Relevant Information Afferent to the Financial Statements to the 1st Term 2011

IMPACT DEVELOPER & CONTRACTOR

31st of March 2011

Assets

Tangible Assets

In the first term of the year 2011 a number of 15 dwelling units were rented. According to the accounting regulations, these apartments and/or houses, together with the afferent land surfaces were classified from the stock group into the tangible assets group, their value growing by 4 million RON, concomitantly with the decrease of stocks.

5 dwelling units rented during the preceding years were sold in the analyzed period. The revenue afferent to these dwelling units classified from the accounting point of view as fixed assets is found in the account of revenues from fixed asset sales, respectively position « Other revenues from exploitation ». Similarly, their cost is reflected in the profit and loss account to « Other expenses ».

Financial Assets

In the month of March 2011 there was liquidated the company Prest RV 2003 SRL on the basis of the resolution no. 16047 as of 24.02.2011, in which Impact held 95% of the shares. Following the liquidation, the profit of Impact was negatively influenced by the amount of 190 RON. The investments in the participation stakes are presented below.

Name of company	Val of share capital 31.03.2011	Value of IMPACT investment 31.12.2010	Value of IMPACT investment 31.03.2011	Share of participation of IMPACT 31.03.2011
Actual Invest House SRL	11,005,000	504,950	504,950	4.59%
Bipact 1995 SRL	1,550	975	975	63.00%
BIZ-AR SRL	200	190	190	95.00%
Hobbit Intermediere Asigurari SRL	25,000	94,602	94,602	95.00%
LOMB SA	45,445,028	45,445,028	45,445,028	100.00%
Millenium Consult Invest SA	5,175,930	2,329,020	2,329,020	45.00%
Prest RV 2003 SRL	0	190	0	95.00%
		48,374,955	48,374,765	

Stocks

In the first term of the year 2011 there were handed over a number of 9 dwelling units and 15 were rented. As at 31.03.2011 in the stock there were only 275 houses and apartments.

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

Description	31.12.2010	31.03.2011
Lands	148,532,800	148,547,878
Advances for lands	979,675	817,329
Finished products – houses	89,365,876	84,511,046
Production and services under execution	40,722,984	41,102,645
Construction materials	1,747,900	1,710,117
Adjustments for materials deprec	1,381,008	1,381,008
Finished prod., merchandises, packages and inventory ob.	382,917	404,809
Advances for the purchase of construction materials	268,593	277,082
TOTAL	**280,619,736**	**275,989,898**

Money Availabilities

The balance of money availabilities decreased in the first 3 months of the year by about 4.3 million RON, mainly due to the payment of the bank credits reached due. Thus, the balance of money availabilities decreased from 13.6 million RON to 9.3 million RON. Compared to the preceding years, at the end of the 1st term of 2011, the company Impact held in foreign currency the amount of 1.6 mil EUR, that is about 70% of the total availabilities. From this amount, 1,280,726 EUR (5.3 mil RON) represent installments to be paid afferent to the loan to Piraeus Bank SA – London Branch. This amount was paid in the month of April 2011.

Analysis of Patrimony – Evolution of Assets

Indicator (RON)	31.12.2010	31.03.2011
Intangible assets	163,816	115,493
Tangible assets	45,549,085	47,489,619

Financial assets	48,488,444	48,499,254
Fixed assets	**94,201,345**	**96,104,366**
Stocks	280,619,736	275,989,898
Receivables	72,856,152	69,193,025
Money availabilities	13,625,290	9,337,681
Circulating assets	**367,101,178**	**354,520,604**
Expenses in advance	**357,429**	**854,423**
Total assets	**461,659,952**	**451,479,393**

Statement of Receivables and Debts

Receivables

Name of receivable	**Balance as at 31.12.2010**	**Balance as at 31.03.2011, out of which**	**Liquidity term**	
			under 1 year	**over 1 year**
Clients	61,449,128	59,038,555	44,278,916	14,759,639
Adjustments for deprec. of clients' receivables	1,477,788	1,477,788	0	1,477,788
Clients, invoices to be drafted	300,325	0	0	0
Advances granted to service suppliers	1,217,477	1,233,169	1,233,169	0
Guarantees granted	51,762	51,762	51,762	0
Different debtors	10,089,840	11,249,601	8,099,713	3,149,888
Adjustments for deprec. of debtors' receivables	2,627,965	2,643,173	0	2,643,173
Other receivables*	3,853,373	1,740,899	1,740,899	0
TOTAL	**72,856,152**	**69,193,025**	**55,404,459**	**13,788,566**

