

**SC IMPACT Developer &
Contractor SA**
Consolidated financial statements
for the year ended
31 December 2008

IBDO

BDO Conti Audit SRL
Accountants & Consultants

IMPACT DEVELOPER & CONTRACTOR S.A.

Audited consolidated financial statements for the year ended 31 December 2008

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INDEPENDENT AUDITOR'S REPORT**TO: The General Assembly of Shareholders of
SC Impact Developer&Contractor SA**

1. We have audited the accompanying consolidated financial statements of **Impact Developer&Contractor SA** ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at December 31, 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 10 to 46.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Except as discussed at paragraph 4, we conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion**4. *Limitations on the scope of the auditor's work***

The Group is involved in several lawsuits with customers originated from the contracts signed with MTS Leasing GmbH. Thus, four contracts (having as objectives selling of houses) are in different stages of court pronouncements concerning their termination and the final resolution is uncertain. The Group's adopted accounting policy is to record the effects of termination of these contracts based on final court decisions only. Therefore, the Group reports the amount of 177 thousand EUR as at 31.12.2008 in current assets (Trade receivables – invoices not issued). Based on information available at the moment of issuing our report we are unable to express an opinion on the recoverability of this amount.

5. *Disagreement on Accounting Policies – Inappropriate Accounting Method*

The Group has signed a commission contract with MacAnthony Realty International Ireland Ltd related to the sale of houses and apartments. According to the contract, the Group owes a percentage commission at the moment a pre-sale agreement is signed with a customer brought in by the supplier. At December 31, 2008, the Group reports under the balance sheet line "Prepayments and other receivables" the amount of 373 thousand EUR representing commissions owed to the supplier based on the contract. Because the commission is generated by the pre-sale agreements signed with the customers, the services referred to in the contract are presumed to be received and should have been reported as current expenses into Profit and Loss account. Consequently, at December 31, 2008, the balance sheet lines "Prepayment and other receivables" and "Accumulated result" are each overstated by 373 thousand EUR.

Qualified opinion

6. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the effect of the outcome of the lawsuits referred to in paragraph 4, and except for the effect on the financial statements of the sales commissions referred to in the paragraph 5, the consolidated financial statements present fairly, in all material respects, the financial position of the **IMPACT Developer & Contractor** and its subsidiaries as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

7. Without further qualifying our opinion, we draw attention to the fact that the Group is operating on the real estate market, a market that has decreased significantly in both number and value of the transactions. In the current market development, it is expected that these declining economic conditions on the real estate market will produce a negative effect on the value and number of the incoming transactions. The information available does not permit to estimate the effect of the possible losses in value of the inventories in hand (consisting in houses and apartments) over the attached consolidated financial statements.

Other matters

8. This report is made solely to the Group's shareholders, as a body. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

BDO Conti Audit
BDO Conti Audit
Bucharest, 29 April 2009



IMPACT DEVELOPER & CONTRACTOR

CONSOLIDATED BALANCE SHEET

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

	<u>Note</u>	31 December 2008	31 December 2007 (*)
ASSETS			
Non-current assets			
Property, plant and equipment	3	169,569	161,412
Intangible assets		110	33
		169,679	161,445
Current assets			
Inventories	4	47,903	44,042
Trade receivables	5	20,207	27,140
Prepayments and other receivables	6	6,969	5,005
Cash and cash equivalents	7	25,781	45,970
		100,859	122,157
Total Assets		270,539	283,602
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	8	57,340	57,340
Capital paid in excess of par value		21,269	23,480
Revaluation surplus		2,369	2,615
Accumulated result – profit		96,973	112,919
		177,951	196,354
Minority interest		11,913	69
Non-current liabilities			
Borrowings	9	21,981	30,800
Deferred incomes	10	17,927	20,274
		39,908	51,074
Current liabilities			
Trade and other payables	11	12,003	17,371
Short term borrowings		1	1
Current portion of interest-bearing borrowings	9	28,492	18,467
Provisions		271	266
		40,767	36,105
Total Equity and Liabilities		270,539	283,602

The consolidated financial statements along with the Notes to the financial statements presented from page 6 to page 50 have been authorised to be issued on 29 April 2009 by the President of the Board and signed by:

Dan Ioan Popp
President of the Board

Florin Rosca
Chief accountant

IMPACT DEVELOPER & CONTRACTOR**CONSOLIDATED INCOME STATEMENT**

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

	<u>Note</u>	2008	2007 (*)
Turnover	12	32,625	31,115
Effects from IAS 40 – revenue/(cost)	13	(2,483)	102,411
Other operating income	14	6,874	4,225
Change in inventory of finished goods and work in progress		19,785	6,874
Work performed by the enterprise and capitalised		5,673	5,761
Raw material and consumables	15	(7,454)	(6,444)
Staff costs	16	(2,709)	(3,094)
Depreciation and amortization expenses	17	(683)	(780)
Other operating expenses	18	(52,492)	(33,665)
Net finance cost	19	1,208	(1,124)
Profit before tax		344	105,279
Income tax	20	(147)	(17,109)
Profit after tax		197	88,170
Minority interest		16	47
Net profit for the period		213	88,217

(*) Restated, see also Note 25 “Restatement of the opening balances”

