

REPORT

of the Board of Directors

For the year 2013



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1. MANAGEMENT STRUCTURE

1.1. About IMPACT

IMPACT Developer & Contractor SA (IMPACT) is one of the first active companies in the field of real estate development in Romania, being established in the year 1991 by public subscription, its shares being quoted at the Bucharest Stock Exchange.

The company IMPACT has introduced in Romania the concept of “residential assembly” and has developed, until this moment, 16 residential areas, in 4 cities in the country, summing up over 2,500 dwellings, houses and apartments.

On the 31st of December 2013, the company was involved in four residential developments, each project having different dimensions and being in a different finishing stage. The activity of the company is dominated by a major project: the Greenfield residential assembly from Bucharest.

The mission of IMPACT is that to respond totally to the needs and expectations of the customers, with regard to the requirements of real estate nature, by observing the highest professionalism standards in the field.

With regard to the perception at a public level, IMPACT makes constantly all the efforts in order to prove that it is customer-oriented, by being in line with the most specific needs of the consumer in this field. Implicitly, IMPACT proves a high level of adaptability to the specific market conditions, by succeeding in managing the existing realities and in identifying exploration resources of new business opportunities.

IMPACT believes in innovation and in reinventing work processes, with the purpose of remaining among the leaders in the real estate market, at local and regional level.

1.2. Corporate Governance

The corporate governance observes the Romanian legislation in force, by attempting to ensure both the accuracy and the transparency with regard to the company results, and the equal access of all the shareholders to the relevant information about the company.

IMPACT Developer & Contractor SA is administered in a unitary system, its management being ensured by the General Director, under the surveillance of the Board of Directors.

The corporate governance elements are implemented within the company, according to the Corporate Governance Code passed by the Stock Exchange Council in December 2007, with an implementation term beginning with the annual report from 2010.

IMPACT Developer & Contractor SA made and shall make all the necessary professional, legal and administrative efforts in order to ensure its being in line with the provisions of the Code and the transparent presentation of these results.

IMPACT Developer & Contractor SA publishes in a dedicated section of its own website details regarding the performance of the General Meeting of the Shareholders, respectively the convener, the materials/documents afferent to the agenda, the special power of attorney forms, the forms for voting by mail, the resolution drafts.

Also, the company ensures the information of all the shareholders immediately after having held the General Meeting of the Shareholders, by means of the dedicated section from its own website, in relation to the decisions passed within the General Meeting of the Shareholders and the detailed result of the voting. The company also makes available for the shareholders / investors current reports, releases, financial calendar, annual, semestrial, quarterly reports. The direct relationship with the investors is ensured by a designated person, dedicated to inform the shareholders according to their questions addressed in writing or by telephone.

1.3. Board of Directors

In accordance with the legislation in force and the articles of association of the company, the General Meeting of the Shareholders is the superior management and decision forum of the company, that decides upon its activity.

The company is led by the Board of Directors, composed of five administrators, natural persons:

- Iuliana Mihaela Urda, Chairperson of the Board of Directors;
- Lucian Claudiu Mateescu, Administrator and General Director;
- Draguta Mihaila, Administrator;
- Ecaterina Petre, Administrator;
- Gabriel Vasile, Administrator.

The current members of the Board of Directors were elected within the Ordinary General Meeting as of the 26th of April 2013, by the cumulative voting method, for a four-year mandate, until the month of April of the year 2017, and Mr. Gabriel Vasile was elected administrator within the Ordinary General Meeting as of the 16th of September 2013.



The Board of Directors appointed Mr. Gabriel Vasile in the position of Provisional Administrator beginning from the date of the 2nd of July 2013, and by the General Meeting of the Shareholders as of the 16th of September 2013, Mr. Gabriel Vasile was elected as an Administrator with full rights.

The rights, powers and operational mode of the Board of Directors are in accordance with art. 8, art. 9, respectively art. 10 from the Articles of Association of the company IMPACT Developer & Contractor SA. The mode of performing the General Meeting of the Shareholders, as well as its responsibilities are provided for in art. 12 of the Articles of Association of the company.

Previously to the date of the 26th of April 2013, the Board of Directors was composed of Dimitrios Sophocleous - Chairman of the BoD; Stefan Gheorghiu Milicin - Administrator and General Director; Dan Ioan Popp; Valeriu N. Ionescu and Vlad N. Neacsu. Mr. Stefan Gheorghiu Milicin had the position of General Director until the date of the 20th of May 2013 and that of Administrator until the date of the 1st of July 2013.

On the 14th of June 2013, the Board of Directors put in the position of General Director Mr. Lucian Claudiu Mateescu. He has an experience of over 10 years in the field of real estate developments. During the period 2005 - 2011 he had the position of General Director of Raptis Kavouras, a real estate development company, and since 2011 and until the takeover of the position of General Director at Impact, Mr. Mateescu was a majority associate and the General Director of Devbon.

1.4. Auditor of IMPACT

KPMG Audit SRL was designated by the resolution of the General Meeting of the Shareholders to audit the financial statements for the year 2013, prepared under the responsibility of the company management in accordance with the international standards – IFRS (including consolidated financial statements). The liability of the auditor towards the company and GMS is established by and limited according to law.



2. ACTIVITY OF IMPACT IN 2013

2.1. Romanian Real Estate Market and Economy in 2013 - Overview

After the ongoing decrease of the real estate sector from the latest years, 2013 was the most dynamic on the post-crisis residential market. The prices continued to suffer corrections, but the demand has increased, encouraged, on one side, by a higher confidence in the market, and on the other side, by the granting of the funds afferent to the Prima Casa programme.

Along with the resuscitation of the level of confidence in the real estate market evolution, the specific market from the Central and Eastern Europe represents again a favourable place for business. According to the Colliers report, 2013 was the first year, after the crisis, when the annual increase rate of finished dwellings raised. The residential stock (in the monitored projects) increased by 10% in 2013, reaching a total volume of approximately 22,000 units.

The Romanian economy increased by 3.5% in 2013, in comparison to the year 2012. According to the National Institute of Statistics, the increase was accelerated on the fourth quarter of 2013, when the GDP was, in real terms, higher by 1.5% in comparison to the third quarter of 2013 (seasonally adjusted data).

According to the provisional data published by the National Institute of Statistics, the most important contributions to the GDP increase in 2013, in comparison to 2012, were those of the industry (+2.3%), with a weight of 30% in the GDP composition and whose activity volume increased by 8.1% and the agriculture, silviculture and fishing (+1.1%), with a lower weight in the GDP composition PIB (5,6%), and whose activity volume increased by 23.4%.

