

Board of Administration's REPORT For 2010



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1. THE MANAGEMENT STRUCTURE

1.1 The Board of Administration

According to the legislation in force and the company Articles of Incorporation, the General Meeting of Shareholders is the superior form of management and decision in the company, deciding upon its activity.

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

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

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

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

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

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

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

1.2 The Auditor

The Auditor Scot & Company verifies and certifies, from the financial, accounting and management point of view, the activity of the company. For the year 2010 the auditor was elected during the Ordinary General Meeting of Shareholders by Decision no1 of April 24th, 2010.

2. THE COMPANY ACTIVITY IN 2010

Impact Developer & Contractor SA, incorporated in 1991 by public subscription, is traded on Bucharest Exchange. IMPACT Company introduced the concept of "residential

assembly” in Romania and it developed until present, in 5 cities, 16 residential areas, over 2,000 dwellings, houses and apartments. The portfolio is completed by 25,000 of square meters of offices and business areas, as well as by complex administration services.

Year 2010 was marked by the increasing of the economic crisis and its effects were maintained by the government measures to reduce the incomes of the public system’s employees, the increase of unemployment and the more difficult access to the financial sources. The decrease of the GDP (Gross Domestic Product) in 2010 by 1.3% compared to 2009 was due specially to the decrease of the construction sector activity by 10.4%, the transportations and telecommunications sector with 4%, the services sector by 2.8% and the reduction of the consumption by 2%, further to decrease of expenses volume for the final individual and collective consumption of public administrations by 4,2%, respectively 4,5%. A positive evolution at macroeconomic level was in the industry sector by 5,1 % increase compared to last year and the improvement of the net exportation further to the imports volume outrunning (12.2%) by the exports volume (17.1%).

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

- (i) Fixed costs reduction even from the beginning of the recession period by reducing the office areas and the company personnel;
- (ii) Redesigning the dwelling facilities in order to best possibly fulfill the new requirements on the market, therefore taking measures of modifying the future projects, as well as the projects in progress;
- (iii) Decreasing the debt rate to approx. 32% of the value of assets in 2010 compared to approx. 34% as it was in 2009;
- (iv) The orientation towards projects that can be developed through European funds.

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

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

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

➤ Other activities in analysis

2.1 Focusing on completion of facilities started in 2008 and redesigning the estates in different stages of execution, allowing changes

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

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

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

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

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

2.2 Sale strategy for existing projects

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



products developed by IMPACT and according to the market conditions.

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

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

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

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



2.3 Project "Business Support Center "

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

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



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

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



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

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

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



2. *Attracting investors for business areas in Greenfield I*, like: fitness and beauty centre, restaurant, dentistry cabinet and school.