IMPACT DEVELOPER & CONTRACTOR**CONSOLIDATED CASH FLOW STATEMENT**

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

	2008	2007 (*)
Cash flows from operating activities		
Profit before taxation	344	105,279
Adjustments for:		
Translation adjustments	(10,023)	(2,815)
Revenues from investment property	2,483	(102,411)
Minority interest	11,859	(6)
Depreciation	683	780
Loss / (profit) on disposals of non-current assets	(796)	(877)
Increase / (Decrease) in provisions for risks and charges	153	139
Increase / (Decrease) in allowances for bad debts	129	500
Increase / (Decrease) in allowances for inventories	(71)	296
Interest income	(5,311)	(2,545)
Interest expenses	4,142	3,749
Other finance (income)/expenses, net	(39)	(79)
Operating profit before working capital changes	3,553	2,010
Decrease / (Increase) in trade and other receivable	4,729	(6,650)
Decrease / (Increase) in inventories	(3,790)	(7,711)
Increase / (Decrease) in trade and other payable	(5,363)	4,643
Cash generated from operations	(871)	(7,708)
Income tax paid	(507)	(1,499)
Net cash from operating activities	(1,378)	(9,207)
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,578)	(3,798)
Proceeds from sale of non current assets	1,305	1,723
Net cash used in investing activities	(25,273)	(2,075)
Cash flows from financing activities		
Proceeds from issuance capital	0	45,135
Movements in long term loans	5,609	(2,506)
Movements in leasing contracts	(288)	(58)
Interest (paid)/received, net	1,163	(1,347)
Other finance expenses paid, net	39	79
Dividends paid/profit share to employees	(61)	(127)
Net cash used in financing activities	6,462	41,176
Net increase/(decrease) in cash and cash equivalents	(20,189)	29,895
Cash and cash equivalents at beginning of period	45,970	16,075
Cash and cash equivalents at end of period	25,781	45,970

(*) Restated, see also Note 25 "Restatement of the opening balances"

IMPACT DEVELOPER & CONTRACTOR
CONSOLIDATED STATEMENT OF CHANGES IN 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
Balance as at Dec. 31, 2006	29,641	3,510	2,792	35,576	4,932	76,451
Exchange diff. (*)	-	(223)	(177)	(2,316)	(8,732)	(11,448)
Issues of share	27,699	20,193	-	(4,633)	-	43,259
Net result of the period	-	-	-	88,217	-	88,217
Dividends distributed to employees	-	-	-	(125)	-	(125)
Balance as at Dec. 31, 2007 (**)	57,340	23,480	2,615	116,719	(3,800)	196,354
Exchange diff. (*)	-	(2,211)	(246)	(10,983)	(5,120)	(18,560)
Net result of the period	-	-	-	213	-	213
Dividends distributed to employees	-	-	-	(56)	-	(56)
Balance as at Dec. 31, 2008	57,340	21,269	2,369	105,893	(8,920)	177,951

(*) The exchange differences are the differences between the carrying amounts at the beginning and at the end of the reporting period that result from translation to different exchange rates and movements during the year at the average exchange rate.

(**) Restated, see also Note 25 "Restatement of the opening balances"

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

Note 1. ORGANIZATION and OPERATIONS

IMPACT Developer & Contractor is the largest real-estate developer in Romania, up to the present moment accomplishing 16 residential compounds, over 2,000 dwellings built as per Occidental quality standards, and an A class business center having an area of 17,230 sq. m. All the aforementioned, along with the 100 distinctions as obtained, and the financial evolution as had, clearly point out the stability and quality of the company business.

2008 has been one year for the reverse of the real estate market developmental trend by virtue of the global financial crisis. At the end of 2007, the beginning of 2008 the financial crisis originating in the USA, has also started to get felt on the Romanian market as well. This is also the time for the occurrence of the first financial problems on the market of sub – prime credits, which has first reached the capital market, the banking market and subsequently the real estate market from the USA, the South – Eastern Asia and to a smaller extent Europe. The real estate market has been among the first sectors where the financial crisis was felt.

With respect to the company strategy, in 2008 IMPACT had as its target:

- The focus on the development of mixed assemblies;
- The completion of any already started projects;
- The adjustment of the strategy for the sale of finished products to the market conditions;
- The identification of certain various and different methods of selling and paying;
- Analysis of the hotel area development;
- Review of all master – plans as related to those projects with a launching term in the 4th trimester of 2008 – and the 1st trimester of 2009;
- The breaking into sub – stages of the projects which are to be launched according to the new master – plans.;
- Market prospecting for the attraction of partners in view of diminishing the risks of the new projects.

The basic activity of the company has been, up to the year 1995, the lease and maintenance of luxury villas in the residential and central areas of Bucharest. In 1995 IMPACT has introduced on the Romanian market the concept of the “residential”, once with the inauguration of the ALFA compound. As of the year 2007 the company strategy focused on the development of real estate assemblies having mixed destinations. The latter include both large and ample residential areas, office spaces, commercial spaces, hotel units, and education systems (schools, kindergartens) as well as a number of sanitary units (physician’s offices, polyclinics). Thus, in terms of its current and future developments, IMPACT focuses on the supply of residential constructions in a proportion of 80 %, the difference of 20 % being represented by the commercial spaces, the conference rooms, the schools, kindergartens, parks, etc.

With respect to the progress of the projects, at the beginning of 2008, all the 9 projects as initiated have had a minimum accomplishment degree of 5% (the complex Lotus in Oradea) and a maximum degree of 88%, as recorded in the case of the Blue assembly.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 1. ORGANIZATION and OPERATIONS (continued)

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

At the beginning of 2008, the company IMPACT was working at 8 projects both in Bucharest (Rubin, Topaz, Onix, Blue which are part of the Greenfield project), Ploiesti (Roua), as well as in Oradea (Europa and Lotus) and Constanta (Boreal), and in the summer of 2008 there has been initiated the construction of the Quartz assembly (part of the Greenfield project) in Bucharest. Four of the aforementioned projects (Onix, Boreal, Roua 1, and Lotus 1) are completed in a proportion of 90% , three of them, namely - Rubin, Topaz and Europa – have been fully accomplished. At the end of 2008 the Blue assembly has a completion percentage of almost 90%, and the Quartz assembly is accomplished in a percentage of 66%.