Positive contributions in the GDP increase also had the information and communications sector, real estate transactions and professional, scientific and technical activities, administrative service activities and support service activities.

Negative contributions in the GDP composition had the constructions, wholesale and retail trade, repairs of autovehicles and motorcycles, transport and storage, hotels and restaurants and financial intermediations and insurances.

With regard to the use of the GDP, during the year 2013, in comparison to the year 2012, the index increase was due, mainly, to the net exports (with a contribution of +4.1%), as a consequence of the increase by 12.8% of the exports of goods and services, correlated with a significantly lower increase of the volume of imports of goods and services by 2.3%. Also, to the increase there also contributed the expenses for final consumption of the population households (+0.9%), with a weight of 60.9% in the GDP, whose volume increased by 1.4%.

The unemployment rate under seasonally adjusted form was estimated at 7.1%, for the month of December in 2013, being in a decrease by 0.2 percentual points in comparison to the previous month and in increase by 0.4 percentual points in comparison to the level recorded in the month of December of 2012, according to the data published by the National Institute of Statistics.

2.2. Strategic Directions and Activity Lines of IMPACT in 2013

The year 2013 was marked by the change of the company management and by a new approach with regard to the operational and development activity. Also, the new management team proposed a major redefinition of the relationship with the customers, by putting in the centre of its business strategy the orientation towards the customer and towards his/her needs.

One of the main priorities of the management team led by Mrs. Iulia Urda and by Mr. Lucian Mateescu, was the most efficient adaption to the new market conditions by measures to:

- (i) decrease the fixed costs, by decreasing the rents for office spaces, of the company personnel, decrease of the rolling stock, decrease of the stock of fixed assets and equipments, not used in the latest years following the decrease of the company activity volume and due to the finishing of the residential projects;
- (ii) adjust the prices of the dwellings existing in the portfolio in order to better respond to the market needs;
- (iii) decrease of the indebtedness degree and rescheduling of the loan contracts with the bank institutions;
- (iv) significantly decrease the number of litigations by the conclusion of some transactions was one of the priorities of the new management, being ensured, thus, the premises to focus the company activity upon the new real estate development projects;
- (v) execute asphalt coating works and markings with signalling elements, for the purpose of improving the comfort ensured to the customers of the main project of the company, Greenfield Residence;
- (vi) execute works for finishing modification for a number of approximately 50 units from the stock, for the purpose of increasing the sales in Greenfield quarter and of readapting to the market requirements.

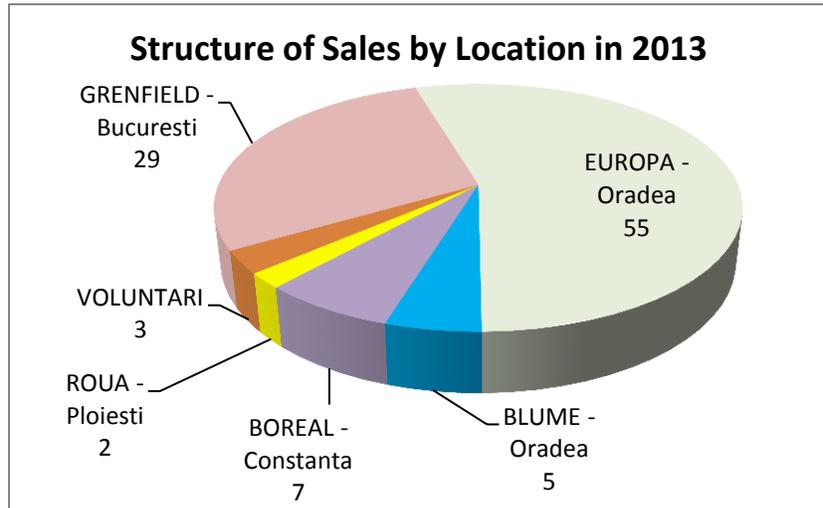
In the year 2013, IMPACT sold 101 dwellings and there were terminated 4 previously signed contracts with the payment in installments, so as the net sales in 2013 were of 97 units.

The lease activity was not a priority anymore in the year 2013, being signed only 4 lease contracts.

2.3. Main Objectives of IMPACT in the Year 2013:

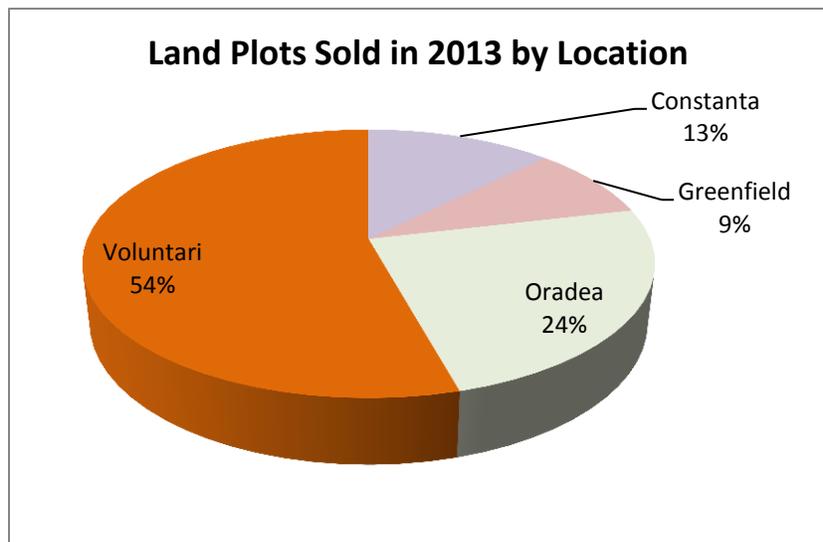
➤ **Sale of finished dwellings in Bucharest, Ploiesti, Oradea and Constanta;**

More than half of the units that were sold in 2013 were in Oradea, in Europa compound, the decreased price being the main factor that favoured the sale.



➤ **Offering for sale land plots to natural persons and legal entities, for the development of houses or of small commercial spaces.**

Following this activity, in the year 2013 there were sold land plots with a surface of 46,655 sqm, in Bucharest-Voluntari, Ploiesti, Oradea and Constanta. There were signed contracts for 48,228 sqm of land, but, taking into account the termination of 1,573 sqm of land, the net surface that was sold in the year 2013 was of 46,655 sqm.



Almost half of the land sold in 2013 is afferent to the sale of the company storehouse from Voluntari (over 22,000 sqm).

