NOTES TO THE FINANCIAL STATEMENTS

IMPACT DEVELOPER & CONTRACTOR

31st of December 2009

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(the amounts are expressed in RON, unless otherwise specified)

Statement of Equity Ownership Modifications

	Balance as of 01.01.2009	increases		decreases		Balance as of 31.12.2009
		Total, out of which	By transfer	Total, out of which	By transfer	
Subscribed capital	200,000,000	-	-	-	-	200,000,000
Premium related to capital	74,217,746	-	-	-	-	74,217,746
Merger premium	10,551,105	-	-	-	-	10,551,105
Revaluation reserves	6,215,258	1,333,747	593,975	1,025,559	51,339	6,523,446
Legal reserves	6,573,653	-	-	-	-	6,573,653
Reserves repres. revaluation reserve surplus	3,226,270	84	84	593,975	593,975	2,632,379
Other reserves	26,189,660	9,606,163	9,606,163	-	-	35,795,823
Own shares	2,853,111	-	-	425,182	-	2,427,929
Losses related to own share instruments	8,558	423,912	-	-	-	432,470
Carried forward result	9,606,163	141,540		9,668,926	9,606,163	78,777
Result of the accounting period	8,258,687	141,540		8,258,687	8,258,687	141,540
Distribution of profit	8,258,687	141,540		8,258,687	8,258,687	141,540
Total own shares	**333,718,186**	**10,657,622**	**-**	**10,863,278**	**-**	**333,512,530**

According to the Resolution of GAS no. 1 as of 29.04.2009 there was taken over to the reserves the carried forward result afferent to the year 2008.

The receivables registered in the „Clients – invoices to be drafted" accounts represent the amounts acknowledged as revenue according to OMF 94/2001 and IAS 11 as at 31st of December 2005 for which payments in advance were not collected at that moment. These receivables were afferent to the clients whose contracts were under performance in 2005 and concluded contracts with Impact by means of the real estate leasing company MTS Leasing GmbH.
This year there was made the decision that the amounts being in this account would be cancelled, on the account of the carried forward result, according to the accounting regulations in force.

At the end of the year 2009 there took place a revaluation of the construction-type fixed assets. Following this revaluation there resulted both positive and negative differences, cummulatively the value of the assets decreasing. According to the accounting regulations, when the revaluation result is a decrease of the net accounting value, this is treated as an expense with the entire value of depreciation, when in the revaluation reserve there is not registered an amount related to that asset. Thus, following the revaluation there was registered a revaluation surplus of 533,995 RON, a decrease of the revaluation reserve of 2,216,355 and an expense of 94,670 RON.

(the amounts are expressed in RON, unless otherwise specified)

Statement of Cash Flows by the Indirect Method

CASH FLOWS FROM EXPLOITATION ACTIVITIES	December-08	December-09
Net Profit/(Loss) before tax	10,289,810	497,372
Adjustments for:		
Amortization	2,289,699	1,973,928
Revenues from sales of assets	(4,831,534)	(1,463,766)
Expenses regarding assigned assets	1,878,630	1,307,573
Revenues from exchange rate differences	(3,967,663)	(532,390)
Expenses from exchange rate differences	20,394,422	7,924,611
Revenues from interests	(16,850,203)	(6,606,211)
Expenses with interests	15,326,608	7,706,027
Provisions increase/decrease	(139,470)	(1,112,122)
Adjustments of non-cash elements	14,100,489	9,197,651
Decrease/Increase of trade receivables and of other nature	(12,054,391)	18,921,295
Decrease/Increase of stocks	(42,413,412)	(4,694,849)
Increase/Decrease of debts to suppliers and of other nature	(3,470,775)	(15,513,416)
Modification of operating assets and liabilities	(57,938,578)	(1,286,970)
Paid-up interest	(15,176,586)	(7,576,119)
Paid-up profit tax	(1,843,824)	0
Paid-up dividends/Profit distributed to employees	(11,266)	0
Net cash resulted from exploitation activity	(50,579,955)	831,933
CASH FLOWS FROM INVESTMENT ACTIVITIES	December-08	December-09
Acquisitions of branches	(45,444,108)	(270)
Loans granted to affiliated entities	(782,339)	(489,820)
Acquisitions of assets	(21,606,009)	(156,645)
Collections from asset sales	4,831,534	1,463,700
Collected dividends		111,715
Collected interests	13,128,228	6,606,211
Net cash resulted from investment activity	(49,872,694)	7,534,891
CASH FLOWS FROM FINANCING ACTIVITY	December-08	December-09
Variation of medium-term loans	6,142,398	(60,507,485)
Acquisitions of own shares	(2,852,670)	0
Payment of liabilities related to financial leasing	(1,147,083)	(904,000)
Net cash resulted from financing activity	2,142,645	(61,411,485)
Nett collection of cash	(98,310,004)	(53,044,661)
Cash at the beginning of the period	165,756,314	67,446,310
Cash at the end of the period	67,446,310	14,401,649

The balance of money availabilities decreased by 79%, from 67.4 mil RON in 2008 to 14.4 mil RON at the end of the year 2009. The cash outflows are mainly due to the payment of the mortgage loan and of a part of the bank credits.

(the amounts are expressed in RON, unless otherwise specified)

NOTES TO THE FINANCIAL STATEMENTS as at 31st of December 2009

Note 1 - Fixed Assets

The variation of gross value, of amortization and of net accounting value, as at 31st of December 2009, by each category of fixed assets, is presented as follows:

Intangible Assets

Description	Intangible assets
01.01.2009	**1,261,754**
Gross value	
Inflows	120,617
Outflows/Transfer	82,518
31.12.2009	**1,299,853**
Amortization	
01.01.2009	**841,552**
Inflows	186,354
Outflows/Transfer	-
31.12.2009	**1,027,906**
Net value	
01.01.2009	**420,202**
31.12.2009	**271,947**

Tangible Assets

Description	Lands	Constructions	Technical inst., means of transp.	Furniture, ap. and birotics	Advances and assets in progress	Total
COST						
As at 01.01.2009	11,490,706	9,079,938	8,989,704	783,512	51,754,141	82,098,001
Inflows	556,637	17,293,345	308,112	21,102	11,954,345	30,133,541
Outflows/Transfer	27,066	2,876,697	1,070,164	3,989	63,508,679	67,486,595
As at 31.12.2009	12,020,277	23,496,586	8,227,652	800,625	199,807	44,744,947
AMORTIZATION						
As at 01.01.2009	-	2,013,872	5,804,898	374,035	-	8,192,805
Inflows	-	-541,027	967,211	105,126	-	531,310
Outflows/Transfer	-	314,072	731,359	3,158	-	1,048,589
As at 31.12.2009	-	1,158,773	6,040,750	476,003	-	7,675,526
NET VALUE						
As at 01.01.2009	**11,490,706**	**7,066,066**	**3,184,806**	**409,477**	**51,754,141**	**73,905,196**
As at 31.12.2009	**12,020,277**	**22,337,813**	**2,186,902**	**324,622**	**199,807**	**37,069,421**

(the amounts are expressed in RON, unless otherwise specified)

Fixed assets are registered in accounting to cost or revaluated value and are amortizated 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 amortizated 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 amortizated.