Project	Rubin	Topaz	Europa	Onix	Blue	Roua 1	Quartz	Lotus	Boreal
Completion degree	100%	100%	100%	93%	88%	99%	66%	98%	97%

As compared to the previous years when there were one or even several increases of the share capital, in 2008 due to the existing economic context, the company has decided upon not issuing new shares, so that at the end of 2008 the share capital was still 200,000,000 RON.

The decrease of the reserves from reassessment has occurred within the context of the sales of assets. Some of the latter have been reassessed in the previous year so that the amount representing the surplus from reassessment has been transferred from the “reassessment reserves” into another capital account entitled „Reserves standing for the surplus achieved from the reassessment reserves”.

During the Extraordinary General Meeting of the Shareholders of the company SC IMPACT DEVELOPER&CONTRACTOR S.A. from 19.04.2008, there has been approved, by the decision no. 2/2008, the purchase by the company, from the capital market, of own shares in the quantum of at the most 4% of the share capital, namely 80 million shares. Of the latter, there has been decided the allotment by the company of a number of up to 13,000,000 shares to the Company employees and administrators, at a price which is to be subsequently established.

During 2008, after the date of the Extraordinary General Meeting of Shareholders’ approval and until the 31st of December, there has been purchased a number of 25,036,400 shares.

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.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 1. ORGANIZATION and OPERATIONS (continued)

Mission

The mission of the IMPACT firm is to make its clients' real estate dreams reality, by the professionalism of the staff, which continues to develop, thus fulfilling the investment expectations of the shareowners.

This means that 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.

Thus, IMPACT is the company that builds more than dwellings, it develops communities!

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

As of the year 2004, a new management system has been instituted – from the objective based management we have shifted to project based management.

Project based management convenes the assembly of processes and activities undertaken during a limited period of time, in order to solve well delineated complex objectives with a high risk and motivation degree. The assembling, for a determined period, of a distinct team led by a manager and different experts within the organisation leads to an increase in the flexibility of the functional and operational structure in relation to the objectives.

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, 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.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 1. ORGANIZATION and OPERATIONS (continued)

Company history

Impact residential projects

Seizing on the evolution of the market at that time, the company's main activity, until 1995, was the rental and maintenance of deluxe villas located in the residential and central areas of Bucharest.

Bucharest

ALFA – was the first residential ensemble built by Impact. Initiated in 1995 and completed in 2001, this first compound comprises 40 luxury habitations. The value of this project reached 6.5 million dollars. The successful accomplishment of its first real estate projects established the name of the IMPACT Company within the world of real estate promoters based in Bucharest. Undertaking the project with its own resources and the assistance of a bank credit contracted in 1995 (which was repaid in 15 months), IMPACT succeeded to prove the reliability and success of a reliable company.

BETA – endeavoured in 1998 and accomplished in 2002. This project includes 70 DeLuxe and Prestige Villas. The investment value was of 7 million dollars.

GAMMA and DELTA – started in 1999 and achieved in 2003. These two ensembles include 250 housing units: personalised DeLuxe villas, Prestige villas and Freedom villas. The aggregate value of the two projects amounted to 20 million dollars.

EPSILON si ZETA were ventured on in 2001 and completed in 2005. The ensembles host 106 houses, especially DeLuxe and Prestige. Set on the shores of Lake Pipera, they benefit from a lake front and a special arrangement. The value of both projects was 4.5 million dollars.

JUNIOR was started in May 2004 and finished in 2005. This ensemble incorporates 54 aligned villas, the price of which completed, at the time, with that of an apartment. The types of aligned villas built within this compound were: Muguras and Margarit type villas. One of these types is structured as ground floor and attic, while the other as ground floor, upper storey and attic. The value of the investment was 2.5 million Euro.

CLASS was set about in the summer of 2001 and was finished in 2004. Developed on a 75,000 sqm, the compound accommodates 202 villas, as well as playing grounds. After only 6 months the compound has been contracted in proportion of 60%. The total value of the investment was 13.5 million Euro.

AZUR 1 was begun in September 2004 and is in the works. Stretching on a 53,500 sqm, the complex contains 150 Prestige and Junior type villas, supplemented by sport grounds, playgrounds, green areas and 50 parking spaces.

AZUR 2 was embarked on in February 2005 and is well underway. It will host 135 Prestige and Junior type villas, as well as playgrounds.

GREENFIELD was initiated in September 2006 and is the biggest residential project developed by IMPACT. Located in the northern area of Bucharest, the compound will be hosted by a 600,000 sqm and will incorporate 3,800 housing units, within aligned villas and block of flats.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 1. ORGANIZATION and OPERATIONS (continued)

GHENCEA will start in 2008 and will be located in the South part of Bucharest. It will be developed on 26 ha which are already secured, plus 38,5 ha which are in pre-agreement for sale. Ghencea project will comprise 960 houses and 3200 flats. The office area will have 37,000 sqm, the commercial area will have 73,000 sqm and the logistic one will have 93,000 sqm. Beside all these, Ghencea will include sport area and green spaces. It is estimated to be finished in 2015.

Constanta

BOREAL was set off in 2002 and is under accomplishment. Endowed with access from the DN (national road) Constanta-Ovidiu, the compound lies on a 65,000 sqm area. The value of this project is of 18 million, within this ensemble, 135 Junior, Prestige and DeLuxe villas will be available.

ZENIT will be launched at the end of 2007. Situated in the northern area of the city of Constanta, the ensemble will include 653 habitations, of which 125 Prestige, Junior and Freedom villas and 528 apartments (studios and 2, 3 and 4 rooms apartments). The accomplishment of the compound is envisaged in at least 3 years' time.

Oradea

LOTUS set off in the year 2004 and is in works. This compound will comprise 40 villas with up to 500 sqm individual plots. The investment value amounts to 3.5 million euro.

EUROPA was started in 2004 and is currently in progress. This ensemble constitutes the scope of a tender held by the City Hall of Oradea, and the criteria which decided the choice of partnership were: execution term, the building cost per square meter, including utilities, financing modalities for future buyers, contractor's experience.

