

**SC IMPACT DEVELOPER & CONTRACTOR SA**

Consolidated financial statements for the year ended  
December 31, 2009

**IMPACT DEVELOPER & CONTRACTOR****BALANCE SHEET**

(all amounts are expressed in thousands EUR, unless stated otherwise)

	<b>Note</b>	<b>31 Decembrie 2009</b>	<b>31 December 2008</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>3</b>	16,475	30,584
Investment property	<b>3</b>	91,835	138,985
Investments	<b>4</b>	701	744
Intangible assets		80	110
		<b>109,091</b>	<b>170,423</b>
<b>Current assets</b>			
Inventories	<b>5</b>	56,563	47,903
Trade receivables	<b>6</b>	15,486	19,463
Prepayments and other receivables	<b>7</b>	92	6,969
Cash and cash equivalents	<b>8</b>	11,396	25,781
		<b>83,537</b>	<b>100,116</b>
<b>Total Assets</b>		<b>192,628</b>	<b>270,539</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital	<b>9</b>	57,340	57,340
Capital paid in excess of par value		19,946	21,269
Revaluation surplus		2,106	2,369
Accumulated result – profit		50,356	96,973
		<b>129,749</b>	<b>177,951</b>
<b>Minority interest</b>		<b>11,544</b>	<b>11,913</b>
<b>Non-current liabilities</b>			
Borrowings	<b>10</b>	17,678	21,981
Deferred incomes	<b>11</b>	10,509	17,927
		<b>28,187</b>	<b>39,908</b>
<b>Current liabilities</b>			
Trade and other payables	<b>12</b>	6,729	12,003
Short term borrowings		0	1
Current portion of interest-bearing borrowings	<b>10</b>	16,406	28,492
Provisions		14	271
		<b>23,148</b>	<b>40,767</b>
<b>Total Equity and Liabilities</b>		<b>192,628</b>	<b>270,539</b>

The consolidated financial statements along with the Notes to the financial statements presented from page 6 to page 52 have been authorised to be issued on 7 May 2010 by the President of the Board and signed by:

Dan Ioan Popp  
President of the Board

Florin Rosca  
Chief accountant

**IMPACT DEVELOPER & CONTRACTOR****PROFIT AND LOSS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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	<b>Note</b>	<b>2009</b>	<b>2008</b>
<b>Turnover</b>	<b>13</b>	<b>9,670</b>	<b>32,625</b>
Effects from IAS 40 – revenue/(cost)	<b>14</b>	-43,240	-2,483
Other operating income	<b>15</b>	6,375	6,874
Change in inventory of finished goods and work in progress		-2,697	19,785
Work performed by the enterprise and capitalised		2,854	5,673
Raw material and consumables	<b>16</b>	-957	-7,454
Staff costs	<b>17</b>	-1,126	-2,709
Depreciation and amortization expenses	<b>18</b>	-414	-683
Other operating expenses	<b>19</b>	-14,717	-52,492
Net finance cost	<b>20</b>	897	1,208
Income from associates		4	0
<b>Profit before tax</b>		<b>-43,350</b>	<b>344</b>
Income tax	<b>21</b>	6,121	-147
<b>Profit after tax</b>		<b>-37,228</b>	<b>197</b>
Minority interest		-405	16
<b>Net profit for the period</b>		<b>-37,633</b>	<b>213</b>

**IMPACT DEVELOPER & CONTRACTOR****CASH FLOW**

(all amounts are expressed in thousands EUR, unless stated otherwise)

	<b>2009</b>	<b>2008</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>-43,350</b>	<b>344</b>
Adjustments for:		
Translation adjustments	-9,607	-10,023
Revenues from investment property	43,240	2,483
Minority interest	-774	11,859
Depreciation	414	683
Loss / (profit) on disposals of non-current assets	-6	-796
Increase / (Decrease) in provisions for risks and charges	-262	153
Increase / (Decrease) in allowances for bad debts	69	129
Increase / (Decrease) in allowances for inventories	-27	-71
Interest income	-2,691	-5,311
Interest expenses	1,819	4,142
Other finance (income)/expenses, net	-24	-39
<b>Operating profit before working capital changes</b>	<b>-11,199</b>	<b>3,553</b>
Decrease / (Increase) in trade and other receivable	11,563	4,729
Decrease / (Increase) in inventories	2,664	-3,790
Increase / (Decrease) in trade and other payable	-4,931	-5,363
<b>Cash generated from operations</b>	<b>-1,904</b>	<b>-871</b>
Income tax paid	-472	-507
<b>Net cash from operating activities</b>	<b>-2,376</b>	<b>-1,378</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	3,968	-26,578
Proceeds from sale of non current assets	346	1,305
<b>Net cash used in investing activities</b>	<b>4,315</b>	<b>-25,273</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance capital	0	0
Movements in long term loans	-16,222	5,609
Movements in leasing contracts	-168	-288
Interest (paid)/received, net	661	1,163
Other finance expenses paid, net	24	39
Dividends paid/profit share to employees	82	-61
<b>Net cash used in financing activities</b>	<b>-15,623</b>	<b>6,462</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-13,685</b>	<b>-20,189</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>25,781</b>	<b>45,970</b>
<b>Cash and cash equivalents at end of period</b>	<b>12,096</b>	<b>25,781</b>

**IMPACT DEVELOPER & CONTRACTOR****EQUITY**

(all amounts are expressed in thousands EUR, unless stated otherwise)

Description	Share capital	Capital paid in excess of par value	Revaluation surplus	Retained earnings	Translation adjustments	T o t a l
<b>Balance as at Jan 2008 (**)</b>	<b>57,340</b>	<b>23,480</b>	<b>2,615</b>	<b>116,719</b>	<b>(3,800)</b>	<b>196,354</b>
Exchange diff (*)	-	(2,211)	(246)	(10,983)	(5,120)	<b>(18,560)</b>
Net result of the period	-	-	-	213	-	<b>213</b>
Dividends distributed to employees	-	-	-	(56)	-	<b>(56)</b>
<b>Balance as at 31.dec.08</b>	<b>57,340</b>	<b>21,269</b>	<b>2,369</b>	<b>105,893</b>	<b>(8,920)</b>	<b>177,951</b>
Exchange diff (*)	-	(1,223)	(181)	(5,934)	(2,900)	<b>(10,238)</b>
Net result of the period	-	-	-	(37,633)	-	<b>(37,633)</b>
Dividends distributed	-	-	-	(149)	-	<b>(149)</b>
Losses from shares redeemed	-	(100)	-	-	-	<b>(100)</b>
Decrease in fixed assets value, previously recognised in revaluation surplus	-	-	(82)	-	-	<b>(82)</b>
<b>Balance as at 31.dec.09</b>	<b>57,340</b>	<b>19,946</b>	<b>2,106</b>	<b>62,177</b>	<b>(11,820)</b>	<b>129,749</b>