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.

At the end of the year 2009 there took place a revaluation of construction-type fixed assets. The revaluation was made by Coldwell Banker Research&Valuation for the real estates in the 1st District (Greenfield) 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 resulted both positive and negative differences, cummulatively 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. Thus, following the revaluation there was registered a revaluation surplus of 533,995 RON, a decrease of the revaluation reserve of 2,216,355 and an expense of 94,670 RON. In total, the net value of fixed assets decreased by the amount of 1,770,030 RON.

Beginning with the year 2009 the management of Impact made the decision to conclude with different clients contracts for the lease of dwelling units. Thus, for the duration of 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 lei. The land afferent to these apartments was also registered in the tangible assets accounts, the balance of the account 211 increasing by 0.5 million RON.

Financial Assets

Elements	**31.12.2008**	**31.12.2009**
Participation shares owned to affiliated entities	47,620,875	47,621,145
Adjustments for the loss of value of the shares of affiliates	64,750	64,750
Loans granted to affiliated entities	3,775,751	3,403,690
Adjustments for the loss of value of loans	0	677,207
Net value	**51,331,876**	**50,282,878**

There were constituted two provisions afferent to the company Imobilia, a company that will be liquidated in the first half of the year 2010.

(the amounts are expressed in RON, unless otherwise specified)

Participation Shares Owned to Affiliated Entities

Denomination of company	Registered office	Share capital value 31.12.2009	Net result of accounting period 31.12.2009	Value of IMPACT investment 31.12.2008	Value of IMPACT investment 31.12.2009	IMPACT participation percentage 31.12.2009
Actual Invest House SRL	Voluntari Str. Drumul Bisericii nr. 50 bl corp A et. P	5,000	(167,893)	4,950	4,950	99%
Bipact 1995 SRL	Voluntari Str. Sos. Pipera Tunari nr. 4C et.6	1,550	186,731	975	975	63%
BIZ-AR SRL	Bucharest 1st District Str. Padurea Pusnicu nr. 145 ap6	200	(6,241)	190	190	95%
Hobbit Intermediere Asigurari SRL	Voluntari Str. Sos Pipera Tunari nr.4C	25,000	(60,671)	94,602	94,602	95%
Imobilia Credit SA	Voluntari Str. Sos. Pipera Tunari nr. 4C	92,500	(196,246)	64,750	64,750	70%
Intop Construction SRL	Bucharest 1st District Str. Intrarea Poiana nr.13 ap.4	2,010,200	(10,888)	2,010,000	2,010,000	90%
LOMB SA	Cluj -Napoca Str. Nasaud nr. 22 ap. 71	92,744,954	3,030,849	45,445,028	45,445,028	49%
Millenium Consult Invest SRL	Bucharest 1st District Str. Padurea Pusnicu nr. 145	600	31,778	0	270	45%
Prest RV 2003 SRL	Bucharest 1st District Str. Padurea Pusnicu nr. 145	200	(5,736)	190	190	95%
Topo Prest SRL	Bucharest 1st District Str. Padurea Pusnicu nr. 145	200	(7,266)	190	190	95%
				47,620,875	47,621,145	

(the amounts are expressed in RON, unless otherwise specified)

The companies BIZ-AR, Prest RV and Topo Prest, whose shares were purchased in the year 2008, and Millenium Consult Invest, whose shares were purchased in the year 2009, will be used as investment vehicles in the new projects that will be started especially in the Greenfield II area.

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%).
The share capital is subscribed according to the Articles of Association of SC LOMB SA:

- the amount of 45,445,027.51 lei, representing the contribution of SC IMPACT DEVELOPER & CONTRACTOR SA to the subscribed share capital of SC LOMB SA, was integrally paid-up;
- the amount of 47,299,926.60 lei, representing the land, with a surface of 179 ha, brought as a contribution by the Local Council of the Municipality Cluj-Napoca to the share capital of SC LOMB SA, was not paid-up, the formalities of land dismembering being in process of realization;

The company is registered with the Trade Register Office of Cluj-Napoca under the number J12/3024/2008, having the sole registration code 24190182 with fiscal attribute RO. The main activity object of the company is real estate development and promotion, according to the NACE code no. 4110.

The purpose for the set-up of this company is that of developping a residential quarter in Cluj-Napoca. The project concept envisages the development of a town environment, inspired by the European urban poles, where the local specific is naturally combined with the contemporary dwelling standards, including with regard to the natural environment. There will be taken into account the university brand of Cluj, including the newer trends in the development of the city, as it is that of viewing Cluj as a financial and banking center. The constructions intended for dwelling will be in balance with the constructions intended for public functions, business, trade, to spaces intended for entertainment and rest and will have an adequate distribution within the allotted surface of 267 ha.

Frozen Receivables

Company	Loan balance as at 31.12.2008	Loan balance as at 31.12.2009
Actual Invest House	1,914,500	1,409,704
Bipact	0	162,834
Imobilia Credit	727,548	680,449
Intop Construction	1,123,338	1,123,338
Investimob Development	10,365	27,365
TOTAL	**3,775,751**	**3,403,690**

Loans are granted especially as working capital. No interest is charged.

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.

(the amounts are expressed in RON, unless otherwise specified)

Provisions	Balance as at 31.12.2008	Balance as at 1.12.2009
Provisions for guarantees granted to clients	1,023,500	0
Provisions for deferred taxes	161,822	73,199
Other provisions for risks and expenses	57,444	57,444
TOTAL	**1,242,766**	**130,643**

Note 3 – Analysis of Exploitation Result

Indicator	31.12.2008	31.12.2009
Turnover	151,688,180	54,233,682
Cost of sold goods and supplied services	122,033,598	44,552,970
Direct production expenses	96,694,665	33,365,719
Indirect production expenses	25,338,933	11,187,251
Net turnover afferent gross result	**29,654,582**	**9,680,712**
Sale expenses	7,274,116	2,203,217
General administration expenses	2,587,500	1,327,396
Other exploitation expenses	75,589,953	9,442,418
Other exploitation revenues	81,912,230	14,323,640
Exploitation result	**26,115,243**	**11,031,322**

The company includes in the production cost the direct expenses (direct materials, manual labour, equipments), land cost, indirect production expenses (indirect materials, indirect manual labour, 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.

Note 4 – Statement of Receivables and Debts

Receivables

In the presented period there was handed over a number of 124 apartments with a total value of contracts of 54.7 million RON. There was terminated a number of 114 contracts, their total value being of 42.5 million RON. There must be mentioned that, according to the contract, the entire amount of the collected payment in advance is retained as penalties, that is approximately 12.5 million RON.

