

ANNUAL REPORT 09



In The News

A few years ago, the catchword was
"not to sleep on cash – invest it!" .

Now, the most of the time we hear
"in order to have the cash – you have to generate it"

stock, money

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Key Competitive Advantages

The
first private
developer in
Romania

Strong
relationship with
suppliers, contractors
and local
authorities

Strong
customer base –
over 2,000 clients

Strong and
well-recognized
brand name

High percentage
of the sales based on
old customers
recommendations

Strong and
experienced
management
team

Access to debt
and equity
capital markets

Dear Shareholders, Customers and Business Partners

Every "open speech" is trying to explain "what marked the previous year?" and to give a direction on "what the future is going to look like?". However, sometimes it's hard to explain "what happened in the past?". And today, it is even more difficult to say, under the current circumstances, what the future is going to bring us.



When the stock exchange market drops and then show slowly signs of recovery, when the real estate sector (a field that had very low market entry barriers) become guilty of everything happens in the economy, when the politicians say that investments may boost the economy, but they boost the budget deficits by only paying salaries, when statistics show that land and apartments prices dropped by 20% - 30% or even 80% is hard to give an explanation, because the crisis or the crash need more strength of than explanations. The fact that even in this difficult time, we managed to keep the company on a high line, reporting positive business results, may be considered as a performance. Unfortunately, the economic effects of the economic crisis will extend in 2010 as well and we will be in the same dilemma: to sell or not to sell? Which are the assets that a company should keep?

A few years ago, the catchword was "not to sleep on cash – invest it!". Now, the most of the time we hear "in order to have the cash – you have to generate it".

The CEO of a company has to choose between having annual performance, and maybe to take a bonus and the possibility to record lower performance when the investments' value is declining: if he sells to generate cash can ruin the company's future, because he has to take into account the cyclical exploitation: "the cash is the king" will be replaced again by "investments are the real stars".

These are the terms we finished the year 2009 in and I expect 2010 to be alike, as it can be seen in the Annual Report and the activity plan for 2010. Certainly, when the USA and Germany economy will recover the Romanian economy and also the real estate sector will generate more cash. Otherwise, it will be a long recovery on its own strengths. But until then, we will be very cautious and always creative!

Yours,

A handwritten signature in black ink, appearing to read "Dan Popescu".

1. CORPORATE GOVERNANCE

1.1 Managing Board and Management (Executive Management)

DAN IOAN POPP

Chief Executive Officer



Present day situation:

- ▶ General Manager of IMPACT Developer Contractor S.A.
- ▶ Main shareholder of IMPACT Developer Contractor S.A
- ▶ Leading Shareholder with Havila Trading International SRL
- ▶ USAID partner on housing related matters

Other professional training and experience:

1990 – 1994: Experience in setting up and running, as General Manager, of IMPACT S.A. and SERCA S.A. companies

1993: Founder of the Romanian Agency of Real Estate Companies

1994: Founding the Bucharest Stock Exchange and the National Agency of Transferable Securities

1998: member of the National Association of Home Builders in USA

1999: Lecturer and President of the Examining Commission of the Real Estate Institute IRECSO

President of the Romanian Agency of the Real Estate Companies (ARAI)

Founder and Vice President of the National Federation of Real Estate Development

2000: President of UNAI (National Union of Real Estate Brokers)

2005: Associated Professor at Master Courses organized by The Bucharest Academy of Economic Studies

Employment History at IMPACT: Since 91 CEO

Responsibilities:

- ▶ overall management and leadership
- ▶ building business relationship
- ▶ driving the strategic direction

CARMEN SANDULESCU
Chief Financial Officer



Present day situation:

- ▶ Executive manager of IMPACT Developer Contractor S.A.
- ▶ Important shareholder of IMPACT Developer & Contractor
- ▶ USAID partner on housing and mortgage related matters

Other professional and training experience:

1991 – 2003: Experience in the field of Capital Markets and Currency markets financial manager with MPACT S.A.

1993 – 1995: Graduate of many training programs, including: Evaluation of Trade Companies; ANEVAR Bucharest, Investment Planning; KPMG Romania, Training in the field of Capital

Markets with specialists of Know how and

2004 – Present: Experience related to economic and development issues as Economic and Development Manager with IMPACT S.A.

Employment History at IMPACT: Since 91 CFO

Responsibilities:

- ▶ financial planning of business development
- ▶ coordination and valuation business expansion initiatives

LIVIU NITA

Executive Manager



Present day situation:

- ▶ Executive manager of IMPACT Developer Contractor S.A.
- ▶ Legal representation for the company in all important issues
- ▶ Collaborator on financial markets reform in Romania within Deloitte & Touche Romania

Other professional training and experience:

2001 – 2007: Experience in legal consultancy for the Board of Directors regarding company development and coordination of Legal Department, Licensing Department, Inventory Control and Controlling

2002 - 2003: co author of "How to Build a House" and "A Bank Loan Gives Me the Opportunity to Have a Home", Economic Publishing House 2003.

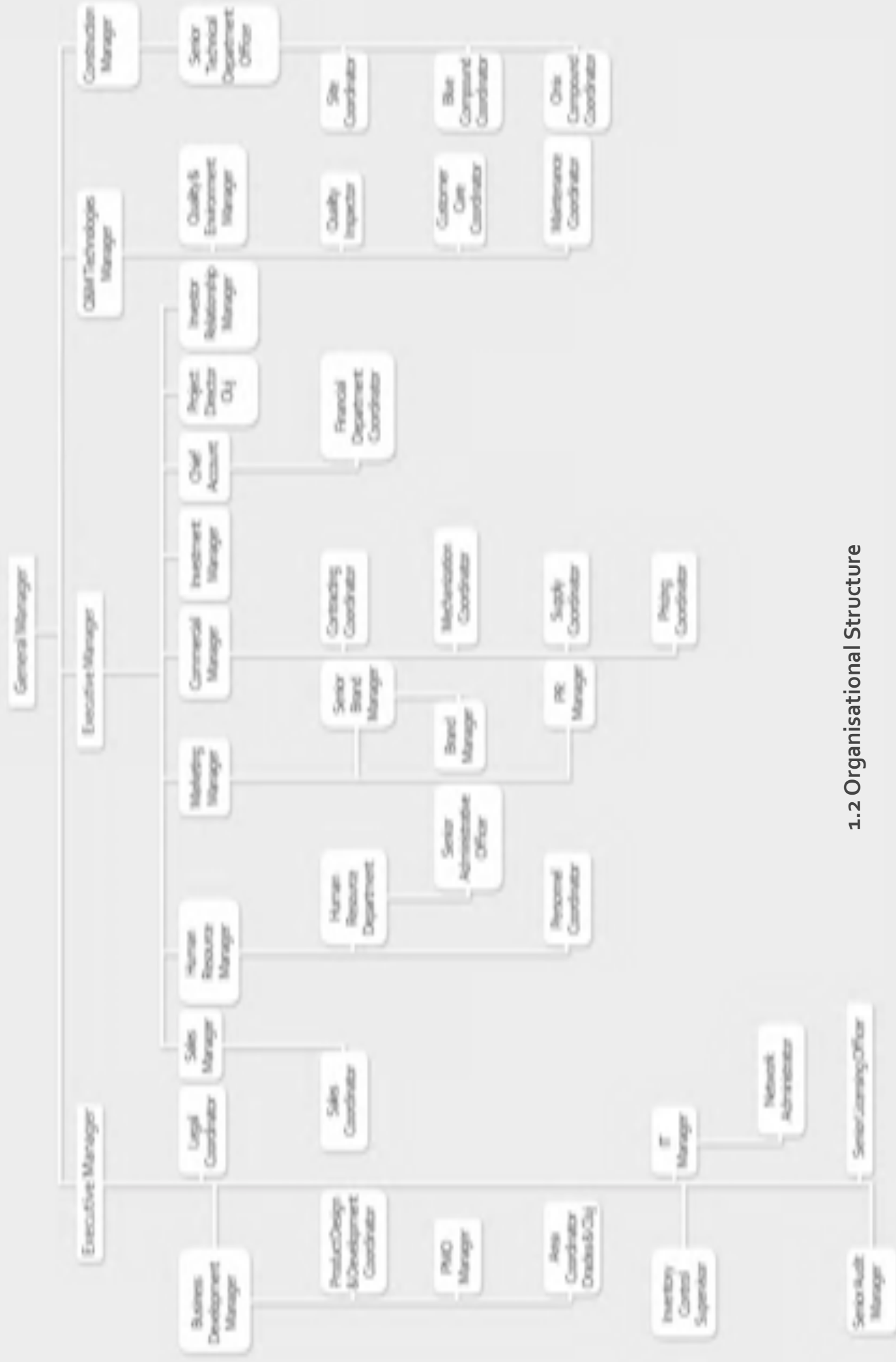
2005: Graduate of the Process Management training programme provided by ROQuality and of the leadership for managers training programme provided by the Carnegie

2007: Graduate of Cambridge Legal Summer School Managing & Leading an Effective In house legal department Cambridge, U.K.

Employment History at IMPACT: Since 2004 Legal Manager

Responsibilities:

- ▶ Legal and licensing departments coordination
- ▶ Board of directors and management legal advisory
- ▶ Stock exchange legal compliance supervisory



1.2 Organisational Structure

1.3 Report of the Independent Auditor

Report concerning the Financial Statements

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:

31 December 2009

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

RON

Management responsibility for financial statements

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

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.

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.

Due to insufficient information, we have not been able to guarantee the correctness of the constitution of the debt to the local budget with regard to building and land tax, and consequently we can express no opinion with regard to the impact of this on the profit and loss account. Likewise, we can express no opinion with regard to the value of the debts accruing to the local taxes booked in the accounts.



As of 31 December 2009, commercial liabilities (suppliers and advances received from customers), to the value of 11,075,661 lei, had not been confirmed by third 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

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 convince 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

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 recession, 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 initially and after appeal, the G. Florea independent firm 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 in its inventories 92 buildings with a total value of 28,116,058 lei and listed 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 declarations 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 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 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 contract 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 financial statements for 2008, the previous auditor expresses reservations 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 mainly by diminishing the retained earnings correspondingly.

i) In the audit report compiled on the financial statements for the year 2008, the previous auditor expresses 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.

Report on Other Legal and Regulatory Requirements

Bearing in mind the provisions of Article 265, paragraph e) of Section 10 of OMF 1.752/2005 to pass Accounting Regulations in conformity with European Directives, in our opinion the administrators' report is in conformity in all its significant aspects with the non consolidated financial statements compiled by the management under their own responsibility.

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

Dan Schwartz, Managing Partner
CAFR member no. 04/09.12.2000)



On behalf

Scot Company Consulting SRL
CAFR member no. 2/31.05.2001)



31 March 2010, Charest

1.4 Board of Directors

According to the available legislation and the company Deed of Partnership, The General Meeting of Shareholders is the company administration and decision supreme forum which takes final decisions.

The company is administered by the Managing Board, made up of three managers:

Mrs. Andreea - Ioana Rosca

Mrs. Rosca graduated the Academy of Economic Studies, with first degree in Insurance and Reinsurance in 1995. She became MBA graduate at Open University Business School, United Kingdom of Great Britain in 2004. Also she graduated courses of media management and economic journalism in Germany (1998) and USA (2001).

Mrs. Andreea Rosca held the positions of Deputy Editor Chief Editor, within the publication "Capital"-member of Ringier press group, during the period 1992-1999, and the position of Chief Editor, during the period 1999-2005. Mrs. Rosca was General Manager of NewsIn, press agency within Realitatea group, during 2005-2007, and she is currently Business Press Manager within Realitatea Catavencu Group. Within Realitatea Catavencu Group, Mrs. Rosca managed projects as for example: Business Standard and Money Express and NewsIn. Regarding her activity within Capital magazine, Andreea Rosca coordinated two projects of reconfiguration of this magazine in the year 2000 and 2004. She also coordinated the series TOP Capital: special supplements focused on various types of categories (for example Top 300 the Wealthiest Romanians): including the editorial concept, marketing strategy, project management, development strategy (2002-2005).