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(all amounts are expressed in thousands EUR, unless stated otherwise)

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**Note 1. Organization and operations**

Impact Developer & Contractor S.A. is one of the first private companies active in the real estate industry, having been founded in 1991 by public subscription. Initially, its main activities were the lease and maintenance of luxury villas in the Bucharest area. In 1995, Impact introduced the concept of the “residential compound” to the Romanian market and thereafter progressively evolved into a pure real estate developer. Since 1996, Impact has been the only local developer to be listed on the Bucharest Stock Exchange (BSE). In 2006, the company’s shares were promoted to the first tier of the stock market, becoming the first company in the real estate development and building sector to do so.

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

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

Impact completed 16 small and medium projects in the last 13 years. The company is currently involved in four developments, each with a distinct project time frame and at a different stage of completion. Its pipeline is dominated by two major projects: the Greenfield and Lomb Hill developments.

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

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

## IMPACT DEVELOPER & CONTRACTOR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

With respect to the progress of the projects, at the end of 2009, all the 9 projects as initiated have had a minimum accomplishment degree of 80% (the assembly Quartz in Bucharest) and a maximum degree of 100%, as recorded in the case of the Roua, Europa, Rubin, Topaz assemblies.

Project	Rubin	Topaz	Onix	Blue	Quartz	Roua	Europa	Lotus	Boreal
Completion degree	100%	100%	100%	100%	80%	100%	100%	99%	98%

#### Company Organisation

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

### **Mission**

IMPACT must identify a clean setting, linked to the city by modern roads, must offer level plans and facades which can cover a larger area of the financial possibilities of its clients, accomplish durable and high quality construction and fittings, grant performance guarantees and more flexible payment mechanisms, adapted to the financial availability of the clients.

In order to draw respect and exceed the expectations of the real estate market, the corporation IMPACT promotes its values, abiding by them in any activity.

The Company's organisational culture has as a basis the following set of values:

- **Client satisfaction** – translated as client orientation, by the provision of high quality products, adapted to its needs;
- **Communication** – we believe that efficient communication is at the core of development;
- **People** – concern for people is translated through the attention offered to representing the interests of our employees and shareholders;
- **Pro-activity** – or product choice based on the identification of opportunities;
- **Continuous learning** – is the essential leverage for being competitive on a market with incessant development;
- **Business ethic** – granting safety to clients and suppliers

### **The most effective management system**

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

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

## **IMPACT DEVELOPER & CONTRACTOR**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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project leaders, civil engineers, economists. The Project Manager handles the projects pursuing the observance of the budget (costs, income), execution terms and quality.

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

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

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

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

#### **Company history**

#### **Completed projects**

Impact has successfully developed a diverse range of projects in the Northern part of Bucharest, allowing it to become the most prominent developer in Bucharest.

## **IMPACT DEVELOPER & CONTRACTOR**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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#### *Alpha Project*

Completed in 2001, Alpha was the first residential compound built by Impact and comprises 40 luxury houses. Financed with the support of a bank loan in 1995 – which was repaid 15 months later, Impact succeeded in proving its competence, resourcefulness, viability and its worth as a trusted company.

#### *Beta Project*

Initiated in 1998 and completed in 2002, Beta is the second residential compound, developed by Impact. The project includes 70 deluxe and prestige villas.

#### *Gamma & Delta Projects*

The Gamma & Delta developments were started in 1999 and completed in 2003. These compounds comprise 250 units including personalised deluxe, prestige and freedom villas.

#### *Epsilon & Zeta Projects*

Initiated in 2001 and completed in 2005, the Epsilon & Zeta compounds comprise 106 houses including luxury and prestige-type villas. Both are located on the Pipera lakeside and benefit from special landscaping.

#### *Junior*

Comprising 54 town houses, Junior was initiated in May 2004 and completed in 2005. Muguras and Margarit type villas were built with one structured as a ground floor and attic, the other as ground floor, first floor and attic.

#### *Class*

Class was initiated in 2001 and completed in 2006. Developed on an area of 75,000 m<sup>2</sup>, the compound includes 202 villas and a number of playgrounds. After only 6 months, 60% of the compound had been contracted.

#### *Azur 1&2 Projects*

The Azur 1 project was initiated in September 2004 and was developed on a 53,500 m<sup>2</sup> area. The complex includes 150 Prestige and Junior type villas, supplemented with sports grounds, playgrounds, green areas and 50 parking spaces. The Azur 2 development was initiated in February 2005. Both developments were completed in 2007.

#### *Europa Project*

In close proximity to the university and with easy access to the Oradea city centre, Europa Project is developed on plot of 130.000 sqm and a total built-area of 112,200 sqm with 298 villas.

## IMPACT DEVELOPER & CONTRACTOR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are expressed in thousands EUR, unless stated otherwise)

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

#### *Boreal 1 Project*

Located in Constanta and comprising 151 villas, Boreal 1 was initiated in 2002. Developed on an area of 60,000 m<sup>2</sup>, the project includes villas with 150-700 m<sup>2</sup> plot and 115-450 m<sup>2</sup> built area.

<b>PROJECT</b>	<b>Units</b>	<b>Built Area (sqm)</b>	<b>Started</b>	<b>Completed</b>
Alpha	40	7,000	1995	2001
Beta	70	12,250	1998	2002
Gamma&Delta	250	43,750	1999	2003
Epsilon&Zeta	106	19,950	2001	2005
Junior	54	7840	2004	2005
Class	202	41,375	2001	2006
Azur 1&2	150	53,500	2004 & 2005	2007
Europa	298	112,000	2004	2008
Boreal 1	151	60,000	2002	2008

#### **On-going Projects**

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

#### *Greenfield Project in Bucharest*

Greenfield, one of the largest mixed-use development projects in Romania, is located in the northern area of Bucharest, bordered on two sides by Baneasa Forest and Tunari Forest. This provides a relaxed and unpolluted environment together with landscaped green areas.

