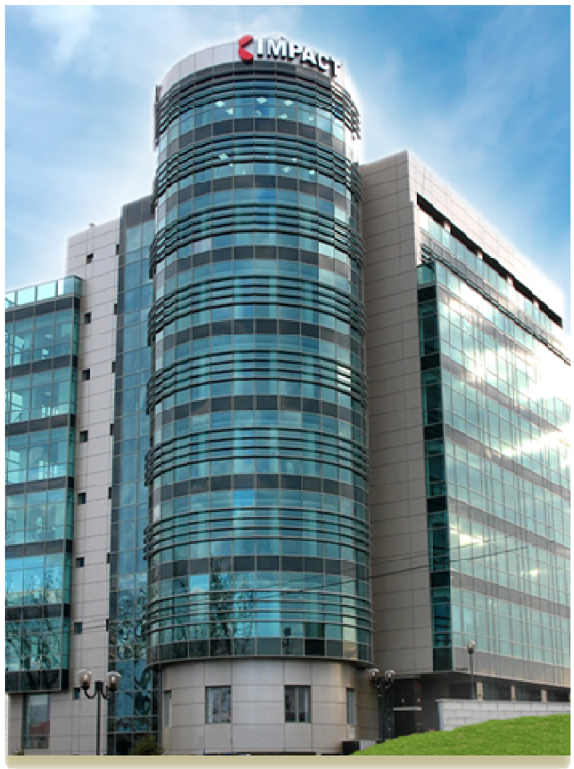
The Managing Board Report for 2008



IMPACT DEVELOPER & CONTRACTOR S.A.

CONTENT

1. *Chief Executive's Overview*

2008 has been a year of many contrasts. The start of the year was marked by much interest from investors and purchasers in Impact's products. During the first 3 months of the year, contracts amounting to RON 32 million (EUR 9 million) had already been signed.

From the second quarter, respectively from the month of May, the effects of the economic crisis that had begun to be felt in the United States of America from the autumn of 2007 began to be felt in Romania too, though in a more diffuse way. The strongest signals came from the capital markets that had begun to decrease since the winter of 2007, spreading in the summer of 2008 in to the Romanian banking market as well.

Summer confirmed that the European economies, and thus Romania, were to be no exception and the worldwide liquidity crisis begun to be felt strikingly. The period between May and October brought contracts worth only RON 17 million, and cancellation of contracts worth RON 10 million that corresponded to British citizens who were no longer able to meet their purchase commitments due to the credit crisis.

Understanding that the liquidity crisis was forecast to last longer, from the month of October, Impact has been developing products that provide living solutions to those who still want an apartment but cannot access any finance or bank loans. Therefore, in November, the Call-buy system (lease by sale pre-emption) was launched and this, helped by the VAT decrease introduced on December 15th by the Government of Tariceanu, boosted sales so that contracts amounting to RON 7.5 million have been concluded during the last 2 months.

Outside of the Call-buy system, the payment by installments system (Find-L) was revived and the Cetif product was introduced for customers paying the whole value of the apartment and claiming protection by the future reductions of the prices.

Considering the changes in the financial markets that have sent messages of restraint as to the financing of the real estate sector, no other projects began in 2008 other than the Quartz complex in Greenfield providing the entire conclusion to the residential complex Greenfield I, that was launched back in the autumn of 2006. This complex represents the priority for the company in 2009, along with the commencement of the infrastructure section for the Lomb project in Cluj-Napoca. Other than the Quartz complex, to be completed in the summer of 2009, the other complexes in the country (Lotus I, Roua I, Boreal II) will be completed during the first half of 2009, and the launching of stages II of Lotus, as well as Roua will be achieved when the market is ready for new offers.

Considering this, the development unit within the company has been restrained, costs being monitored more often and any unnecessary expenses have been reduced to a minimum. In conclusion, 2009 will be a difficult year which requires that we be fewer and more creative to attract as many clients as possible even if the Call-buy system profits are in fact postponed until the re-launching of the credit markets.

The re-launching of the market is strictly related to the measures being adopted by the government, which are delayed, so that we expect a fall in business by about 20-25%, the company being focused this year on the contracting of a higher share of customers, even if it is at a lower profit. It is at times like these that it is important to increase market share, and we are dedicated to achieving this.

Besides, we must succeed in attracting partners who can facilitate with the completion of the non-residential parts of the ongoing projects in order to increase awareness of these projects and the client traffic to them.

President of the Board of Administration

2. ADMINISTRATION STRUCTURE

2.1 The Managing Board

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

The company is administered by The Managing Board, made up of three managers,

- two of them are natural persons: Valeriu N. Ionescu and Andreea Rosca
- legal person: Havilla Trading International S.R.L. – The Managing Board President represented by eng. Dan Ioan Popp

The actual members of The Managing Board were elected in October 2007 for a mandate of four years till October 2011, within The Ordinary General Meeting.

The legal person manager's permanent representative accomplishes the function of Managing Board President. This leads the managing directors.

2.2 Auditor

BDO Conti Audit S.R.L Auditor verifies and certifies from the financial – accountant and administratorship point of view the company activity. For 2008, this has been appointed in The Ordinary General Meeting of Shareholders by Decision no. 1 from 21.04.2008.

3.COMPANY ACTIVITY IN 2008

IMPACT Developer & Contractor is the biggest property developer in Romania, having accomplieshed by now 16 residential areas, over 2000 residential units delivered at western high quality standards and a business center class A of 17,230 sqm. All of these, together with 100 distincions obtained and with the financial evolution, demonstrate the stability and the quality of the company's activity.