The detailed statement of the receivables as at 31st of December 2009 is presented as follows:

Denomination of receivable	Balance as at 31.12.2008	Balance as at 31.12.2009, out of which	Liquidity term	
			under 1 year	over 1 year
Clients	99,239,714	80,678,485	60,508,864	20,169,621
Adjustments for deprec. of clients' rec.	1,930,234	2,078,127	0	2,078,127

(the amounts are expressed in RON, unless otherwise specified)

Clients, invoices to be drawn	914,241	166,102	166,102	0
Advances granted to service suppl.	1,959,608	3,724,021	3,724,021	0
Granted guarantees	48,203	45,443	45,443	0
Different debtors	4,738,660	5,136,826	4,058,092	1,078,733
Adjustments for deprec. of debt rec.	899,196	688,353	0	688,353
Other receivables*	6,452,612	4,618,297	4,618,297	0
TOTAL	**110,523,608**	**91,602,694**	**73,120,819**	**18,481,875**

Other receivables*	Value
Interests to be collected	129,908
Operations under clarification	-8,126
Settlements among branches	-738
Amounts to recover from budget	4,497,253
TOTAL	**4,618,297**

The receivables registered in the „Clients – invoices to be drawn" accounts represent the countervalue of the invoices for the utilities that were invoiced to clients in the month of December 2009 but with reference to the month of January 2010.

In the different debtors account there is registered the payment of an amount of 1,684,853 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 amounts to be recovered from the budget represent VAT to recover and additionally paid profit tax, with a value of 2.25 million RON each. In the month of March 2010 following the request of VAT compensation submitted in the month of August 2009, there was solved the request for the reimbursement of the amount of 1,496,312 RON by the compensation of the amount of 639,190 RON with contributions regarding the social insurances, health insurances and salary taxes and also the collection of the amount of 857,122 RON.

After the finishing of the fund control existing at the moment of the present notes' draft, there will be possible to also request the additionally paid profit tax.

Debts

According to OMF 1752, the total debts decreased by about 32%, from 244 mil RON in 2008 to 165 mil RON as at 31.12.2009. On the reporting date, the amounts granted by the credit institutions had a weight of 85%. There is noticed a decrease by about 84% of the advances collected from the clients, due to the handing over of the contracted constructions and to the stock sales. The contracts are within the term, not existing delays of the handover date. The trade debts also decreased, by about 32%.

Denomination of debt	Balance as at 31.12.2008	Balance as at 31.12.2009, out of which	Liquidity term	
			under 1 year	over 1 year
Loans from bond issues	36,073,824	0	0	0
Bank credits	164,506,798	140,128,972	69,115,918	71,013,054
Interests to be paid	55,835	0	0	0

(the amounts are expressed in RON, unless otherwise specified)

Financial leasing**	964,406	312,161	250,642	61,519
Collected advances	12,024,410	1,922,310	1,922,310	0
Trade debts*	21,825,675	14,940,083	14,940,083	0
Other debts***	8,903,228	8,404,486	4,822,519	3,581,967
TOTAL	**244,354,176**	**165,708,012**	**91,051,472**	**74,656,540**

Trade debts*	Value
suppliers	10,536,940
suppliers, unarrived invoices	4,403,143
TOTAL	**14,940,083**

Other debts ***	Balance as at 31.12.2009	Liquidity term	
		under 1 year	over 1 year
Guarantees of suppliers	5,299,116	1,766,372	3,532,744
Debts related to personnel	1,216,046	1,216,046	0
Non-exigible VAT	98,445	49,222	49,222
Dividends to be paid	46,398	46,398	0
Different creditors	1,744,481	1,744,481	0
TOTAL	**8,404,486**	**4,822,519**	**3,581,967**

The balance of the non-exigible VAT account refers to the added value afferent to the installments not reaching the due date for the credit contracts concluded until the date of 30th of May 2005. After this date, for the sale contracts with payment in installments there occurred the VAT exigibility on the delivery moment, according to the Fiscal Code, art. 134.1 paragraph 3.

The guarantees of suppliers are withheld according to the contract. The percentages differ between 5% and 10% of the value of works, and are refunded after at least one year from the works' execution, depending on the contractual terms.

Leasing**		Balance 31.12.2009
MOTORACTIVE	EUR	26,377
	Equivalent RON	111,529
RCI LEASING	EUR	47,451
	Equivalent RON	200,632
TOTAL	**EUR**	**73,828**
	Equivalent RON	**312,161**

(the amounts are expressed in RON, unless otherwise specified)

Bank credits		**Balance 31.12.2009**
BANC POST	EURO	2,049,761
	Equivalent lei	8,666,801
PIRAEUS	Euro	12,807,256
	Equivalent lei	54,151,638
BANCA ROMANEASCA	Euro	17,216,561
	Equivalent lei	72,795,062
BNACA TRANSILVANIA	RON	4,515,471
TOTAL	**Euro**	**32,073,578**
	Echivalent lei	**140,128,972**

On the date of the 2nd of February 2009, there was intehrally reimbursed the mortgage loan :

- there was paid the amount of 503,412 EUR, to the RON/EUR exchange rate as of the day of 28.01.2009 that represents the value of the coupon afferent to the 8th semester, according to the calendar of the bonds issue (1 coupon = 1.6135 Euros*exchange rate 4.2390 RON/EUR * 312,000 = 2,134,080 lei).
- there was paid the amount of 8,634,756 EUR, to the RON/EUR exchange rate as of the day of 28.01.2009 that represents the main payment (312,000*27.6755*4.2390 RON/EUR = 36,603,840 RON)

In total there was paid the amount of 38,737,920 RON, the equivalent of 9,138,168 EUR.

In the month of July 2009 there was contracted a new credit with Banca Transilvania, with a total value of 12,800,000 EUR. The destination of the loan is for the financing of the finishing of the projects being under development. The annual rate of the interest will be modified on a quarterly basis, according to the official level of the ROBOR index to 6 months valid on the first day of the quarter. The guarantee is constituted of a number of 46 mortgages upon some apartments and houses being under the ownership of Impact in Bucharest and Oradea and of a contract of real movable security upon the collections and of the current balance with a value of 15,984,000 lei. The total market value of the real estates brought under guarantee is of 16,516,436 lei.

In 2009 the credit contract 301 was extended, the final due date being 31.07.2010. The loan contracts numbered 195 (contract value 2,000,000 EUR), 2219 (contract value 800,000 EUR) and 2331 (contract value 1,800,000 EUR) with Piraeus Bank were integrally reimbursed.

Also during the year 2009 there was integrally reimbursed the loan contract no 11/9949 with a value of 2,400,000 EUR with Banca Comerciala Romana.

The statement of the credits under development at the end of the year 2009 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 and for the payment of an amount of up to 50% of the value of the risk commission afferent to the Facility.

Interest: EURIBOR at 3 months plus a margin of 5 percentual points per year, the calculation of interests will be performed for the daily balance of the credit account and will be reported to a 360-day year.

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

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

2. Piraeus Bank
Credit contract no.10/11.01.2007 Value : 112,180 EURO Due date 11.12.2011
Object : issue of a security 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 percentual points per year.
Penalties : Annual rate by 6 percentual points higher than the interest rate
Reimbursement : reimbursement of the Facility will be made integrally on the due date.
3. Bancpost
Contract of credit facility on term no. 58/23.09.2005
Value:
„First subfacility” in an amount of up to 4,500,000 EUR;
„Second subfacility” in an amount of 4,600,000 EUR;
„Third subfacility” in an amount of 2,000,000 EUR;
„Third subfacility bis” in an amount of 5,000,000 EUR;
„Fourth subfacility” in an amount of 2,900,000 EUR. The undrawn amounts from the „first subfacility” will supplement” the „fourth subfacility”
„Fifth subfacility” 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 pn 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 31.12.2009 there remained in the balance the value of 2,050,000 EUR from the second subfacility, intended for the financing of the „Europa” residential project. The other due subfacilities 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.