Greenfield is based on a “neighbourhood” concept, providing all types of facilities required by habitants of a modern city: residential neighbourhoods – flats, office buildings, shopping malls and commercial galleries, hotels, public facilities – schools, health care facilities, kindergarten, and leisure areas – tennis courts, playgrounds, parks.

## IMPACT DEVELOPER & CONTRACTOR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are expressed in thousands EUR, unless stated otherwise)

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The project was conceived in two phases, Greenfield 1 (phase 1) and Greenfield 2 (Phase 2 – Phase &).

Greenfield I (phase 1) is located in the South-Eastern part of the project and is developed on 9 ha. It is a residential project and it comprises over 670 residential units divided in 5 compounds:

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

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

#### *Boreal 2 Project in Constanta*

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

Location:

- Outskirts of the Constanta-Bucharest highway
- 3.5 km from the beach
- In the near vicinity of the Boreal 1 Project
- Plot: 5,858 m<sup>2</sup>
- Sellable Built Area: 3,578 m<sup>2</sup>

The residential compound will incorporate children's playground and recreation/entertainment centres.

#### *Lotus 1 Project in Oradea*

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

#### *Roua 1 Project in Ploiesti*

## IMPACT DEVELOPER & CONTRACTOR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are expressed in thousands EUR, unless stated otherwise)

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Roua is a residential project comprising more than 35 houses that represent a new era in the company's activities: the expansion in to another market – the city of Ploiesti. The compound was started in November 2004. Developed on 13,000 sqm, the project has villas with 140 – 300 sqm plot and 125 – 135 sqm built-area.

#### **Impact business center project**

##### **Bucharest**

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

## **Note 2. Accounting policies**

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

### **2.1 Reporting entity**

Impact Developer & Contractor SA (the Company) presents these consolidated financial statements. These consolidated financial statements incorporate the results of the Company and its subsidiaries: Bipact 1995 SRL, Hobbit Intermediere Asigurari SRL, Imobilia Credit SA, Actual Invest House SRL, Investimob SRL, Millenium Consult Invest 2002 SRL, Intop Construction SRL and Lomb SA as detailed in Note 23 "Principal subsidiaries". Other subsidiaries Topo Prest SRL, Prest RV 2003 SRL and Biz-ar SRL (99% acquired by Impact during 2008) are not incorporated into consolidated financial statements for the period ended December 31, 2009 as their insignificant influence over the Group figures.

### **2.2 Basis of presentation, reporting currency and translation**

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

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

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

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The primary guidelines followed in translation of the financial statements of the Group companies are as follows:

- **Assets and liabilities** for all balance sheet presented (including comparatives) are translated at the closing exchange rates existing at the date of each balance sheet presented (4.2282 RON/EUR as at December 31, 2009 and 3.9852 RON/EUR as at December 31, 2008).
- **Consolidated income and expense items** for the current reporting period are translated at the average exchange rates RON/EUR for the reporting period (4.2373 RON/EUR).

Comparative figures in the income statement have been derived by applying the RON/EUR exchange rate as at December 31, 2008 to the amounts expressed in current monetary units as of that date (3.6827 RON/EUR).

- **Equity items**, other than net profit and loss for the period that is carried forward, which have been contributed or accumulated before date of discontinuation are restated from their historical cost by applying the general price index to 31 December

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are expressed in thousands EUR, unless stated otherwise)

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2003 before being translated at the closing exchange rates existing at the date of each balance sheet presented.

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

#### **Use of estimates**

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

Estimates have principally been made in respect of estimated cost of completion of construction contracts, impairment allowance, provisions for risks and charges, allowances for doubtful debts and for old and slow moving inventories and deferred tax. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

#### **2.3 Summary of significant accounting policies**

##### **(a) Property, plant and equipment**

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

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

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposals is included in the income statement. The

## IMPACT DEVELOPER & CONTRACTOR

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are expressed in thousands EUR, unless stated otherwise)

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initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any direct attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

#### **(b) Intangible assets**

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

#### **(c) Impairment of assets**

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

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

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

#### **(d) Investment properties**

The Group has ownership over properties that are not held for a specific purpose. The properties consist in land held in different locations. The Group has adopted in 2006 for the first time the provisions of IAS

## **IMPACT DEVELOPER & CONTRACTOR**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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40 “Investment properties”. As disclosed in Note 11 “Revenues from investment properties”, the changes in value of the investment properties are reported directly to the income statement.

#### **(e) Group accounting**

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

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

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

#### **(f) Inventories**

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

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

Where necessary, an allowance is created for slow moving and obsolete inventories in order to arrive at the net realizable value. Net realizable value is the selling price in the ordinary course of business, less

## **IMPACT DEVELOPER & CONTRACTOR**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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the costs of completion, marketing and distribution. Obsolete inventories are identified individually and provided in full.

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

#### **(g) Receivables**

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

#### **(h) Cash**

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

#### **(i) Provisions**

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

#### **(j) Revenue and expense recognition**

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

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

## **IMPACT DEVELOPER & CONTRACTOR**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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

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

#### **Revenues recognised based on IAS 11 “Construction contracts”**

Revenues from construction contracts were recorded based on the completion percentage of each construction objective. The completion percentage is determined based on the cost incurred and the estimated cost of completion. If a contract is probably to produce losses, the loss is recognised immediately in the income statement.

At the end of 2009 there was no contract that could have been analyzed under the IAS11.

#### **(k) Financing Costs**

Interest is charged to income statement on accrual basis.

#### **(l) Income taxes**

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

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

#### **Deferred Taxation**

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

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

#### **(m) Related party**

## **IMPACT DEVELOPER & CONTRACTOR**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

#### **(n) Contingencies**

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

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

#### **(o) Employee benefits**

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

#### **(p) Comparatives**

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

#### **Share sales to the employees**

The shares included into the loyalty program developed by IMPACT DEVELOPER & CONTRACTOR S.A. have a nominal value of 1 leu. The company's shares are traded on the category I of the Bucharest Stock Exchange and were redeemed by the company to distribute them to the employees and management staff.