Mr. Valeriu N. Ionescu

Mr. Valeriu Ionescu graduated the Technical Institute of Bucharest – Faculty of Electronics and Telecommunications in 1976. He graduated the Master of Business Administration at ASEBUSS and University of Washington in 1995.

Mr. Valeriu Ionescu held various managing positions within international companies such as: Country Director for International Executive Service Corp. (1991-1995), Regional

Manager for New Europe Fund (1998-2004). Also he was part of the Board of Directors of various companies, such as: S.C. Astral SA (2000-2002), Luxten SA (1999-2003), deputy director of Orange (1999-2004).

Mr. Ionescu was funding partner of Focus Sat Romania S.A., being Sr. Vice president of this company from its incorporation until its full sale to UPC (April 2006). Currently, Mr. Valeriu Ionescu is Managing Partner of Valeriu Ionescu & Asociatii SRL as from 2004, which is a company of consulting and services in the field of direct investments.

Havila Trading International SRL – The Managing Board President represented by Dan Ioan Popp

The actual members of The Managing Board were elected in October 2007 within The Ordinary General Meeting, on the date of our shareholders' meeting on 11 October 2011.

1.5 Risk Management



Market risks: The global financial and credit crises, combined with recession in Western Europe, have exposed Romania to financial market risks. In 2009, Romania faced growing concerns about a real estate bubble, rapidly declining economic growth, and the diminishing of repatriation cash flows from Romanians living in Italy and Spain. All these had translated to tight credit conditions during 2009 for both companies and individuals,

threatening short term operating profitability. In order to maintain and even increase the sales, we pursued a strategy of financing the potential customers that have difficulties in getting a mortgage from the bank. To fulfill this goal we have raised a loan of 12.8 mil RON (about 3 mil EUR) which is used for financing our customers, with the condition to assign to the bank the venues that are realised throughout these contracts.

Exchange rate and higher cost of financing are the major sources of financial risk. The access to financing is more difficult and more expensive as interest rates increased and the RON depreciated relative to the EUR. While the beginning the year 2009 started with an exchange rate of 4.02 RON/EUR, by the end of the year it increased to 4.22 RON/EUR.

At the end of 2009 the exchange rate was considered sustainable by the majority of the analysts and they expect the RON to strengthen during the year 2010.

Price risks: The challenges faced by the market in 2009 had influenced the prices as well. There was about 20% decrease in prices 2009, according to the Market Report made by Colliers International at the end of the year 2009. The greater part of the decrease was due to the VAT reduction from 19% to 5% for the residential units acquired by individuals.

“ Management is responding to decline in demand by scaling down the pace of development ”

In 2008 and 2009 minimizing risk was on everyone's minds, and land acquisitions were no different. In 2009 the land price continued to drop as the financing became unavailable for land acquisitions. Also we have to mention that Impact Developer & Contractor didn't make any substantial land investments since 2006 when the land prices were still very affordable compared with the land prices in 2009.



2. THE COMPANY

2.1 Introduction

Impact Developer & Contractor S.A. (also called IMPACT) is one of the first private companies active in this industry, having been founded in 1991 by public subscription. Initially, its main activities were the lease and maintenance of luxury villas in the Bucharest area. In 1995, Impact introduced the concept of the “residential compound” to the Romanian market and thereafter progressively evolved into a pure real estate developer. Since 1996,



Impact has been the only local developer to be listed on the Bucharest Stock Exchange (BSE). In 2006, the company's shares were promoted to the first tier of the stock market, becoming the first company in the real estate development and building sector to do so.

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

Impact has also built partnerships with several financial institutions in order to provide a variety of financing solutions to their customers.

	Bucharest	Constanta	Oradea	Cluj-Napoca	Ploiesti
GDP/capita*	12,749	7,451	5,492	7,161	6,076
Salary/capita**	5,310	4,008	2,643	3,960	4,082

*EUR net salary/year 2009 exchange rate: 4,23 RON)

**EUR GDP 009

Source: National Prognosis Commission (CNP), Employment Agency, National Institute of Statistic, National Bank of Romania

2.2 Company Overview



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

Impact completed 16 small and medium projects in the last 19 years. The company is currently involved in four developments, each with a distinct project time frame and at a different stage of completion. Its pipeline is dominated by two major projects: the Greenfield and Lomb Hill developments.

Mission

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



In order to draw respect and exceed the expectations of the real estate market, the corporation MPACT promotes its values, bidding by them its activity.

The Company's organisational culture is based on the following set of values:

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

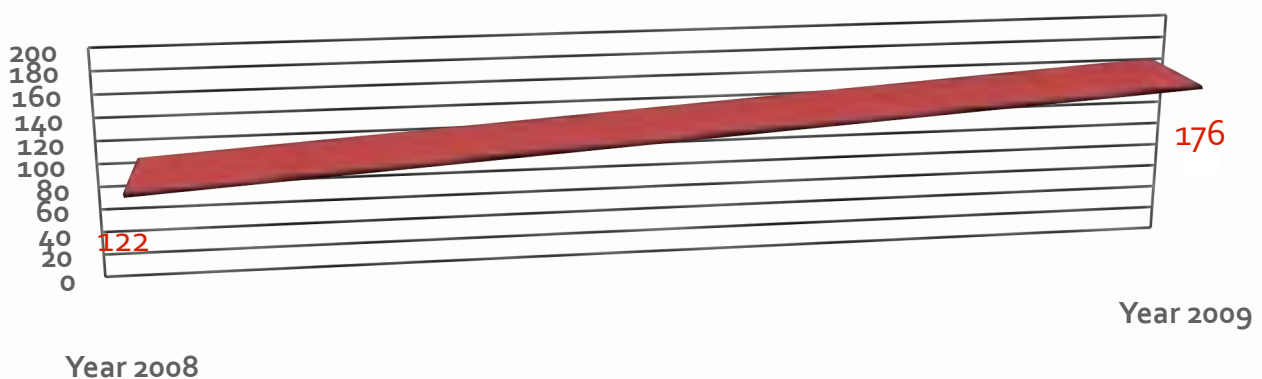
2.3 Business Overview

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



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

Sales of Residential Units 2008 -2009



Source: Impact

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

SWOT

Strengths

- ✓ Experienced management team
- ✓ Track record provides leverage with lenders and customers alike
- ✓ Pragmatic strategy with flexible product range allow the company to react to market conditions



- ✓ Creative financing solutions for residential customers may support sales figures further in 2010
- ✓ Sales performance in 2009 compared to 2008 suggests competence of the company to compete in the restrictive market conditions
- ✓ Impressive stock of land can provide potential source of cash inflow and collateral for financing pipeline in the medium/long term
- ✓ Company has enough stock of finished dwellings to respond quickly to a recovery in the residential market
- ✓ Low indebtedness compared to CEE peers
- ✓ Attractive characteristics of the company's core projects:

1. Greenfield: 58 ha, located close to office and commercial area in an unpolluted section of Bucharest
2. Lomb Hill: 267 ha, new district in Cluj Napoca represents one of the biggest mixed-use real estate developments in the north-western part of Romania

- ✓ Flexible joint venture with Cluj Napoca City Council for Lomb Hill development will allow Impact to capitalize from equity partnerships with investors attracted to the project
- ✓ No pressure on short term indebtedness coming from the core businesses (Greenfield and Lomb projects) which can advance in accordance with market conditions

Opportunities

- ✓ Well positioned to maximize benefits of First House government program
- ✓ Housing deficit leaves room for sustainable residential market growth in the long term (much more than any other CEE country)

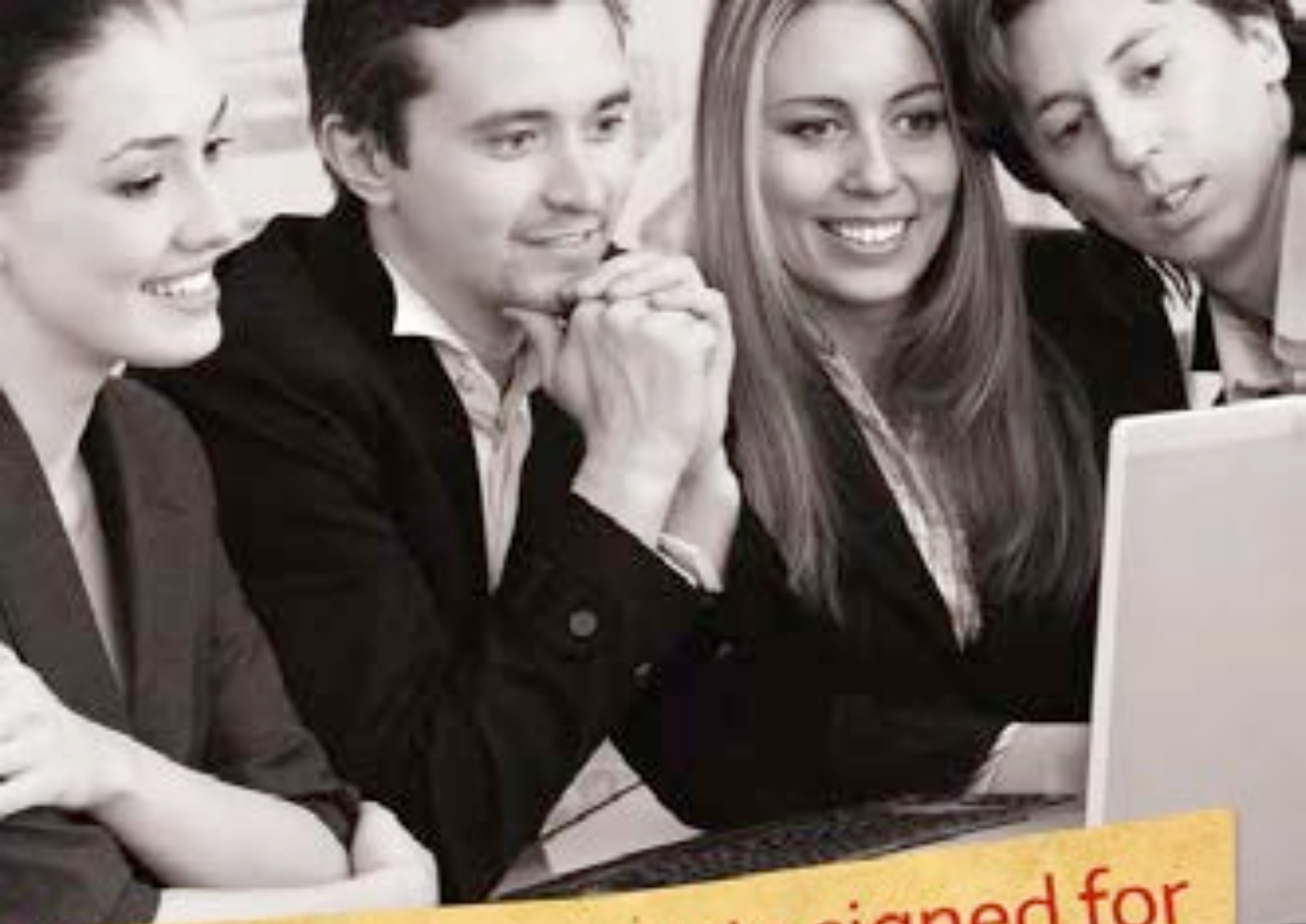
Weaknesses

- ✓ Operating profitability has been under pressure due to market conditions, and will likely remain under pressure through 2010
- ✓ Uncomfortable levels of debt sustainability indicators in spite of the company's relatively low indebtedness compared to CEE peers

Threats

- ✓ Prolonged tight credit conditions, gloomy outlook for unemployment and deterioration of households' expectations on their financial standing will result in difficult market conditions at least in 2010) and could threaten short term operating profitability
- ✓ Higher cost of funding
- ✓ Competitor's low priced products, sold with aggressive offers, could affect the company's sales plan





+44% in contracts signed for
residential dwellings

Contract

176 contracts signed in 2009
compared with 122 contracts
signed in 2008



2.4 Strategy and Business Model



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

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

Beginning in 2007, the company strategy has been focused on mixed use development projects (large residential areas, office spaces, commercial spaces, hotel units, as well as educational units schools, kindergartens and sanitary units. Moving forward, 70% of IMPACT's current and future construction projects will be focused on residential housing, the difference consisting in commercial spaces, conference centres, schools, kindergartens and parks.

special place is dedicated to different types of spaces (Small Office Home Office) which are designed for small investors, free-lancers, self-employed consultants or sales people that in the current market conditions will be interested in relocating their activity in smaller office spaces, adapted to the company's needs. oHo is a modern concept where the space can be represented by elegant combination of commercial space (ground floor) and dwelling (upstairs). So, for this activity, IMPACT offers: special spaces in Bucharest,

Constanta, Ploiesti, Oradea and Cluj, reconfigurable surfaces, diverse housing solutions adjusted to client needs. The market is different from year to year and 2009 was represented by a major change in the residential beneficiary profile due to the financial restrictions.