2008 was a year of reversing the construction market growth trends in the midst of a global financial recession. Towards the end of 2007 and the beginning of 2008, the financial crisis had started to spread to Romania - a crisis that had its origins in the USA. This is the same period in which the financial problems have appeared on the sub-prime credit markets that had widely affected the capital markets and the international banking systems. The real estate market has been amongst the first sectors in which the financial recession felt particularly in the USA, South East Asia and to a lesser extent Europe.

IMPACT's company strategy had the following goals in 2008:

- Focusing on mixed housing developments
- Completing projects that were started
- Adapting the sales strategy for finished products appropriate to market conditions
- Identification of the various sale and payment modalities
- Analysis of developments in the hotel sector
- Revisions of master-plans for projects with realisation dates falling in trimester IV 2008 – trimester I 2009.
- Division on sub-phases of the projects that will be released according to the new master-plans
- Prospecting markets for attracting new partners for mitigating project risk.

3.1 **Focusing on mixed housing areas development**

The basic company activity until 1995 was in the renting and maintenance of luxury villas in the main residential and central areas of Bucharest. In 1995 IMPACT introduced to the Romanian market the concept of "residential housing areas" together with the construction of ALFA housing area. Beginning in2007, the company strategy has been focused on mixed-use development projects. These include large residential areas, office spaces, commercial spaces, hotel units, as well as educational units (schools, kindergartens) and sanitary units (surgeries, policlinics). Moving forward, 80% of IMPACT's current and future construction projects will be focused on residential housing. The remainder will consist of commercial spaces, conference centres, schools, kindergartens and parks.

3.2 **Project progress in 2008**

Regarding the projects' progress at the beginning of 2008, all nine projects that had been started had progressed to between a minimum level of 5% (Lotus housing area from Oradea) and a maximum level of 88%, for the Blue housing area.

Project Name	Rubin	Topaz	Onix	Blue	Quartz	Roua	Europa	Lotus	Boreal
Progress in 2008	35%	35%	82%	88%	66%	38%	12%	5%	21%

3.3 **Started project completion**

At the beginning of 2008, IMPACT was undertaking projects in Bucharest (Rubin, Topaz, Onix, Blue, which are part of Greenfield residential area), and projects in Ploiesti (Roua), Oradea (Europa and Lotus) and Constanta (Boreal), and in the summer of 2008 construction of Quartz (part of Greenfield project) in Bucharest had been started.

Four of these projects (Onix, Boreal, Roua 1 and Lotus 1) being at a completion stage of over 90%, three of them - Rubin, Topaz and Europa have been totally completed. At the end of 2008, Blue had a completion level of circa 90% and Quartz of 66%.

Project Name	Rubin	Topaz	Europa	Onix	Blue	Roua 1	Quartz	Lotus 1	Boreal 2
Completion level in December	100%	100%	100%	93,28%	88,18%	99,16%	66%	98,14%	97,3%

2008									

3.4 **Current projects - sale strategy**

Because of the situation with the real estate market starting in May 2008, Impact offered diverse housing solutions, adjusted to client needs and flexible in their application. These have been promoted by a variety of marketing and sales campaigns:

1. Integral payments with discounts and CETIF Programme access – "*Buy now at the lowest price in 2009*".

For the integral payment scheme, apartments have discounts between 1% and 16%, and houses between 2% and 7% (all depending upon the neighbourhood, on the paid down payment and on the total value of the housing with VAT included). The CETIF financial product guarantees that the return of any price difference will be between the value of the dwelling at the moment of purchasing it and a future value, in the event that the dwelling price decreases. The rules of the promotion stipulate that the client may request a re-calculation of the property's price, on one occasion only, but at any point before 31st December 2009. The price difference is calculated using the list prices displayed on the web site/client's account at the moment they request the calculation. By paying integrally, the client can benefits from all the latest discounts.

2. FIND_L – developer rate system on 6 years with 28% down payment.

FIND – L programme is an alternative solution to loan/mortgages that enables buyers to purchase a new house with less financial pressure placed on the buyer. The product is designed for people who cannot meet the entire costs of a house, but who have large enough incomes and who could afford to pay for such a house in a relatively short term, for example between one and six years.

The payment structure is as follows: on contract signing a down payment of 20% is made and then on handing over the house, another payment of 8% is made. Every month a monthly payment is made - the interest rate is calculated dependant on ROBOR, as follows: ROBOR at 6 months +3% to 5% depending on the lending period.

3. Rate payment system for 4 years and residual value:

IMPACT clients can buy the house by residual value rate payment system as well. The maximum period for paying the rates is 4 years, and the residual value can be paid at the end of the contract, after the payment of all the rates.

4. CALL BUY – renting with the possibility of buying and partial capitalization of the rent.

Call Buy programme represents a renting programme that offers the tenant pre-emptive rights to buy the house. An initial guarantee/deposit can be paid, starting with €4.600 euro, depending on the dwelling type, and at the moment of signing the contract it can be chosen a period in which the house integral payment will be done from one to four years. Over the entire contract period, a fixed monthly rent is paid in lieu, this way the client is offered a protection against exchange rate fluctuation. At the point of purchasing, the entire guarantee/deposit and a part of the monthly rent is paid in advance.

It should be mentioned that the houses IMPACT sells are completed and finished, the clients being able to move immediately after signing the contract. IMPACT has chosen to address the needs of a diverse type of potential customers: ranging from buyers with cash which the first product addresses, to those with less financial resources, to whom viable habitation alternatives are offered – the possibility of renting with a buying option.