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: 2% + 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.

(the amounts are expressed in RON, unless otherwise specified)

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 developped, 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: 2% + 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 31.12.2009 the amount to be paid in balance afferent to these credits from Banca Romaneasca was of 17,216,520 EUR.

6. Banca Transilvania
Credit contract no. 15/21.07.2009 , value 12,800,000 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 6.44%.
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 28th of each month, according to a reimbursement schedule, in monthly installments correlated to the collection of installments and of rents from the assigned contracts.

Statement of Mortgages

The total accounting value of the mortgaged assets is of 212 million RON and is composed of lands and houses under different execution stages, as follows:

FIXED ASSETS , out of which:	**21,037,661**
Lands	1,621,125
Constructions	19,416,536
STOCKS, out of which:	**190,618,145**
Lands owned for constructions	111,852,288
Constructions for sale	78,765,857
Total mortgaged assets	**211,655,806**

Note 5 – 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 1752/2005 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 2009 were drafted in accordance with the following accounting principles:

Principle of Business Continuity. 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 unsafety 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.

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

Principle of Prudence. 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 predictivle 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.

Principle of Accounting Period Independence. 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.

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

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

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.

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. 1752/2005 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. Taking into consideration the average inflation rate in the year 2009 of 5.59%, communicated by the National Institute of Statistics, not all the data are reflected in the real terms of the purchasing power of the leu as at 31^{st} of December 2009.

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 reasonings 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 estimations represents an essential part of the financial statements drafting and does not undermine their credibility. An 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 regostered 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. A part of the contracts concluded with the beneficiaries provides the execution of the building with the payment by execution stages. Beginning with the year 2007, the Company opted for the modality to acknowledge the revenues generated from such contracts at the moment of the handover, based on a handover minutes for work stage. Thus, the Company also acknowledges the revenues to the extent of the handover of work stages for the constructions.However, in 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.

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 linearily amortizated for a period of 3 years.

Tangible Assets

Own 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 labour 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 last revaluation took place on 31.12.2009 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 restablish 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 amortizated for the remaining amortization period of the respective fixed asset.

Amortization

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

Lands and assets in progress are not amortizated.

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.

The acquisition value/production cost does not exceed the accomplishable net value of stocks.

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 honour 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.

Taxes

The current profit tax was calculated using the legal rate of 16%, valid for 2009. According to OMF 1752, there is not calculated and registered anymore the tax on deferred profit. As the taxable temporary differences disappear, the provision for deferred taxes is diminished.

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 surplusul realized from revaluation reserves” account is made on the breakage or sale of revalued fixed assets.

(the amounts are expressed in RON, unless otherwise specified)

Affiliated Companies

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

Note 6 – Share Capital

SC Impact SA was established in 1991, on the grounds of Law 31/1990. On the date of 04.10.2006 the company moves its registered office from Bucharest 1st District in Ilfov, the town Voluntari in the Construdava office building. Also on this date the company changes its denomination as well. The identification data of the company are :

Denomination : IMPACT DEVELOPER & CONTRACTOR SA
Address : Voluntari, Pipera-Tunari Road no. 4C, Construdava Business Center, fl. 6, Ilfov County
Tel.: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83
Registered with the O.R.C. from T.M.B. under no. J 23/1927/2006
C.I.F. RO1553483

The subscribed and paid-up share capital of the company as at 31st of December 2009 is of 200,000,000 RON. The nominal value of a share is of 1 RON.

The structure of the shareholding as at 31st of December 2009, according to the statement of the Central Repository was the following:

Shareholder	**Holding**
Popp Ioan Dan	22.07%
Sandulescu Carmen Daniela	11.62%
SALINK LIMITED	9.14%
Artio International Equity Fund	8.46%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.09%
Other legal entities, out of which	24.50%
- foreign entities	16.16%
Other natural persons, out of which	18.12%
- foreign pers	0.70%
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. At the end of the year 2009, Impact had a market capitalization of 33.31 mil EUR and a weight of 1.39% in the BET index, being the only real estate developper quoted in the first category of the BVB.

33.69% of the company shares are held by the company management.

Among the shareholders that hold over 5% of the company shares there are: Dan Ioan Popp with 22.07%, Carmen Sandulescu with 11.62%, Salink Limited with 9.14%, Atrio International Equity with 8.46% of the shares.

(the amounts are expressed in RON, unless otherwise specified)

At the end of the year 2009, 51% of the shareholders were Romanian natural person investors, 8% Romanian legal entities, 1% foreign natural persons and 40% foreign legal entities.

Evolution of Share Capital

Date	Explanation	Total no. of shares
31 December 2008	Initial balance	2,000,000,000
31 December 2009	Final balance	200,000,000

By the Decision of CNVM no. 22 as of 20th of January 2009 there was approved the consolidation of the company shares, the number of shares being reduced from 2 billion to 200 million, and the nominal value of the shares increased from 0.1 RON/share to 1 RON/share. This decision was made in the month of November of the year 2008 by the Extraordinary General Assembly of Shareholders of Impact.

Note 7 – Information Regarding Employees, Administrators and Directors

Structure of Personnel Expenses

During the year 2009 the number of personnel decreased by about 60%, from 160 at the end of the last year to 68 in the month of December 2009. This variation took place due to the difficult economic contextul in the current period. In 2009 approximately 10% of the personnel was productive, the rest being technical, economic and administrative personnel.

Description	31.12.2008	31.12.2009
indemnifications for the Board of Directors	158,604	108,300
salaries of directly productive employees	740,013	267,966
salaries of TESA	4,193,412	2,411,699
exp. with social insurances and protection	1,322,584	709,234
TOTAL	**6,414,613**	**3,497,199**

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. In the year 2009, related to the 2008 accounting period, the General Assembly of Shareholders made the decision not to distribute this percentage to the members of the BoD, these being a part in a share rewarding plan.