➤ **Quitting of implementing the Business Support Center Greenfield 2 project**

The company SC Millenium Consult Invest 2002 SA, held in a percentage of 45% by IMPACT is the holder of a project that supposes the accomplishment and operation of a structure for business support that would offer services for the SMEs in Bucharest-Ilfov region, a project that is cofinanced from the European Regional Development Fund, through the Regional Operational Programme. The project was under the contracting stage since April 2011, and the financing contract for the project accomplishment was signed on the date of 27.03.2013.

Following the modifications that took place in the spring of the year 2013 at the level of the shareholder representatives of SC Millenium Consult Invest 2002 SA, the vision upon the Business Support Centre – Greenfield 2 project has changed.

Thus, on the date of the 26th of June 2013, the shareholders of SC Millenium Consult Invest 2002 SA decided to renounce to implement the Business Support Centre – Greenfield project and to terminate the non-reimbursable financing contract through the Regional Operational Programme.

In this respect there were made the necessary approaches regarding the termination of the financing contract. On the date of the 25th of July 2013 there was obtained the termination decision with regard to the cease of this non-reimbursable financing contract also from the part of the afferent authorities. At the beginning of the month of August 2013 there was communicated to the company Millenium and subsequently to IMPACT, the decision to terminate the non-reimbursable financing contract.

2.4. Strategic Lines for the Sale of Projects in the Portfolio in 2013

Following the changes that were recorded on the real estate market during the last four years, in 2013 IMPACT continued to operate modifications in its operational activity, for the purpose of a better adaption to the current market conditions.

During the last two years, the main priority of the company was the more efficient exploitation of the dwellings from its portfolio.

IMPACT focused, mainly, on the sale of dwellings, to the detriment of their lease, for the purpose of increasing the company liquidities. Thus is explained the low number of leases in the year 2013.

At the same time, IMPACT chose to address, by the different purchase possibilities, different types of customers: from buyers with liquid cash that can pay entirely, thus obtaining a discount, to those with less financial resources for which there is the product to be purchased with the payment in installments for maximum 5 years.

The economic situation from the latest years determined a decrease of the level of confidence in the consumer, concomitantly with an increase of his/her expectations with regard to the quality of the environment he/she lives in.

In this context, IMPACT found solutions by which to respond better to the new social values and to the more sophisticated inhabiting requirements, by including within the developed projects, different facilities and benefits, as elements that make the difference, such as: English teaching school, fitness and beauty centre, pharmacy, food shops, coffee shop and diversified playgrounds.



The dwellings offered by IMPACT are in 3 finishing stages: in "semi-red" phase, in "grey" or in the stage of finished dwelling, the customers having the possibility to choose the versions that best correspond to their needs.

In the summer of 2012, the management team decided the significant decrease of the sale prices for the existing dwellings from the assemblies developed in Oradea, in the period 2004-2009. This decrease applies only to sale contracts with the entire payment down. The reasons lying at the basis of this decision were: stimulation of dwelling sales in Oradea, that, implicitly, has as a result the decrease of the expenses for maintenance and repairs, of the taxes on dwellings, as well as the generation of some important cash sources. The decision was also maintained during the year 2013 that thus there were sold 55 buildings in Europa quarter from Oradea

The restrictions of the new currency policy and the new regulations published by the NBR made more and more difficult the access to the financing sources. Due to this fact, beginning from 2008 IMPACT offered different financing solutions, adapted to the needs of customers and flexible in their application. These were also maintained in 2013 by financial solutions, that were specially adapted for the strategy of selling the products developed by IMPACT and in accordance with the market conditions.

During the year 2013, the conditions for purchasing in installments were revised, the new customers in Greenfield being able to opt for the purchase in installments within maximum 5 years with an advance of minimum 40%.

2.5. Strategic Lines for Sale of Land Plots from the Portfolio

In the year 2013, the company sought after solutions to stimulate the sales of land plots for the building of houses. In this respect there were put to sale land plots with utilities / under their provision with utilities for the building of houses in Bucharest, Voluntari, Ploiesti, Constanta and Oradea.

A land plot of approximately 2 ha held by the company in Constanta was dismembered in 48 plots for houses that were already put for sale in 2012. These land plots are in the close vicinity of the Boreal villa assembly, developed by IMPACT.



In Bucharest, in the close vicinity of the Greenfield residential quarter, there were put for sale land plots exclusively for the building of villas, summing up a total surface of 8,600 sqm. IMPACT proposed to supplement the land plots intended for sale for the building of villas with a surface of over 33,000 sqm, plots that will be provided with utilities in the year 2014.

3 FURTNER INFORMATION ABOUT THE COMPANY:

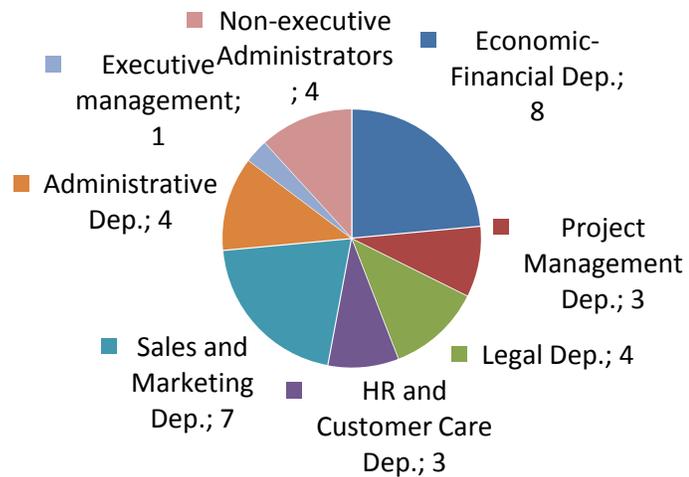
3.1 Structure of Employees

The company had, at the end of the year 2013, a number of 34 employees, out of which 6 were on child care and medical leaves, the personnel structure being indicated in the diagram herein.

In the company, no trade union is established.

The relationships between the management and the employees are regulated by the Individual Employment Agreements and by the Job Descriptions.

Structure of Employees as at 31.12.2013



3.2 Risk Management Elements

In order to prevent the liquidity risks, the company prepares cash-flow reports for periods of 5 years, 1 year and on a monthly basis; analyzes the projections made and compares them to the real situation in order to be able to prevent the situations when liquidity problems could occur.

Market Risks:

The global financial crisis combined with the European recession exposed Romania to certain risks on the financial market.