As decided in the Administration Council from 27.05.2008, the share allocation was made under the provisions of the offer prospectus, whose closing date was on 14.07.2009. Within the offer there has been a total allocation of 118,000 shares, at a selling price of 0.057 lei per share. A number of 7 customers bought 94,580 shares and from these transactions Impact collected in July a total amount of 5,391.05 RON.

At 1st of September, 2009, the Administration Council decided that 278,580 shares were to be sold at price of 0.057 lei per share, with closing date 18.09.2009. There were 8 persons (employees and management) who bought the shares and the total amount that Impact obtained in September out of these transactions, was 15,879.06 RON.

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(all amounts are expressed in thousands EUR, unless stated otherwise)

**Note 3. Property, plant and equipment**

Description	Land& Buildings	Investment property	Plant & equipment, Vehicles	Office equipment	Fixed assets under construction	TOTAL
<b>Cost</b>						
<b>At 31.12.2008</b>	<b>17,044</b>	<b>138,985</b>	<b>2,283</b>	<b>235</b>	<b>13,115</b>	<b>171,662</b>
Exchange diff	-980	-8,081	-131	-14	-754	-9,959
Additions (*)	4,222	5,047	73	5	2,827	12,174
Castig/pierdere de valoare IAS40	-	-43,240	-	-	-	-43,240
Disposals	-4,238	-876	-258	-27	-15,142	-20,541
<b>At 31.12.2009</b>	<b>16,048</b>	<b>91,835</b>	<b>1,967</b>	<b>200</b>	<b>47</b>	<b>110,097</b>
<b>Depreciation</b>						
<b>At 31.12.2008</b>	<b>511</b>	<b>0</b>	<b>1,473</b>	<b>104</b>	<b>0</b>	<b>2,088</b>
Exchange diff	-29	0	-85	-6	0	-120
Charge	130	0	232	27	0	388
Disposals	-382	0	-175	-12	0	-570
<b>At 31.12.2009</b>	<b>229</b>	<b>0</b>	<b>1,445</b>	<b>112</b>	<b>0</b>	<b>1,787</b>
<b>Impairment</b>						
At 31.12.2008	0	0	0	5	0	5
At 31.12.2009	0	0	0	0	0	0
<b>Net Book Value</b>						
<b>31.12.2008</b>	<b>16,533</b>	<b>138,985</b>	<b>810</b>	<b>126</b>	<b>13,115</b>	<b>169,569</b>
<b>31.12.2009</b>	<b>15,819</b>	<b>91,835</b>	<b>521</b>	<b>87</b>	<b>47</b>	<b>108,310</b>

The Group's tangible assets have been revaluated in 1994, 1998, 2000, 2003, 2006 and 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

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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there resulted both positive and negative differences, cumulatively the value of assets decreasing. According to the accounting regulations, when the revaluation result is a decrease of net accounting value, this is treated as an expense with the entire depreciation value, when in the revaluation reserve is not registered an amount related to that asset.

(\*) Additions during the period include both land in amount of 118 thousand EUR and buildings with a total value of 3,784 thousand EUR transferred from Inventory to fixed assets.

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

**Note 4. Investment**

Description	31 December 2009	31 December 2008
Investment to U Cluj	701	744
<b>Total</b>	<b>701</b>	<b>744</b>

The Group holds investments in share capital of Cluj University Football Club with a total value of Euro 701,481 representing 15.37% of share capital. We consider the investment profitable given the fact that, we, as shareholders of UFC, have the right to benefit free of charge from advertising on the team's uniforms and in the club's football stadium. The advertising services will be in the benefit of the project Dealul Lomb developed in Cluj Napoca.

**Note 5. Inventories**

The inventories on hand consist of the followings:

Description	31 Decembrie 2009	31 December 2008
Land and advances for land	20,046	18,509
Raw materials and production supplies	955	1,362
Allowance for old and slow moving raw materials and production supplies	-884	-278
Work in progress	17,908	21,888
Finished goods	11,657	6,193
Merchandise	6,782	-
Advance payments	99	229
<b>Total</b>	<b>56,563</b>	<b>47,903</b>

At the end of the month of December 2009 there existed a number of 158 finished houses and apartments and 161 under execution. 87 of the finished houses were located in Oradea. Management board estimates that until 2015 all will be sold or rented.

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.

**Note 6. Trade and other receivables**

The accounts receivable comprise:

Description	31 December 2009	31 December 2008
Trade accounts and notes receivable	11,514	19,988
Allowance for bad and doubtful debts	-477	-525
Income tax receivable	676	422
Sundry debtors	1,137	1,685
Allowance for sundry debtors	-162	-226
VAT and other state budget receivable	1,304	1,752
Interest receivable	31	250
Short term investments (*)	574	716
Advances to suppliers	889	1,757
<b>Total</b>	<b>15,486</b>	<b>25,819</b>

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

**Note 7. Prepayments**

Description	31 December 2009	31 December 2008
Prepayments	92	613
<b>Total</b>	<b>92</b>	<b>613</b>

**Note 8. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

Description	31 December 2009	31 December 2008
Cash in bank	3,393	25,647
Short term investments	7,933	0
Cash and cash equivalents	70	134
<b>Total cash and cash equivalents</b>	<b>11,396</b>	<b>25,781</b>

**Note 9. Share capital**

- amounts in this table are in RON –

	31 December 2009	31 December 2008
Nominal share capital	200,000,000	200,000,000
Inflation adjustment to share capital	42,445,140	28,511,217
	<b><u>242,445,140</u></b>	<b><u>228.511.217</u></b>
Closing exchange rate:	4.2282	3.9852
Share capital in EUR:	<b>57,340,036</b>	<b>57,340,036</b>

Through the Extraordinary General Shareholders' Assembly from 06.07.2007 and the Council of Administration Decision 4051/ 28.09.2007 it was adopted the increasing of share capital by RON 14.857.215 by direct contribution in cash.

Through the Council of Administration Decision 2630/ 03.10.2007 it was adopted the increasing of share capital by RON 85,142,785 by incorporation of: share premium (RON 68,417,261) and

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts are expressed in thousands EUR, unless stated otherwise)

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other reserves (RON 16,725,524). The increasing was made by giving 0.7412 free shares to each share owned at the registering date – 22.11.2007.

