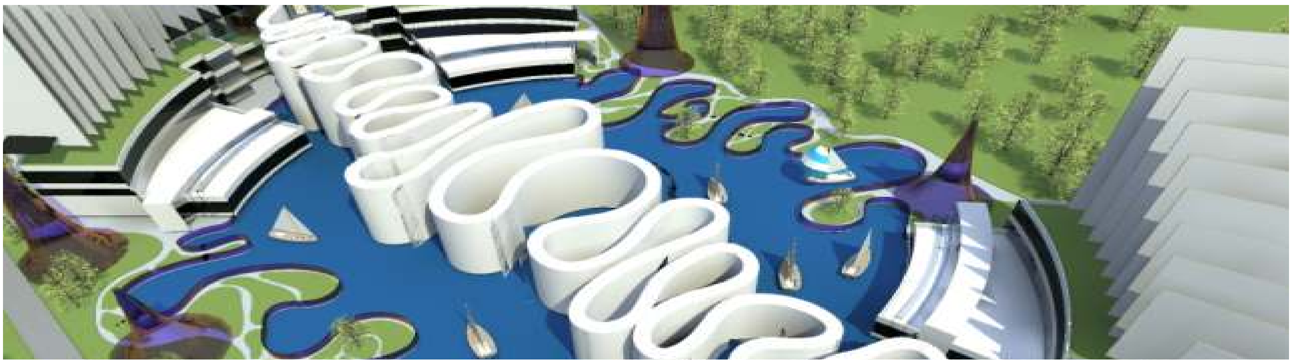
Being the first big amusement park from Romania, World of Adventures Park is designed with fun attraction for both warm and cold seasons and will represent a main tourist objective of the Bucharest.

The fun attractions of the park included two roller coasters, a free fall tower, a planetarium and space simulation studios, an aquatic park, some aqua rides for the warm season and many others rides and fun attractions. Also the park includes a multipurpose concerts' hall, circus and any other leisure and shopping facilities.

IMPACT made a prefeasibility study and began discussions with potential strategic and financial partners in order to ensure funding sources needed to develop the project World of Adventure.

Being a main tourist objective for the Bucharest, the amusement park will also include accommodation facilities like a spacious hotel, restaurants and coffee shops, an outlet shopping centre, many small commercial places, and a lot of bus and cars parking.

With new facilities for public events, the Bucharest World of Adventures Park could be a strategically location for many events such as circus, concerts, magic shows, thematic festivals, etc.



Hotel Construdava II in Bucharest

The site for Hotel Construdava II is located in Pipera Tunari area, being part of the Ilfov County. Pipera area became in the last few years the most dynamic and important business region of the northern Bucharest. Even if it is mainly a residential area, large office buildings are located here and more under development. This provides an attractive business potential for a new hotel in this area.

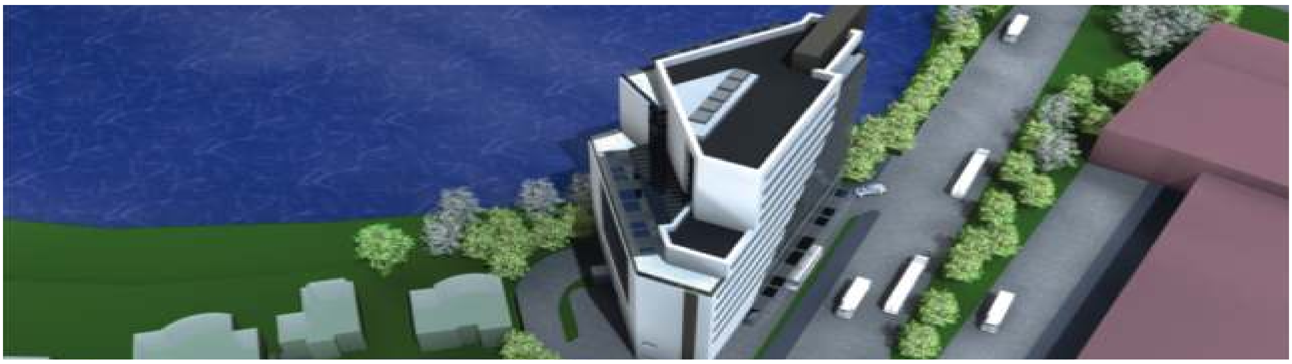
The potential of the location for a hotel development is release also by the feasibility study made by a specialized company from Austria, as the location currently lacks of an adequate hotel facilities.

Construdava II Project will be constructed at the highest professional standards using the latest technology, innovative materials and it will comply with the current EU norms as well as Romanian construction legislation in terms of health and safety.

IMPACT has signed a letter of intention with an international hotel operator as its potential strategic partner on this project. Completion of this development is depending on how soon Impact can secure an equity partner within the project.

Specifications:

- Capacity: 168 rooms
- Land Area: 4,000 sqm
- Total Floor Space Gross: 12,500 sqm
- Concept: International 4-star business & conference
- Quality level: Upscale segment



The Year 2010 and Outlook

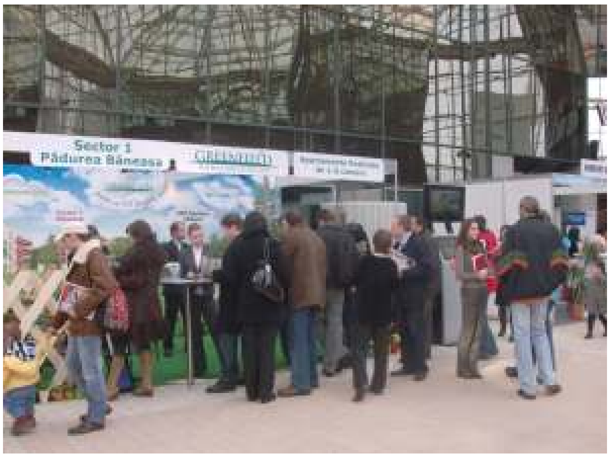
Events

National and international events are a vital part of the sales and marketing mix. They represent the perfect place to establish new partnerships, present new projects, initiate new contacts and make direct sales. Also, an event represents an opportunity to meet under one roof builders, developers, to establish contacts with real estate agencies and with companies from the investment banking sector.

February 2010

Domus Expo

Impact participated between 12^{th} and 14^{th} of February at the first edition of real estate fair Domus Expo. At this event we presented a new life style concept: a healthy life, clean air, eco friendly garden. The organizers announced there were more than 3,000 visitors to the fair.



Mobile Advertising Congress

Mobile Advertising Congress is the biggest mobile advertising event organized in the Eastern Europe. Impact participated at this event presenting the Greenfield Project together with the housing solutions offered by the company, while the latest trends, case studies, strategies in using mobile platforms and interactive innovative tools in promoting brands, corporate and social messages were presented.

March 2010

E-Marriage

Between 26^{th} and 28^{th} of March 2010, Impact participated at the fair E-marriage. This event took place at Constitution Square. Marriage is just a beginning of a new life and young people were attracted by the new apartments offered by Impact to start their life together.

Project Expo

Impact participated, between 5^{th} and 7^{th} March, at the sixth session of the Project Expo event.

This fair took place at the Children Palace in Bucharest and during this event clients benefit of free design of their eco-friendly garden in Greenfield.

May 2010

Project Expo

At the seventh session to the Project Expo fair, Impact came with a new product called Do-It-Yourself, presenting four new equipment levels for apartments. The event was organized at the Children Palace in Bucharest and in three days our sales representatives gathered more than 120 contacts.

TNI

Between 13th and 16th of May, Impact attended to the National Real Estate Fair organized at the House of Parliament in Bucharest. According to the organizers, the fair was visited by 3,562 visitors and more than 83 companies participated. Following the event 156 contacts were gathered by Impact.

Camex Constanta

Between 27th and 30th of May, Impact participated at Camex Exhibition, which took place in Constanta. Camex came as a result of the growth of regional development and many investments made in the last few years in Constanta. Following the event 15 contacts were gathered and 5 meetings were scheduled by Impact's representatives.

June 2010

CPI

Impact sponsored at 30th of June, the 8th edition of the Real Estate Professionals Club. The goal of our participation to the event was to establish new partnerships, as the event gathered each month under one roof real estate agencies, free lancers, lawyers active on the real estate market. The event included debates, round table discussion with real clients, market trends, ideas and new projects to facilitate new partnerships.

July 2010

Project Expo

Between 16th and 19th of July, Impact participated at the Poject Expo fair. The event took place at the Children Palace in Bucharest and Impact presented the IQ home. 3 in 1 concept or the multifunctional apartment offered the possibility to have into the same space living, kitchen and bedroom using the rotative wall. During this event Impact gathered 62 new contacts.

August 2010

Greenfield Cocktail after work

Impact organized in August 2010 Greenfield Cocktail after work for its clients and all the persons who recommended this project. At a great location, close to the Baneasa forest, all the participants enjoyed a cocktail while a doctor

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from the Clinique MedCenter presented the positive effect on our health of an unpolluted and fresh air due to the 900 ha that are surrounding Greenfield.

September 2010

TIMON

Between 9th and 12th of September, Impact participated at the TIMON Exhibition at the Constitution Square in Bucharest. There were gathered 68 new contacts during this event. TIMON fair reached its 17th edition and according to the estimations given by the organizers, the even was visited by 8,000 visitors.

TNI

Between 23^{rd} and 26^{th} of September, Impact participated at the TNI, event organized Exhibition at the House of Parliament. According to the market research romanian people were interested in buying smaller apartments, being interested of the interior design and the area used.

Impact offered at this event, apartments following this trend and also presented 3 new acquisition solution: Home Upgrade - buying in installments for 8 or 10 years for clients with a home but in need for a bigger apartment, Advantage 2010 – the perfect solution for a smaller advance and 6 months grace period and Ten – for young people who can move into the new apartment in just 48 hours by paying an advance of 10% and the remaining amount in installments. There was also a raffle organized at this event by Impact with different awards like a romantic weekend in Greenfield, romantic dinner and vouchers at the restaurant from Greenfield.

December 2010

Romanian Traditions in Greenfield

In December 2010, Impact organized in Greenfield an event to revive the winter romanian traditions and to spend wonderful moments together with its clients.

HIGHLIGHTS

2010

February

Impact Research: Earnings of Potential Clients Decreased, but Expectations Increased

Although the earnings of potential clients are under decrease and expectations increased with regard to the habitat quality, they are still optimistic to be able to purchase a dwelling 2010, is the main conclusion of a research accomplished by Impact D&C, regarding the updated profile of those who are in search of a dwelling in the Northern areas of Bucharest.

May

"DO IT YOURSELF" New Dwellings With Price Decreases Of 10%-40%

Impact D&C SA releases, as a premiere in the Romanian market, the "DO IT YOURSELF" concept in the residential real estate, offering to the potential clients the possibility to purchase quality dwellings for prices 10%- 40% lower, if they approach in direct labour certain works.

July

IMPACT offers new financing solutions "TEN" and "AVANTAJ 2010"

The global economic crisis has transformed every industry, segment and each strategy company. IMPACT felt all this major changes recorded on the Romanian market (exchange rate EURO/USD, reducing investment, consumption and lower demand) and it continues to adapt the sales strategy for finished products appropriate to market conditions. In 2010 the company offers new financing solutions adjusted to client needs and flexible in their application.

At the terrace in the heart of the Baneasa Forest

In Greenfield there was opened recently the Greenway Restaurant, with a wonderful terrace with a view to the forest. Here, in the morning quietness, under the warm caress of sunrays, you can enjoy at your pace the best coffee with a flavor of fresh air, far from the noise and pollution of the capital.

August

You can find the way towards a healthy and beautiful smile in Greenfield

Along with existing services (gym, school, restaurant), from 1st September in Greenfield was opened a modern dental clinic: Medisante.

70 Dwellings Turned to Profit at the Half of the Year 2010, compared to 94 One Year Ago

Impact Developer & Contractor SA (Impact SA) diminished by 5% its total debts in the first semester of this year, but along with the diminishing of the sales and of the profit of the company, because of the unsafety of consumers generated by the unsettled economic situation, the unpopular fiscal measures of the Government and of the devaluation of leu.

September

In Greenfield, school and kindergarten have started

Every autumn cadets are counted... But this autumn is entirely special because, for the first time, in Greenfield was counted its cadets.

With colored satchels, flowers, smiles and a lot of excitement, the Little London School with I-VIII grades opened its gates in the new premises within the Greenfield Complex.

October

British Council comes in Greenfield

For the first time in Romania, British Council carries out English courses for children, in other location than its location: Little London School from Greenfield.

November

Impact Developer & Contractor Offers Products Adapted to the Current Purchasing Power

Impact Developer & Contractor SA (Impact SA) focuses to diversify its activity getting closer to the small investors and addressing to the basic level of the incomes pyramid.

Impact D&C will resume trading

According to the Bucharest Stock Exchange Code - Market Operator - Art 115 & Art 6, Impact Developer & Contractor will resume trading on November 23rd, 2010.

The Economy

When the European economy started to contract in 2007, few could have predicted the scale and drama of the events that have followed. Even as the recession ends, economic growth may well be weak for the short term, and it looks certain to be very different and more volatile in the longer run.

Our global economy has turned into a multi-polar world in which China, India, Brazil and the Middle- East have joined the traditional players of North America, Europe and Japan as both the destinations and sources of global investment. Capital is now clearly flowing in multiple directions. New corporate giants are emerging to compete. Opportunities and challenges have grown as a consequence. Old assumptions have been found wanting but the new rules of competitive success have yet to be established.

In this new environment, Europe is still perceived as lacking clarity in direction or the necessary commitment and speed to adapt. The Ernst & Young interviews with 814 of the world's most demanding business leaders, all in search of their next international investment opportunities, indicate that Europe needs a wake-up call if it is not to lose ground to its more dynamic competitors.

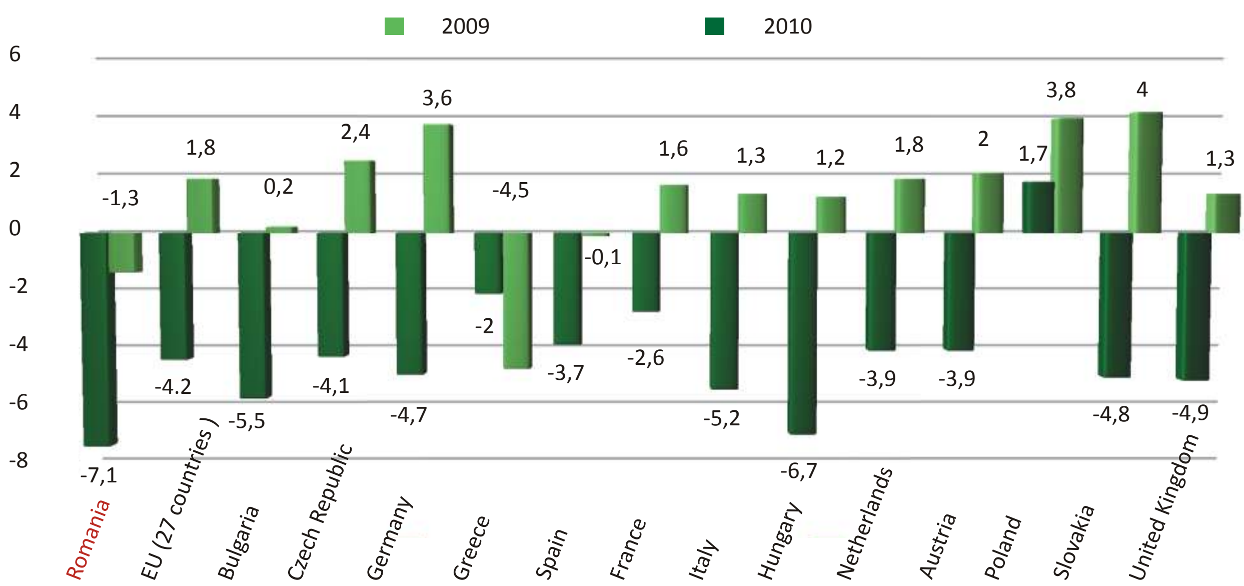
Ernst&Young's 2010 European attractiveness survey shows that Europe is vulnerable both on its Eastern front (left to rebuild its financial and social systems) and Western front (less cost competitive by the minute and not perceived as a “hot spot” for knowledge intensive investments).

During 2010 the global economy registered a lot of changes, most of them being consequences of the global financial crises started in 2007. Despite the overwhelming problems caused by sovereign debt, most of the European Countries have shown signs of slight economic improvement, where the average Real GDP growth rate for EU 27 registered 1.8% increase.

While Slovakia, Poland and Germany lead the top of countries with the highest economic recovery and the rest of CEE Countries registered an economic growth close to the EU average, the Romania economy finished the end of 2010 with a negative economic growth of -1.3%, according with EUROSTAT and with the latest estimates of National Statistics Institute.

The figure seems to be a good one comparing it with the official forecast for 2010 of -1.9% made by National Prognosis Commission. The governmental austerity measures taken in 2010 matched the budget balanced but for the short time negatively affect the whole economy through a decrease of final consumption.

Real GDP Growth Rate - Percentage Change On Previous Year



Source: EUROSTAT

The Real GDP decrease (-1.3%) was determined by the following sectors decreases: Agriculture sector (-0.8%), Constructions (-10.7%), Trade, Hotels, Transports and Telecommunication sectors (-4%), and Services sector (-2.8%).

Positive economic growth was registered in Industry (+5.1%) and a slow increase was registered in Financial and Real Estate services (+0.8%) compared with 2009 year.

Foreign Direct Investment

According to a recent United Nations report, developing and transition economies attracted over 50 percent of the world's foreign direct investment in 2010 and, for the first time, outperformed developed economies

Global inflows of foreign direct investment (FDI) rose marginally by 1%, from $1,114 billion in 2009 to almost $1,122 billion in 2010, based on UNCTAD estimates.

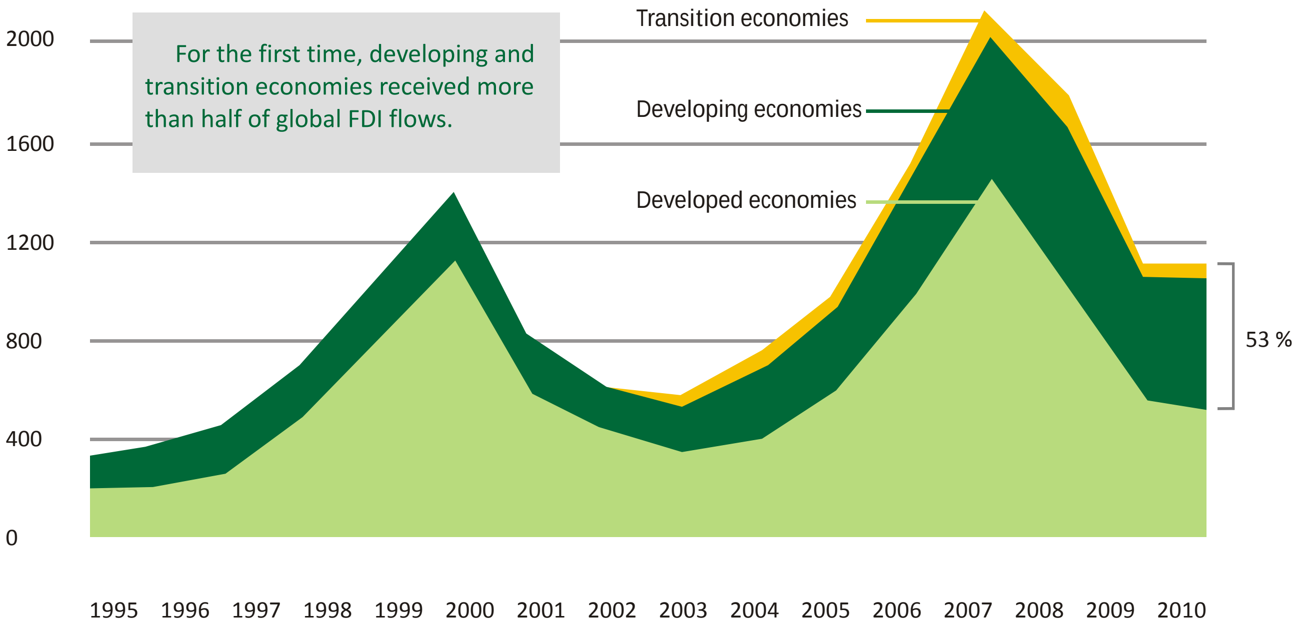
A strong rebound in FDI flows to developing Asia and Latin America offset a further decline in inflows to developed countries (figure 1).

Stagnant global flows in 2010 were accompanied by diverging trends in the components of FDI. While the increased profits of foreign affiliates, especially in developing countries, boosted reinvested earnings, the uncertainties surrounding global currency markets and European sovereign debt, resulted in negative intra-company loans and lower equity investments.

Cross-border mergers and acquisitions (M&As) increased by 37% in 2010, while international greenfield projects, fell both in number and in value. Nevertheless, the total project value of greenfield investments has been much higher than that of cross-border M&As since the crisis, which was the opposite case before the crisis.

The year was characterized by an unexpected drop in flows during the second quarter and a rebound in the third quarter. UNCTAD's Global FDI Quarterly Index dropped from 107.7 to 82.5 and then rose to 121. Projections for the fourth quarter – based on available data on M&As and greenfield investments – show a continuing flat trend. Crossborder M&As were down in the fourth quarter, compared to the third.

FDI Inflows, Global and by Group of Economies, 1995-2010
(Billions of Dollars)



Source: UNCTAD

Greenfield investments in the fourth quarter showed some improvements, but remained nearly at the same level as that of the previous year's fourth quarter.

Compared to the prosperous FDI flows going to emerging economies, the total amount of FDI heading to developed countries contracted by 6.9 percent. Surrounded by debt issues and general uncertainties across global currency markets, the European Union turned in a poor performance in 2010 – seeing a 19.9 percent decline in last year's FDI attraction.

> *"FDI flows to South-East Europe continued their decline with a further negative 31% due to sluggish investments from European Union countries (traditionally the dominant source of FDI in the subregion)."*

The FDI made in Romania registered a boom during 2006-2008 and sustained the economic growth.

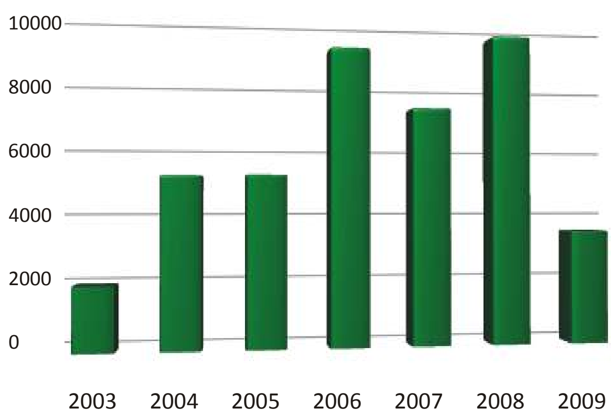
After recession period (2009-2010) it is expected for a new flow of FDI to Romania, starting with 2011 year.

In top five of the balance account from 2009 of FDI in Romania are the following countries: Netherland (21.8%), Austria (18.1%), Germany (13.4%), France (8.5%) and Greece (6.6%).

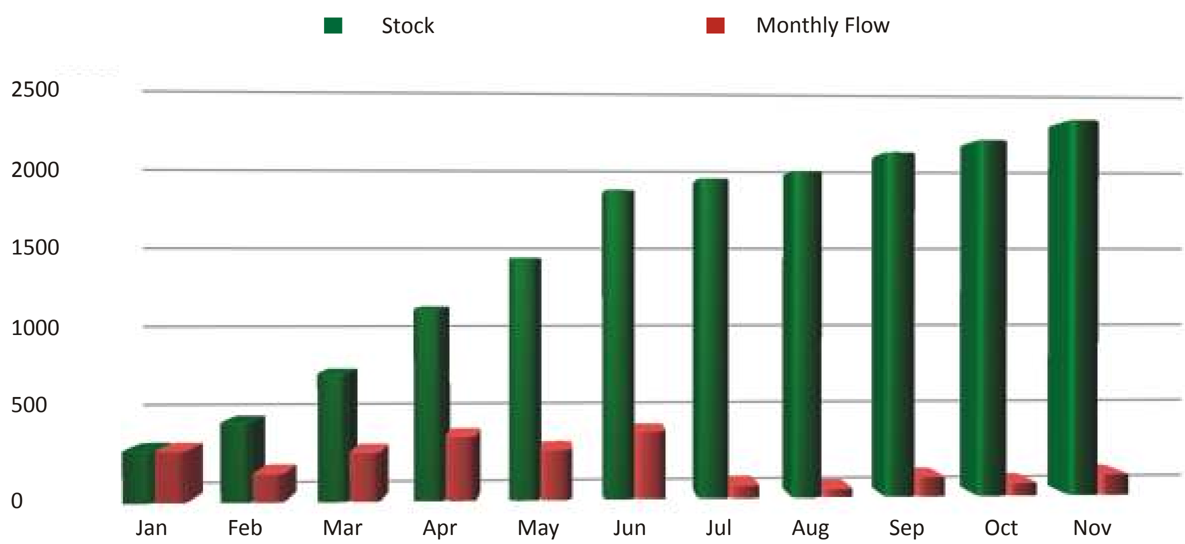
Bucharest-Ilfov Region has attracted foreign investment of 31.69 billion EUR, nearly two thirds (63.4%) of total foreign investments made in Romania until 2010.

Euro area annual inflation is expected to be 2.6% in March 2011 according to a flash estimate issued by Eurostat, the statistical office of the European Union. It was 2.4% in February.

Foreign direct investments attracted by Romania during 2003-2009



Foreign direct investments attracted by Romania in 2010 (EUR Mil.)



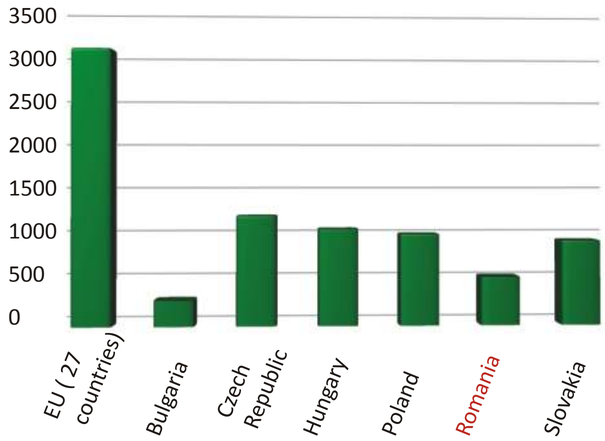
Source: Banca Nationala a Romaniei, Balanta de plati

Labour costs

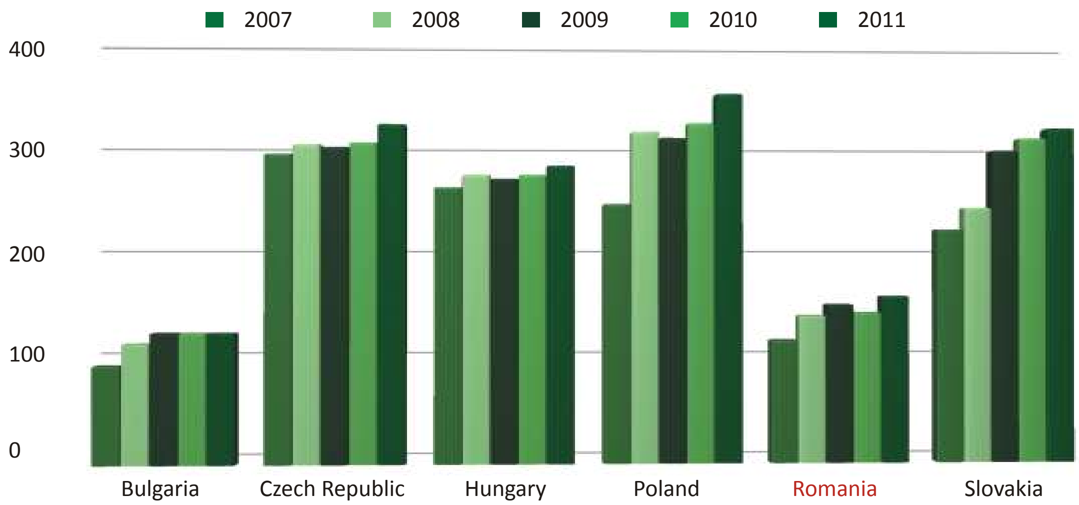
With one of the lowest Labour costs from Central and Eastern Europe, Romania represented in last years a real target for Foreign Investors.

Romanian employee costs are 50% lower than an employee of Western Europe, and the average profitability of human capital is 30% higher in Romania than in Western Europe, situated on the same level as the U.S. shows a study released in January 2011 by PricewaterhouseCoopers (PwC).

Monthly Labour Costs in 2007 - EUR

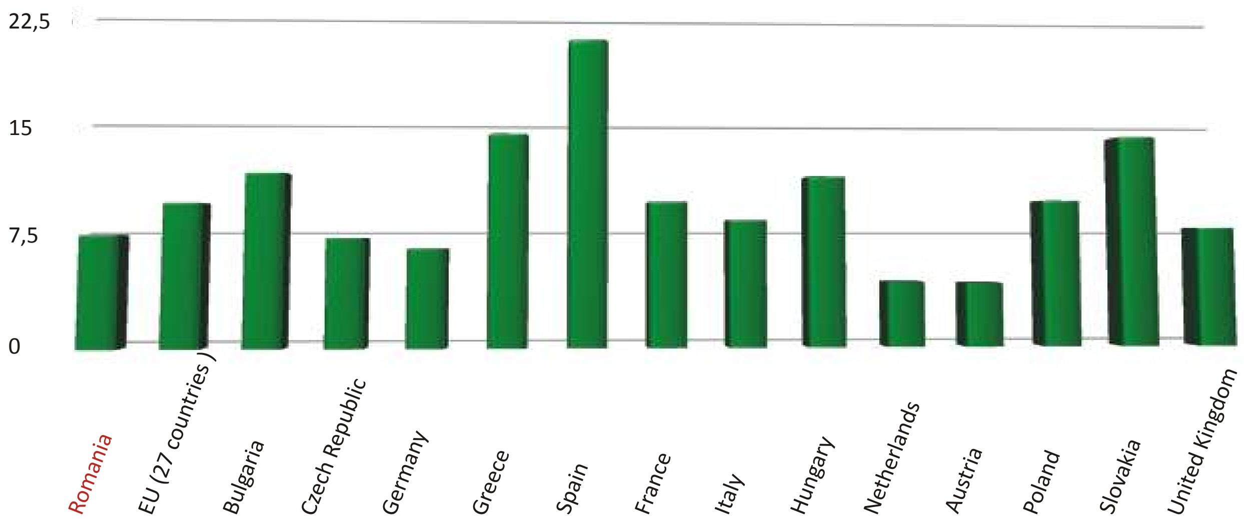


Minimum Wage (EUR / Month)



Source: EUROSTAT

Harmonised Unemployment Rate



Source: EUROSTAT

According to the survey, provided by the Eurostat report, the financial crisis made the unemployment one of the major problems of the European countries. As a result of slight economic growth in most of the European Countries, the Unemployment Rate showed a slow decrease at the end of 2010.

