

**NOTES TO THE FINANCIAL STATEMENTS**

**IMPACT DEVELOPER & CONTRACTOR**

December 31<sup>st</sup>, 2010

Statement of Equity Ownership Modifications .....	- 3 -
Situatia fluxurilor de numerar prin metoda indirecta .....	- 4 -
Note 1 - Fixed Assets.....	- 5 -
Intangible Assets.....	- 5 -
Tangible Assets .....	- 6 -
Financial Assets.....	- 7 -
Note 2 - Provisions.....	- 10 -
Note 3 - Analysis of the Operational Profit.....	- 11 -
Note 4 - Statement of Receivables and Debts.....	- 12 -
Receivables .....	- 12 -
Debts.....	- 13 -
Note 6 - Accounting Principles, Policies and Methods .....	- 22 -
Note 7 - Share Capital.....	- 28 -
Note 8 - Information Regarding Employees, Administrators and Directors .....	- 29 -
Note 9 - Economic and Financial Indicators .....	- 30 -
Note 10 - Other Information.....	- 32 -
Stocks.....	- 32 -
Expenses in Advance.....	- 33 -
Revenues in Avance .....	- 33 -
Direct Expenses – Raw Materials.....	- 33 -
Other Operational Expenses.....	- 33 -
Gross profit .....	- 35 -
Profit Tax.....	- 35 -
Insolvency lawsuit.....	- 36 -
Note 11 - Contingent Debts.....	- 38 -
grounds.....	- 42 -
Note 12 Affiliated Parties.....	- 50 -
Note 12 - Subsequent Events .....	- 54 -
Bank Credits .....	- 54 -

## Statement of Equity Ownership Modifications

	Balance as of 01.01.2010	increases		decreases		Balance as of 31.12.2010 Total, out of which
		Total, out of which	By transfer	Total, out of which	Prin transfer	
Subscribed capital	200,000,000				200,000,000	
Premium related to capital	74.217.746					74.217.746
Merger premium	10.551.105					10.551.105
Revaluation reserves	6.523.446	1.797.384		252.960	29.524	8.067.870
Legal reserves	6.573.653			0	0	6.573.653
Reserves repres. revaluation reserve surplus	2.632.379	29.524	29.524			2.661.903
Other reserves	35.795.823	78.777	78.777			35.874.600
Own shares	2.427.929					2.427.929
Losses related to own share instruments	432.470					432.470
Carried forward result	78.777			1.688.008	78.777	-1.609.231
Result of the accounting period	141.540			17.688.205	141.540	-17.546.665
Distribution of profit	141.540			141.540	141.540	0
Total own shares	333.512.530	1.905.685		19.487.633		315.930.582

## Situatia fluxurilor de numerar prin metoda indirecta

<b>CASH FLOWS FROM OPERATIONAL ACTIVITIES</b>	December-09	December-10
Net Profit/(Loss) before tax	497.372	(17.535.665)
Adjustments for:		
Amortization	1.973.928	2.216.206
Revenues from sales of assets	(1.463.766)	(4.208.045)
Expenses regarding assigned assets	1.307.573	3.394.171
Revenues from exchange rate differences	(532.390)	(11.513)
Expenses from exchange rate differences	7.924.611	1.540.243
Revenues from interests	(6.606.211)	(2.542.236)
Expenses with interests	7.706.027	6.499.818
Other non-cash elements	-	(122.790)
Provisions increase/decrease	(1.112.122)	3.076.051
Adjustments of non-cash elements	9.197.651	9.841.905
Decrease/Increase of trade receivables and of other nature	18.921.295	16.027.445
Decrease/Increase of stocks	(4.694.849)	13.929.137
Increase/Decrease of debts to suppliers and of other nature	(15.513.416)	(1.529.943)
Modification of operating assets and liabilities	(1.286.970)	28.426.639
Paid-up interest	(7.576.119)	(5.772.560)
Paid-up profit tax	-	(11.000)
Paid-up dividends/Profit distributed to employees	-	-
Numerarul net provenit din activitatea de exploatare	831.933	14.949.319
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>	December- 09	December -10
Acquisitions of branches	(270)	1.963.020
Loans granted to affiliated entities	(489.820)	548.147
Acquisitions of assets	(156.645)	(66.122)
l Collections from asset sales	1.463.700	2.198.045
Collected dividends	111.715	-
Collected dividends	6.606.211	2.572.405
Net cash resulted from exploitation activity	7.534.891	7.215.495
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>	December -09	December -10
Variation of medium-term loans	(60.507.485)	(22.676.915)
Acquisitions of own shares	-	-
Payment of liabilities related to financial leasing	(904.000)	(264.258)
Net cash resulted from financing activity	(61.411.485)	(22.941.173)
Net cash increase	(53.044.661)	(776.359)
Cash at the beginning of the period	67.446.310	14.401.649
Cash at the end of the period	14.401.649	13.625.290

## NOTES TO THE FINANCIAL STATEMENTS as at December 31st, 2010

The notes to the individual financial statement of SC IMPACT DEVELOPER & CONTRACTOR SA, according to OMFP 3055/2009. Separately, there will be provided the consolidated financial statement of the Impact group as it is described in Note 1, chapter "Participation Shares Owned to Affiliated Entities", according to the International Financial Reporting Standards (IFRS). The group's auditor, Scot & Company Consulting SRL, is nominated to audit these consolidated financial statements.

### Note 1 - Fixed Assets

The variation of gross value, of amortization and of net accounting value, as at 30<sup>th</sup> of June 2010, by each category of fixed assets, is presented as follows:

#### *Intangible Assets*

Description	Intangible assets
<b>01/01/2010</b>	<b>1.280.522</b>
Gross value	
Inflows	22.496
Outflows/Transfer	-
<b>31/12/2010</b>	<b>1.303.018</b>
<b>01/01/2010</b>	<b>1.027.906</b>
Inflows	182.223
Outflows/Transfer	-
<b>31/12/2010</b>	<b>1.210.129</b>
Net value	
<b>01/01/2010</b>	<b>252.616</b>
<b>31/12/2010</b>	<b>92.889</b>

### Tangible Assets

Description	Lands	Constructions	Technical inst., means of transp.	Furniture, ap. and birotics	Advances and assets in progress	Total
<b>COST</b>						
As at 01.01.2010	12.020.277	23.496.586	8.227.652	800.626	199.807	44.744.948
Inflows	202.785	11.002.001	34.627	9.000	-	11.248.413
Outflows/Transfer	47.324	1.429.053	1.727.734	-	-	3.204.111
As at 31.12.2010	12.175.738	33.069.534	6.534.545	809.626	199.807	52.789.250
<b>AMORTIZARE</b>						
As at 01.01.2010	-	1.158.773	6.040.750	476.003	-	7.675.526
Inflows	-	300.353	691.513	106.480	-	1.098.346
Outflows/Transfer	-	36.718	1.496.989	-	-	1.533.707
As at 31.12.2010	-	1.422.408	5.235.274	582.483	-	7.240.165
<b>NET VALUE</b>						
<b>As at 01.01.2010</b>	<b>12.020.277</b>	<b>22.337.813</b>	<b>2.186.902</b>	<b>324.623</b>	<b>199.807</b>	<b>37.069.422</b>
<b>As at 31.12.2010</b>	<b>12.175.738</b>	<b>31.647.126</b>	<b>1.299.271</b>	<b>227.143</b>	<b>199.807</b>	<b>45.549.085</b>

Fixed assets are registered in accounting at cost or revaluated value and are amortized from the moment of their putting to work on their normal duration of operation, according to the «Catalog regarding classification and normal durations of operation of fixed assets». There was taken into consideration the minimal provided duration of operation. The accounting amortization method is the linear method.

Assets in progress of accomplishment are amortized beginning with the moment of their putting into work, a moment that coincides with that of their transfer in the category of fixed assets. Lands are not amortized.

For the reflection in the accounting balance, historical cost less accrued amortization was revaluated in accordance with the Government Decisions no: 500/1994, 983/1998, 403/2000, 1553/2003, on the basis of some statistical price indexes established by the previously mentioned documents, as at 31.12.2006 and as at 31.12.2009 and as at 31.12.2010. Between 2006-2007 was revaluetad the « Constructions » tangible assets group .

Further to revaluation as at 31.12.2010 resulted positive differences from revaluation of 1,6 million RON as well as expenses in value of 200 thousands RON.

Beginning with the year 2009 the management of Impact made the decision to conclude with different clients lease contracts of dwelling units. Thus, for the year 2009 there was concluded a number of 54 lease contracts. According to OMFP 1752, these apartments were registered in the tangible assets accounts, the balance of the constructions account increasing by about 16 million RON. The land afferent to these apartments was also registered in the tangible assets accounts, the balance of account 211 increasing by 0.5 million RON. In the year 2010 there were signed 25 contracts with a value of 11.3 million RON (the construction and the afferent land).

#### Financial Assets

FINACIAL ASSETS	31.12.2009	31.12.2010
Shares hold in affiliated entities	47.621.145	48.374.955
Adjustments for the loss of value of the shares of affiliates	64.750	0
Loans granted to affiliated entities	3.403.690	1.242.328
Adjustments for the loss of value of loans	677.207	1.128.838
<b>Net value</b>	<b>50.282.878</b>	<b>48.488.444</b>

#### Participation Shares Owned to Affiliated Entities

Denomination of company	Registered office	Share capital value 31.12.2010	Net result of exercise 31.12.2010	Investment value of IMPACT 31.12.2009	Investment value of IMPACT 31.12.2010	Participation percentage to Impact 31.12.2010
Actual Invest House SRL	Voluntari Str. Drumul Bisericii nr.50 bl corp A	11.005.000		4.950	504.950	4,59%
Bipact 1995 SRL	Voluntari Str. Sos. Pipera Tunari nr. 4C et.6	1.550		975	975	63,00%
BIZ-AR SRL	Bucuresti Sector1 Str. Padurea Pusnicu nr. 145	200		190	190	95,00%
Hobbit Intermediere Asigurari SRL	Voluntari Str. Sos Pipera Tunari nr.4C	25.000		94.602	94.602	95,00%
Imobilia Credit SA	Voluntari Str. Sos. Pipera Tunari nr. 4C	0	0	64.750	0	0,00%
Intop Construction SRL	Bucuresti Sector 1 Str. Intrarea Poiana nr.13 ap.4	2.010.200		2.010.000	0	0,00%
LOMB SA	Cluj -Napoca Str. Nasaud nr. 22 ap. 71	45.445.028		45.445.028	45.445.028	100,00%
Millenium Consult Invest SA	Bucuresti Sector 1 Str. Padurea Pusnicu nr. 145	5.175.930	19.185	270	2.329.020	45,00%

Prest RV 2003 SRL	Bucuresti Sector 1 Str. Padurea Pusnicu nr. 145	200		190	190	95,00%
Topo Prest SRL	Bucuresti Sector1 Str. Padurea Pusnicu nr. 145	0		190	0	0,00%
				47.621.145	48.374.955	

The company Topo Prest was liquidated on the date of 13<sup>th</sup> of January 2010 on the basis of the conclusion of the delegated judge no. 6225 as of 13.01.2010. Following liquidation, the profit of Impact was negatively influenced by the amount of 247 RON.