The statutory share capital is made up of 2 billion ordinary shares with a statutory par value of RON 0.1 each. On 30.05.2006, through the Decision of the General Council of Stock Exchange No. 52/30.05.06, IMPACT SA (currently IMPACY DEVELOPER & CONTRACTOR) has been accepted at category I of Stock Exchange Bucharest. As at December 31, 2009 the shareholders' structure is as follow:

<b>Shareholder</b>	<b>%</b>
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%
<b>Total</b>	<b>100.00%</b>

During 2009, based on the decision adopted by the general shareholders assembly on November 2008 and following the approval from the National Commission of Mobile Values from 2009, the Group has consolidated its shares on the stock market, thus reducing the number of shares to 200 million shares with a nominal value of 1 (one) RON.

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(all amounts are expressed in thousands EUR, unless stated otherwise)

**Note 10. Borrowings**

Description	31 December 2009	31 December 2008
Long and medium term bank loans	33,142	41,279
Bonds – long term	0	8,635
Financial leases	74	242
Guarantees – long term	869	317
<b>Total borrowings</b>	<b>34,084</b>	<b>50,473</b>

**Description of the loan contracts**

Loan with BANC POST, No. 58

Purpose	Working capital
Amount	21,000,000 EUR
Interest	EURIBOR 3M
Contract date	November 23 <sup>rd</sup> 2005
Maturity	October 30 <sup>th</sup> 2013
Repayment date	October 30 <sup>th</sup> 2013

**Balance as of December 31, 2009** **2,049,671 EUR (out of which 682,597 EUR are due until Dcember 31, 2010)**

Loan with PIRAEUS BANK, No. 301

Purpose	Financing the infrastructure works for Lomb Project in Cluj-Napoca
Amount	12,807,270 EUR
Interest	EURIBOR + 3,75 % / year
Contract date	August 30 <sup>th</sup> 2006
Maturity	July 31st 2010
Repayment date	July 31st 2010

**Balance as of December 31, 2009** **12,807,270 EUR (there is no short term repayment, the loan will be totally reimbursed at its maturity date)**

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(all amounts are expressed in thousands EUR, unless stated otherwise)

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## Loan with BANCA ROMANEASCA, No. 50070066

Purpose	Refinance of BANCPOST loans and an amount of maximum 3,000,000 EUR for acquisition of land
Amount	22,306,796 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25 <sup>th</sup> 2007
Maturity	July 24 <sup>th</sup> 2014
Repayment date	July 24 <sup>th</sup> 2014
<b>Balance as of December 31, 2009</b>	<b>11,792,601 EUR (out of which 646.736 EUR are due until December 31, 2010)</b>

## Loan with BANCA ROMANEASCA, No. 50070065

Purpose	Refinance of BANCPOST loans
Amount	7,993,204 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25 <sup>th</sup> 2007
Maturity	July 25 <sup>th</sup> 2014
Repayment date	July 25 <sup>th</sup> 2014
<b>Balance as of December 31, 2009</b>	<b>5,423,960 EUR (out of which 1,141,886 are due until December 31, 2010)</b>

## Loan with BANCA TRANSILVANIA, No. 15

Purpose	Working capital
Amount	12,800,000 RON (eqv 3,027,292 EUR)
Interest	ROBOR 6 months + 6.44% p.a.
Contract date	July 21 <sup>th</sup> 2009
Maturity	July 20 <sup>th</sup> 2014
Repayment date	July 20 <sup>th</sup> 2014

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**Balance as of December 31, 2009** **4,515,471 RON (eqv 1,067,942 EUR)**

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Long term bank loans are guaranteed as follows:

## Loan with PIRAEUS BANK

<b>Mortgage</b>	<b>Cadastral number</b>	<b>Surface</b>	<b>Description</b>	<b>Localization</b>
Mortgage rank I, II	6515/2/6/1	258,925.36	Land	Bucuresti, Prelungirea Ghencea nr. 402-412, Sector 6
Mortgage rank I, II	18216/1	25,870.00	Land	Bucuresti, sector 1, Baneasa/Greenfield
Mortgage rank I, II	18428/1/1	12,421.00	Land	Bucuresti, Aleea Teisani nr.350A, sector 1
Mortgage rank I, II	18217/1	23,568.00	Land	Bucuresti, sector 1, Baneasa/Greenfield
Mortgage rank I, II	18428/2	14,393.57	Land	Bucuresti, sector 1, Baneasa/Greenfield
Mortgage rank I, II	10252	31,400.00	Land	Constanta, Jud. Constanta, P VN 269
Mortgage rank I, II	10250	9,100.00	Land	Constanta, Jud. Constanta, P VN 264
Mortgage rank I, II	10253	13,600.00	Land	Constanta, Jud. Constanta, P VN 267/2

## Loan with BANCPOST

Mortgage rank I	1916/3/70	25,245.90	Land	Voluntari, str Drumul Bisericii, nr. 50/Junior
Mortgage rank I	1916/3/6	498.45	Land	Voluntari, str Drumul Bisericii, nr. 50/Junior
Mortgage rank I	1916/3/5	1,376.76	Land	Voluntari, str Drumul Bisericii, nr. 50/Junior

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Mortgage rank I	1916/3/7	235.52	Land	Voluntari, str Drumul Bisericii, nr. 50/Junior
Mortgage rank I	1916/3/1	1,376.78	Building	Voluntari, str Drumul Bisericii, nr. 50/Junior
Mortgage rank I	1916/3/2	498.45	Building	Voluntari, str Drumul Bisericii, nr. 50/Junior
Mortgage rank I	1916/3/4	223.42	Building	Voluntari, str Drumul Bisericii, nr. 50/Junior
Mortgage rank I	1916/3/11	143.5	Land & building	Voluntari, str Drumul Bisericii, nr. 50/Junior