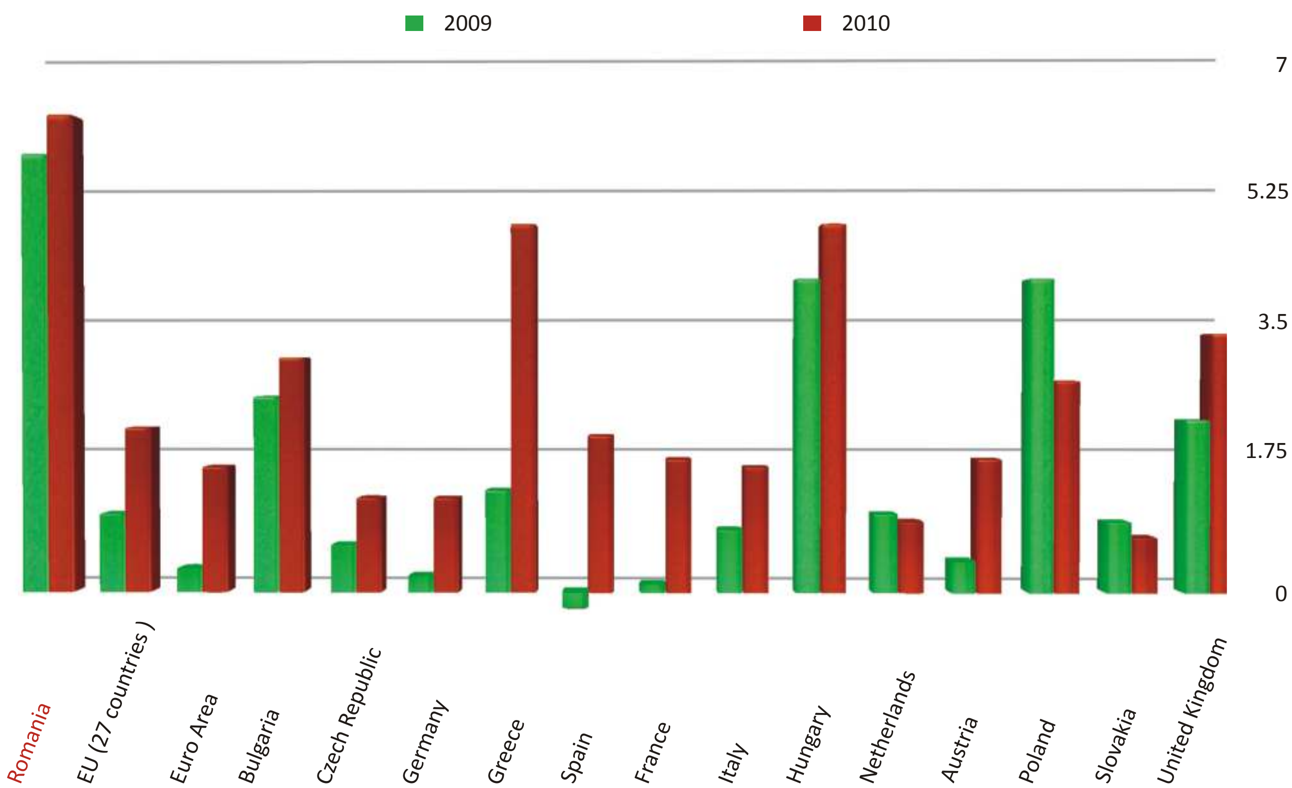
Inflation Rate

The structural problems from Romania economy and the government decision to raise VAT at 24%, caused the higher Inflation Rate from European Union during 2010.

As the EU governments made significant efforts to save countries from sovereign debts, a higher inflation rate from Euro area will be one of the costs for these efforts.

Euro area annual inflation is expected to be 2.6% in March 2011 according to a flash estimate issued by Eurostat, the statistical office of the European Union. It was 2.4% in February.

Projections of REAL GDP Growth Rate – Percentage Change On Previous Year

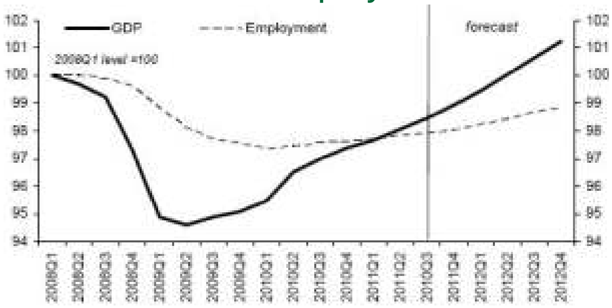


Economic Outlook 2011

The European economy is slowly emerging from the deepest recession in decades.

The economic crisis resulted in a large loss in economic activity in the EU, accompanied with millions of jobs lost and a high human cost. The structural weaknesses pre-dating the crisis which had not been tackled adequately became blatantly apparent.

GDP and employment



Sources: EUROSTAT; ECFIN Autumn forecast
Note: the profile for forecast employment – available on an annual basis only – has been interpolated linearly to deduce its quarterly profile.

The deep contraction in GDP wiped out on average four years of growth.

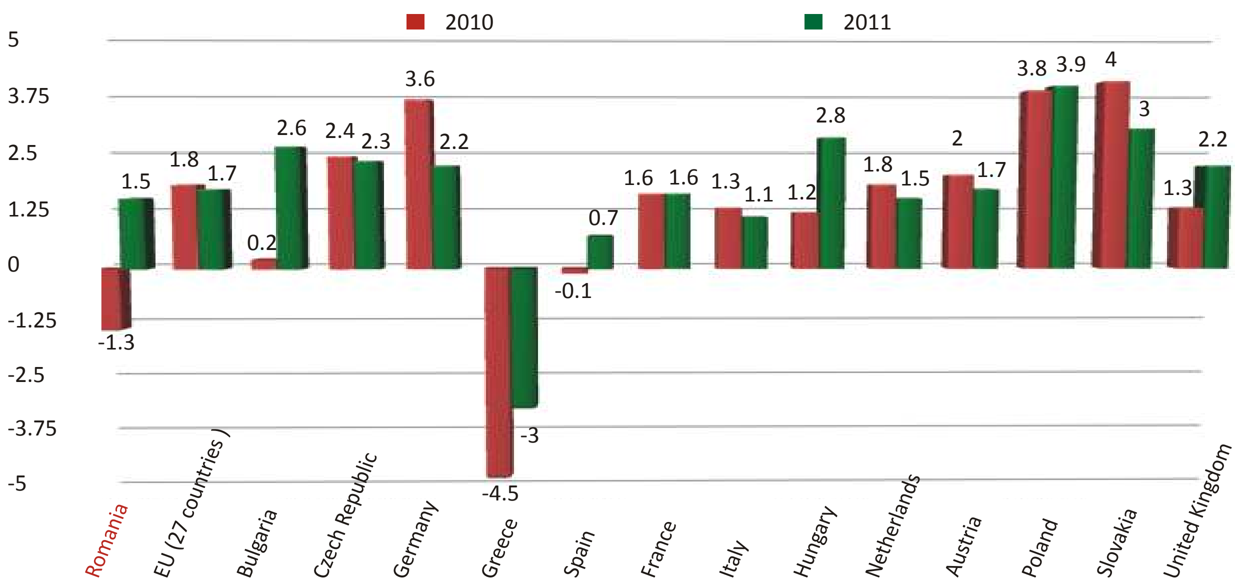
The loss in output in 2008 and 2009 sent the EU GDP back to 2006 level. The EU is expected to recover the output level seen in the first quarter of 2008 – before the crisis hit the real economy – in the second quarter of 2012 only, according to the Commission's Autumn 2010 economic forecast.

By the end of 2011, only ten Member States are projected to have returned to their output levels in 2008 or above. By the end of 2012, eleven Member States are still expected to remain at output levels below those preceding the crisis. Employment is projected still to fall short of its pre-crisis level at the end of 2012 (by over 1%).

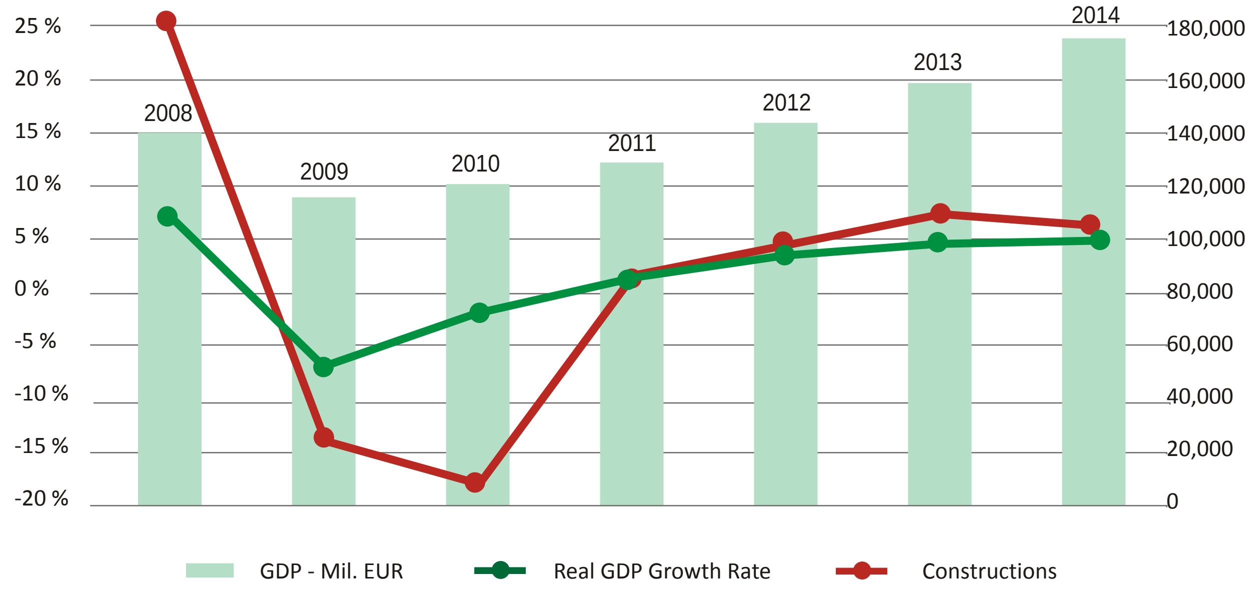
The Romanian economy is predicted to gradually recover since the beginning of 2011.
It is the following Economic growth premises:

- Romania was one of the last EU economies entered to recession, with quarter-on quarter growth turning negative only in the third quarter of 2008. It will also be one of the last EU economies to exit recession and make a sustained recovery;
- The governmental austerity measures taken in 2010 will balance the state budget and will produce positive results starting with 2011;
- The government has managed to remain on course with the IMF program;
- The IMF has declared that will show flexibility regarding the duration of a follow-up agreement with Romania;
- A significant growth of industry and exports has reported in 2010;
- A lot of projects financed through EU Structural Funds will commence in 2011
- Emerging markets are leading the recovery, whereas growth in developed markets has been sluggish.

Harmonized Indices of Consumer Prices (HICPs)



Romania GDP Forecast



Source: National Prognosis Commission

- It is estimate a positive economic growth of 1.5% for 2011, and the start of recovery.
- The construction field will continue to have the highest growth rate as before recession.

Improving FDI prospects for 2011

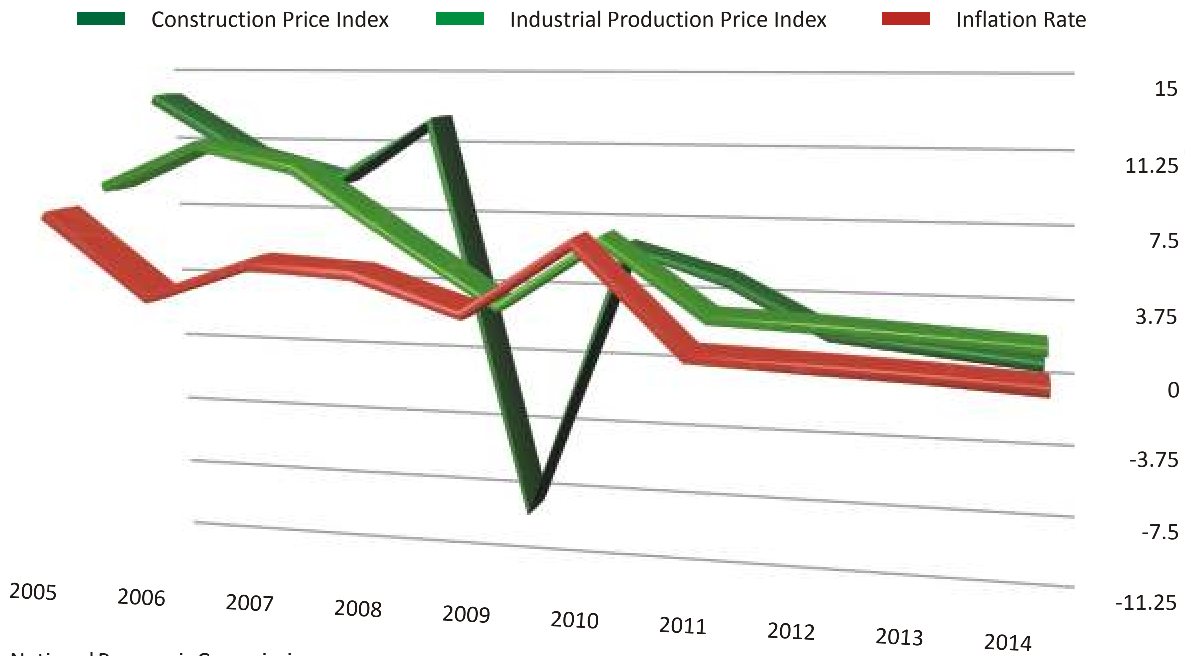
For 2011, UNCTAD estimates FDI flows to be between $1.3 trillion and $1.5 trillion. The UNCTAD holds a positive point of view on the overall prospect of FDI advancement, thanks to the rising business confidence and the worldwide favorable policy climate. However, it also points out that risks related to the slowing down global GDP growth, currency volatility, sovereign debt and investment protectionism may still become hindrances against global FDI recovery.

The Unemployment Rate it is expected to be around 7% for medium term, while Real Wage Growth Rate it is expected to stabilize around 1.5% for each year.

Unemploiment vs. Real Wage Growth Rate

Data source: National Prognosis Commission

Yearly Price Indices



Source: National Prognosis Commission

As a result of VAT increase the Inflation Rate goes up to 7.96% in 2010 and all the prices has change the trend;

After the price correction in the construction sector, it is expected for low price fluctuations in the future.

From the point of view of Romanian producer,

> *“2011 will be a year when production costs will continue to optimize in order to maintain their commercial competitiveness, taking into account the influence of the primary industry – raw materials, electricity, inflation, labor costs. A monitoring of production prices during the past few years clearly shows the ability of Romanian producers to adapt to market needs, and their efforts to keep production costs under control. The struggle to survive will cause seasonal drops in prices, but the average variation will not exceed five percent.”*
>
> Claudiu Georgescu,
> president of the Romanian Association
> of Construction Materials Producers

Residential Market [1]

It has been more than two years since financial crisis hit, marking a significant change on the residential market. Prior to 2008, almost every land owner used to build residential as everything available on the market was sold out pre-completion. During the last two years, however, only financially independent developers remained active and completed their projects. At the same time, end users have become much more sensitive to prices.

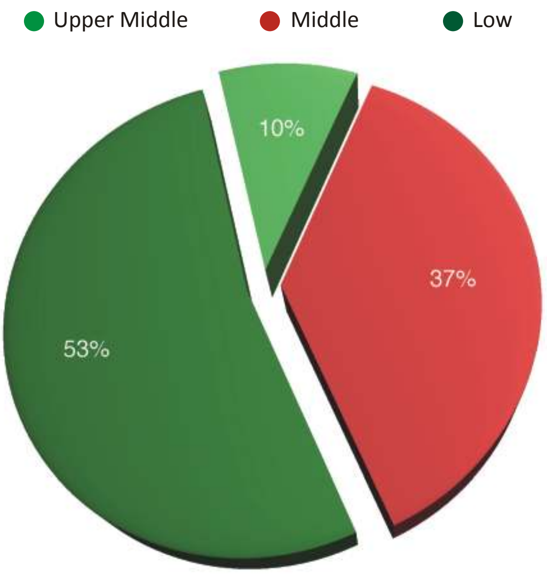
Supply

At the end of 2010, the new residential market offered 4,500 units in 35 projects completed or close to delivery (available from developers).

No new project broke ground in 2010 and one more project stopped the construction works. The supply is still dominated by low class developments, which represent 53% of the units available for sale.

[1] Romanian Market Real Estate Review, COLLIERS INTERNATIONAL

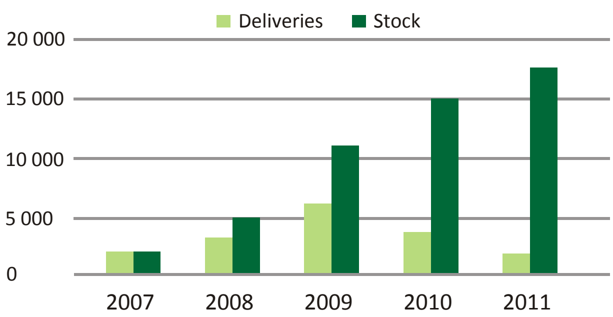
Supply by Type of Project



Around 3,900 apartments were delivered in 2010, almost equally distributed between the first and the second half of the year.

Consequently, the stock reached approx. 15,000 units at the end of the year. Compared to the record number of deliveries in 2009 (6,100 units), the market registered a 36% contraction.

Deliveries and Stock Evolution



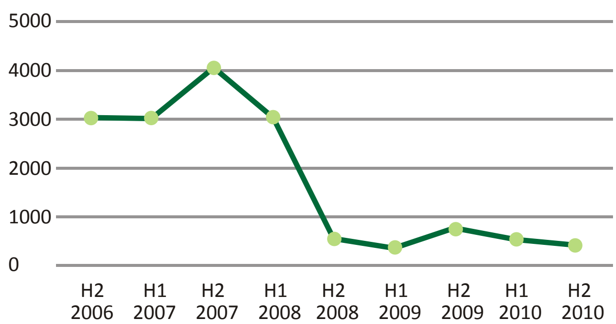
The number of delivered and unsold apartments continued to increase in 2010, reaching about 3,800 units at the end of the year. The stock increase was disproportionally split over the year. During the first half of 2010, unsold new stock increased with 1,200 units. The second half of the year saw only approx. 500 units added to the stock of available and unsold units.

Demand

Prior to the crisis, i.e. pre 2008, annual take-up of units on the market had risen to 7,000 units per annum. In 2009, this rate fell to 1,300 sold units and in 2010 it went further down to approx. 1,100 units. This has been in direct response to low economic confidence and government austerity measures that undertaken in May 2010 (such as: VAT increases and salary cuts for employees in the public sector).

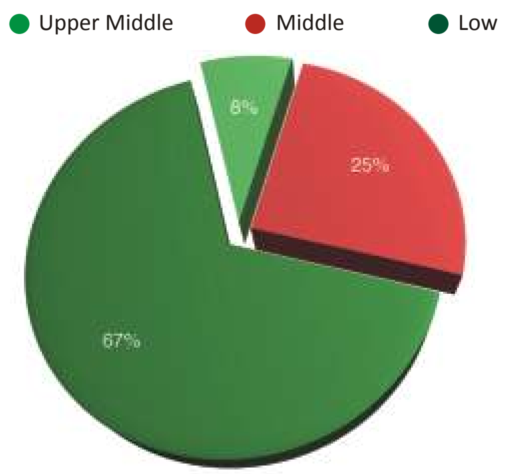
Although the general mood of buyers improved by the end of 2010, only 500 units were sold to end users in the second half of the year. Thus at the end of 2010 sales decreased by 17% compared to the first half of 2010.

Demand Evolution (half yearly data)



In 2010 buyers' attention was on delivered units at low prices no matter the quality of the product.

Sales by Type of Project

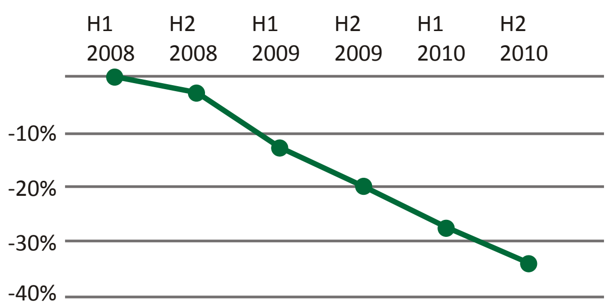


The last two years provided greater opportunities for those projects targeting the low income population. Even though the market was severely affected by the financial crisis, developers owning low price projects were better able to reach a saleable price to match demand and thus reap the "poor benefits" of this period. Our analysis reveals that in 2010 around 67% of the total number of sales on the market was in projects targeting the low income population. The Prima Casa program was a catalyst for this category of projects.

Prices

In 2010 the prices slid further, down 18% compared to the previous year, from Ä1,300/Sqm at the end of 2009 to Ä1,070/Sqm (VAT not included) at the end of 2010. The decrease was equally split over the year as each semester registered a decrease of around 10% compared to the previous period.

Price Evolution Compared to Peak Value

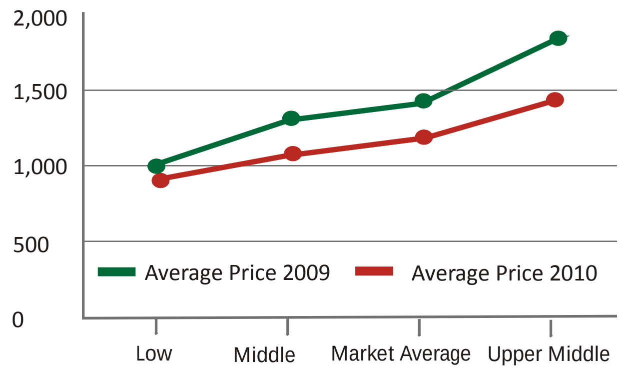


The reduction in the average price on the market came mainly from middle class projects. Prices in low class projects were the first to adjust to new conditions on the market. Consequently prices in these projects did not decrease significantly in 2010 (a decrease of around 7%), from Ä1,020 to Ä950/built Sqm, VAT not included.

It took 6 months for prices to decrease and align to the new market conditions. Developers accepted the reduction in prices only towards the end of the first half of 2009 and consequently the prices went down by around 11% during that period.

The following three semesters (H2 2009 – H2 2010), have seen a continual price decrease by approx. 8% on average.

Price Evolution By Type Of Project



The largest decrease in prices was registered in case of the medium and upper medium projects. Following strong resistance to a decrease in prices during the second half of 2008 and 2009, projects in these categories eventually adjusted in 2010. Thus, compared to price levels existing at the end of 2009, medium class projects registered an average decrease of 16% (from Ä1,430 to Ä1,200/built Sqm, VAT not included). Projects in the upper middle class segment witnessed price falls of 20% during 2010 (from Ä1,860 to Ä1,490/ Sqm, VAT not included).

Prognosis

As seen in 2010 residential market performance is directly correlated with buyers' confidence in the market, and depends greatly on the measures taken by the government.

In terms of both sales rates and prices we expect to see at least the same level of performance registered in 2010 as the market stabilizes.

The only change of the year will be seen on the deliveries side. Most of the projects available on the market are already delivered or very close to delivery. After several years of important increases in supply, the Bucharest market is unlikely to see new significant deliveries.

Hence, although developers have announced approx. 1,900 more units to be delivered in 2011 most probable a large proportion of these units will be postponed until at least 2012.

Based on the premise that demand will remain stable, or perhaps grow slightly, 2011 could see developers enter the market looking for good opportunities to buy land with potential for future development.

Outlook and Goals

The currently economic crisis is affecting consumer's sentiment, and has resulted in a significant reduction of market activity in the real estate sector. Relative to the residential sector this is a „consumer confidence crisis of an ex-communist country having experienced a short lived boom business cycle rather than a market suffering from oversupply of housing as with other European countries (e.g. Spain). Banks are beginning to market mortgage products, with emphasis on refinancing for good customers from other banks, but consumers are waiting in the sidelines in anticipation of a much clearer picture regarding their income sustainability.

In spite of the economic problems Romania faces due to the global economic crisis (the crisis that led to the destabilization of the real estate market), for 2011 IMPACT has set targets by which to respond effectively to the market needs, customers, and partners. The optimism over the market and of the relationship IMPACT has with its customers is given by the diversification of the real estate products and of the financial products offered to the clients, managing to respond to the difficult access to funding sources and to the increase of the customer expectations for quality habitat.

After three years of price decrease in the residential market, we are expecting for a price stabilization in 2011 and for a starting point for a new cycle in the next two years. Sales prices are at the lowest in the past 3 years and in the next couple of years we might face a deficit of new dwellings on the market due to the absorption of the finished dwellings and the low number of the new projects on the market.

The offer proposed by the company for 2011 is a complete and complex one, offering a wide range of products: from land plots suitable for different size developments, finished residential units or dwellings without finishings, buildings with reconfigurable surfaces, to off-plan products. Also in order to add value to the projects under development, a better evaluation of the existing buildings and for a better land use it has under its property, in 2011 IMPACT aims to establish partnerships with different operators/investors.

The company's activity for 2011 is focusing:

- To sale and rent the dwellings in Greenfield, Roua, Boreal 2 and Oradea projects in total value of 39 mil RON
- To sale land plots in total value of 5.3 mil RON
- To start in the second half of 2011 the construction works for the Business Support Centre, located in the immediate vicinity of the Greenfield project.
- To finish the interior partitioning and finishings for the Quartz compound
- To finalize the architectural drawings and design of the second phase of the Greenfield project
- IMPACT also aims to enter into partnerships to develop the second phase of the Greenfield project and a medical center in the north of Bucharest,
- To conduct feasibility studies for developing a technology park and an amusement park in Western Bucharest in order to attract financial and strategic partners to develop these objectives and to capitalize on the land plot the company owns in Bucharest, Prelungirea Ghencea area.



The Impact Developer & Contractor Share and Shareholders

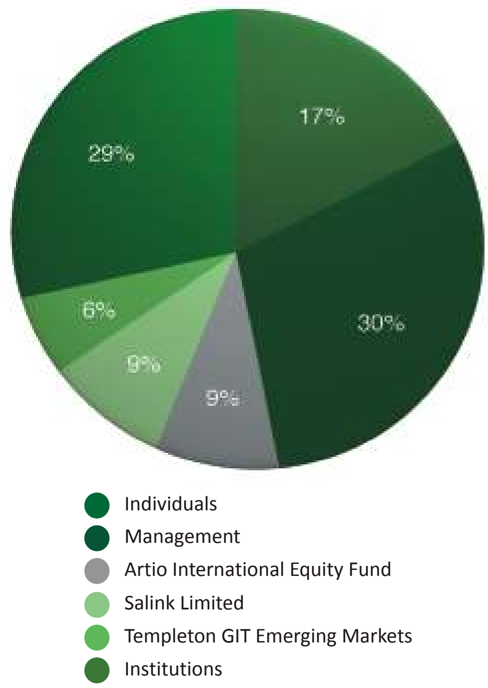
The company Impact Developer & Contractor SA is traded on Bucharest Exchange since 1996, and as from 2006 its shares in number of 200 millions, are traded at I rank. Exchange capitalization of the company at the end of year 2010 was of 22.34 mill. EUR.

70.32% of the company shares is free-float and 29.68% of the company's shares is held by the management of the company. The shareholders with blocks of over 5% are: Dan Ioan Popp with 18.07%, Carmen Sandulescu with 11.62% shares, Salink Limited with 9.06%, Artio International Equity (known as Julius Baer Fund) with 8.46% of shares, and Templeton GIT Emerging Markets 6.09%. At the end of year 2010, 53.03% of the shareholders were legal persons and 46.97% were natural persons.

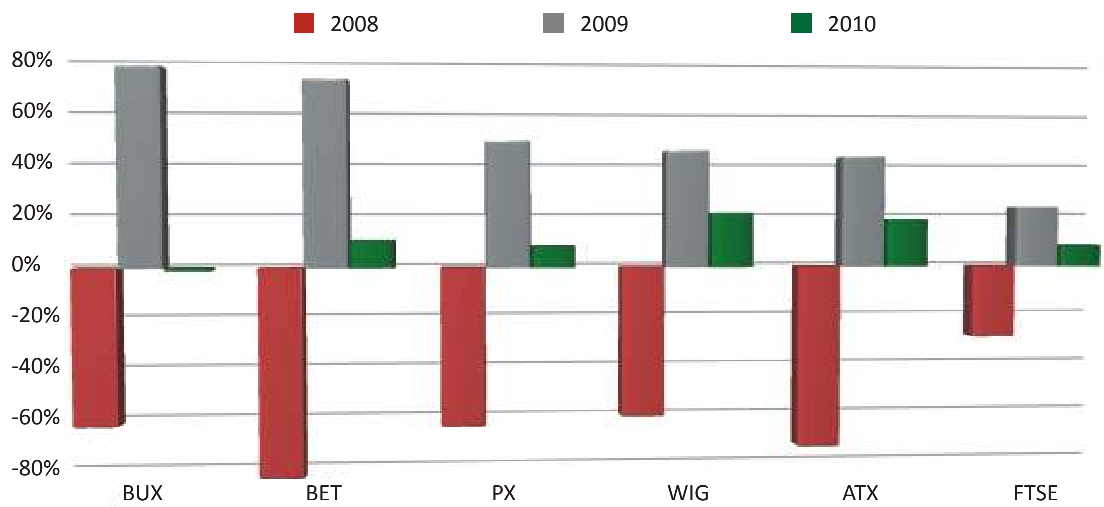
In 2010 there was continued the upturn of the stock indexes compared to 2009. If in 2008 there was a decrease of the BET stock index by 70%, in 2009 we assisted to its increase by 62%, and in 2010 to an increase by 9%.

In 2010 the economic climate continued to be unfavorable, IMP shares having a 32% decrease compared to 2009. If in the year first months of 2010 IMP shares registered some stability with a maximum share price of 0.905 RON/share recorded on April 12th, 2010, the announcement of the government measures to reduce employees' salaries from public sector and the increase of the VAT from 19% to 24% contributed to the increase of the uncertainty of investors in real estate sector and to the decrease of the share prices by 32%. The lowest rate of IMP shares of 0.3550 RON/share was recorded on 16th November 2010.