The company Actual Invest House increased its share capital by 11.000.000 RON. The company Impact participated with 500.000 RON by converting a loan into shares. The other partner, Lomb SA, participated in cash in value of 10.500.000 RON..

The company Imobilia Credit SA was liquidated on the date of 4th of August 2010 on the basis of the conclusion of the delegated judge no. 7161 as of 23.06.2010. Following liquidation, the profit of Impact was negatively influenced by the amount of 1.090.986 RON. As there were already constituted provisions of 745.485 lei, the loss corresponding to year 2010 is of 345.500 RON.

The shares held by the company Intop Impact Construction SRL have been sold during 2010 to record value accounting, namely the nominal value, by the company Lomb SA. Further to such operation there was neither profit nor loss.

SC Millennium Consult Invest 2002 SA holds a project that involves the development and operation of a business support structure that should provide support services for the Small and Average Enterprises from Bucharest. It's about Business Support Center - Greenfield 2, project co-financed from the European Regional Development Fund, through Regional Operational Programme. The project was submitted in March 2010 and in November 2010 such project was accepted for funding. In January 2011 was ended the assessment of the technical project and at the beginning of May it is expected the signing of the funding contract. Complying in the category of Class B office buildings, the building Business Support Center - Greenfield 2 offers as the main element of energy efficiency a system of eco-efficient heating and ventilation, the trigeneration equipments allowing besides production of thermic power necessary for heating and preparing household warm water also production of electric power. During summer, trigeneration blocks, helps producing cooling agents used in air conditioners. One of the most important automation facilities of the building is the building management system (BMS) ensuring low maintenance costs, comfort, security, functionality, system performance optimization, long duration in time of components, a reduction and efficiency energy consumption, thus providing environmental protection. The main advantage is that the center provides basic and specific services aiming for reduction of the operational costs of hosted companies. To this advantage contributes a package of

free services for the hosted and the attractive price for offices space lease, as well as the fact that the center benefits of a building with high energy efficiency, low maintenance cost and multiple automation facilities. Commencement of works is estimated for September 2011 and construction duration is estimated at 18 months. The building will have a height of 2B+ G+ 5 F and will provide as facilities office areas with a total leasable area of 6280 square meters, a conference hall which can be divided as needed, a dining room, 5 meetings rooms placed at each level of the support structure and parking lots for both office building users and those who provide related services. The main purpose of the project is supporting the regional economy by providing services and facilities to the main promoters of economic development - private enterprises, especially Small and Average Enterprises.

S.C. LOMB S.A. is a share trade company having as shareholders the Local Council of the Municipality Cluj-Napoca (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%).

In autumn 2010, because the shareholder Cluj Local Council has not fulfilled the obligation to verse to the social capital, the 179 acres of land representing the land subscribed by Cluj Local Council, the Board of Directors of S.C. LOMB S.A decided to cancel the shares due to the Local Council according to the provisions of law 31/1990 with further amendments. As a result of this fact the social capital of LOMB SA was reduced, and now Impact holds 100% shares in S.C. LOMB S.A. In data de 20 Septembrie 2010 in urma Adunarii Generale a Actionarilor, se decide micșorarea capitalului social de la 45.445.028 lei la 125.000 lei. Consiliul de administratie a trimis o propunere catre AGA, in luna martie 2011, ca reducerea de capital social sa se faca in limita lichiditatilor existente in conturile bancare ale Lomb SA, respectiv de la 45.445.028 lei la 25.600.000 lei.

#### Frozen Receivables

Company	Loan balance as at 31.12.2009	Loan balance as at 31.12.2010
Actual Invest House	1.409.704	0
Bipact	162.834	86.489
Imobilia Credit	680.449	0
Intop Construction	1.123.338	1.128.838
Investimob Development	27.365	27.000
<b>TOTAL</b>	<b>3.403.690</b>	<b>1.242.328</b>

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

During 2009 to Actual Invest House was granted as a loan the amount of 77,000 RON. Subsequently the loan was fully settled as follows:

- through cash reimbursement: 548.147 RON
- through increase of capital: 500.000 RON

- through clearing with claims/debts: 438.557 RON

Further to liquidation of the company Imobila Credit, loan granted in the amount of 680,449 RON was passed on costs.

The loan to the company Intop Construction was fully adjusted because there are indications on the fact that the loan could not be recovered.

## Note 2 - Provisions

The provision regarding the guarantees granted to the clients was cancelled as all the sold houses in the old assemblies came out of the contracting guarantee period and the guarantee afferent to the apartments in Greenfield is ensured by the subcontracting constructors.

Provisions	31.12.2009	31.12.2010
Provisions for deferred taxes	73.199	24.606
Other provisions for risks and expenses	57.444	0
Provision for litigations	0	2.152.777
<b>TOTAL</b>	<b>130.643</b>	<b>2.177.383</b>

After the substance control for the years 2005-2008, there were established debts and and income tax increases in the amount of 3,403,761 lei. Impact contest these debts and in this regard was filed a legal action for annulment of the decision no. 266/29.09.2010 given by the Ministry of Finance - NAFA - General Direction for Appeals Settlement and of the notice of assesment related to additional tax liabilities to be paid established by fiscal audit no. 115/19.05.2010, issued by NAFA - DGAMC Bucharest, based on the fiscal audit report concluded on 14.05.2010, registered with the Ministry of Finance - NAFA - DGAMC – Fiscal Audit Activity under no 33.364/18.05.2010. This action is registered under no. 11833/2/2010 and has legal term on 24 May 2011, at Bucharest Court of Appeal - Section VIII of Administrative and Fiscal Court. Considering the fact that further to decision to restore the control one part of the appealed amount was retained by NATA as due amount, until final settlement of the dispute was decided provisioning of the amount of 2,152,777 lei.

### Note 3 - Analysis of the Operational Profit

Indicator	31.12.2009	31.12.2010
Turnover	54.233.682	34.288.805
Cost of sold goods and supplied services	44.552.970	29.145.484
Direct production expenses	33.365.719	23.093.745
Indirect production expenses	11.187.251	6.051.739
<b>Net turnover afferent net turnover</b>	<b>9.680.712</b>	<b>5.143.321</b>
Sale expenses	2.203.217	916.452
General administration expenses	1.327.396	927.583
Other operational expenses	9.442.418	20.403.650
Other operational revenues	14.323.640	6.737.867
<b>Operational profit</b>	<b>11.031.322</b>	<b>-10.366.497</b>

The company includes in the production cost the direct expenses (direct materials, manual labour, equipments), land cost, indirect production expenses (indirect materials, indirect manual labour, indirect equipments, cost of site networks). In case of loans strictly afferent to the development of some real estate projects, the afferent interest was included in the production cost. General administration and marketing/sale expenses are not included in the production cost.

Due to the special context that led to the decrease of sales and especially to a lack of predictability of the economic environment, the management of the company made the decision not to start anymore the construction of new assemblies, so as there resulted an underactivity of the company. A direct consequence of this fact is that the fixed expenses that until now were considered as production costs, became general administration expenses that can not be capitalized .

## Note 4 - Statement of Receivables and Debts

### Receivables

The detailed statement of receivables as at 31st December 2010 is presented as follows:

Denomination of receivable	Balance as at 31.12.2009	Balance as at 30.12.2010, out of which	Liquidation term	
			under 1 year	over 1 year
Clients	80.678.485	61.449.128	46.086.846	15.362.282
Adjustments for deprec. of clients' rec.	2.078.127	1.477.788	0	1.477.788
Clients, invoices to be drawn	166.102	300.325	300.325	0
Advances granted to service suppl.	3.724.021	1.217.477	1.217.477	0
Granted guarantees	45.443	51.762	51.762	0
Different debtors	5.136.826	10.089.840	7.970.974	2.118.866
Adjustments for deprec. of debt rec.	688.353	2.627.965	0	2.627.965
Other receivables*	4.705.034	3.853.373	3.853.373	0
<b>TOTAL</b>	<b>91.689.431</b>	<b>72.856.152</b>	<b>59.480.756</b>	<b>13.375.395</b>

Other receivables *	Valoare
Interests to be collected	675.044
Operations under clarification	30.169
Settlements among branches	0
Amounts to recover from budget	3.148.160
<b>TOTAL</b>	<b>3.853.373</b>

In the different debtors account there is registered the payment of an amount of 1,685,503 RON representing the stamp tax in the case file 24403/3/2007 to TMB in the lawsuit with SN Institutul Pasteur. This tax follows to be recovered, on this purpose another lawsuit pending on the dockets to the Bucharest Court of Appeal. The different debtors account increased by the amount of 5,224,000 RON representing the advance

paid by Impact to Institutul Pasteur for one land. Following the existing litigation and the fact that Impact requests the return of the money, the above mentioned amount was moved from „Advances for land” in „Different debtors”. And such amount is to be recovered further to winning the litigation.

The amounts to be recovered from the budget represent WATT to recover (600 mil RON) and additionally paid tax on profit, with a value of 2.4 million RON.

#### Actual and Investimob

On 31.12.2010 there is a balance amounting to 20,874,619 RON representing sold houses is sold in years 2007 to 2008 and still unpaid from Europe assembly. According to signed contracts, this amount is on due time, the debt becoming exigible the moment when the Municipality of Oradea sells at its turn the land to those customers.