The company also offers appropriate financial solutions for the above offers and expert advice for procurement of the dwellings.

3.5 **Other activities under analysis**

Projects that IMPACT develop are of mixed-use type, an important place being held by hotels component and office spaces. During 2008, IMPACT finished two feasibility studies conducted by the company Khol&Partner from Austria. The main objective of the studies was to evaluate the development of two hotels from Bucharest, one of them in the Pipera area, the other within Greenfield project.

The conclusion was that both hotels would be placed in the northern area of Bucharest, an area that has a major deficit of hotel rooms. The northern part of the capital has undergone an accelerated economic development during the last few years, becoming a new economic hub in Bucharest.

In this respect, the land owned by IMPACT in Pipera has proven to be a favourable location for the development of a 2 or 3 star hotel (in the case of the Greenfield project), and of a 4 star hotel with circa 170 – 180 rooms (in the case of Pipera).

One of the major advantages of the project is the location: it is close to the area's businesses and offices and in close proximity to the two airports. Subsequent to the feasibility study for Pipera hotel, the phase of prospecting hotel sponsors and operators has begun.

In 2008, IMPACT also analysed the possibility of constructing office spaces within the Greenfield project. These office spaces are of the SOHO type, are designed for the small investors that in current market conditions will want to relocate their business activities to an office space with a reduced surface area, for which they will pay a lower rent.

3.6 **Master-plan revisions by procuring foreign specialists**

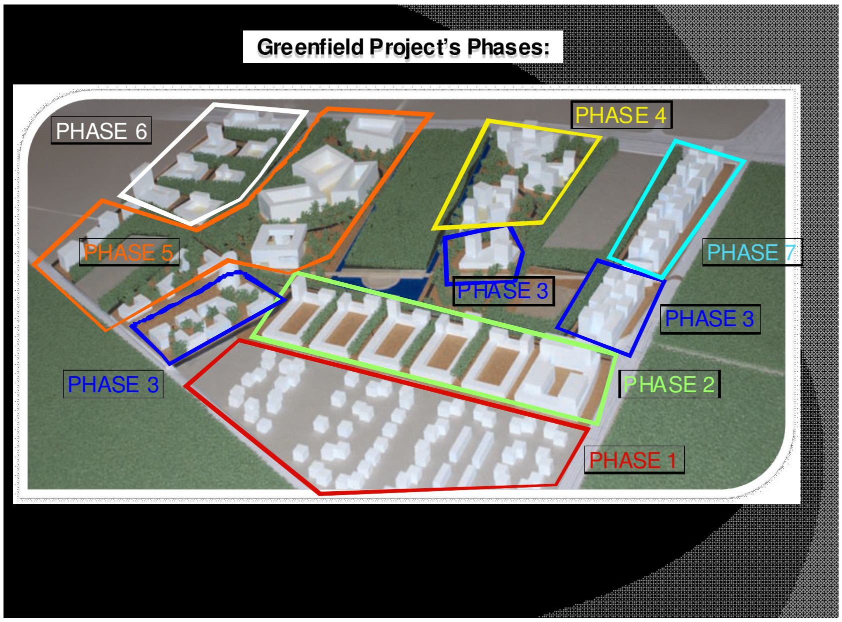
In 2008 specialists from Holland, Great Britain and Romania have been procured to review the master-plans for the Greenfield project in Bucharest and Lomb in Cluj-Napoca so that they fit with market requirements as well as possible. Thus, for reviewing the master-plan for Greenfield project, Impact has procured PZP Architecture company from Romania. PZP collaborates with the Dutch company De Architekten Cie for the architecture part of the project and with SC IPCT Instalatii SA for the infrastructure part, having a target completion date of June 2009.

Regarding the master-plan revision for the Lomb project, in July 2008 the English architects YRM Architects have been procured. YRM Architects was founded in 1944, and has worked on over 800 major projects for 450 clients in 37 countries. Some of their projects include the new Terminal 5 at Heathrow Airport in London, the biggest and the most modern European airport and at Gatwick Airport, and also at commercial and educational centres. In Romania, they have work in Bucharest, Baia Mare and Brasov.

The objective of the contract for the Lomb project includes master-plan revisions and planning services with the help of the sub-consultants Macgregor Smith, a landscape specialist, and Cundall company for consultancy in the domain of re-usable energy and sustainability. Completion date of the contract is March 2009.

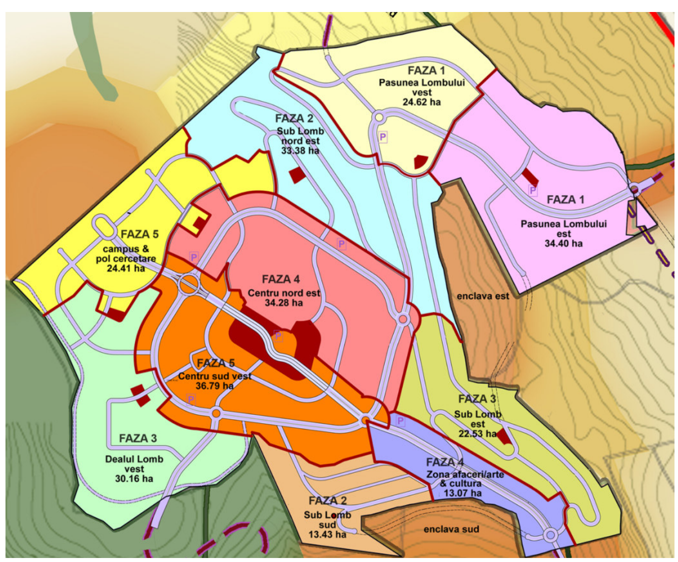
3.7 **Sub-phase division of the current projects**

Bearing in mind the commencement of works for the large projects, IMPACT has divided future projects into sub-phases. In this respect, Greenfield project is divided into 7 phases with surfaces between 1 ha and 8 ha.