For the purpose of maintaining and even increasing the sales, IMPACT pursued a strategy for financing the potential customers that encounter difficulties in accessing a bank credit. In order to fulfill this objective, in the year 2009 IMPACT accessed a loan of 12.8 mil RON (approximately 3 mil. Euros), that is used for financing the customers that purchase the dwellings with the payment in installments. This credit was entirely used and reimbursed until July 2013.

The internal control of the company is made:

- By means of the Contracting Department: the contracts are signed by the Legal Department, Chief Financial Officer and General Director;
- By means of the Sales Department: the contracts are analyzed by the Price and Analysis Department and signed by the General Director;
- By means of the preventive financial control by which the observance of contract compliance is checked;
- By following-up the payments that are checked by the Preventive Financial Control and are approved by the Chief Financial Officer and/or the General Director.

4 ACTION PLAN FOR 2014

In line with the strategic vision imposed by the new management team of IMPACT, of permanent adaption to the real estate market evolutions and of maintaining the company efficiency, the company proposed, for the current year, objectives by which it would respond efficiently to the needs of the market, of the customers, but also of the partners.

The optimism about the market, but also with regard to the relationship that IMPACT has with its customers has at its basis both the diversification of the real estate products and of the financial ones that are offered, the company succeeding thus in responding both to the difficult access to the financing sources, and to the higher and higher expectations of the customers related to the living quality.

The offer proposed by the company for the year 2014 is a complex one, by offering a wide range of products, from lands with utilities (or without utilities), finished and unfinished houses and apartments, to buildings with reconfigurable surfaces.

For the purpose of improving the financial performances, IMPACT aims, in the year 2014, at beginning a new production cycle that would allow it to put itself again in the top of the sales on the residential market.

4.1.Greenfield Residence – Phase II

In the first part of the year 2014, IMPACT will make the necessary approaches for the development of the second phase of the Greenfield project, that will benefit of all the location communicated under the Greenfield brand (900 ha of forest, in the vicinity of Baneasa Forest, 5 minutes far from the Baneasa - Metro Cash&Carry, Selgross, IKEA, Mobexpert, Carrefour Feeria, Bricostore commercial area, immediate access to DN1 Bucharest – Ploiesti, 10 minutes far from the two airports: Baneasa and Henri Coanda).

The second development phase of the Greenfield quarter envisages the expansion of the dwelling area within an improved concept, adapted to the current market conditions, as well as to attract investors/operators for the improvement of the facilities/services that serve the dwelling area.

The new developments will start in May 2014 with a residential complex of 10,400 sqm, followed by a complex of 14,000 sqm that will start in July 2014, and by a complex of 6,400 sqm whose works will begin in September 2014.

The strategic lines of this development were submitted to the OGMS as of the 16th of September 2013.

Also in 2014, in the Greenfield Quarter will begin the building of a great sized sports complex, that will include football, tennis grounds and waterpool. The complex will also include a spa centre, a restaurant and an event space.

4.2. Land Plots for Houses

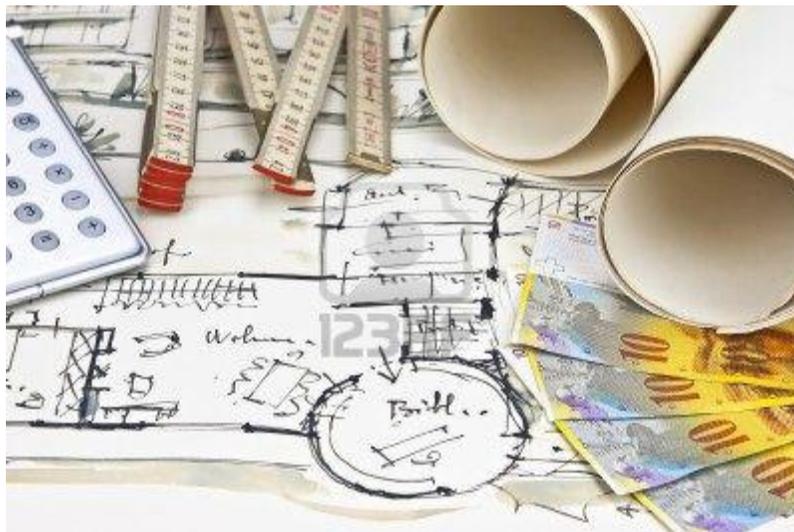
Taking into account the increase of the number of customers natural persons interested in small, individual land plots for the building of houses, especially in peripheral residential areas of the big cities, IMPACT will continue to offer for sale land plots for the building of houses in Bucharest, Voluntari, Constanta and Ploiesti, with surfaces comprised between 200-1000 sqm.

For a greater flexibility towards the needs of its customers, IMPACT gives them the possibility to purchase land plots from the company portfolio in order to develop themselves the dream house. At the same time, the company makes available its services under consultancy regime, the customers being able to request, at any moment, the help of the specialized team recommended by the company, from architects, engineers, up to project managers. The customers appreciate the freedom and flexibility to build their dream house in the chosen location, and IMPACT makes available for them, in this respect, its experience of over 20 years in the real estate field.

4.3. Development of New Residential Projects in New Locations from Bucharest

IMPACT provides the building of a total of 80,000 sqm between 2015-2018, and in this respect there are selected lands with surfaces of over 20,000 sqm that follow to be purchased at the end of the year 2014, beginning of the year 2015.

There are taken into account the needs and benefits for the potential customers, so as the lands are selected according to their location in areas with a developed public transport infrastructure, with commercial spaces, business buildings, schools, kindergartens and green spaces.



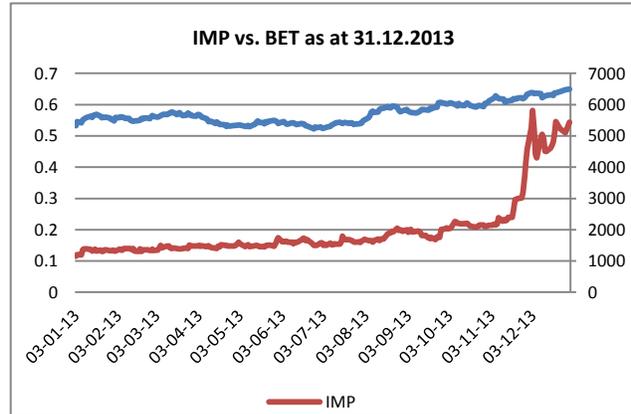
5 FINANCING SOURCES FOR THE ACTIVITY IN THE YEAR 2014

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

- financial resources obtained from the sale of the dwellings and land plots existing in the portfolio, according to the sales programme for the year 2014
- attraction of financing from the stock market by the increase of the share capital by 80 million lei submitted to the approval of the GMS on the date of 12.04.2014
- attraction of financing from the stock market by the issue of bonds with a value of 100 million lei, approved by the GMS on the date of 07.12.2013
- attraction of bank loans for the development of the second phase of the Greenfield project and for the development of the residential projects from other areas of Bucharest
- partnerships with financers that will be attracted in the facilities that follow to be developed in the Greenfield project area from Bucharest.