IMPACT won the tender due to: the offering of the lowest square meter price, as a quality-price ratio, respectively 335 euro/sqm for the building and utilities. Developed on a 110,000 sqm area, the compound will include 312 duplex and aligned villas. The investment value will be of as much as 18 million Euro.

Ploiesti

ROUA is the residential ensemble which represents a new beginning for the company: the expansion on yet another market, the city of Ploiesti being a point of interest as to the company's development. The works for the Roua ensemble set off in November 2004 and are in the course of accomplishment. This objective will add up to a total of 152 Prestige and Junior villas.

Cluj-Napoca

Lomb District has been started at the end of 2007. It is the first large scale PPP in residential development in Romania and the biggest mixed-use real estate development outside Bucharest to date. It will be developed on 205 ha and will include 2500 flats and 3200 houses. The office area will have 54,000 sqm and the commercial area will have 121,000 sqm. It will also include sport areas and green spaces. It is estimated to be finished in 2015.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 1. ORGANIZATION and OPERATIONS (continued)

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.

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

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 Broker de Asigurare Reasigurare SRL, Imobilia Credit SA, Actual Invest House 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, 2008 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.

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.

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

Note 2. ACCOUNTING POLICIES (continued)

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 (3.9852 RON/EUR as at 31 December 2008 and 3.6102 RON/EUR as at 31 December 2007).
Before translation, non-monetary assets and liabilities (such as property and equipment, inventories) acquired before date of discontinuation (31 December 2003) are restated from their historical cost by applying the general price index from either the date of acquisition or contribution to the date of discontinuation.
- **Consolidated income and expense items** for the current reporting period are translated at the average monthly exchange rates RON/EUR for the reporting period.
Comparative figures in the income statement have been derived by applying the RON/EUR exchange rate as at 31 December 2007 to the amounts expressed in current monetary units as of that date.
- **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 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.

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

Note 2. ACCOUNTING POLICIES (continued)

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 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:

	<u>Years</u>
Buildings	50
Equipment, furniture and fixtures	1-20
Vehicles	5

(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.

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

Note 2. ACCOUNTING POLICIES (continued)

(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 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. 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 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.

Note 2. ACCOUNTING POLICIES (continued)

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

(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:

- 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 are 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.

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

Note 2. ACCOUNTING POLICIES (continued)

(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.

(m) Related party

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.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 3. Property, plant and equipment					
Description	Land & Buildings	Plant & equipment, Vehicles	Office equipment	Fixed assets under construction	TOTAL
Cost					
At 31.12.2007	152,128	2,711	251	8,588	163,678
Exchange diff	(14,316)	(255)	(23)	(808)	(15,402)
Additions (*)	21,557	396	18	5,338	27,309
Change in investment property (**)	(2,295)	-	-	-	(2,295)
Disposals	(1,045)	(569)	(11)	(3)	(1,628)
At 31.12.2008	156,029	2,283	235	13,115	171,662
Depreciation					
At 31.12.2007	485	1,697	79	-	2,261
Exchange diff	(46)	(160)	(7)	-	(213)
Charge	134	413	38	-	585
Disposals	(62)	(477)	(6)	-	(545)
At 31.12.2008	511	1,473	104	-	2,088
Impairment					
At 31.12.2007	-	-	(5)	-	(5)
At 31.12.2008	-	-	(4)	-	(4)
Net Book Value					
31.12.2008	155,518	810	126	13,115	169,569
31.12.2007	151,643	1,014	167	8,588	161,412

The Group's tangible assets have been revaluated in 1994, 1998, 2000, 2003 and 2006. The revaluation in 2006 was applied to certain groups of fixed assets such as residential buildings, plant and pipes.

(*) Additions include the land brought as participation to the share capital of Lomb SA in amount of 11,869 thousand EUR. Also, this position includes the transfer of apartments and houses held for renting from Inventory to fixed assets.

(**) The Group decided to adopt starting with 2006 the alternative treatment recommended by IAS 40 "Investment properties", recording 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 (see Note 12). The gain resulted was in amount of 111.7 million Euro (out of which 2.3 million is loss of current period).

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

Note 4. Inventories

The inventories on hand consist of the followings:

Description	31 December 2008	31 December 2007
Land and advances for land	18,509	21,555
Raw materials and production supplies	1,362	1,504
Allowance for old and slow moving raw materials and production supplies	(278)	(380)
Work in progress	21,888	14,724
Finished goods	6,193	6,120
Merchandise	-	136
Advance payments	229	383
Total	47,903	44,042

Note 5. Trade and other receivables

The accounts receivable comprise:

Description	31 December 2008	31 December 2007
Trade accounts and notes receivable	20,732	27,633
Allowance for bad and doubtful debts	(525)	(493)
Total	20,207	27,140

Note 6. Other receivables and prepayments

Description	31 December 2008	31 December 2007
Income tax receivable	422	537
Sundry debtors	1,685	2,138
Allowance for sundry debtors	(226)	(244)
VAT and other state budget receivable	1,752	172
Interest receivable	250	247
Prepayments	613	722
Short term investments (*)	716	-
Advances to suppliers	1,757	1,433
Total	6,969	5,005

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

Note 6. Other receivables and prepayments (continued)

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

Note 7. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Description	31 December 2008	31 December 2007
Cash in bank	25,647	45,923
Cash and cash equivalents	134	47
Total cash and cash equivalents	25,781	45,970

Note 8. Share capital

- amounts in this table are in RON -

	31 December 2007	31 December 2006
Nominal share capital	200,000,000	200,000,000
Inflation adjustment to share capital	28,511,217	7,009,000
	<u>228.511.217</u>	<u>207,009,000</u>
Closing exchange rate:	3.9852	3.6102
Share capital in EUR:	57,340,036	57,340,036

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 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.