## Loan with BANCA ROMANEASCA

Mortgage rank I, II	20254	8,775.07	Land & building	Padurea Neagra, nr. 52-54
Mortgage rank I, II	23574	7,617.70	Land & building	Padurea Neagra, nr. 22-28
Mortgage rank I, II	22705	16,870.82	Land & building	Padurea Pustnicu, nr. 125-135
Mortgage rank I, II	21763	26,111.74	Land & Building	Padurea Neagra, nr. 56-64
Mortgage rank I, II	Greenfield 2	121,268.00	Land	Greenfield II
Mortgage rank I, II	18217/2	43,911.00	Land	Bucuresti, Sector 1,
Mortgage rank I, II	18216/2	19,931.00	Land	Bucuresti, Sector 1,
Mortgage rank I, II	26525	57,426.00	Land	Bucuresti, Sector 1,

## Loan with BANCA TRANSILVANIA

Mortgage rank I	20254	641.32	Land & building	Padurea Neagra nr.52-54
Mortgage rank I	23574	22.01	Land & building	Padurea Neagra nr. 22-28

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Mortgage rank I	22705	356.05	Land & building	Padurea Pustnicu nr. 125-135
Mortgage rank I	21763	337.06	Land & building	Padurea Neagra nr. 56-64 si Padurea Pustnicu nr.145
Mortgage rank I	5308	214.00	Land & building	Str.George Palade nr.6, Oradea, Bihor
Mortgage rank I	153647	220.00	Land & building	Str.George Palade nr.19, Oradea, Bihor
Mortgage rank I	153648	80.00	Land	Str.George Palade nr.19, Oradea, Bihor
Mortgage rank I	5522	191.00	Land & building	Str.Gabor Jozsef nr.4, Oradea, Bihor
Mortgage rank I	5309	212.00	Land & building	Str.George Palade nr.8, Oradea, Bihor
Mortgage rank I	153587	220.00	Land & building	Str.George Palade nr.20, Oradea, Bihor
Mortgage rank I	153588	121.00	Land	Str.George Palade nr.20, Oradea, Bihor
Mortgage rank I	7601	332.00	Land & building	Str.George Palade nr.22, Oradea, Bihor
Mortgage rank I	7602	312.00	Land & building	Str.George Palade nr.24, Oradea, Bihor
Mortgage rank I	7603	321.00	Land & building	Str.George Palade nr.26, Oradea, Bihor
Mortgage rank I	7604	375.00	Land & building	Str.George Palade nr.28, Oradea, Bihor
Mortgage rank I	153317	220.00	Land & building	Str.George Palade nr.38, Oradea, Bihor
Mortgage rank I	153318	83.00	Land	Str.George Palade nr.38, Oradea, Bihor

**IMPACT DEVELOPER & CONTRACTOR**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Mortgage rank I	7610	200.00	Land & building	Str.George Oradea, Bihor	Palade	nr.40,
Mortgage rank I	7611	200.00	Land & building	Str.George Oradea, Bihor	Palade	nr.42,
Mortgage rank I	7612	200.00	Land & building	Str.George Oradea, Bihor	Palade	nr.44,
Mortgage rank I	7613	200.00	Land & building	Str.George Oradea, Bihor	Palade	nr.46,
Mortgage rank I	7690	342.00	Land & building	Str.George Oradea, Bihor	Palade	nr.97,
Mortgage rank I	7689	342.00	Land & building	Str.George Oradea, Bihor	Palade	nr.95,

**Bonds**

Through the public sale offer by private placing, approved by the CNVM decision no.181/18.01.05 312,000 bonds were issued at the nominal value of 1,000,000 ROL. The interest rate is Euribor 6 months + 6.5%, payable semi-annual, indexed to the EUR/ROL exchange rate, non-guaranteed, without option to redeem, non-convertible. Maturity is set at 4 years. Interest rate payment is semi-annual.

The balance as at 31.12.2008 represents the principal (8,635 thousand EUR) The interest cumulated till the end of the year (417 thousand EUR) is reported under current payables.

The debts from bonds (represented by both principal and cumulated interest), reported in the financial statements as at December 31, 2008, have been fully paid in 2009 at the Romanian National Bank EUR / RON exchange rate of the payment date (February 2<sup>nd</sup>, 2009).

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

**Reconciliation of minimum lease payments:**

The leasing payables as at December 31, 2009 are split in short term and long term debts as follows :

	<b>December 31, 2009</b>	<b>December 31, 2008</b>
Short term financial leases	59	162
Long term financial leases	15	80
<b>Total financial lease payables</b>	<b>74</b>	<b>242</b>

**Note 11. Deferred income**

Deferred income consists in:

<b>Description</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Deferred tax	10,509	17,927
<b>Total</b>	<b>10,509</b>	<b>17,927</b>

The movement on the deferred tax liabilities is as follows:

<b>Description</b>	<b>2009</b>	<b>2008</b>
<b>As at 1<sup>st</sup> of January</b>	<b>17,927</b>	<b>20,274</b>
Foreign exchange difference	-1,030	-1,872
Charge / (Release)	-6,388	-475
<b>As at 31st of December</b>	<b>10,509</b>	<b>17,927</b>

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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

Cumulative effect of temporary differences is:

a) IAS 40	10,492
b) IAS 11	0
c) Provision for taxes	17
<b>Total</b>	<b>10,509</b>

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

**Note 12. Trade and other payables**

Trade and other payables consist in:

<b>Description</b>	<b>31 December 2009</b>	<b>31 December 2008</b>
Trade accounts and notes payable	3,543	5,162
Suppliers of non current assets	2	4
Advances from customers	380	3,225
Dividends payable	94	12
Accrued interest	0	431
Accruals related to employees	210	261
Income tax payable	15	1
Liabilities to State Budget	163	285
Deferred income	1,478	1,164
Other creditors	427	619
Guarantees	418	839
<b>Total</b>	<b>6,729</b>	<b>12,003</b>

**Note 13. Turnover**

The Group has recorded its net turnover as follow:

Description	2009	2008
Sales of finished goods	8,549	26,983
Sales of merchandise	19	5,154
Sales of services	1,103	489
<b>Total</b>	<b>9,670</b>	<b>32,625</b>

The group include 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 14. Revenue from IAS 40**

The Group decided to adopt starting with the current year the alternative treatment recommended by IAS 40 "Investment properties", recording a part of the land owned at their market value. An authorised external evaluator has revaluated these properties. The difference between the historical cost of the land and the revaluated amount has been fully recognised directly to income statement.

The same treatment was applied related to the apartments held for renting.