Although revenues of the potential clients were decreasing, their expectations have raised in terms of habitat quality. They are more and more interested in the comfort ensured by the adjacent area to the dwelling (the green areas and the facilities offered by the compound they are going to live in): English teaching school, sports area, kindergarten, supermarket, eco gardens, indoor garden etc. Another important element is the reconfigurable surfaces available for clients the difference being made by the final price. Taking into account all this, IMPACT has decided to redesigning apartments from the Quartz Project in reconfigurable surfaces with surface between 40 and 200 square meters, so the beneficiaries choose the surface that is meeting their financial possibilities. After that, assisted by an architect, the clients can configure the arrangement of the walls on several certain perimeters in order to obtain the required number of rooms.

This new concept of "Kaleidoscope House" was implemented on more than 20,000 square meter area in small blocks of flats (GF+3 and GF+4), built in the Greenfield complex and also in Roua Project from Ploiesti.

► ***To adapt the sales strategy for finished products appropriate to market conditions***

Because of the situation with the real estate market starting in May 2008, Impact offered diverse housing solutions, adjusted to client needs and flexible in their application. These have been continued also in the year 2009 with new financing solutions, which were adapted for the sales strategy of the products that were developed by IMPACT and conformably to the market conditions.

1.PAY ALL – For the integral payment scheme, apartments have discounts between 1% and 4%.

2.PIECE BY PIECE – "Piece by Piece 18" or "Piece by Piece 24", which mean: installment payment system in 18 and 24 months.



3.FIND-L – developer installment system on 6 years with 25% down payment and the difference to be paid in 72 monthly payment.

4.BRIDGE – using this financial solution the client has to pay a down payment of 25%. The next payment of 25% will be done in 48 fixed monthly installments. Through this program the client has 48 months to decide if he sells the old house or if he chooses a mortgage loan to pay the difference and the second half of the value of the house.

5.CALL BUY – renting with the possibility of buying the dwelling and partial capitalisation of the rent. An initial guarantee/deposit can be paid, starting with €4.600 euro, depending on the dwelling type, and at the moment of signing the contract it can be chosen a period in which the house integral payment will be done from 9 months to four years. If the total payment is made in 9 months since the contract is signed, all the payments capitalise integrally. The initial guarantee is calculated taking into account the total value of the apartment and represent 6% of its value.



► ***To analyse the opportunity to include in the pipeline hotel developments***

"The hotel project is strictly dependent on the presence of an equity partner"

Impact plans to build 4 star business hotel (with 168 rooms) on a land plot located 10 km from the city center, in Pipera Area. During 2008, IMPACT finished a feasibility study conducted by the company Khol & Partners from Austria, which show the opportunity to develop one hotel in the northern area of the Bucharest. The company has already signed a letter of intention with an international hotel operator as its potential strategic partner on this project. The completion of this development could take between two and three years, depending on how soon Impact can secure an equity partner.

► ***To divide the projects in sub-phases according to the new master-plans***

Taking into account the strategy of the company to be focused on developing largest real estate projects, IMPACT showed a special importance for sub phase division of the current and future projects and also for the size of each project which are strongly related to the market demand changes.

All this being said, Greenfield is divided in 7 phase with surfaces between 1 ha and 8 ha.



Lomb Hill Project is divided in 9 phases with surface between 8 and 37 ha. These are than ived into sub phases.

PHASE	NUME	SUPRAFATA
1.	LOMB MIDOW EAST	35 ha
2.	LOMB MIDOW WEST	25 ha
3.	UNDER LOMB NORTH-WEST	33 ha
4.	UNDER LOMB SOUTH	13 ha
5.	UNDER LOMB EAST	23 ha
6.	LOMB HILL WEST	30 ha
7.	CENTER NORTH-EAST	34 ha
8.	CENTER SOUTH – WEST	37 ha
9.	CAMPUS & RESEARCH POLE	24 ha

► ***To prospect the markets for attracting new partners for project risk mitigation***

The company has a flexible strategy to attract partners in developing its projects, depending on the volume of the investments, the partnership's structure and the project/ product that it is going to be developed after the partnership had been concluded.

1. To attract partners at the project level: for decreasing the risk it was decided to attract financial and strategic investors for real-estate developments such as residential compounds, retail spaces, office spaces, medical center, university campus, technology park, retail space, etc. n 2009, the representative of the company discussed with various investors to attract financial partner for development of the project Construdava 2, as well as for retail spaces from Greenfield (in Bucharest) and Zenit (in Constanta).

2. To attract tenants for the non residential areas from its on going projects, such as: fitness and beauty entre, grocery store and kindergarten, school, etc.

The company has already signed the contract with "Little London" private school which will open in Greenfield 1 Project in September 2010. Also, IMPACT continues discussion with potential partner for the construction of a sports grounds on a surface of 2500 sqm in Greenfield Project. The sports area is going to be represented by a mini football playground one surface of 970 sqm and 2 tennis playground. For retail area there are discussions with operators focused on this activity, to be complemented retail project on an area of 1500 sqm.

► **Other Activities Under Analysis**

Greenfield Project



Regarding Greenfield Project, IMPACT finalized the master-plan in collaboration with Architekten Cie Olanda and PZP Architecture Bucharest and it was approved the Local Urban Plan for the first phase of the first phase of Greenfield project. Also, together with PZP Architecture we started the design for the first phase that will be launched in execution in 2010.

In a green surrounding with a large forest, within 10 km distance of the city centre of Bucharest, a new part of the city will be created: a new neighborhood within an urban forest where people can live, work, learn and recreate. This new urban forest,



made out of a large variety of trees and plants, will provide an attractive condition for the environment for people and animals and will continue our goals of green and eco. The urban forest will be complete with a special area dedicated to an indoor garden. For this project it was fulfilled the feasibility study in collaboration with the Architecture Office "Atelier Foaie Verde". During the year 2009 it was also realized the "Sustainability study – energy and resource efficiency" for the Greenfield Project in partnership with "IPCT Instalatii" Bucharest and "Traffic and Vertical Planning Study" making a partnership with "Via Proiect" Bucharest.

Lomb Hill Project

In 2009 was completed the Master-plan of the project in partnership with YRM Architects London (architecture-urbanism), MacGregorSmith-UK (landscape specialist) and Cundall Engineering UK (for consultancy in the domain of reusable energy and sustainability), and it was concluded and approved the local urban plan for the Lomb District.



Regarding the organization of construction work, in 2009 started the infrastructure work for the 3% of the land that will be delivered to the Municipality according to the framework contract. There was also finalized the feasibility study and the technical project for control the land erosion. Getting ready to come out on the market with a full package of products, in 2009 IMPACT has designed residential products for the first phase of development, offering in the same time diverse solutions adjusted to the client's needs, market segmentation and the land characteristics that require certain types of architectural approaches.



IMPACT was involved in preparing the feasibility study and the application form for EU funds together with Emergency County Hospital or a medical research center – IMOGEN, which has been included in the Integrated Urban Development Plan.

In 2009 there was also started the collaboration with the Direction of Social Assistance from the Cluj Napoca Municipality for the development of three social centers within Lomb project. In March 2010 the Municipality applied for EU funds for one of this centers, Impact being involved in conducting the pre feasibility study for this project. The three social centers are included in Urban development plan.



Business Support Center

During 2009, IMPACT finished the feasibility study and the technical prospect for a class B office building in the Northern Part of the Bucharest. The objective of this project is to support the small and medium business. In respect to this project we offer office spaces (more than 10.000 sqm), adapted to the client's needs, for which the companies will pay lower rent.

2.5 Key Factors and Major Drivers for the Development Business

First House program

The "First House", the government guarantee program, was approved in June 2009 and targeted the acquisition of the dwellings through mortgage loans. The state guarantees the purchase of a dwelling within a limit of EUR 60,000 for those who do not own a property and agree with a rank I mortgage in the state favor. The down payment for the dwellings purchased through this program is 5%. The First House program proved to be successful so the government decided to improve and to continue the program in 2010 and 2011.

In February 2010 was approved "The First House 2" program that came with a few amendments to the "First House" program. In the updated version of the program the state guarantee the purchase of an old dwelling or a dwelling which is under construction at the moment the program was approved within a limit of EUR 60,000. For the dwellings that are going to be developed from this date on the guarantee is of EUR 70,000 and if there are 7 people or more organized in an association that own a plot of land together and want to build residential units the guarantee limit is 5,000 EUR.



In 2009, IMPACT Developer & Contractor launched two new housing solutions addressed to those who may benefit from the opportunities of the "First House" Program.

"By these new dwelling solutions we compress time and we address both those interested in purchasing their first house, and those interested to purchase a second house, benefiting in fact from an extension of the "The First House" program. Thus, for families falling in the



second category, we speed up the process for the sale of the old house to those who have never held a house and are eligible for the "First House", without charge other fees for sale/intermediary", stated Carmen Săndulescu, IMPACT Developer & Contractor CFO. In 2009 about 20% of the sales contracts were signed by the clients that benefited by the First House program.

The Reduction of VAT from 19% to 5%

In order to stimulate the real-estate sector, the Romanian government introduced in December 2008 a 5% reduced VAT rate for the dwellings sale to the individuals as defined by the law.

This is a derogation to the standard 19% VAT rate, and applies to the dwellings that have a useful surface not exceeding 120 sqm, excluding any household appendices, attested by the relevant cadastral documentation; and their value without VAT, including the value of the related land does not exceed the amount of RON 380,000 (approximately EUR 90,000).

The gap between the demand and the supply on the residential market

It must be considered that the Romanian residential real estate market is still substantially lacking supply in residential units compared to other peer countries in the CEE region. This fact gives further confidence in the long term potential of the residential real estate market.

Enviably Demographics: Romania has over 21 million inhabitants.

Mortgage loan market still undeveloped compared with peer countries:

Currently, mortgage loans represent less than 5% of the Romanian GDP. There is therefore major room for long term growth of the housing market. The relevance of this potential can be appreciated when taking into account that the credit market is the key driver of the residential market.

2.6 Completed Products

1996 – 1998 MPACT has build individual luxurious housing with a built area between 180 sqm and 350 sqm, with a modern design, attention for details and dedication for the satisfaction of our clients.

1998 started to build semidetached houses with a built area between 120 sqm and 150 sqm, part of the accessible villa category, villas for people who appreciate family values, people who want their dreams to come true.

2003 introduced the raw houses product with a built area between 80 sqm and 115 sqm, it's a product for young people, for those who aspire and are in a continuous ascension, for those who want more from life.

2006 started to build flats with two, three and four stories design for active people who want a new, spacious, functional home. Also, the company entered the market of office spaces one with the delivery of the Class A Office Building Construdava Business Center. In the residential compounds, developed by IMPACT, there were developed small retails spaces with a built area between 300 sqm and 1000 sqm in order to serve the community needs.



3. COMPLETED PROJECTS

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



Alpha Project

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



Beta project

Initiated in 1998 and completed in 2002, Beta is the second residential

compound, developed by Impact. The project includes 70 deluxe and prestige villas.