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

Note 8. Share capital (continued)

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 31.12.2008, the shareholders' structure is as follow:

Shareholder	%
Popp Ioan Dan	28,06
Sandulescu Carmen Daniela	11,55
Artio International Equity Fund	8,46
Companies	23,89
Individuals	23,03
Total	100,00

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 one RON.

Note 9. Borrowings

Description	31 December 2008	31 December 2007
Long and medium term bank loans	41,279	40,306
Bonds – long term	8,635	8,635
Financial leases	242	174
Guarantees – long term	317	152
Total borrowings	50,473	49,267

Loan with BANC POST, No. 58

Purpose	Working capital
Amount	14,000,000 EUR
Interest	EURIBOR 3M
Contract date	November 23 rd 2005
Maturity	October 30 th 2013
Repayment date	October 30 th 2013
Balance as of 31 December 2008	2,731,716 EUR (out of which 682,597 EUR are due for repayment in 2009)

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

Note 9. Borrowings (continued)

Loan with PIRAEUS BANK, No. 2219

Purpose	Working capital
Amount	800,000 EUR
Interest	EURIBOR
Contract date	April 21 st 2005
Maturity	April 21 st 2008 (renewable)
Repayment date	April 21 st 2008 (renewable each year for another 12 months)

Balance as of 31 December 2008 **800,000 EUR**

Loan with PIRAEUS BANK, No. 2331

Purpose	Working capital – refinancing the acquisition of land for Boreal Project
Amount	1,800,000 EUR
Interest	EURIBOR
Contract date	July 08 th 2005
Maturity	June 06 th 2009
Repayment date	June 06 th 2009

Balance as of 31 December 2008 **300,000 EUR**

Loan with PIRAEUS BANK, No. 195

Purpose	Working capital
Amount	2,000,000 EUR
Interest	EURIBOR
Contract date	July 10 th 2006
Maturity	June 10 th 2009
Repayment date	June 10 th 2009

Balance as of 31 December 2008 **500,000 EUR**

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

Note 9. Borrowings (continued)

Loan with PIRAEUS BANK, No. 301

Purpose	Financing the acquisition of land in Ghencea
Amount	13,000,000 EUR
Interest	EURIBOR
Contract date	August 30 th 2006
Maturity	August 08 th 2009
Repayment date	August 08 th 2009
<hr/>	
Balance as of 31 December 2008	12,807,270 EUR

Loan with BCR, No. 11 / 9949

Purpose	Working capital
Amount	2,400,000 EUR
Interest	EURIBOR
Contract date	June 14 th 2006
Maturity	June 14 th 2009
Repayment date	June 14 th 2009
<hr/>	
Balance as of 31 December 2008	492,110 EUR

Loan with BANCA ROMANEASCA, No. 50070066

Purpose	Refinance of BANCPOST loans
Amount	18,306,796 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25 th 2007
Maturity	July 24 th 2014
Repayment date	July 24 th 2014
<hr/>	
Balance as of 31 December 2008	17,082,491 EUR (out of which 2,970,868 EUR are due within 2009)

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

Note 9. Borrowings (continued)

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 th 2007
Maturity	July 25 th 2014
Repayment date	July 25 th 2014

Balance as of 31 December 2008 **6,565,846 EUR (out of which 1,141,886 are due in 2009)**

Long term bank loans are guaranteed as follows:

Loan with PIRAEUS BANK

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	3810	20.437,65	land	Voluntari, Str. Emil Racovita nr. 31-33/Azur2
Mortgage rank I	4355/3		land	Voluntari, Str. Emil Racovita nr. 35-37-39 /Azur1
Mortgage rank I	4355/2	31.332,86	land	Voluntari, Str. Emil Racovita nr. 35-37-39 /Azur1
Mortgage rank I	4355/1/4;		land	Voluntari, Str. Emil Racovita nr. 35-37-39 /Azur1
Mortgage rank I	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	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	10252	31.400,00	land	Constanta, Jud. Constanta, P VN 269
Mortgage rank I	10250	9.100,00	land	Constanta, Jud. Constanta, P VN 264

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

Note 9. Borrowings (continued)

Loan with BANC POST, No. 58

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	18216/2	19.931,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	18217/2	42.911,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15042/2	5.000,35	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15042/1	5.000,35	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15043	7.248,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15035	7.500,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15044	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15036	3.750,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15037	3.750,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15038/2	5.001,45	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15038/1	5.001,45	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15039/2	5.017,93	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15039/1	5.017,93	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15040	9.877,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15041	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15045	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15046	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15047/2	7.506,85	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15047/1	7.506,85	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15048/2	7.525,34	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15048/1	8.525,29	land	Same as above
Mortgage rank I	15050/2	5.016,49	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15050/1	5.016,49	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15365	2.500,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15051	2500.00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15052	2.025,00	land	Bucuresti, sector 1, Baneasa/ Greenfield

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

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

Note 9. Borrowings (continued)

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	15053	2.975,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15054	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15055	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15056	6.500,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15058	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15057	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	4576	218,88	land and building	Bucuresti, Horatiu nr. 8-10
Mortgage rank I	15059	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	9598/2/2	728,70	land and building	Constanta, Str. Brest nr. 2, Jud. Constanta / Boreal
Mortgage rank I	9598/2/3	708,00	land and building	Constanta, Str. Brest nr. 2, Jud. Constanta / Boreal
Mortgage rank I	16574	4.850,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16297	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16298	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16299	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16242	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16214	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16084	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16315/1	6.250,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank I	16315/2	6.250,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank I	16087	2.500,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank I	16086	2.500,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank I	16085	2.500,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank I	16791	5.000,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank I	16291	5.000,00	land	Bucuresti, sector 1,
Mortgage rank I	18083		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 52-54

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

Note 9. Borrowings (continued)