Shareholders Structure

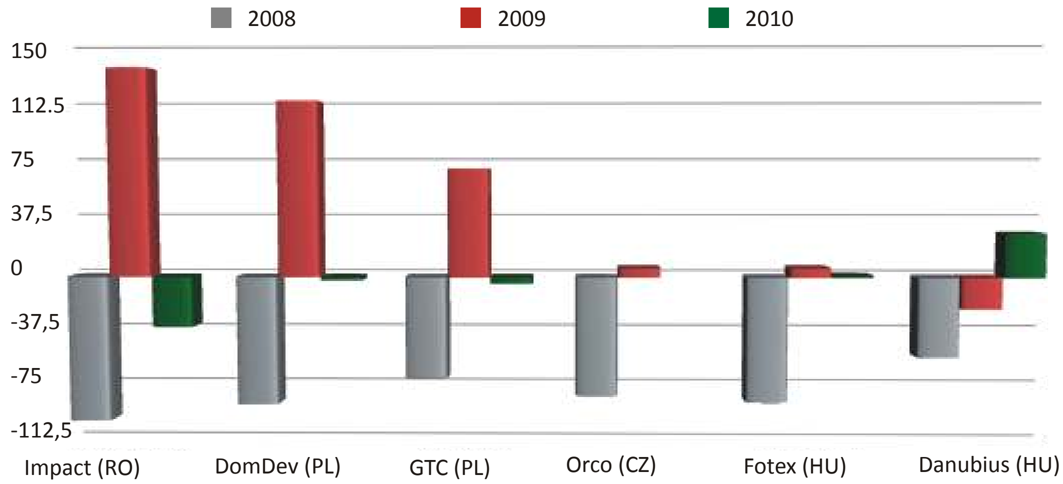


Stock Exchange Indices Performance in 2010 vs 2009 and 2008



Source: Impact

Share Price Performance in 2010 vs 2009 and 2008



Source: Impact

A stagnation tendency or slight decrease was recorded also in the share prices of the peer companies from other countries from CEE in 2010.

Investors Relations

Professional investor relations has 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.

Impact has also participated to several investor conferences throughout Europe and the USA during 2010, where the Managing Board and the Investor Relations team met hundreds of investors, and discussed with investors about its developments and strategy in one to one meetings and conference calls. 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.

During last year Impact was covered by analysts, such as: KBC Securities, Wood & Co, UniCredit CAIB Securities Romania, and BRD Securities

IMP vs BET Index Normalised as of 31.12. 2010

Information on Impact Shares:

Investors Relations Officer:	Oana Trifu
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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

ECONOMIC – FINANCIAL INDICATORS

	Indicator (RON)	2008	2009	2010
Results Indicators	Turnover	151,688,180	54,233,682	34,288,805
	Operating income	233,600,410	68,557,322	26,730,406
	Operating expenses	207,485,167	57,526,000	37,096,903
	Operating result	26,115,243	11,031,322	(10,366,497)
	Financial income	20,817,866	10,090,020	13,053,009
	Financial expenses	36,643,299	20,623,970	20,222,177
	Financial result	(15,825,433)	(10,533,950)	(7,169,168)
	Total income	254,418,276	78,647,342	39,783,415
	Total expenses	244,128,466	78,149,970	57,319,080
	Gross profit	10,289,810	497,372	(17,535,665)
	Net profit	8,258,687	141,540	(17,546,665)

	Indicator (RON)	2008	2009	2010
Patrimony Indicators	Fixed assets	125,657,275	87,624,247	94,201,345
	Inventory	277,886,645	311,575,489	280,619,736
	Current assets	455,856,563	417,579,832	72,856,152
	Total assets	583,951,979	505,590,140	461,659,952
	Issued capital	200.000.000	200,000,000	200,000,000
	Capital and reserves	333,718,186	333.512.530	315,930,582
	Total liabilities	250,233,793	172,077,610	145,729,370

Company income

In year 2010 the company incomes decreased by 49.5% compared to 2009, due to the decrease of the operational incomes.

Operational income registered a decrease by 61% in 2010 compared to 2009, and the operational expenses registered a decrease by 35% compared to year 2009. The decrease of operational incomes and expenses is due to the fact that in 2010, due to the economical conditions, the company's sales decreased compared to 2009, and due to the fact that IMPACT concentrated mainly to complete the residential ongoing projects, without starting new projects that could generate additional incomes and expenses.

Turnover

Decrease of dwelling prices and real estate projects, determined that the turnover of IMPACT in 2010 to be 34 mill RON, a decrease by 38% compared to the level recorded in 2009 (after a decline of 64% in 2009 compared to 2008). To the extent that new projects should have been initiated, there would have been recognized sales incomes to the level of operational costs, fact that would have lead to increased turnover.

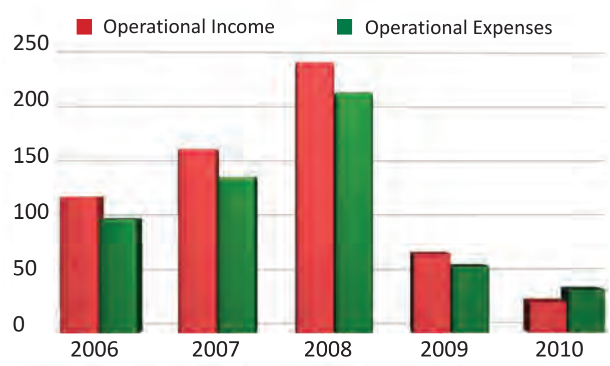
Operational Profit

Even if the company's average monthly sales were above the market average, the sales income did not cover the operating cost, having as result an operating loss of about 10.36 mill RON according OMPF 1752.

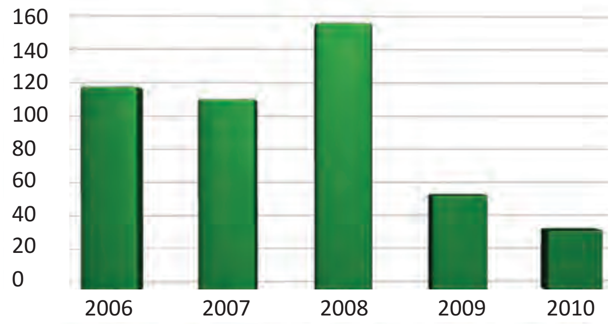
Gross Profit

According to OMFP 1752 the company registered in 2010 a gross loss of 17.53 mill RON as result of the registration of the operating and financial loss. From the financial activity resulted incomes of 13 mill (30% higher than in 2009), but due to financial expenses (interest and rate differences expenses) of 20 mill RON, even reduced compared to those of 2009, the financial result recorded a loss of over 7 mill RON.

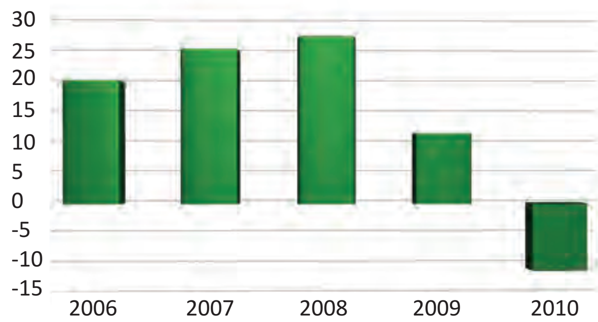
Operational Income vs Operational Expenses (mil RON)



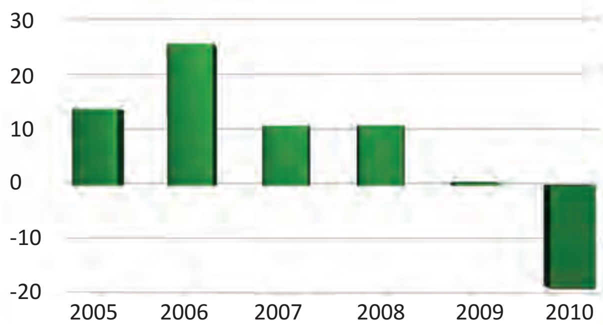
Turnover OMFP 1752 (mil RON)



Operational Profit OMFP 1752 (mil RON)



Gross Profit OMFP 1752 (mil RON)



Due to the accounting method of approaching the EUR loans, which involves the evaluation of the creditor balance on 31st of December 2009, there was registered a loss in the financial activity of 7 mill RON. This accounting procedure makes that the accounting value of the EUR loans to be determined by the RON/euro exchange rate at the end of the year. But this is only an accounting loss, and it is not actually made from the operating point of view, as the loans, which maintain the same value in euro, shall be reimbursed during the next years.

Net Profit

In 2010, the company registered a net loss, according to OMFP 1752, of 17.54 mill RON .

Fixed assets

According to OMF 1752, the fixed assets increased by 19% in year 2010 compared to 2009, from 37.07 mill RON to 45.5 mill RON. Such increase was due mainly to the rented dwellings reclassification from the inventories account to the tangible assets account.

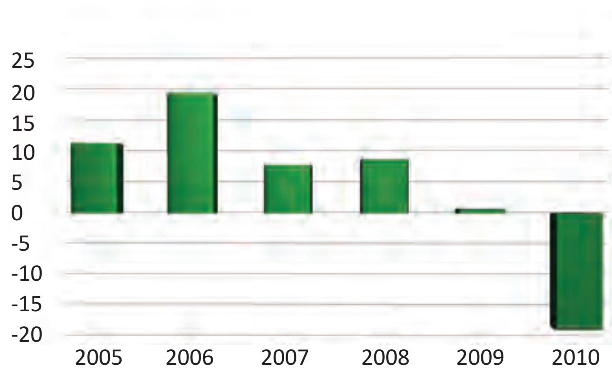
Inventories

According to OMF 1752, inventories registered a decrease of 10%, from 311.6 mill in 2009 to 280.6 mill RON in 2010. A 53% percentage of the inventories is represented by land, 14% by the work in progress, 32% by houses and apartments, and 1% by the construction materials and inventory objects. The 10% increase is due, on one hand, to the reclassification of rented dwellings from the inventories account to the tangible assets account, and on the other hand to the completion of dwellings that were in progress at the end of year 2009.

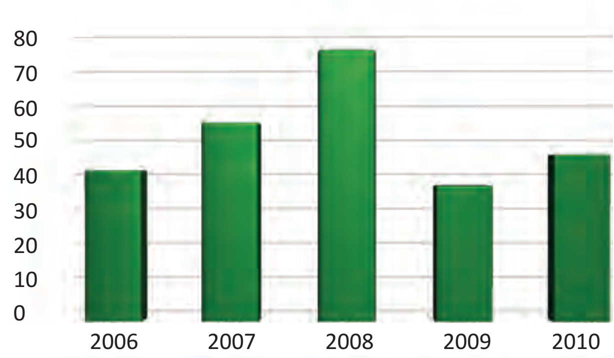
Cash and cash equivalents

The liquidities lightly decreased from 14.4 mill RON in 2009 to 13.6 mill RON in 2010.

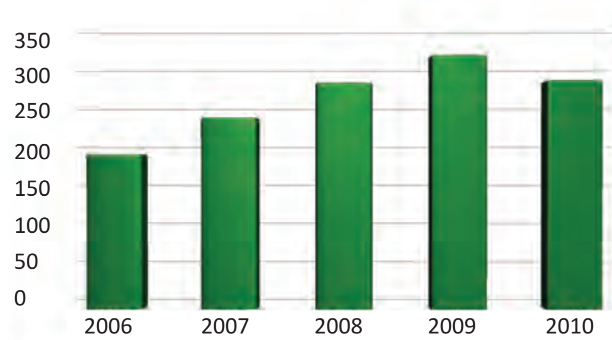
Net Profit OMFP 1752 (mil RON)



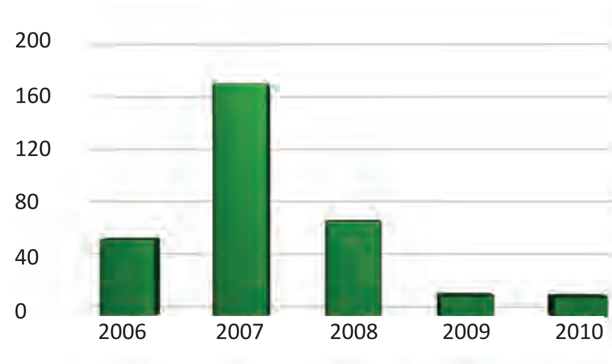
Fixed Assets OMFP 1752 (mil RON)



Inventories OMFP 1752 (mil RON)



Cash and Cash Equivalents OMFP 1752 (mil RON)



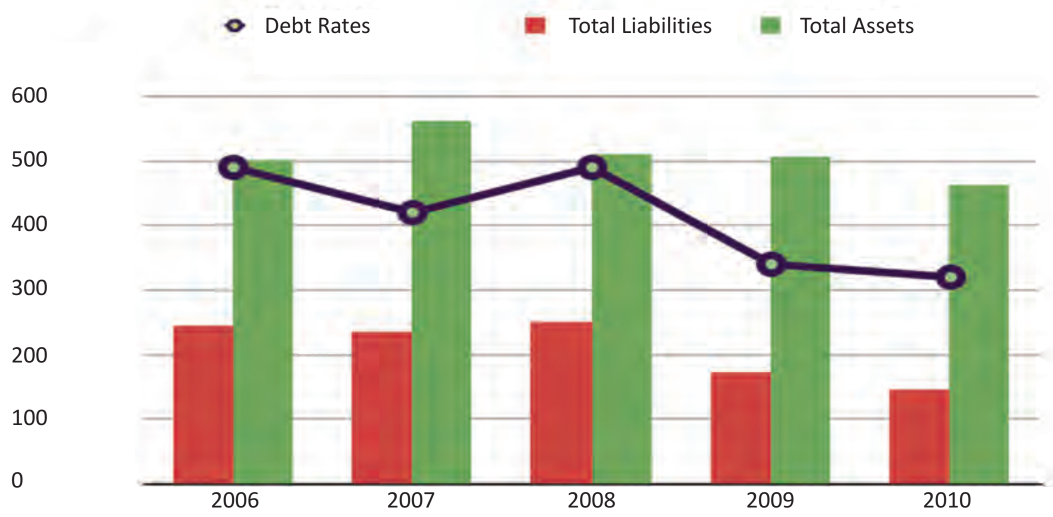
Total debts

According to OMF 1752, total debts decreased by 15%, from 172 mill RON in 2009 to 145.7 mill RON in 2010. The total loans from the credit institutions represent 83% of the total debts. The amounts owed to the credit institutions decreased in 2010 compared to 2009 by 8% further to the payment of the credits in amount of 21 mill RON . Nevertheless the short term debts decreased by 55% from 91.14 mill RON to 40.99 mill RON in 2010, due to rescheduling of the loan from Piraeus Bank for 5 years period with quarterly payments, loan that at the end of year 2009 figured as being due on august 2010.

Also the company's total assets decreased by 9% from 506 mill RON in 2009 to 461.6 mill RON in 2010.

Inventories decreased by 10% and receivables decreased by 19% due to lower trade receivables in connection to the slowing down of the loans approval to individuals interested in purchasing the dwellings. Even under such conditions, the debt rate decreased from 34% in 2009 to 32% in 2010. As the average debt rate of peer companies from Central and Eastern Europe is between 50% - 90%, IMPACT is favorably positioned in regard to the indebtedness rate.

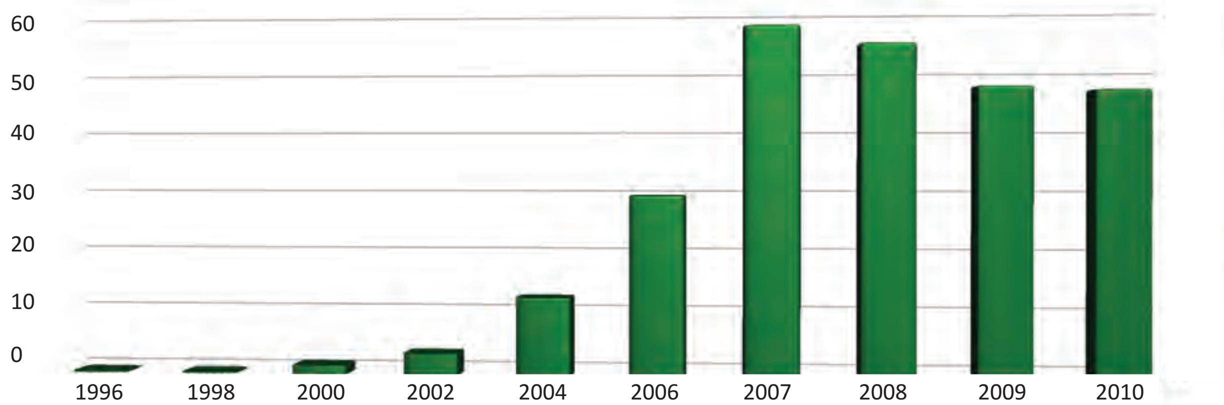
Debt Rate (Total Liabilities/Total Assets) OMFP 1752 (mil RON)



Share capital

The share capital of the company remained at the same value registered in 2008 of 200 mill RON (but calculated at the end of the year in EUR it has a decreasing value due to the RON depreciation, in 2010 being of 46.68 mill EUR.

Share Capital (mil EUR)



Statement of Cash Flow by the Indirect Method

CASH FLOWS FROM OPERATIONAL ACTIVITIES	December-09	December-10
Net Profit/(Loss) before tax	497.372	(17.535.665)
Adjustments for:		
Amortization	1.973.928	2.216.206
Revenues from sales of assets	(1.463.766)	(4.208.045)
Expenses regarding assigned assets	1.307.573	3.394.171
Revenues from exchange rate differences	(532.390)	(11.513)
Expenses from exchange rate differences	7.924.611	1.540.243
Revenues from interests	(6.606.211)	(2.542.236)
Expenses with interests	7.706.027	6.499.818
Other non-cash elements	-	(122.790)
Provisions increase/decrease	(1.112.122)	3.076.051
Adjustments of non-cash elements	9.197.651	9.841.905
Decrease/Increase of trade receivables and of other nature	18.921.295	16.027.445
Decrease/Increase of stocks	(4.694.849)	13.929.137
Increase/Decrease of debts to suppliers and of other nature	(15.513.416)	(1.529.943)
Modification of operating assets and liabilities	(1.286.970)	28.426.639
Paid-up interest	(7.576.119)	(5.772.560)
Paid-up profit tax	-	(11.000)
Paid-up dividends/Profit distributed to employees	-	-
The net cash from the operational activity	831.933	14.949.319
CASH FLOWS FROM INVESTMENT ACTIVITIES	December- 09	December -10
Acquisitions of branches	(270)	1.963.020
Loans granted to affiliated entities	(489.820)	548.147
Acquisitions of assets	(156.645)	(66.122)
I Collections from asset sales	1.463.700	2.198.045
Collected dividends	111.715	-
Collected interest	6.606.211	2.572.405
Net cash resulted from exploitation activity	7.534.891	7.215.495
CASH FLOWS FROM FINANCING ACTIVITY	December -09	December -10
Variation of medium-term loans	(60.507.485)	(22.676.915)
Acquisitions of own shares	-	-
Payment of liabilities related to financial leasing	(904.000)	(264.258)
Net cash resulted from financing activity	(61.411.485)	(22.941.173)
Net cash increase	(53.044.661)	(776.359)
Cash at the beginning of the period	67.446.310	14.401.649
Cash at the end of the period	14.401.649	13.625.290

Balance Sheet

As of 31.12.2010
Form 10 – page 1

Name of indicator	Row no.	Balance Sheet as of 01.01.2010	31.12.2010
A	B	1	2
A. FIXED ASSETS			
1. INTANGIBLE ASSETS (acc. 201+203+205+2071+208+233+234-280-290-2933)	01	271.947	163.816
2. TANGIBLE ASSETS (acc. 211+212+213+214+223+231+232-281-291-2931	02	37.069.422	45.549.085
3. FINANCIAL ASSETS (acc. 261+263+265+267*-296*)	03	50.282.878	48.488.444
TOTAL (ROW 01 TO 03)	04	87.624.247	94.201.345
B. CURRENT ASSETS			
1. INVENTORIES (acc. 301+321+302+322+303+323+/-308+328+ 331+332+341+345+345+346+/-348+351+354+356+357+358+ 361+326+/-368+371+327+/-378+381+/-388-391-392-393-394-395-396-397-398+4091-4428)	05	311.575.489	280.619.736
2. RECEIVABLES(acc. 267*-296*+4092+411+413+418+425+4282+431+437+4382+441+4424+ 4428+444+445+446+447+4482+451+453+456+4582+461+473 -491-495-496+5187	06	91.689.430	72.856.152
3. SHORT TERM INVESTMENTS (acc. 501+505+506+508+5113+5114 -591-595-596-598)	07	0	0
4. CASH AND CASH EQUIVALENTS (acc. 5112+512+531+532+5541+ 542)	08	14.401.649	13.625.290
TOTAL (ROW 05 TO 08)	09	417.666.568	367.101.178
C. PREPAYMENTS (acc. 471)	10	386.061	357.429
D. PAYABLES WITHIN ONE YEAR (acc. 161+162+166+167+168-169+269+401+403+404+405+408+419+421+423+424+426 + 427+4281+431+437+4381+441+4423+4428+444+446+447 + 4481+451+453+455+456+457+4581+462+473+509+5186+ 519	11	91.138.209	40.898.780
E. CURRENT ASSETS, NET CURRENT LIABILITIES,RESPECTIVELY (rows 09+10-11-19)	12	324.808.063	324.801.326
Name of indicator	**Row no.**	**Balance Sheet as of** 01.01.2010	31.12.2010
A	B	1	2
F. TOTAL ASSETS LESS CURRENT LIABILITIES (ROW 04+12)	13	412.432.310	419.002.671
G. PAYABLES IN MORE THAN ONE YEAR (acc. 161+162+166+167 +168-169+269+401+403+404+405+408+419+421+423+424+ 426+427+4281+431+437+4381+441+4423+4428+444+446	14	74.656.540	98.520.610

Corporate Company Projects Outlook Shareholders Financial Stmts.

+ 447+4481+451+453+455+456+4581+462+473+509+5186+519)			
H. PROVISIONS	15	130.643	2.177.383
I. DEFFERED INCOME (ROW. 17+18)	16	6.238.954	4.132.597
Subsidies for investments (acc. 475)	17	0	0
Deferred income (acc. 472) – total (row 19+20):	18	6.238.954	4.132.597
Deferred income within one year (acc. 472*)	19	2.106.357	1.758.501
Deferred income for more than one year (acc. 472*)	20	4.132.597	2.374.096
J. SHARE CAPITAL AND RESERVES			
I. SHARE CAPITAL (ROW 22+23+24):	21	200.000.000	200.000.000
1. Subscribed and paid in share capital (acc. 1012)	22	200.000.000	200.000.000
2. Subscribed and not paid in share capital (acc. 1011)	23		
3. Patrimony (acc. 1015)	24		
II. PREMIUM RELATED TO CAPITAL (acc. 104)	25	84.768.851	84.768.851
III. REVALUATION RESERVE (acc. 105)	26	6.523.446	8.067.870
IV. RESERVES	27	45.001.855	45.110.156
Own shares (acc. 109)	28	2.427.929	2.427.929
Earnings from sale or annulment of equity instruments (acc. 141)	29		
Losses from the equity elements	30	432.470	432.470
Name of indicator	**Row no.**	**Balance Sheet as of** 01.01.2010	31.12.2010
V. PROFIT OR LOSS REPORTED Balance C (acc.117)	31	78.777	
Balance D (acc. 117)	32	0	1.609.231
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR Balance C (acc.121)	33	141.540	0
Balance D (acc.121)	34	0	17.546.665
Appropriation of profit (acc. 129)	35	141.540	0
TOTAL SHAREHOLDERS' EQUITY – TOTAL (row 21+25+26+27-28+29-30+31-32+33-34-35)	36	333.512.530	315.930.582
Public patrimony (acc. 1016)	37		
TOTAL EQUITY (ROW 36+37)	38	333.512.530	315.930.582

*) Account assigned to the nature of those elements

ROW 06 - Amounts submitted to this row and taken from the 267 are finance debt from the finance leases contracts and other similar contracts and also of other receivables, due in a period of less than 12 months.

ADMINISTRATOR,
Name and Surname:
DAN IOAN POPP
Illegible signature

Stamp of the company

DEVELOPER & CONTRACTOR S.A. IMPACT VOLUNTARI ROMANIA

DRAFTED BY:
Name and Surname:
ROSCA FILIP FLORIN EUGEN - Chief Account
Illegible signature

THE PROFIT AND LOSS ACCOUNT
31.12.2010

Name of indicator	Row no.	Financial period	
		2009	2010
A	B	1	2
1. Net turnover (rows 02 to 06)	01	54.233.682	34.288.805
Sold production (acc. 701+702+703+704+ 705 +706+708)	02	53.939.287	33.432.668
Revenues from sales of commodities (acc. 707)	03	294.395	856.137
Commercial discounts given (acc.709)	04	0	0
Revenues from interests incurred by the entities whose object of activity is leasing (acc. 766)	05	0	0
Revenues from operation subsidies relative to the net turnover (acc. 7411)	06	0	0
2. Movements in stocks of finished goods and of ongoing production (acc. 711+722)			
Balance C	07	0	0
Balance D	08	17.487.323	24.628.667
3. Own work capitalized (acc. 721+722)	09	12.095.363	10.332.401
4. Other operating revenue (acc.7417+758)	10	19.715.600	6.737.867
- Out of which, income from negative goodwill	11		
TOTAL OPERATING REVENUE (rows 01+07-08+09+10)	12	68.557.322	26.730.406
5 a) Raw materials and consumables expenses (acc. 601+602-7412)	13	3.860.012	1.835.438
Name of indicator	**Row no.**	**Financial period**	
		2009	**2010**
Other materials expenses (acc. 603+604+ 606+ 608)	14	365.577	200.174
b) Other utilities expenses (energy and water) (acc. 605-7413)	15	4.440.801	3.058.126
c) Purchases of goods (acc. 607)	16	247.520	828.954
Commercial discounts received (acc.609)	17		
6. Salary expenses (rows 18+19) out of which:	18	3.388.899	2.028.207
a) Salaries and indemnities(acc. 641+642-7414)	19	2.679.665	1.602.344
b) Social security contributions (acc. 645-7415)	20	709.234	425.863
7. a)Adjusting the value of tangible and intangible assets (rows 21-22)	21	1.973.928	2.216.206
a. 1) Expenses (acc. 6811+6813)	22	1.973.928	2.216.206
a. 2) Revenues (acc. 7813)	23		
b) Adjusting the value of current assets (row24-25)	24	-109.121	1.771.268
b. 1) Expenses (acc. 654+6814)	25	836.573	2.457.917

Name of indicator	Row no.	Financial period	
		2009	2010
b. 2) Revenues (acc. 754+7814)	26	945.694	686.649
8. Other operating expenses (rows 27 to 30)	27	44.470.506	23.111.790
8.1 Third parties services (acc. 611+612+613+ 614+621+622+623+624+625+626+627+628-7416)	28	37.094.660	17.007.563
8.2 Other taxes, duties and assimilated payments (acc. 635)	29	5.134.749	3.143.127
Name of indicator	**Row no.**	**Financial period**	
		2009	**2010**
8.3 Other expenses	30	2.241.097	2.961.100
Expenses pertaining to the refinancing interests registered by the entities whose object of activity is leasing (acc. 666)	31		
Adjustments for provisions (rows 32-33)	32	-1.112.122	2.046.740
- Expenses (acc. 6812)	33	8.178.000	2.164.172
- Revenues (acc.7812)	34	9.290.122	117.432
TOTAL OPERATIONAL EXPENSES (rows 12 to 15-16+17+20+23+26+31)	35	57.526.000	37.096.903
OPERATING RESULTS			
- Profit (rows 11-34)	36	11.031.322	0
- Loss (rows 34-11)	37	0	10.366.497
9. Income from participation interests (acc. 7611+7613)	38	1.087.860	2.010.000
- out of which revenues from related parties	39	1.087.860	2.010.000
10. Income from other financial investments and loans, part of fixed assets (acc. 763)	40		
- out of which revenues from related parties	41		
11. Income from interest (acc. 766*)	42	6.606.211	2.542.236
- out of which revenues from related parties	43		
Other financial revenues (acc. 762+764+ 765 + 767+768)	44	2.395.949	8.500.773
TOTAL FINANCIAL REVENUES (rows 37+39+41+43)	45	10.090.020	13.053.009
Name of indicator	**Row no.**	**Financial period**	
		2009	**2010**
12. Adjustment of financial assets and investments held as current assets (rows 46 - 47)	46	677.207	386.881
- Expenses (acc. 686)	47	677.207	1.128.838
- Revenues (acc. 786)	48		741.957
13. Interest expenses (acc. 666*-7418)	49	7.706.027	6.499.818
- out of which revenues from related parties	50		
Other financial expenses (acc. 663+664+ 665+ 667+668)	51	12.240.736	13.335.478
TOTAL FINANCIAL EXPENSES (rows 45+48+50)	52	20.623.970	20.222.177
FINANCIAL RESULTS			
- Profit (rows 44-51)	53	0	0

- Loss (rows 51-44)	54	10.533.950	7.169.168
14. CURRENT PROFIT OR LOSS			
-Profit (rows 11+44-34-51)	55	497.372	0
-Loss (rows 34+51-11-44)	56	0	17.535.665
15. Extraordinary revenues (acc. 771)	57		
16. Extraordinary expenses (acc. 671)	58		
17. EXTRAORDINARY RESULTS:			
-Profit (rows 56-57)	59	0	0
-Loss (rows 57-56)	60	0	0
TOTAL REVENUES (rows 11+44+56)	61	78.647.342	39.783.415
Name of indicator	**Row no.**	**Financial period**	
		2009	**2010**
TOTAL EXPENSES (rows 34+51+57)	62	78.149.970	57.319.080
GROSS PROFIT OR LOSS:			
-Profit (rows 60-61)	63	497.372	0
-Loss (rows 61-60)	64	0	17.535.665
18. Income tax (acc. 691)	65	355.832	11.000
19. Other taxes which are not shown under the elements above (acc. 698)	66		
20. NET PROFIT OR LOSS FOR THE FINANCIAL YEAR			
-Profit (rows 62-63-64-65)	67	141.540	0
-Loss (rows 63+64+65-62)	68	0	17.546.665

ADMINISTRATOR,
Name and Surname:
DAN IOAN POPP
Illegible signature

Stamp of the company

DRAFTED BY:
Name and Surname:
ROSCA FILIP FLORIN EUGEN - Chief Account
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Dan Popp

IMPACT DEVELOPER & CONTRACTOR S.A. ROMANIA VOLUNTARI

INFORMATIVE NOTES

31.12.2010 -RON-

I. Data pertaining to the actual result	Row no.	No. of units	Amounts	
A	B	1	2	
Units which registered profit	01	0	0	
Units which registered loss	02	1	17.546.665	
II. Data pertaining to outstanding payments	**Row no.**	**Total, out of which:**	**For the current activity**	**For investments**
A	B	1=2+3	2	3
Outstanding payments – total (rows 04+08+14 to 18+22), out of which:	03			
Debtor suppliers – total (row 05 to 07), out of which:	04			
- over 30 days	05			
- over 90 days	06			
- over 1 year	07			
Overdue obligations to the social insurance budget – total (rows 09 to 13) out of which:	08			
- contributions for state social insurance owed by employers, employees and other included persons	09			
- contributions to the health insurance fund	10			
- contributions to the supplementary pension	11			
- contributions to the unemployment insurance budget	12			
- other social debts	13			
Overdue obligations to the budgets of the special funds and other funds	14			
Overdue obligations to other creditors	15			
Overdue duties and taxes to the state budget	16			
Overdue duties and taxes to the local budgets	17			
Bank credits which have not been reimbursed by the due date – total (row 19 to 21)	18			
- over 30 days	19			
- over 90 days	20			
- over 1 year	21			
Overdue interests	22			
III. The average number of employees	**Row no.**	**31.12.2009**	**31.12.2010**	
Average employee number	23	89	51	