6. CAPITAL MARKET

The company IMPACT Developer & Contractor SA has been listed at the Bucharest Stock Exchange since the year 1996, and beginning with the year 2006 its shares, in a number of 197,866,574, are quoted in the first category of BVB. The stock exchange capitalization of the company at the end of the year 2013 was of 24 mil EUR.



There are no restrictions for the security transfer, there are no restrictions for the voting rights, there are no holders of securities with special control rights.

Among the shareholders that held over 5% of the company shares on the date of 31.12.2013 there are: Gheorghe Iaciu with 44.24%, Andrici Adrian with 16.15% and Salinik Limited loc. Nicosia CYP with 10.10% of the share capital.

At the end of the year 2013, 17.41% of the shares were held by legal entities and 82.59% of the shares were held by natural persons.



The BET index recorded an increase by over 20% during the year 2013, and the IMP shares recorded an increase of over 4 times in comparison to the beginning of the year (0.5440 RON/share as at 31.12.2013), after a decrease of 37.7% recorded in the preceding year.

The lowest closing rate of the IMP shares in 2013 was of 0.115 ron/share recorded on the date of 03.01.2013, and the highest closing rate was of 0.581 ron/share on the date of 03.12.2013.

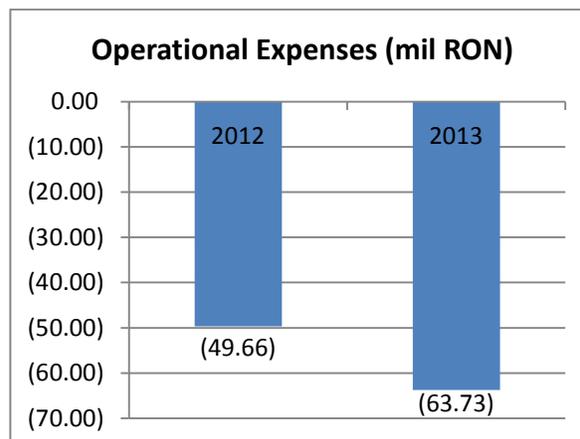
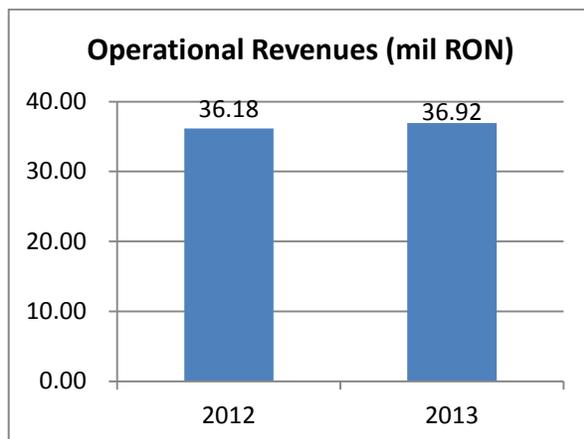
The interest for the IMPACT shares got higher after Mr. Gheorghe Iaciu entered the company shareholding in March.

Mr. Gheorghe Iaciu continued the purchase of IMP shares, reached the threshold of 33% and made the takeover public offer during the period September - October 2013, so as at the end of December 2013 his holding reached the value of 44.24%, and in March 2014 his holding increased to 47.03% of the share capital.

7. ECONOMIC-FINANCIAL INDICATORS

	Indicators according to IFRS (RON)	2012	2013
Result Indicators	Operational revenues, out of which:	36,182,961	36,915,587
	Revenues from the sale of residential property stocks	16,958,502	21,985,516
	Revenues from leases and from reinvoiced utilities	6,202,129	5,062,229
	Revenues from the sale of real estate investments	4,688,707	8,698,124
	Activity supplied by the entity and capitalized	6,459,515	0
	Other revenues of operational nature	1,874,108	1,169,718
	Operational expenses, out of which:	(49,656,965)	(63,728,594)
	Accounting value of the sold residential property stocks	(24,820,600)	(20,434,728)
	Operational costs afferent to sold / leased properties	(3,428,395)	(3,262,874)
	Accounting value of sold real estate investments	(4,277,863)	(9,576,654)
	Expenses with consumables	(1,510,556)	(1,692,434)
	Services supplied by thirds	(7,001,256)	(8,932,056)
	Expenses with the benefits of employees	(1,687,124)	(2,663,987)
	Other expenses of operational nature	(6,931,171)	(17,165,861)
	Operational result (EBITDA)	(13,474,004)	(26,813,007)
	Expenses with depreciation and amortization	(945,024)	(655,338)
	Value losses of assets, other than real estate investments	(22,975,767)	(23,149,027)
	Earnings / (losses) of real value of real estate investments	(37,220,889)	9,731,037
	Operational result (EBIT)	(74,615,684)	(40,886,335)
	Net financial cost	(5,998,202)	(3,765,543)
Gross profit / (loss) (EBT)	(80,613,886)	(44,651,878)	
Tax on profit	5,721,420	2,194,258	
Net profit / (loss) of the period	(74,892,466)	(42,457,620)	
Patrimony Indicators	Tangible assets	20,784,144	7,148,126
	Real estate investments	230,508,536	230,662,919
	Intangible assets	49,163	17,840
	Financial assets	18,634,631	14,377,226
	Non-current receivables	25,550,859	19,823,286
	Total non-current assets	295,527,333	272,029,397
	Stocks	114,167,133	86,415,696
	Total current assets	131,071,747	99,631,101
	Total assets	426,599,080	371,660,498
	Share capital	205,330,158	205,330,158
	Ownership equities	326,121,387	281,430,511
	Total debts	100,477,693	90,229,987
	Total liabilities	426,599,080	371,660,498

Operational Activity

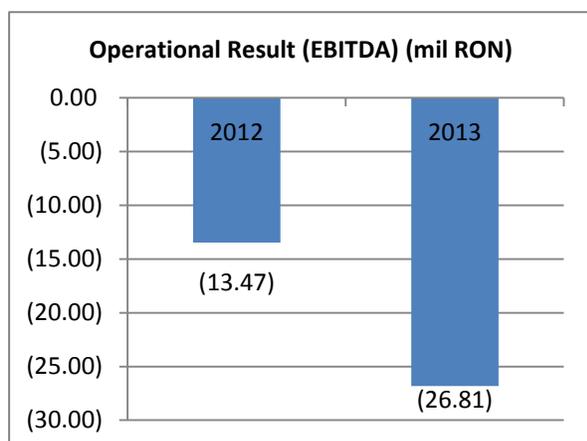


The revenues from the sale of immovable goods represent the main weight in the operational revenues of IMPACT.