The amounts being in operations under clarification represent amounts seized following forced execution(772.979 lei). As Impact submitted a contestation and the lawsuits are not finished, the money is reflected in this account until the clarification of the situation

#### Debts

Bank credits Deposit to pay	Balance at 31.12.2009	Balance at 31.12.201 of which	Liquidation term	
			under 1 year	over 1 year
Financial leasing**	140.128.972	120.697.455	25.487.285	95.210.170
Collected advances	0	722.829	722.829	0
Trade debts*	312.161	50.284	33.069	17.215
Other debts***	1.922.310	498.116	498.116	0
Bank credits	14.940.083	11.766.018	11.766.018	0
Deposit to pay	8.491.223	5.684.688	2.391.463	3.293.225
Financial leasing**	<b>165.794.749</b>	<b>139.419.390</b>	<b>40.898.780</b>	<b>98.520.610</b>

Trade debts*	Value
Suppliers	10.074.561
Suppliers, unrarried invoices	1.691.457
<b>TOTAL</b>	<b>11.766.018</b>

Other debts ***	Sold 31.12.2010	Liquidity term	
		sub 1 an	peste 1 an
Guarantees of suppliers	4.047.034	878.380	3.168.653
Debts related to personnel	797.163	797.163	0
Non exigible VAT	175.675	51.103	124.572
Other taxes	355.486	355.486	0
Dividends to be paid	46.367	46.367	0
Different creditors	262.964	262.964	0

<b>total</b>	<b>5.684.688</b>	<b>2.391.463</b>	<b>3.293.225</b>
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<b>Leasing**</b>		<b>Balance as at 31.12.2010</b>
MOTORACTIVE	EUR	6.466
	Equivalent RON	27.704
RCI LEASING	EUR	5.270
	Equivalent RON	22.580
<b>TOTAL</b>	<b>EUR</b>	<b>11.736</b>
	<b>Equivalent RON</b>	<b>50.284</b>

<b>Bank credits</b>		<b>Balance 31.12.2010</b>
BANC POST	EURO	1.366.522
	Equivalent RON	5.855.273
PIRAEUS	Euro	12.807.256
	Equivalent RON	54.876.529
BANCA ROMANEASCA	Euro	12.924.922
	Equivalent RON	55.380.705
BNACA TRANSILVANIA	RON	4.584.948
<b>TOTAL</b>	<b>RON</b>	<b>120.697.455</b>

### Ongoing credit situation at the end of 2010 is presented below:

#### 1. Piraeus Bank

Credit contract no. 301/30.08.2006 Value: 13,000,000 EUR Due date : 31.07.2010

Object : financing in a proportion of 85% of the acquisition of a land plot situated in Bucharest, 6<sup>th</sup> district, Prelungirea Ghencea no. 402 – 412.

Interest: EURIBOR at 3 months plus a margin of 6 percentual points per year, the calculation of interests will be performed for the daily balance of the credit account and will be reported to a 360-day year.

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

The balance of this credit drawdowns at 31.12.2010 is: 12,807,256 EURO

Reimbursement : reimbursement of the Facility will be made according to the reimbursment annex to the Contract and integrant part of this one.

Guarantees: 3 promissory notes in white marked "no protest" and with pledge on the balance of all current accounts opened by Impact at Piraeus Bank.

#### 2.Piraeus Bank

Credit contract no.10/11.01.2007 Value : 112,180 EURO Due date 11.12.2011

Object : issue of two securities letter with a value of 112,180 EURO, with a maturity on 11.12.2011.

Interest : EURIBOR at 3 months plus a margin of 3.15 percentual points per year.

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

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

The statement of the mortgaged assets for Piraeus Bank is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage	6515/2/6/1	258,925.36	2781/31.08.2006; second rank by 129/23.01.2009	land	Bucharest, Prelungirea Ghencea no. 402- 412, District 6
first rank mortgage; second rank mortgage	18216/1- Fondamento	25,870.00	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/ Greenfield
first rank mortgage; second rank mortgage	18428/1/1 - Patagonia	12,421.00	129/23.01.2009	land	Bucharest, Aleea Teisani no. 350A, district 1
first rank mortgage; second rank mortgage	18217/1 - Fondamento	23,568.00	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/Greenfield
first rank mortgage; second rank mortgage	18428/2 - Fondamento	14,393.57	3116/16.08.2005, deregistered, and the second rank mortgage by ctr. 2484/11.07.2006 becomes of first rank; second rank by ctr. 165/19.01.2007	land	Bucharest, district 1, Baneasa/ Greenfield
first rank mortgage; second rank mortgage	10252 - Constanta	31,400.00	2044/08.07.2005; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage	10250 Constanta	9,100.00	3384/18.09.2006; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 264
first rank mortgage; second rank mortgage	10253- Constanta	13,600.00	3384/18.09.2006; second rank by 129/23.01.2009	land	Constanta, Constanta county, P VN 267/2

### 3. Bancpost

Contract of credit facility on term no. 58/23.09.2005

Value: „First subfacility” in an amount of up to 4,500,000 EUR; „Second subfacility” in an amount of 4,600,000 EUR; „Third subfacility” in an amount of 2,000,000 EUR; „Third subfacility bis” in an amount of 5,000,000 EUR; „Fourth subfacility” in an amount of 2,900,000 EUR. The undrawn amounts from the „first subfacility” will supplement” the „fourth subfacility” „Fifth subfacility” in an amount of 2,000,000 EUR; Validity: 7 years from the signing date of the credit contract

The interest will be calculated as of the drawing date on the basis of the number of effective days reported to a 360-day year and is due and payable monthly, on the last day of the current month. The interest will be accumulated daily, being calculated on the basis of the following formula: (credit balance x interest rate provided for in the previous paragraph)/360 days

If the Borrower does not reimburse on the due date any part of the credit drawn from the Facility, the outstanding amount will lead to the payment of an increased interest to a rate equal to the amount of the provided interest rate and a margin of 3%.

The reimbursement date of the last installment of the Facility cannot exceed 7 years from the signing date of the Contract, respectively the date of 30.10.2013.

On 31.12.2010 there remained in the balance the value of 1,708,463 EUR from the second subfacility, intended for the financing of the „Europa” residential project. The other due subfacilities were integrally reimbursed on the 25.07.2007, summing up 12,795,602 EUR, for their payment being contracted other two credits with Banca Romaneasca.

The statement of mortgaged assets for Bancpost is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage	1916/3/70	25,245.90	747/16.03.2007 euro; 2864/21.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/6	498.45	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/5	1,376.76	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/7	235.52	747/16.03.2007 euro; 2283/04.10.2005 Euro	land	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/1	1,376.78	747/16.03.2007 euro; 2283/04.10.2005 Euro	construction	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/2	498.45	747/16.03.2007 euro; 2283/04.10.2005 Euro	construction	Voluntari, 50, Drumul Bisericii St./Junior

first rank mortgage	1916/3/4	223.42	747/16.03.2007 euro; 2283/04.10.2005 Euro	construction	Voluntari, 50, Drumul Bisericii St./Junior
first rank mortgage	1916/3/11	143,50	747/16.03.2007 euro; 2864/21.10.2005	land and construction	Voluntari, str. Drumul Bisericii nr.50/Junior

#### 4. Banca Romaneasca

Contract for investment credit 50070065/25.07.2007. Value : 7,993,204 EUR. Validity: 7 years, 25.07.2007 – 24.07.2014 Object:

a) Refinancing of some credit facilities being in balance at SC BANCPOST SA, credit facilities that had as a destination the financing of the different real estate projects/real estate acquisitions or acquisition of shares in companies that owned such real estates.

b) Financing of the commission for anticipated reimbursement charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility. Interests:

a) Current interest rate: EURIBOR (1M) + 2.5% p.y.

b) Penalty interest rate: Current interest rate plus 50% of the Current interest rate

Reimbursement: the credit facility will be reimbursed on a quarterly basis, in equal installments

#### 5. Banca Romaneasca

Contract for investment credit 50070066/25.07.2007. Value : 22,306,796 EUR. Validity: 7 years, 25.07.2007 – 24.07.2014. Object:

a) Refinancing of credits being in balance at SC BANCPOST SA, credits that had as an object the financing of the construction works for the Project;

b) Financing of the commission for anticipated reimbursement charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility;

c) Financing / refinancing of construction costs afferent to the Project under development;

d) The amount of 3,000,000 EUR from the total of the present credit facility may be also used for the financing in a proportion of up to 100 % of the acquisition cost afferent to some lands where the Project will be developed, including for the acquisition by the Borrower of shares issued by companies that own such lands, but only on the prior agreement of the Bank.

Grace period: 18 months from the date of the first use

a) Current interest rate: EURIBOR (1M) + 2,5% p.y. The current interest is calculated according to the used balance of the credit facility, beginning with the date of the first use and is paid until the integral reimbursement of the Facility.

b) Penalty interest rate: Current interest rate plus 50% of the Current interest rate

Reimbursement: the credit facility will be reimbursed on a quarterly basis in equal installments after the finish of the grace period. Also, the credit facility will be reimbursed on a pro-rata basis from the collections afferent to the sale of each apartment/villa that is a part of the project.

The ratio that defines pro-rata is the following: amount to be reimbursed = Value of Credit Facility \* surface of apartment/villa sold according to the sale-purchase contract signed by the Borrower with the final client / Total surface of the Project.

On the date of 31.12.2010 the amount to be paid in balance afferent to these credits from Banca Romaneasca was of 12,924,89 EUR.

Guarantees:

- assignment of claims of commercial contracts
- assignment of claims upon all rights arising from insurance contracts
- pledge of tangible assets arising from guarantees to be constituted by the constructor / subcontractor
- assignment of rights arising from the letters of bank guarantee
- pledge on current accounts
- two promissory notes marked "no protest"

The statement of the mortgaged assets for Banca Romaneasca is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage; second rank mortgage	20254	6.866,96	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 52-54
first rank mortgage; second rank mortgage	23574	5.620,36	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 22-28
first rank mortgage; second rank mortgage	22705	15.654,19	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Pustnicu no. 125-135
first rank mortgage; second rank mortgage	21763	21.494,10	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage; second rank mortgage	18217/2	43.911,00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank	18216/2	19.931,00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1

mortgage					
first rank mortgage; second rank mortgage	26525	57.426,00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1

## 6. Banca Transilvania

Credit contract no. 15/21.07.2009 , value 11,313,416 RON , due date 20.07.2014.

Object: financing of current activity – finish of the projects being under development.

Interest : ROBOR at 6 months to which there is added the bank margin of 5,94%.

Penalties: the penalty interest to credit is of 30%/year, the penalties for the failure to pay interests, commissions and banking charges is of 30%/year.

Reimbursement: The credit will be reimbursed on the date of 28<sup>th</sup> of each month, according to a reimbursement schedule, in monthly installments correlated to the collection of installments and of rents from the assigned contracts.