IV. Interest and royalty payments	Row no.	Amounts (RON)
Gross revenues from interests paid by Romanian legal entities to natural persons which are not residents of the EU member states, out of which:	24	
- taxes owed to the state budget	25	
Gross revenues from interests paid by Romanian legal entities affiliated*), which are not residents of the EU member states, out of which:	26	
- taxes owed to the state budget	27	
Revenues from royalties paid by Romanian legal entities affiliated*), which are not residents of the EU member states, out of which:	28	
- taxes owed to the state budget	29	

V. Meal tickets	Row no.	Amounts (RON)
The counter-value of the meal tickets granted to the employees	30	39.240

VI. Expenses for the research and development activity**)	Row no.	31.12.2009	31.12.2010
A	B	1	2
Research and developments expenses, out of which:	31		
- Public funds	32		
- Private funds	33		
VII. Innovation expenses **)	**Row no.**	**31.12.2009**	**31.12.2010**
TOTAL INNOVATION EXPENSES **) (row 35 to 37)	34		
- Innovation expenses finalized during the year	35		
- Innovation expenses in progress during the year	36		
- Innovation expenses canceled during the year	37		
VIII. Other Information	**Row no.**	**31.12.2009**	**31.12.2010**
Financial assets in gross value (row 39+47), out of which:	38	51.005.528	49.669.044
Shares held in affiliated entities, participating interests, other securities and long term bonds in gross amounts (row 40 to 46), out of which:	39	47.556.395	48.374.955
- Listed shares	40		
- Unquoted shares	41	45.509.778	47.774.048
- Social individual shares	42	2.046.617	600.907
- Bonds	43		
- Shares issued by collective investment bodies (including by SIF)	44		
- Shares issued by nonresidents	45		

- Bonds issued by nonresidents	46		
Trade receivables for non-current assets, in gross amounts, (row 48+49), out of which:	47	3.449.133	1.294.089
Trade receivables for noncurrent assets in RON and expressed in RON, whose settlement is made based on the exchange rate currency (ct. 267)	48	3.449.133	1.294.089
Trade receivables for non-current assets in foreign currency	49		
Trade receivables , advances to suppliers and other similar accounts, in gross amounts (ct. 4092+411+413 +418)	50	84.907.427	63.235.522
Receivables related to personnel and similar accounts (ct.425+4282)	51		
Receivables related to social security budget and state budget (ct. 431+437 +4382+441+4424+444+445+446+447+4482)	52	4.780.112	3.148.160
Receivables of the entities in relations with affiliated entities (ct. 451)	53		
Other receivables (ct. 453+456+4582+ 461+471+473)	54	5.752.444	11.122.313
Interest receivable (ct. 5187)	55	129.908	30.169
Short –term investments, in gross amounts (row 57 to 63), out of which:	56		
- Listed shares	57		
- Unquoted shares	58		
- Social individual shares	59		
- Bonds	60		
- Shares issued by collective investment bodies (including by SIF)	61		
- Shares issued by nonresidents	62		
- Bonds issued by nonresidents	63		
Other amounts receivable (ct. 54113+5114)	64		
Cash in RON and foreign currency (row 66+67), out of which:	65	190.760	35.229
- in RON (ct. 5311)	66	190.101	34.570
- in foreign currency (ct. 5314)	67	659	659
Current accounts at banks in RON and foreign currency (row 69+70), out of which :	68	14.200.550	13.590.061
- in RON	69	14.148.656	10.774.785
- in foreign currency	70	51.894	2.815.276
Other current accounts at banks and letters of credit (row 72+73), out of which:	71	10.339	0
-amounts under settlement, letter of credit and other receivables to be cashed, in RON (ct.5112+5125+ 5411)	72	10.339	0
- amounts under settlement, letter of credit in	73		

foreign currency (ct. 5125+ 5412)			
Debts (rows 75+78+81+84+87+90+ 91+94 to 100), out of which:	74	166.196.080	138.972.866
-Loans from issue of bonds together with related interest, in gross values (ct.161+1681), (row 76+77), out of which:	75		
- in RON	76		
- in foreign currency	77		
-Domestic short-term bank loans and related interests (ct.5191+5192+5197 + from ct.5198),(row 79+80), out of which:	78		
- in RON	79		
- in foreign currency	80		
Foreign short-term bank loans and related interests (ct. 5193+5194+5195 +from ct.5198 (row 82+83), out of which:	81		
- in RON	82		
- in foreign currency	83		
Long term bank loans and related interests (row 85+86), out of which:	84	140.128.972	65.820.926
- in RON	85	4.515.471	4.584.948
- in foreign currency	86	135.613.501	61.235.978
Foreign long term bank loans (ct. 1623+ 1624+1625+from ct.1682), (row 88+89), out of which:	87		55.599.358
- in RON	88		
- in foreign currency	89		55.599.358
Loans from the state treasury (ct.1626+from ct.1682)	90		
Other loans and related interests (ct.166+167+1685+1686+1687), (row 92+93), out of which:	91	312.161	50.284
- in RON and expressed in RON, whose settlement is made according to the rate of a currency	92	312.161	50.284
- in foreign currency	93		
Commercial debts, advances received from customers and other similar accounts in gross amount (ct. 401+ 403+404+405+408+419)	94	16.425.248	12.264.133
Debts related to personnel and similar accounts (ct.421+423+424+426+427+ 4281)	95	861.403	785.698
Debts related to social insurances budget and to state budget (ct. 431+437+4381+441 +4423+4428+444+446+447+4481)	96	543.709	11.333
Debts of the entities in relations with affiliated entities (ct 451)	97		

Amounts owed to shareholders (ct 455)	98		
Other debts (ct.451+453+455+457+4581+ 462+472+473+269+509)	99	7.924.587	4.441.134
Interest payable (ct.5186)	100		
Subscribed paid capital(ct.1012) (row 102 to 105) , out of which:	101	200.000.000	200.000.000
- Listed shares	102	200.000.000	200.000.000
- Unquoted shares	103		
- Social individual shares	104		
- The subscribed paid capital of nonresidents	105		
Patent and licenses (ct. 205)	106		
IX.Information regarding the co-workers expenses	**Row no.**	**31.12.2009**	**31.12.2010**
Co-workers expenses (ct 621)	107	108.300	81.624

THE STATEMENT OF NON-CURRENT ASSETS

-RON-

Fixed assets	Row No.	Gross values				
		Initial balance	Increases	Decreases		Final balance (column 5=1+2+3)
				Total	Out of which segmentation and quashing	
A	**B**	**1**	**2**	**3**	**4**	**5**
Intangible assets						
Set-up expenses and development expenses	01	0	0	0	x	0
Other fixed assets	02	1.280.522	22.496	0	x	1.303.018
Prepayments and ongoing intangible assets	03	19.331	51.596	0	x	70.927
TOTAL (rows 01 to 03)	**04**	**1.299.853**	**74.092**	**0**	**x**	**1.373.945**
Tangible assets						
Lands	05	12.020.277	202.785	47.324	x	12.175.738
Constructions	06	23.496.586	11.002.001	1.429.053		33.069.534

Technical installations and machinery	07	8.227.652	34.627	1.727.734		6.534.545
Other installations, equipment and furniture	08	800.625	9.000			809.625
Prepayments and ongoing tangible assets	09	199.807	10.137.446	10.137.446	x	199.807
TOTAL (rows 05 to 09)	10	44.744.947	21.385.859	13.341.557		52.789.249
Financial assets	11	51.024.835	2.911.250	4.318.803	x	49.617.282
NON-CURRENT ASSETS - TOTAL (rows 04+10+11)	12	97.069.635	24.371.201	17.660.360		103.780.476

THE STATEMENT OF NON-CURRENT ASSETS DEPRECIATION

Fixed assets	Row No.	Initial balance	Depreciation during the year	Depreciation relative to the fixed assets shown	Depreciation at the end of the year (column 9=6+7-8)
A	**B**	**6**	**7**	**8**	**9**
Intangible assets					
Foundation expenses and development expenses	13				
Other fixed assets	14	1.027.906	182.223		1.210.129
TOTAL (rows 13+14)	15	1.027.906	182.223		1.210.129
Tangible assets					
Lands	16				
Constructions	17	1.158.772	300.354	36.718	1.422.408
Technical installations and machinery	18	6.040.750	691.513	1.496.989	5.235.274
Other installations, equipment and furniture	19	476.003	106.479		582.482
TOTAL (rows 16 to 19)	20	7.675.525	1.098.346	1.533.707	7.240.164
DEPRECIATION TOTAL (rows15+20)	21	8.703.431	1.280.569	1.533.707	8.450.293

THE STATEMENT OF DEPRECIATION ADJUSTMENTS

Fixed assets	Row No.	Initial balance	Adjustments formed during the year	Adjustments included in revenues	Final balance (column 13 = 10+11+12)
A	B	10	11	12	13
Intangible assets					
Foundation expenses and development expenses	22				
Other fixed assets	23				
Prepayments and ongoing intangibles	24				
TOTAL (rows 22+24)	25				
Tangible assets					
Lands	26				
Constructions	27				
Technical installations and machinery	28				
Other installations, equipment and furniture	29				
Prepayments and ongoing tangible assets	30				
TOTAL (rows 26 to 30)	31				
Financial assets	32	741.957	1.128.838	741.957	1.128.838
PROVISIONS FOR DEPRECIATION – TOTAL (rows 25+31+32)	33	741.957	1.128.838	741.957	1.128.838

ADMINISTRATOR

DAN IOAN POPP

DRAFTED BY:

ROSCA FILIP FLORIN EUGEN

Chief Account

NOTES TO THE FINANCIAL STATEMENTS as at December 31st, 2010

The notes to the individual financial statement of SC IMPACT DEVELOPER & CONTRACTOR SA, according to OMFP 3055/2009. Separately, there will be provided the consolidated financial statement of the Impact group as it is described in Note 1, chapter "Participation Shares Owned to Affiliated Entities", according to the International Financial Reporting Standards (IFRS). The group's auditor, Scot & Company Consulting SRL, is nominated to audit these consolidated financial statements.

Note 1 - Fixed Assets

The variation of gross value, of amortization and of net accounting value, as at 30th of June 2010, by each category of fixed assets, is presented as follows:

Intangible Assets

Description	Intangible assets
01/01/2010	**1.280.522**
Gross value	
Inflows	22.496
Outflows/Transfer	-
31/12/2010	**1.303.018**
01/01/2010	**1.027.906**
Inflows	182.223
Outflows/Transfer	-
31/12/2010	**1.210.129**
Net value	
01/01/2010	**252.616**
31/12/2010	**92.889**

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Tangible Assets

Description	Lands	Constructions	Technical inst., means of transp.	Furniture, ap. and birotics	Advances and assets in progress	Total
COST						
As at 01.01.2010	12.020.277	23.496.586	8.227.652	800.626	199.807	44.744.948
Inflows	202.785	11.002.001	34.627	9.000	-	11.248.413
Outflows/Transfer	47.324	1.429.053	1.727.734	-	-	3.204.111
As at 31.12.2010	12.175.738	33.069.534	6.534.545	809.626	199.807	52.789.250
AMORTIZARE						
As at 01.01.2010	-	1.158.773	6.040.750	476.003	-	7.675.526
Inflows	-	300.353	691.513	106.480	-	1.098.346
Outflows/Transfer	-	36.718	1.496.989	-	-	1.533.707
As at 31.12.2010	-	1.422.408	5.235.274	582.483	-	7.240.165
NET VALUE						
As at 01.01.2010	**12.020.277**	**22.337.813**	**2.186.902**	**324.623**	**199.807**	**37.069.422**
As at 31.12.2010	**12.175.738**	**31.647.126**	**1.299.271**	**227.143**	**199.807**	**45.549.085**

Fixed assets are registered in accounting at cost or revaluated value and are depreciated from the moment of their putting to work on their normal duration of operation, according to the «Catalog regarding classification and normal durations of operation of fixed assets». There was taken into consideration the minimal provided duration of operation. The accounting amortization method is the linear method.

Assets in progress of accomplishment are depreciated beginning with the moment of their putting into work, a moment that coincides with that of their transfer in the category of fixed assets. Lands are not depreciated.

For the reflection in the accounting balance, historical cost less accrued amortization was revaluated in accordance with the Government Decisions no: 500/1994, 983/1998, 403/2000, 1553/2003, on the basis of some statistical price indexes established by the previously mentioned documents, as at 31.12.2006 and as at 31.12.2009 and as at 31.12.2010. Between 2006 and 2007 was revaluated the «Constructions» tangible assets group.

Further to revaluation as at 31.12.2010 resulted positive differences from revaluation of 1,6 million RON as well as expenses in value of 200 thousands RON.

Beginning with the year 2009 the management of Impact made the decision to conclude with different clients lease contracts of dwelling units. Thus, for the year 2009 there was concluded a number of 54 lease contracts. According to OMFP 1752, these apartments were registered in the tangible assets accounts, the balance of the constructions account increasing by about 16 million RON. The land afferent to these apartments was also registered in the tangible assets accounts, the balance of account 211 increasing by 0.5 million RON. In the year 2010 there were signed 25 contracts with a value of 11.3 million RON (the construction and the afferent land).

Financial Assets

FINANCIAL ASSETS	31.12.2009	31.12.2010
Shares hold in affiliated entities	47.621.145	48.374.955
Adjustments for the loss of value of the shares of affiliates	64.750	0
Loans granted to affiliated entities	3.403.690	1.242.328
Adjustments for the loss of value of loans	677.207	1.128.838
Net value	50.282.878	48.488.444

Participation Shares Owned to Affiliated Entities

Denomination of company	Registered office	Share capital value 31.12.2010	Net result of the year 31.12.2010	Investment value of IMPACT 31.12.2009	Investment value of IMPACT 31.12.2010	Participation percentage to Impact 31.12.2010
Actual Invest House SRL	Voluntari Str. Drumul Bisericii nr.50 bl corp A	11.005.000		4.950	504.950	4,59%
Bipact 1995 SRL	Voluntari Str. Sos. Pipera Tunari nr. 4C et.6	1.550		975	975	63,00%
BIZ-AR SRL	Bucuresti Sector1 Str. Padurea Pusnicu nr. 145	200		190	190	95,00%
Hobbit Intermediere Asigurari SRL	Voluntari Str. Sos Pipera Tunari nr.4C	25.000		94.602	94.602	95,00%
Imobilia Credit SA	Voluntari Str. Sos. Pipera Tunari nr. 4C	0	0	64.750	0	0,00%
Intop Construction SRL	Bucuresti Sector 1 Str. Intrarea Poiana nr.13 ap.4	2.010.200		2.010.000	0	0,00%
LOMB SA	Cluj -Napoca Str. Nasaud nr. 22 ap. 71	45.445.028		45.445.028	45.445.028	100,00%
Millenium Consult Invest SA	Bucuresti Sector 1 Str. Padurea	5.175.930	19.185	270	2.329.020	45,00%

	Pusnicu nr. 145					
Prest RV 2003 SRL	Bucuresti Sector 1 Str. Padurea Pusnicu nr. 145	200		190	190	95,00%
Topo Prest SRL	Bucuresti Sector1 Str. Padurea Pusnicu nr. 145	0		190	0	0,00%
				47.621.145	48.374.955	

The company Topo Prest was liquidated on the date of 13th of January 2010 on the basis of the conclusion of the delegated judge no. 6225 as of 13.01.2010. Following liquidation, the profit of Impact was negatively influenced by the amount of 247 RON.

The company Actual Invest House increased its share capital by 11.000.000 RON. The company Impact participated with 500.000 RON by converting a loan into shares. The other partner, Lomb SA, participated in cash in value of 10.500.000 RON..

The company Imobilia Credit SA was liquidated on the date of 4th of August 2010 on the basis of the conclusion of the delegated judge no. 7161 as of 23.06.2010. Following liquidation, the profit of Impact was negatively influenced by the amount of 1.090.986 RON. As there were already constituted provisions of 745.485 lei, the loss corresponding to year 2010 is of 345.500 RON.

The shares held by the company Intop Impact Construction SRL have been sold during 2010 to record value accounting, namely the nominal value, by the company Lomb SA. Further to such operation there was neither profit nor loss.

SC Millennium Consult Invest 2002 SA holds a project that involves the development and operation of a business support structure that should provide support services for the Small and Average Enterprises from Bucharest. It's about Business Support Center - Greenfield 2, project co-financed from the European Regional Development Fund, through Regional Operational Program. The project was submitted in March 2010 and in November 2010 such project was accepted for funding. In January 2011 was ended the assessment of the technical project and at the beginning of May it is expected the signing of the funding contract. Complying in the category of Class B office buildings, the building Business Support Center - Greenfield 2 offers as the main element of energy efficiency a system of eco-efficient heating and ventilation, the tri-generation equipments allowing besides production of thermal power necessary for heating and preparing household warm water also production of electric power. During summer, tri-generation blocks, helps producing cooling agents used in air conditioners. One of the most important automation facilities of the building is the building management system (BMS) ensuring low maintenance costs, comfort, security, functionality, system performance optimization, long duration in time of components, a reduction and efficiency energy consumption, thus providing environmental protection. The main advantage is that the center provides basic and specific services aiming for reduction of the operational costs of hosted companies. To this advantage contributes a package of free services for the hosted and the attractive price for offices space lease, as well as the fact that the center benefits of a building with high energy efficiency, low maintenance cost and multiple automation facilities.

Commencement of works is estimated for September 2011 and construction duration is estimated at 18 months. The building will have a height of 2B+ G+ 5 F and will provide as facilities office areas with a total leasable area of 6280 square meters, a conference hall which can be divided as needed, a dining room, 5 meetings rooms placed at each level of the support structure and parking lots for both office building users and those who provide related services. The main purpose of the project is supporting the regional economy by providing services and facilities to the main promoters of economic development - private enterprises, especially Small and Medium Enterprises.

S.C. LOMB S.A. is a share trade company having as shareholders the Local Council of the Municipality Cluj-Napoca (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%).

In autumn 2010, because the shareholder Cluj Local Council has not fulfilled the obligation to verse to the social capital, the 179 acres of land representing the land subscribed by Cluj Local Council, the Board of Directors of S.C. LOMB S.A decided to cancel the shares due to the Local Council according to the provisions of law 31/1990 with further amendments. As a result of this fact the social capital of LOMB SA was reduced, and now Impact holds 100% shares in S.C. LOMB S.A. On September 20, 2010 after the Annual General Meeting, there was decided the capital reduction from 45,445,028 lei to 125,000 lei. The Board of Administrators has sent a proposal to the AGM in March 2011 as the capital reduction to be made within the limits of the existing cash in the bank accounts of Lomb SA, respectively, from 45,445,028 lei to 25,600,000 lei.

Frozen Receivables

Company	Loan balance as at 31.12.2009	Loan balance as at 31.12.2010
Actual Invest House	1.409.704	0
Bipact	162.834	86.489
Imobilia Credit	680.449	0
Intop Construction	1.123.338	1.128.838
Investimob Development	27.365	27.000
TOTAL	**3.403.690**	**1.242.328**

Loans are granted mainly as working capital. No interest is charged.
During 2009 to Actual Invest House was granted as a loan the amount of 77,000 RON. Subsequently the loan was fully settled as follows:
- through cash reimbursement: 548.147 RON
- through increase of capital: 500.000 RON

- through clearing with claims/debts: 438.557 RON

Further to liquidation of the company Imobila Credit, loan granted in the amount of 680,449 RON was passed on costs.

The loan to the company Intop Construction was fully adjusted because there are indications on the fact that the loan could not be recovered.

Note 2 - Provisions

The provision regarding the guarantees granted to the clients was cancelled as all the sold houses in the old assemblies came out of the contracting guarantee period and the guarantee afferent to the apartments in Greenfield is ensured by the subcontracting constructors.

Provisions	31.12.2009	31.12.2010
Provisions for deferred taxes	73.199	24.606
Other provisions for risks and expenses	57.444	0
Provision for litigations	0	2.152.777
TOTAL	**130.643**	**2.177.383**

After the substance control for the years 2005-2008, there were established debts and income tax increases in the amount of 3,403,761 lei. Impact contest these debts and in this regard was filed a legal action for annulment of the decision no. 266/29.09.2010 given by the Ministry of Finance - NAFA - General Direction for Appeals Settlements and of the notice of assessment related to additional tax liabilities to be paid established by fiscal audit no. 115/19.05.2010, issued by NAFA - DGAMC Bucharest, based on the fiscal audit report concluded on 14.05.2010, registered with the Ministry of Finance - NAFA - DGAMC – Fiscal Audit Activity under no 33.364/18.05.2010. This action is registered under no. 11833/2/2010 and has legal term on 24 May 2011, at Bucharest Court of Appeal - Section VIII of Administrative and Fiscal Court. Considering the fact that further to decision to restore the control one part of the appealed amount was retained by NATA as due amount, until final settlement of the dispute was decided provisioning of the amount of 2,152,777 lei.

Note 3 - Analysis of the Operational Profit

Indicator	31.12.2009	31.12.2010
Turnover	54.233.682	34.288.805
Cost of sold goods and supplied services	44.552.970	29.145.484
Direct production expenses	33.365.719	23.093.745
Indirect production expenses	11.187.251	6.051.739
Net turnover afferent net turnover	**9.680.712**	**5.143.321**
Sale expenses	2.203.217	916.452
General administration expenses	1.327.396	927.583
Other operational expenses	9.442.418	20.403.650
Other operational revenues	14.323.640	6.737.867
Operational profit	**11.031.322**	**-10.366.497**

The company includes in the production cost the direct expenses (direct materials, manual labor, equipments), land cost, indirect production expenses (indirect materials, indirect manual labor, indirect equipments, cost of site networks). In case of loans strictly afferent to the development of some real estate projects, the afferent interest was included in the production cost. General administration and marketing/sale expenses are not included in the production cost.

Due to the special context that led to the decrease of sales and especially to a lack of predictability of the economic environment, the management of the company made the decision not to start anymore the construction of new assemblies, so as there resulted an under activity of the company. A direct consequence of this fact is that the fixed expenses that until now were considered as production costs became general administration expenses that can not be capitalized.

Note 4 - Statement of Receivables and Debts

Receivables

The detailed statement of receivables as at 31st December 2010 is presented as follows:

Denomination of receivable	Balance as at 31.12.2009	Balance as at 30.12.2010, out of which	Liquidation term	
			under 1 year	over 1 year
Clients	80.678.485	61.449.128	46.086.846	15.362.282
Adjustments for deprec. of clients' rec.	2.078.127	1.477.788	0	1.477.788
Clients, invoices to be drawn	166.102	300.325	300.325	0
Advances granted to service suppl.	3.724.021	1.217.477	1.217.477	0
Granted guarantees	45.443	51.762	51.762	0
Different debtors	5.136.826	10.089.840	7.970.974	2.118.866
Adjustments for deprec. of debt rec.	688.353	2.627.965	0	2.627.965
Other receivables*	4.705.034	3.853.373	3.853.373	0
TOTAL	**91.689.431**	**72.856.152**	**59.480.756**	**13.375.395**

Other receivables *	Value
Interests to be collected	675.044
Operations under clarification	30.169
Settlements among branches	0
Amounts to recover from budget	3.148.160
TOTAL	**3.853.373**

In the different debtors account there is registered the payment of an amount of 1,685,503 RON representing the stamp tax in the case file 24403/3/2007 to TMB in the lawsuit with SN Institutul Pasteur. This tax follows to be recovered, on this purpose another lawsuit pending on the dockets to the Bucharest Court of Appeal. The different debtors account increased by the amount of 5,224,000 RON representing the advance paid by Impact to Institutul Pasteur for one land. Following the existing litigation and the fact that Impact requests the return of the money, the above mentioned amount was moved from „Advances for land" in „Different debtors". And such amount is to be recovered further to winning the litigation.

The amounts to be recovered from the budget represent WATT to recover (600 mil RON) and additionally paid tax on profit, with a value of 2.4 million RON.

Actual and Investimob

On 31.12.2010 there is a balance amounting to 20,874,619 RON representing sold houses is sold in years 2007 to 2008 and still unpaid from Europe assembly. According to signed contracts, this amount is on due time, the debt becoming exigible at the moment when the Municipality of Oradea sells at its turn the land to those customers.

The amounts being in operations under clarification represent amounts seized following forced execution (772.979 lei). As Impact submitted a contestation and the lawsuits are not finished, the money is reflected in this account until the clarification of the situation

Debts

Bank credits Deposit to pay	**Balance at 31.12.2009**	**Balance at 31.12.201 of which**	**Liquidation term**	
			under 1 year	**over 1 year**
Financial leasing**	140.128.972	120.697.455	25.487.285	95.210.170
Collected advances	0	722.829	722.829	0
Trade debts*	312.161	50.284	33.069	17.215
Other debts***	1.922.310	498.116	498.116	0
Bank credits	14.940.083	11.766.018	11.766.018	0
Deposit to pay	8.491.223	5.684.688	2.391.463	3.293.225
Financial leasing**	**165.794.749**	**139.419.390**	**40.898.780**	**98.520.610**

Trade debts*	Value
Suppliers	10.074.561
Suppliers, not received invoices	1.691.457
TOTAL	**11.766.018**

Other debts ***	Sold 31.12.2010	Liquidity term	
		Under 1 year	**Over 1 year**
Guarantees of suppliers	4.047.034	878.380	3.168.653
Debts related to personnel	797.163	797.163	0
Non exigible VAT	175.675	51.103	124.572
Other taxes	355.486	355.486	0
Dividends to be paid	46.367	46.367	0
Different creditors	262.964	262.964	0
total	**5.684.688**	**2.391.463**	**3.293.225**

Leasing**		Balance as at 31.12.2010
MOTORACTIVE	EUR	6.466
	Equivalent RON	27.704
RCI LEASING	EUR	5.270
	Equivalent RON	22.580
TOTAL	**EUR**	**11.736**
	Equivalent RON	**50.284**

Bank credits		Balance 31.12.2010
BANC POST	EURO	1.366.522
	Equivalent RON	5.855.273
PIRAEUS	Euro	12.807.256
	Equivalent RON	54.876.529
BANCA ROMANEASCA	Euro	12.924.922
	Equivalent RON	55.380.705
BNACA TRANSILVANIA	RON	4.584.948
TOTAL	**RON**	**120.697.455**

Note 5 - Ongoing credit situation at the end of 2010 is presented below:

1. Piraeus Bank

Credit contract no. 301/30.08.2006 Value: 13,000,000 EUR Due date: 31.07.2010

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-day year.

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

The balance of this credit drawdown at 31.12.2010 is: 12,807,256 EURO

Reimbursement: reimbursement of the Facility will be made according to the reimbursement annex to the Contract and integrant part of this one.

Guarantees: 3 promissory notes in white marked “no protest” and with pledge on the balance of all current accounts opened by Impact at Piraeus Bank.

2. Piraeus Bank

Credit contract no.10/11.01.2007 Value: 112,180 EURO Due date 11.12.2011

Object: issue of two securities letter with a value of 112,180 EURO, with a maturity on 11.12.2011.

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

Penalties: Annual rate by 6 percentage 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	18216/1-Fondamento	25,870.00	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/ Greenfield
first rank mortgage; second rank mortgage	18428/1/1 - Patagonia	12,421.00	129/23.01.2009	land	Bucharest, Aleea Teisani no. 350A, district 1
first rank mortgage; second rank mortgage	18217/1 - Fondamento	23,568.00	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/Greenfield
first rank mortgage; second rank mortgage	18428/2 - Fondamento	14,393.57	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/ Greenfield
first rank mortgage; second rank mortgage	10252 - Constanta	31,400.00	2044/08.07.2005; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage	10250 Constanta	9,100.00	3384/18.09.2006; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 264
first rank mortgage; second rank mortgage	10253-Constanta	13,600.00	3384/18.09.2006; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 267/2

3. Bancpost

Contract of credit facility on term no. 58/23.09.2005

Value: „First sub-facility" in an amount of up to 4,500,000 EUR; „Second sub-facility" in an amount of 4,600,000 EUR; „Third sub-facility" in an amount of 2,000,000 EUR; „Third sub-facility bis" in an amount of 5,000,000 EUR; „Fourth sub-facility" in an amount of 2,900,000 EUR. The undrawn amounts from the „first sub-facility" will supplement" the „fourth sub-facility" „Fifth sub-facility" in an amount of 2,000,000 EUR; Validity: 7 years from the signing date of the credit contract

The interest will be calculated as of the drawing date on the basis of the number of effective days reported to a 360-day year and is due and payable monthly, on the last day of the current month. The interest will be accumulated daily, being calculated on the basis of the following formula: (credit balance x interest rate provided for in the previous paragraph)/360 days

If the Borrower does not reimburse on the due date any part of the credit drawn from the Facility, the outstanding amount will lead to the payment of an increased interest to a rate equal to the amount of the provided interest rate and a margin of 3%.

The reimbursement date of the last installment of the Facility cannot exceed 7 years from the signing date of the Contract, respectively the date of 30.10.2013.

On 31.12.2010 there remained in the balance the value of 1,708,463 EUR from the second sub-facility, intended for the financing of the „Europa" residential project. The other due sub-facilities were integrally reimbursed on the 25.07.2007, summing up 12,795,602 EUR, for their payment being contracted other two credits with Banca Romaneasca.

The statement of mortgaged assets for Bancpost is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage	1916/3/70	25,245.90	747/16.03.2007 euro; 2864/21.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/6	498.45	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/5	1,376.76	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/7	235.52	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/1	1,376.78	747/16.03.2007 euro; 2283/04.10.2005 Euro	construction	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/2	498.45	747/16.03.2007 euro; 2283/04.10.2005 Euro	construction	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/4	223.42	747/16.03.2007 euro; 2283/04.10.2005 Euro	construction	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/11	143,50	747/16.03.2007 euro; 2864/21.10.2005	land and construction	Voluntari, str. Drumul Bisericii nr.50/Junior

4. Banca Romaneasca

Contract for investment credit 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

5. Banca Romaneasca

Contract for investment credit 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 afferent 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 afferent 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 surface of the Project.

On the date of 31.12.2010 the amount to be paid in balance afferent to these credits from Banca Romaneasca was of 12,924,922 EUR.

Guarantees:

-Assignment of claims of commercial contracts

- Assignment of claims upon all rights arising from insurance contracts

- Pledge of tangible assets arising from guarantees to be constituted by the constructor / subcontractor

- Assignment of rights arising from the letters of bank guarantee

- Pledge on current accounts

- Two promissory notes marked “no protest”

The statement of the mortgaged assets for 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	6.866,96	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 52-54
first rank mortgage; second rank mortgage	23574	5.620,36	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 22-28
first rank mortgage; second rank mortgage	22705	15.654,19	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Pustnicu no. 125-135
first rank mortgage; second rank mortgage	21763	21.494,10	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage; second rank mortgage	18217/2	43.911,00	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	57.426,00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1

6. Banca Transilvania

Credit contract no. 15/21.07.2009 , value 11,313,416 RON , due date 20.07.2014.