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

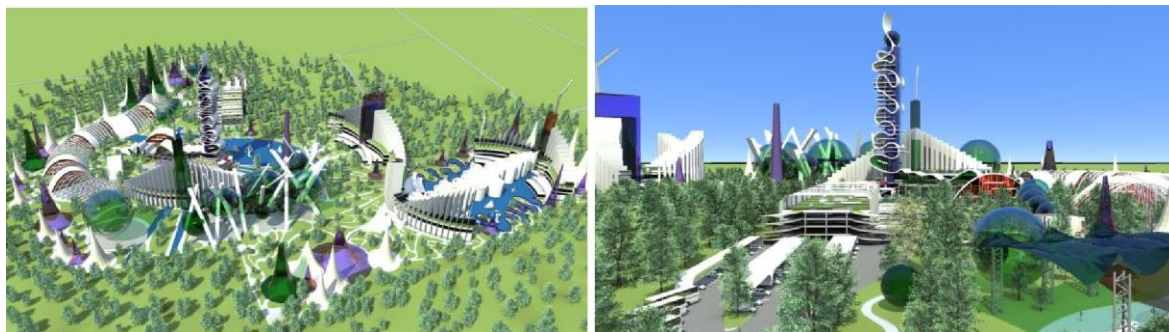


2.5 Other activities under analysis

Ghencea land

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

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



Medical Center Project- in Greenfield

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

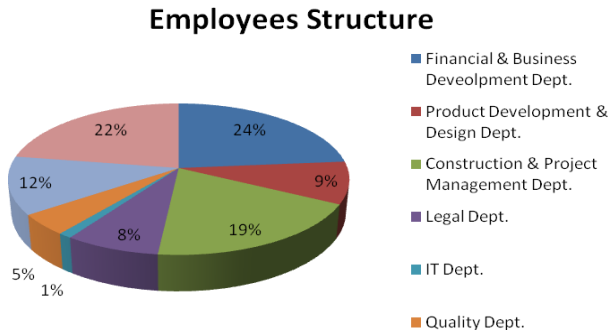


Project Lomb

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

Employees Structure

At the end of 2010 the company had 89 employees:



The risk management elements

In order to prevent the liquidity risk the company prepares monthly and yearly projections of cash flow reports and it compares them with the realized cash flow in order to prevent the liquidity problems that might occur.

For the long-term cash-flow needs the company uses loans with variable interest rates, but also the contracts have such clauses so the company can change the currency at any time without paying extra fees.

The Market Risks: the global financial crisis together with the recession in Western Europe, exposed Romania to the financial market risks. In order to maintain and even increase sales, IMPACT approached a strategy of financing the potential customers who have difficulty in accessing mortgages from the bank. To achieve this goal in 2009 the company accessed a loan of 12.8 million RON (approximately 3 million EUR) from the bank, which is used to refinance the 80% of the remaining amounts to be paid by the customers that are buying in installments.

The internal audit of the company can be summarized such as:

- by contracting department: the contracts are signed by the legal department, project managers and CFO and / or CEO;

- by the sales departments: contracts being reviewed by the price analysis department, and signed by the CEO and/or CFO;
- through preventive financial control that monitors the compliance of the contracts;
- by tracking payments which are approved by the CFO.

The company didn't give any dividends to the shareholders in the past three years.

3. FUTURE PROJECTS

3.1 Greenfield Residence – Phase II, Sub-phase 1

In the second part of 2011- beginning of year 2012 there is estimated the commencement of the construction for the second phase of Greenfield project, by the development of the first sub-phase, to be further executed on an area of 4 hectares, with a total number of 628 apartments distributed in 16 storey buildings (5 storey buildings in Tatoo Residence compound, 6 storey buildings in Bloom Residence compound and 5 storey buildings in Briza Verde Residence compound) with reduced height regime.



The project will be initiated by the construction of one storey building in each of the three compounds, which will overall include 127 dwelling facilities (48 apartments in Tatoo Residence compound, 44 apartments in Briza Verde Residence compound and 35 apartments in Bloom Residence compound). Depending on the target customers of each compound, there will be apartments with 1,2,3 or 4 rooms in each of the three compounds.



Each compound is designed with generous inside gardens, used as semi-private areas where only tenants have access. Also, Tatoo Residence, Briza Verde Residence and Bloom Residence will benefit from all advantages of the location communicated under the Greenfield brand (900 ha of forest, in the vicinity of Baneasa Forest, 5 minutes from Baneasa business area - Metro Cash&Carry, Selgross, IKEA, Mobexpert, Carrefour Feeria, Bricostore, immediate access to DN1 Bucharest – Ploiesti, 5 minutes from the two airports: Baneasa and Henri Coanda).

These ones will target public nonconformist young people in search of professional fame (Tatoo Residence), families with children (Bloom Residence) and people with a very busy daily schedule and that are in search of a place where to relax in their spare time, in an eco friendly environment (Briza Verde Residence).

3.2 Business Support Center

IMPACT continues the Greenfield project by focusing on the mixed-use concept, by developing an B class office building, with a built area of 11,000 sqm. The commencement of the construction works is estimated for September 2011, and the length of the constructions is estimated at 18 months.