The balance corresponding to the drawdowns of this credit on 31.12.2010 is 4,584,947.62 RON

The statement of the mortgaged assets for Banca Transilvania is presented below:

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/assembly
first rank mortgage	20254	470.46	218/21.07.2009	land and constructions	Padurea Neagra no. 52-54
first rank mortgage	23574	22.01	218/21.07.2009	land and constructions	Padurea Neagra no. 22-28
first rank mortgage	22705	356.05	218/21.07.2009	land and constructions	Padurea Pustnicu no. 125-135
first rank mortgage	21763	764,28	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	5308	214.00	218/21.07.2009	Land and constructions	St. George Palade no. 6, Oradea, Bihor
first rank mortgage	153647	220.00	218/21.07.2009	Land and constructions	St. George Palade no. 19, Oradea, Bihor
first rank mortgage	153648	80.00	218/21.07.2009	Land	St. George Palade no. 19, Oradea, Bihor

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

first rank mortgage	5309	212.00	218/21.07.2009	Land and constructions	St. George Palade no. 8, Oradea, Bihor
first rank mortgage	153587	220.00	218/21.07.2009	Land and constructions	St. George Palade no. 20, Oradea, Bihor
first rank mortgage	153588	121.00	218/21.07.2009	Land	St. George Palade no. 20, Oradea, Bihor
first rank mortgage	7601	332.00	218/21.07.2009	Land and constructions	St. George Palade no. 22, Oradea, Bihor
first rank mortgage	7602	312.00	218/21.07.2009	Land and constructions	St. George Palade no. 24, Oradea, Bihor
first rank mortgage	7603	321.00	218/21.07.2009	Land and constructions	St. George Palade no. 26, Oradea, Bihor
first rank mortgage	7604	375.00	218/21.07.2009	Land and constructions	St. George Palade no. 28, Oradea, Bihor
first rank mortgage	153317	220.00	218/21.07.2009	Land and constructions	St. George Palade no. 38, Oradea, Bihor
first rank mortgage	153318	83.00	218/21.07.2009	Land	St. George Palade no. 38, Oradea, Bihor
first rank mortgage	7610	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 40, Oradea, Bihor
first rank mortgage	7611	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 42, Oradea, Bihor
first rank mortgage	7612	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 44, Oradea, Bihor
first rank mortgage	7613	200.00	218/21.07.2009	Land and constructions	St. George Palade no. 46, Oradea, Bihor
first rank mortgage	7690	342.00	218/21.07.2009	Land and constructions	St. George Palade no. 97, Oradea, Bihor
first rank mortgage	7537	470.00	305/04.06.2010	Land and constructions	St. Emil Palade No. 152 Oradea, Bihor
first rank mortgage	7752	200.00	305/04.06.2010	Land and constructions	St. Emil Palade No. 131 Oradea, Bihor

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

first rank mortgage	7541	325.00	120/09.03.2010	Land and constructions	St. Emil Palade No. 160 Oradea, Bihor
first rank mortgage	7540	362.00	120/09.03.2010	Land and constructions	St. Emil Palade No. 158 Oradea, Bihor
first rank mortgage	7689	342,00	218/21.07.2009	Land and constructions	Str.George Palade nr.95, Oradea, Bihor

The total accounting value of the assets used as collateral for the bank loans is about 213.5 million RON:

## Note 6 - Accounting Principles, Policies and Methods

### **Basics of Drafting Financial Statements**

Financial statements were drafted by the company, in accordance with the Order of the Minister of Finances number 3055/2010 for the approval of accounting regulations compliant with the European directives, with the observance of the Accounting Law number 82/1991 with its subsequent modifications and requirements for the presentation of annual financial statements.

### **Accounting Principles**

The financial statements for the year 2010 were drafted in accordance with the following accounting principles:

**Principle of Business Continuity.** There must be presumed that the entity develops its activity on the basis of the principle of business continuity.

This principle supposes that the entity continues its operation normally, without coming into a liquidation condition or significant reduction of the activity. If the administrators of an entity were acknowledged of some unsafety elements related to certain events that may lead to its incapacity to continue its business, these elements must be presented in the explanatory notes. In case the annual financial statements are not drafted on the basis of the principle of continuity, this piece of information must be presented, together with explanations regarding their drafting mode and the reasons that laid on the basis of the decision according to which the entity cannot continue its business anymore.

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

**Principle of Prudence.** The assessment must be made on a prudent basis, and especially:

- a) there may be included only the profit realized on the balance date;
- b) there must be taken into account all the debts occurred during the current accounting period or during a prior accounting period, even if these become obvious only between the balance date and the date of its draft;
- c) there must be taken into account all the predictable debts and potential losses occurred during the current accounting period or during a prior accounting period, even if these become obvious only between the balance date and the date of its draft;

**d)** there must be taken into account all the depreciations, irrespective if the result of the accounting period is a loss or profit.

**Principle of Accounting Period Independence.** There must be taken into account the revenues and the expenses afferent to the financial accounting period, irrespective of the collection date or of the payment date of these revenues and expenses.

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

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

**Principle of Non-compensation.** Any compensation between the asset and the debts elements or between the elements of the revenues and expenses is forbidden.

The eventual compensations between the receivables and debts of the entity to the same economic agent may be performed, with the observance of the legal provisions, only after the registration into the accounting of the revenues and of the expenses to their entire value.

**Principle of Economic over Juridical Prevalence.** The presentation of the values within the elements in the balance and the profit and loss account is made taking into account the economic basis of the reported transaction or operation, and not only their juridical form.

### **Basics of Accounting**

The interim financial statements, drafted by the company on the date of 30.12.2009, constituted of:

- Accounting balance
- Profit and loss account
- Equity ownership modifications
- Treasury flow
- Accounting policies and explanatory notes

are compliant with the provisions of the Accounting Law no. 82/1991, of OMFP no. 3055/2009 for the approval of the accounting regulations harmonized with the European directives.

### **Reporting Currency**

The pieces of information are presented, within the financial statements, in Romanian lei.

### **Use of Estimations**

As a result of the inherent uncertainties in the development of activities, many elements of the financial statement cannot be precisely assessed, but only estimated. The estimation process involves reasonings based on the most credible recent pieces of information that we had available.

There may be realized, for example, estimations for:

- uncertain clients
- moral use of stocks
- real value of assets and of financial debts, etc

The use of some reasonable estimations represents an essential part of the financial statements drafting and does not undermine their credibility.

An estimation may need a revision, if there take place changes regarding the circumstances that estimation was based upon or following some new pieces of information or subsequent experiences.

By its nature, the estimation revision is not related to previous periods and does not represent the correction of an error. Thus, the company management proceeded to the revision of the respective elements' value and to their influencing with the effects of some possible circumstance modifications, of some events subsequent to the closing of the accounting period, or of other pieces of information, if these were considered significant.

The use of estimations led, for the company, to the set-up and registration of provisions for the depreciation of the assets and for risks and expenses. The effect of such operations was included within the positions in the balance afferent to the respective elements and affected the profit and loss account.

### **Conversion of Transactions in Foreign Currency**

The transactions of the trade company in foreign currency were registered to the exchange rates communicated for the dates of the transactions. The receivables and debts in foreign currency are converted into lei at the end of each financial year, on the basis of the exchange rates communicated by the National Bank of Romania. The earnings and losses resulted following such operations are acknowledged in the profit and loss account. Whenever necessary, the company sets up during the year provisions for the negative exchange rate differences.

### **Revenues**

The main revenues obtained from exploitation are those from the sale of the built houses/apartments. Thus, the revenues afferent to the sold houses/apartments are acknowledged at the moment of the

constructions handover to the beneficiary. Beginning with the year 2008, due to the fact that there existed permanently a stock of finished apartments and houses, such contracts were not concluded anymore, the sales taking place directly from the stock.

With regard to the production in progress, the revenues are registered at the level of the costs distributed to each house under work and are reported to the revenues from the stocked production.

Since 2009 the company registered also incomes from leases, these ones increasing in 2010 proportionally with the increase of leased estates.

### ***Pensions and Other Benefits Subsequent to Retirement***

The company does not finance private pensions and does not have a benefit plan in case of retirement for its employees.

All the employees of the company are a part of a pension plan financed by the Government of Romania from funds constituted by the company and its employees, and thus the company does not have any liability with regard to the private pension plan.

### ***Intangible Assets***

The intangible assets purchased by Impact are presented to the cost, less the cumulated amortization. The intangible assets registered by Impact represent informatics programs. These are linearly amortized for a period of 3 years.

### ***Tangible Assets***

#### **Owned Assets**

The buildings are presented in the balance to their revaluated value, less the cumulated amortization and the eventual value losses. The cost of the assets built by Impact comprises the cost of materials, direct manual labour and a percentage of the indirect expenses, reasonably allotted to the building of tangible assets.

The historical cost was revaluated in accordance with the Government Decisions: 983/1998 and 403/2000 and 1553/2003; the retreating of the net accounting value of the assets was made in order that this would reflect better their market value. The latest revaluation took place on 31.12.2010 for the constructions existing in the patrimony.

#### **Leasing Contracts**

The leasing contracts where the Company assumes the totality of risks and of benefits associated to the property are classified as a financial leasing. The fixed assets purchased by financial leasing are presented to the

minimum between the market value and the updated value of future payments, less the accumulated depreciation and value depreciations.

#### Subsequent Expenses for Maintenance and Repairs

The expenses for the repair or maintenance of fixed assets performed to reestablish or maintain the value of these assets are acknowledged in the profit and loss account on the date of their performance, while the expenses performed on the purpose to improve technical performances are capitalized and amortized for the remaining amortization period of the respective fixed asset.

#### Amortization

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

Lands and assets in progress are not amortized.

### **Stocks**

Stocks of raw materials and materials are put into evidence to their acquisition value. The cost of stocks is based on the First In, First Out (FIFO) principle and includes the expenses caused by their acquisition and their bringing into the current location.

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

The stock of finished products is registered to production cost.

When the acquisition value/production cost exceeds the accomplishable net value of stocks then depreciation adjustments are made.

Stocks of production under execution are put into evidence to production cost.

### **Provisions**

Provisions are acknowledged in the balance when for Impact there appears a debt with uncertain exigibility or value and that may be acknowledged only at the moment when there exists a current liability generated by a previous event; it is probable that an outflow of resources would be necessary in order to honour the respective liability; there may be realized a credible estimation of the liability value.