Administrators

	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

(the amounts are expressed in RON, unless otherwise specified)

3.	Rosca Ioana-Andreea	Adminstrator	2710501411515

Executive Management

Surname	Name	Position	Citizenship
Sandulescu	Carmen Daniela	Executive Director (Economic Development)	Romanian
Nita	Liviu Marius	Executive Director (Legal Organization)	Romanian

Note 8 – Economic Financial Indicators

PROFITABILITY AND RENTABILITY	**31.12.2007**	**31.12.2008**	**31.12.2009**
Efficiency of available equity			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Available equity (B)	439,655,899	421,424,451	408,169,070
A/B	**5.17%**	**6.08%**	**2.01%**
Efficiency of own equity			
Net profit (A)	7,401,076	8,258,687	141,540
Own equity (B)	326,702,495	333,718,186	333,512,530
A/B	**2.27%**	**2.47%**	**0.04%**
Operating profit rate			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Exploitation revenues (B)	158,641,682	233,600,410	68,557,322
A/B	**14.33%**	**10.97%**	**11.97%**
Nnet profit rate			
Net profit (A)	7,401,076	8,258,687	141,540
Total revenues (B)	182,079,265	254,418,276	78,647,342
A/B	**4.06%**	**3.25%**	**0.18%**
Total assets rate			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Total assets (B)	561,589,014	583,951,979	505,590,140
A/B	**4.05%**	**4.39%**	**1.62%**
Indebtedness degree			
Borrowed equity (A)	110,854,196	86,336,874	71,013,054
Own equity (B)	326,702,495	333,718,186	333,512,530
A/B	**0.34**	**0.26**	**0.21**

SOLVABILITY			
Debt rate			
Total liabilities (A)	234,886,519	250,233,793	172,077,610
Total assets (B)	561,589,014	583,951,979	505,590,140
A/B	**41.83%**	**42.85%**	**34.04%**

(the amounts are expressed in RON, unless otherwise specified)

Financial leverage			
Own equity (A)	326,702,495	333,718,186	333,512,530
Total assets less current debts (B)	439,655,899	421,424,451	408,169,070
A/B	**74.31%**	**79.19%**	**81.71%**
Interest coverage rate			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Interest (B)	12,510,887	15,326,608	7,706,027
A/B - times	**1.82**	**1.67**	**1.06**
LIQUIDITY AND WORKING CAPITAL			
Current liquidity indicator			
Current assets (A)	499,568,834	455,856,563	417,579,832
Current liabilities (B)	112,275,614	156,647,911	91,051,473
A/B	**4.45**	**2.91**	**4.59**
Immediate liquidity indicator			
Current assets (A)	499,568,834	455,856,563	417,579,832
Stocks (B)	235,097,417	277,886,645	311,575,489
Current liabilities (C)	112,275,614	156,647,911	91,051,473
(A - B)/ C	**2.36**	**1.14**	**1.16**
Client debt turnover			
Trade receivables (A)	91,527,905	100,231,532	80,844,587
Net turnover (B)	108,645,733	151,688,180	54,233,682
(A /B)* no of days in the period	**303.28**	**237.88**	**536.64**
Fixed asset turnover			
Net turnover (A)	108,645,733	151,688,180	54,233,682
Fixed assets (B)	59,413,125	125,657,275	87,624,247
A/ B	**1.83**	**1.21**	**0.62**

Note 9 – Other Information

Stocks

In the year 2009, 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. The assembly finishing situation is detailed below:

Project	Rubin	Topaz	Onix	Blue	Quartz	Roua	Europa	Lotus	Boreal
Accomplishment degree as at 31.12.08	100%	100%	93%	88%	66%	99%	100%	98%	97%
Accomplishment degree as at 31.12.09	100%	100%	100%	100%	80%	100%	100%	99%	98%

(the amounts are expressed in RON, unless otherwise specified)

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

Description	31.12.2008	31.12.2009
Lands	146,078,608	149,776,273
Advances for lands	5,037,017	6,159,288
Finished products – houses	7,834,370	86,072,889
Production and services under execution	116,476,158	67,128,801
out of which networks	0	40,521,457
Construction materials	2,577,451	2,633,287
Adjustments for materials depreciation	995,184	949,013
Finished prod., merchandises, packagings and inventory objects	562,187	415,145
Advances for the purchase of construction materials	316,038	338,819
TOTAL	**277,886,645**	**311,575,489**

At the end of the month of December 2009 there existed a number of 154 finished houses and apartments and 161 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.

At the end of the year 2009 there was made the decision that the investments under execution, in an amount of 46,254,473 RON, afferent to the networks, would be reflected in the balance in the stocks account and not in the fixed assets as until that moment. This fact will better reflect the economic reality because, beginning with the new assemblies, the investments in networks are recovered by the sale of the apartments.

By adjusting the stocks value with the above mentioned amount, in comparison to the preceding year, there results a small decrease, of about 2% of the balance of the stocks held by Impact.

Between Impact (as an executant) and MTS Leasing (as a beneficiary) and also a series of natural persons (as users) there intervened execution contracts for the execution of some buildings.

In accordance with the provisions of these contracts, the payments followed to be made to Impact by MTS Leasing, on the dates of finishing the physical stages, after signing the acceptance minutes for each stage.

A part of the beneficiaries of Impact that initially had chosen the financing by MTS Leasing paid to this financer an amount of money representing an payment in advance. This advance should have been paid by MTS Leasing to Impact for the payment of the executed work stages. For some of these constructions this fact did not happen.

For MTS Leasing there appeared in the year 2005 financial problems, this company systematically delaying payments for the contracts under development, a fact that determined their termination.

Following the termination of the execution contract with MTS Leasing and in accordance with the provisions of this contract, some of the users took over the contracts, finding other financing modalities.

After the bankruptcy of the leasing company there appeared litigations between Impact and these clients. Out of the six, two clients decided the continuation of the contract by own financing, the rest of four being in different trial stages. At present, these constructions are registered in the stock accounts of the company, their value being of 1,567,876 RON. There were not constituted provisions for these amounts as the houses are under the property of Impact. The company does not register a loss at the moment of litigation finishing as the amounts to be received are paid either by the present clients – in case Impact wins the litigations, or by the new clients following the sale to these - in case Impact loses the litigations.

(the amounts are expressed in RON, unless otherwise specified)

Cask and Bank Accounts

Going on with the trend registered last year, money availabilities decreased by 79%, from 67.4 mil RON in 2008 to 14.4 mil RON at the end of the year 2009. Great cash outflows are mainly due to the payment of the mortgage loan and of a part of the bank credits.

Expenses in Advance

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

Description	**31.12.2008**	**31.12.2009**
Other expenses in advance	38,196	21,537
Insurances (constructions and cars)	210,265	113,140
Insurances for professional liability	76,799	73,298
Commissions paid in advance	2,104,264	177,856
Taxes for rovigneta	8,618	230
TOTAL	**2,438,142**	**386,061**

In the first quarter of the year 2009 there were handed over all the contracted apartments by the 27 British citizens, the company acknowledging in this quarter the entire income afferent to the contract and also the cost of the apartment and the brokerage commission paid to the company MacAnthony Realty International Ireland Ltd and regiseted in the year 2008 in the expenses in advance account.

Revenues in Avance

Revenues in advance are set up from the interests afferent to the contracts with the payment in installments and from rents. The passing to revenues of the revenues from interests is made gradually, as the installments are paid or their due date, whichever comes first. The balance as at 31.12.2009 is of 6,123,094 RON, increasing in comparison to the last year. This increase came due to the conclusion of new contracts with the payment in installments. Thus, at the end of the year 2009 there was under development a number of 117 contracts with payment in installments or in tranches. This measure to resume the conclusion of contracts with payment in installments was taken into consideration in order to stimulate the sales, taking into account the present economic context.

According to the concluded lease contracts, the invoice is issued and must be paid by the clients a month before. Thus, the amount of 115,860 RON represents the lease invoices afferent to the month of January 2010 and invoiced in December 2009.