The building will have a height regime of 2UG+GF+5 and it will offer as facilities, office areas with a total surface of 6,280 sqm, a conference room that may be divided depending on the needs, a lunch room, 5 meeting rooms located on each level of the supporting structure and parking places for the users of the office building and those serving the connected services. The main purpose of the project is represented by the support of the regional economy by offering services and facilities to the main promoters of economic development – private enterprises, especially small and medium enterprises.

3.3 Construdava II Hotel

Construdava II Hotel is under IMPACT analysis since 2008. In 2009 was signed a letter of intention with a major international hotel chain in order to make operational this hotel unit. Unfavorable economic situation and the relatively high vacancy rate of the existing hotel space during last years decreased the foreign investor's attractiveness for such segment.

IMPACT has two strategies to capitalize on this land plot: either the development of the hotel project with a strategic partner, or the sale of this land plot.

4 FINANCING SOURCES FOR 2011 ACTIVITY

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

- Use of bank loan obtained in 2009, for the activity of financing the customers wishing to pay in installments;
- Attracting bank loans for the development of phase 2 of Greenfield project. Commencement of the new developments will be closely correlated on one

hand to the evolution of the dwelling facilities sale of the existing projects, and on the other hand to the evolution of the real estate market.

- Attracting bank loans for the development of the Business Support Center
- Creating financial partnership at the project level, projects that will be developed in Greenfield project area and in Ghencea area in Bucharest.

5. THE CAPITAL MARKET

The company Impact Developer & Contractor SA is traded on Bucharest Exchange since 1996, and as from 2006 its shares in number of 200 millions, are traded at I rank.

There are no restrictions for the assets transfers, there are no restrictions regarding the vote rights, there are no beneficiaries of the assets with special rights regarding the control.

The capitalization of the company at the end of year 2010 was of 22.34 mill. EUR.

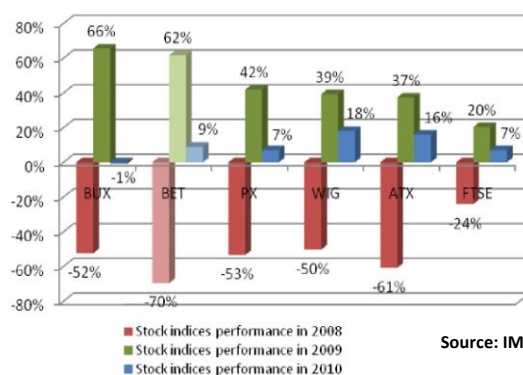
29.68% of the company's shares are held by the company management. Among the shareholders holding over 5% of the company's shares are: Dan Ioan Popp with 18.07%, Carmen Sandulescu with 11.62% shares, Salink Limited with 9.06%, Artio International Equity (known as Julius Baer Fund) with 8.46% of shares, Templeton GIT Emerging Markets 6.09%.

At the end of year 2010, 53.03% of the shareholders were legal persons and 46.97% were natural persons.

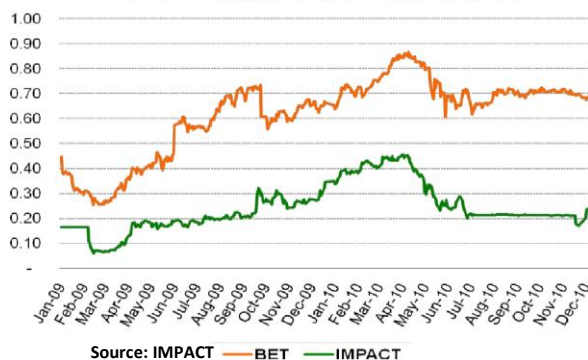
In 2010 we assisted to continued positive evolution of stock indexes compared to 2009. If in 2008 there was a decrease in BET stock index by 70%, in 2009 we assisted to its increase by 62%, and in 2010 to an increase by 9%.