### **Value Adjustments**

Value adjustments comprise all the corrections intended to take into account the value decreases of individual assets, established on the balance date, irrespective if this decrease is or is not final. Value adjustments may be permanent adjustments (amortizations) and provisional adjustments, also called adjustments for depreciation or for value loss. From this latter category, the Impact policy is to set up adjustments:

- for the financial investments that cannot be recovered anymore ;
- for the advances granted to suppliers not closed for more than 1 year - 100%;
- for different debtors, clients, etc – 100% of the value of receivables considered unrecovered and without turnover lower than 1 year ;
- for the depreciation of materials – 50% of the inflow value of stocks without turnover higher than 3 months

#### ***Reserves from Revaluation of Fixed Assets***

For the revaluation of fixed assets, when the result of revaluation is a decrease of the net accounting value, this is treated as an expense with the entire value of depreciation, when from in the revaluation reserve there is not registered an amount related to that asset or as a decrease of the revaluation reserve by the minimum between the value of that reserve and the decrease value, and the eventual difference remaining uncovered is registered as an expense. The diminishing of revaluation reserves and their takeover in the „Reserves representing the surplus realized from revaluation reserves” account is made on the breakage or sale of revalued fixed assets.

#### ***Affiliated Companies***

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

## Note 7 - Share Capital

Impact SA was founded in 1991, pursuant to Law 31/1990. On 04.10.2006 the company moves its registered office in Bucharest, Sector 1 in Ilfov, Voluntari city in Construdava office building. At the same date the company changes its name. The identification data of the company are:

Name: IMPACT DEVELOPER & CONTRACTOR SA

Address: Voluntari, Șos. Pipera-Tunari nr. 4C, Centrul de Afaceri Construdava, et. 6, Jud. Ilfov

Phone.: 021 - 230.75.70/71/72, fax: 021 - 230.75.81/82/83

Registered with Trade Registry Office within Bucharest Tribunal under no. J 23/1927/2006

Identification Unique Code: RO1553483

Subscribed and paid up share capital of the company at December 31, 2010 is 200.000.000 RON. The nominal value of a share is 1RON.

Ownership structure on January 7, 2011, according to the Central Depository situation was as follows:

Shareholder	Detinere
Popp Ioan Dan	18,07%
Sandulescu Carmen Daniela	11,62%
CITIBANK NOMINEE	9,06%
Artio International Equity Fund	8,46%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6,09%
Other legal entities, out of which	29,57%
- foreign entities	22,41%
Other natural persons, out of which	17,13%
- foreign persons	0,43%
<b>Total</b>	<b>100,00%</b>

The company Impact Developer & Contractor SA has been transacted to the Bucharest Stock Exchange since the year 1996, and beginning from the year 2006 its shares, at present in a number of 200 million, have been quoted in the 1<sup>st</sup> category .

29.69% of the company shares are held by the company management.

## Note 8 - Information Regarding Employees, Administrators and Directors

### Structure of Personnel Expenses

In 2010, continued the decrease of the number of employees, from an average number of 89 in 2009 to 51 in 2010, which represents a decrease of 43%, decrease reflected in the cost of staff remuneration.

Description	31.12.2009	31.12.2010
indemnifications for the Board of Directors	108.300	81.624
salaries of directly productive employees	267.966	132.994
salaries of TESA	2.303.399	1.469.350
exp. with social insurances and protection	709.234	425.863
<b>TOTAL</b>	<b>3.388.899</b>	<b>2.028.207</b>

### Company Management

According to the Resolution of GAS, the members of the BoD have the right to monthly indemnifications with a value of 2,700 RON net and the president of the board of directors (the legal entity Havila Trading International SRL represented by Mr. Dan Ioan Popp) has concluded an administration contract with a value of 33,500 RON monthly plus an annual bonus equal to 5.28% of the net profit.

The members of the BoD have the right according to the articles of association also to a percentage of 0.44% of the net profit.

#### Administrators

	Name	Position	Identification data
1.	S.C. Havila Trading International S.R.L. represented by Popp Ioan Dan	Chairman of BoD	J40/26453/94 CUI RO 6712040
2.	Ionescu Valeriu Nicolae	Administrator	1520411400095
3.	Bugica Radu	Provisory Administrator	1651213384184

Following the resignation of Mrs. Andreea Ioana Rosca on 01.07.2010 the company now has a temporary administrator that is to be confirmed by the Ordinary General Meeting of Shareholders of 16 April 2011.

#### Executive Management

Family name	Name	Position	Citizenship
Sandulescu	Carmen Daniela	Executive Director (Economic Development)	Romanian

## Note 9 - Economic and Financial Indicators

<b>PROFITABILITY AND RENTABILITY</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
<b>Efficiency of available equity</b>		
Profit before interests and tax (A)	8.203.399	-11.035.847
Available equity (B)	408.169.070	414.451.192
<b>A/B</b>	<b>2,01%</b>	<b>-2,66%</b>
<b>Efficiency of own equity</b>		
Net profit (A)	141.540	-17.546.665
Own equity ( B)	333.512.530	315.930.582
<b>A/B</b>	<b>0,04%</b>	<b>-5,55%</b>
<b>Operating profit rate</b>		
Profit before interests and tax (A)	8.203.399	-11.035.847
Exploitation revenues (B)	68.557.322	26.730.406
<b>A/B</b>	<b>11,97%</b>	<b>-41,29%</b>
<b>Net profit rate</b>		
Net profit ( A )	141.540	-17.546.665
Total revenues ( B )	78.647.342	39.783.415
<b>A/B</b>	<b>0,18%</b>	<b>-44,11%</b>
<b>Total assets rate</b>		
Profit before interests and tax (A)	8.203.399	-11.035.847
Total assets ( B )	505.590.140	461.659.952
<b>A/B</b>	<b>1,62%</b>	<b>-2,39%</b>
<b>Indebtedness degree</b>		
Borrowed equity (A)	71.013.054	95.210.170
Own equity ( B)	333.512.530	315.930.582
<b>A/B</b>	<b>0,21</b>	<b>0,30</b>

<b>SOLVABILITY</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
<b>Debt rate</b>		
Total liabilities ( A )	172.077.610	145.729.370
Total assets ( B )	505.590.140	461.659.952
<b>A/B</b>	<b>34,04%</b>	<b>31,57%</b>
<b>Financial leverage</b>		
Own equity ( A )	333.512.530	315.930.582
Total assets less net current debts ( B )	408.169.070	414.451.192
<b>A/B</b>	<b>81,71%</b>	<b>76,23%</b>
<b>Interest coverage rate</b>		
Profit before interests and tax ( A )	8.203.399	-11.035.847
Interest ( B )	7.706.027	6.499.818
<b>A/B - times</b>	<b>1,06</b>	<b>-1,70</b>

<b>LIQUIDITY AND WORKING CAPITAL</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
<b>Current liquidity indicator</b>		
Current assets ( A )	417.579.832	367.101.178
Current liabilities ( B )	91.138.209	40.898.780
<b>A/B</b>	<b>4,58</b>	<b>8,98</b>
<b>Immediate liquidity indicator</b>		
Current assets ( A )	417.579.832	367.101.178
Stocks ( B )	311.575.489	280.619.736
Current liabilities ( C )	91.138.209	40.898.780
<b>( A - B )/ C</b>	<b>1,16</b>	<b>2,11</b>
<b>Client debt turnover</b>		
Trade receivables ( A )	80.844.587	72.856.152
Net turnover ( B )	54.233.682	34.288.805
<b>( A / B ) * no of days in the period</b>	<b>536,64</b>	<b>764,92</b>
<b>Fixed asset turnover</b>		
Net turnover ( A )	54.233.682	34.288.805
Fixed assets ( B )	87.624.247	94.201.345
<b>A/ B</b>	<b>0,62</b>	<b>0,36</b>

## Note 10 - Other Information

### Stocks

In the year 2010, due to the existing economic context, work was done only in order to finish the started assemblies. For this reason, the value of the construction works compared to the preceding year is much diminished. In product range offered by the company are included both housing units completely finished, and some residential units to the red stage, and some at the stage of polishing, so that customers could purchase the best products for their needs.

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

Description	31.12.2009	31.12.2010
Lands	149.776.273	148.532.800
Advances for lands	6.159.288	979.675
Finished products – houses	86.072.889	89.365.876
Production and services under execution	67.128.801	40.722.984
Construction materials	2.633.287	1.747.900
Adjustments for materials depreciation	949.013	1.381.008
Finished prod., merchandises, packagings and inventory objects	415.145	382.917
Advances for the purchase of construction materials	338.819	268.593
<b>TOTAL</b>	<b>311.575.489</b>	<b>280.619.736</b>

At the end of the month of June 2010 there existed a number of 293 finished houses and apartments and 107 under execution. In the year 2009 there was started a new assembly in Greenfield - RFR, with 46 apartments in the first phase. For the moment the capitalized costs comprise design, taxes, advices, etc

The value of production and services in progress represents residential units amounting to 2,959,897 RON, networks in value of 33,754,865 RON as well as investments in progress amounting to 4,008,222 RON to the assembly from Lomb hill.

The amount of 5,224,000 RON was reclassified from « Advance for lands » to « Different debtors » (see page 12 ).

### **Expenses in Advance**

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

<b>Description</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
Other expenses in advance	21.537	166.649
Insurances (constructions and cars)	113.140	71.482
Insurances for professional liability	73.298	19.750
Commissions paid in advance	177.856	99.549
Taxes for rovigneta	230	0
<b>TOTAL</b>	<b>386.061</b>	<b>357.429</b>

### **Revenues in Avance**

Revenues in advance are set up from the interests afferent to the contracts with the payment in installments and from rents. The passing to revenues of the revenues from interests is made gradually, as the installments are paid or their due date, whichever comes first. The balance as at 30.06.2010 is of 4.132.597 RON RON, decreasing in comparison to the month of December 2009.