In 2013 the total operational revenues had a level like in 2012, but at the level of their structure significant differences existed. The real estate sale activity was more intense in 2013 compared to 2012 when the sales of residential property stocks increased by 30%, and the sales of real estate investments increased by 86% compared to the preceding year. In exchange the real estate lease activity had a decrease of 40% of the revenues in 2013 compared to 2012, being in accordance with the company strategy of focusing on the sale activity including of the leased real estates.

Unlike the preceding year, in 2013 IMPACT did not record revenues from the supplied and capitalized activity.

	31-Dec-12	31-Dec-13	Variation
Revenues from the sale of residential property stocks	16,958,502	21,985,516	30%
Accounting value of the sold residential property stocks	(24,820,600)	(20,434,728)	-18%
<i>Profit/loss from the sale of residential properties</i>	<i>(7,862,098)</i>	<i>1,550,788</i>	n/a
Revenues from leases	2,698,687	1,613,923	-40%
Reinvoiced operational costs	3,503,442	3,448,306	-2%
Operational costs afferent to leased properties	(3,428,395)	(3,262,874)	-5%
<i>Net income from leases</i>	<i>2,773,734</i>	<i>1,799,355</i>	-35%
Revenues from the sale of real estate investments	4,688,707	8,698,124	86%
Accounting value of real estate investments	(4,277,863)	(9,576,654)	124%
<i>Profit/loss from the sale of real estate investments</i>	<i>410,844</i>	<i>(878,530)</i>	n/a

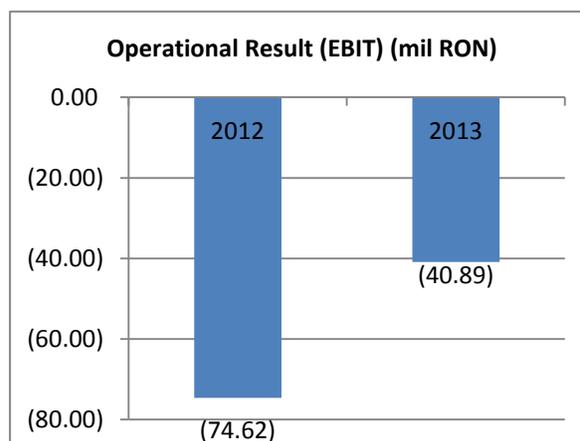
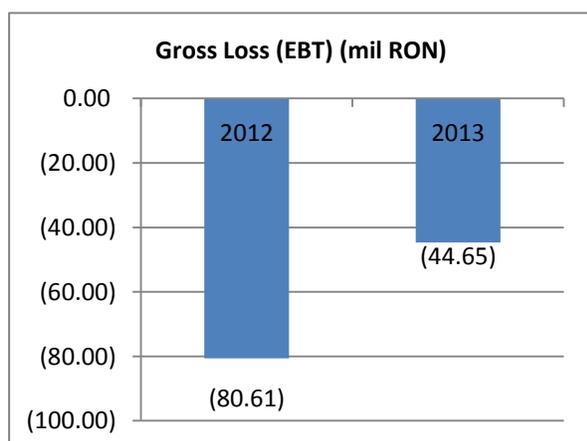


The total operational expenses were in 2013 higher by 14 mil RON compared to the preceding year and led to the increase of the operational loss by approximately the same value. To the operational loss contributed the sales from Europa compound from Oradea that were sold with a negative margin.

Significant increases of the expenses recorded in 2013 that favoured the deepening of the operational loss were at chapter *Other expenses of operational nature* - these increasing by 10 mil RON compared to 2012 on the account of the closure of some company litigations and at Chapter *Services supplied by thirds* – these increasing by 1.9 mil RON on the account of the works made in Greenfield quarter.

The operational result before interests and tax on profit is significantly affected by the value of the assets in the stock, but also by the appreciation of real estate investments according to IAS 40. If in 2012 a loss of 32.22 mil RON resulted from IAS 40, in 2013 the assets recorded as tangible assets appreciated by 9.73 mil RON.

The real estate investments comprise residential lands and properties held for the purpose of increasing the capital value. Also, the residential properties included in real estate investments also comprise real estates leased to thirds.



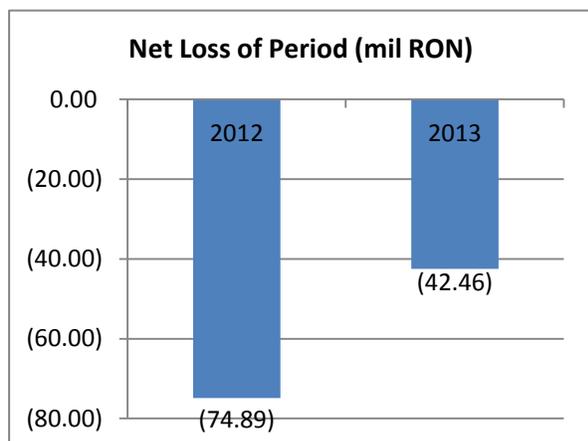
The operational loss and the gross loss decreased by 45% compared to the result from 2012 mainly on the account of the appreciation of real estate investments (IAS 40), respectively of a smaller financial loss.

Financial Result

The net loss afferent to the financial result decreased by 37% in 2013 compared to 2012, on the account of the decrease of exchange rate differences

but also of the expenses with the interests caused by the credit reimbursements.

	31-Dec-12	31-Dec-13	Variation
Financing costs	(4,043,774)	(3,618,319)	-11%
Financial revenues	674,844	631,229	-6%
Exchange rate differences	(2,662,598)	(817,577)	-69%
Other financial elements, net	33,326	39,124	17%
Financial result	(5,998,202)	(3,765,543)	-37%



Net Result

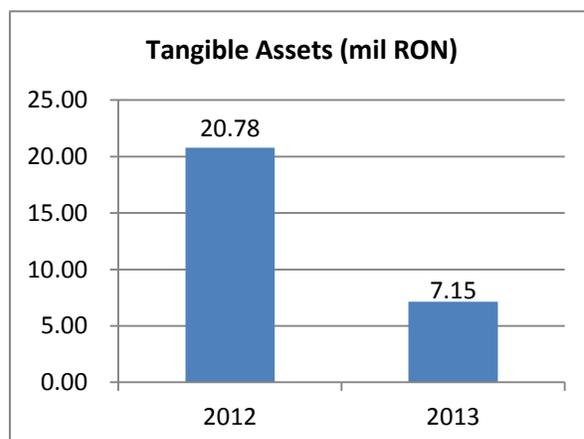
In the year 2013 the company recorded a net loss, according to IFRS, of 42.46 mil RON.