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	16245/2	26.787,00	land	Bucuresti, sector 1, Str. Drumul padurea Neagra 52-54
Mortgage rank I	16245/1		land	Bucuresti, sector 1, Str. Drumul padurea Neagra 52-54
Mortgage rank I	16058		land	Bucuresti, sector 1, Str. Drumul padurea Neagra 52-54
Mortgage rank I	16251		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16060/1		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16575/1		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16575/2		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16900/1	27.024,00	land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16900/2		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16061		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16247		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	15094		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	1916/3/70	25.245,90	land	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1026/7/2	350,40	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/6/2	349,70	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/7/1si1 026/5/21/1	357,30	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/5/23/ 2	258,30	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/5/22	345,50	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1916/3/24	190,55	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1026/5/20/ 5	1.040,30	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9

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Note 9. Borrowings (continued)

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	4351	786,60	land and building	Voluntari, Sos. Pipera Tunari nr. 1H, Baneasa 8/9
Mortgage rank I	10457	244,00	land and building	Bucuresti, sector 1, Str. Intrarea Poiana nr. 8
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
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	1916/3/9	200,30	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/10	200,30	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	18657	3.750,00	land	Bucuresti, str. Drumul Padurea Pusnicu nr. 135
Mortgage rank I	16062	5.000,00	land	Bucuresti, sector 1, Topaz, parcela 97
Mortgage rank I	16059/2	2.781,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16059/1	2.514,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16246	10.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	18428/1	61302,3	land	Bucuresti, sector 1
Mortgage rank I	1916/3/11	143,5	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior

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Note 9. Borrowings (continued)

Loan with BCR, No. 11 / 9949				
Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	2423	37.561,96	land	Mangalia, Statiunea Neptun, Zona Popasul Caprioarei
Mortgage rank I	2035	4.503,70	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	1585	1.000,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2084	1.204,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2108	4.413,40	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	1587	5.038,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2031	870,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	520	800,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	529	2.500,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2033	8.697,50	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2088	260,80	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	1586	2.500,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2093	3.493,60	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	6168	3.170,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6169	182,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6185	273,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6187	233,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6188	295,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6189	158,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6190	74,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6191	152,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6193	243,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6195	147,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6196	147,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6202	149,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Borrowings (continued)

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	6205	184,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6206	213,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6207	174,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6161	230,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6164	237,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6165	225,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6166	235,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6167	486,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6170	204,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6171	192,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6172	149,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6173	129,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6174	223,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6175	264,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6178	231,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6179	116,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6180	101,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6181	125,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6182	211,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6183	207,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6184	195,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6186	169,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6194	267,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6128	201,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6129	203,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6130	179,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Borrowings (continued)

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	6131	221,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6132	276,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6133	187,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6134	186,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6135	287,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6136	224,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6137	195,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6138	90,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6139	384,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6140	247,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6141	238,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6142	214,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6143	224,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6144	218,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6145	213,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6146	201,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6148	246,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6149	226,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6150	248,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6152	238,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6153	355,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6154	252,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6155	232,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	5330/3	4.833,90	land	Voluntari
Mortgage rank I	1916/3/48	194,00	land	Voluntari, Drumul Bisericii nr.50

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Note 9. Borrowings (continued)

Loan with BANCA ROMANEASCA

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	20254/1	227.3	land	Bucuresti, Drumul Padurea Pustnicu nr. 143
Mortgage rank I	20254/2	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143A
Mortgage rank I	20254/3	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143B
Mortgage rank I	20254/4	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143C
Mortgage rank I	20254/5	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143D
Mortgage rank I	20254/6	228.2	land	Bucuresti, Drumul Padurea Pustnicu nr. 143E
Mortgage rank I	20254/35	1,253.7	land	Bucuresti, Drumul Padurea Pustnicu nr. 141
Mortgage rank I	20254/36	1,521.3	land	Bucuresti, Drumul Padurea Pustnicu nr. 141A
Mortgage rank I	20254/37	1,357.1	land	Bucuresti, Drumul Padurea Pustnicu nr. 141B
Mortgage rank I	20254/38	1,357.8	land	Bucuresti, Drumul Padurea Pustnicu nr. 141C
Mortgage rank I	20254/39	1,379.9	land	Bucuresti, Drumul Padurea Neagra nr. 52D
Mortgage rank I	20254/40	1,389.6	land	Bucuresti, Drumul Padurea Neagra nr. 52C
Mortgage rank I	20254/43	2,854.5	land	Bucuresti, sector 1
Mortgage rank I	20254/44	7,655.3	land	Bucuresti, sector 1
Mortgage rank I	20254/45	5,893.3	land	Bucuresti, sector 1
Mortgage rank I	20254/46	143.8	land	Bucuresti, sector 1
Mortgage rank I	20254/47	254	land	Bucuresti, sector 1
Mortgage rank I	23574	10,005	land	Bucuresti, Drumul Padurea Neagra nr. 22-28
Mortgage rank I	22705	23,750	land	Bucuresti, Drumul Padurea Pustnicu nr.125-135
Mortgage rank I	21763	27,024	land	Bucuresti, Drumul Padurea Pustnicu nr. 56-64
Mortgage rank I	15042/1	5,000.35	land	Bucuresti, Drumul Padurea Pustnicu nr. 79A
Mortgage rank I	15042/2	5,000.35	land	Bucuresti, Drumul Padurea Pustnicu nr. 79
Mortgage rank I	15043	7,248	land	Bucuresti, Drumul Padurea Pustnicu nr. 79B
Mortgage rank I	18217/2	43,911	land	Bucuresti, sector 1
Mortgage rank I	18216/2	19,931	land	Bucuresti, sector 1
Mortgage rank I	15044	5,000	land	Bucuresti, Drumul Padurea Neagra nr.1
Mortgage rank I	15036	3,750	Land	Bucuresti, Drumul Padurea Neagra nr. 3
Mortgage rank I	15037	3,750	land	Bucuresti, Drumul Padurea Neagra nr.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Borrowings (continued)