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%.

Penalties: the penalty interest to credit is of 30%/year, the penalties for the failure to pay interests, commissions and banking charges is of 30%/year.

Reimbursement: The credit will be reimbursed on the date of 28^{th} of each month, according to a reimbursement schedule, in monthly installments correlated to the collection of installments and of rents from the assigned contracts.

The balance corresponding to the drawdown of this credit on 31.12.2010 is 4,584,947.62 RON

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage	20254	470.46	218/21.07.2009	land and constructions	Padurea Neagra no. 52-54
first rank mortgage	23574	22.01	218/21.07.2009	land and constructions	Padurea Neagra no. 22-28
first rank mortgage	22705	356.05	218/21.07.2009	land and constructions	Padurea Pustnicu no. 125-135
first rank mortgage	21763	764,28	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	5308	214.00	218/21.07.2009	Land and constructions	St. George Palade no. 6, Oradea, Bihor
first rank mortgage	153647	220.00	218/21.07.2009	Land and constructions	St. George Palade no. 19, Oradea, Bihor
first rank mortgage	153648	80.00	218/21.07.2009	Land	St. George Palade no. 19, Oradea, Bihor
first rank mortgage	5309	212.00	218/21.07.2009	Land and constructions	St. George Palade no. 8, Oradea, Bihor
first rank mortgage	153587	220.00	218/21.07.2009	Land and constructions	St. George Palade no. 20, Oradea, Bihor
first rank mortgage	153588	121.00	218/21.07.2009	Land	St. George Palade no. 20, Oradea, Bihor
first rank mortgage	7601	332.00	218/21.07.2009	Land and constructions	St. George Palade no. 22, Oradea, Bihor
first rank mortgage	7602	312.00	218/21.07.2009	Land and constructions	St. George Palade no. 24, Oradea, Bihor

first rank mortgage	7603	321.00	218/21.07.2009	Land and constructions	St. George Palade no. 26, Oradea, Bihor
first rank mortgage	7604	375.00	218/21.07.2009	Land and constructions	St. George Palade no. 28, Oradea, Bihor
first rank mortgage	153317	220.00	218/21.07.2009	Land and constructions	St. George Palade no. 38, Oradea, Bihor
first rank mortgage	153318	83.00	218/21.07.2009	Land	St. George Palade no. 38, Oradea, Bihor
first rank mortgage	7610	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 40, Oradea, Bihor
first rank mortgage	7611	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 42, Oradea, Bihor
first rank mortgage	7612	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 44, Oradea, Bihor
first rank mortgage	7613	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 46, Oradea, Bihor
first rank mortgage	7690	342.00	218/21.07.2009	Land and constructions	St. George Palade no. 97, Oradea, Bihor
first rank mortgage	7537	470.00	305/04.06.2010	Land and constructions	St. Emil Palade No. 152 Oradea, Bihor
first rank mortgage	7752	200.00	305/04.06.2010	Land and constructions	St. Emil Palade No. 131 Oradea, Bihor
first rank mortgage	7541	325.00	120/09.03.2010	Land and constructions	St. Emil Palade No. 160 Oradea, Bihor
first rank mortgage	7540	362.00	120/09.03.2010	Land and constructions	St. Emil Palade No. 158 Oradea, Bihor
first rank mortgage	7689	342,00	218/21.07.2009	Land and constructions	Str.George Palade nr.95, Oradea, Bihor

The total accounting value of the assets used as collateral for the bank loans is about 213.5 million RON.

Note 6 - Accounting Principles, Policies and Methods

Basics of Drafting Financial Statements

Financial statements were drafted by the company, in accordance with the Order of the Minister of Finances number 3055/2010 for the approval of accounting regulations compliant with the European directives, with the observance of the Accounting Law number 82/1991 with its subsequent modifications and requirements for the presentation of annual financial statements.

Accounting Principles

The financial statements for the year 2010 were drafted in accordance with the following accounting principles:

The Business Continuity Principle: There must be presumed that the entity develops its activity on the basis of the principle of business continuity.

This principle supposes that the entity continues its operation normally, without coming into a liquidation condition or significant reduction of the activity. If the administrators of an entity were acknowledged of some unsafe elements related to certain events that may lead to its incapacity to continue its business, these elements must be presented in the explanatory notes. In case the annual financial statements are not drafted on the basis of the principle of continuity, this piece of information must be presented, together with explanations regarding their drafting mode and the reasons that laid on the basis of the decision according to which the entity cannot continue its business anymore.

The Methods Permanence Principle: The assessment methods must be applied consistently from an accounting period to another.

The Prudence Principle: The assessment must be made on a prudent basis, and especially:

a) There may be included only the profit realized on the balance date;

b) There must be taken into account all the debts occurred during the current accounting period or during a prior accounting period, even if these become obvious only between the balance date and the date of its draft;

c) There must be taken into account all the predictable debts and potential losses occurred during the current accounting period or during a prior accounting period, even if these become obvious only between the balance date and the date of its draft;

d) There must be taken into account all the depreciations, irrespective if the result of the accounting period is a loss or profit.

The Accounting Period Independence Principle: There must be taken into account the revenues and the expenses afferent to the financial accounting period, irrespective of the collection date or of the payment date of these revenues and expenses.

Separate Assessment of Asset and Debt Elements Principle: According to this principle, the components of the asset or of debt elements must be assessed separately.

The Intangibility Principle: The opening balance for each accounting period must correspond to the closing balance of the preceding financial accounting period.

The Principle of Non-compensation: Any compensation between the asset and the debts elements or between the elements of the revenues and expenses is forbidden.

The eventual compensations between the receivables and debts of the entity to the same economic agent may be performed, with the observance of the legal provisions, only after the registration into the accounting of the revenues and of the expenses to their entire value.

The Principle of Economic over Juridical Prevalence: The presentation of the values within the elements in the balance and the profit and loss account is made taking into account the economic basis of the reported transaction or operation, and not only their juridical form.

Basics of Accounting

The interim financial statements, drafted by the company on the date of 30.12.2009, constituted of:

- Accounting balance
- Profit and loss account
- Equity ownership modifications
- Treasury flow
- Accounting policies and explanatory notes

are compliant with the provisions of the Accounting Law no. 82/1991, of OMFP no. 3055/2009 for the approval of the accounting regulations harmonized with the European directives.

Reporting Currency

The pieces of information are presented, within the financial statements, in Romanian lei.

Use of Estimations

As a result of the inherent uncertainties in the development of activities, many elements of the financial statement cannot be precisely assessed, but only estimated. The estimation process involves reasoning based on the most credible recent pieces of information that we had available.

There may be realized, for example, estimations for:

- uncertain clients
- moral use of stocks
- real value of assets and of financial debts, etc

The use of some reasonable estimation represents an essential part of the financial statements drafting and does not undermine their credibility.

The estimation may need a revision, if there take place changes regarding the circumstances that estimation was based upon or following some new pieces of information or subsequent experiences.

By its nature, the estimation 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 respective elements' value and to their influencing with the effects of some possible circumstance modifications, of some events subsequent to the closing of the accounting period, or of other pieces of information, if these were considered significant.

The use of estimations led, for the company, to the set-up and registration of provisions for the depreciation of the assets and for risks and expenses. The effect of such operations was included within the positions in the balance afferent to the respective elements and affected the profit and loss account.

Conversion of Transactions in Foreign Currency

The transactions of the trade company in foreign currency were registered to the exchange rates communicated for the dates of the transactions. The receivables and debts in foreign currency are converted into lei at the end of each financial year, on the basis of the exchange rates communicated by the National Bank of Romania. The earnings and losses resulted following such operations are acknowledged in the profit and loss account. Whenever necessary, the company sets up during the year provisions for the negative exchange rate differences.

Revenues

The main revenues obtained from exploitation are those from the sale of the built houses/apartments. Thus, the revenues afferent to the sold houses/apartments are acknowledged at the moment of the constructions handover to the beneficiary. Beginning with the year 2008, due to the fact that there existed 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, the revenues are registered at the level of the costs distributed to each house under work and are reported to the revenues from the stocked production.

Since 2009 the company registered also incomes from leases, these ones increasing in 2010, proportionally with the increase of leased estates.

Pensions and Other Benefits Subsequent to Retirement

The company does not finance private pensions and does not have a benefit plan in case of retirement for its employees.

All the employees of the company are a part of a pension plan financed by the Government of Romania from funds constituted by the company and its employees, and thus the company does not have any liability with regard to the private pension plan.

Intangible Assets

The intangible assets purchased by Impact are presented to the cost, less the cumulated amortization. The intangible assets registered by Impact represent informatics programs. These are linear depreciation for a period of 3 years.

Tangible Assets

Owned Assets

The buildings are presented in the balance to their revaluated value, less the cumulated amortization and the eventual value losses. The cost of the assets built by Impact comprises the cost of materials, direct manual labor and a percentage of the indirect expenses, reasonably allotted to the building of tangible assets.

The historical cost was revaluated in accordance with the Government Decisions: 983/1998 and 403/2000 and 1553/2003; the retreating of the net accounting value of the assets was made in order that this would reflect better their market value. The latest revaluation took place on 31.12.2010 for the constructions existing in the patrimony.

Leasing Contracts

The leasing contracts where the Company assumes the totality of risks and of benefits associated to the property are classified as a financial leasing. The fixed assets purchased by financial leasing are presented to the minimum between the market value and the updated value of future payments, less the accumulated depreciation and value depreciations.

Subsequent Expenses for Maintenance and Repairs

The expenses for the repair or maintenance of fixed assets performed to establish or maintain the value of these assets are acknowledged in the profit and loss account on the date of their performance, while the expenses performed on the purpose to improve technical performances are capitalized and depreciation for the remaining depreciation period of the respective fixed asset.

Depreciation

Depreciation is calculated to diminish the cost using the linear depreciation method for the operating duration of the fixed assets and of their components that are separately accounted.

Lands and assets in progress are not depreciated.

Stocks

Stocks of raw materials and materials are put into evidence to their acquisition value. The cost of stocks is based on the First In, First Out (FIFO) principle and includes the expenses caused by their acquisition and their bringing into the current location.

According to the economic reality and the policy of Impact, land being intended for sale to their greatest extent, they are considered raw materials. Due to their special character, the method to calculate the cost is the Weighted Average Cost (WAC) and includes besides the proper acquisition cost other expenses as well caused by their bringing into the shape intended for sale.

The stock of finished products is registered to production cost.

When the acquisition value/production cost exceeds the accomplishable net value of stocks then depreciation adjustments are made.

Stocks of production under execution are put into evidence to production cost.

Provisions

Provisions are acknowledged in the balance when for Impact there appears a debt with uncertain exigibility or value and that may be acknowledged only at the moment when there exists a current liability generated by a previous event; it is probable that an outflow of resources would be necessary in order to honor the respective liability; there may be realized a credible estimation of the liability value.

Value Adjustments

Value adjustments comprise all the corrections intended to take into account the value decreases of individual assets, established on the balance date, irrespective if this decrease is or is not final. Value adjustments may be permanent adjustments (amortizations) and provisional adjustments, also called adjustments for depreciation or for value loss. From this latter category, the Impact policy is to set up adjustments:

- For the financial investments that cannot be recovered anymore;

- For the advances granted to suppliers not closed for more than 1 year - 100%;

- For different debtors, clients, etc – 100% of the value of receivables considered unrecovered and without turnover lower than 1 year;

- For the depreciation of materials – 50% of the inflow value of stocks without turnover higher than 3 months

Reserves from Revaluation of Fixed Assets

For the revaluation of fixed assets, when the result of revaluation is a decrease of the net accounting value, this is treated as an expense with the entire value of depreciation, when from in the revaluation reserve there is not registered an amount related to that asset or as a decrease of the revaluation reserve by the minimum between the value of that reserve and the decrease value, and the eventual difference remaining uncovered is registered as an expense. The diminishing of revaluation reserves and their takeover in the „Reserves representing the surplus realized from revaluation reserves" account is made on the breakage or sale of revalued fixed assets.

Affiliated Companies

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

Note 7 - Share Capital

Impact SA was founded in 1991, pursuant to Law 31/1990. On 04.10.2006 the company moves its registered office in Bucharest, Sector 1 in Ilfov, Voluntari city in Construdava office building. At the same date the company changes its name. The identification data of the company are:
Name: IMPACT DEVELOPER & CONTRACTOR SA

Address: Voluntari, Şos. Pipera-Tunari nr. 4C, Centrul de Afaceri Construdava, et. 6, Jud. Ilfov Phone.: 021 - 230.75.70/71/72, fax: 021 - 230.75.81/82/83, registered with Trade Registry Office within Bucharest Tribunal under no. J 23/1927/2006, the Identification Unique Code: RO1553483

Subscribed and paid up share capital of the company at December 31, 2010 is 200.000.000 RON. The nominal value of a share is 1RON.

Ownership structure on January 7, 2011, according to the Central Depository situation was as follows:

Shareholder	Ownership (%)
Popp Ioan Dan	18,07%
Sandulescu Carmen Daniela	11,62%
CITIBANK NOMINEE	9,06%
Artio International Equity Fund	8,46%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6,09%
Other legal entities, out of which	29,57%
- foreign entities	22,41%
Other natural persons, out of which	17,13%
- foreign persons	0,43%
Total	**100,00%**

The company Impact Developer & Contractor SA has been transacted to the Bucharest Stock Exchange since the year 1996, and beginning from the year 2006 its shares, at present in a number of 200 million, have been quoted in the 1st category. 29.69% of the company shares are held by the company management.

Note 8 - Information Regarding Employees, Administrators and Directors

Structure of Personnel Expenses

In 2010, continued the decrease of the number of employees, from an average number of 89 in 2009 to 51 in 2010, which represents a decrease of 43%, decrease reflected in the cost of staff remuneration.

Description	**31.12.2009**	**31.12.2010**
indemnifications for the Board of Directors	108.300	81.624
salaries of directly productive employees	267.966	132.994
salaries of TESA	2.303.399	1.469.350
exp. with social insurances and protection	709.234	425.863
TOTAL	**3.388.899**	**2.028.207**

Company Management

According to the Resolution of GAS, the members of the BoD have the right to monthly indemnifications with a value of 2,700 RON net and the president of the board of directors (the legal entity Havila Trading International SRL represented by Mr. Dan Ioan Popp) has concluded an administration contract with a value of 33,500 RON monthly plus an annual bonus equal to 5.28% of the net profit.

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

Administrators

	Name	Position	Identification data
1.	S.C. Havila Trading International S.R.L. represented by Popp Ioan Dan	Chairman of BoD	J40/26453/94 CUI RO 6712040
2.	Ionescu Valeriu Nicolae	Administrator	1520411400095
3.	Bugica Radu	Provisory Administrator	1651213384184

Following the resignation of Mrs. Andreea Ioana Rosca on 01.07.2010 the company now has a temporary administrator that is to be confirmed by the Ordinary General Meeting of Shareholders of 16 April 2011.

Executive Management

Family name	Name	Position	Citizenship
Sandulescu	Carmen Daniela	Executive Director (Economic Development)	Romanian

Note 9 - Economic and Financial Indicators

PROFITABILITY AND RENTABILITY	**31.12.2009**	**31.12.2010**
Efficiency of available equity		
Profit before interests and tax (A)	8.203.399	-11.035.847
Available equity (B)	408.169.070	414.451.192
A/B	**2,01%**	**-2,66%**
Efficiency of own equity		
Net profit (A)	141.540	-17.546.665
Own equity (B)	333.512.530	315.930.582
A/B	**0,04%**	**-5,55%**
Operating profit rate		
Profit before interests and tax (A)	8.203.399	-11.035.847
Exploitation revenues (B)	68.557.322	26.730.406
A/B	**11,97%**	**-41,29%**
Net profit rate		
Net profit (A)	141.540	*-17.546.665*
Total revenues (B)	78.647.342	39.783.415
A/B	**0,18%**	**-44,11%**
Total assets rate		
Profit before interests and tax (A)	8.203.399	-11.035.847
Total assets (B)	505.590.140	461.659.952
A/B	**1,62%**	**-2,39%**
Indebtedness degree		
Borrowed equity (A)	71.013.054	95.210.170
Own equity (B)	333.512.530	315.930.582
A/B	**0,21**	**0,30**
SOLVABILITY	**31.12.2009**	**31.12.2010**
Debt rate		
Total liabilities (A)	172.077.610	145.729.370
Total assets (B)	505.590.140	461.659.952
A/B	**34,04%**	**31,57%**

Financial leverage		
Own equity (A)	333.512.530	315.930.582
Total assets less net current debts (B)	408.169.070	414.451.192
A/B	**81,71%**	**76,23%**
Interest coverage rate		
Profit before interests and tax (A)	8.203.399	-11.035.847
Interest (B)	7.706.027	6.499.818
A/B - times	**1,06**	**-1,70**
LIQUIDITY AND WORKING CAPITAL	***31.12.2009***	**31.12.2010**
Current liquidity indicator		
Current assets (A)	417.579.832	367.101.178
Current liabilities (B)	91.138.209	40.898.780
A/B	**4,58**	**8,98**
Immediate liquidity indicator		
Current assets (A)	417.579.832	367.101.178
Stocks (B)	311.575.489	280.619.736
Current liabilities (C)	91.138.209	40.898.780
(A - B)/ C	**1,16**	**2,11**
Client debt turnover		
Trade receivables (A)	80.844.587	72.856.152
Net turnover (B)	54.233.682	34.288.805
(A /B)* no of days in the period	**536,64**	**764,92**
Fixed asset turnover		
Net turnover (A)	54.233.682	34.288.805
Fixed assets (B)	87.624.247	94.201.345
A/ B	**0,62**	**0,36**

NOTE 10 - OTHER INFORMATION

Inventory

In the year 2010, due to the existing economic context, work was done only in order to finish the started assemblies. For this reason, the value of the construction works compared to the preceding year is much diminished. In product range offered by the company are included both housing units completely finished, and some residential units to the red stage, and some at the stage of polishing, so that customers could purchase the best products for their needs.

The structure of the company stocks is presented in the table below:

Description	31.12.2009	31.12.2010
Lands	149.776.273	148.532.800
Advances for lands	6.159.288	979.675
Finished products – houses	86.072.889	89.365.876
Production and services under execution	67.128.801	40.722.984
Construction materials	2.633.287	1.747.900
Adjustments for materials depreciation	949.013	1.381.008
Finished prod., merchandises, packagings and inventory objects	415.145	382.917
Advances for the purchase of construction materials	338.819	268.593
TOTAL	**311.575.489**	**280.619.736**

At the end of the month of June 2010 there existed a number of 293 finished houses and apartments and 107 under execution. In the year 2009 there was started a new assembly in Greenfield - RFR, with 46 apartments in the first phase. For the moment the capitalized costs comprise design, taxes, advices, etc

The value of production and services in progress represents residential units amounting to 2,959,897 RON, networks in value of 33,754,865 RON as well as investments in progress amounting to 4,008,222 RON to the assembly from Lomb hill.

The amount of 5,224,000 RON was reclassified from « Advance for lands » to « Different debtors » (see page 12).

Expenses in Advance

The structure of the expenses in advance is presented as follows:

Description	31.12.2009	31.12.2010
Other expenses in advance	21.537	166.649
Insurances (constructions and cars)	113.140	71.482
Insurances for professional liability	73.298	19.750
Commissions paid in advance	177.856	99.549
Taxes for rovigneta	230	0
TOTAL	**386.061**	**357.429**

Deferred Income

Deferred incomes include interests afferent to the contracts with the payment in installments and from rents. The passing to revenues of the interests income is made gradually, as the installments are paid or their due date, whichever comes first. The balance as at 30.06.2010 is of 4.132.597 RON, decreasing in comparison to the month of December 2009.

Direct Expenses – Raw Materials

Raw materials and consumable materials	31.12.2009	31.12.2010
Expenses with lands	1.366.038	1.225.975
Exp. with raw materials and materials	1.747.026	385.489
Exp. with fuel	211.795	119.987
Exp. with spare parts	57.346	36.524
Exp. with other constr. materials	477.807	67.464
TOTAL	**3.860.012**	**1.835.438**

Other material expenses	31.12.2009	31.12.2010
Exp. with inventory objects	282.381	111.330
Ex. with un-stocked materials	78.976	88.844
Exp. with packaging	4.219	0
Exp. with energy and water	4.440.801	3.058.126
Exp. regarding merchandises	247.520	828.954
TOTAL	**5.053.898**	**4.087.254**

Other Operational Expenses

Description	31.12.2009	31.12.2010
Expenses with maintenance and repairs	70.697	411.871
Expenses with royalties and rents	2.648.532	2.157.666
Expenses with insurance premiums	760.952	596.005
Expenses with commissions and fees	1.628.455	84.612
Expenses for protocol, advertisement and publicity	610.332	623.520
Expenses with transport of goods and pers.	361.179	134.066
Expenses with movements, assignments and transfers	6.900	10.856
Postal expenses and with telecommunication fees	518.351	392.034
Expenses with banking services and assimilated	770.642	495.734
Expenses with services executed by thirds *	29.718.619	12.101.198
Expenses with other assimilated taxes and dues	5.134.749	3.143.127
Expenses with compensations, fines, penalties	287.462	303.963
Expenses regarded assigned assets	1.307.573	1.384.171
Donations (sponsorships)	9.522	109.083
Other operational expenses	636.541	1.163.884
TOTAL	**44.470.506**	**23.111.790**

Expenses with Services Performed by Thirds *

Description	31.12.2009	31.12.2010
Expenses with subcontractors	17.496.705	6.537.014
Havila consultancy expenses	410.232	393.768
Expenses for consultancy	2.547.854	496.829
Expenses with guard and protection	1.087.176	389.297
Expenses with meal tickets	2.261	364
Expenses with HR	167.556	34.540
Expenses for IT services	359.759	427.332
Expenses with fees (notary, cadastre)	1.307.327	794.816
Expenses for design services	1.454.658	744.117
Other expenses for services	4.885.092	2.283.120
TOTAL	**29.718.619**	**12.101.198**

Description	31.12.2009	31.12.2010
Expenses regarding interests	7.706.027	6.499.818
Expenses from currency exchange rate differences	12.221.149	10.193.432
Expenses with assigned financial investments	0	2.074.940
Losses from equity-related debts	0	1.026.236
Other financial expenses	19.587	40.870
Adjustments for financial immobilizations	677.207	386.881
Total financial expenses	**20.623.970**	**20.222.177**
Revenues from interests	6.606.211	2.542.236
Revenues from currency exchange rate differences	2.272.406	8.476.366
Revenues from sales with equity-related title	0	2.010.000
Revenues from dividends	1.087.860	0
Other financial revenues	123.543	24.407
Total financial revenues	**10.090.020**	**13.053.009**
Financial result	**-10.533.950**	**-7.169.168**

Expenses with interests decreased due to the decrease of the balance of loans. Due to the decrease of the owned cash, the revenues from the interests collected to deposits, too, had the same trend, decreasing by more than 60 % compared to the similar period of the preceding year.

Gross profit

In 2010 IMPACT registered an accounting loss of 17.535.665 RON and a net loss of 17.546.665 lei. The reconciliation between the fiscal result and the accounting one is presented next.

Profit Tax

Explanation	Value
Accounting gross profit	-17.535.665
Taxable revenues	40.607.243
Expenses afferent to taxable revenues	49.049.090
Tax loss	-8.441.847
Taxable profit	0
Due tax on profit – minimum tax	11.000
Net result	-17.546.665

Auditors

Scot & Company Consulting (SCC) 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.

SCC ensures to its clients fiscal consultancy and assistance, and also any other professional services specific to the activity field. The team of SCC is composed by professionals, chartered accountants and financial auditors. SCC 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. SCC 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. SCC supplies services both to its permanent clients, and also to some occasional clients, upon their request. The services of SCC are used both by big multinational companies, and by small and medium-sized companies with domestic and foreign capital. SCC built and implemented its specific professional procedures, and also its own business conduct code. Being a company where there are involved both chartered accountants, and financial auditors, the codes regarding the ethical and professional conduct elaborated by the Romanian Chamber of Auditors and C.E.C.C.A.R. on the basis of the IFAC Ethical Code, are basic elements in the development of the SCC activity.

Insolvency lawsuit

Romconstruct SA submitted in January 2010, to the Bucharest Tribunal – section VII – (thus being composed the file no. 323/3/2010), an application by which it showed that our company had certain unpaid debts towards Romconstruct S.A. and consequently it invoked that our company was under insolvency, by the respective way requesting the opening of the insolvency procedure.

The defends used by Impact in this file envisaged on one side the fact that the company has the cash funds available for the payment of certain, liquid and exigible debts (there was submitted in this respect a vast evidences material that showed the daily payments performed by Impact currently during the period January – June of 2010), on the other side, the company demonstrated that it had reasonably refused to pay the invoices issued by Romconstruct

In spite of all the evidences administrated in the case, the court of the Bucharest Tribunal disposed the opening of the general insolvency procedure on the date of 08.07.2010.

Through decision of the Appeal Court instance, the attorneys-at-law empowered by Impact SA obtained at the term of trial of 08.11.2010, the temporary suspension of sentence for opening insolvency proceedings.

The suspension of the sentence until the irrevocable settlement of the dispute is included in the recourse application, filed by the company against the Commercial Sentence no. 5061 of 8th July, 2010. For the recourse application, Bucharest Court of Appeal , established the term of judgment for 28th of April, 2011

Note 11 - Contingent Debts

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

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Bucharest Court	15014/300/2010	Appeal of distribution amounts protocol	plaintiff	Bodogan Aurel	recourse	18-March-11	
Law court of Oradea	24112/271/2010	complaint of violation against a protocol through which the company was fined for the failure to maintain in land	plaintiff	CL Oradea, Cityhall of Oradea City	grounds	23-Mar-11	the land is property of CLO
Law court of Oradea	4376/271/2010	challange of enforcement	plaintiff	Local council of City of Oradea	recourse	6-June-11	challange on enforcement started by CLO for amounts with title of „penalties" according to the association contract no. 14.519/02.07.2004''
Bucharest Court	41894/3/2010	payment ordinance	plaintiff	Keops Consulting SRL	grounds	4-March-11	action aims to recover the outstanding amounts

Bucharest Court	26153/2/2010	bankruptcy	plaintiff - creditor	Sqrw Developm ent Romania	grounds	4-March-11	Impact requested registration to the list of creditors as a successor in rights of Patagonia SC INVEST SRL
Prahova Court	4994/105/2010	Insolvency procedure	plaintiff - creditor	Romconst ruct SA	grounds	7-April-11	admits the application , file linked to 7034/105/ 2010
Prahova Court	7034/105/2010	Insolvency procedure	plaintiff - creditor	Romconst ruct	grounds	7-April-11	IDC has made an application for admission to the list of creditors
Bucharest Court	24403/3/2007	obligation to do	plaintiff	Pasteur Institute	grounds	17-March-11	Was changed the action from action of forcing Pasteur to sell us the land into action in restitution of the advance and interest in compensat ion and annulment of the pre-contract
Constanta Court	13729/118/2010	action in restitution of tax paid for the gas pipeline from Boreal	plaintiff	CNADR	grounds	3-March-11	IDC claimed reimburse ment of the road toll for the location of the pipeline that serves the assembly Boreal

Lawcourt of Sector 1	8274/299/2009	collection, debts price index according to the contract	plaintiff	Ciubotaru Pavel	grounds	3-March-11	
Bucharest Court	40089/3/2010	Contract termination	plaintiff	Sewerage and Water Public Service	grounds	4-March-11	It shall be settled amicable
Judecatoria Buftea	9807/94/2010	Claims for inconsistent works	plaintiff	Floreasca Constructi on (ex Summa Romania SA)	grounds	7-March-11	
Bihor Court	3555/111/2010	declaratory action	plaintiff	MTS Leasing; Ban Liviu	grounds	8-March-11	IDC asked the court to find out that the execution contract was terminated execution occurred
Bucharest Court	23619/3/2009	declaratory action	plaintiff	Sc Summa Romania SA	grounds	9-March-11	IDC asked the court to declare the inexistence dr. SUMMA to receive sums of money as because there was compensat ion claims between the two companies
Court of Appeal Constanta	12377/118/2010	cancellation of civil violation protocol	plaintiff	CJ, CR for Customer protection	recourse	16-March-11	
Mures Court	305/1371/2008	bankruptcy	plaintiff	Dafora Structuri	grounds	16-March-11	Joining the list of creditors was admitted
Lawcourt of Sector 2	12758/300/2010	claims- green spaces	plaintiff	Cofaru Dumitru Gabriel	grounds	22-March-11	

Bucharest Court	33824/3/2010	eviction action / cancellation / claims	plaintiff	Stanciulescu Razvan / Costea Elena	grounds	25-March-11	IDC requested the eviction of the building, because tenants do not execute the obligation to pay the rent
Bucharest Court	35915/3/2009(12489/94/2010)	Action for eviction	plaintiff	Puiu Georgeta	grounds	30-March-11	IDC requested the eviction of the building, because beneficiary doesn't execute the obligation to pay the installments
Lawcourt of Sector 2	5700/300/2009	claims	plaintiff	Coca Adina	grounds	1-April-11	
Court of Appeal Bucharest	2975/2/2010	Appealing the decision 206/2010 ANRE	plaintiff	ANRE	grounds	5-April-11	IDC applied for the annulment of the decision ANRE related to the on approval of distribution fees in Voluntari
Lawcourt of Sector 1	34961/299/2010	Claims, rent	plaintiff	Patru Ace Srl	grounds	6-April-11	
Court of Appeal Bucharest	2927/2/2010	Cancellationof deeds ANRE, decision 834/2010/ suspended decision	plaintiff	ANRE	grounds	12-April-11	IDC asked the court to cancel / suspend ANRE decision on electric power distribution services in Class assembly

Buftea Lawcourt	16410/301/ 2010 (327/94/ 2010)	claims, action, recovery index, according to the contract	plaintiff	Taxi Mondial SRL	grounds	15-April-11	
Oradea Lawcourt	18591/271/2010	declaratory action	plaintiff	Chimex SRL	grounds	2-May-11	IDC asked the court to declare that was terminated as per commisori a lex the land sale purchase contract
High Court of Cassation and Justice	3829/2/2009	administrative deed cancelation	plaintiff	Agricultur e Ministry	recourse	7-May-11	
Bucharest Court	33822/3/2010	Eviction action, termination / claims	plaintiff	DF Broker Exquisite SRL	grounds	11-May-11	
Bucharest Court	33790/3/2010	Eviction action, termination / claims	plaintiff	Voinescu Dragonce a Dragos Marian	grounds	18-May-11	
Court of Appeal Bucharest	11833/2/2010	administrative deed cancellation, regarding additional tax liabilities to be paid established in charge of the undersigned by the fiscal audit report	plaintiff	ANAF	grounds	24-May-11	1st term
Bucharest Court	33825/3/2010	eviction action /termination /claims	plaintiff	Kis Angelica	grounds	26-May-11	1st term
Lawcourt of Sector 1	55912/299/2010 (10401/3/2010)	eviction/terminati on	Plaintiff	Pusca Ioan	grounds	16-June-11	1st term after disclaimer
Bucharest Court	4372/94/2010	Cancellation of civil violation protocol, cash register	plaintiff	MEF - GF Ilfov	recourse	20-June-11	1st term after disclaimer

Bucharest Court	37677/3/2010	Recovery of expenses returned to Impact further to nonconformity works COMINSTAL	Plaintiff	Cominstal Group	grounds	27-Jun-11	1st term
Buftea Lawcourt	2081/94/2011	Payment ordinance (Government Emergency Ordinance 119/2007)	plaintiff	SC Taxi Mondial SRL	grounds	27-June-11	1st term of judgment
Buftea Lawcourt	2083/94/2011	Payment ordinance (Government Emergency Ordinance 119/2007	plaintiff	SC Taxi Mondial SRL	grounds	27-June-11	1st term of judgment
Bucharest Court	41896/3/2010	Payment ordinance	plaintiff	Vifor GMBH	grounds	4-July-11	1st term
Bucharest Court	40191/3/2010	claims arising from nonconformity works, performed by Summa	plaintiff	Summa Romania SA	grounds	6-September-11	
High Court of Cassation and Justice	3191/2/2010	Cancellation of decision ANRE 485/2010	plaintiff	ANRE	recourse	15-September-11	
Bucharest Court	14600/300/2008	claims	plaintiff	Ghassan KH Abdo Nasri	recourse	3-Oct-11	
Lawcourt of Sector 1	21136/299/2009	claims	plaintiff - defendant	SC Summa Romania SA	grounds	17-Nov-11	1st term after disclaimer at the civil department
Bucharest Court	10402/3/2010	Disposal/lease contract termination for breach of contract	plaintiff	Draghici Jenica Laura	grounds	without term	Disclaimer at Buftea Lawcourt
Lawcourt of Sector 2	11725/300/2010	appeal of enforcement	plaintiff	BODOGAN AUREL & CONSTNATIN, PIRAEUS BANK, BEJ G JALBA	grounds	without term	rejects the appeal to the enforcement for moratorium damages arising from the execution/undrawn decision.