Gamma & Delta Projects

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



Epsilon Zeta Projects

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



Junior Project

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



Azur Project

The Azur 1 project was initiated in September 2004 and was developed on a 53,500 m² area. The complex includes 150 Prestige and Junior type villas, supplemented with sports grounds, playgrounds, green areas and 50 parking spaces. The Azur 2 development was initiated in February 2005. Both developments were completed in 2007.



Class Project

Class was initiated in 2001 and completed in 2006. Developed on an area of 75,000 m², the compound includes 202 villas and a number of playgrounds. After only 6 months, 60% of the compound had been contracted.



Europa Project

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

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



Boreal 1 Project

Located in Constanta and comprising 151 villas, Boreal 1 was initiated in 2002. Developed on an area of 60,000 m², the project includes villas with 150-700 m² plot and 115 450 m² built area.

Figure: Completed Projects

PROJECT	Units	Built Area (sqm)	Started	Completed
Alpha	40	7000	1995	2001
Beta	70	12,250	1998	2002
Gamma&Delta	250	43,750	1999	2003
Epsilon&Zeta	106	19,950	2001	2005
Junior	54	7840	2004	2005
Class	202	41,375	2001	2006
Azur 1&2	150	53,500	2004 & 2005	2007
Europa	298	112,000	2004	2008
Boreal 1	151	60,000	2002	2008

Source: IMPACT Developer & Contractor

4. ON-GOING PROJECTS

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

4.1 Greenfield 1 Project in Bucharest

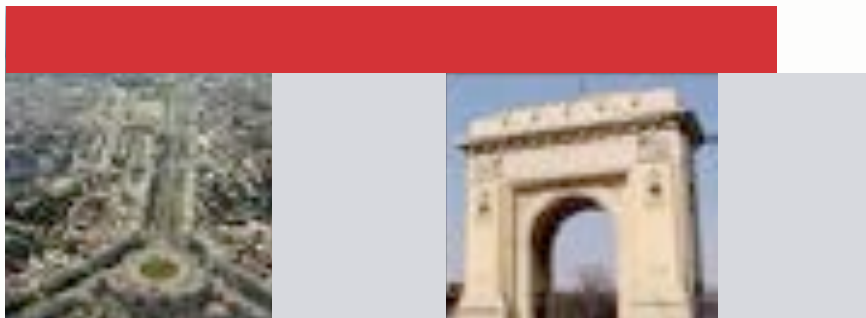
Bucharest Overview

The capital of Romania, Bucharest, is the most economically developed and industrialized city. Bucharest holds a triple status:

1. The biggest Urban Agglomeration of the country
 - ▶ Holds structural relations with its surroundings
2. European Metropolis
 - ▶ 2 million people inhabit the city
 - ▶ Good geographic positioning, at the intersection of the main Pan European transportations corridors
3. European Capital City
 - ▶ Capital Romania – political and administrative center
 - ▶ Key Role in the region – According to the map of the Pan European Transport Corridors Network, Bucharest is an important knot of this network, being located at the crossroad of two of the longest Pan-European Corridors.

According to the National Institute of Statistics, Bucharest (the urban area extends beyond the limits of Bucharest) has a population of over 2 million people. Bucharest is the 6th largest city (after London, Berlin, Madrid, Rome and Paris) in the European Union by population within the city limits.

Established blue chips companies (such as HP, Orange, Adobe, IBM) have offices in Bucharest and are continuing to invest in Romania's highly skilled modern workforce, which has a growing reputation in IT, educational field, medical and financial expertise fields.



Greenfield Project

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



Location:

- ▶ Less than 2 km away from the crossroads with the DN 1 Bucharest – Ploiesti (National Road) and from the future Bucharest – Brasov highway.
- ▶ 5 minutes from 2 airports Henri Coanda and Baneasa International Airport
- ▶ The retail facilities comprise large retail units (approximately 5 minutes far away from Greenfield), such as Metro Cash&Carry, Selgross, IKEA, Mobexpert, Carrefour Feeria, Bricostore.

In the last 5 to 7 years the northern part of Bucharest has developed considerably by attracting investments in large retail projects, residential developments and office buildings (60% of office buildings are constructed in this part of the city). The development of the area was primarily influenced by the availability of large land plots, good infrastructure, the vicinity to Baneasa Airport and Baneasa Forest (the only one existing forest in Bucharest) as well as the importance of immediate access to Bucharest – Ploiesti Road (DN1).



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

The project was conceived in two phases, Greenfield 1 (phase 1) and Greenfield 2 (Phase 2 – hase 7).

Specifications:

Greenfield 1 (phase 1) s located in the South Eastern part of the project and is developed on 10 ha. It is a residential project and it comprises over 670 residential units divided in 5 compounds:

- ▶ 154 nits in Rubin compound
- ▶ 123 nits in Topaz compound
- ▶ 196 nits in Blue compound
- ▶ 104 nits in Onix compound
- ▶ 93 nits n Quartz compound



Rubin and Topaz compounds were finalized in 2008, Onix and Blue compounds in 2009 and Quartz compound will be finalized in June 2010.



Greenfield Project



Little London School

IMPACT brings the private school Little London in the Greenfield Project, as a perfect educational solution for residents that have already moved in Greenfield and for the neighborhood communities. The representatives of the company have already signed the agreement with the Little London institutions as a perfect spacing solution for the development of the local educational environment. Future Little London headquarters will be a new building from Quartz compound that can be arranged according to the needs of a modern school.



Little London is a school authorized by the Ministry of Education, Research, Youth and Sport.



4.2 Boreal 2 Project in Constanta

Constanta overview

Situated at the crossroads of several commercial routes, Constanta is the fourth largest port in Europe, ranked just after Rotterdam, Antwerp and Marseille.

Constanta Municipality, administrative and economic center of the county with the same name, is located in the south eastern part of Romania. The east side of the city is bathing in the Black Sea (continental sea that communicates with the Mediterranean Sea through the Dardanelles Bosfor stump), and approximately 50 km far away from the Danube Delta. At the northern limit of the city there is Mamaia resort on 6 km of coast.

The third largest city in Romania, Constanta is now an important cultural and economic centre, worth exploring for its archaeological treasures and the atmosphere of the

old town centre. Its historical monuments, ancient ruins, grand Casino, museums and shops, and proximity to the beach resorts make it the central point of Black Sea coast tourism.

The main fields in Constanta are the harbor and the maritime transportation, tourism, food industry, trade, machine construction industry, chemical industry and petrochemical industry, electric and thermal energy, wood processing and the product of paper, clothing industry.

After the total number of registered economic entities, the city of Constanta occupies the second place in the country, after Bucharest.

Boreal 2 Project

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

Location:

- ▶ Outskirts of the Constanta Bucharest highway
- ▶ 3.5 km from the beach
- ▶ In the near vicinity of the Boreal 1 Project
- ▶ Plot: 858 m²
- ▶ Sellable built Area: 3,578 m²

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



4.3 Lotus 1 Project in Oradea

Oradea overview

Oradea has been one of the more prosperous cities in Romania, due mainly to its location close to the Hungarian border, making it the gateway towards Western Europe. Due to its specific character, Oradea is one of the most important economic and cultural centers of Western Romania and of the country in general, and one of the great academic centers with a special development dynamics.



The City of Oradea has an economy whose structure contains the majority of the fields and it represents more than 60% of the industrial output of the county: car industry, chemistry, textiles and ready made clothes, knitwear, footwear, leather and furrier's trade, wood manufacturing, building materials, metallic manufacture, spare parts, plastics, nourishment industry and energetic. The City of Oradea has a network of public interest institutions and services: transport, designing, constructions, installations, tourism, hotel activity, and import-export.

The businessman are constantly looking for partners, wishing to invest or to find new trade markets can find in Oradea a suitable starting point. There are multiple business opportunities and the city is providing highly qualified personnel in different fields: industry, transport, industrial constructions, services and agriculture.



Lotus 1 Project

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

4.4 Roua 1 Project in Ploiesti

Ploiesti Overview



Ploiesti has experienced rapid economic growth due to major investments from foreign companies. Ploiesti is situated on the future highway Bucharest–Brasov, the main path towards the north and west provinces and the Western EU. The Henri Coanda International Airport is just at 45 km distance, and the ski

resorts from Prahova Valley can be reached in one hour of driving.

The city is situated at just 60 km north of Bucharest, with promising infrastructure and many development projects currently underway. Ploiesti is a strong industrial center, focused especially on the oil production and refining industry and an important educational center represented with excellent colleges and universities. Ploiesti is also a textile manufacturing center.

Ploiesti concentrates many foreign investments: OMV – Petrom, Lukoil, Shell Gas, Timken, British American Tobacco. Also, many retailers like Carrefour, Metro, Selgros, Kaufland, Billa, Bricostore, Praktiker found in Ploiesti – continuously growing market.

Roua 1 Project

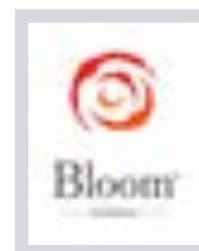
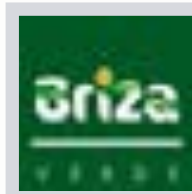
Roua is a residential project comprising more than 35 houses that represent a new era in the company's activities: the expansion in to another market – the city of Ploiesti. The compound was started in November 2004. Developed on 13.000 sqm, the project has villas with 140 – 300 sqm plot and 125 – 135 m built-area.



5. FUTURE PROJECTS

5.1 Greenfield 2 Project in Bucharest

In the second half of 2010 IMPACT will continue the development of the Phase 1 of Greenfield 2 project, which will be developed on 4 hectares with a total number of more than 600 units, in 16 blocks of flats (5 blocks in Tattoo Residence compound, 6 residential units in Bloom Residence compound and 5 blocks in the Briza Verde compound). The project will start with the development of one block of flats in each one of the three compounds, which will include 127 residential units (48 apartments in Tattoo Residence compound, 44 apartments in Briza Verde compound and 35 apartments in Bloom Residence compound). The building's design has large interior gardens, used as semi-private spaces accessible only to the tenants. Also, Tattoo Residence, Briza Verde and Bloom Residence will benefit of the location advantage provided under the Greenfield brand (900 ha of forest, near the Baneasa Forest, at 5 minutes from Baneasa commercial area Metro Cash & Carry Selgross, Ikea, Mobexpert, Carrefour Feeria, Bricostore, access to DN1 Bucharest Ploiesti, 5 minutes far away from two airports: Henri Coanda and Baneasa Airport).



Greenfield



Future Project: Greenfield 2



LOOK & FEEL



5.2 Construdava 2 Hotel in Bucharest

The Construdava 2 Project site for the planned hotel is located in Pipera Tunari area. Officially it is already part of the neighboring County of Ilfov (Voluntari town), nevertheless it is commonly seen as part of the Bucharest northern region.

The entire area is primarily an upscale residential area, however large office complexes are located there respectively are currently under development, mainly on the way from the city center to the project site. This provides an attractive business potential for a new hotel in this location. The project is located in the most dynamic and important business region of northern Bucharest.



There was made a feasibility study by a specialized company from Austria that shows the potential of the location for a hotel development, area which currently lacks of adequate hotel facilities. Construdava 2 Project will be constructed at the highest professional standards using the latest technology, innovative materials and it will comply with the current EU norms as well as

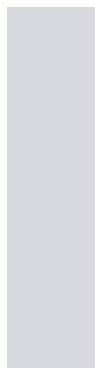
Romanian construction legislation in terms of health and safety.

MPACT has already signed a letter of intention with an international hotel operator as its potential strategic partner on this project. Completion of this development could take between two and three years, depending on how soon Impact can secure an equity partner within the project.