In 2010 the economic climate continued to be unfavorable, IMP shares having a 32% decrease compared to 2009. If in the year first months IMP shares registered some stability with a maximum rate of 0.905 RON/share recorded on April 12th, 2010, the announcement of government measures to reduce employees' salaries from public system

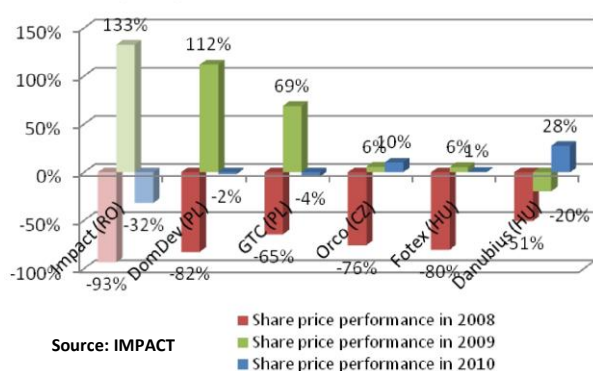
Stock exchange indices performance in 2010 vs 2009 and 2008



IMP vs. BET index Normalised as of 31.12. 2010



Share price performance in 2010 vs 2009 and 2008



and the increase of the VAT from 19% to 24% contributed to the increase of the uncertainty of investors in real estate sector and to the decrease of the shares by 32%. The lowest rate of IMP shares of 0.3550 RON/share was recorded on 16th November 2010.

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

The status of the insolvency procedure:

On July 12th, 2010 following the insolvency request in the file nr 323/3/2010: by Romconstruct SA as a creditor and Impact Developer & Contractor SA as a debtor, the Bucharest Court decided to open the insolvency procedure against IMPACT.

Through the Bucharest Court decision, the company lawyers mandated by Impact S, on July 8th, 2010 have obtained the provisory suspension of the insolvency procedure.

The suspension of the decision until the irrevocable decision of the litigation is included in the contest expressed by the company against the Commercial Decree nr. 5061 from July 8th 2010. For the contest, the Bucharest Court set up the term in court for April 24th, 2011.

The provisional suspension of the Commercial Decree no. 5061 from July 8th 2010 throughout the Bucharest Court decided the opening of the insolvency procedure of Impact SA, means:

- The suspension of all terms established by the syndic judge throughout the decree nr. 5061/2010;
- The termination of the activity of the judicial administrator named by the Court;
- The regaining of the prerogatives by the Management Board of Impact SA, prerogatives that were exercised by the judicial administrator.

Impact SA's shares are suspended until the judgment of the contest expressed by the company against the Commercial Decree nr. 5061 from July 8th 2010 the Bucharest Court decided the opening of the insolvency procedure of Impact SA.

We want to remind you that on July 12th, 2010, Impact Developer & Contractor SA informed the Bucharest Stock Exchange about the admission of the request for the opening of the procedure of insolvency initiated by Romconstruct SA (Ploiesti) with the file no. 323/3/2010.

Impact SA solicited the suspension of the execution of this decree, so, in fact, the suspension of the implementation of the insolvency procedure, taking into consideration that:

1. *The cash and cash equivalents accounts of the Impact SA (used as proof in the Court) were over 10.000.000 lei at that moment, much over the amount of 1.363.142 lei demanded by Romconstruct as presumed debt, and the monthly cash in of Impact was of about 4.000.000 lei. This being said, according to the definition of the insolvency from the Law 85/2006, the Impact SA patrimony was not in the situation in which the "cash and cash equivalents to be below the level of contingent liabilities".*

2. *The amount of 1.363.142 lei demanded by Romconstruct as a presumed debt owed by Impact SA represents the object for the judicial contend in the files no. 190/3/2010, 191/3/2010*

and 19/105/2010 which are on trial at the Prahova Court - the Commercial Department. So, even if the cash and cash equivalents of Impact are much over this amount, the presumed liability, could not be paid as long as this is on trial. In addition, the amount of 1.363.142 lei has to be diminished, because the amount of 283.952,79 lei was already considered as undue through the Court Decree from 20/05/2010. This shows that the Court has already been determined that at least part of the amounts demanded by Romconstruct SA are not certain and contingent, and are below the amounts owed by Romconstruct SA to Impact SA;