Lomb project is divided into 10 phases with surfaces between 8 and 37 ha. These, are then divided into sub-phases.

Each project sub-phase includes a maximum of 150 accommodation units, and each phase that is made up of 2 to 7 sub-phases is provided with facilities such as a grocery store, fitness hall, cash dispenser, and surgery depending on what the inhabitants' request.



Phase 1 – Lomb Meadow West – 24.62 ha

Phase 1 – Lomb Meadow East – 33.38 ha

Phase 2 – Under Lomb North – West – 33.38 ha

Phase 2 – Under Lomb South - 13.43 ha

Phase 3 – Under Lomb East – 22.53 ha

Phase 3 – Lomb Hill West – 30.16 ha

Phase 4 – Centre North – East – 34.28 ha

Phase 4 – Business Zone/ arts & culture – 13.07 ha

Phase 5 – Centre South – West – 36.79 ha

Phase 5 – Campus & research pole – 24.41 ha

3.8 **Partner identification for risk mitigation and service offers**

The company has a flexible strategy for attracting partners for project development, depending on the investment volume, partnership structure, and the objectives for when the partnership has been signed.

At the end of 2008 some discussions occurred about the execution of dwellings within the Greenfield and Lomb projects and the subsequent need for partnerships. For the Lomb project, the discussions were about attracting partners for the development of a medical and educational zone (to include besides a university, a campus for students and a research and development zone).

Regarding the Greenfield project, the idea of opening some commercial areas has been discussed with various investors such as fitness, a grocery store, and a kindergarten.

In order to mitigate risk levels, it has been decided that IMPACT will look to attract financial investors from Israel, Greece, Spain, UK etc for Greenfield's future phase development.

3.9 **Cash-flow demands for achieving the 2008 activity plans.**

The cash-flow demands for achieving the 2008 activity plans have been provided by the company, by collecting monies on properties that have been sold and by also increasing a previously arranged €4 million credit line to help finance the execution costs of the Quartz housing area within the Greenfield project which includes 105 housing units. Due to the market conditions and to changing buyer needs, Impact has adjusted its offering to the market: now being oriented exclusively to the construction of blocks of flats within the Quartz housing area.

In this respect, the 28 houses that were included in the initial design of Quartz have been replaced with blocks of flats with two and three storeys. In 2008, 188 contracts were signed with a value of 85 million RON, only 23% less than the value of the 110 million RON of contracts signed in 2007. Although the first half of 2008 saw high levels of income, the second half of the year could clearly feel a slow-down of sales influenced by the global financial recession which started to be felt in Romania.

Most of the contracts have been signed for the housing areas constructed in the northern part of Bucharest, these representing over 58% of all the signed contracts, the rest coming from the housing areas of Constanta, Oradea and Ploiesti.

The sale price for the square meter of the residential units has evolved as following:

-in Greenfield residence from Bucharest the apartment prices decreased by 14% in the period November 2007 – December 2008

-price/ square meter of houses from Boreal housing area (Constanta) increased by 15% in the period February 2008 – December 2008

-price/square meter of houses from Roua housing area (Ploiesti) increased by 14% in the period February 2007 – December 2008

4. FUTURE PROJECTS

In the first part of 2009, there will be continued the construction of Greenfield I project developed on 9.77 ha and comprises a number of 34 houses and 685 apartments, more exactly the residential compound Quartz, Blue and Onix from Greenfield I. In the second half of the year, the execution of the Greenfield II project will be started.

In the second half of 2009, the construction works for Lomb's Hill project will be started in Cluj Napoca. The project represents an innovative idea accomplished by the creation of a partnership with Cluj-Napoca Municipality. The project will comprise 2.500 houses and about 3200 apartments, as well as 56 ha that will comprise commercial areas, office areas and public spaces. In the summer of 2009, the first construction authorizations claim will be presented, according to the established contract sheduling. Infrastructure works will be started in the near future, the first step being the roads execution, first for the 88 ha. Simultaneously, there were started the designing for the Expo Area, a store for exhibits, and about 20 model houses that are going to be open for visitors starting with 2010, with the purpose of choosing the most desired ones for the development. The Expo Area will be developed on 3 ha and the will be seen houses, villas, and semicollective dwellings.

Currently, we are analyzing two other projects: the development of Pipera hotel and an office bulding located in Greenfield that addresses especially to the small firms. Depending on the results of the analysis, there will be decided the start date of the development.