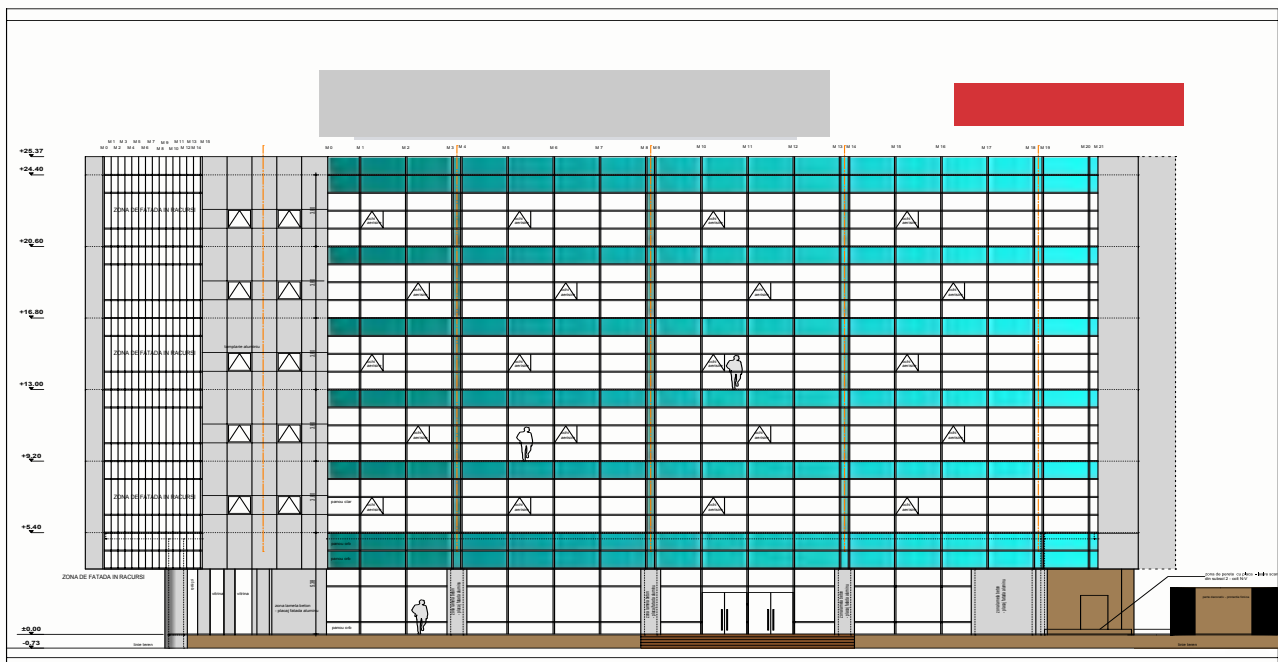
Specifications:

- ▶ Capacity: 168 rooms
- ▶ Land Area: ,000 sqm
- ▶ Total Floor Space Gross: ,500 sqm
- ▶ Concept: nternational star business & conference
- ▶ Quality vel: Upscale segment
- ▶ Opening me: Year around



5.3 Business Support Center

IMPACT brings the B class office concept (11,000 sqm) right in the heart of Greenfield Project, as a perfect spacing solution for the development of the local business environment. The estimated completion date is 2012. The company has applied for EU funds, which are expected to cover 50% of development costs and is waiting the approval and release of the funds before construction begins.



5.4 Roua 2 Project in Ploiesti

Construction of this residential complex is expected to begin in Q3 2010 and it should be completed by 2013. The total built area will cover about 40,000 sqm. Further details of the project are still to be determined.

5.5 Lomb Hill Project in Cluj-Napoca

Cluj-Napoca Overview

Cluj Napoca, the heart of Transylvania is an ancient town, developing from Roman times through the middle ages to emerge as the major town of the region.

Cluj Napoca is today one of the most important academic, cultural, industrial and



business metropolitan areas in Romania, the second largest educational center in Romania, after Bucharest, with a high economic potential. Geographically, it is roughly equally distant from Bucharest (441 km), Budapest (409 km) and Belgrade (465 km). The city, crossed by the European Road E60, which links Bucharest with Oradea, Budapest and Vienna, is hosting several worldwide, prestigious companies in a favorable business environment.

Famous local brands that have become well known at a national, or even international level, include: Jolidon, Farmec, Banca Transilvania, Napolact [Friesland], and Ursus [SAB Miller] breweries.

In addition, Cluj Napoca is home to one of Romania's important IT and financial services centers.

Nokia invested \$110 mil in a plant near Cluj Napoca. This investment represents a starting point that generates other investments in Cluj. US Emerson is also continuously developing their operations within one of the industrial parks emerged in the last years around the city.

Local authorities have encouraged and facilitated start up development for small and medium companies by showing their transparency, openness and interest.

The market area has a increased potential with a city population over 350,000 in addition to the 70 80,000 students who live and study there. The increased number of companies and



investors in Cluj Napoca has led to a rise in real estate transactions and induced significant workforce migration to the city from whole Transylvania.

The LOMB HILL Development Project

The mixed use development of 267 ha. operated by SC LOMB SA, a PPP [Public Private Partnership] JV formed between Cluj Napoca Local Council and the real estate developer Impact Developer & Contractor. The Cluj city administration [Local Council] owns 51% of voting rights while the entire operation [development, sales, partnerships, financing] is managed by the private partner [IMPACT Developer Contractor].

The Master Plan

The Lomb Hill Project is the largest real estate development in Romania to date, large enough to house several thousand residential units and corresponding commercial infrastructure, along with significant space reserved for public activities and university campuses. In short, the location is essentially suited for the construction of a small, self sustaining town of around 10,000 inhabitants.

The Project Master Plan was built by a professional team from UK [YRM Architects Londra (MasterplannerArchitect), MacGregorSmith-UK (Landscape Architect) and Cundall Engineering UK (Services Engineer, Traffic Engineer)] based on the concept of European Living Standard (ELS). Through the Master Plan will be build around 8.000 of dwellings in the next 10 years, an University Campus (25 ha of land), medical centers (3 ha of land), schools, kindergartens, high schools, city hall, church, cultural centers, public companies, commercial centers and a generous square for green areas, thematic parks and leisure (60 ha of land).The Zonal Urban Plan approved by the Cluj Local Council designated the project as an Urban Poll of Excellence and Competitiveness.

The Development Plan

Local centers will be created which will be connected by walking/cycling routes as well as roads creating well defined yet coherent communities within an integrated development. These zone centers should house a range of facilities, including kindergarten/nursery facilities and will have primary schools and secondary schools in proximity. The retail space will be spread in small amounts within localized shops in the residential area, which should be within walking distance to discourage unnecessary car journeys. It will be intensified within the central development zone to create a destination and higher activity through a small mall. Great emphasis has been placed on the quantity and quality of green areas and how they are strategically distributed throughout the development.

This is intended to enhance and increase the value of the development, and also to benefit the public realm as a whole. The nature and size of the healthcare facilities and distribution on site will be determined by the scale of the overall development (30,000 residents on top of Cluj city and its suburbs) and the phasing strategy. The development might ultimately generate a need for a capacity of around 850 hotel beds. This capacity together with an emerging research university might also sustain a regional conference centre. Public areas include municipal administration, churches and social centers.

Access & Transportation

A number of road improvements are anticipated to be implemented in order to provide adequate access to the proposed development at Lomb Hill. To the south the existing tracks/ municipal roads will need to be improved, and to the north, two new links to the proposed Northern By-pass are proposed.

For the municipal roads, it is understood that it is planned to improve three routes which currently provide access to the site. The Western route will utilise Spicului Street and is intended to be a four lane road. It is proposed that the Dealul Lomb development is served by a network of bus routes which enable bus stops to be located in a way such that the entire development is within 400m walking distance of a bus stop.

University CAMPUS and Research & Innovation Facilities

The university campus will form the northern section of the central zone development and the centre of the settlement, so as to act as the catalyst for the future lively and vibrant nature mixed use in the area. In order for the university to be a viable extension, a good transport links to the centre of Cluj will be assured. Students will count towards 7% of the total population and a significant percentage of the total of the amount of public transport usage, particularly outside peak hours.

The existing universities in Cluj are of high academic quality, well established and broadly based. They are all short of space for expansion and have many departments, particularly scientific and technological departments in poor quality and inappropriate space.

In April 2008 has been concluded a partnership between the Local Council, Impact, Babes – Bolyai University, The Technical University in Cluj – Napoca, the University of Medicine and Pharmacy, as related to the achievement of a university camp in Lomb.

Two major EU funds supported research&innovation facilities expressed their interest to locate within the project: Cuttin edge reasearch multidisciplinary medical facility – IMOGEN, the applicant being The Emergency Hospital from Cluj, Innovative building materials research – TEMSCO, the pplicant eing NCERC.

6. CUSTOMER CARE DEPARTMENT

The Customer Care Department goal is to keep the customers to be completely satisfied with the services provided. So, the main mission of the CCD is to provide affordable, adequate, safe, reliable and good quality services. Impact is eager to increase customer satisfaction, using research questionnaires and reports drawn up by the Customer Care Department.



"Customer Care Department is a priority mission for a successful business"

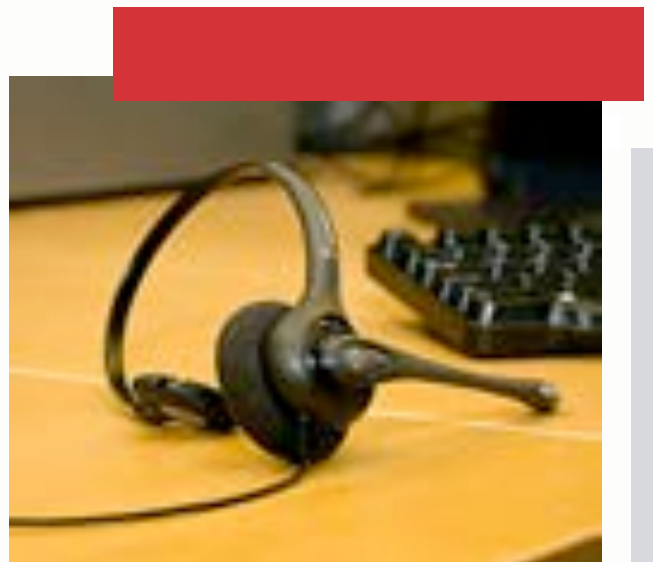
Each Customer Care representative is focused to build a win win relationship between the company and its clients.

Customer Care: is part of the Environment and Quality Management Department.

Objective: Maintaining post sales relationships with customers

Tasks:

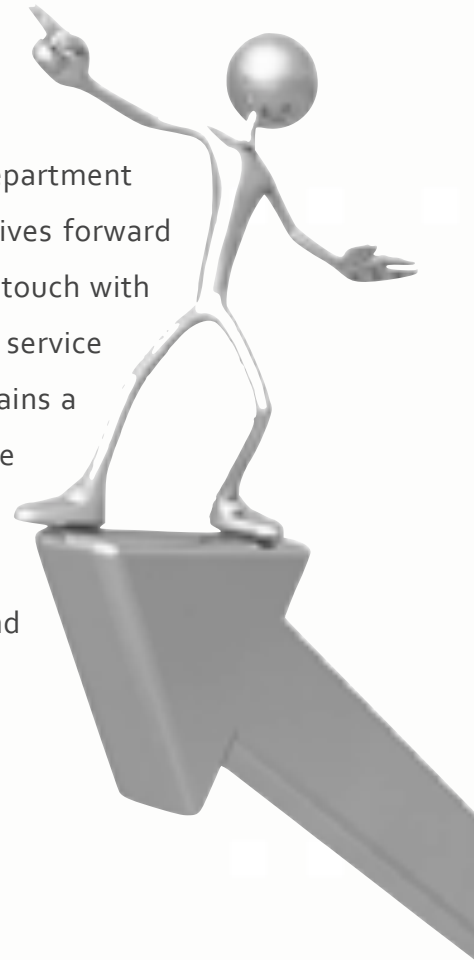
- ▶ Talking to the clients and relaying their complaints to those who are responsible and are able to resolve them;
- ▶ Check to ensure that appropriate changes were made to resolve customers' problems.
- ▶ To answer to the customers service or billing complaints



- ▶ Setting a schedule for the problem resolution, monitoring the progress of the resolution process and ensuring the customer is informed as to the progress
- ▶ Provide information to the customers regarding the events, programs, status observation / claim issues and utility services

Process:

The customer complaints come directly to the Customer Care department or via the 24 hour customer call center. Customer Care Representatives forward these messages to those in charge to resolve them and then keep in touch with the customer in order to make sure the customer is satisfied with the service provided. All complaints are recorded in a CRM database which contains a complete list of Impact's Clients Reports are sent regularly to the Quality Manager to ensure that the appropriate corrective and preventative measures are taken, for example: the re-design and even re evaluation of contracts with suppliers concerning their products and services follows.