3. Romconstruct SA is a subcontractor that collaborated with Impact SA in the past. Impact SA rescinded the contracts due to the fact that Romconstruct SA have been conducting its works in a very poor manner and broke several provisions of our contract, including here the repeated delays totaling over 200 days, which led to material damages and image damages in Impact SA's relationship with its clients. *Romconstruct SA owes to Impact SA over 16.000.000 lei (sixteen million lei) as follow:*

- a. 1.197.486,25 lei represents the value of the materials and services purchased by Romconstruct, being a subcontractor that worked with the materials provided by Impact and using other assets provided by Impact SA. 978.017,31 lei of the amount mentioned above are in the process of enforcement of the checks issued by Romconstruct in the file no. 1416/2009;
- b. 14.995.391,73 lei represents the penalties for over 200 days delay in finalizing the construction works by Romconstruct (the file no. 39469/3/2008, on trial at Bucharest Court).

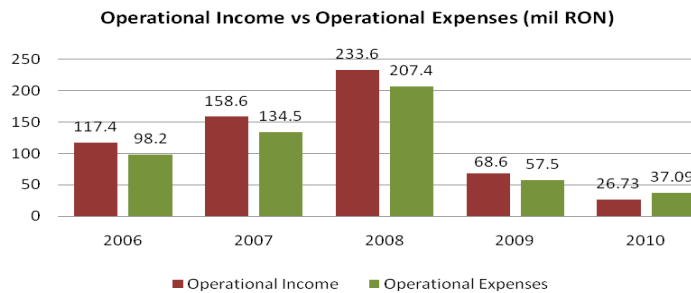
6. ECONOMICAL-FINANCIAL INDICATORS

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

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

Company income

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

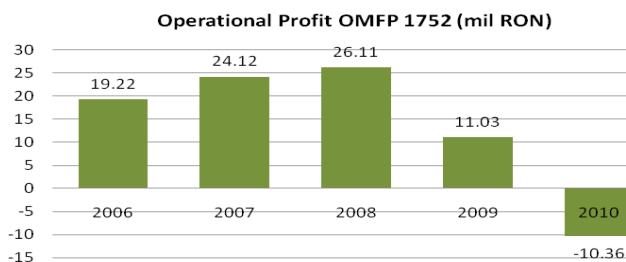
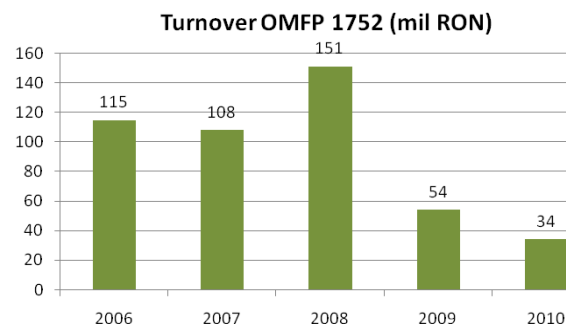


Operational income registered a decrease by 61% in 2010 compared to 2009, and the operational expenses registered a decrease by 35% compared to year 2009. The decrease of operational incomes and expenses is due to the fact that in 2010, due to the

economical conditions, the company's sales decreased compared to 2009, and due to the fact that IMPACT concentrated mainly to complete the residential ongoing projects, without starting new projects that could generate additional incomes and expenses.