5. FINANCING SOURCES FOR THE COMPANY'S ACTIVITY IN 2009

In order to continue the development of the company projects, IMPACT will use mixed sources of financing:

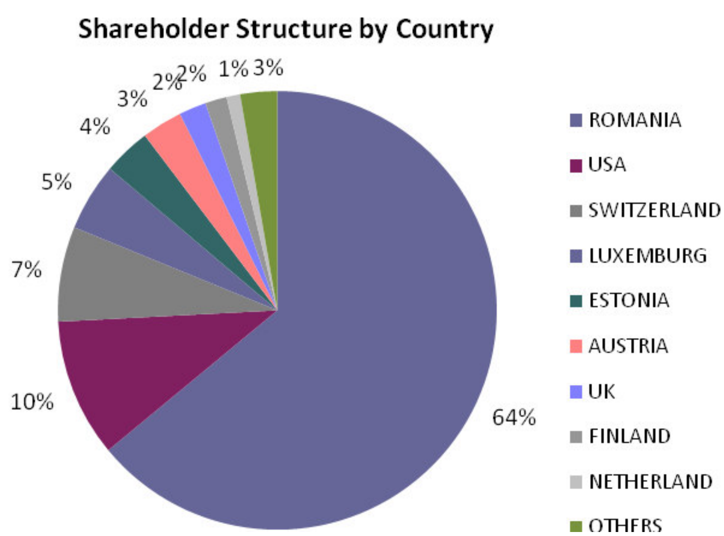
- The capital raised in September 2007 will be used for Lomb's Hill project from Cluj Napoca and for the Greenfield project from Bucharest.
- Bank loans in order to be able to finance the potential clients who wish to pay in installments.
- Re-financing of existing loans.
- Partnerships with investors who will be attracted in Greenfield projects and Hotel Construdava II from Bucharest, and Dealul Lomb from Cluj Napoca.

6. CAPITAL MARKET

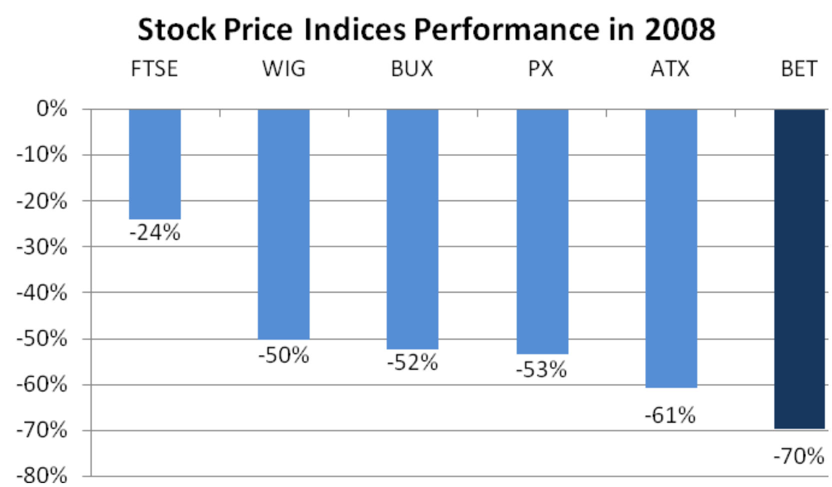
Impact Developer & Contractor SA is listed with 2 bil. shares in the First Market segment of the Bucharest Stock Exchange. With a market capitalization of 15.76 mil EUR and a weight of 2.43% of the BET at the year-end 2008, IMPACT is the only one developer listed at the first category at BSE . In November 2007 there was approved the company's share consolidation. The number of shares was reduced from 2 bil shares to 200 mil shares, and the share value increased from 0.1 RON/share to 1 RON/share.

60.38% of the company shares is free-float, and the management of the company has 39.62% of the shares. The shareholders with blocks of over 5% are: Mr. Dan Ioan Popp, the CEO of the company with 28.06%, Mrs. Carmen Sandulescu, the CFO of the company with 11.55%, Atrio International Equity, formerly the Julius Baer Fund with 8.45% of the shares, and East Capital Balkan Fund with 5.02% of the shares. There are no other reports of shareholdings that exceed 5%.

At the end of the year 2008 64% of the shareholders were Romanian individuals and investors, 10% of the investors were from UK, 7% from Switzerland, 5% from Luxembourg. The share of the private investors totals 60%, whereby 40% the shareholders are institutional investors.



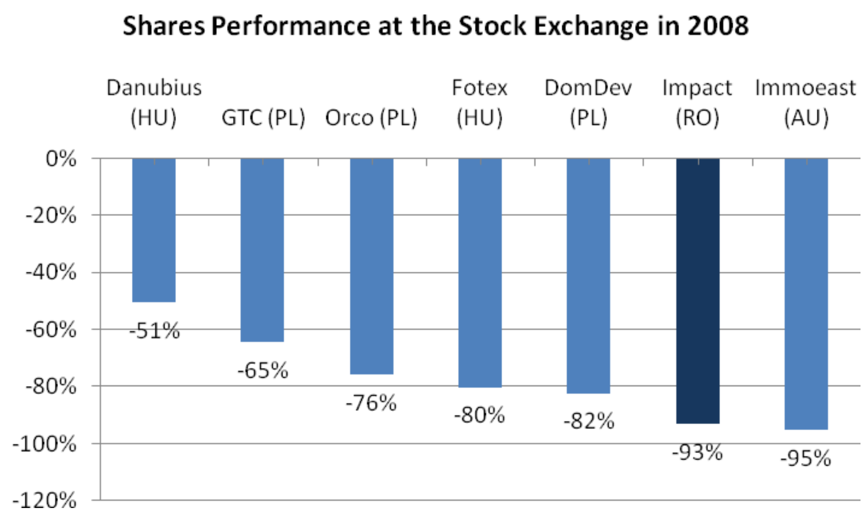
In 2008, the BET index decreased with 70%, the worst performance compared with the other stock indeces from the Vienna Stock Exchange, Prague Stock Exchange, Budapest Stock Exchange, Warsaw Stock Exchange and London Stock Exchange.



Source: IMPACT

The hostile economical climate from the second half of the last year had a negative impact upon the shares evolution at the Stock Exchange. Among the first and the most affected sectors was the real estate sector.