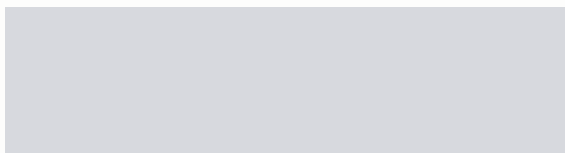
7. MANAGEMENT OF QUALITY, ENVIRONMENT, OCCUPATIONAL HEALTH AND SECURITY

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

On internal plan this concern was materialized by the development and implementation, as a part of the business management system, of the integrated quality environment occupational health and security management system, that at the end of the year 2008 obtained the certification of the SRAC body.



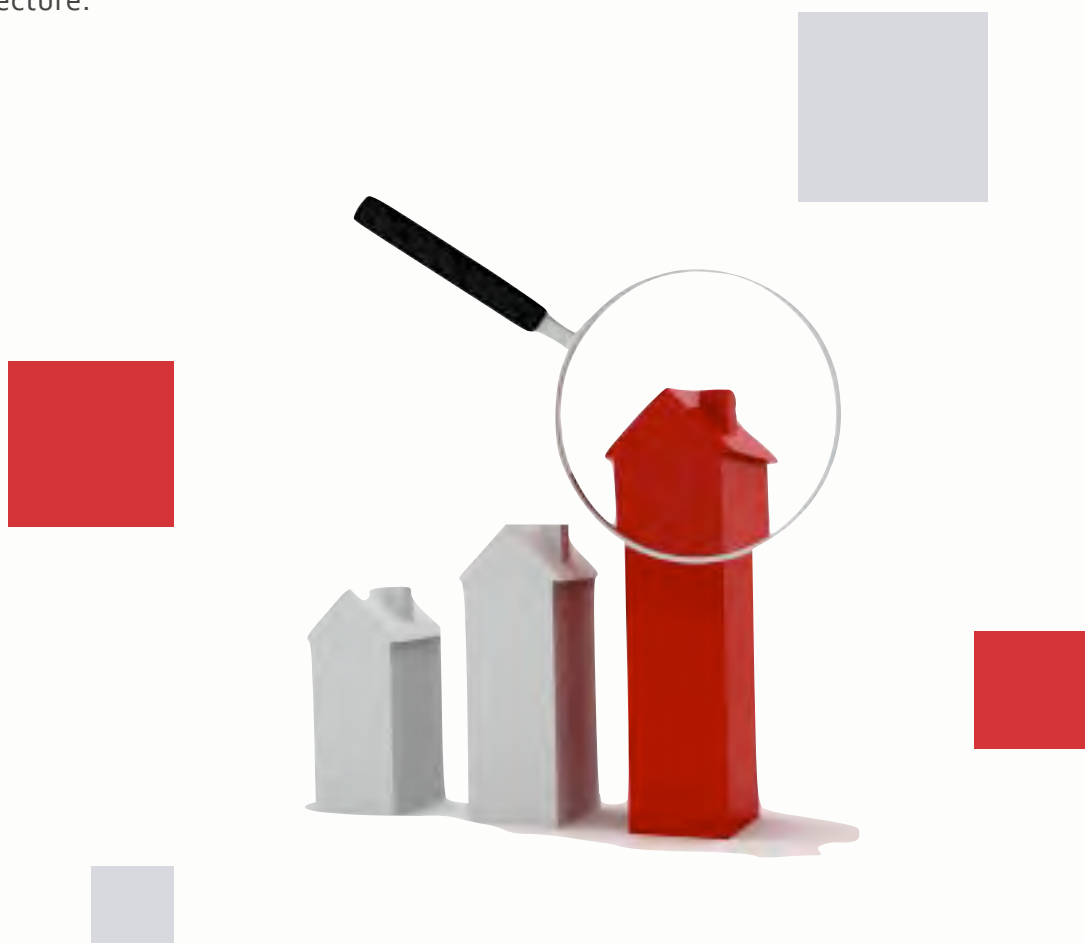
By the implementation of this integrated management system IMPACT Developer& Contractor S.A succeeded in ensuring the coherence of the three aspects (quality, environment, occupational health and security) inside the processes, in minimizing the dissipation of responsibilities and, at an equal extent,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



application in an efficient way of the specific concepts and techniques of project management.

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

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



8. EMPLOYEES

We believe that our employees are the key to a successful implementation of our business strategies. Significant resources are employed to attract, develop and retain extraordinary talents and fully promote each employee's capabilities.

In spite of the global downturn, both courses supported by internal trainers within the organization and training programs provided by the companies which are specializing in training, were focused mainly on developing skills of the sales team. Sales Trainee, Sales Consultants and Key Account Managers attended at courses as: Real Estate, Technical Concepts and Architecture, Financial Concepts, Marketing and PR, Customer Relations Management and CRM.

There were conducted training programs in the third and fourth quarters of the year 2009, such as: sales and negotiation techniques, sales,



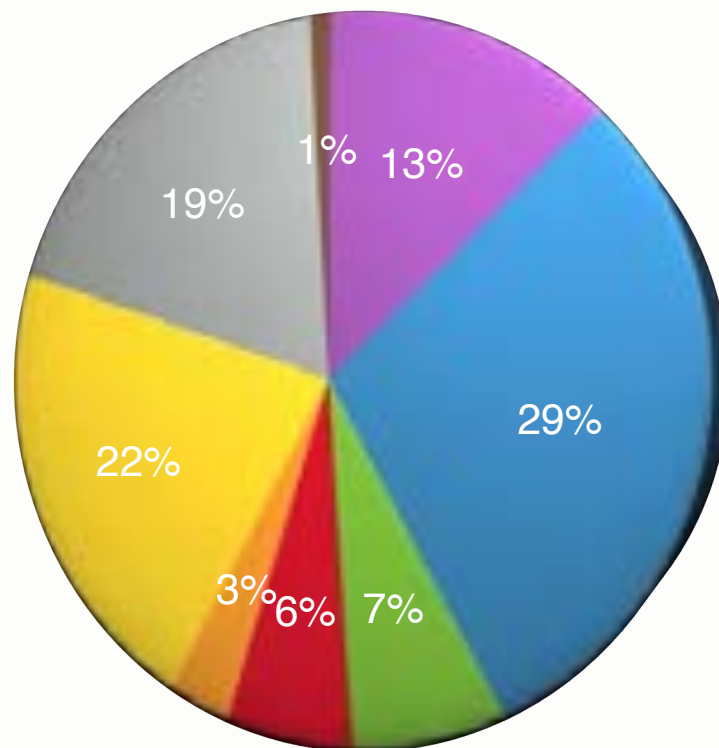
environmental management, benefits of the business networking in the development of the company, financial analysis. Impact employees also took part to seminars and workshops on topics of Security and Health at the work place, Project Management, Human Resources or European funds.

The training programs that we offer to our employees follow the “Plan of Vocational Training” and the courses are run by both internal and external training staff. The internal training program is designed to develop skills and competencies in: communications, sales techniques, customer service and real estate project management.

Impact employees also took part in conferences, fairs and exhibitions on project management, human resources, leadership and public relations.



Employees By Segment



- | | |
|--------------------------------|-------------------------------------|
| ● Human Resources | ● Construction & Project Management |
| ● Product Development & Design | ● Legal |
| ● Quality & Environmental | ● Financial & Business Development |
| ● Sales & Marketing | ● IT |

9. THE YEAR 2009 AND OUTLOOK

9.1 Events

The national events are the perfect place to initiate new contacts, to exchange information and to make direct sales. It offers to the buyers and investors a unique platform to screen, evaluate and finalize some of the best deals. Also, it is an opportunity to meet under one roof builders, developers, to establish contacts with real estate agencies, with companies from the investment banking sector. In 2009 IMPACT participated at several national events. In the same time, in spite of the global downturn, the company has chosen again to participate at international events, which brought together industry decision makers from around the world, allowing them to establish partnerships, to present new projects and to lay the foundation for successful collaboration.

January 2009

WEX 2009 – Water & Energy Exchange

On 28th – 29th of January Impact participated at the annual edition of Water & Energy in Malaga, Spain. The Summit sessions included debates, workshops and round-table discussions, but also the one on one meetings that were looking to facilitate new partnerships and collaborations.

February 2009

National Property Fair Exhibition

The first session of the National Property Exhibition took place between 8th and 11th of February and it was organized at the Palace of Parliament in Bucharest. During the event we launched 2 new financial products: Call Buy & Cetif, solutions which were very attractive for



those interested in buying a house. Following this event more than 250 contacts were gathered and 5 sales contracts were concluded. According to the report received from the organizers, during the 4 days of the event, the fair was visited by 10,000 visitors.

Condominium

The Condominium fair took place between 12th and 15th of February 2009, at Palace Hall (Bucharest). At this fair we participated with a 20 sqm stand, and we promoted the two new financial solutions: Call Buy and Cetif. Following this event 165 contacts were gathered, 24 meetings were scheduled and 3 sales contracts were signed. During the event, Impact organized on 14th of February 2009: "The Days of Opened Gates in Greenfield" when the company's sales agents organized tour visits of the model apartments in Greenfield. Following this action, approximately 50 people visited the model apartments. The exhibition had 10,000 visitors.



March 2009

Project Expo

For the Project Expo fair, organized at the Children Palace in Bucharest during 06th – 08th of March 2009, we participated with the two buying solutions, Call Buy and Cetif and with a "special offer" during the event. During the three days of the event, it was registered a number of 10,000 visitors.

Career Fair „Top Employees“

Impact participates every year at one of the most important career fair „Top Employees“. The 6th edition of the event took place at the Palace Hall between 20th and 21th of March 2009. During the event there were submitted over 400 resumes and 200 resumes were sent by e-mail after the event.



TIMON

Between 26th and 29th of March 2009, Impact participated at the TIMON Exhibition at the World Trade Center in Bucharest. There were gathered 255 contacts during the event. According to the estimations given by the organizers, the fair visited by 1,000 visitors.

People for People Gala

“People for People Gala” is the event that recognizes the contribution to the community of the Romanian companies, nonprofit organizations and individuals. In 2009 Impact has participated to the event with the project “The hope to the others” at “The best Community Program” action.

May 2009

Cluj Career Fair – Spring Edition 2009

On 6th and 7th of May took place Cluj Career Fair, one of the most important exhibitions in this field. Impact was present for the 4th time to the event and it had approximately 400 visitors. The organizers announced there were 4,500 visitors to the fair.

Miraje Festival

Impact sponsored during 6th and 7th of May the Miraje Festival organized by the Youth Bank. The goal of our participation to the event was to involve into the cultural life of the community by sponsoring traditional festival theatre, music and dance festival).

Condominium Real Estate Fair

Between 7th and 10th of May, Impact attended the Condominium Exhibition in Cluj Napoca. By this event we tried to maintain and stimulate the interest for active involvement of the Cluj community in the Lomb Hill Project. Impact's products are characterized by: a great degree of flexibility offering diverse acquisition solutions for the dwellings which are extremely advantageous for the potential clients and tailored to the present market conditions.

National Property Fair

The spring session of the National Property Fair took place between 07th and 10th of May 2009, at the Parliament Palace in Bucharest. At this session Impact participated with a 30 sqm stand. During the fair Impact launched two more acquisition solutions: Piece by Piece and Bridge.

Capital Market Day

On 15th of May, IMPACT organized the first edition of "Capital Market Day". The event gathered analysts of leading financial institutions, such as: ERSTE Asset Management, CAIB, KBC Securities Romania, Egnatia Securities, SSIF Target Capital, Raiffeisen Capital & Investment etc. During the event, Dan Ioan Popp General Director, Carmen Sandulescu Executive Director, Oana Trifu Investors Relationship Manager and Florina Grigoras Marketing Director presented Romanian Market forecasts, the financial results for the first quarter 2009, the updated company's strategy and the company's goals.