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	15038/1	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 7A
Mortgage rank I	15038/2	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 7
Mortgage rank I	15039/1	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 9A
Mortgage rank I	15039/2	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 9
Mortgage rank I	15040	9,877	land	Bucuresti, Drumul Padurea Neagra nr. 11
Mortgage rank I	15041	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 13
Mortgage rank I	15045	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 15
Mortgage rank I	15046	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 17
Mortgage rank I	15047/1	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 21A
Mortgage rank I	15047/2	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 21-23
Mortgage rank I	15048/1	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 25A
Mortgage rank I	15048/2	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 25-27

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(all amounts are expressed in thousands EUR, unless stated otherwise)

Note 9. Borrowings (continued)

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 **first payment** from 22.08.2005 is in amount of **374,400 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of 17.08.2005 and represents (the interest) the coupon value for semester I, in accordance with the bond issues calendar (1 coupon = 1.2 Euro * 312.000 = 374.400 Euro)

The **second payment** from 16.02.2006, is in amount of **373,963 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of 13.02.2006 and represents (the interest) the coupon value for semester II, in accordance with the bond issues calendar (1 coupon = 1.1986 Euro * 312.000 = 373.963,2 Euro)

The **third payment** from 15.08.2006, is in amount of **397,800 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of 12.08.2006 and represents (the interest) the coupon value for semester III, in accordance with the bond issues calendar (1 coupon = 1,275 Euro * 312,000 = 397,800 Euro)

The **fourth payment** from 12.02.2007, is in amount of **427,159 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of the payment date and represents (the interest) the coupon value for semester IV, in accordance with the bond issues calendar (1 coupon = 1.3691 Euro * 312.000 = 427,159 Euro)

The **fifth payment** from 10.08.2007, is in amount of **449,873 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of the payment date and represents (the interest) the coupon value for semester V, in accordance with the bond issues calendar (1 coupon = 1.4419 Euro * 312.000 = 449,873 Euro)

The **sixth payment** from 06.02.2008 is in amount of 471,058 EUR, payable at the Romanian National Bank EUR/RON exchange rate of the payment date and represents (the interest) the coupon value for semester VI, in accordance with the bond issues calendar (1 coupon = 1.5098 Euro * 312.000 = 471,058 Euro)

The **seventh payment** from 04.08.2008 is in amount of 468,686 EUR, payable at the Romanian National Bank EUR/RON exchange rate of the payment date and represents (the interest) the coupon value for semester VII, in accordance with the bond issues calendar (1 coupon = 1.5022 Euro * 312.000 = 468,686 Euro)

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.

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

Note 9. Borrowings (continued)

Reconciliation of minimum lease payments:

	31 December 2008	31 December 2007
Short term financial leases	171	97
Long term financial leases	83	84
Interest	(12)	(7)
Current portion of financial lease	242	174

	31 December 2008	31 December 2007
Short term financial leases	162	94
Long term financial leases	80	80
Current portion of financial lease	242	174

Note 10. Deferred income

Deferred income consists in:

Description	31 December 2008	31 December 2007
Deferred tax	17,927	20,274
Total	17,927	20,274

The movement on the deferred tax liabilities is as follows:

Description	2008	2007
As at 1st of January	20,274	5,609
Foreign exchange difference	(1,872)	(1,596)
Charge / (Release)	(475)	16,261
As at 31st of December	17,927	20,274

The temporary differences arise from: the re-measurement of land treated according IAS 40 (see Note 3), effects of IAS 11 – “Construction contracts”, instalments selling contracts concluded until 30.04.2005 and from the different depreciation rule applied in accounting comparing to fiscal purposes.

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 10. Deferred income (continued)

Cumulative effect of temporary differences is:

a) IAS 40	17,873
b) Instalments contracts and depreciation	41
c) IAS 11	13
Total	17,927

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

Note 11. Trade and other payables

Trade and other payables consist in:

Description	31 December 2008	31 December 2007
Trade accounts and notes payable	5,162	2,699
Suppliers of non current assets	4	2
Advances from customers	3,225	9,314
Dividends payable	12	16
Accrued interest	431	434
Accruals related to employees	261	236
Income tax payable	1	1
Liabilities to State Budget	285	1,444
Deferred income	1,164	2,286
Other creditors	619	585
Guarantees	839	354
Total	12,003	17,371

Note 12. Turnover

The Group has recorded its net turnover as follow:

Description	2008	2007
Sales of finished goods	26,983	27,965
Sales of merchandise	5,154	2,573
Sales of services	489	577
Total	32,625	31,115

The finished goods sold represent houses and apartments sold during the year.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 13. 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:

Description	Area (sqm)	Cost of acquisition (RON)	Revalued amount 31.12.2008 (RON)	Difference (RON)	Difference (EUR)
Teisani (Buc, sect 1)	205,495	24,208,209	278,446,762	254,238,553	69,035,443
Zenit (Constanta)	38,000	6,877,775	27,405,619	20,527,844	5,574,091
Prelungirea Ghencea (Buc, sect 6)	180,000	37,628,843	179,330,288	141,701,445	38,477,335
Faget (Oradea)	24,460	1,446,638	6,683,180	5,236,543	1,421,921
Neptun (Constanta)	37,562	1,896,879	8,528,328	6,631,449	1,800,691
TOTAL LAND	485,517	72,058,344	500,394,177	428,335,833	116,309,481
Apartments held for renting	-	41,973,850	58,818,132	16,844,282	4,573,895
Net effect of IAS 40		114,032,194	559,212,309	445,180,115	120,883,376

The amount of 116,309 thousand EUR is divided as follows:

Description	Amount (k EUR)
Revenue recognized until 31 December 2007	136,135
Exchange differences (*)	(12,769)
Revenues recognized in 2007	(2,483)
TOTAL	120,883

(*) The exchange differences are determined based on annual average exchange rates used in calculation of Euro amounts.