### **Direct Expenses – Raw Materials**

<b>Raw materials and consumable materials</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
Expenses with lands	1.366.038	1.225.975
Exp. with raw materials and materials	1.747.026	385.489
Exp. with fuel	211.795	119.987
Exp. with spare parts	57.346	36.524
Exp. with other constr. materials	477.807	67.464
<b>TOTAL</b>	<b>3.860.012</b>	<b>1.835.438</b>

<b>Other material expenses</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
Exp. with inventory objects	282.381	111.330
Ex. with unstocked materials	78.976	88.844
Exp. with packagings	4.219	0
Exp. with energy and water	4.440.801	3.058.126
Exp. regarding merchandises	247.520	828.954
<b>TOTAL</b>	<b>5.053.898</b>	<b>4.087.254</b>

### **Other Operational Expenses**

<b>Descriere</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
Expenses with maintenance and repairs	70.697	411.871
Expenses with royalties and rents	2.648.532	2.157.666
Expenses with insurance premiums	760.952	596.005
Expenses with commissions and fees	1.628.455	84.612
Expenses for protocol, advertisement and publicity	610.332	623.520
Expenses with transport of goods and pers.	361.179	134.066
Expenses with movements, assignments and transfers	6.900	10.856
Postal expenses and with telecommunication fees	518.351	392.034
Expenses with banking services and assimilated	770.642	495.734
Expenses with services executed by thirds *	29.718.619	12.101.198
Expenses with other assimilated taxes and dues	5.134.749	3.143.127
Expenses with compensations, fines, penalties	287.462	303.963
Expenses regarded assigned assets	1.307.573	1.384.171
Donations (sponsorships)	9.522	109.083
Other operational expenses	636.541	1.163.884
<b>TOTAL</b>	<b>44.470.506</b>	<b>23.111.790</b>

**Expenses with Services Performed by Thirds \***

<b>Description</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
Expenses with subcontractors	17.496.705	6.537.014
Havila consultancy expenses	410.232	393.768
Expenses for consultancy	2.547.854	496.829
Expenses with guard and protection	1.087.176	389.297
Expenses with meal tickets	2.261	364
Expenses with HR	167.556	34.540
Expenses for IT services	359.759	427.332
Expenses with fees (notary, cadastre)	1.307.327	794.816
Expenses for design services	1.454.658	744.117
Other expenses for services	4.885.092	2.283.120
<b>TOTAL</b>	<b>29.718.619</b>	<b>12.101.198</b>

<b>Description</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
Expenses regarding interests	7.706.027	6.499.818
Expenses from currency exchange rate differences	12.221.149	10.193.432
Expenses with assigned financial investments	0	2.074.940
Losses from equity-related debts	0	1.026.236
Other financial expenses	19.587	40.870
Adjustments for financial immobilizations	677.207	386.881
<b>Total financial expenses</b>	<b>20.623.970</b>	<b>20.222.177</b>
Revenues from interests	6.606.211	2.542.236
Revenues from currency exchange rate differences	2.272.406	8.476.366
Revenues from sales with equity-related tite	0	2.010.000
Revenues from dividends	1.087.860	0
Other financial revenues	123.543	24.407
<b>Total financial revenues</b>	<b>10.090.020</b>	<b>13.053.009</b>
<b>Financial result</b>	<b>-10.533.950</b>	<b>-7.169.168</b>

Expenses with interests decreased due to the decrease of the balance of loans. Due to the decrease of the owned cash, the revenues from the interests collected to deposits, too, had the same trend, decreasing by more than 60 % compared to the similar period of the preceding year.

### **Gross profit**

In 2010 IMPACT registered an accounting loss of 17.535.665 RON and a net loss of 17.546.665 lei. The reconciliation between the fiscal result and the accounting one is presented next.

### **Profit Tax**

<b>Explanation</b>	<b>Value</b>
Accounting gross profit	-17.535.665
Taxable revenues	40.607.243
Expenses afferent to taxable revenues	49.049.090
Tax loss	-8.441.847
Taxable profit	0
Due tax on profit – minimum tax	11.000
<b>Net result</b>	<b>-17.546.665</b>

## **Auditors**

Scot & Company Consulting (SCC) is a company that develops its business in the field of professional services of financial accounting and audit, supplied in accordance with the Romanian and international accounting standards and also with the international audit standards.

SCC ensures to its clients fiscal consultancy and assistance, and also any other professional services specific to the activity field. The team of SCC is composed by professionals, chartered accountants and financial auditors. SCC has its headquarters in Bucharest and was set up by Otilia and Dan Schwartz in the year 1994, by the merger of the clients of two small consultancy companies where the two were associates. SCC is a member of the Romanian Association of Chartered and Certified Public Accountants (C.E.C.C.A.R.) since 1994 and of the Romanian Chamber of Auditors since its set-up in 1999. SCC supplies services both to its permanent clients, and also to some occasional clients, upon their request. The services of SCC are used both by big multinational companies, and by small and medium-sized companies with domestic and foreign capital. SCC built and implemented its specific professional procedures, and also its own business conduct code. Being a company where there are involved both chartered accountants, and financial auditors, the codes regarding the ethical and professional conduct elaborated by the Romanian Chamber of Auditors and C.E.C.C.A.R. on the basis of the IFAC Ethical Code, are basic elements in the development of the SCC activity.

## ***Insolvency lawsuit***

Romconstruct SA submitted in January 2010, to the Bucharest Tribunal – section VII – (thus being composed the file no. 323/3/2010), an application by which it showed that our company had certain unpaid debts towards Romconstruct S.A. and consequently it invoked that our company was under insolvency, by the respective way requesting the opening of the insolvency procedure.

The defends used by Impact in this file envisaged on one side the fact that the company has the cash funds available for the payment of certain, liquid and exigible debts (there was submitted in this respect a vast probatory material that showed the daily payments performed by Impact currently during the period January – June of 2010), on the other side, the company demonstrated that it had reasonably refused to pay the invoices issued by Romconstruct

In spite of all the evidences administrated in che case, the court of the Bucharest Tribunal disposed the opening of the general insolvency procedure on the date of 08.07.2010.

Through decision of the Appeal Court instance, the attorneys-at-law empowered by Impact SA obtained at the term of trial of 08.11.2010, the temporary suspension of sentence for opening insolvency proceedings.

Suspension of sentence until the irrevocable settlement of the dispute is included in the recourse application, filed by the company against the Commercial Sentence no. 5061 of 8<sup>th</sup> July, 2010. For the recourse application, Bucharest Court of Appeal appeal, established the term of judgement for the date 28.04.2011.

## Note 11 - Contingent Debts

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

Court	No. of file	Object	Position of Impact	Opponent	Trial stage/ Stage	Next judgment term	Remarks
Bucharest Court	15014/300/2010	Appeal of distribution amounts protocol	plaintiff	Bodogan Aurel	recourse	18-March-11	
Law court of Oradea	24112/271/2010	complaint of violation against a protocol through which the company was fined for failure to maintain land	plaintiff	CL Oradea, Cityhall of Oradea City	grounds	23-Mar-11	the land is property of CLO
Law court of Oradea	4376/271/2010	challenge of enforcement	plaintiff	Local council of City of Oradea	recourse	6-June-11	challenge on enforcement started by CLO for amounts with title of „penalties” according to the association contract no. 14.519/02.07.2004"
Bucharest Court	41894/3/2010	payment ordinance	plaintiff	Keops Consulting SRL	grounds	4-March-11	action aims to recover the outstanding amounts
Bucharest Court	26153/2/2010	bankruptcy	plaintiff-creditor	Sqrw Development Romania	grounds	4-March-11	Impact requested registration to the list of creditors as a successor in rights of Patagonia SC INVEST SRL

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Prahova Court	4994/105/2010	Insolvency procedure	plaintiff-creditor	Romconstruct SA	grounds	7-April-11	admits the application, file linked to 7034/105/2010
Prahova Court	7034/105/2010	Insolvency procedure	plaintiff-creditor	Romconstruct	grounds	7-April-11	IDC has made an application for admission to the list of creditors
Bucharest Court	24403/3/2007	obligation to do	plaintiff	Pasteur Institute	grounds	17-March-11	Was changed the action from action of forcing Pasteur to sell us the land into action in restitution of the advance and interest in compensation and annulment of the pre-contract
Constanta Court	13729/118/2010	action in restitution of tax paid for the gas pipeline from Boreal	plaintiff	CNADR	grounds	3-March-11	IDC claimed reimbursement of the road toll for the location of the pipeline that serves the assembly Boreal
Lawcourt of Sector 1	8274/299/2009	collection, debts price index according to the contract	plaintiff	Ciubotaru Pavel	grounds	3-March-11	
Bucharest Court	40089/3/2010	Contract termination	plaintiff	Sewerage and Water Public Service	grounds	4-March-11	It shall be settled amicable

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Judecatoria Buftea	9807/94/2010	Claims for inconsistent works	plaintiff	Floreasca Constructi on (ex Summa Romania SA)	grounds	7-March-11	
Bihor Court	3555/111/2010	declaratory action	plaintiff	MTS Leasing;Ban Liviu	grounds	8-March-11	IDC asked the court to find out that the execution contract was terminated execution occurred
Bucharest Court	23619/3/2009	declaratory action	plaintiff	Sc Summa Romania SA	grounds	9-March-11	IDC asked the court to declare the inexistence dr. SUMMA to receive sums of money as because there was compensation claims between the two companies
Court of Appeal Constanta	12377/118/2010	cancellation of civil violation protocol	plaintiff	CJ, CR for Customer protection	recourse	16-March-11	
Mures Court	305/1371/2008	bankruptcy	plaintiff	Dafora Structuri	grounds	16-March-11	Joining the list of creditors was admitted
Lawcourt of Sector 2	12758/300/2010	claims- green spaces	plaintiff	Cofaru Dumitru Gabriel	grounds	22-March-11	
Bucharest Court	33824/3/2010	eviction action / cancellation / claims	plaintiff	Stanciulescu Razvan / Costea Elena	grounds	25-March-11	IDC requested the eviction of the building, because tenants do not execute the obligation to pay the rent

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Bucharest Court	35915/3/2009(12489/94/2010)	Action for eviction	plaintiff	Puiu Georgeta	grounds	30-March-11	IDC requested the eviction of the building, because beneficiary does'nt execute the obligation to pay the installments
Lawcourt of Sector 2	5700/300/2009	claims	plaintiff	Coca Adina	grounds	1-April-11	
Court of Appeal Bucharest	2975/2/2010	Appealing the decision 206/2010 ANRE	plaintiff	ANRE	grounds	5-April-11	IDC applied for the annulment of the decision ANRE related to the on approval of distribution fees in Voluntari
Lawcourt of Sector 1	34961/299/2010	pretentii, chirii	plaintiff	Patru Ace Srl	grounds	6-April-11	
Court of Appeal Bucharest	2927/2/2010	Cancellationof deeds ANRE, decision 834/2010/ suspended decision	plaintiff	ANRE	grounds	12-April-11	IDC asked the court to cancel / suspend ANRE decision on electric power distribution services in Class assembly
Buftea Lawcourt	16410/301 / 2010 (327/94/2010)	claims, action, recovery index, according to the contract	plaintiff	Taxi Mondial SRL	grounds	15-April-11	