Revenues in advance	**31.12.2008**	**31.12.2009**
interests	4,636,852	6,123,094
rents		115,860
TOTAL	**4,636,852**	**6,238,954**

(the amounts are expressed in RON, unless otherwise specified)

Direct Expenses – Raw Materials

Description	31.12.2008	31.12.2009
Expenses with lands	2,999,164	1,366,038
Exp. with raw materials and materials	8,683,585	1,747,026
Exp. with fuel	760,993	211,795
Exp. with spare parts	155,499	57,346
Exp. with other constr. materials	190,749	477,807
Exp. with inventory objects	419,255	282,381
Ex. with unstocked materials	185,415	78,976
Exp. with packagings	57,848	4,219
Exp. with energy and water	4,022,087	4,440,801
Exp. regarding merchandises	9,973,256	247,520
TOTAL	**27,447,852**	**8,913,910**

Other Exploitation Expenses

Description	31.12.2008	31.12.2009
Expenses with maintenance and repairs	1,219,221	70,697
Expenses with royalties and rents	4,899,777	2,648,532
Expenses with insurance premiums	991,859	760,952
Expenses with commissions and fees	1,325,403	1,628,455
Expenses for protocol, advertisement and publicity	3,434,938	610,332
Expenses with transport of goods and pers.	836,391	361,179
Expenses with movements, assignments and transfers	136,293	6,900
Postal expenses and with telecommunications	540,882	518,351
Expenses with banking services and assimilated	650,359	770,642
Expenses with services executed by thirds *)	149,528,117	29,718,619
Expenses with other assimilated taxes and dues	4,578,083	5,134,749
Expenses with compensations, fines, penalties	144,517	287,462
Expenses regarded assigned assets	1,878,630	1,307,573
Donations (sponsorships)	3,000	9,522
Other exploitation expenses	1,463,606	636,541
TOTAL	**171,631,077**	**44,470,506**

Expenses with Services Performed by Thirds*

Description	31.12.2008	31.12.2009
Expenses with subcontractors	125,548,665	17,496,705
Havila consultancy expenses	838,059	410,232
Expenses for consultancy	4,079,745	2,547,854

(the amounts are expressed in RON, unless otherwise specified)

Expenses with guard and protection	1,293,029	1,087,176
Expenses with meal tickets	33,227	2,261
Expenses with HR	385,146	167,556
Expenses for IT services	410,416	359,759
Expenses with fees (notary, cadastre)	1,467,435	1,307,327
Expenses for design services	5,378,711	1,454,658
Other expenses for services	10,093,684	4,885,092
TOTAL	**149,528,117**	**29,718,619**

Financial Result

Description	**31.12.2008**	**31.12.2009**
Expenses regarding interests	15,326,608	7,706,027
Expenses from currency exchange rate differences	21,316,691	12,240,736
Adjustments regarding loans	0	677,207
Revenues from interests	16,850,203	6,606,211
Revenues from currency exchange rate differences	3,822,761	2,272,405
Revenues from dividends	0	1,087,860
Other financial revenues	144,902	123,544
Profit/(loss)	**-15,825,433**	**-10,533,950**

SC Bipact 1955 SRL distributed all the undistributed profits from the preceding years. The company had to receive the amount of 976,145 RON, an amount that was compensated with the debts of Bipact to the company.

The company Hobbit also distributed the dividends afferent to the preceding years. The due amount of money was of 111,715 RON. The amount was integrally collected in the month of September 2009.

The expenses with interests decreased due to the decrease of the balance of loans, beginning right with the integral payment of the bonds in the month of February 2009.

Due to the decrease of the owned cash, also the revenues from the interests collected for deposits had the same trend, decreasing more than 60% compared to the similar period of the preceding year.

With regard to the value adjustments afferent to loans, these were constituted for the loan granted to the company Imobilia Credit, a company that will be liquidated in the first half of the year 2010.

Profit Tax

In the year 2009 IMPACT regiseted an accounting gross profit of 497,372 RON and a net profit of 141,540 RON. The reconciliation between the fiscal result and the accounting one is presented next.

Current Profit Tax

Explanation	**Value**
accounting gross profit	497,372
taxable revenues	81,253,838
expenses afferent to taxable revenues	78,970,378

(the amounts are expressed in RON, unless otherwise specified)

taxable profit	2,283,460
profit tax – before deducing the expenses with sponsorship	365,354
Due profit tax	355,832
Net profit	141,540

The big profit tax is due to big undeductible expenses. Compared to the preceding years, these differences come especially from the revaluation of lands coming from the merger of the two companies, Patagonia and Fondamento. According to the fiscal regulations, beginning from May 2009 the difference between the cost and the revaluated value becomes undeductible at the moment of land sale.

Deferred Profit Tax

Deferred tax is generated by the temporary differences between the accounting basis and the fiscal one of the houses with the payment in installments sold until the year 2005 and of the accelerated amortization that was applied to certain fixed assets, according to the fiscal regulations in force until the year 2005. Thus, as the clients pay the installments or the contract due date comes, deferred tax becomes current. In the same sense, as there is registered the amortization of the fixed assets that took benefit of 20% accelerated amortization, deferred tax becomes current. Under this situation, according to OMFP 1752, there are registered revenues from provisions for taxes.

Explanation	Value
Deferred profit tax in balance as at 31.12.2008	161,822
Tax afferent to the temporary differences afferent to the houses with payment in installment	240,750
Tax afferent to the temporary differences afferent to tangible assets	216,746
Deferred profit tax in balance as at 31.12.2009	73,199
Income from deferred profit tax	88,623

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.

(the amounts are expressed in RON, unless otherwise specified)

Note 10 – Contingent Debts

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

List of litigations where Impact Developer & Contractor S.A. has the quality of a plaintiff

Court	No. of file	Objectul/Kind of action	Descriptive object of action	Opponent	Position of Impact	Trial stage/ Stage
Court of law S1	9122/299/2007	Action for the obligation to also make the payment of cominatory damages	Action by which Impact requested the right to pass by Str. Vadul Moldovei. Impact obtained this provisory right until the judgment of this file.	Romsilva	plaintiff	Suspended
Mures Tribunal	305/1371/2008	Enlistment to the statement of assets	Enlistment to the statement of assets was admitted	Dafora Structuri SRL	Creditor	First instance
Constanta Tribunal	4276/118/2009	Request to return immovable	SM got bankrupt. Taking into account it still had to pay a small part of the immovable, IDC requested the return	Standard Management SRL	Creditor	First instance
Court of law S1	20441/299/2008	Action for claims	Legal expenses	Stratos Leasing; MTS	Plaintiff	Appeal

(the amounts are expressed in RON, unless otherwise specified)