	39469/3/2008	Romconstruct is ordered to pay delay penalties for delaying in execution of constructions from Rubin assembly	plaintiff	Romconstruct	grounds	without term	Suspended pursuant to art. 36 Law 85/2006
Lawcourt of Sector 2	11874/300/2009	Appeal to execution	plaintiff	Bodogan Aurel si Bodogan Constantin	Pronounced grounds	without term	delayed pronouncement on 02/03/2011
Lawcourt of Sector 1	4785/299/2009	claims arising of non-payment of rent and utilities	plaintiff	SC Patru Ace SRL	grounds	without term	admits in part the action / undrawn sentence
Lawcourt of Sector 2	14599/300/2008	Claims action to recover the price index announced by INS, pursuant to contract	plaintiff	PATURESCU CORNEL	Grounds	without term	admits the action / undrawn sentence
Bucharest Court	44677/3/2010	eviction from apartment for rent non payment	plaintiff	Cristea Andrei Daniel	grounds	4-October-11	
Bucharest Court	44676/3/2010	eviction for rent non payment /claims	plaintiff	Dumitrascu Sorin Ion	grounds	17-October-11	
Buftea Court	6946/94/2010	termination of lease contract /claims	plaintiff	Muscalu Florentin Teodor	grounds	without term	admits the action / undrawn sentence
Buftea Court	6283/94/2010	Claims-damages for delay establishment of easement authentic act	plaintiff	Bobeica Andrei Sorin	grounds	10-February-11	suspends pursuant to art. 155[1] Civil Procedure Code
Bucharest Court	323/3/2010	insolvency procedure	plaintiff	SC Romconstruct SA	grounds	28-April-11	1st term recourse
Ploiesti Court	103/281/2010	Appeal to enforcement, formulated by Romconstruct toward enforcement of check notes	plaintiff	Romconstruct SA	grounds	without term	Rejects appeal/ undrawn sentence.
Court of Appeal Bucharest	45882/3/2009	Action through which was applied for return of the value of the guarantee letter	plaintiff	SC SUMMA ROMANIA SA	recourse	1-March-11	Rejects the application for suspension pursuant to article 244 point 1 Criminal Procedure Code

Bucharest Court	32099/299/2006 (15895/3/2010)	claims (damages for construction defects)	plaintiff	Stefanica Mihaela	grounds after discardin g	3-March-11	admits the recourse, discards and send back for re-judgment
Court of Appeal Bucharest	45886/3/2009	Return the value of guarantee letter	plaintiff	SC SUMMA ROMANIA SA	grounds	4-March-11	suspends on 244 Civil Procedure Code until the irrevocable settlement of the application for compensat ion
Constanta Court	17735/118/2010	action through which is required that the Court should pronounce a decision to take the place of authentic Sale Purchase Contract	plaintiff	Visan Petre Nicolae si Visan Genica	grounds	10-March-11	1st term
Court of Appeal Timisoara	19/105/2010	Action for contracting claims	plaintiff	Romconst ruct & BRD SG	grounds	14-March-11	docket moved from Ploiesti Court of Appeal to hear the appeal at the conclusion of jurisdiction declining of Prahova tribunal
Bucharest Court	30348/3/2010	IP applies for clearance of damages further to failure to conclude the sale purchase contract	Plaintiff	Pasteur Institute	grounds	16-March-11	1st term
Oradea Court	9297/111/2010	request for payment of contractual penalties	plaintiff	Oradea municipali ty through Oradea City Hall	grounds	22-March-11	

Commercial Court of Arbitration	487/lu/2009	Commercial arbitration- claims for construction defects Degi	plaintiff	Degi Construdava SRL	grounds	31-March-11	DEGI requested expenses for works related to Construdava building
Bucharest Court	23136/3/2009	Cancellation of Decision of the General Council of Bucharest Municipality no. 263/2008	plaintiff	CGMB / Mayor of Bucuresti Municipality/ Ionita	recourse	4-April-11	In grounds, further to the acknowledgment of Impact of CGMB application the court cancelled HCGMB 263/2008 related to the land of Florian Ionita
Constanta Court	81/118/2009	claims arising out of construction defects	plaintiff	S.C.Isac Maricica Contabilitate	grounds	7-April-11	
Buftea Court	5315/94/2010	decision to take the place of authentic Sale-Purchase Contract	plaintiff	Soare Constanta	grounds	7-April-11	
Bucharest Court	32826/3/2010	Claims arising from the acquisition by the plaintiff by assignment of some debts of Summa Romania. 42 / 2007	Plaintiff	SC Brooklyn Property Management SRL	grounds	15-April-11	Brooklyn request the value of contracting works and penalties for contract 42/2007
Bucharest Court	32874/3/2010	Claims arising from the acquisition by the plaintiff by assignment of some debts of Summa Romania. 6 / 2007	plaintiff	SC Brooklyn Property Management SRL	grounds	18-April-11	Brooklyn requets the value of contracting works and penalties for contract 6/2007
Bucharest Court	5028/94/2009	claims (judgment expenses)	Plaintiff	Bodogan Constantin si Aurel	appeal	21-April-11	
Buftea Court	297/94/2011	summons payment, calling for payment of amounts for which no services were provided	Plaintiff	Viab Consulting Srl	grounds	21-April-11	

Buftea Court	31608/3/2010(1 003/94/2010)	Networks	plaintiff	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, Flash Models	grounds	27-Apr-11	Declarator y action we consider it is not admissible because Impact has ownerships deeds of the networks
Bucharest Court	97/94/2010	Action for claims penalties	plaintiff	Antonescu Adrian	recourse	11-May-11	1st term
Bucharest Court	45236/3/2010	Termination of Sale Contract under private signature and penalties payment	plaintiff	Peter John Leigh	grounds	24-Oct-11	to file statement of defense
Buftea Court	5540/94/2007	Cancellation Act (dismemberment acts) / claims	plaintiff	Georgescu Maricica	grounds after cassation	without term	admits in part the application modified / Impact will appeal
Bucharest Court	48002/3/2009	return land value	plaintiff	STYLE MODA ROMANIA SA	grounds	without term	obliges IDC to pay Style Moda the amount of 110428,90 RON and 33534,84

							interest; IDC will appeal
Bucharest Court	10892/3/2010	advance refunds and penalties	plaintiff	Peter John Leigh	appeal	without term	admits the appeal, discards and send back for retrial
Buftea Court	7602/94/2010	Recovery action for inconsistent works	plaintiff	SC Romconst ruct SA	grounds	without term	Suspended pursuant to art. 36 law 85/2006
Court of Sector 1	11190/299/2007	claims (request split of the docket of obligation to do; value lack of utilization)	Plaintiff	Petcuta Danut	grounds after discardin g	without term	at the term of 04/03/201 1 was admitted the request of refusal, then the docket will be distributed randomly
Oradea Court	10229/271/2009	(real estate) accession	plaintiff	Ban Liviu and Ban Cornelia	grounds	without term	suspended until the irrevocable settlement of docket no.3555/1 11/2010
Bucharest Court	20014/3/2010	contract resolution for vices, IDC formulated counterclaim for the payment of outstanding installments	plaintiff - defenda nt	Plescan Petruta	grounds	25-March-11	
Court of Sector 1	21136/299/2009	claims	plaintiff - defenda nt	SC Summa Romania SA	grounds	17-November-11	first term after declination at the civil departmen t
Bucharest Court	5876/3/2010	vices damage claims	plaintiff	Dumitresc u Doina	grounds	15-April-11	
Bucharest Court	43654/3/2009	Cancellation of Decision of the General Council of Bucharest Municipality no. 263/2008	plaintiff	Ionita Florian	grounds		suspended until irrevocable settlement of docket no. 23136/3/2 009

Besides the litigations appreciated as significant presented above, the company has also under development a number of litigations against different debtors of the company coming from the supply of utilities or other receivables small with regard to value. These litigations (approximately 62) comprise a total value of the claims of IDC of approximately 133,762 RON

Note 12 - Affiliated Parties

Nature of Relationships

In the year 2010, the company IMPACT SA developed trade relationships with a number of companies that are affiliated parties. The list of the affiliated parties with which Impact developed trade relationships is the following:

Denomination of company– affiliated party:	Number and date of contract	Type of purchased services/products
Bipact 1995 SRL	48/28.12.04	Client (materials)
	CC/04.08.05	Supplier (construction services)
Hobbit Intermediere Asigurari SRL	6/05.01.05	Client (materials)
Finance Consulting 2001 SRL	258//01.12.04	Supplier (management services)
Actual Invest House SRL	158/20.04.07, 296/03.09.07	Client (construction)
	J190/01.02.07	Supplier
	J883/10.05.07 J2971/26.06.07 J2865/27.11.07	Debtor
Lomb SA	526/28.07.08; 527/28.07.08; 529/28.07.08; 553/08.08.08; 746/24.10.08; 748/28.10.08	Client: consultancy, marketing, design, project management
Millenium Consult Invest	569/14.01.2010 514/20.09.2010	Client: design services sale of land
Havila Trading SRL	FN/22.05.03	Supplier (management services)
Intop Construction SRL	1/12.09.05	Client
	1681/20.10.05; 153/01.07.07	Supplier

The prices of the contracts concluded with the affiliated party companies are established under market conditions. In the year 2010, the company developed transactions with the affiliated parties, as follows:

Sales to:	**31.12.2009**	**31.12.2010**
ACTUAL INVEST HOUSE	-430.313	-240.816
FINANCE CONSULTING 2001	3.549	5.277
HAVILA TRADING	2.473	1.229
BIPACT 1995 SRL	7.416	147.008
HOBBIT INTERMEDIERE ASIGURARI SRL.	141.867	102.164
INTOP CONSTRUCTION	3.200	3.340
LOMB	7.212.338	3.523.860
MILLENIUM CONSULT INVEST	49.142	429.515
INVESTIMOB	409	-291.669
Total	**6.990.083**	**3.679.908**

Purchases from:	**31.12.2009**	**31.12.2010**
ACTUAL INVEST HOUSE	273.432	1.905.342
FINANCE CONSULTING 2001	316.272	106.428
HAVILA TRADING	997.290	488.430
BIPACT 1995 SRL	1.198.842	722.288
INTOP CONSTRUCTION	0	2.604
MILLENIUM CONSULT INVEST	113.632	0
INVESTIMOB	2.500	245.472
TOTAL	**2.901.969**	**3.470.563**

Following the transactions with the affiliated party companies, the resulted balances as at 31st December, 2010 are:

Receivables from/Advances granted to:	**31.12.2009**	**31.12.2010**
ACTUAL INVEST HOUSE	17.531.546	6.159.367
FINANCE CONSULTING 2001	436	62
HAVILA TRADING	572	82
BIPACT 1995 SRL	6.745	159.763
HOBBIT INTERMEDIERE ASIGURARI SRL.	63.583	57.090
INTOP CONSTRUCTION	3.200	6.862
LOMB	595.897	54.102
MILLENIUM CONSULT INVEST	49.142	418.912
INVESTIMOB	14.716.738	14.425.113
TOTAL	**32.967.858**	**21.281.354**

Debts to/Advances received from:	31.12.2009	31.12.2010
ACTUAL INVEST HOUSE	254.305	3.325
FINANCE CONSULTING 2001	11.662	0
HAVILA TRADING	39.865	41.583
BIPACT 1995 SRL	3.062	29.922
LOMB	315.000	0
INVESTIMOB	0	2.472
TOTAL	**623.894**	**77.301**

The total value of the loans granted is presented below. Due to the affiliation relationship, the loans granted to the affiliated companies were granted in order to support and develop their activity, a reason for which there was made the decision not to charge interest. In the contract there is not specified a certain date regarding the loan reimbursement, but to the extent availabilities exist.

Granted credits	31.12.2009	31.12.2010
ACTUAL INVEST HOUSE	106.820	0
BIPACT SRL	378.000	86.489
INTOP CONSTRUCTION	1.123.338	1.128.838
INVESTIMOB	27.000	27.000
TOTAL	**1.635.158**	**1.242.327**

Detailed accounts of credits, according to the CNVM - National Securities Commission, is presented below:

Date of contract	Currency of credit	Val. of Contract	Val. Used, from which	Val. used in 2010	refunds/ compensations	balance	Unused value
BIPACT SRL							
21.12.2009	RON	150.000	39.000			39.000	111.000
23.03.2009	RON	100.000	100.000		52.511	47.489	0
12.02.2009	RON	44.000	44.000		44.000	0	0
30.01.2009	RON	145.000	145.000		145.000	0	0
15.12.2008	RON	191.000	191.000		191.000	0	0
24.11.2008	RON	180.000	180.000		180.000	0	0
06.11.2008	RON	138.000	138.000		138.000	0	0
25.09.2008	RON	140.000	140.000		140.000	0	0
23.09.2008	RON	180.000	180.000		180.000	0	0
21.08.2008	RON	130.000	130.000		130.000	0	0
05.08.2008	RON	130.000	130.000		130.000	0	0

15.07.2008	RON	175.000	175.000		175.000	0	0
25.03.2008	RON	100.000	100.000		100.000	0	0
19.03.2008	RON	150.000	150.000		150.000	0	0
12.03.2008	RON	150.000	150.000		150.000	0	0
07.03.2008	RON	150.000	150.000		150.000	0	0
05.03.2008	RON	100.000	100.000		100.000	0	0
27.02.2008	RON	100.000	100.000		100.000	0	0
15.02.2008	RON	150.000	150.000		150.000	0	0
05.02.2008	RON	150.000	150.000		150.000	0	0
27.09.2005	RON	2.324.800	2.324.800		2.324.800	0	0
02.03.2005	RON	902.600	902.600		902.600	0	0
01.12.2004	RON	1.211.100	1.211.100		1.211.100	0	0
TOTAL BIPACT SRL		***7.191.500***	***7.080.500***	***0***	***6.994.011***	***86.489***	**111.000**
INTOP CONSTRUCTION							
16.08.2010	RON	200.000	5.500	5.500		5.500	194.500
14.07.2008	RON	10.000	10.000			10.000	0
30.04.2008	RON	150.000	150.000			150.000	0
16.04.2008	RON	150.000	150.000			150.000	0
01.04.2008	RON	100.000	100.000			100.000	0
01.04.2008	RON	100.000	100.000			100.000	0
14.03.2008	RON	150.000	150.000			150.000	0
10.02.2008	RON	90.000	90.000			90.000	0
03.02.2008	RON	100.000	100.000			100.000	0
26.02.2008	EUR	163.935	163.935			163.935	0
10.01.2008	RON	140.000	140.000		30.597	109.403	0
TOTAL INTOP CONSTRUCTION		***1.353.935***	***1.159.435***	***5.500***	***30.597***	***1.128.838***	***194.500***

Note 12 - Subsequent Events

Bank Loans

On the date of 28th of February 2011, the statement of the banking loans was the following:

No. of Contract	Bank	The contract value	Balance 31.12.2010	Balance 28.02.2010
10/11.01.2007	Piraeus Bank Grecia suc Londra	112.180 EUR	0 EUR	0 EUR
301/30.08.2006	Piraeus Bank Grecia suc Londra	12.807.256 EUR	12.807.256 EUR	12.807.256 EUR
58/23.09.2005	Bancpost	21.000.000 EUR	1.366.522 EUR	1.366.522 EUR
50070065/ 25.07.2007	Banca Romaneasca	7.993.204 EUR	4.282.074 EUR	3.996.602 EUR
50070066/ 25.07.2007	Banca Romaneasca	22.306.796 EUR	8.642.848 EUR	8.376.677 EUR
15/21.07.2009	Banca Transilvania	12.800.000 RON	4.584.948 RON	4.264.227 RON

Important Juridical and Economic Information

Prest RV Company 2003 SRL, in which Impact holds 95% of the shares, was liquidated on March 14, 2011 as per Resolution No. 16047 of 24.02.2011. Further to liquidation, the profit of Impact was negatively influenced by the amount of 190 RON.

After partial restore of the control act by the General Administration of Large Taxpayers, was issued the notice of assessment no. 35 of 12.12.2010, communicated on January 6, 2001. Based on this decision, in January 2011 was compensated the amount of additional income tax 59,406 RON and the amount of 2,093,371 RON delay increases related to the tax on profit, with tax on profit paid in addition by Impact in previous years.

It should be remembered that there is substance action for annulment of decision no. 266/29.09.2010, given by the Ministry of Finance - NAFA – General Direction of Appeals and of the notice of assessment related to additional tax liabilities established by the fiscal no. 115/19.05.2010, and has legal term on May 24, 2011 at Bucharest Court of Appeal. This action appeals inclusively the amounts of 2,093,371 RON and 59,406 RON, compensated by the tax agency.

General Manager	Chief Accounting Officer
Dan Ioan Popp	Rosca Filip Florin Eugen

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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 2010, 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:

	- thousands euro - 31 December 2010
Total shareholders' equity	105,101
Net turnover	6,169
Net result-loss	(23,639)

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, 6 and 7, 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

5. During 2010, Impact Developer& Contractor SA was subject of several tax inspections regarding the way of constitution and payment of local taxes due for buildings and land held by the company, without any finalization of these tax inspections. By the date of our report, the tax and accounting records of the company as far as these local taxes are concerned have not been confirmed by all tax authorities (in this respect, please see the document issued by DGITL District 1, no.1328482/23.03.2011). Because the local taxes represent significant amounts in the consolidated financial statements drawn up by the group an, taking into account that, local taxes are calculated differently from one tax authority to another in the Fiscal Code limits, we consider that, in the lack of some final tax authorities reports, we have not been able to satisfy ourselves that the debts to the local budgets have been correctly

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determined with regard to building and land tax, and consequently we cannot express any opinion on the costs and related liabilities as of the end of 2010.

6.As the company didn't establish the net realizable value through valuation reports issued by independent evaluators for all inventories presented in financial statements as of December 31, 2010, we have not been able to satisfy ourselves that inventories (finished goods – buildings) are presented at minimum between cost and net realisable value. Consequently we cannot express any opinion on the valuation of those inventories and nor on the possible effect on company's performance of the results of such valuations.

7. The Group shows in the consolidated financial statements as of December 31, 2010, investments in SCS Fotbal Club Universitatea Cluj of 692 keuro. Due to the fact that the Financial Statements as of December 31, 2010 issued by SCS Fotbal Club Universitatea Cluj were not available to us, and we have not been able to satisfy ourselves that the investment in SCS Fotbal Club "Universitatea Cluj" is fully recoverable, we cannot estimate the future benefits obtained upon this participation, consequently we cannot express any opinion on the fair value of the above-mentioned investment and on the possible impact on the company's financial result.

Opinion

8. 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 as to the issues mentioned in paragraphs 5, 6 and 7, 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, 2010 and of the results of the group's operations and its cash flow for the year then ended in accordance with International the Financial Reporting Standards and the accounting policies described in the notes to the consolidated financial statements.

Noteworthy issues

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

a.As a result of the financial crisis and of the global economic downturn, the Romanian real-estate market was subject to a significant fall in 2010 compared to the previous years with regard to the individual value of transactions as well as their volume. This trend has also become manifest in the case of Impact Developer & Contractor SA and its subsidiaries. The information available at the date of the present report does not allow us to estimate the future effects of these changes.

b.As of 31 December 2010, the group presents in the balance sheet receivables in an amount of Euro 1,220 keuro paid to Pasteur Institute and paid stamp duty to the sum of 440 keuro. Although these sums originate from the year 2007 and have been the object of two court cases in varying stages of resolution, the estimates of the G. Florea independent firm of lawyers are optimistic with regard to recouping the advance and the stamp duty paid, as well as to receipt of the damages plus interest stipulated in the sales-purchase ante-contract. In this respect, on March 24, 2011 Bucharest Court admitted the company's action (with the right of appeal) and ordered the termination of the pre-sale contract concluded between Impact and Pasteur Institute and repositioning of the parties in the previous situation. The court obliged Pasteur Institute to reimbursement of both the down payment in amount of 1,220 keuro and the duty stamp in value of 440 keuro.

c) As of December 31, 2010 The Group presents in the consolidated financial statements work and services in progress in total amount of 4,562 keuro representing investments in Dealul Lomb project (PUZ, roads, water and electricity networks etc). A part of these investments was established through the framework agreement concluded

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between Impact SA and City Council Cluj and was realized by Impact Developer &Contractor as a previous condition of setting-up of Lomb SA and the other part of investments was realized directly by Lomb SA. According to the management and lawyers estimations there are significant chances that these costs to be recovered from City Council Cluj.

d) For several litigations as presented in Note 24 to the financial statements, we have received no confirmation from the company's lawyers, Traian Briciu, Silvan Gavenea, Domocos Golea, Diana Moldovan, Iuliana Dobre and Dan Vladescu.

10.The present auditor's report was prepared with a view to its use by the company and its shareholders gathered in 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.

Scot & Company Consulting SRL
CAFR member (no. 322/31.05.2001)

16 May 2011
Bucharest

S.C. SCOT & COMPANY CONSULTING S.R.L. BUCUREȘTI
EVIDENȚA ȘI EXPERTIZA CONTABILĂ
ACCOUNTING & AUDITING
* 210 *

Authorised by The Romanian Body of Chartered Accountants (CECCAR) and The Romanian Chamber of Auditors and The Romanian Chamber of Tax Consultants to provide accounting, auditing, business and tax consultancy services.
Share Capital: 112.000 RON VAT no. RO6057138 Registration No: J40/14340/1994

SC IMPACT DEVELOPER & CONTRACTOR SA

Consolidated financial statements for the year ended

December 31, 2010

	31 December 2010	31 December 2009 - RESTART	31 December 2009
ASSETS			
Non-current assets			
Property, plant and equipment	4.970	16.475	16.475
Investment property	70.086	91.835	91.835
Investments	1.236	701	701
Intangible assets	50	80	80
	76.342	**109.091**	**109.091**
Current assets			
Inventories	47.670	56.563	56.563
Trade receivables	13.939	15.486	15.486
Prepayments and other receivables	44	92	92
Cash and cash equivalents	7.742	11.395	11.396
	69.394	**83.536**	**83.537**
Total Assets	**145.736**	**192.627**	**192.628**
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	57.340	57.340	57.340
Capital paid in excess of par value	19.683	19.946	19.946
Revaluation surplus	2.072	2.106	2.106
Accumulated result – profit	26.007	50.293	50.356
	105.101	**129.685**	**129.749**
Minority interest	**21**	**11.617**	**11.544**
Non-current liabilities			
Borrowings	22.990	17.677	17.678
Deferred incomes	6.540	10.509	10.509
	29.529	**28.186**	**28.187**
Current liabilities			
Trade and other payables	4.626	6.720	6.729
Short term borrowings	0	0	0
Current portion of interest-bearing borrowings	5.956	16.406	16.406
Provisions	502	14	14
	11.084	**23.140**	**23.148**
Total Equity and Liabilities	**145.736**	**192.627**	**192.628**

The consolidated financial statements along with the Notes to the financial statements presented from page 6 to page 66 have been authorised to be issued on 9 May 2011 by the President of the Board and signed by:

Dan Ioan Popp — Florin Rosca

President of the Board — Chief accountant

	2010	2009 - RESTART	2009
Turnover	**6.169**	**9.670**	**9.670**
Effects from IAS 40 – revenue/(cost)	-23.756	-43.240	-43.240
Other operating income	3.068	6.373	6.375
Change in inventory of finished goods and work in progress	-5.293	-2.697	-2.697
Work performed by the enterprise and capitalized	2.454	2.854	2.854
Raw material and consumables	-532	-957	-957
Staff costs	-674	-1.126	-1.126
Depreciation and amortization expenses	-474	-607	-414
Other operating expenses	-8.334	-14.740	-14.717
Net finance cost	-412	897	897
Income from associates	293	4	4
Profit before tax	**-27.492**	**-43.569**	**-43.350**
Income tax	3.856	6.122	6.121
Profit after tax	**-23.636**	**-37.447**	**-37.228**
Minority interest	-3	-409	-405
Net profit for the period	**-23.639**	**-37.856**	**-37.633**

	2010	2009 - RESTART	2009
Cash flows from operating activities			
Profit before taxation	**-27.492**	**-43.569**	**-43.350**
Adjustments for:			
Translation adjustments	-1.644	-9.448	-9.607
Revenues from investment property	23.756	43.240	43.240
Minority interest	-11.599	-706	-774
Depreciation	474	607	414
Loss / (profit) on disposals of non-current assets	-222	-48	-6
Increase / (Decrease) in provisions for risks and charges	486	-262	-262
Increase / (Decrease) in allowances for bad debts	546	136	69
Increase / (Decrease) in allowances for inventories	0	-27	-27
Interest income	-1.379	-2.691	-2.691
Interest expenses	1.544	1.819	1.819
Other finance (income)/expenses, net	-3	-24	-24
Operating profit before working capital changes	**-15.532**	**-10.973**	**-11.199**
Decrease / (Increase) in trade and other receivable	1.090	11.495	11.563
Decrease / (Increase) in inventories	8.893	1.966	2.664
Increase / (Decrease) in trade and other payable	-2.028	-4.940	-4.931
Cash generated from operations	**-7.577**	**-2.452**	**-1.904**
Income tax paid	-47	-471	-472
Net cash from operating activities	**-7.624**	**-2.923**	**-2.376**
Cash flows from investing activities			
Purchase of property, plant and equipment	8.481	3.818	3.968
Proceeds from sale of non current assets	516	345	346
Net cash used in investing activities	**8.997**	**4.164**	**4.315**
Cash flows from financing activities			
Proceeds from issuance capital	122	0	0
Movements in long term loans	-5.076	-16.222	-16.222
Movements in leasing contracts	-62	-168	-168
Interest (paid)/received, net	-10	661	661
Other finance expenses paid, net	3	24	24
Dividends paid/profit share to employees	-3	82	82
Net cash used in financing activities	**-5.026**	**-15.623**	**-15.623**
Net increase/(decrease) in cash and cash equivalents	**-3.653**	**-14.383**	**-13.685**
Cash and cash equivalents at beginning of period	**11.395**	**25.778**	**25.781**
Cash and cash equivalents at end of period	**7.742**	**11.395**	**12.096**

Note 1 - Organization and Operations

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.

Initially a developer of small, residential properties in Bucharest, Impact now focuses mainly in the development of large-scale projects having initiated mixed-use projects in Bucharest and Cluj-Napoca.

Since 1995, Impact has expanded its activities nationally and developed over 2,000 dwellings as well as 25,000 sqm of office and retail space. The company is currently involved in some of the largest mixed-use real estate projects in Romania.

Impact completed 16 small and medium projects in the last 19 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 two major projects: the Greenfield and Lomb Hill developments.

In 2009 the local economy recession was stimulated by the difficulty to access bank loans. The GDP decrease was due to the decrease in demand on the domestic market, which led to: the decrease of the investments volume, the consumption decrease, and the export decrease once with the amplification of the financial crisis to the global level.

All this being said Impact's strategy for 2009 proved to be a successful one, and the total number of the contracts signed for residential dwellings increased with 44% to 176 contracts signed in 2009 compared with 122 contracts signed in 2008. In the same time at the end of 2009 there were another 25 reservations for the residential units from Greenfield. From the total number of 176 dwellings, 124 were either paid in full or in installments, and the rest of 52 dwellings were rented either through the call-buy contract or simple rent.

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

The global economic crisis has transformed every industry, segment and each strategy company. IMPACT felt all this major changes recorded on the Romanian market (exchange rate EURO/USD, reducing investment, consumption and lower demand). At this difficult times Impact's strategy for 2009 had the following goals:

- To focus on finalizing the units started in 2008 and redesigning the buildings that were in different stage of development and allowed changes
- To adapt the sales strategy for finished products appropriate to market conditions
- To analyse the opportunity to include in the pipeline hotel developments
- To divide the projects in sub-phases of the projects according to the new master-plans
- To prospect the markets for attracting new partners for project risk mitigation
- Other Activities Under Analysis

Company Organization

IMPACT Company is led by the General Shareholders' Meeting which, through the Managing Board chosen by the shareholders, takes the decisions pertaining to the company's strategy. The Managing Board is assisted in decision taking by the Consulting Board, while the executive power is exercised by the Board of Directors. This is formed by the Director General, the Economic-Development Director, the Human Resources Director, the Legal-Organization Director and the Building Director.

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 organizational 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

The most effective management system

IMPACT Developer & Contractor is permanently concerned for the quality of the products and services that it provides but also for the improvement of the life quality of its employees and for the protection and development in a systematical and conscientious mode of the environment.

As of the year 2004, a new management system has been instituted – from the objective based management we have shifted to project based management. The advantages of this management system are the following: the project phases can be closely surveyed – thus enabling the possibility to intervene more easily and for better results, the deadlines are better set and supervised, resources (material and human) are more efficiently distributed and used, team work is encouraged. Each investment represents a project, steered by a Project Manager, sided by a team comprising designers, project leaders, civil engineers, economists. The Project Manager handles the projects pursuing the observance of the budget (costs, income), execution terms and quality.