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

**IMPACT DEVELOPER & CONTRACTOR**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

Description	Area (sqm)	Cost of acquisition (RON)	Revalued amount 31.12.2009 (RON)	Difference (RON)	Difference (EUR)
Teisani (Buc, Sector 1)	205,495	24,208,209	192,889,514	168,681,305	39,808,676
Zenit (Constanta)	38,000	6,877,775	20,887,308	14,009,533	3,306,241
Prelungirea Ghencea (Buc, Sector 6)	180,000	37,628,843	114,164,915	76,536,072	18,062,463
Faget (Oradea)	24,460	1,446,638	2,068,435	621,797	146,744
Neptun (Constanta)	37,562	1,896,879	3,970,386	2,073,507	489,346
<b>TOTAL LAND</b>	<b>485,517</b>	<b>72,058,344</b>	<b>333,980,558</b>	<b>261,922,214</b>	<b>61,813,469</b>
<b>175 apartments held for renting</b>		<b>54,279,816</b>	<b>54,317,956</b>	<b>38,140</b>	<b>9,001</b>
<b>Net effect of IAS 40</b>		<b>126,338,160</b>	<b>388,298,514</b>	<b>261,960,354</b>	<b>61,822,471</b>
The amount of 61,822 thousand EUR is divided as follows:					
Description	Amount (k EUR)	*) The exchange differences are determined based on annual average exchange rates used in calculation of Euro amounts.			
Revenue recognized until 31 December 2008	120,883				
Exchange differences (*)	-15,822				
Revenues recognized in 2009	-43,240				
<b>TOTAL</b>	<b>61,822</b>				

## **Note 15. Other operating income**

Other operating incomes includes as follows:

<b>Description</b>	<b>2009</b>	<b>2008</b>
Revenue from sundry services	1,248	1,665
Sales of residual goods	1	6
Rent	316	208
Proceeds from sales of fixed assets	346	1,305
Penalties from customers	4,232	3,429
Miscellaneous	233	261
<b>Total</b>	<b>6,375</b>	<b>6,874</b>

## **Note 16. Raw material and consumables**

Raw material and consumables costs includes as follows:

<b>Description</b>	<b>2009</b>	<b>2008</b>
Raw material	272	1,678
Auxiliary materials	441	2,371
Merchandise	58	3,079
Packing materials	1	16
Other consumables	185	310
<b>Total</b>	<b>957</b>	<b>7,454</b>

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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**Note 17. Staff costs**

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

<b>Description</b>	<b>2009</b>	<b>2008</b>
Wages and salaries	832	2,139
Civil contract staff	59	24
Social security expenses	235	547
<b>Total</b>	<b>1,126</b>	<b>2,709</b>

**Note 18. Depreciation and amortization**

This position in the income statement includes as follow:

<b>Description</b>	<b>2009</b>	<b>2008</b>
Depreciation	-447	682
Amortization – impairment	33	1
<b>Total</b>	<b>-414</b>	<b>683</b>

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

**Note 19. Other operating expenses**

Other operating expenses includes as follows:

<b>Description</b>	<b>2009</b>	<b>2008</b>
Third parties services	7,202	40,303
Heat, light and power	1,051	1,093
Rent	635	1,380
Commissions and fees	388	391
Promotion and advertising	125	890
Taxes to State Budget	1,223	1,248
Bad and doubtful debts	42	129
Protocol		97
Disposals at net book value	340	508
Foreign exchange differences (gain) / loss	2,348	4,510
Bank commissions	184	182
Working inventories	68	120
Maintenance and repairs	18	334
Provision for risks and charges	-262	153
Insurance	183	271
Postage and telecommunication	128	152
Transport of goods and personnel	86	231
Travel	2	38
Penalties and fines	69	41
Penalties for commercial contracts		76
Old and damages inventories		-71
Miscellaneous	887	416
<b>Total</b>	<b>14,717</b>	<b>52,492</b>

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(all amounts are expressed in thousands EUR, unless stated otherwise)

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**Note 20. Finance cost, net**

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

Description	2009	2008
Interest income	-2,691	-5,311
Interest expenses	1,819	4,142
Other finance income	-24	-19
Discount received	0	-20
<b>Total</b>	<b>-897</b>	<b>-1,208</b>

**Note 21. Income tax**

Description	2009	2008
Income tax expenses	232	621
Differed tax expense/ (income)	-6,353	-475
<b>Total</b>	<b>-6,121</b>	<b>147</b>

## **Note 22. Related parties**

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

<b>Description</b>	<b>December 31, December 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>Accounts receivable</b>		
Finance Consulting 2001	-	-
Havila Trading	-	-
<b>Accounts payables</b>		
Finance Consulting 2001	3	8
Havila Trading	9	140
<b>Total</b>	<b>12</b>	<b>148</b>

	<b>2009</b>	<b>2008</b>
<b>Revenue</b>		
Finance Consulting 2001	1	7
Havila Trading	1	1
	<b>2</b>	<b>8</b>

<b>Expenses</b>		
Finance Consulting 2001	75	22
Havila Trading	235	192
	<b>310</b>	<b>214</b>

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

**Note 23. 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 31<sup>st</sup> of March 2010, the statement of the banking loans was the following:

<b>No. of Ct.</b>	<b>Bank</b>	<b>EUR</b>	<b>Val of contract kEUR</b>	<b>Val of contract kRON</b>	<b>Balance 31.12.09 kEUR</b>	<b>Balance 31.12.09 kRON</b>	<b>Balance 31.03.10 kEUR</b>	<b>Balance 31.03.10 kRON</b>
10/11.01.07	Piraeus	EUR	112		0		0	
301/30.08.06	Piraeus	EUR	13,000		12,807		12,807	
58/23.09.05	Bancpost	EUR	21,000		2,050		1,879	
50070065/ 25.07.07	Romaneasca	EUR	7,993		5,424		4,853	
50070066/ 25.07.07	Romaneasca	EUR	22,307		11,793		10,640	
15/21.07.09	Transilvania	RON		12,800		4,515	0	5,312
<b>TOTAL</b>			<b>77,900</b>	<b>12,800</b>	<b>32,074</b>	<b>4,515</b>	<b>30,179</b>	<b>5,312</b>

**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.

**Note 24. Principal subsidiaries**

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

Entity	December 31, 2009	December 31, 2008
	% share	% share
Actual Invest House SRL	99%	99%
Bipact 1995 SRL	63%	63%
Hobbit Intermediere Asigurari SRL	95%	95%
Imobilia Credit SA	70%	70%
Investimob SA	0%	89,10%
Intop Construction SRL	90%	90%
LOMB SA	49%	49%
Millenium Consult Invest SRL	45%	45%
BIZ-AR SRL	95%	95%
Prest RV 2003 SRL	95%	95%
Topo Prest SRL	95%	95%

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:

## **IMPACT DEVELOPER & CONTRACTOR**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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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 developing 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.

