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Report of the Independent Auditor

To:

The Shareholders and Administrative Board of IMPACT DEVELOPER & CONTRACTOR SA

Report concerning the Financial Statements

1. We have audited the attached non-consolidated financial statements of Impact Developer & Contractor SA ("the Company"), which comprise: the non-consolidated balance sheet as of 31 December 2009, the non-consolidated income statement, the non-consolidated statement of changes in equity, and the non-consolidated statement of cash flows for the year closing on that date, as well as a synthesis of significant accounting policies and other explanatory notes. The above-mentioned financial statements refer to:

	- Lei - 31 December 2009
Total shareholders' equity	333,512,530
Net turnover	54,233,682
Net turnover-profit	141,540

Management responsibility for financial statements

2 The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Romanian GAAP, that are in compliance with the EU applicable Directives. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The responsibility of the auditor

3.Our responsibility is to express an opinion on these financial statements based on our audit. Except for the issues presented in paragraph 5 and 6, we conducted our audit in accordance with the Romanian Standards on Auditing, issued by the Romanian Chamber of Financial Auditors, which are based on the International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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

Authorised by The Romanian Body of Chartered Accountants (CECCAR) and The Romanian Chamber of Auditors and The Romanian Chamber of Tax Consultants to provide accounting, auditing, business and tax consultancy services.
Share Capital: 112.000 RON VAT no. R06057138 Registration No: J40/14340/1994

5.Due to insufficient information, we have not been able to ensure ourselves that the debts to the local budgets have been correctly determined with regard to building and land tax, and consequently we can express no opinion with regard to the impact of these on the profit and loss account. Likewise, we can express no opinion with regard to the value of the debts from local taxes booked in the company's accounts.

6.As of 31 December 2009, commercial liabilities (payables to suppliers and advances received from customers), to the value of 11,075,661 lei, had not been confirmed by the debtors parties. Because the percentage of debt confirmation resulting from audit tests was only twelve per cent and because the value of these debts might have a direct impact upon determination of the company's turnover, we cannot express an opinion with regard to the size or existence of the above-mentioned liabilities.

Opinion

7.In our opinion, with the exception of the effects of adjustments that might have been ascertained as being necessary if we had been able to ensure ourselves as to the issues mentioned in paragraphs 5 and 6, the non-consolidated financial statements give a true and fair view of the financial position of **IMPACT DEVELOPER&CONTRACTOR SA** as of December 31, 2009 and of the results of its operations and its cash flow for the year then ended in accordance with OMF 1.752/2005 (later amended) and the accounting policies described in the notes to the non-consolidated financial statements.

Noteworthy issues

8.Without qualifying our opinion, we should like to draw attention to the following issues:

a) As a result of the financial crisis and of the global economic downturn, the Romanian real-estate market was subject to a significant fall in 2009 compared with 2008 with regard to the individual value of transactions as well as their volume. This trend has also become manifest in the case of Impact Developer & Contractor SA. The information available at the date of the present report does not allow us to estimate the future effects of these changes.

b) For the litigation presented in Appendix 1 to the present report, we have received no confirmation from the company's lawyers, Traian Briciu and Dan Vladescu. In the absence of such confirmation, the company's legal advisers have estimated reasonable chances of winning in each of the cases of litigation. These estimates are presented in Appendix 1 to the present report.

c) As of 31 December 2009, the company presents in the balance sheet advances for tangible assets in amount of 5,285,250 lei (1,250,000 euro) paid to the Pasteur Institute and stamp duty to the sum of 1,685,503 lei. Although these sums originate from the year 2007 and are the object of two court cases in varying stages of resolution, the estimates of the G. Florea independent firm of lawyers are optimistic with regard to recouping the advance and the stamp duty paid, as well as to receipt of the damages plus interest stipulated in the sales-purchase ante-contract (bearing in mind that in case 5696/3/2008 the courts ruled in favour of Impact both in the first instance and after appeal, the G. Florea independent firm

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of lawyers estimates a more than 70% chance of obtaining a ruling favourable to Impact in case no. 24403/3/2007).

d) As of 31 December 2009, the company owned as inventories 92 buildings with a total value of 28,116,058 lei and presented receivables with a total value of 32,053,576 lei, originating from the sale of buildings in the Europa Oradea residential complex. According to the statements of the management, the buildings in question could not be sold because of the refusal on the part of Oradea Local Council to sell the land on which they were built in conformity with the stipulations of partnership contract FN/06.07.2004. Taking into account the fact that there have been court rulings that obligate the council to sell the land to persons who have bought buildings before the expiry of the partnership contract signed by Impact with Oradea Local Council, the company management estimates that by the end of 2015 the sale will be finalised, respectively the rental of all the buildings in the Europa complex.

e) As of 31 December 2009, the financial statements of Impact Developer & Contractor SA present shares to the sum of 2,010,000 lei and loans to the value of 1,123,338 lei in/granted to Intop Construction SRL. Taking into account the fact that Intop Construction SRL is a shareholder in the Cluj University Football Club, Impact management considers that the investment has the character of an asset given that Intop has the right to benefit free of charge from advertising on the team's uniforms and in the club's football stadium. On the basis of the protocol signed by Intop Construction and Lomb SA, Intop will obtain revenues from cession of the advertising rights it owns in its capacity as a shareholder in Cluj University Football Club during the course of implementation of the project on Lomb Hill.

f) During the course of the year 2009, the company management sold 12,048,000 shares. The list of transactions may be consulted at the company's headquarters.

g) In September 2009, the Company invoiced Summa Romania, as per the contract concluded, for late-payment penalties to the sum of 600,631 lei. As of 31 December 2009, the sum 600,631 lei appears as unpaid by Summa Romania. According to their own declarations, Impact management will go to court to recover this amount.

h) In the audit report on the 2008 financial statements, the previous auditor expressed a qualification with regard to the recoverability of receivables originating from four contracts signed with MTS Leasing GmbH, to the sum of approx. 700,000 lei. In 2009, the Company booked this sum by diminishing the retained earnings value.

i) In the audit report on the 2008 financial statements, the previous auditor expressed his disagreement as to the accounting policies applied by the company with regard to the commission contract for sale of houses and flats signed with MacAnthony Realty International Ireland Ltd. In the opinion of the previous auditor, the sum of 1,486,456 lei, representing commission owed on the basis of this contract, was erroneously booked by the company in "Advance expenses". In 2009, as a result of closure of the contract with Mac Anthony Realty International Ireland Ltd. the whole sum is recognised in the profit and loss account under expenses.

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Report on Other Legal and Regulatory Requirements

9. Bearing in mind the provisions of Article 265, paragraph e) of Section 10 of MFO 1.752/2005 in our opinion the administrators' report was drawn up in conformity in all its significant aspects with the non-consolidated financial statements compiled by the management under their own responsibility.

10. The present auditor's report was prepared with a view to its use by the management and shareholders of Impact Developer & Contractor SA and by the tax authorities, and it shall not be made available to any third party without the advance permission of the auditors.

Camera Auditorilor Financiari din România
Schwartz Dănuț
Nr.404

Dan Schwartz, Managing Partner
CAFR member (no. 404/09.12.2000)

On behalf of

Scot & Company Consulting SRL
CAFR member (no. 322/31.05.2001)

S.C. SCOT & COMPANY CONSULTING S.R.L. BUCUREȘTI
EVIDENTA ȘI EXPERTIZA CONTABILĂ
ACCOUNTING & AUDITING
* 210 *

31 March 2010
Bucharest