The company’s strategic objective is to develop the integrated management system, at the level of top management and the certification of this status by business excellence awards. The company was ISO certified in 2005: ISO 9001: 2000 and 2004: ISO 14001, the integrated management system being re-acknowledged by an auditing survey in the 2006.

By the implementation of this integrated management system IMPACT Developer& Contractor S.A succeeded in ensuring the coherence of the three aspects (quality, environment, occupational health and security) inside the processes, in minimizing the dissipation of responsibilities and, at an equal extent, in having a unitary vision upon the development projects or upon the provided products and services. Also, the integrated management system allowed the constitution of the framework for the putting into application in an efficient way of the specific concepts and techniques of project management.

On external plan, the concern for quality, environment, occupational health and security took shape by an attentive keeping under control of the outsourced processes for the execution of construction works and of installations afferent to these. Thus, IMPACT Developer& Contractor S.A imposed to all its partners to apply consequently its quality, environment and occupational health and security policies.

Following the audit of all the processes in the year 2009 IMPACT Developer& Contractor S.A obtained the reconfirmation of the fact that the integrated management system works and also obtained the certification for the expansion of the application domain of the integrated system, respectively for the activities of work constructions of residential and non-residential assemblies, manufacture and mounting of the PVC carpentry, design-architecture.

Company history

Completed projects

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.

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 is the second residential compound, developed by Impact. The project includes 70 deluxe and prestige villas.

Gamma & Delta Projects

The 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

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

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

The 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. The Azur 2 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. Because Europa is located in close proximity to this important area, it is ideal in making journeys quicker and easier.

Boreal 1 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.

PROJECT	Units	Built Area (sqm)	Started	Completed
Alpha	40	7,000	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 1	151	60,000	2002	2008

On-going Projects

The company is currently involved in four developments, each with a distinct project time frame and with a different completion stage. Its pipeline is dominated by two major projects: the Greenfield and Lomb Hill developments (future projects).

Greenfield Project in 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 “neighborhood” concept, providing all types of facilities required by habitants of a modern city: residential neighborhoods – 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 – Phase &).

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:

- 154 units in Rubin compound
- 123 units in Topaz compound
- 196 units in Blue compound
- 104 units in Onix compound
- 93 units in Quartz compound

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

Boreal 2 Project in Constanta

The decision by Impact to invest in developments within Constanta was influenced by the important role the area plays for the country as a whole. The area has an exciting development potential which, together with its close proximity to Bucharest and the completion of the new highway, will increase considerably the demand.

Location:

- Outskirts of the Constanta-Bucharest highway
- 3.5 km from the beach
- In the near vicinity of the Boreal 1 Project
- Plot: 5.858 m²
- Sellable Built Area: 3.578 m²

Lotus 1 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 1 was started in 2004. The compound is situated close to the Criş River, and about 4 km far away from Oradea city.

Roua 1 Project in Ploiesti

Roua is a residential project comprising more than 35 houses that represent a new era in the company's activities: the expansion in to another market – the city of Ploiesti. 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.

Impact business center project

Bucharest

CONSTRUDAVA Business Center is the first class A office building in the Baneasa-Pipera area, conceived and executed by IMPACT. Located in the north-western side of Bucharest, the **building** grants a bird's eye view upon the entire residential zone of Baneasa. Construdava is a unique **building**, which accommodates office spaces, a retail gallery, a car showroom, bank quarters, five conference rooms divided by a mobile wall (40 people each), a conference room for approx. 200 persons, but also a restaurant for 100 persons. Equipped with controlled access, five panoramic elevators, electronic monitoring and warning systems, video surveillance, air conditioning plant, internet, phone, video-interphone, night lighting, fire prevention system and much more, the building hosts a 13,236 sqm surface, spread on 11 levels, providing all the conditions necessary for a day in the office to be a particularly pleasant one. The constructor will also make available to those who will conduct their daily activities within these impressive building 276 parking spaces. Starting this fall, the biggest business center in the northern area of the capital will host, in addition to the IMPACT headquarters, the main offices of some prestigious firms, which chose to carry their business inside a high class facility, accomplished at the height of western standards.

Note 2 - Accounting Policies

The summary of significant accounting policies and principles adopted in preparation of the accompanying financial statements is as follows:

2.1 Reporting entity

Impact Developer & Contractor SA (the Company) presents these consolidated financial statements. These consolidated financial statements incorporate the results of the Company and its subsidiaries: Bipact 1995 SRL, Hobbit Intermediere Asigurari SRL, Actual Invest House SRL, Investimob SRL, Millenium Consult Invest 2002 SRL, Intop Construction SRL and Lomb SA as detailed in Note 23 "Principal subsidiaries". Other subsidiaries Prest RV 2003 SRL and Biz-ar SRL (95% acquired by Impact during 2008) are not incorporated into consolidated financial statements for the period ended December 31, 2010 as their insignificant influence over the Group figures.

2.2 Basis of presentation, reporting currency and translation

The accompanying financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the going concern assumption on the basis of the statutory accounts. They are not the statutory accounts of the Group.

The Group companies maintain and prepare their statutory records (“Statutory Financial Statements”) in accordance with Romanian Law and Romanian Accounting Standards (“RAS”) and practice, in Romanian historical currency (“RON”). The accompanying financial statements (“IFRS Financial Statements”) are based on RAS records, which are maintained under the historical cost convention with adjustments and reclassifications recorded for the purpose of fair presentation in accordance with IFRS.

The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

IAS 21 “The effects of changes in foreign exchange rates” requires that the financial statements of a foreign entity that reports in the currency of a hyperinflationary economy should be restated in accordance with IAS 29 “Financial reporting in the Hyperinflationary Economies” before being translated into a different reporting currency. The restatement of financial statements in accordance with IAS 29 requires the use of a general price index that reflects changes in general purchasing power of reporting currency.

It is a consensus that Romania ceased to be a hyperinflationary economy during the year 2004. Therefore, the Group companies discontinue the preparation and presentation of the financial statements in accordance with provision of IAS 29, but according to provision of IAS 21 it will use for reporting purposes the amounts expressed in the measuring unit current at the date of discontinuation (31 December 2003) as historical cost for translation into EUR. The primary guidelines followed in translation of the financial statements of the Group companies are as follows:

- **Assets and liabilities** for all balance sheet presented (including comparatives) are translated at the closing exchange rates existing at the date of each balance sheet presented (4,2848 RON/EUR as at December 31, 2010 and 3,2282 RON/EUR as at December 31, 2009).

- **Income and expense items** for the current reporting period are translated at the average exchange rates RON/EUR for the reporting period (4,2099 RON/EUR).
  Comparative figures in the income statement have been derived by applying the RON/EUR exchange rate as at December 31, 2009 to the amounts expressed in current monetary units as of that date (4,2373 RON/EUR).

- **Equity items,** other than net profit and loss for the period that is carried forward, which have been contributed or accumulated before date of discontinuation are restated from their historical cost by applying the general price index to 31 December 2003 before being translated at the closing exchange rates existing at the date of each balance sheet presented.

- **All exchange differences** resulting from the translation of the current year financial statements are recognized directly to the equity while the effect of translation on the Company’s net monetary position until date of discontinuance was included in the income statement as translation gain or loss.

Use of estimates

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates have principally been made in respect of estimated impairment allowance, provisions for risks and charges, allowances for doubtful debts and for old and slow moving inventories and deferred tax.

Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

2.3 Summary of significant accounting policies

(a) Property, plant and equipment

Non-current tangible assets are stated in the balance sheet by applying the closing exchange rate RON/EUR rates existing at the date of each balance sheet presented to their either historical costs or revaluated value in RON.

Historical cost for the assets acquired until date of discontinuance is expressed the measuring unit current at the 31 December 2003 before being expressed in EUR.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposals is included in the income statement. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any direct attributable costs of bringing the asset to its working condition and location for its intended use.

Straight-line depreciation is recorded based on the following estimated useful lives:

	Years
Buildings	40
Equipment, furniture and fixtures	3-12
Vehicles	4

(b) Intangible assets

Intangible assets are stated in the balance by applying the same approach as for Property, plant and equipment. Intangible assets are amortized on a straight-line basis over 3 years.

(c) Impairment of assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in income for items carried at cost.

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the conditions leading to the impairment losses recognized for the asset no longer exist or has decreased. The reversal is recorded in income.

(d) Investment properties

The Group has ownership over properties that are not held for a specific purpose. The properties consist in land held in different locations. The Group has adopted in 2006 for the first time the provisions of IAS 40 "Investment properties". As disclosed in Note 11 "Revenues from investment properties", the changes in value of the investment properties are reported directly to the income statement.

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(e) Group accounting

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. The accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group, where necessary,.

If some subsidiaries do not have significant influence to the Group figures then the subsidiary's figures have not been consolidated. The investment of parent company in those subsidiaries is presented at cost under "Financial investment" line in balance sheet. Also, the investments in companies where the voting rights are below fifty percent are presented at cost under the same line in balance sheet.

(f) Inventories

Inventories are valued at the lower of acquisition/production cost and net realizable value, after provision for obsolete items. Cost is calculated on a first-in-first-out (FIFO) basis.

According to the economic reality and the policy of Impact, land being intended for sale to their greatest extent, they are considered raw materials. Due to their special character, the method to calculate the cost is the Weighted Average Cost (WAC) and includes besides the proper acquisition cost other expenses as well caused by their bringing into the shape intended for sale.

Where necessary, an allowance is created for slow moving and obsolete inventories in order to arrive at the net realizable value, so a 50% provision for inventories without any movement for a period of three months.

Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Obsolete inventories are identified individually and provided in full.

For slow moving inventories the allowance is created based on an estimation of the age of inventories by each main category is made, considering the stock turnover by each main category and inventories older than one year, estimated as described above.

(g) Receivables

Receivables are stated at cost net of a provision for doubtful debts, estimated based on known relevant factors affecting collectability. Ultimate losses may vary from the current estimates.

(h) Cash

Cash includes cash on hand and cash with banks. The cash in bank and in hand in foreign currencies was re-evaluated with the exchange rate communicated by the National Bank of Romania at the end of the period. The exchange differences related to the revaluation were recorded in the Income Statements.

(i) Provisions

A provision is recognized when, and only when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in provision reflecting the passage of time is recognized as interest expense.

(j) Revenue and expense recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from sale of goods is recognized when all the following conditions, including the above, have been satisfied:

- The enterprise has transferred to the buyer the significant risks and rewards of ownership of goods;
- The enterprise retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenues and expenses exclude Value Added Tax and are recorded on an accrual basis.

(k) Financing Costs

Interest is charged to income statement on accrual basis.

(l) Income taxes

The taxation charge is calculated in accordance with Romanian taxation regulations and is based on the results reported in the income statement of the Company prepared under RAS after adjustments for tax purposes.

Current income taxes are provided on statutory income, as adjusted for certain items by tax legislation, at a rate of 16%.

Deferred Taxation

In accordance with IAS 12 ("Income Taxes (revised)"), deferred tax liabilities and assets are recognized for the tax effects attributable to differences between the tax and book bases of assets and liabilities (i.e. future deductible or taxable temporary differences) and carry forwards, using the currently enacted tax rates. The measurement of deferred tax assets are then reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

For the deferred tax we applied a current rate of 16%.

(m) Related party

For the purpose of the accompanying financial statements, the parent company and the companies identified by the Company as being associated with it are considered and referred to as related parties.

(n) Contingencies

Contingent liabilities are not recognized in the accompanying financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the accompanying financial statements but disclosed when an inflow of economic benefits is probable.

(o) Employee benefits

The Company does not sponsor any pension or other post retirement benefits plans for its employees. All the employees of the Company are members of pensions plan sponsored by the Romanian government. The Company has no further obligations with respect to pension plan.

(p) Comparatives

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current year.

Share sales to the employees

The shares included into the loyalty program developed by IMPACT DEVELOPER & CONTRACTOR S.A. have a nominal value of 1 leu. The company's shares are traded on the category I of the Bucharest Stock Exchange and were redeemed by the company to distribute them to the employees and management staff.
At 31.12.2010 Impact had a number of 2.130.480 of own shares registered at the acquisition cost of 566 th EUR.

Note 3 - Non current assets

Description	Land& Buildings	Investment property	Plant & equipment, Vehicles	Office equipment	Fixed assets under construction	TOTAL
Cost						
At 31.12.2009	**16.048**	**91.835**	**1.967**	**200**	**47**	**110.097**
At 31.12.2009 - RESTART	**16.048**	**91.835**	**1.967**	**200**	**47**	**110.097**
Exchange diff	-212	-1.213	-26	-3	-1	**-1.454**
Additions (*)	811	1.866	149	2	2.366	**5.193**
Change in investment property (**)		-23.756				**-23.756**
Disposals	-12.018	1.355	-403		-2.366	**-13.432**
At 31.12.2010	**4.629**	**70.086**	**1.686**	**199**	**46**	**76.646**
Depreciation						
At 31.12.2009	**229**	**0**	**1.445**	**112**	**0**	**1.787**
At 31.12.2009 - RESTART	**229**	**0**	**1.445**	**112**	**0**	**1.787**
Exchange diff	-3	0	-19	-1	0	**-24**
Charge	76		171	27	0	**274**
Disposals	-98		-349	0	0	**-447**
At 31.12.2010	**204**	**0**	**1.248**	**138**	**0**	**1.590**
Impairment						
At 31.12.2009 - RESTART	0	0	0	5	0	**5**
At 31.12.2010	0	0	0	0	0	**0**
Net Book Value						
31.12.2009	**15.819**	**91.835**	**521**	**87**	**47**	**108.310**
31.12.2009 - RESTART	**15.819**	**91.835**	**521**	**82**	**47**	**108.305**
31.12.2010	**4.425**	**70.086**	**438**	**61**	**46**	**75.056**

The Group's tangible assets have been revaluated in 1994, 1998, 2000, 2003, 2006, 2009 and 2010. At the end of the year 2010 there took place a revaluation of construction-type fixed assets. The revaluation was made by Parker Lewis for the land and by the valuation expert Vasile Monica for the rest of the properties. The revaluation was made on the basis of real value. Following this revaluation there were both positive and negative differences, cumulatively the value of assets decreasing. According to the accounting regulations, when the revaluation result is a decrease of net accounting value, this is treated as an expense with the entire depreciation value, when in the revaluation reserve is not registered an amount related to that asset.

(*) Additions during the period include both land in amount of 57 thousand EUR and buildings with a total value of 4.635 thousand EUR transferred from Inventory to fixed assets.

(**) The Group decided to adopt starting with 2006 the alternative treatment recommended by IAS 40 "Investment properties", recording the land owned at their market value. An authorized external evaluator has revaluated these properties. The difference between the historical cost of the land and the revaluated amount has been recognized directly to income statement.

The Local Council land 'contributions, in amount of EUR 11,039 thousand was taken out of the accounting because the Local Council has not fulfilled its obligation to contribute with the land in Lomb SA, according to the contract. At the same time there was reduced the minority interest of the Local Council Cluj in the Group.

Note 4 - Inventories

The inventories on hand consist of the followings:

Description	**31 December 2010**	**31 December 2009 - RESTART**	**31 December 2009**
Land and advances for land	17.971	20.046	20.046
Raw materials and production supplies	419	955	955
Allowance for old and slow moving raw materials and production supplies	-322	-884	-884
Work in progress	13.078	17.908	17.908
Finished goods	13.099	11.657	11.657
Merchandise	3.350	6.782	6.782
Advance payments	75	99	99
Total	**47.670**	**56.563**	**56.563**

The work in progress for the land representing the subscribed unpaid capital by the Local Council, on December 31st, 2010, consists of 3.572 thousand EUR, but not limited to the Master Plan, PUZ, technical projects and feasibility studies for roads, land improvement and erosion prevention and soil stabilization, water facilities, gas, sewerage, electrical networks [including the electrical network installation and electrical convertor] and PUD documentation, technical projects for parks and green spaces, medical research centers, objectives of public interest, site organization with the purpose of implementation of the Lomb Hill District real estate project, being designed exclusively to the land, as defined in the Articles of Incorporation LOMB SA and Association Framework Contract no. 55423/04.07.2007. The work in progress recorded in the current account 331 has been communicated to the Local Council of Cluj-Napoca Municipality through the letter no. 82/17.02.2011 to be valued by the landowner to recover the amounts related to LOMB SA. In case of failure to solve in a friendly manner, ie taking account of investments related to account 331 by the Local Council of Cluj-Napoca Municipality at the accounting asset value; LOMB SA Company reserves the right to pursue legal action to recover the work in progress amounts.

Note 5. Trade and other receivables

The accounts receivable comprise:

Description	31 December 2010	31 December 2009 - RESTART	31 December 2009
Trade accounts and notes receivable	9.567	11.515	11.514
Allowance for bad and doubtful debts	-358	-477	-477
Income tax receivable	698	676	676
Sundry debtors	2.471	1.136	1.137
Allowance for sundry debtors	-638	-162	-162
VAT and other state budget receivable	1.019	1.304	1.304
Interest receivable	45	31	31
Short term investments (*)	567	574	574
Advances to suppliers	570	889	889
Total	**13.939**	**15.486**	**15.486**

(*) Short term investments position is containing own shares bought by the Group from the stock market, at market value.

Note 6 - Prepayments

Description	31 December 2010	31 December 2009 - RESTART	31 December 2009
Prepayments	44	92	92
Total	**44**	**92**	**92**

Note 7 - Cash and cash equivalents

Cash and cash equivalents consist of the following:

Description	31 December 2010	31 December 2009 - RESTART	31 December 2009
Cash in bank	3.227	3.393	3.393
Short term investments	4.502	7.933	7.933
Cash and cash equivalents	13	69	70
Total cash and cash equivalents	**7.742**	**11.395**	**11.396**

Note 8 - Share capital

- amounts in this table are in RON -

	31 December 2010	31 December 2009 - RESTART	31 December 2009
Nominal share capital	200.000.000	200.000.000	200.000.000
Inflation adjustment to share capital	45.690.586	42.445.140	42.445.140
	245.690.586	**242.445.140**	**242.445.140**
Closing exchange rate:	4,2848	4,2282	4,2282
Share capital in EUR:	**57.340.036**	**57.340.036**	**57.340.036**

The statutory share capital is made up of 2 billion ordinary shares with a statutory par value of RON 0.1 each. On 30.05.2006, through the Decision of the General Council of Stock Exchange No. 52/30.05.06, IMPACT SA (currently IMPACY DEVELOPER & CONTRACTOR) has been accepted at category I of Stock Exchange Bucharest.

As at December 31, 2010 the shareholders’ structure is as follow:

Shareholder	Ownership
Popp Ioan Dan	18,07%
Sandulescu Carmen Daniela	11,62%
CITIBANK NOMINEE	9,06%
Artrio International Equity Fund	8,46%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6,09%
Other legal persons , out of which:	29,57%
- foreign legal persons	22,41%
Other individuals, out of which:	17,13%
- foreign individuals	0,43%
Total	**100,00%**

The Management of the Company

According to the GMS Decision, the board of administrator members are entitled to monthly net compensation of 2,700 lei and the chairman of the board (the legal entity Havila Trading International Ltd represented by Mr. Dan Ioan Popp) has management contract of 33.500 RON per month plus an annual bonus equal to 5.28% of net profit.

The members of the board of administrator are also entitled under the articles of incorporation at a rate of 0.44% of net profit.

Administrators

	Name	Position	The identification code
1.	S.C. Havila Trading International S.R.L. represented by Popp Ioan Dan	Presedinte CA	J40/26453/94 CUI RO 6712040
2.	Ionescu Valeriu Nicolae	Administrator	1520411400095
3.	Bugica Radu	Administrator	1651213384184

The executive members

Surname	Name	Position	Citizenship
Sandulescu	Carmen Daniela	Executive Director (Economic Development)	Romanian

Note 9 - Borrowings

Description	31 December 2010	31 December 2009 - RESTART	31 December 2009
Long and medium term bank loans	28.169	33.142	33.142
Bonds – long term	0	0	0
Financial leases	12	74	74
Guarantees – long term	765	868	869
Total borrowings	**28.946**	**34.083**	**34.084**

Loan with BANC POST, No. 58

Purpose	Working capital
Amount	21.000.000 EUR
Interest	EURIBOR 3M
Contract date	November 23rd 2005
Maturity	October 30th 2013
Repayment date	October 30th 2013
Balance as of December 31, 2010	1.366.521,93 EUR

Loan with PIRAEUS BANK, No. 301

Purpose	Financing the land from Ghencea
Amount	12.807.256 EUR
Interest	EURIBOR + 3,6 % / year
Contract date	August 30th 2006
Maturity	July 31st 2015
Repayment date	July 31st 2015
Balance as of December 31, 2010	12.807.256 EUR

Loan with BANCA ROMANEASCA, No. 50070066

Purpose	Refinance of BANCPOST loans and an amount of maximum 3.000.000 EUR for acquisition of land
Amount	22,306,796 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25th 2007
Maturity	July 24th 2014
Repayment date	July 24th 2014
Balance as of December 31, 2010	12.924.921,89 EUR

Warranty:
- assignment of receivables of commercial contracts
- assignment of all rights claims arising from insurance contracts
- arising from guarantees pledge to be constituted by the builder / subcontractor

- assignment of rights arising from the letters of guarantee
- pledge on current accounts
- two promissory notes issued without protest

<u>Loan with BANCA ROMANEASCA, No. 50070065</u>

Purpose	Refinance of BANCPOST loans
Amount	7,993,204 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25th 2007
Maturity	July 25th 2014
Repayment date	July 25th 2014
Balance as of December 31, 2010	**4.282.073,5 EUR**

<u>Loan with BANCA TRANSILVANIA, No. 15</u>

Purpose	Working capital
Amount	12.800.000 RON (eqv 3.987.304 EUR)
Interest	ROBOR 6 months + 5,94% p.a.
Contract date	July 21th 2010
Maturity	July 20th 2014
Repayment date	July 20th 2014
Balance as of December 31, 2009	4.584.947,62 RON **(eqv 1.070.049 EUR)**

<u>Loan with Piraeus Bank, No. 10</u>

Purpose	the issuing of two promissory notes
Amount	112.180 EURO
Interest	EURIBOR 3 months + 3.15% p.a.
Contract date	January 11th, 2007
Maturity	December 11th, 2011
Repayment date	The facility will be repaid in full at maturity

Long term bank loans are guaranteed as follows:

Loan with Piraeus Bank

Type of receivable	Cadastral No.	Mortgaged area	No. of Mortgage Contract	Property	Address/Project
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	18216/1- Fondamento	25.870,00	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/ Greenfield
first rank mortgage; second rank mortgage	18428/1/1 - Patagonia	12.421,00	129/23.01.2009	land	Bucharest, Aleea Teisani no. 350A, district 1
first rank mortgage; second rank mortgage	18217/1 - Fondamento	23.568,00	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/Greenfield
first rank mortgage; second rank mortgage	18428/2 - Fondamento	14.393,57	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/ Greenfield
first rank mortgage; second rank mortgage	10252 - Constanta	31.400,00	2044/08.07.2005; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage	10250 Constanta	9.100,00	3384/18.09.2006; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 264
first rank mortgage; second rank mortgage	10253- Constanta	13.600,00	3384/18.09.2006; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 267/2

Loan with Bancpost

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Property	Address/Project
First rank mortgage	1916/3/70	25.245,90	747/16.03.2007 euro; 2864/21.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/6	498,45	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/5	1.376,76	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/7	235,52	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/1	1.376,78	747/16.03.2007 euro; 2283/04.10.2005 Euro	building	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/2	498,45	747/16.03.2007 euro; 2283/04.10.2005 Euro	building	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/4	223,42	747/16.03.2007 euro; 2283/04.10.2005 Euro	building	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/11	143,50	747/16.03.2007 euro; 2864/21.10.2005	Land and building	Voluntari, 50, Drumul Bisericii St./Junior

Loan with Banca Romaneasca

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Property	Address/Project
First rank mortgage	1916/3/70	25.245,90	747/16.03.2007 euro; 2864/21.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/6	498,45	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/5	1.376,76	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/7	235,52	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/1	1.376,78	747/16.03.2007 euro; 2283/04.10.2005 Euro	building	Voluntari, 50, Drumul Bisericii St./Junior

First rank mortgage	1916/3/2	498,45	747/16.03.2007 euro; 2283/04.10.2005 Euro	building	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/4	223,42	747/16.03.2007 euro; 2283/04.10.2005 Euro	building	Voluntari, 50, Drumul Bisericii St./Junior
First rank mortgage	1916/3/11	143,50	747/16.03.2007 euro; 2864/21.10.2005	Land and building	Voluntari, 50, Drumul Bisericii St./Junior

Loan with Banca Transilvania

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Property	Address/Project
First rank mortgage	20254	728,72	218/21.07.2009	Land and buildings	Padurea Neagra no.52-54
First rank mortgage	23574	68,88	218/21.07.2009	Land and buildings	Padurea Neagra no. 22-28
First rank mortgage	22705	356,05	218/21.07.2009	Land and buildings	Padurea Pustnicu no. 125-135
First rank mortgage	21763	764,28	218/21.07.2009	Land and buildings	Padurea Neagra no. 56-64 si Padurea Pustnicu nr.145
First rank mortgage	5308	214,00	218/21.07.2009	Land and building	St. George Palade no.6, Oradea, Bihor
First rank mortgage	153647	220,00	218/21.07.2009	Land and building	St.George Palade no.19, Oradea, Bihor
First rank mortgage	153648	80,00	218/21.07.2009	Land	St.George Palade no.19, Oradea, Bihor
First rank mortgage	5309	212,00	218/21.07.2009	Land and building	St.George Palade no.8, Oradea, Bihor
First rank mortgage	153587	220,00	218/21.07.2009	Land and building	St.George Palade no.20, Oradea, Bihor
First rank mortgage	153588	121,00	218/21.07.2009	Land	St.George Palade no.20, Oradea, Bihor
First rank mortgage	7601	332,00	218/21.07.2009	Land and building	St.George Palade no.22, Oradea, Bihor
First rank mortgage	7602	312,00	218/21.07.2009	Land and building	St.George Palade no.24, Oradea, Bihor
First rank mortgage	7603	321,00	218/21.07.2009	Land and building	St.George Palade no.26, Oradea, Bihor
First rank mortgage	7604	375,00	218/21.07.2009	Land and building	St.George Palade no.28, Oradea, Bihor
First rank mortgage	153317	220,00	218/21.07.2009	Land and building	St.George Palade no.38, Oradea, Bihor

First rank mortgage	153318	83,00	218/21.07.2009	Land	St.George Palade no.38, Oradea, Bihor
First rank mortgage	7610	200,00	218/21.07.2009	Land and building	St.George Palade no.40, Oradea, Bihor
First rank mortgage	7611	200,00	218/21.07.2009	Land and building	St.George Palade no.42, Oradea, Bihor
First rank mortgage	7612	200,00	218/21.07.2009	Land and building	St.George Palade no.44, Oradea, Bihor
First rank mortgage	7613	200,00	218/21.07.2009	Land and building	St.George Palade no.46, Oradea, Bihor
First rank mortgage	7690	342,00	218/21.07.2009	Land and building	St.George Palade no.97, Oradea, Bihor
First rank mortgage	7537	470,00	305/04.06.2010	Land and building	St. Emil Palade No. 152 Oradea, Bihor
First rank mortgage	7752	200,00	305/04.06.2010	Land and building	St. Emil Palade No. 131 Oradea, Bihor
First rank mortgage	7541	325,00	120/09.03.2010	Land and building	St. Emil Palade No. 160 Oradea, Bihor
First rank mortgage	7540	362,00	120/09.03.2010	Land and building	St. Emil Palade No. 158 Oradea, Bihor
First rank mortgage	7689	342,00	218/21.07.2009	Land and building	St. George Palade no.95, Oradea, Bihor

Reconciliation of minimum lease payments:
The leasing payables as at December 31, 2010 are split in short term and long term debts as follows :

	December 31, 2010	**December 31, 2009**
Short term financial leases	8	59
Long term financial leases	4	15
Total financial lease payables	**12**	**74**

Note 10 - Deferred tax

Deferred income consists in:

Description	**31 December 2010**	**31 December 2009 - RESTART**	**31 December 2009**
Deferred tax	6.504	10.509	10.509
Total	**6.504**	**10.509**	**10.509**

The movement on the deferred tax liabilities is as follows:

Description	31 December 2010	31 December 2009 - RESTART	31 December 2009
As at 1st of January	17.927	17.927	17.927
Foreign exchange difference	-139	-1.030	-1.030
Charge / (Release)	-3.849	-6.388	-6.388
As at 31st of December	**6.504**	**10.509**	**10.509**

The temporary differences arise from: the re-measurement of land treated according IAS 40 (see Note 3) and from the different depreciation rule applied in accounting comparing to fiscal purposes.
Cumulative effect of temporary differences is:

a) IAS 40	3.837
b) Provision for taxes	12
Total	**3.849**

Currently, enacted tax rate of 16% is used to determine deferred income tax.

Note 11 - Trade and other payables

Trade and other payables consist in:

Description	31 December 2010	31 December 2009 - RESTART	31 December 2009
Trade accounts and notes payable	2.826	3.543	3.543
Suppliers of non current assets	1	2	2
Advances from customers	116	380	380
Dividends payable	91	94	94
Accrued interest	169	0	0
Accruals related to employees	188	210	210
Income tax payable	19	14	15
Liabilities to State Budget	137	155	163
Deferred income	965	1.478	1.478
Other creditors	-91	427	427
Guarantees	205	418	418
Total	**4.626**	**6.720**	**6.729**

Note 12 - Turnover

The Group has recorded its net turnover as follow:

Description	2010	2009 - RESTART	2009
Sales of finished goods	5.552	8.549	8.549
Sales of merchandise	30	19	19
Sales of services	587	1.103	1.103
Total	**6.169**	**9.670**	**9.670**

Note 13 - Revenue from IAS 40

The Group decided to adopt starting with year 2006 the alternative treatment recommended by IAS 40 “Investment properties”, recording a part of the land owned at their market value. An authorized external evaluator has revaluated these properties. The difference between the historical cost of the land and the revaluated amount has been fully recognized directly to income statement.
The same treatment was applied related to the apartments held for renting.

The effect of changing the treatment to fair value model is presented below:

Description	Area (sqm)	Cost of acquisition (RON)	Revalued amount 31.12.2010 (RON)	Difference (RON)	Difference (EUR)
Teisani (Buc, Sector 1)	205.495	25.810.172	135.152.440	109.342.268	25.972.652
Zenit (Constanta)	38.000	6.877.620	15.384.744	8.507.124	2.020.743
Prelungirea Ghencea (Buc, Sector 6)	180.000	37.629.000	68.164.839	30.535.839	7.253.341
Faget (Oradea)	24.460	1.446.564	4.821.100	3.374.536	801.571
Europa (Oradea)	644	42.709	42.709	0	0
Neptun (Constanta)	37.562	1.896.879	5.583.094	3.686.215	875.606
TOTAL LAND	486.161	73.702.944	229.148.926	155.445.982	**36.923.913**
204 housing units held for renting		66.857.361	71.154.951	4.297.590	**1.020.830**

The amount of 37.659 thousand EUR is divided as follows:

Description	Amount (k EUR)
Revenue recognized until 31 December 2009	61.822
Exchange differences (*)	-121
Revenues recognized in 2010	-23.756
TOTAL	**37.945**

(*) The exchange differences are determined based on annual average exchange rates used in calculation of Euro amounts.