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 14. Other operating income

Other operating incomes includes as follows:

Description	2008	2007
Revenue from sundry services	1,665	1,506
Sales of residual goods	6	14
Rent	208	174
Proceeds from sales of fixed assets	1,305	1,721
Penalties from customers	3,429	548
Miscellaneous	261	262
Total	6,874	4,225

The penalties have increased significantly due to the fact that during 2008 the group has worked only with sub-contractors. Due to late delivery of the works, the Group has charged its suppliers with penalties.

Note 15. Raw material and consumables

Raw material and consumables costs includes as follows:

Description	2008	2007
Raw material	1,678	970
Auxiliary materials	2,371	3,236
Merchandise	3,079	1,892
Packing materials	16	37
Other consumables	310	309
Total	7,454	6,444

Note 16. Staff costs

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

Description	2008	2007
Wages and salaries	2,139	2,647
Civil contract staff	24	24
Social security expenses	547	423
Total	2,709	3,094

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Note 17. Depreciation and amortization

This position in the income statement includes as follow:

Description	2008	2007
Depreciation	682	799
Amortization – impairment	1	(19)
Total	683	780

Note 18. Other operating expenses

Other operating expenses includes as follows:

Description	2008	2007
Third parties services	40,300	19,522
Heat, light and power	1,093	1,293
Rent	1,380	1,377
Commissions and fees	391	2,779
Promotion and advertising	890	715
Taxes to State Budget	1,248	845
Bad and doubtful debts	129	795
Protocol	97	
Disposals at net book value	508	845
Foreign exchange differences (gain) / loss	4,510	3,047
Bank commissions	182	503
Working inventories	120	116
Maintenance and repairs	334	144
Provision for risks and charges	153	145
Insurance	271	204
Postage and telecommunication	152	167
Transport of goods and personnel	231	263
Travel	38	25
Penalties and fines	41	58
Penalties for commercial contracts	76	427
Old and damages inventories	(71)	-
Losses from IAS 11	3	(1)
Miscellaneous	416	396
Total	52,492	33,665

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Note 19. Finance cost, net

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

Description	2008	2007
Interest income	(5,311)	(2,545)
Interest expenses	4,142	3,749
Other finance income	(19)	(16)
Discount received	(20)	(62)
Total	(1,208)	1,124

Note 20. Income tax

Description	2008	2007
Income tax expenses	621	848
Differed tax expense/ (income)	(475)	16,261
Total	147	17,109

Note 21. Related parties

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

Description	December 31, 2008	December 31, 2007
Accounts payable		
Finance Consulting 2001	8	37
Havila Trading	140	104
	148	141
	2008	2007
Expenses		
Finance Consulting 2001	52	101
Havila Trading	397	235
	449	336

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Note 22. Commitments

The situation of loans engaged by the company as at December 31st, 2008, is presented below:

- thousand EUR -

AGREEMENT	BANK	Value	December 31, 2008	March 31, 2009
58/23.09.2005	BANC POST	14,000	2,732	2,562
2219/21.04.2005	PIRAEUS	800	800	800
2331/08.07.2005	PIRAEUS	1,800	300	150
195/10.07.2006	PIRAEUS	2,000	500	250
301/30.08.2006	PIRAEUS	13,000	12,807	12,807
11/9949/14.06.2006	BCR	2,400	492	197
50070065/25.07.2007	Banca Romaneasca	7,993	6,566	6,280
50070066/25.07.2007	Banca Romaneasca	22,307	17,082	15,931
TOTAL		64,300	41,279	38,977

On 2 February 2009 the Company has repaid in full the bonds contracted in amount of 8,635 thousand EUR.

Note 23. Principal subsidiaries

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

Entity	31 Dec. 2008 % share	31 Dec. 2007 % share
BIPACT 1995 SRL	62.91	62.91
Hobbit Broker de Asigurare Reasigurare SRL	95.00	95.00
Imobilia Credit SA	70.00	70.00
Actual Invest House	99.00	99.00
Intop Construction SRL	99.99	99.99
Investimob Development SRL	-	99.00
LOMB SA	49%	-
Topo Prest SRL	95%	-
Prest RV 2003 SRL	95%	-
BIZ-AR SRL	95%	-

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 later company. Therefore, it is presumed that Lomb SA is a subsidiary.

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Note 24. Revenues recognised under IAS 11 “Construction contracts”

Description	2008 [EUR]	2007 [EUR]
Contract revenue recognized as revenue in the period	295,616	12,401,979
Contract costs incurred and recognized profits (less recognized losses) to date	205,676	12,320,549
Advances received	101,557	9,220,442
Gross amount due from customers presented as an asset	-	-
Gross amount due to customers presented as a liability	11,617	9,139,012

At the end of 2008, most of the houses with client were finished and sold to the customers, only 4 houses being still under construction and categorised as construction contracts under IAS 11 “Construction contracts”.

Note 25. Restatement of the opening balances

During 2008 the Group has decided to recognise as fixed assets the electrical networks and adaptors previously recognised as costs. Based on this decision, the opening financial statements have been changed. The changes consist in recognition of fixed assets, their depreciation and write-off of costs incurred in the previous periods.

Also, during 2008 the management of the Group has decided to correct a VAT expense considered in previous periods and report it as deductible VAT.

The effects of the changes of the opening balances are:

a) Balance sheet

Description	31 December 2007
1. Increase in fixed assets	469
2. Decrease of VAT payable	28
3. Net effect on the retained earnings	497

b) Income statement

Description	2008	2007
1. (Increase) in depreciation charge	(41)	(33)
2. Increase in revenues from work performed by the company and capitalised	392	206
3. Decrease of other taxes expenses (VAT)	-	33