As it can be seen in the graph below, the shares value of the real estate developers listed at the Stock Exchange from Central and Eastern Europe, had a more accentuated decrease than the decrease of the stock price indices.



Source: IMPACT

7. ECONOMIC – FINANCIAL INDICATORS

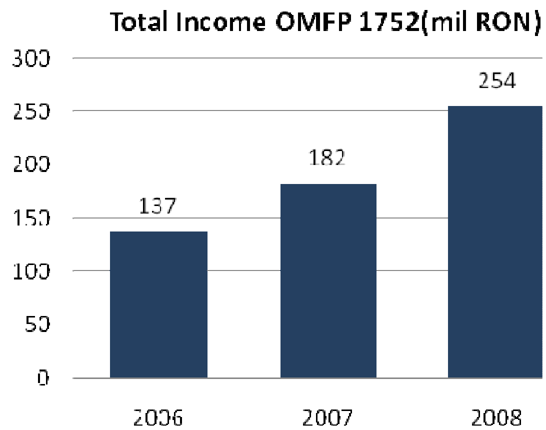
	OMF 1752	IFRS	OMF 1752	IFRS
Profitability Indicators	**12/31/2007**	**12/31/2007**	**12/31/2008**	**12/31/2008**
Capital eficiency				
Profit before interests and taxes (A)	22,730,583	362,237,217	25,616,418	16,361,454
Equity (B)	439,655,899	899,304,430	421,424,451	869,745,989
A/B	**5.17%**	**40.28%**	**6.08%**	**1.88%**
Operating profit rate				
Profit before interests and taxes (A)	22,730,583	362,237,217	25,616,418	16,361,454
Operating incomes (B)	158,641,682	166,147,481	233,600,410	224,830,361
A/B	**14.33%**	**218.02%**	**10.97%**	**7.28%**
Net profit rate				
Net profit (A)	7,401,076	324,968,543	8,258,687	637,111
Total income (B)	182,079,265	507,923,711	254,418,276	241,711,973
A/B	**4.06%**	**63.98%**	**3.25%**	**0.26%**
Gearing rate				
Total loans (A)	110,854,196	110,854,196	86,336,874	87,463,184
Equity (B)	326,702,495	713,924,270	333,718,186	710,840,124
A/B	**0.34**	**0.16**	**0.26**	**0.12**

Solvability Indicators	**12/31/2007**	**12/31/2007**	**12/31/2008**	**12/31/2008**
Debt ratio				
Total liabilities(A)	234,886,519	308,581,845	250,233,793	321,625,566
Total assets (B)	561,589,014	1,022,506,115	583,951,979	1,032,465,690
A/B	**41.83%**	**30.18%**	**42.85%**	**31.15%**
Interest coverage rate				
Profit before interests and taxes (A)	22,730,583	362,237,217	25,616,418	16,361,454
Interest(B)	12,510,887	12,510,887	15,326,608	15,326,608
A/B	**1.82**	**28.95**	**1.67**	**1.07**
Liquidity and Working Capital Indicators				
Current liquidity indicator	499,568,834	441,466,087	455,856,563	356,647,504
Current assets (A)	112,275,614	123,201,685	156,647,911	162,719,701

Current liabilities (B)	**4.45**	**3.58**	**2.91**	**2.19**
A/B				
Clients turnover Commercial debt (A) Net turnover (B)	98,715,103 108,645,733 **327.09**	109,508,197 120,736,839 **326.52**	100,231,532 151,688,180 **237.88**	80,405,395 117,784,594 **245.75**
(A /B)* no. of days in the period	499,568,834	441,466,087	455,856,563	356,647,504

Total Income

According to OMF 1752, in 2008 the company income increased with 40% due to the operational income growth.



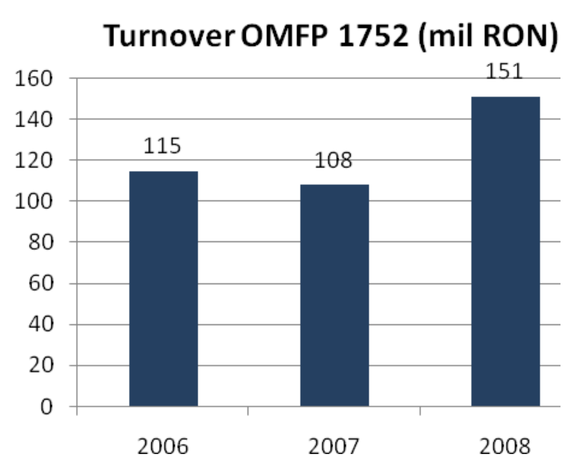
According to IFRS, the the company income decreased from 507.9 mil RON in 2007, to 241.7 mil RON in 2008 due to the decreased of the income from revaluation.

The operating income recorded a 47% growth compared to 2007, due to a bigger volume of dwellings delivered, and the operating expenses recorded a 54% growth compared with 2007.

According to IFRS, the operating income increased with 35% , from 166.1 mil RON in 2007, to 224.8 mil RON in 2008, and the operating expense grew with 55%, from 145.6 mil RON in 2007 to 225.4 mil RON in 2008.