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Oradea Lawcourt	18591/271/2010	declaratory action	plaintiff	Chimex SRL	grounds	2-May-11	IDC asked the court to declare that was terminated as per commissoria lex the land sale purchase contract
High Court of Cassation and Justice	3829/2/2009	administrative deed cancelation	plaintiff	Agriculture Ministry	recourse	7-May-11	
Bucharest Court	33822/3/2010	Eviction action, termination / claims	plaintiff	DF Broker Exquisite SRL	grounds	11-May-11	
Bucharest Court	33790/3/2010	Eviction action, termination / claims	plaintiff	Voinescu Dragoncea Dragos Marian	grounds	18-May-11	
Court of Appeal Bucharest	11833/2/2010	administrative deed cancellation, regarding additional tax liabilities to be paid established in charge of the undersigned by the fiscal audit report	plaintiff	ANAF	grounds	24-May-11	1st term
Bucharest Court	33825/3/2010	eviction action /termination /claims	plaintiff	Kis Angelica	grounds	26-May-11	1st term
Lawcourt of Sector 1	55912/299/2010(10401/3/2010)	eviction/termination	plaintiff	Pusca loan	grounds	16-June-11	1st term after disclaimer
Bucharest Court	4372/94/2010	Cancellation of civil violation protocol, cash register	plaintiff	MEF - GF Ilfov	recourse	20-June-11	1st term after disclaimer

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Bucharest Court	37677/3/2010	Recovery of expenses returned to Impact further to nonconformity works COMINSTAL	plaintiff	Cominstal Group	grounds	27-Jun-11	1st term
Buftea Lawcourt	2081/94/2011	Payment ordinance (Government Emergency Ordinance 119/2007)	plaintiff	SC Taxi Mondial SRL	grounds	27-June-11	1st term of judgement
Buftea Lawcourt	2083/94/2011	Payment ordinance (Government Emergency Ordinance 119/2007)	plaintiff	SC Taxi Mondial SRL	grounds	27-June-11	1st term of judgement
Bucharest Court	41896/3/2010	Payment ordinance	plaintiff	Vifor GMBH	grounds	4-July-11	1st term
Bucharest Court	40191/3/2010	claims arising from nonconformity works, performed by Summa	plaintiff	Summa Romania SA	grounds	6-September-11	
High Court of Cassation and Justice	3191/2/2010	Cancellation of decision ANRE 485/2010	plaintiff	ANRE	recourse	15-September-11	
Bucharest Court	14600/300/2008	claims	plaintiff	Ghassan KH Abdo Nasri	recourse	3-Oct-11	
Lawcourt of Sector 1	21136/299/2009	claims	plaintiff-defendant	SC Summa Romania SA	grounds	17-Nov-11	1st term after disclaimer at the civil department
Bucharest Court	10402/3/2010	evacuare/rezilieri pentru nerespectare contract inchiriere	plaintiff	Draghici Jenica Laura	grounds	without term	Disclaimer at Buftea Lawcourt
Lawcourt of Sector 2	11725/300/2010	appeal of enforcement	plaintiff	BODOGAN AUREL & CONSTANTA TIN, PIRAEUS BANK, BEJ G JALBA	grounds	without term	rejects the appeal to the enforcement for moratory damages arising from the

							execution/undrawn decision.
Bucharest Court	39469/3/2008	Romconstruct is ordered to pay delay penalties for delaying in execution of constructions from Rubin assembly	plaintiff	Romconstruct	grounds	without term	suspended pursuant to art. 36 Law 85/2006
Lawcourt of Sector 2	11874/300/2009	Appeal to execution	plaintiff	Bodogan Aureli Bodogan Constantin	Pronounced grounds	without term	delayed pronouncement on 02/03/2011
Lawcourt of Sector 1	4785/299/2009	claims arising of non-payment of rent and utilities	plaintiff	SC Patru Ace SRL	grounds	without term	admits in part the action / undrawn sentence
Lawcourt of Sector 2	14599/300/2008	Claims action to recover the price index announced by INS, pursuant to contract	plaintiff	PATURESCU CORNEL	grounds	without term	admits the action / undrawn sentence
Bucharest Court	44677/3/2010	eviction from apartment for rent non payment	plaintiff	Cristea Andrei Daniel	grounds	4-October-11	
Bucharest Court	44676/3/2010	eviction for rent non payment /claims	plaintiff	Dumitrascu Sorin Ion	grounds	17-October-11	
Buftea Court	6946/94/2010	termination of lease contract /claims	plaintiff	Muscalu Florentin Teodor	grounds	without term	admits the action / undrawn sentence
Buftea Court	6283/94/2010	Claims-damages for delay establishment of easment authentic act	plaintiff	Bobeica Andrei Sorin	grounds	10-February-11	suspends pursuant to art. 155 <sup>1</sup> Civil Procedure Code

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Bucharest Court	323/3/2010	insolvency procedure	plaintiff	SC Romconstruct SA	grounds	28-April-11	1st term recourse
Ploiesti Court	103/281/2010	Appeal to enforcement, formulated by Romconstruct toward enforcement of cheque notes	plaintiff	Romconstruct SA	grounds	without term	Rejects appeal/ undrawn sentence.
Court of Appeal Bucharest	45882/3/2009	Action through which was applied for return of the value of the guarantee letter	plaintiff	SC SUMMA ROMANIA SA	recourse	1-March-11	Rejects the application for suspension pursuant to article 244 point 1 Criminal Procedure Code
Bucharest Court	32099/299/2006 (15895/3/2010)	claims (damages for construction defects)	plaintiff	Stefanica Mihaela	grounds after discarding	3-March-11	admits the recourse, discards and send back for rejudgment
Court of Appeal Bucharest	45886/3/2009	Return the value of guarantee letter	plaintiff	SC SUMMA ROMANIA SA	grounds	4-March-11	suspends on 244 Civil Procedure Code until the irrevocable settlement of the application for compensation
Constanta Court	17735/118/2010	action through which is required that the Court should pronounce a decision to take the place of authentic Sale Purchase Contract	plaintiff	Visan Petre Nicolae si Visan Genica	grounds	10-March-11	1st term

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Court of Appeal Timisoara	19/105/2010	Action for contracting claims	plaintiff	Romconstruct & BRD SG	grounds	14-March-11	docket moved from Ploiesti Court of Appeal to hear the appeal at the conclusion of jurisdiction declining of Prahova tribunal
Bucharest Court	30348/3/2010	IP applies for clearance of damages further to failure to conclude the sale purchase contract	plaintiff	Pasteur Institute	grounds	16-March-11	1st term
Oradea Court	9297/111/2010	request for payment of contractual penalties	plaintiff	Oradea municipality through Oradea City Hall	grounds	22-March-11	
Commercial Court of Arbitration	487/lu/2009	Commercial arbitration-claims for construction defects Degi	plaintiff	Degi Construdava SRL	grounds	31-March-11	DEGI requested expenses for works related to Construdava building
Bucharest Court	23136/3/2009	Cancellation of Decision of the General Council of Bucharest Municipality no. 263/2008	plaintiff	CGMB / Mayor of Bucuresti Municipality/ Ionita	recourse	4-April-11	In grounds, further to the acknowledgment of Impact of CGMB application the court cancelled HCGMB 263/2008 related to the land of Florian Ionita
Constanta Court	81/118/2009	claims arising out of construction defects	plaintiff	S.C.Isac Maricica Contabilitate	grounds	7-April-11	

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Buftea Court	5315/94/2010	decision to take the place of authentic Sale-Purchase Contract	plaintiff	Soare Constanta	grounds	7-April-11	
Bucharest Court	32826/3/2010	Claims arising from the acquisition by the plaintiff by assignment of some debts of Summa Romania. 42 / 2007	plaintiff	SC Brooklyn Property Management SRL	grounds	15-April-11	Brooklyn requests the value of contracting works and penalties for contract 42/2007
Bucharest Court	32874/3/2010	Claims arising from the acquisition by the plaintiff by assignment of some debts of Summa Romania. 6 / 2007	plaintiff	SC Brooklyn Property Management SRL	grounds	18-April-11	Brooklyn requests the value of contracting works and penalties for contract 6/2007
Bucharest Court	5028/94/2009	claims (judgement expenses)	plaintiff	Bodogan Constanti si Aurel	appeal	21-April-11	
Buftea Court	297/94/2011	summons payment, calling for payment of amounts for which no services were provided	plaintiff	Viab Consulting Srl	grounds	21-April-11	

Buftea Court	31608/3/2010(1003/94/2010)	Networks	plaintiff	Amariuca, Salom, Stanescu, Humeniuc, Radio Consult, Paicu Claudia, Ispas Daniel, Ermis Ioana, Mihailescu Cristinel, Grigoriu C, Ciocan D, Antonesc, Cioaca, Onirom, Maftai, Paul Man, Timpu A, Majed Samer, SC Rudyal, Rotaru, Oeru, Naftanaila Ionel, Paun Mihai, Clinciu, Go West, Flash Models	grounds	27-Apr-11	Declaratory action we consider it is not admissible because Impact has ownerships deeds of the networks
Bucharest Court	97/94/2010	Action for claims penalties	plaintiff	Antonescu Adrian	recourse	11-May-11	1st term
Bucharest Court	45236/3/2010	Termination of Sale Contract under private signature and penalties payment	plaintiff	Peter John Leigh	grounds	24-Oct-11	to file statement of defence
Buftea Court	5540/94/2007	Cancellation Act (dismemberment acts) / claims	plaintiff	Georgescu Maricica	grounds after cassation	without term	admits in part the application modified / Impact will appeal

IMPACT DEVELOPER & CONTRACTOR SA  
 NOTES TO THE FINANCIAL STATEMENTS December 2010  
 (the amounts are expressed in RON, unless otherwise specified)

Bucharest Court	48002/3/2009	return land value	plaintiff	STYLE MODA ROMANIA SA	grounds	without term	obliges IDC to pay Style Moda the amount of 110428,90 RON and 33534,84 interest; IDC will appeal
Bucharest Court	10892/3/2010	advance refunds and penalties	plaintiff	Peter John Leigh	appeal	without term	admits the appeal, discards and send back for retrial
Buftea Court	7602/94/2010	Recovery action for inconsistent works	plaintiff	SC Romconstruct SA	grounds	without term	Suspended pursuant to art. 36 law 85/2006
Court of Sector 1	11190/299/2007	claims (request split of the docket of obligation to do; value lack of utilization)	plaintiff	Petcuta Danut	grounds after discarding	without term	at the term of 04/03/2011 was admitted the request of refusal, then the docket will be distributed randomly
Oradea Court	10229/271/2009	(real estate) accession	plaintiff	Ban Liviu si Ban Cornelia	grounds	without term	suspended until the irrevocable settlement of docket no.3555/111/2010
Bucharest Court	20014/3/2010	contract resolution for vices, IDC formulated counterclaim for the payment of outstanding installments	plaintiff-deffendant	Plescan Petruta	grounds	25-March-11	
Court of Sector 1	21136/299/2009	claims	plaintiff-deffendant	SC Summa Romania SA	grounds	17-November-11	first term after declination at the civil department

Bucharest Court	5876/3/2010	vices damage claims	plaintiff	Dumitrescu Doina	grounds	15-April-11	
Bucharest Court	43654/3/2009	Cancellation of Decision of the General Council of Bucharest Municipality no. 263/2008	plaintiff	Ionita Florian	grounds		suspended until irrevocable settlement of docket no. 23136/3/2009

Besides the litigations appreciated as significant presented above, the company has also under development a number of litigations against different debtors of the company coming from the supply of utilities or other receivables small with regard to value. These litigations (approximately 62) comprise a total value of the claims of IDC of approximately 133,762 RON.