Bucharest Tribunal	24403/3/2007	Action for resolution and claims	There was modified the action in action to force Pasteur to sell to us the land in action for the return of advance and damages and annullment of the precontract	Pasteur Institute	Recurring plaintiff	Suspended
Bucharest Tribunal	8513/3/2006	Request to clarify the applicability of device	Clarification that the device indicates that penalties apply only until the construction finishing	Bodogan Aurel and Constantin	plaintiff	First instance
Bucharest Tribunal	32797/3/2009		annullment of administrative deed	Mayoralty of Municipality Oradea	defendant	Given in first instance
Bucharest Tribunal	23619/3/2009	Request to find the non-existence of the right of SR to request the payment of this amount	IDC requests to be found the compensation of the amounts	Sc Summa Romania SA	defendant	First instance
Bucharest Tribunal	2179/89/2009		procedure of insolvency	Gadal construct SRL	debtor	first instance
Bucharest Tribunal	16381/3/2008	Enlistment to the statement of assets	Enlistment to the statement of assets was admitted	SC CONSULTING SUD SRL (Bidepa)	debtor	First instance
Bucharest Tribunal	39469/3/2008	Action for claims	Obligation of Romconstruct to pay delay penalties for the delay in the execution of the	Romconstruct	plaintiff	First instance

(the amounts are expressed in RON, unless otherwise specified)

			constructions in the Rubin assembly			
Bucharest Court of Appeal	3829/2/2009	Action for annullment	annullment of administrative deed	Ministry of Agriculture	plaintiff	First instance

Litigations where Impact Developer & Contractor SA has the quality of defendant

Court	No. of file	Objectul/Kind of action	Descriptive object of action	Opponent	Position of Impact	Trial stage/ Stage
Bucharest Tribunal	48766/3/2008	Action for finding contract termination and claims	Termination of execution contract with Impact and payment of delay penalties	Defendant	GREGORY ALEX JAMES	Given appeal
Bucharest Court of Appeal	11641/3/2008 (2167/2009)	Action for claims	Return by Impact of the earning obtained from the construction sale	Appealant	Georgescu Serban	Given appeal
Constanta Tribunal	6361/212/2006	Action for claims and counterclaims	Payment by S.M. of delay penalties for installments and payment by IDC of penalties for delay handover (counterclaims)	Appealant	Soare Maria	Given appeal
Bucharest Court of Appeal	5696/3/2008	Action for finding	I.P. requests to be found its having no more obligation arising from the sale-purchase precontract concluded for Ghencea II land	Recurring	Pasteur Institute	Dismissed first instance. Case in appeal.

(the amounts are expressed in RON, unless otherwise specified)

High Court of Cassation and Justice	42784/3/2007	Action for finding	Finding of IDC impossibility to execute the obligation to hand over the immovable good	Recurring	Bodogan Aurel	Appeal
Prahova Tribunal	19/105/2010	Action for claims	Request for issue of good performance guarantees	defendant	Romconstruct, Defendant & BRD SG	First instance
Constanta Tribunal	8643/118/2008	Action for finding	IE requests the payment of delay penalties, and Impact requests the payment of the indexation index and late payment penalties	Defendant	Ionescu Eduard	First instance
Bucharest Tribunal	45882/3/2009	Action for claims	Return by IDC of the c/val of the guarantee letters executed by IDC last year	defendant	SC SUMMA ROMANIA SA	First instance
Bucharest Tribunal	45886/3/2009	Action for claims	Return by IDC of the c/val of the guarantee letters executed by IDC last year	Defendant	SC SUMMA ROMANIA SA	First instance
Bucharest Tribunal	323/3/2010	Action for the start of the insolvency procedure		Debtor	Romconstruct	First instance
Buftea Court of law	1579/94/2010	Action for finding	Finding the property right of the association members upon the utilities networks	Defendant	Owners Association Class, Coca Adina	First instance

(the amounts are expressed in RON, unless otherwise specified)

Bucharest Tribunal	43654/3/2009	Action for annullment	Annullment of the Decision of the General Council of Mun. Bucharest no. 263/2008	defendant	Ionita Florian	first instance
Bucharest Court of Appeal	5415/3/2009	Action for annullment	Annullment of the Decision of the General Council of Mun. Bucharest no. 263/2008	intervenient	Ionita Florian – Buc. General Council	Appeal
Bucharest Tribunal	48002/3/2009	Action for claims	Impact requests the return of a payment made by the plaintiff on the basis of a s-p precontract of Nov. 2004	Defendant	STYLE MODA ROMANIA SA	First instance
Oradea Court of law	10229/271/2009	Action for finding the property right acquired by accession	Plaintiffs want their property right be acknowledged, with the obligation of Impact to pay the c/value of the construction	defendant	Ban Liviu and Ban Cornelia	first instance
Bucharest Tribunal	191/3/2010	Action for the issue of a demand for payment	Romconstruct SA requests the payment of the amount by Impact SA for works done on the basis of some invoices issued for works executed in the Rubin assembly	Debtor	Romconstruct	First instance

(the amounts are expressed in RON, unless otherwise specified)

Oradea Court of Appeal	5070/111/2006	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which Dumbrava acquired the land in the Europa assembly	Appealant	Dumbrava SRL , MTS Leasing	Appeal
Bucharest Tribunal	190/3/2010	Action for the issue of a demand for payment	Romconstruct SA requests the payment of the amount by Impact SA for works on the basis of some invoices issued for works executed in the Rubin assembly	Debtor	Romconstruct	first instance
Oradea Court of Appeal	4126/111/2007	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which West Expo purchased land from OLC and termination of the execution contract	Appealant	West Expo	Rejudgment after appeal
High Court of Cassation and Justice	278/118/2005	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which Chiriac purchased the land	Recurring	Chiriac Alexandru and Ionela	Appeal
Oradea Court of law	18726/271/2009	Action for the issue of a demand for payment	Requests the payment of some electric power networks works	Debtor	Ceir Pedrochi	First instance
Buftea Court of law	5028/94/2009	Action for claims	Payment by IDC of legal expenses	Defendant	Bodogan Aurel	First instance

(the amounts are expressed in RON, unless otherwise specified)

Buftea Court of law	1003/94/2010	Action for finding	Defendant	Defendant	Amariucai, Salom s.a.	First instance
Bihor Tribunal	3540/111/2008	Action for giving a decision that would replace an authentic deed		Defendant	Actual Invest House	Appeal

Besides the litigations appreciated as significant presented above, the company also has in progress a number of litigations with different debtors of the company arising from the supply of utilities or other receivables that are small as value. These litigations (approximately 100) comprise a total value of the claims of IDC of approximately 120,000 RON.