The Turnover

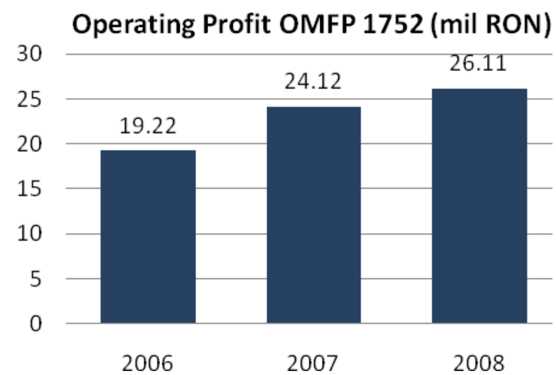
The turnover has recorded a 40% growth, from 108.6 mil. RON to 151.6 mil. RON, due to the growth of the number of delivered residential units from 108 in 2007 to 199 in 2008.



According to IFRS, the turnover decreased with 2%, from 120.7 mil RON in 2007 to 117.7 mil RON in 2008.

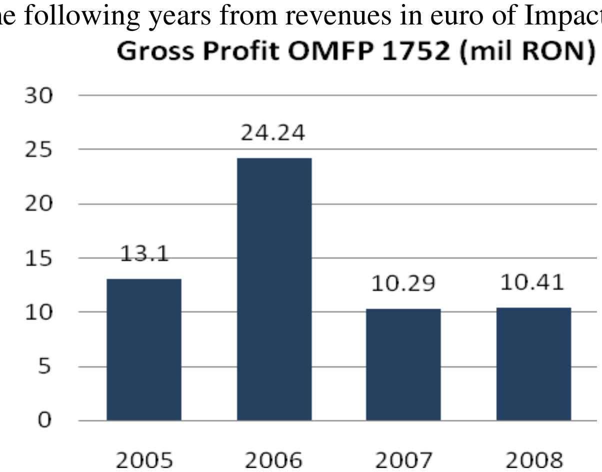
The Operating Profit

According to the Romanian standards OMF 1752, the operating profit has recorded a 8% growth compared with 2007, from 24 mil RON to 26 mil RON, due to a bigger volume of the dwellings delivered.



The Gross Profit

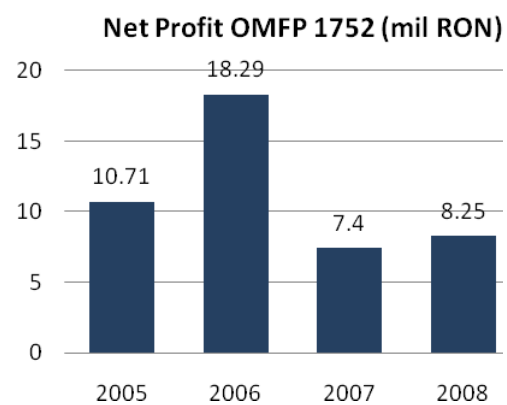
According to OMF 1752, the gross profit recorded in 2008 of 10.4 mil lei is mentained at the same level recorded in 2007. Due to the accounting modalities of treating the loans in EURO that involve the evaluation of the credit balance on 31st of December 2008, there was recorded a loss from financing activity of 15.8 mil RON. This accounting procedure makes the value, in the EURO loans accounting, to be influenced by the RON/EUR exchange rate at the end of the year. This is only an accounting loss and it is not actually registered from the operational point of view, as the loans, which maintain the same value in EURO, are to be reimbursed during the following years from revenues in euro of Impact.



In regard to this issue, we specify that currently, the company has contracts signed in euro, which during March 2009 – December 2009 will bring revenues of about 8 mil euro. According to IFRS, the gross profit decreased from 358.4 mil RON in 2007 to 1.03 mil RON.

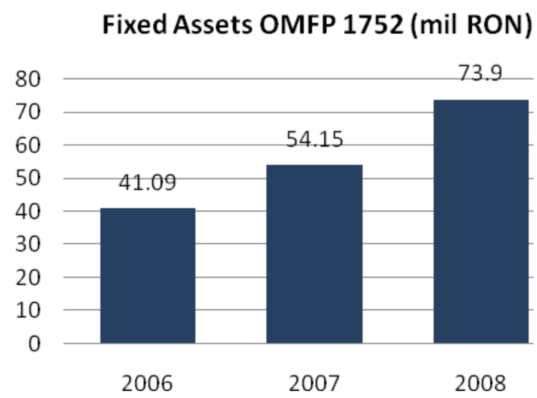
Net Profit

According to OMF 1752, the net profit increased from 7,4 mil RON in 2007, to 8.25 mil RON in 2008. According to the International Accounting Standards, the net profit decreased from 295.19 mil RON in 2007, to 0.637 mil RON in 2008. This decrease is mainly due to the loss from the lands revaluation (IAS 40) of 9.14 mil RON. In 2007 there was recorded a profit from revaluation of 341.7 mil RON.



Fixed Assets

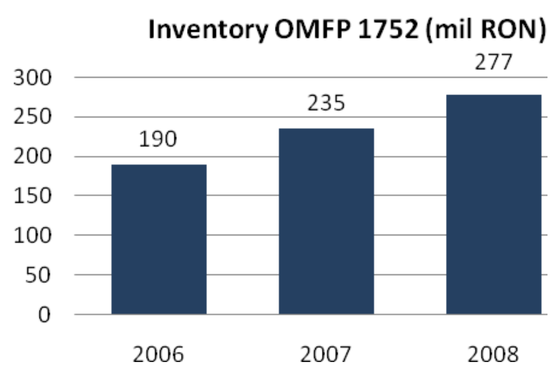
According to OMF 1752, the fixed assets increased with 36% in 2008 compared with 2007, from 54.15 mil RON to 73.9 mil RON. This growth is mainly due to the infrastructure work from Greenfield project and to the current fixed assets growth. 50% from the current fixed assets applies to Greenfield Project, 9% to Oradea projects (Lotus and Europa), 9% to Roua project from Ploiesti and 9% to Constanta project.