Note 14 - Other operating income

Other operating incomes includes as follows:

Description	2010	2009 - RESTART	2009
Revenue from sundry services	996	1.248	1.248
Sales of residual goods	1	1	1
Rent	420	316	316
Proceeds from sales of fixed assets	516	345	346
Penalties from customers	258	4.232	4.232
Miscellaneous	877	231	233
Total	**3.068**	**6.373**	**6.375**

Note 15 - Raw material and consumables

Raw material and consumables costs includes as follows:

Description	2010	2009 - RESTART	2009
Raw material	293	272	272
Auxiliary materials	92	441	441
Merchandise	88	58	58
Packing materials	0	1	1
Other consumables	60	185	185
Total	**532**	**957**	**957**

Note 16 - Staff costs

The structure of staff costs is presented in the table bellow:

Description	2010	2009 - RESTART	2009
Wages and salaries	491	832	832
Civil contract staff	44	59	59
Social security expenses	139	235	235
Total	**674**	**1.126**	**1.126**

Note 17 - Depreciation and amortization of fixed assets

This position in the income statement includes as follow:

Description	2010	2009 - RESTART	2009
Depreciation	-419	-447	-447
Amortization – impairment	-55	-160	33
Total	**-474**	**-607**	**-414**

After background audit for the years 2005-2008, there were debts and income tax increases in amount of 3.403.761 lei. Impact disputes these debts and in this regard was filed an action for annulment of the background's audit decision no. 266/29.09.2010 issued by the Ministry of Finance - NAFA - General Direction of Appeals and the decision to impose additional tax liabilities established by the fiscal authority no 115/19.05.2010, issued by NAFA - DGAMC Bucharest, according to the tax audit report concluded on 14.05.2010, registered at the Ministry of Finance - NAFA - DGAMC - the tax audit under no 33.364/18.05.2010. This action is registered under no. 11833/2/2010 and covers the period from 24 May 2011, the Bucharest Court of Appeal - Section VIII of the Administrative and Fiscal Litigation. Considering the fact that following the decision to restore the control, part of the amount in dispute was retained by NAFA as the amount due, until the final settlement of the dispute was decided provisioning the amount of 2.152.777 lei.

Note 18 - Other operating expenses

Other operating expenses includes as follows:

Description	2010	2009 - RESTART	2009
Third parties services	2.987	7.201	7.202
Heat, light and power	728	1.051	1.051
Rent	975	635	635
Commissions and fees	56	388	388
Promotion and advertising	126	125	125
Taxes to State Budget	758	1.223	1.223
Bad and doubtful debts	546	110	42
Protocol			
Disposals at net book value	294	297	340
Foreign exchange differences (gain) / loss	408	2.348	2.348
Bank commissions	120	184	184
Working inventories	29	68	68
Maintenance and repairs	99	18	18
Provision for risks and charges	486	-262	-262
Insurance	139	183	183
Postage and telecommunication	97	128	128
Transport of goods and personnel	32	86	86
Travel	3	2	2
Penalties and fines	75	69	69
Cost of disposed investments	24	0	
Penalties for commercial contracts	0	0	
Old and damages inventories	0	0	
Miscellaneous	350	887	887
Total	**8.334**	**14.740**	**14.717**

Note 19 - Finance cost, net

The table below details the finance (income) / costs:

Description	2010	2009 - RESTART	2009
Interest income	-1.379	-2.691	-2.691
Interest expenses	1.544	1.819	1.819
Other finance income	-3	-24	-24

Other finance expenses	244	0	
Discount received	7	0	0
Total	**412**	**-897**	**-897**

Note 20 - Income tax

Description	**2010**	**2009 - RESTART**	**2009**
Income tax expenses	30	231	232
Differed tax expense/ (income)	-3.886	-6.353	-6.353
Total	**-3.856**	**-6.122**	**-6.121**

Note 21 - Related parties

Details of balances due to or due from related parties as well as the transactions made in the period are as follows:

Description	**December 31, 2010**	**December 31, 2009**
Accounts receivable		
Finance Consulting 2001	-	-
Havila Trading	-	-
Accounts payables		
Finance Consulting 2001	-	3
Havila Trading	10	9
Total	**10**	**12**

	2010	**2009**
Revenue		
Finance Consulting 2001	1	1
Havila Trading	-	1
	1	**2**
Expenses		
Finance Consulting 2001	21	75
Havila Trading	95	235
	116	**310**

Note 22 - Subsequent events

Bank Credits

On the date of 30st of April 2011, the statement of the banking loans was the following:

No. of Ct.	Bank	EUR	Val of contract	Balance 31.12.2010 EUR	Balance 30.04.2011 EUR
10/11.01.07	Piraeus	EUR	112.180	0,00	0,00
301/30.08.06	Piraeus	EUR	12.807.256	12.807.255,64	10.886.167,30
58/23.09.05	Bancpost	EUR	21.000.000	1.366.521,93	1.195.872,72
50070065/25.07.2007	Romaneasca	EUR	7.993.204	4.282.073,50	3.711.130,36
50070066/25.07.2007	Romaneasca	EUR	22.306.796	8.642.848,39	8.204.879,66
15/21.07.09	Transilvania	RON	11.313.416	4.584.947,62	3.948.343,29

Other economic and legal information

The Company Prest RV 2003 SRL, which holds Impact 95% of the shares, was liquidated on March 14, 2011 under Resolution No. 16047 of 24/02/2011. Following liquidation, the Impact's profit was negatively influenced by the amount of 190 RON.

In April 2011 the company Biz-Ar Services SRL was liquidated in the resolution No. 35838 of 04/21/2011, where Impact owned 95% of the shares. Following liquidation, the Impact's profit was negatively influenced by the amount of 190 RON.
After partial recovery of the control act by the General Administration of Large Taxpayers, it has been issued the decision no. 35 on December 12th, 2010, communicated on January 6th, 2001. Based on this decision, in January 2011 there was offset the amount 59.406 lei representing the additional income tax and the amount of 2,093,371 lei the fee for the delayed payment of the income tax paid in addition by Impact in previous years. It should be mentioned that there is a trail to cancel the decision no. 266/29.09.2010 given by the Ministry of Finance - NAFA - General Direction of Appeals and the decision to impose additional tax liabilities established by the decision no. 115/19.05.2010 issued by the fiscal authority, and is schedule at the Bucharest Court of Appeal on May 24th, 2011. This action is demanding also the amounts of 59.406 lei and 2.093.371 lei, compensated by the fiscal authority.

Romconstruct SA, filed in January 2010, at the Bucharest Court - Section VII - a (forming file no. 323/3/2010), an application that shows that IMPACT Company has by outstanding debts towards Romconstruct SA and consequential claim that our society is insolvent, calling the opening of the insolvency procedure. Impact defenses used in this case showed on the one hand that the company has available cash funds to pay certain debt, liquid and payable (in this respect was made a significant amount of material evidence which showed the daily payments made by Impact between January-June 2010), on the other hand, the company demonstrated that precisely refused to pay invoices issued by Romconstruct .

Despite all the evidence provided in this case, the Bucharest Court ordered the opening of the insolvency proceedings on 08 July 2010. On July 13, 2010 Impact filed the appeal.

On 11 August 2010, through the sentence no. 5061/2010 the Bucharest Court of Appeal pronounced the temporarily suspension of the effects of the commercial sentence no. 5061/2010 of the Bucharest Court until the settlement of the suspension request filed with the appeal. The suspension sentence is irrevocable.

On April 28, 2011, the Court of Appeal admitted the appeal of Impact Developer & Contractor (IMP) against the decision of the Bucharest Court from July (sentence no. 5061/2010) that accepted the application for opening insolvency of the real estate developer, so the procedure is final and irrevocably.

Auditors

Scot & Company Consulting (Scotland) is a company that provides professional accounting and auditing services, provided in accordance with the Romanian and International Accounting Standards and with International Standards on Auditing.

SCOT provides advisory and fiscal assistance to its clients, as well as other specific professional services specific to the company's field of activity. SCOT team consists of professionals, chartered accountants and financial auditors. SCOT has its headquarters in Bucharest and was founded by Otilia and Dan Schwartz in 1994 through the merger of the clients of two small consulting companies in which they were associated. SCOT is a member of the Chartered Accountants and Licensed Accountants of Romania (CECCAR) since 1994 and of the Chamber of Auditors in Romania since the company foundation in 1999. SCOT provides services to its clients both permanent and some casual customers upon request. SCOT services are used both by large multinational companies and by small and medium-sized companies with domestic and foreign capital. SCOT has built and implemented professional specific procedures and its own code of conduct in business. As a company in which there are involved both chartered accountants and auditors, ethics and professional codes of conduct developed by the Chamber of Romania and CECCAR based on the IFAC Code of ethic, are key elements in SCOT's activity.

Land

Below there is the detailed situation of land stock owned by the Group, by location and accounts.

	Non-curent assets		Property Investment		Curent assets		Advance payments	Total	
	supraf mp	val kEUR	supraf mp	val kEUR	supraf mp	val kEUR	val kEUR	supraf mp	val kEUR
Oradea	3.740	55	25.104	1.135	26.142	398	34	54.986	1.621
Constanta	11.247	132	75.562	4.894	55.185	1.968	0	141.994	6.994
Bucharest	14.098	331	385.495	47.451	407.707	13.777	195	807.300	61.754
Voluntari	82.489	2.322	0	0	20.974	1.575	0	103.463	3.897
Ploiesti	209	1	0	0	38.291	254	0	38.500	255
Cluj	0	0	0	0	0	0	0	0	0
TOTAL	111.784	2.842	486.161	53.479	548.299	17.971	229	1.146.244	74.521

Note 23 - Principal subsidiaries

The principal subsidiaries consolidated within the Group, including the degree of control exercised by Impact Developer&Contractor SA, are as follows:

Entity	December 31, 2010 % share	December 31, 2009 % share
Actual Invest House SRL	99%	99%
Bipact 1995 SRL	63%	63%
Hobbit Intermediere Asigurari SRL	95%	95%
Imobilia Credit SA	0%	70%
Investimob SA	99%	0%
Intop Construction SRL	99%	90%
LOMB SA	100%	49%
Millenium Consult Invest SRL	45%	45%
BIZ-AR SRL	95%	95%
Prest RV 2003 SRL	95%	95%
Topo Prest SRL	0%	95%

Due to their insignificance, the last three companies were not included in the consolidated financial statements.

Impact Developer & Contractor holds 45% of the share capital of Millenium Consult Invest. The applicable standard is IAS28, Investments in Associates. The revenue from this investments is 17 thousands EUR.

During 2010 was liquidated the company Imobilia Credit SA, a company that entered in the group consolidation in the previous years. In order for the data to be relevant, there were presented financial information of the Group for 2009 in its original form and in the one without Imobilia. The liquidation of this company brought to the Group a negative result of 222 th EUR.S.C. LOMB S.A. was established as a joint stock company that had as shareholders the Cluj-Napoca Local Council (51%) and SC IMPACT DEVELOPER & CONTRACTOR S.A. (49%).

In fall of 2010, due to the fact that the shareholder Cluj Local Council has not fulfilled the obligation to pay the capital the 179 ha of land which was subscribed by the Local Council, the Board of Directors of Lomb SA decided to cancel the shares owned by the Local Council in accordance with the provisions of Law 31/1990 as amended. As a result, the share capital of LOMB SA was reduced, and currently Impact holds 100% shares in the company Lomb SA. On September 20, 2010 after the General Meeting of Shareholders, there was decided the capital reduction from 45.445.028 lei to 125.000 lei. The Board of Administrators has sent a proposal to the GMS in March 2011 as the capital reduction to be made within the limits of the existing cash in the Lomb SA bank accounts, respectively, from 45.445.028 lei to 25.600.000 lei.

Note 24 - Contingent Debts

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
IMPACT D&C							
Bucharest Court	15014/300/ 2010	Appeal of distribution amounts protocol	plaintiff	Bodogan Aurel	recourse	18- March-11	
Law court of Oradea	24112/271/ 2010	complaint of violation against a protocol through which the company was fined for failure to maintainin land	plaintiff	CL Oradea, Cityhall of Oradea City	grounds	23-Mar- 11	the land is property of CLO
Law court of Oradea	4376/271/2 010	challange of enforcement	plaintiff	Local council of City of Oradea	recourse	6-June-11	challange on enforcement started by CLO for amounts with title of „penalties" according to the assiciation contract no. 14.519/02.07. 2004''
Bucharest Court	41894/3/20 10	payment ordinance	Plaintiff	Keops Consulting SRL	grounds	4-March- 11	action aims to recover the outstanding amounts
Bucharest Court	26153/2/20 10	bankruptcy	plaintiff- creditor	Sqrw Developm ent Romania	grounds	4-March- 11	Impact requested registration to the list of creditors as a successor in rights of Patagonia SC INVEST SRL

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Prahova Court	4994/105/2010	Insolvency procedure	plaintiff-creditor	Romconstruct SA	Grounds	7-April-11	admits the application, file linked to 7034/105/ 2010
Prahova Court	7034/105/2010	Insolvency procedure	plaintiff-creditor	Romconstruct	grounds	7-April-11	IDC has made an application for admission to the list of creditors
Bucharest Court	24403/3/2007	obligtion to do	plaintiff	Pasteur Institute	grounds	17-March-11	Was changed the action from action of forcing Pasteur to sell us the land into action in restitution of the advance and interest in compensation and annulment of the pre-contract
Constanta Court	13729/118/ 2010	action in restitution of tax paid for the gas pipeline from Boreal	plaintiff	CNADR	grounds	3-March-11	IDC claimed reimbursement of the road toll for the location of the pipeline that serves the assembly Boreal
Lawcourt of Sector 1	8274/299/2009	collection, debts price index according to the contract	plaintiff	Ciubotaru Pavel	grounds	3-March-11	
Bucharest Court	40089/3/2010	Contract termination	plaintiff	Sewerage and Water Public Service	grounds	4-March-11	It shall be settled amicable

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Judecatoria Buftea	9807/94/2010	Claims for inconsistent works	plaintiff	Floreasca Construction (ex Summa Romania SA)	grounds	7-March-11	
Bihor Court	3555/111/2010	declaratory action	plaintiff	MTS Leasing;Ban Liviu	grounds	8-March-11	IDC asked the court to find out that the execution contract was terminated execution occurred
Bucharest Court	23619/3/2009	declaratory action	plaintiff	Sc Summa Romania SA	grounds	9-March-11	IDC asked the court to declare the innexistence dr. SUMMA to receive sums of money as because there was compensation claims between the two companies
Court of Appeal Constanta	12377/118/2010	cancellation of civil violation protocol	Plaintiff	CJ, CR for Customer protection	recourse	16-March-11	
Mures Court	305/1371/2008	bankruptcy	Plaintiff	Dafora Structuri	grounds	16-March-11	Joining the list of creditors was admitted
Lawcourt of Sector 2	12758/300/2010	claims- green spaces	Plaintiff	Cofaru Dumitru Gabriel	grounds	22-March-11	
Bucharest Court	33824/3/2010	eviction action / cancellation / claims	plaintiff	Stanciulescu Razvan / Costea Elena	grounds	25-March-11	IDC requested the eviction of the building, because tenants do not execute the obligation to pay the rent

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Bucharest Court	35915/3/2009(12489/94/2010)	Action for eviction	plaintiff	Puiu Georgeta	grounds	30-March-11	IDC requested the eviction of the building, because benefficiary does'nt execute the obligation to pay the installments
Lawcourt of Sector 2	5700/300/2009	claims	plaintiff	Coca Adina	grounds	1-April-11	
Court of Appeal Bucharest	2975/2/2010	Appealing the decision 206/2010 ANRE	plaintiff	ANRE	grounds	5-April-11	IDC applied for the annulment of the decision ANRE related to the on approval of distribution fees in Voluntari
Lawcourt of Sector 1	34961/299/2010	pretentii, chirii	plaintiff	Patru Ace Srl	grounds	6-April-11	
Court of Appeal Bucharest	2927/2/2010	Cancellationof deeds ANRE, decision 834/2010/ suspended decision	plaintiff	ANRE	grounds	12-April-11	IDC asked the court to cancel / suspend ANRE decision on electric power distribution services in Class assembly
Buftea Lawcourt	16410/301/2010 (327/94/2010)	claims, action, recovery index, according to the contract	plaintiff	Taxi Mondial SRL	grounds	15-April-11	
Oradea Lawcourt	18591/271/2010	declaratory action	plaintiff	Chimex SRL	grounds	2-May-11	IDC asked the court to declare that was terminated as per commisoria lex the land sale purchase Contract

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
High Court of Cassation and Justice	3829/2/2009	administrative deed cancelation	plaintiff	Agriculture Ministry	recourse	7-May-11	
Bucharest Court	33822/3/2010	Eviction action, termination / claims	plaintiff	DF Broker Exquisite SRL	grounds	11-May-11	
Bucharest Court	33790/3/2010	Eviction action, termination / claims	plaintiff	Voinescu Dragoncea Dragos Marian	grounds	18-May-11	
Court of Appeal Bucharest	11833/2/2010	administrative deed cancellation, regarding additional tax liabilities to be paid established in charge of the undersigned by the fiscal audit report	plaintiff	ANAF	grounds	24-May-11	1st term
Bucharest Court	33825/3/2010	eviction action /termination /claims	plaintiff	Kis Angelica	grounds	26-May-11	1st term
Lawcourt of Sector 1	55912/299/2010(10401/3/2010)	eviction/termination	plaintiff	Pusca Ioan	grounds	16-June-11	1st term after disclaimer
Bucharest Court	4372/94/2010	Cancellation of civil violation protocol, cash register	Plaintiff	MEF - GF Ilfov	recourse	20-June-11	1st term after disclaimer
Bucharest Court	37677/3/2010	Recovery of expenses returned to Impact further to nonconformity works COMINSTAL	plaintiff	Cominstal Group	grounds	27-Jun-11	1st term
Buftea Lawcourt	2081/94/2011	Payment ordinance (Government Emergency Ordinance 119/2007)	plaintiff	SC Taxi Mondial SRL	grounds	27-June-11	1st term of judgement

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Buftea Lawcourt	2083/94/2011	Payment ordinance (Government Emergency Ordinance 119/2007	plaintiff	SC Taxi Mondial SRL	grounds	27-June-11	1st term of judgement
Bucharest Court	41896/3/2010	Payment ordinance	plaintiff	Vifor GMBH	grounds	4-July-11	1st term
Bucharest Court	40191/3/2010	claims arising from nonconformity works, performed by Summa	plaintiff	Summa Romania SA	grounds	6-September-11	
High Court of Cassation and Justice	3191/2/2010	Cancellation of decision ANRE 485/2010	plaintiff	ANRE	recourse	15-September-11	
Bucharest Court	14600/300/2008	claims	plaintiff	Ghassan KH Abdo Nasri	recourse	3-Oct-11	
Lawcourt of Sector 1	21136/299/2009	cliams	plaintiff-defendant	SC Summa Romania SA	grounds	17-Nov-11	1st term after disclaimer at the civil department
Bucharest Court	10402/3/2010	evacuare/reziliere pentru nerespecatre contract inchiriere	plaintiff	Draghici Jenica Laura	grounds	without term	Disclaimer at Buftea Lawcourt
Lawcourt of Sector 2	11725/300/2010	appeal of enforcement	plaintiff	BODOGAN AUREL & CONSTNATIN, PIRAEUS BANK, BEJ G JALBA	grounds	without term	rejects the appeal to the enforcement for moratory damages arising from the execution/ undrawn decision.
Bucharest Court	39469/3/2008	Romconstruct is ordered to pay delay penalties for delaying in execution of constructions from Rubin assembly	plaintiff	Romconstruct	grounds	without term	suspended pursuant to art. 36 Law 85/2006

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Lawcourt of Sector 2	11874/300/ 2009	Appeal to execution	plaintiff	Bodogan Aurel si Bodogan Constantin	Pronounce d grounds	without term	delayed pronounceme nt on 02/03/2011
Lawcourt of Sector 1	4785/299/2 009	claims arising of non-payment of rent and utilities	plaintiff	SC Patru Ace SRL	grounds	without term	addmits in part the action / undrawn sentence
Lawcourt of Sector 2	14599/300/ 2008	Claims action to recover the price index announced by INS, pursuant to contract	plaintiff	PATURESC U CORNEL	grounds	without term	addmits the action / undrawn sentence
Bucharest Court	44677/3/20 10	eviction from apartment for rent non payment	plaintiff	Cristea Andrei Daniel	grounds	4-October-11	
Bucharest Court	44676/3/20 10	eviction for rent non payment /claims	plaintiff	Dumitrasc u Sorin Ion	grounds	17-October-11	
Buftea Court	6946/94/20 10	termination of lease contract /claims	plaintiff	Muscalu Florentin Teodor	grounds	without term	addmits the action / undrawn sentence
Buftea Court	6283/94/20 10	Claims-damages for delay establishment of easment authentic act	plaintiff	Bobeica Andrei Sorin	grounds	10-February-11	suspends pursuant to art. 155[1] Civil Procedure Code
Bucharest Court	323/3/2010	insolvency procedure	plaintiff	SC Romconstr uct SA	grounds	28-April-11	1st term recourse
Ploiesti Court	103/281/20 10	Appeal to enforcement, formulated by Romconstruct toward enforcement of cheque notes	plaintiff	Romconstr uct SA	grounds	without term	Rejects appeal/ undrawn sentence.
Court of Appeal Bucharest	45882/3/20 09	Action through which was applied for return of the value of the guarantee letter	plaintiff	SC SUMMA ROMANIA SA	recourse	1-March-11	Rejects the application for suspension pursuant to article 244 point 1 Criminal Procedure Code

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Bucharest Court	32099/299/ 2006 (15895/3/2 010)	claims (damages for construction defects)	plaintiff	Stefanica Mihaela	grounds after discarding	3-March-11	admits the recourse, dicards and send back for rejudgment
Court of Appeal Bucharest	45886/3/20 09	Return the value of guarantee letter	plaintiff	SC SUMMA ROMANIA SA	grounds	4-March-11	suspends on 244 Civil Procedure Code unntil the irrevocable settlement of the application for compensatio n
Constanta Court	17735/118/ 2010	action through which is required that the Court shoud pronounce adecision to take the place of authentic Sale Purchase Contract	plaintiff	Visan Petre Nicolae si Visan Genica	grounds	10-March-11	1st term
Court of Appeal Timisoara	19/105/201 0	Action for contracting claims	plaintiff	Romconstr uct & BRD SG	grounds	14-March-11	docket moved from Ploiesti Court of Appeal to hear the appeal at the conclusion of jurisdiction declining of Prahova court
Bucharest Court	30348/3/20 10	IP applies for clearance of damages further to failure to conclude the sale purchase contract	plaintiff	Pasteur Institute	grounds	16-March-11	1st term
Oradea Court	9297/111/2 010	request for payment of contractual penalties	plaintiff	Oradea municipali ty through Oradea City Hall	grounds	22-March-11	

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Commercial Court of Arbitration	487/lu/2009	Coomercial arbitration- claims for construction defects Degi	plaintiff	Degi Construdava SRL	grounds	31-March-11	DEGI requested expenses for works related to Construdava building
Bucharest Court	23136/3/2009	Cancellation of Decision of the General Council of Bucharest Municipality no. 263/2008	plaintiff	CGMB / Mayor of Bucuresti Municipality/ Ionita	recourse	4-April-11	In grounds, further to the acknowledgment of Impact of CGMB application the court cancelled HCGMB 263/2008 related to the land of Florian Ionita
Constanta Court	81/118/2009	claims arising out of construction defects	plaintiff	S.C.Isac Maricica Contabilitate	grounds	7-April-11	
Buftea Court	5315/94/2010	decision to take the place of authentic Sale-Purchase Contract	Plaintiff	Soare Constanta	grounds	7-April-11	
Bucharest Court	32826/3/2010	Claims arising from the acquisition by the plaintiff by assignment of some debts of Summa Romania. 42 / 2007	plaintiff	SC Brooklyn Property Management SRL	grounds	15-April-11	Brooklyn requets the value of contracting works and penalties for contract 42/2007
Bucharest Court	32874/3/2010	Claims arising from the acquisition by the plaintiff by assignment of some debts of Summa Romania. 6 / 2007	plaintiff	SC Brooklyn Property Management SRL	grounds	18-April-11	Brooklyn requets the value of contracting works and penalties for contract 6/2007
Bucharest Court	5028/94/2009	claims (judgement expenses)	plaintiff	Bodogan Constantin si Aurel	appeal	21-April-11	

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Buftea Court	297/94/2011	summons payment, calling for payment of amounts for which no services were provided	plaintiff	Viab Consulting Srl	grounds	21-April-11	
Buftea Court	31608/3/2010(1003/94/2010)	Networks	plaintiff	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, Flash Models	grounds	27-Apr-11	Declaratory action we consider it is not admissable because Impact has ownerships deeds of the networks
Bucharest Court	97/94/2010	Action for claims penalties	plaintiff	Antonescu Adrian	recourse	11-May-11	1st term
Bucharest Court	45236/3/2010	Termination of Sale Contract under private signature and penalties payment	plaintiff	Peter John Leigh	grounds	24-Oct-11	to file statement of defence

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Buftea Court	5540/94/2007	Cancellation Act (dismemberment acts) / claims	plaintiff	Georgescu Maricica	grounds after cassation	without term	admits in part the application modified / Impact will appeal
Bucharest Court	48002/3/2009	return land value	plaintiff	STYLE MODA ROMANIA SA	grounds	without term	obliges IDC to pay Style Moda the amount of 110428,90 RON and 33534,84 interest; IDC will appeal
Bucharest Court	10892/3/2010	advance refunds and penalties	plaintiff	Peter John Leigh	appeal	without term	admitts the appeal, discards and send back for retrial
Buftea Court	7602/94/2010	Recovery action for inconsistent works	plaintiff	SC Romconstruct SA	grounds	without term	Suspended pursuant to art. 36 law 85/2006
Court of Sector 1	11190/299/2007	claims (request split of the docket of obligation to do; value lack of utilization)	plaintiff	Petcuta Danut	grounds after dicscarding	without term	at the term of 04/03/2011 was admitted the request of refusal, then the docket will be distributed randomly
Oradea Court	10229/271/2009	(real estate) accession	plaintiff	Ban Liviu si Ban Cornelia	grounds	without term	suspended until the irrevocable settlement of docket no.3555/111/2010
Bucharest Court	20014/3/2010	contract resolution for vices, IDC formulated counterclaim for the payment of outstanding installments	plaintiff-deffendant	Plescan Petruta	grounds	25-March-11	

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Court of Sector 1	21136/299/ 2009	claims	plaintiff-deffendant	SC Summa Romania SA	grounds	17-Novembe r-11	first term after declination at the civil department
Bucharest Court	5876/3/201 0	vices damage claims	plaintiff	Dumitresc u Doina	grounds	15-April-11	
Bucharest Court	43654/3/20 09	Cancellation of Decision of the General Council of Bucharest Municipality no. 263/2008	plaintiff	Ionita Florian	grounds		suspended until irrevocable settlement of docket no. 23136/3/200 9
INTOP							
Cluj Court of Appeal	2344/1285/ 2010	Action for eviction GMS	active	FC Universita tea Cluj	Appeal	1-Mar-11	Request for cancellation of judgement no. 1212 from june 9th, 2010 of the extraordinary general meeting of shareholders scs municipal university football club cluj sa
Cluj Court of Appeal	3819/1285/ 2010	Suspending presidential decree GMS	active	FC Universita tea Cluj	Appeal	3-Mar-11	The request became without object, because the appeal was already judged
Investimob							
Bihor Court	3578/111/2 008	Action for giving a decision that would replace an authentic deed		Local Council Oradea	Investimob had appealed against the decision No. 49, 2010 - A/C		

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
					05/04/2010, pronounced by the Oradea Court of Appeal		
Actual							
Bihor Court	3540/111/2008	Action for giving a decision that would replace an authentic deed		Local Council Oradea	Irrevocable and final verdict in favor Actual		
LOMB SA							
Cluj Court	6751/1285/2010	Action for annulment Board of Administrators Decision Lomb SA from 13/08/2010	defendant	Local Council Cluj	Irrevocable		Take note of the waiver applicant to trial, Local Council requested the trial without right of appeal
Court of Appeal Cluj	6752/1285/2010	Appeal to dismiss the presidential ordinance saying that the Local Council Cluj required the suspension of the Board of Directors decision from 13/08/2010	defendant	Local Council Cluj	Irrevocable decision		Cancel as unpaid the plaintiff Local Council of Cluj Napoaca Municipality's appeal against the commercial order no. 4907/2010 from 01.10.2010, issued in file no. 6752/1285/2010 by the Commercial Court of Cluj, which keeps it in its entirety. The decision is irrevocable. Delivered in public hearing on 10.03.2011.

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Cluj Court	7297/1285/2010	The suspension of the GMS decision	defendant	Local Council Cluj	Pronounced on 30/11/2010, there wasn't confirmed the appeal	The final day of the appeal 06/12/2011, the term flows of pronouncement	Solution: Recognize the exception invoked by default. Cancel the request for lack of ability to pursue the proceeding of Cluj-Napoca Local Council.
Cluj Court	6933/1285/2010	Opposition to the Board of Administrators Decision from 13/08/2010	defendant	Local Council Cluj	Pronounced on 07/12/2010, there wasn't confirmed the appeal	The last day of appeal 14/02/2011; there wasn't announced the appeal	Solution: Recognize the exception invoked by default. Cancel opposition as formulated by a person that has not the ability to pursue the use proceeding.
Cluj Court	7119/185/2010	Intervention to the EGMS decision 3/20.09.2010 publishing	defendant	Local Council Cluj	Pronounced on 22/11/2010, there wasn't confirmed the appeal	The last day of appeal 29/03/2011;	Solution: The application is dismissed as unfounded.
Cluj Court	7122/1285/2010	Action for annulment GMS decision	defendant	Local Council Cluj	Pronounced on 18/01/2011, there wasn't confirmed the appeal	The last day of appeal 28/02/2011; there wasn't announced the appeal	Solution: Recognize the procedural exception to lack of capacity to pursue the exercise proceeding of the applicant CITY COUNCIL OF CLUJ-NAPOCA MUNICIPIULUI and cancel the request for court action brought by the plaintiff at odds with

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
							the defendant SC LOMB SA

Apart from the significant disputes mantioned above, the Group has a number of ongoing disputes over miscellaneous debtors arising from the services of providing the utilities or other small claims amount. These disputes (a number of 62) include the total value of claims of about 133.762 lei.

IMPACT
Developer & Contractor