The tax on profit had a positive value on the account of the adjustments afferent to the tax on deferred income.

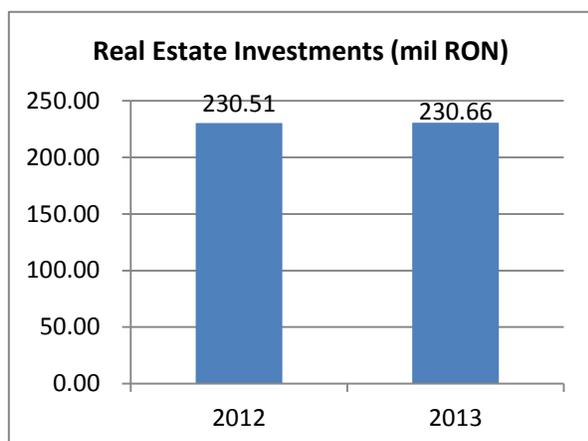
As at the 31st of December 2013, the buildings and lands of the Company were revaluated by the following external, independent evaluators, certified by the National Association of Romanian Certified Evaluators (“ANEVAR”), having a recent experience with regard to the location and the category of the evaluated property: Parker Lewis Management SRL, BNP Paribas Real Estate Advisory SA, Piraeus Real Estate Consultants SRL (31st of December 2012: the same evaluators).

Tangible Assets

According to IFRS, the tangible assets decreased by 66% in the year 2013 compared to the year 2012, from 21.78 mil RON to 7.15 mil RON. This decrease is explained by the sale of the company storehouse (building and land), by the assignment of the utility networks afferent to the finished assemblies as well as by the record of a provision of over 8 mil RON for the utility networks, as well.



Real Estate Investments

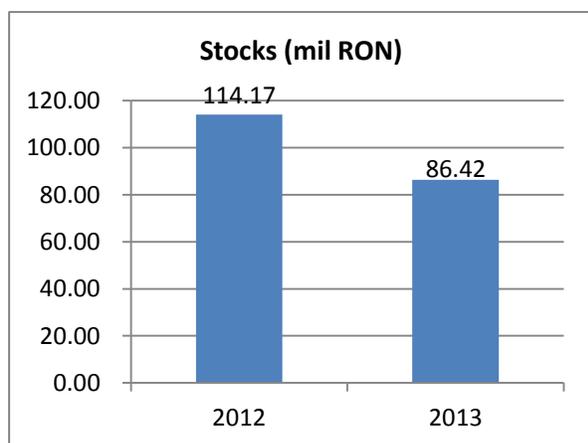


In 2013 the real estate investments had a similar value to that of the year 2012.

The real estate investments comprise residential lands and properties held for the purpose of increasing the value.

The lands held for value appreciation, in an amount of 214,973,314 lei as at the 31st of December 2013 (2012: 204,520,058 lei), have a total surface of 734,487 sqm (unchanged during the current year) and represent 93% of the real estate investments in balance (2012: 89%). These lands are located in Bucharest (658,925 sqm) and in the country

(Constanta, Oradea).



Stocks

According to IFRS, the stocks recorded a decrease of 24%, from 114,17 mil RON in 2012 to 86.42 mil RON in 2013. The decrease is due on one side to the sales of dwellings, and on the other side to the depreciation of the assets held in stock.

In the year 2013, the stocks recognized in sales cost were in an amount of 20,434,728 lei (2012: 24,820,600 lei). In the year 2013 the losses from the decrease of stock value up to the net accomplishable value were in an amount of 19,669,903 lei (2012: 14,797,529 lei). The recoveries of losses from value

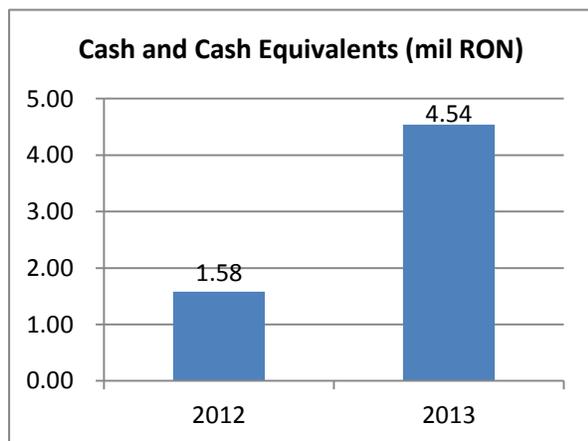
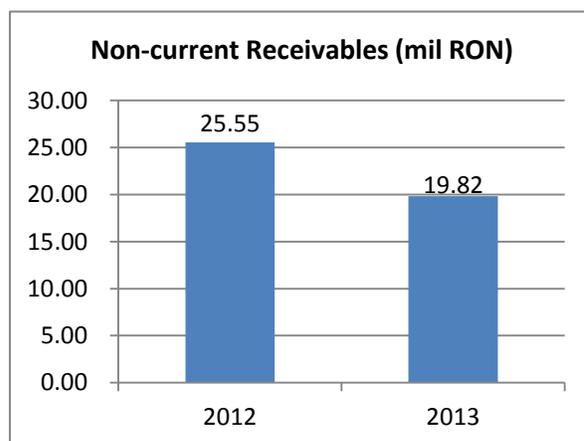
decreases were in an amount of 6,475,862 lei (2012: 123,828 lei). In the stock category there are:

- The finished real estate properties with a recoverable value of 30,456,894 lei as at the 31st of December 2013 (2012: 38,690,227 lei) - apartments held by the Company in order to be sold.
- The lands with a recoverable value of 26,807,725 lei as at the 31st of December 2013 (2012: 26,223,293 lei) - a land on which the Company intends to develop new real estate projects.
- Utility networks and real estate properties under execution with a recoverable value of 29,061,679 lei as at the 31st of December 2013 refer to the equivalent of the capitalized works and services, supplied by the Company or to the Company by suppliers, with regard to the connection of the properties to the utilities.

Non-current Receivables

In the non-current receivable category there are the receivables with a maturity longer than one year afferent to the receivables resulted from the portfolio of sales in installments.