Note 11 Affiliated Parties

Nature of Relationships

In the year 2009, the company IMPACT SA developped trade relationships with a number of companies that are affiliated parties. The list of the affiliated parties with which Impact developped 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)
Imobilia Credit SA	J1111/15.04.05 J150/03.01.06 J1068/10.05.07	client, debtor
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	Debitor
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	5/11.04.2005, addendum 10/2009	Consultancy, debtor
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 amounts are expressed in RON, unless otherwise specified)

The prices of the contracts concluded with the affiliated party companies are established under market conditions. In the year 2009, the company developped transactions with the affiliated parties, as follows:

Sales to:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	7,393,742	-430,313
FINANCE CONSULTING 2001	25,698	3,549
HAVILA TRADING	2,653	2,473
BIPACT 1995 SRL	8,353	7,416
HOBBIT INTERMEDIERE ASIGURARI SRL.	46,999	141,867
IMOBILIA CREDIT	9,051	0
INTOP CONSTRUCTION	0	3,200
LOMB	14,232,621	7,212,338
TOTAL	**21,719,116**	**6,989,673**

Purchases from:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	3,826,088	273,432
FINANCE CONSULTING 2001	191,352	316,272
HAVILA TRADING	1,463,165	997,290
BIPACT 1995 SRL	3,652,460	1,198,842
IMOBILIA CREDIT	55,000	52,100
MILLENIUM CONSULT INVEST	0	113,632
TOTAL	**9,188,065**	**2,951,569**

Following the transactions with the affiliated party companies, there resulted the following balances as at 31st of December 2009:

Receivables from/Advances granted to:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	18,772,650	17,531,546
BIPACT 1995 SRL	189	6,745
HOBBIT INTERMEDIERE ASIGURARI SRL.	39,928	63,583
IMOBILIA CREDIT	302,623	0
INTOP CONSTRUCTION	0	3,200
LOMB	975,070	595,897
MILLENIUM CONSULT INVEST	0	49,142
TOTAL	**20,090,459**	**18,250,112**

Debts to/Advances received from:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	611,616	254,305
FINANCE CONSULTING 2001	31,892	11,662
HAVILA TRADING	558,775	39,865
BIPACT 1995 SRL	1,023,586	3,062

(the amounts are expressed in RON, unless otherwise specified)

LOMB	0	315,000
TOTAL	**2,225,869**	**623,894**

In 2009 Impact granted several loans to the controlled companies in order to support the circulating capital. The total value of the loans granted in the year 2009 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.
The balance of loans is also presented at Note 1, Financial Assets.

Date of contract	Currency of credit	Val. of Contract	Val. used in the previous years	Val. used in 2009	Restitutions/ compensations	Balance	Unused value
ACTUAL INVEST HOUSE							
25.11.2009	RON	22,320	0	22,320			0
03.08.2009	RON	70,000	0	8,500			61,500
24.07.2009	RON	76,000	0	76,000	611,616		0
12.06.2008	RON	2,700,000	2,670,000		3,215,000		30,000
02.06.2008	RON	163,000	163,000		163,000		0
10.01.2008	RON	42,000	42,000				0
27.11.2007	RON	445,000	445,000				0
26.06.2007	RON	1,824,000	1,824,000				0
10.05.2007	RON	148,500	148,500				0
TOTAL		***5,490,820***	***5,292,500***	***106,820***	***3,989,616***	***1,409,704***	***91,500***
BIPACT SRL							
21.12.2009	RON	150,000	0	39,000	215,166		111,000
23.03.2009	RON	100,000	0	100,000			0
12.02.2009	RON	44,000	0	44,000			0
30.01.2009	RON	145,000	0	145,000			0
15.12.2008	RON	191,000	141,000	50,000	2,264,000		0
24.11.2008	RON	180,000	180,000				0
06.11.2008	RON	138,000	138,000				0
25.09.2008	RON	140,000	140,000				0
23.09.2008	RON	180,000	180,000				0
21.08.2008	RON	130,000	130,000				0
05.08.2008	RON	130,000	130,000				0
15.07.2008	RON	175,000	175,000				0
25.03.2008	RON	100,000	100,000				0
19.03.2008	RON	150,000	150,000				0
12.03.2008	RON	150,000	150,000				0
07.03.2008	RON	150,000	150,000				0
05.03.2008	RON	100,000	100,000				0
27.02.2008	RON	100,000	100,000				0

(the amounts are expressed in RON, unless otherwise specified)

15.02.2008	RON	150,000	150,000				0
05.02.2008	RON	150,000	150,000				0
27.09.2005	RON	2,324,800	2,324,800		4,438,500		0
02.03.2005	RON	902,600	902,600				0
01.12.2004	RON	1,211,100	1,211,100				0
TOTAL		***7,191,500***	***6,702,500***	***378,000***	***6,917,666***	***162,834***	***111,000***
IMOBILIA CREDIT							
24.10.2008	RON	30,000	24,456	5,000	157,008		544
21.10.2008	RON	20,000	20,000				0
15.09.2008	RON	30,000	30,000				0
13.08.2008	RON	25,000	25,000				0
30.06.2008	RON	11,000	11,000				0
07.01.2008	RON	72,000	72,000				0
10.05.2007	RON	200,000	200,000				0
03.01.2006	RON	300,000	300,000				0
15.04.2005	RON	150,000	150,000				0
TOTAL		***838,000***	***832,456***	***5,000***	***157,008***	***680,448***	***544***
INTOP CONSTRUCTION							
14.07.2008	RON	10,000	10,000		30,597		0
30.04.2008	RON	150,000	150,000				0
16.04.2008	RON	150,000	150,000				0
01.04.2008	RON	100,000	100,000				0
01.04.2008	RON	100,000	100,000				0
14.03.2008	RON	150,000	150,000				0
10.02.2008	RON	90,000	90,000				0
03.02.2008	RON	100,000	100,000				0
26.02.2008	RON	163,935	163,935				0
10.01.2008	RON	140,000	140,000				0
TOTAL		***1,153,935***	***1,153,935***	***0***	***30,597***	***1,123,338***	***0***

Note 12 – Subsequent Events

Imobilia Credit

In the year 2010 there will take place the voluntary liquidation of the company Imobilia Credit, a company in which Impact owns 70% of the shares. Following the liquidation of Imobilia, Impact will register a loss of approximately 950,000 RON. This loss was caught in the year 2009 by means of the adjustment accounts for the value of the investment receivables accounts.

Bank Credits

On the date of 31st of March 2010, the statement of the banking loans was the following:

(the amounts are expressed in RON, unless otherwise specified)

No. of Ct.	Bank	EUR	Val of contract EUR	Val of contract RON	Balance 31.12.2009 EUR	Balance 31.12.09 RON	Balance 31.03.10 EUR	Balance 31.03.10 RON
10/ 11.01. 2007	Piraeus	EUR	112,180		0		0	
301/ 30.08. 2006	Piraeus	EUR	13,000,000		12,807,256		12,807,256	
58/ 23.09. 2005	Bancpost	EUR	21,000,000		2,049,761		1,879,111	
5007006 5 /25.07. 2007	Romaneasca	EUR	7.993.204		5.423.960		4.853.017	
5007006 6/ 25.07. 2007	Romaneasca	EUR	22,306,796		11,792,601		10,639,496	
15/ 21.07. 2009	Transilvania	RON		12,800,000		4,515,471	0	5,311,644
TOTAL			**77,900,000**	**12,800,000**	**32,073,578**	**4,515,471**	**30,178,880**	**5,311,644**

VAT Recovered in March 2010

In the month of March 2010 following the request for the VAT compensation submitted in the month of August 2009, there was solved the request for the reimbursement of the amount of 1,496,312 RON by the compensation of the amount of 639,190 RON with contributions regarding the social insurances, health insurances and taxes on salaries and also the collection of the amount of 857,122 RON.

General Manager
Dan Ioan Popp

Chief Accounting Officer
Florin Rosca