The special guest of the event was Tim Wilkinson, Managing Director of DTZ, who had a keynote speech about the current situation and the forecast of the Romanian real estate market.

The day ended with a lunch in the vicinity of Baneasa Forest at the location of Greenfield Project.

Session of Scientific Communications of the Faculty of Business

Between 15th and 17th of May Impact collaborated with the Association of Students from the Faculty of Business within the Session of Student Scientific Communications. There were present 13 university canterers from around the country and 4 from abroad. The students presented projects in the following sections: economic, marketing, accounting, finances, and tourism.

IMPACT sponsored the Communications Olympics

In 2009, for the third year consecutively, IMPACT was the sponsor of the Communications Olympics for the Public Relations Category. Our presence to the Communications Olympics aimed to encourage the young people to think pertinent, competitive and professional.



June

BENCHMARKS FOR THE FUTURE

In June 2009 Impact organized the competition « Benchmarks for the Future » which involved students from the Faculty of Architecture from Cluj Napoca. The contest theme was focused on: urban furniture kit, for an area (at their choice) in the future central park situated in the city center.

July

SWIMATHON

On 11th of July 2009 Impact participated to Swimathon, an event organized by Cluj Napoca Community Foundation. The amount raised from the participation fees was used for the support of one or several projects such as:

“Excellence in Sciences” – Regional Centre for Excellency

“A Well Endowed Laboratory for a Clean Environment” – “Terapia” The Chemistry School Group

“Workshop for Professionalization of Students with Hearing Deficiencies” – The High School for Students with Hearing Deficiencies

“Joy to See” – The High School for Students with Seeing Deficiencies.

"We Speak, Write and Read Correctly" – The Special School for C.R.D.E.I.I

"I Cannot Hear, I Cannot Dance" – The Special School for Students with Hearing Deficiencies
no.2

Project Expo

Between 17th and 19th of July, Impact participated at the second session of the Expo Project, which took place at the Children Palace in Bucharest. The fair was focused: on the First House governmental program. We were present at this exhibition with Kaleidoscop First House concept which consists of a 5000 Euro advance payment upon signing the pre-agreement.



September

CAMEX

Between 3rd and 6th of September IMPACT participated at the Camex Exhibition, which, promoted the First House program besides the classic component of a real estate fair. In Camex there were tested: the intention to purchase a new dwelling; the eligibility for the "First House Program"; the availability of getting financing for the new dwelling; the desire to purchase a house in the Lomb Hill Project (taking into account the location); and the references for the company's products.

Project Expo

Between 18th and 20th of September 2009 IMPACT launched the concept of Habitest (testing the home for one Weekend) and the group discount at the Project Expo fair which took place at the Children Palace in Bucharest. Therefore, throughout this concept we gave to those interested in living in Greenfield the possibility to stay over the weekend in one of

the model apartments and to discover the Greenfield atmosphere.

During this event we also communicated: "Reservation Program for 60 days", "CallBuy Program for 9 months", Quartz – "Kaleidoscop apartments". Following the event 242 contacts were gathered.



TIMON

Between 24th and 27th of September 2009 we participated to the TIMON fair as official Partners of the event. During this event, we have promoted the Mega Reservation Program habitest autumn concept.

Reality Wall

The Reality Wall campaign was accomplished in two steps. The first step took place between 21st and 30^h of September 2009, and the second step between 1 and 4 of October 2009. Within this event there was tested the interest of Cluj Napoca residents for the Lomb Hill project.



October

Careers Fair

The autumn edition of the Careers Exhibition fair took place between 14th and 15th of October 2009. During this event there were submitted over 150 resumes and more than 100 resumes were sent by mail after the event.

IT GLOBAL FORUM

IT&C – an interesting field for IMPACT's future developments

On 19th and 20th of October, IMPACT participated at one of the most prestigious international events and Think Tanks, for the IT&C field – Global Forum.



IMPACT's representatives, the only real estate developer present at this event, promoted the opportunity to develop a "digital city" in Lomb Hill Project. One of the company's purposes was to increase awareness and make known the company in the IT&C environment.

Also, the project was also promoted, at the Global Forum, by Radu Moisin – Deputy Mayor, where discussed with political leaders, mayors, multinational company leaders, university professors and different association representatives, well known consulting and law firms.

November

National Property Fair

Impact participated at the National Property Fair, at the Parliament Palace between 12th and 15th of November. IMPACT promoted the concept of: Christmas in New Home, the insurance for nonpayment and the apartment with unhidden costs. Moreover during this event, Mr. Popp participated as a guest speaker in the conference called „Are there legal Real Estate transactions after 1st of January 2010?“. The event had over 1000 visitors.



9.2 HIGHLIGHTS

no. 203 / 07

The world's oldest newspaper

February

The housing demand increased with 40% in February 2009

In February 2009, IMPACT Developer & Contractor SA (IMPACT SA) participated at two real estate exhibitions and recorded a number of 4,000 of visitors, the highest number of visitors that was recorded in the last five months of attendance at real estate fairs. During the exhibition, there were site visits organized and provided by the developer.

March

IMPACT Developer & Contractor SA – the results of the first quarter of 2009 exceed the estimated budget from the beginning of the year

The sales volume recorded during the first three months has exceeded our initial estimations, thus declaiming the pessimism from the beginning of the year that started from the sales figures realized in the last quarter of 2008. The results confirm an existing demand of completed dwellings, but also the success of the various housing living solutions, that we have launched lately.

April

IMPACT Developer & Contractor approved a development strategy based on the increase of the market share up to 11% in Bucharest

Taking into account that the level of competitiveness has been reduced lately, it's the best moment to aim to increase the market share, especially by offering products that provide living solutions, which proved to be very attractive in the first 4 months of the year. We will pursue the market share increase policy, although we had to postpone profits until the re-launching of the credit markets. Because 2009 isn't the year when we can expect high profits, we choose long term solutions.

May

The tree is a new member of the family

Being concerned to keep the nature "close" to Greenfield community, IMPACT organized a corporate social responsibility campaign gathering 200 people (70 children among them) to plant more than 300 trees. This campaign is part of the "wood mood" concept of Greenfield project, which means more than "green" close to the dwellings, more entertainment and green places.

May is the first month of 2009, when the results of the same period of 2008 are exceeded

Taking into account that the level of the contracts signed, the monthly results, during January – April 2009, were below those obtained in the same period of 2008, with 18 contracts signed, May 2009 is the first month

HIGHLIGHTS

no. 203 / 07

The world's oldest newspaper

which exceeds, in terms of volume and value, the latest period of the previous year.

June

IMPACT facilitates the customers to access the "First House Program"

The new solutions are addressed both to those who are interested in purchasing the first house and to those who are already owning a house and are interested in selling it to the clients that can benefit of the "First House" Program.

July

The First Kaleidoscop House: fixed surface, reconfigurable walls

This new concept of "Kaleidoscope House" will be implemented on a 24,000 square meter area in small blocks of flats (GF +3 and GF+4), built in the North of Bucharest, in the Greenfield complex located between the Neasa and Tunari forests.

August

One of ten inhabitants from Bucharest purchased a new dwelling from Impact

Another significant indicator that shows the positive evolution of the company is given by the market share increase. This positive trend can be observed from the beginning of 2009 when, according to the National Institute of Statistics, out of 458 new dwelling units delivered at the Capital level during the first quarter, 45 are delivered

by Impact D&C S.A. in the Greenfield residential assembly, situated in the Zoo neighborhood.

September

In order to revive the real estate market, first it must be organized

"The real estate market needs a rating system which to be able to structure, to order and to stimulate it", is the opinion of Dan Ioan Popp, CEO of Impact Developer & Contractor S.A. The statement was made following a study which sets forth the mechanism of quick and transparent real estate rating that take into account 3 criteria – property location, endowments and services within the area and the dwelling itself – in order to establish a fair price, easily calculated by the beneficiary and developer.

November

On a dropping market, Impact Developer & Contractor reports a 4% increase of sales transactions

The report, as sent by the real estate developer to Bucharest Stock Exchange mentions a increase with 4% in the number of transactions, as concluded on the domestic market during the first nine months of the year (over 150 agreements and reservations) as compared to the same period 2008.

9.3 The Economy

The global economy was characterized by turbulences on financial markets in the USA and the Euro zone. The financial crisis started in 2007 is triggered by shortfall liquidity in the United States banking system. The global financial crisis really started to show its effects in 2007 in the USA, and at the end of 2008 in Europe. Around the world the stock markets



have fallen, large financial institutions have collapsed or been bought out, and governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems.

According to the official statement made by the World Bank Group President Robert B. Zoellick, on 8th of March, 2009: "This global crisis needs a global solution in order to prevent an economic catastrophe in developing countries and there are needed global efforts to overcome this crisis. We need investments in safety nets, infrastructure, and small and medium size companies to create jobs and to avoid social and political turbulences". The same measures are also available for a country like Romania, where the economic growth was slowed in 2009, after a year (2008) that placed Romania among the strongest developing countries in Europe. Last year, the local economy has experienced the negative effects of the global crisis: decline of the economy, increase of unemployment and increase of the account deficit. Main drivers of the economy are the decrease of the exports due to the falling of the external demand and the difficulty to access the loans as international financial markets frosted. Internal demand, formerly heavily based on loans was the second main driver of the former economic growth and thus, of the economic recession in 2009.

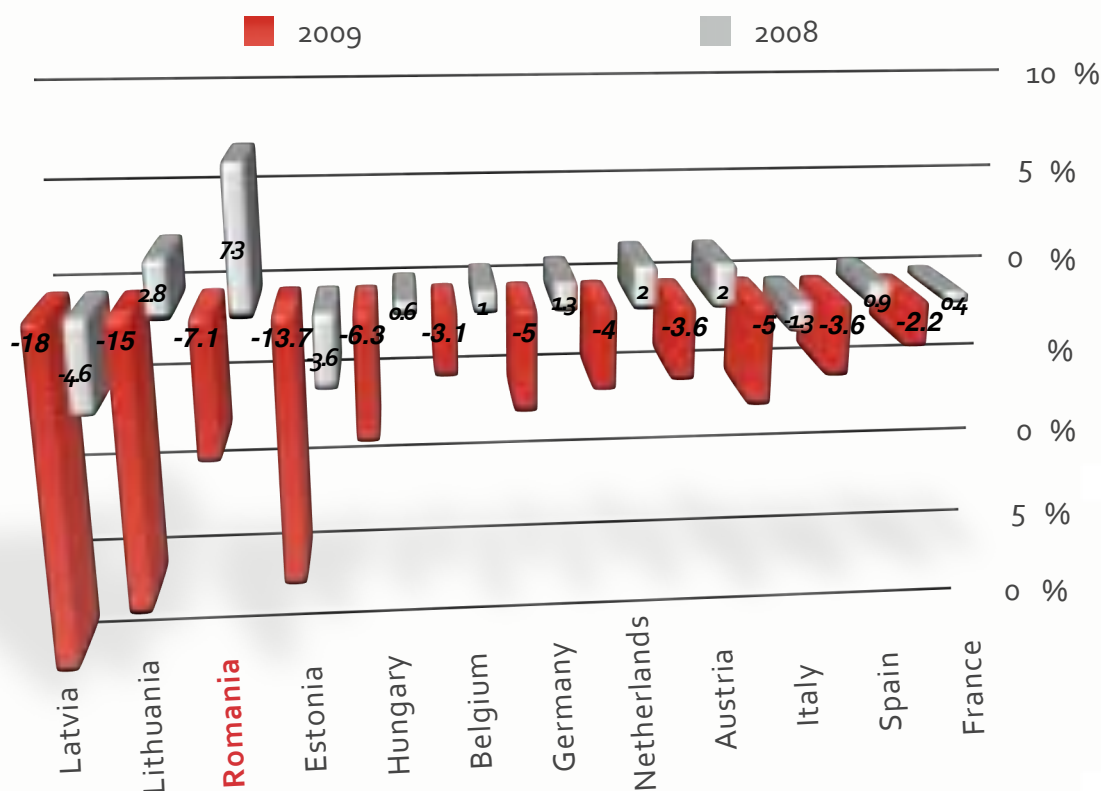
The National Commission of Prognosis for 2009 shows a negative economic growth, but the disbursements by the International Monetary Fund, EU, the World Bank and other multilateral institutions are expected to fulfill the financing gaps that the country will face over the next 4 months.