## Note 12 Affiliated Parties

### *Nature of Relationships*

In the year 2010, the company IMPACT SA developed trade relationships with a number of companies that are affiliated parties. The list of the affiliated parties with which Impact developed trade relationships is the following:

Denomination of company– affiliated party:	Number and date of contract	Type of purchased services/products
Bipact 1995 SRL	48/28.12.04	Client (materials)
	CC/04.08.05	Supplier (construction services)
Hobbit Intermediere Asigurari SRL	6/05.01.05	Client (materials)
Finance Consulting 2001 SRL	258//01.12.04	Supplier (management services)
Actual Invest House SRL	158/20.04.07, 296/03.09.07	Client (construction)
	J190/01.02.07	Supplier
	J883/10.05.07 J2971/26.06.07 J2865/27.11.07	Debtor
Lomb SA	526/28.07.08; 527/28.07.08; 529/28.07.08; 553/08.08.08; 746/24.10.08; 748/28.10.08	Client: consultancy, marketing, design, project management
Millenium Consult Invest	569/14.01.2010 514/20.09.2010	Client: design services sale of land
Havila Trading SRL	FN/22.05.03	Supplier (management services)
Intop Construction SRL	1/12.09.05	Client
	1681/20.10.05; 153/01.07.07	Supplier

The prices of the contracts concluded with the affiliated party companies are established under market conditions. In the year 2010, the company developed transactions with the affiliated parties, as follows:

<b>Sales to:</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
ACTUAL INVEST HOUSE	-430.313	-240.816
FINANCE CONSULTING 2001	3.549	5.277
HAVILA TRADING	2.473	1.229
BIPACT 1995 SRL	7.416	147.008
HOBBIT INTERMEDIERE ASIGURARI SRL.	141.867	102.164
INTOP CONSTRUCTION	3.200	3.340
LOMB	7.212.338	3.523.860
MILLENIUM CONSULT INVEST	49.142	429.515
INVESTIMOB	409	-291.669
<b>Total</b>	<b>6.990.083</b>	<b>3.679.908</b>

<b>Purchases from:</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
ACTUAL INVEST HOUSE	273.432	1.905.342
FINANCE CONSULTING 2001	316.272	106.428
HAVILA TRADING	997.290	488.430
BIPACT 1995 SRL	1.198.842	722.288
INTOP CONSTRUCTION	0	2.604
MILLENIUM CONSULT INVEST	113.632	0
INVESTIMOB	2.500	245.472
<b>TOTAL</b>	<b>2.901.969</b>	<b>3.470.563</b>

Following the transactions with the affiliated party companies, there resulted the following balances as at 31<sup>st</sup> December, 2010:

<b>Receivables from/Advances granted to:</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
ACTUAL INVEST HOUSE	17.531.546	6.159.367
FINANCE CONSULTING 2001	436	62
HAVILA TRADING	572	82
BIPACT 1995 SRL	6.745	159.763
HOBBIT INTERMEDIERE ASIGURARI SRL.	63.583	57.090
INTOP CONSTRUCTION	3.200	6.862
LOMB	595.897	54.102
MILLENIUM CONSULT INVEST	49.142	418.912
INVESTIMOB	14.716.738	14.425.113
<b>TOTAL</b>	<b>32.967.858</b>	<b>21.281.354</b>

<b>Debts to/Advances received from:</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
ACTUAL INVEST HOUSE	254.305	3.325

FINANCE CONSULTING 2001	11.662	0
HAVILA TRADING	39.865	41.583
BIPACT 1995 SRL	3.062	29.922
LOMB	315.000	0
INVESTIMOB	0	2.472
<b>TOTAL</b>	<b>623.894</b>	<b>77.301</b>

The total value of the loans granted is presented below. Due to the affiliation relationship, the loans granted to the affiliated companies were granted in order to support and develop their activity, a reason for which there was made the decision not to charge interest. In the contract there is not specified a certain date regarding the loan reimbursement, but to the extent availabilities exist.

<b>Granted credits</b>	<b>31.12.2009</b>	<b>31.12.2010</b>
ACTUAL INVEST HOUSE	106.820	0
BIPACT SRL	378.000	86.489
INTOP CONSTRUCTION	1.123.338	1.128.838
INVESTIMOB	27.000	27.000
<b>TOTAL</b>	<b>1.635.158</b>	<b>1.242.327</b>

Detailed accounts of credits, according to the CNVM - National Securities Commission, is presented below:

Date of contract	Currency of credit	Val. of Contract	Val. Used, from which	Val. used in 2010	refunds/ compensations	balance	Unused value
<b>BIPACT SRL</b>							
21.12.2009	RON	150.000	39.000			39.000	111.000
23.03.2009	RON	100.000	100.000		52.511	47.489	0
12.02.2009	RON	44.000	44.000		44.000	0	0
30.01.2009	RON	145.000	145.000		145.000	0	0
15.12.2008	RON	191.000	191.000		191.000	0	0
24.11.2008	RON	180.000	180.000		180.000	0	0
06.11.2008	RON	138.000	138.000		138.000	0	0
25.09.2008	RON	140.000	140.000		140.000	0	0
23.09.2008	RON	180.000	180.000		180.000	0	0
21.08.2008	RON	130.000	130.000		130.000	0	0
05.08.2008	RON	130.000	130.000		130.000	0	0
15.07.2008	RON	175.000	175.000		175.000	0	0

25.03.2008	RON	100.000	100.000		100.000	0	0
19.03.2008	RON	150.000	150.000		150.000	0	0
12.03.2008	RON	150.000	150.000		150.000	0	0
07.03.2008	RON	150.000	150.000		150.000	0	0
05.03.2008	RON	100.000	100.000		100.000	0	0
27.02.2008	RON	100.000	100.000		100.000	0	0
15.02.2008	RON	150.000	150.000		150.000	0	0
05.02.2008	RON	150.000	150.000		150.000	0	0
27.09.2005	RON	2.324.800	2.324.800		2.324.800	0	0
02.03.2005	RON	902.600	902.600		902.600	0	0
01.12.2004	RON	1.211.100	1.211.100		1.211.100	0	0
<b>TOTAL BIPACT SRL</b>		<b>7.191.500</b>	<b>7.080.500</b>	<b>0</b>	<b>6.994.011</b>	<b>86.489</b>	<b>111.000</b>
<b>INTOP CONSTRUCTION</b>							
16.08.2010	RON	200.000	5.500	5.500		5.500	194.500
14.07.2008	RON	10.000	10.000			10.000	0
30.04.2008	RON	150.000	150.000			150.000	0
16.04.2008	RON	150.000	150.000			150.000	0
01.04.2008	RON	100.000	100.000			100.000	0
01.04.2008	RON	100.000	100.000			100.000	0
14.03.2008	RON	150.000	150.000			150.000	0
10.02.2008	RON	90.000	90.000			90.000	0
03.02.2008	RON	100.000	100.000			100.000	0
26.02.2008	EUR	163.935	163.935			163.935	0
10.01.2008	RON	140.000	140.000		30.597	109.403	0
<b>TOTAL INTOP CONSTRUCTION</b>		<b>1.353.935</b>	<b>1.159.435</b>	<b>5.500</b>	<b>30.597</b>	<b>1.128.838</b>	<b>194.500</b>

## Note 12 - Subsequent Events

### Bank Credits

On the date of 28<sup>th</sup> of February 2011, the statement of the banking loans was the following:

No. of Contract	Bank	Val. of contract	Balance 31.12.2010	Balance 28.02.2010
10/11.01.2007	Piraeus Bank Grecia suc Londra	112.180 EUR	0 EUR	0 EUR
301/30.08.2006	Piraeus Bank Grecia suc Londra	12.807.256 EUR	12.807.256 EUR	12.807.256 EUR
58/23.09.2005	Bancpost	21.000.000 EUR	1.366.522 EUR	1.366.522 EUR
50070065/25.07.2007	Banca Romaneasca	7.993.204 EUR	4.282.074 EUR	3.996.602 EUR
50070066/25.07.2007	Banca Romaneasca	22.306.796 EUR	8.642.848 EUR	8.376.677 EUR
15/21.07.2009	Banca Transilvania	12.800.000 RON	4.584.948 RON	4.264.227 RON

### **Important Juridical and Economic Information**

Prest RV Company 2003 SRL, in which Impact holds 95% of the shares, was liquidated on March 14, 2011 as per Resolution No. 16047 of 24.02.2011. Further to liquidation, the profit of Impact was negatively influenced by the amount of 190 RON.

After partial restore of the control act by the General Administration of Large Taxpayers, was issued the notice of assesment no. 35 of 12.12.2010, communicated on January 6, 2001. Based on this decision, in January 2011 was compensated the amount of additional income tax 59,406 RON and the amount of 2,093,371 RON delay increases related to the tax on profit, with tax on profit paid in addition by Impact in previous years.

It should be remembered that there is substance action for annulment of decision no. 266/29.09.2010, given by the Ministry of Finance - NAFA – General Direction of Appeals and of the notice of assesment related to additional tax liabilities established by the fiscal no. 115/19.05.2010, and has legal term on May 24, 2011 at Bucharest Court of Appeal. This action appeals inclusively the amounts of 2,093,371 RON and 59,406 RON, compensated by the tax agency.

General Manager

Dan Ioan Popp

Chief Accounting Officer

Florin Rosca