Other receivables*	**Value**
Operations under clarification	714,706
Amounts to be recovered from the budget	1,026,193
TOTAL	**1,740,899**

Debts

Name of debt	Balance as at 31.12.2010	Balance as at 31.03.2011, out of which	Liquidity term	
			under 1 year	over 1 year
Bank credits	120,697,455	112,171,643	28,655,414	83,516,229
Interests to be paid	722,829	1,570,970	1,570,970	0
Financial leasing**	50,284	24,150	10,254	13,897
Advances collected	498,116	636,949	636,949	0
Commercial debts*	11,766,018	10,891,513	10,891,513	0
*Other debts****	5,684,688	5,364,800	2,301,109	3,063,691
TOTAL	**139,419,390**	**130,660,026**	**44,066,208**	**86,593,817**

Commercial debts*	Value
Suppliers	9,238,785
Unarrived invoices from suppliers	1,652,728
TOTAL	10,891,513

Leasing**		Balance as at 31.03.2011
MOTORACTIVE	EUR	5,870
	Equivalent RON	24,150

Bank credits		Balance as at 31.03.2011
BANC POST	EURO	1,195,873
	Equivalent RON	4,919,940
PIRAEUS	Euro	12,807,256
	Equivalent RON	52,690,330
BANCA ROMANEASCA	Euro	12,263,855
	Equivalent RON	50,454,727
BANCA TRANSILVANIA	RON	4,106,645
TOTAL	RON	112,171,643

Other debts ***	Balance as at 31.03.2011	Liquidity term	
		under 1 year	over 1 year
Guarantees suppliers	3,781,643	809,271	2,972,372
Debts related to personnel	789,131	789,131	0
Non-exigible VAT	121,759	30,440	91,319

Other taxes	344,488	344,488	0
Dividends to be paid	46,367	46,367	0
Different creditors	261,888	261,888	0
Tax on current profit	19,524	19,524	0
TOTAL	5,364,800	2,301,109	3,063,691

Analysis of Patrimony – Evolution of Debts and Ownership Equity

Indicator (RON)	**31.12.2010**	**31.03.2011**
Short-term debts	40,898,780	44,066,208
Long-term debts	98,520,610	86,593,817
Provisions	2,177,383	23,239
Revenues in advance	4,132,597	3,509,023
Ownership equity	315,930,582	317,287,106
Total liabilities	**461,659,952**	**451,479,393**

Other Information

Administrators

On the date of 01.07.2010, following the resignation of Mrs. Andreea Rosca from the position of administrator, the Board of Directors chose Mr. Radu Bugica as a new member in the board of directors. He was acknowledged by the General Assembly of Shareholders dated 16th of April 2011.

The structure of the board at this moment is:

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

Expenses

Description	31.03.2010	31.03.2011
Expenses with maintenance and repairs	34,213	149,642
Expenses with royalties and rents	533,166	515,808
Expenses with insurance premiums	154,090	124,472
Expenses with commissions and fees	10,253	8,608
Expenses for protocol, advertising and publicity	149,040	97,941
Expenses with transport of goods and pers.	32,995	11,697
Postal expenses and telecommunication charges	107,964	72,381
Expenses with banking services and assimilated	185,754	67,994
Expenses with services executed by thirds *)	3,848,053	1,979,831
Expenses with other assimilated taxes and dues	755,328	366,598
Expenses with compensations, fines, penalties	8,690	2,129,980
Expenses regarding the assets disposed	1,500	1,564,110
Other expenses from exploitation	233,043	136,391
TOTAL	**6,054,091**	**7,225,452**

Below there is presented the detaliation of the expenses with the services executed by thirds in the 1st term of 2011:

Expenses with thirds	31.03.2010	31.03.2011
Expenses with subcontractors	2,009,982	967,351
Expenses of consultancy	384,148	233,474
Expenses with guarding and protection	144,365	30,019
Expenses with HR	8,745	1,244
Expenses with IT services	132,361	85,735
Expenses with fees (notariate, cadaster, tabulations)	189,306	195,269
Expenses with design services	170,553	15,085
Other expenses with services	808,593	451,654
TOTAL	**3,848,053**	**1,979,831**