Turnover

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

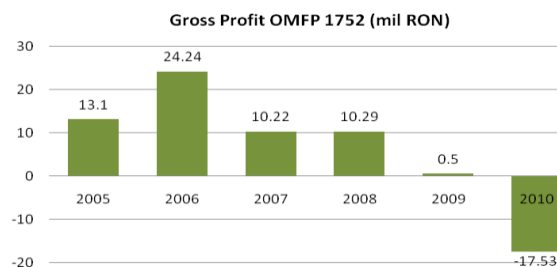


Operational Profit

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

Gross Profit

According to OMFP 1752 the company registered in 2010 a gross loss of 17.53 mill RON as result of the registration of the operating and financial loss. From the financial

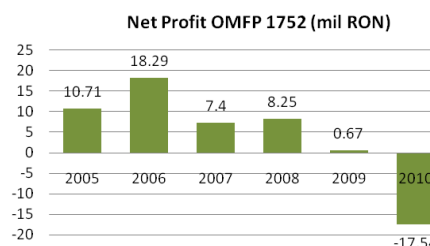


activity resulted incomes of 13 mill (30% higher than in 2009), but due to financial expenses (interest and rate differences expenses) of 20 mill RON, even reduced compared to those of 2009, the financial result recorded a loss of over 7 mill RON.

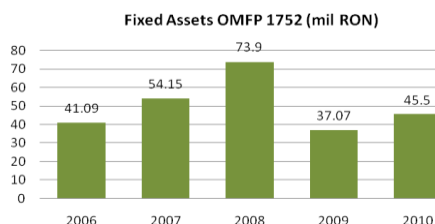
Due to the accounting method of approaching the EUR loans, which involves the evaluation of the creditor balance on 31st of December 2009, there was registered a loss in the financial activity of 7 mill RON. This accounting procedure makes that the accounting value of the EUR loans to be determined by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

Net Profit

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



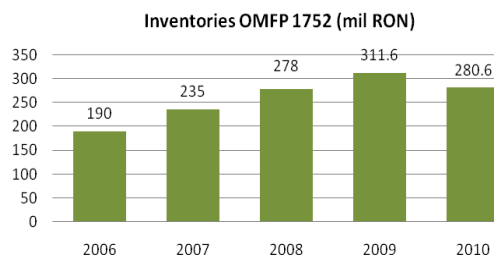
Fixed assets



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

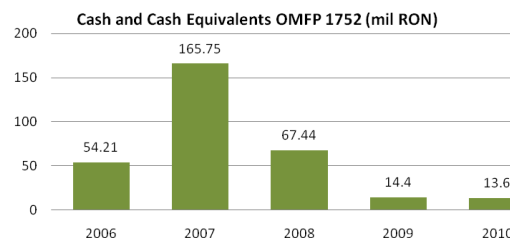
Inventories

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



Cash and cash equivalents

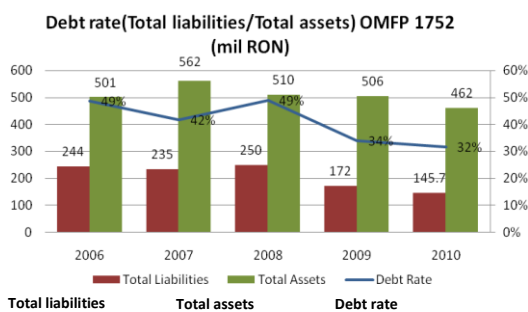
The liquidities slightly decreased from 14.4 mill RON in 2009 to 13.6 mill RON in 2010.



<i>PROFITABILITY and RENTABILITY</i>	OMF 1752 12/31/2009	OMF 1752 12/31/2010
Efficiency of available capital		
Profit before interests and tax (A)	8,203,399	-11,035,847
Available capital (B)	408,169,070	414,451,192
A/B	2.01%	-2.66%
Indebtedness level		
Total Loans(A)	71,013,054	95,210,170
Total equity (B)	333,512,530	315,930,582
A/B	0.21	0.30
<i>SOLVABILITY</i>	OMF 1752 12/31/2009	OMF 1752 12/31/2010
Debt rate		
Total liabilities (A)	172,077,610	145,729,370
Total assets (B)	505,590,140	461,659,952
A/B	34.04%	31.57%
Financial leverage		
Total equity (A)	333,512,530	315,930,582
Total assets less net current liabilities (B)	408,169,070	414,451,192
A/B	81.71%	76.23%