According to IFRS, the fixed assets increased with 8% in 2008, compared to 2007, from 578.7 mil RON to 627.78 mil RON.

Inventory

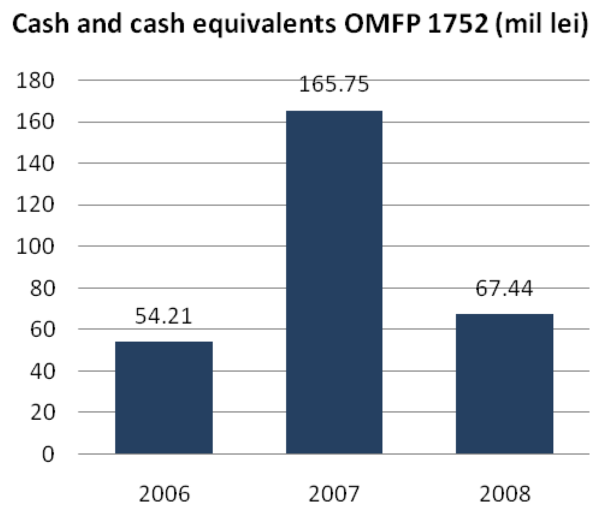
According to OMF 1752, the inventory grew with 18% from 235 mil RON in 2007, to 277.34 mil RON in 2008. 53% of the inventories is represented by lands, and 41% by the work in progress.



According to IFRS, the the inventory of the company increased with 10% from 148.3 mil RON in 2007, to 163.3 mil RON.

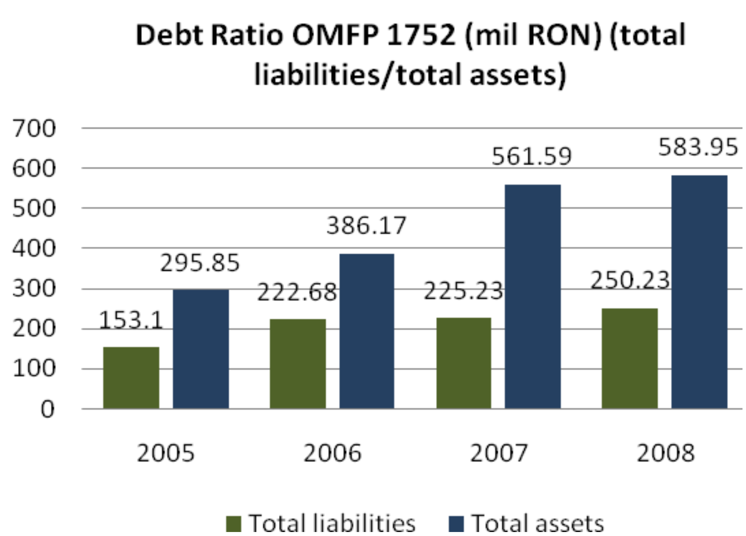
Cash and Cash Equivalents

The cash decreased with 60% from 165.7 mil RON in 2007, to 67.44 mil RON in 2008 due to the fact that in September 2007 there was a capital increase. At the end of 2007 the company's cash position was of 165.7 mil lei. In 2008, part of this cash was invested in the development Greenfield and Dealul Lomb projects. Thus, at the end of 2008, the avilable cash was of 67 mil lei.

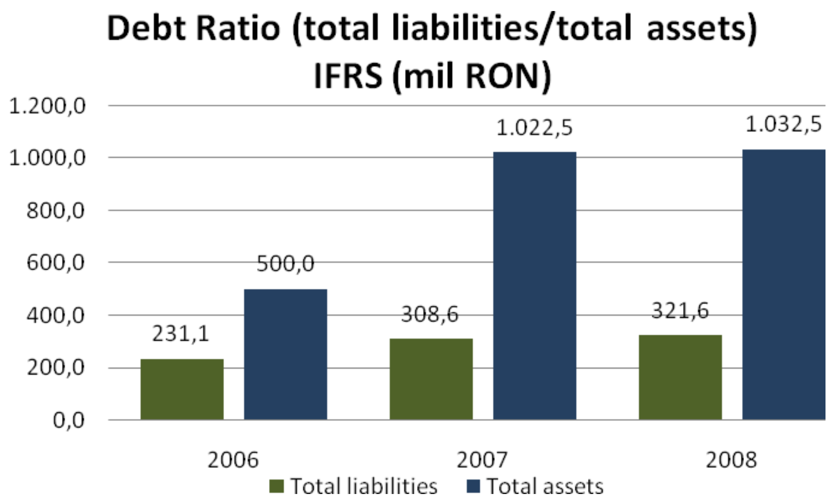


Total Liabilities

According to OMFP 1752, the total liabilities increased with 11% from 225.23 mil RON in 2007 to 250.23 mil RON, the total loans representing 68% of the total liabilities. The total assets of the company increased with 4%, from 561.59 mil RON in 2007, to 583.95 mil RON in 2008. Thus, although the total liabilities increased in 2008 compared with 2007, the debt ratio remained relatively steady in 2008 compared with 2007.



According to IFRS (International Financial Reporting Standards), the total debts of the company have increased only with 4% from 308.58 mil RON in 2007, to 321.62 mil RON, the interest gearing of the company being maintained at 31%.



Equity

The Equity of the company has remained at the same value recorded in 2007, of 200 mil RON.