Financial Result

Description	31.03.2010	31.03.2011
Expenses regarding interests	1,534,653	1,492,469
Expenses from differences of currency exchange	740,973	360,718
Exp. with disposed financ. investments	190	190
Losses from receivables related to participations	0	0
Other financial expenses	0	22,382
Adjustments regarding financial fixed assets	0	0
Total financial exp.	**2,275,816**	**1,875,759**
Revenues from interests	864,785	368,946
Revenues from differences of currency exchanges	4,504,374	4,539,327
Revenues from sale of partic. interests	0	0
Revenues from dividends	0	0
Other financial revenues	-18,192	12,062
Total financial revenues	**5,350,967**	**4,920,335**
Financial result	**3,075,151**	**3,044,577**

Comparative Analysis of Individual Results According to OMFP 3055/2009

Indicator (RON)	31.03.2010	31.03.2011
Net turnover	**9,325,010**	**3,736,656**
Revenues from exploitation	5,871,271	5,537,434
Expenses from exploitation	8,477,117	6,938,671
Result from exploitation	**-2,605,846**	**-1,401,237**
Financial revenues	5,350,967	4,920,335
Financial expenses	2,275,816	1,875,759
Financial result	**3,075,151**	**3,044,576**
Total revenues	11,222,238	10,457,769
Total expenses	10,752,933	8,814,430
Gross result	**469,305**	**1,643,339**

Due to the decrease of currency exchange from 4.2848 EUR as at 31.12.2010 to 4.1141 EUR as at 31.03.2011, the company recorded a positive financial result of about 3 million RON.

Economic and Financial Indicators

PROFITABILITY AND RENTABILITY	**31.03.2010**	**31.12.2010**	**31.03.2011**
Efficiency of available equity			
Profit before interests and tax (A)	2,003,958	-11,035,847	3,135,808
Available equity (B)	406,331,441	414,451,192	403,880,923
A/B	**0.49%**	**-2.66%**	**0.78%**
Efficiency of ownership equity			
Net profit (A)	215,806	-17,546,665	1,356,524
Ownership equity (B)	333,728,337	315,930,582	317,287,106
A/B	**0.06%**	**-5.55%**	**0.43%**
Operational profit rate			
Profit before interests and tax (A)	2,003,958	-11,035,847	3,135,808
Exploitation revenues (B)	5,871,271	26,730,406	5,537,434
A/B	**34.13%**	**-41.29%**	**56.63%**
Net profit rate			
Net profit (A)	215,806	-17,546,665	1,356,524
Total revenues (B)	11,222,238	39,783,415	10,457,769
A/B	**1.92%**	**-44.11%**	**12.97%**
Total assets rate			
Profit before interests and tax (A)	2,003,958	-11,035,847	3,135,808
Total assets (B)	493,124,259	461,659,952	451,479,393
A/B	**0.41%**	**-2.39%**	**0.69%**
Indebtedness degree			
Loaned equity (A)	68,476,247	95,210,170	83,530,126
Ownership equity (B)	333,728,337	315,930,582	317,287,106
A/B	**0.21**	**0.30**	**0.26**

SOLVENCY	**31.03.2010**	**31.12.2010**	**31.03.2011**
Debt rate			
Total liabilities (A)	159,395,922	145,729,370	134,192,287
Total assets (B)	493,124,259	461,659,952	451,479,393
A/B	**32.32%**	**31.57%**	**29.72%**
Financial lever			
Ownership equity (A)	333,728,337	315,930,582	317,287,106
Total assets less current net debts (B)	406,331,441	414,451,192	403,880,923
A/B	**82.13%**	**76.23%**	**78.56%**
Interest covering rate			
Profit before interests and tax (A)	2,003,958	-11,035,847	3,135,808
Interest (B)	1,534,653	6,499,818	1,492,469