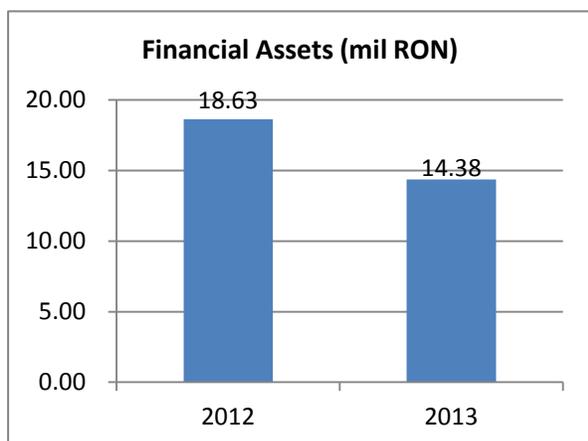
The level of non-current assets decreased by 22% in 2013 from 25.55 mil RON as it was as at the 31st of December 2012 to 19.82 mil RON at the end of 2013, on the account of the collections from customers according to the payment schedules, but also on the account of the decrease of the number of contracts with payment in installments signed in 2013.



Cash and Bank Accounts

The cash availabilities recorded an increase of almost three times, from 1.58 mil RON in 2012 to 4.54 mil RON as at the 31st of Dec. 2013. During the year 2013 the installments to credits were paid according to the schedules agreed upon with the banking institutions.

The cash increase was due on one side to a more rigorous financial management and on the other side to a loan received from the significant shareholder of IMPACT used for litigation extinction.

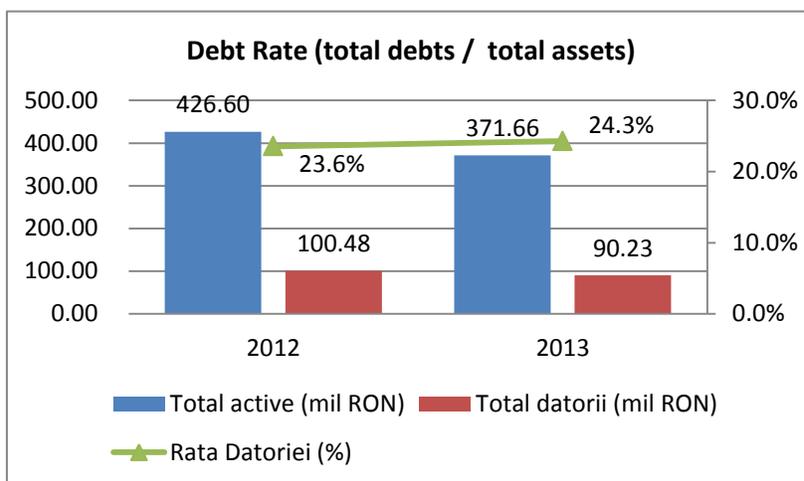


Financial Assets

The financial assets decreased in 2013 by 23% with 4.3 mil RON following the adjustments for the loss of value of the holdings in the following companies: Clearline Development & Management by 1.4 mil RON, Millenium Consult Invest by 2.3 mil lei, Actual Invest House by 0.5 mil lei and Destiny Wheel by 0.8 mil lei, a company purchased during the year 2013.

Total Debts

According to IFRS, the total debts decreased by 10%, from 100.48 mil RON in 2012 to 90.23 mil RON in 2013, on the reporting date the sums granted by the credit institutions having a weight of 61.5% (55.52 mil lei) in total debts, and the weight of the credit given by the shareholder in the total debts was of 4.6% (4.12 mil lei). The sums owed to the credit institutions decreased in 2013 compared to 2012 by 16% following the payment of the credits in an amount of over 11 mil RON.



The Debt Rate had a slight increase to 24.3% in 2013 compared to 23.6% as it was at the end of the year 2012, on the account of contracting the loan from the shareholder.

The total assets of the company decreased by 13% from 426.6 mil RON in 2012 to 371.66 mil RON in 2013, mainly due to the decrease of stocks by 24%, of the tangible assets by 66%, of the receivables by 22% and of the financial assets by 23%.

Share Capital

The subscribed and paid-up share capital of the company as at the 31st of December 2013 is of 197,866,574 RON. The nominal value of a share is of 1 RON.

Note : The presented figures are according to the audited financial statements for the year 2013

Comparison Budgeted versus Accomplished

The sales budget was accomplished from the value point of view, but there was recorded a deviation from the commercial margin by the fact that the sales in Oradea predominated, where the price was under the production cost. Significant variations compared to the budget were recorded for:

- Sale of lands, where the revenues increased by over 40%;
- Increase by 50% of the expenses with project management on the account of the works made in Greenfield quarter: asphaltting, remake of building facades, remake of waterproofing, arrangement of vegetation environment etc.
- Increase of provision level at the end of the financial period on the account of the asset revaluation to the market value, establishment of some provisions regarding the assignment of utility networks, for abandoning some projects, as well as provisions afferent to customers with prescribed balances or under insolvency.

Total 2013 (Mii RON)	Budgeted	Accomplished	%
Total Revenues, out of which	36,731	40,923	11%
Revenues from sales of dwellings	23,804	24,534	3%
Revenues from sales of lands	7,356	10,270	40%
Revenues from rents and other net revenues	5,570	6,119	10%
Total Operational Expenses, out of which	(43,482)	(51,276)	18%
Cost of sold goods - dwellings	(20,661)	(24,606)	19%
Cost of sold goods - lands	(5,142)	(7,657)	49%
Cost afferent to rents and invoiced utilities	(4,305)	(4,259)	-1%
Expenses with the management of project portfolio	(3,535)	(5,349)	51%
Administrative expenses	(9,840)	(9,405)	-4%
Operational result (EBITDA)	(6,751)	(10,353)	53%
Expenses with depreciation and amortization	(960)	(751)	-22%
Operational result (EBIT)	(7,711)	(11,104)	44%
Exceptional Result	(11,000)	(11,006)	0%
Revenues from financing cost - Installments	800	701	-12%
Net exchange rate differences	(427)	(857)	101%
Financial costs	(3,665)	(3,825)	4%
Gross Result (EBT)	(22,004)	(26,092)	19%
Tax on profit	0	2,194	
Provisions	(2,000)	(18,560)	828%
Net Result	(24,004)	(42,458)	77%

Note : The figures in the present section are according to the internal reporting standard.

Chairperson of the BoD,

Iuliana Mihaela Urda

Translation from Romanian Language