CASH and WORKING CAPITAL		
Indicator of current liquidities		
Current assets (A)	417,579,832	367,101,178
Current liabilities (B)	91,138,209	40,898,780
A/B	4.58	8.98
Indicator of current liquidities		
Current assets (A)	417,579,832	367,101,178
Stocks (B)	311,575,489	280,619,736
Current liabilities (C)	91,138,209	40,898,780
(A - B)/ C	1.16	2.11
Rotation speed of fixed assets		
Net turnover (A)	54,233,682	34,288,805
Fixed assets (B)	87,624,247	94,201,345
A/ B	0.62	0.36

Total debts



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

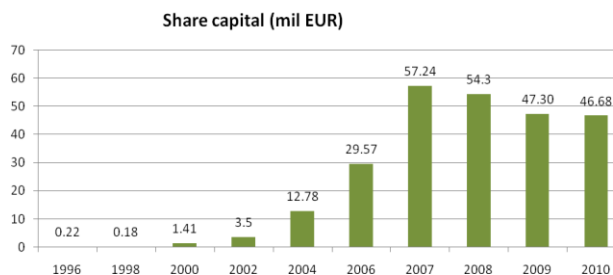
Also the company's total assets decreased by 9% from 506 mill RON in 2009 to 461.6 mill RON in 2010.

Inventories decreased by 10% and receivables decreased by 19% due to lower trade receivables in connection to the slowing down of the loans approval to individuals interested in purchasing the dwellings. Even under such conditions, the debt rate decreased from 34% in 2009 to 32% in 2010. As the average debt rate of peer companies from Central and Eastern

Europe is between 50% - 90%, IMPACT is favorably positioned in regard to the indebtedness rate.

Share capital

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



7. Financial Results Consolidated Non-audited

	31 Decembrie 2010	31 Decembrie 2009
ASSETS		
Non-current assets		
Property, plant and equipment	7.034	16.475
Investment property	67.551	91.835
Investments	1.236	701
Intangible assets	50	80
	75.871	109.091
Current assets		
Inventories	47.705	56.563
Trade receivables	13.939	15.486
Prepayments and other receivables	44	92
Cash and cash equivalents	7.742	11.396
	69.429	83.537
Total Assets	145.300	192.628
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	57.340	57.340
Capital paid in excess of par value	19.683	19.946
Revaluation surplus	2.422	2.106
Accumulated result – profit	25.241	50.356
	104.686	129.749
Minority interest	20	11.544
Non-current liabilities		
Borrowings	22.990	17.678
Deferred incomes	6.521	10.509
	29.511	28.187
Current liabilities		
Trade and other payables	4.626	6.729
Short term borrowings	0	0
Current portion of interest-bearing borrowings	5.956	16.406
Provisions	502	14
	11.084	23.148
Total Equity and Liabilities	145.300	192.628

IMPACT DEVELOPER & CONTRACTOR**INCOME STATEMENT**

(all amounts are expressed in thousands EUR)

	2010	2009
Turnover	6.169	9.670
Effects from IAS 40 – revenue/(cost)	-24.569	-43.240
Other operating income	3.068	6.375
Change in inventory of finished goods and work in progress	-5.293	-2.697
Work performed by the enterprise and capitalised	2.454	2.854
Raw material and consumables	-532	-957
Staff costs	-674	-1.126
Depreciation and amortization expenses	-527	-414
Other operating expenses	-8.283	-14.717
Net finance cost	-412	897
Income from associates	293	4
Profit before tax	-28.306	-43.350
Income tax	3.876	6.121
Profit after tax	-24.431	-37.228
Minority interest	-2	-405
Net profit for the period	-24.433	-37.633

President of Board of Administration,

Dan Ioan Popp