A/B - times	**1.31**	**-1.70**	**2.10**

LIQUIDITY AND WORKING CAPITAL	31.03.2010	31.12.2010	31.03.2011
Current liquidity indicator			
Current assets (A)	402,855,070	367,101,178	354,520,604
Current liabilities (B)	81,137,022	40,898,780	44,066,208
A/B	**4.97**	**8.98**	**8.05**
Immediate liquidity indicator			
Current assets (A)	402,855,070	367,101,178	354,520,604
Stocks (B)	306,051,788	280,619,736	275,989,898
Current liabilities (C)	81,137,022	40,898,780	44,066,208
(A - B)/ C	**1.19**	**2.11**	**1.78**
Debt return speed clients			
Commercial receivables (A)	76,077,175	72,856,152	58,845,699
Net turnover (B)	9,325,010	34,288,805	3,736,656
(A /B)* no of days in the period	**734.26**	**764.92**	**1,417.34**
Frozen assets return speed			
Net turnover (A)	9,325,010	34,288,805	3,736,656
Frozen assets (B)	89,275,252	94,201,345	96,104,366
A/ B	**0.10**	**0.36**	**0.04**

Activity performed in the 1st term of 2011 :

The company activity in the 1st term of 2011 was focused on :

I. Valuation of the finished dwellings – there were signed 45 contracts, in an amount of 7.69 mil RON, out of which 18 sale-purchase contracts and 27 rental contracts.

II. Sale of land plots in the areas where the company owns land and does not have in plan real estate developments. Thus there were sold 623 sqm in Voluntari-Ilfov and in Ploiesti

III. Analysis of the opportunities to valuate the land stock in the ownership. In this respetc IMPACT continued the analysis of the opportunities to valuate the lands owned by accomplishing some prefeasibility analyses for the following developments: entertainment park in the Ghencea area, and spa medical center in the Greenfield area. Both the projects are in the stage of identifying the potential investors at the project level and assurance of the financing necessary to the project.

Other juridical and economic information appeared after the reporting date

I. Romconstruct SA submitted in January 2010 at the Bucharest Tribunal – section VII (thus being constituted file no. 323/3/2010) a request by which it shows that the company IMPACT has certain debts unpaid towards Romconstruct S.A. and consequently it invokes that our company is under insolvency, requesting by the respective way the opening of the insolvency procedure.

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

In spite of all the evidences administered in the case, the court of the Bucharest Tribunal ruled the opening of the general insolvency procedure as at 08 July 2010. As at 13 July 2010 Impact submitted an appeal.

On 11 August 2010, by sentence no. 5061/2010 the Bucharest Court of Appeal ruled the conclusion by which there were provisionally suspended the effects of the commercial sentence no. 5061/2010 of the Bucharest Tribunal until the solving of the suspension request submitted together with the appeal. The suspension sentence is final.

On 28 April 2011, the appeal formulated by Impact Developer&Contractor (IMP) against the decision of the Bucharest Tribunal of July (sentence no. 5061/2010) for the opening of the insolvency procedure was admitted by the entire modification of the initial sentence, so that the procedure is finally and irrevocably closed.

II. Following the partial remake of the control document by the General Department for the Administration of Great Contributors, there was issued the taxing decision no. 35 as of 12.12.2010, communicated as at 6 January 2001. On the basis of this decision, in January 2011 there was compensated the amount of 59,406 lei additional tax on profit and the amount of 2,093,371 lei increases for delays afferent to the tax on profit with tax on profit paid in addition by Impact in the preceding years. These amounts were integrally provisioned in the year 2010, so as in the 1st term of 2011 there did not exist any influence from the point of view of the accounting result.

There must be remembered the fact that there is an action in first instance for the cancellation of the decision no. 266/29.09.2010 given by the Ministry of Public Finances - ANAF – General Department for Solving Contestations and of the taxing decision regarding the additional payment fiscal liabilities established by the fiscal inspection no. 115/19.05.2010, that has as its due term 24 May 2011 at the Bucharest Court of Appeal. This action challenges also the amounts of 59,406 lei and 2,093,371 lei, compensated by the fiscal body.

III. In April 2011 there was liquidated the company Biz-Ar Services SRL on the basis of the resolution no. 35838 as of 21.04.2011, in which Impact held 95% of the shares. Following the liquidation, the profit of Impact was negatively influenced with the amount of 190 RON.

General Director	Chief Accountant
Dan Ioan Popp	Florin Rosca