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

Although Impact Developer&Contractor holds 49% of the share capital of LOMB SA, the company has control over decisions of the latter company. Therefore, it is presumed that Lomb SA is a subsidiary.

Impact Developer & Contractor holds 45% of the share capital of Millenium Consult Invest. The applicabil standard is IAS28, Investments in Associates. The revenue from this investments is 4 thousands EUR.

99% of the shares of Investmob are owend by INTOP Construction SRL. Due to this fact Impact owns 89.1% of Investmob shares.

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

**Note 25. Revenues recognised under IAS 11 “Construction contracts”**

Description	2009	2008
	[EUR]	[EUR]
Contract revenue recognized as revenue in the period	-	295,616
Contract costs incurred and recognized profits (less recognized losses) to date	-	205,676
Advances received	0	101,557
Gross amount due from customers presented as an asset	-	-
Gross amount due to customers presented as a liability	<b>0</b>	<b>11,617</b>

At the end of December 2009, all of the houses with clients were finished and sold to the customers and there was no contract that could have been analyzed under the IAS11.

**Note 26. Land**

Based on the destination of the land, there are more than one accountable procedures. Bellow you can find the a cetralized presentation of these procedures:

	Non-curent assets		Property Investment		Curent assets		Advance payments	Total	
	supraf mp	val kEUR	supraf mp	val kEUR	supraf mp	val kEUR	val kEUR	supraf mp	val kEUR
Oradea	3,301	49	24,460	342	27,339	398	8	55,100	796
Constanta	0	0	75,562	2,075	56,498	2,013	0	132,060	4,089
Bucuresti	12,477	284	385,495	14,625	417,144	14,621	1,182	815,116	30,711
Voluntari	93,186	2,479	0	0	20,306	1,557	0	113,492	4,037
Ploiesti	0	0	0	0	39,598	266	0	39,598	266
Cluj	1,790,000	11,187	0	0	0	0	1	1,790,000	11,188
<b>TOTAL</b>	<b>1,898,964</b>	<b>13,999</b>	<b>485,517</b>	<b>17,042</b>	<b>560,885</b>	<b>18,855</b>	<b>1,191</b>	<b>2,945,366</b>	<b>51,087</b>

**IMPACT DEVELOPER & CONTRACTOR****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

**Note 27. 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 the group of Impact Developer & Contractor S.A. has the quality of a plaintiff

<b>Court</b>	<b>No. of file</b>	<b>Objectul/Kind of action</b>	<b>Descriptive object of action</b>	<b>Opponent</b>	<b>Position of Impact</b>	<b>Trial stage/ Stage</b>
Court of law S1	9122/299/2007	Action for the obligation to also make the payment of cominatory damages	Action by which IMP requested the right to pass by Str. Vadul Moldovei. IMP obtained this provisory right until the judgment.	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
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 annulment of the precontract	Pasteur Institute	Recurring plaintiff	Suspended
Bucharest Tribunal	8513/3/2006		Clarification that the device indicates that penalties	Bodogan Aurel and Constantin	plaintiff	First instance

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(all amounts are expressed in thousands EUR, unless stated otherwise)

Bucharest Tribunal	32797/3/2009		annulment of administrative deed	Mayorality 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 Rmc to pay delay penalties for the delay in the execution of the constructions in the Rubin assembly	Romconstruct	plaintiff	First instance
Bucharest Court of Appeal	3829/2/2009	Action for annulment	annulment of administrative deed	Ministry of Agriculture	plaintiff	First instance

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

<b>Court</b>	<b>No. of file</b>	<b>Objectul/Kind of action</b>	<b>Descriptive object of action</b>	<b>Position of Impact</b>	<b>Opponent</b>	<b>Trial stage/ Stage</b>
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 IMP of the earning obtained from the construction sale	Appealant	Georgescu Serban	Given appeal

**IMPACT DEVELOPER & CONTRACTOR**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(all amounts are expressed in thousands EUR, unless stated otherwise)

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)	Appellant	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.
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 IMP 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	Defendant	SC SUMMA ROMANIA SA	First instance

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(all amounts are expressed in thousands EUR, unless stated otherwise)

			last year			
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
Bucharest Tribunal	43654/3/2009	Action for annulment	Annulment 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 annulment	Annulment 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	IMP 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 IMP to pay the c/value of the construction	defendant	Ban Liviu and Ban Cornelia	First instance

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(all amounts are expressed in thousands EUR, unless stated otherwise)

Bucharest Tribunal	191/3/2010	Action for the issue of a demand for payment	Romconstruct requests the payment of the amount by IMP for works done on the basis of some invoices issued for works executed in the Rubin assembly	Debtor	Romconstruct	First instance
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	Appellant	Dumbrava SRL , MTS Leasing	Appeal
Bucharest Tribunal	190/3/2010	Action for the issue of a demand for payment	Romconstruct requests the payment of the amount by IMP 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	Appellant	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	Requests the payment of some electric power	Debtor	Ceir Pedrochi	First instance

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(all amounts are expressed in thousands EUR, unless stated otherwise)

		payment	networks works			
Buftea Court of law	5028/94/2009	Action for claims	Payment by IDC of legal expenses	Defendant	Bodogan Aurel	First instance
Buftea Court of law	1003/94/2010	Action for finding	Defendant	Defendant	Amariuca, Salom s.a.	First instance
Bihor Tribunal	3540/111/2008	Action for giving a decision that would replace an authentic deed			Actual Invest House	Appeal
Oradea Court of law	3578/111/2008	Action for giving a decision that would replace an authentic deed			Investimob	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.