The GDP contraction was driven by the falling of the domestic demand, which was induced by lower investments and consumption and by the weakening of the external demand

as western trading partners were affected by the recession.

According to the estimates released by Eurostat, the statistical office of the European Union, on 4 March 2010, GDP increased by 0.1% in both the Euro area (EA16) and the EU27 during the fourth quarter of 2009, compared with the previous quarter. In the third quarter of 2009, growth rates were +0.4% in the Euro area and +0.3% in the EU27. Compared with the fourth quarter of 2008, seasonally adjusted GDP declined by 2.1% in the Euro area and by 2.3% in the EU27, after -4.1% and -4.3% for the previous quarter.

Quarterly growth rates of GDP in volume - percentage change compared with the previous year



Source: Eurostat

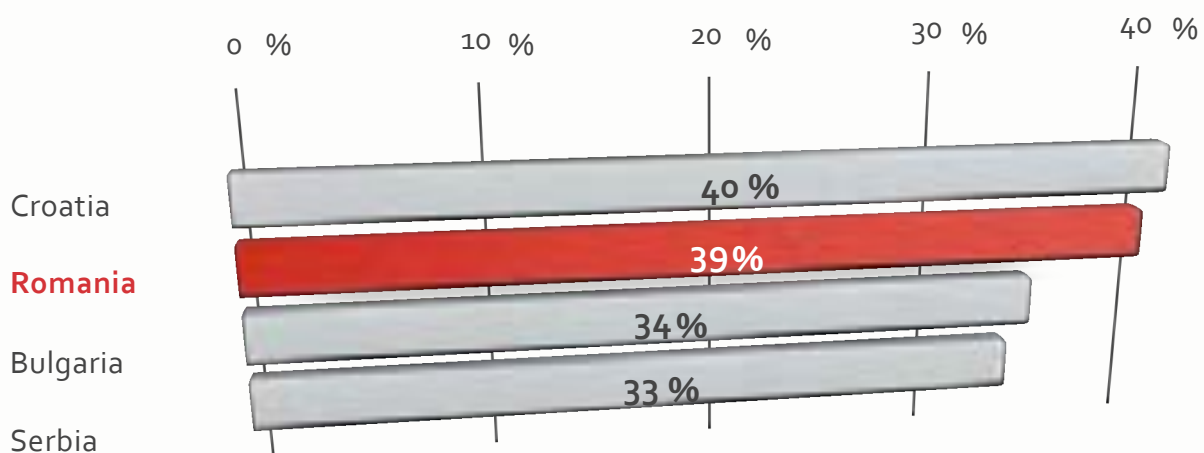
Over the last 3 years there were registered record volumes of foreign direct investment in Romania: in 2006 EUR 9 billion, in 2007 EUR 7.2 billion and in 2008 EUR 9 billion. In 2008, FDI in Romania rose with 24.5% covering 53.5% of the current account deficit. In 2009, FDI reached EUR 2 billion in the first 4 months of the year (January – April).

During the period, January to July 2009, FDI reached EUR 3 billion, this amount being

sufficient to cover the current account deficit of Romania. The FDI at end of the year 2009 reached EUR 4,899 million.

The survey study "South Central Europe Attractiveness Survey 2009" regarding Foreign Direct Investment (FDI), conducted by Ernst & Young in October 2009 shows that in 2009 this region hosts 4 recognized leaders (Croatia, Romania, Bulgaria and Serbia) and 6 rising countries (Montenegro, Albania, Bosnia & Herzegovina, Moldavia, Kosovo and Macedonia).

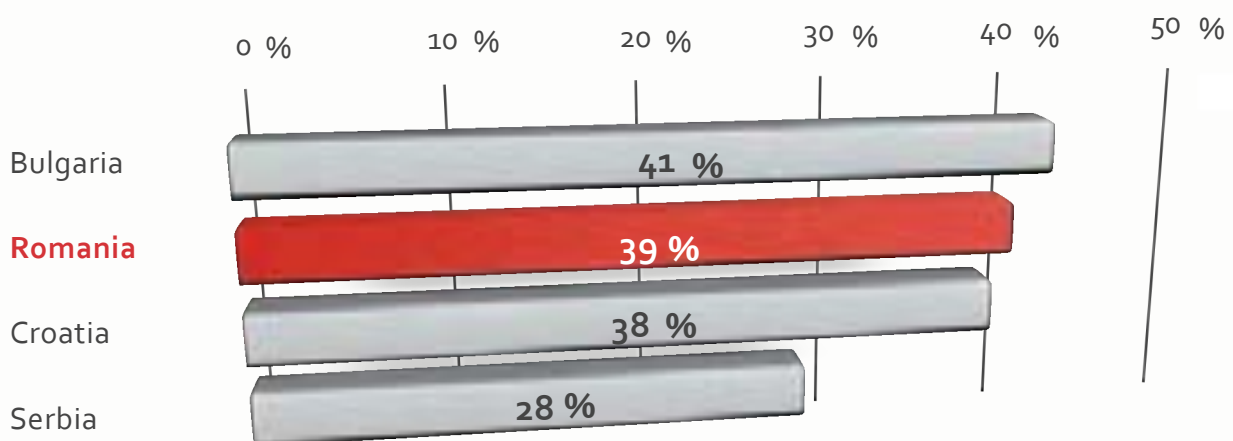
Most Attractive SCE countries for FDI in 2009



Source: "South Central Europe Attractiveness Survey 2009" Ernst & Young

The same survey shows that Romania is the second attractive country to establish or to develop activities over the next 3 years.

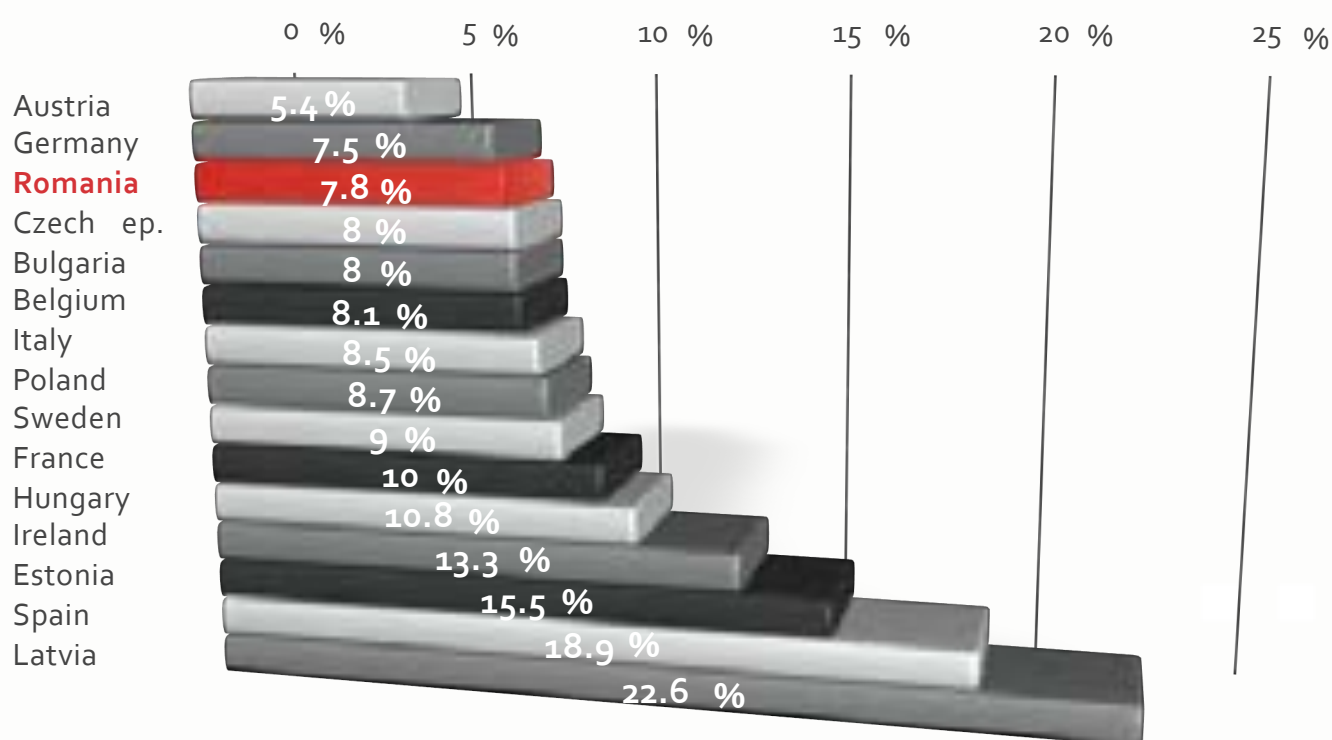
Attractiveness of SCE countries as location to develop activities



Source: "South Central Europe Attractiveness Survey 2009" Ernst & Young

According to the survey, provided by the latest Eurostat report, the financial crisis made the unemployment one of the major problems of the European countries. As a result of the economic recession, in June 2009 the unemployment level in Romania climbed to 6% and at the end of the year the National Agency for Employment presented an unemployment rate of 7,8%.

Unemployment in Europe %, December 2009



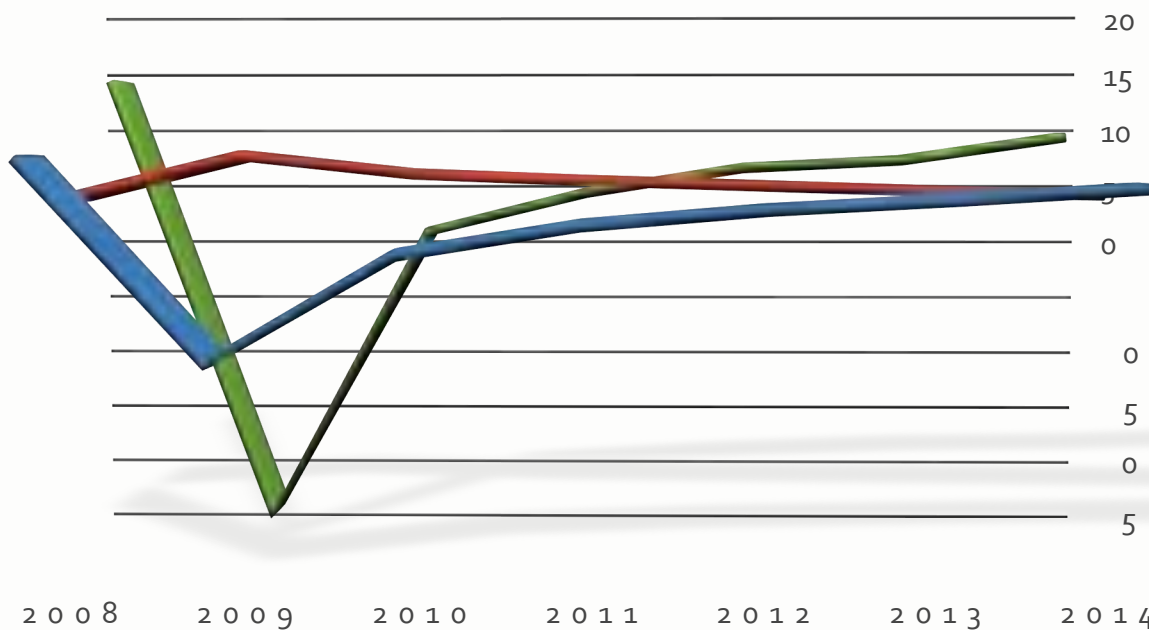
Source: Eurostat

9.4 Economic Outlook 2010

The Romanian economy is predicted to gradually recover in the second part of the year 2010. According to the Business Monitor International – Romania Real Estate Report Q2 2009 the first shoots of recovery is expected to be seen in the last months of 2010, slightly later than the rest of the emerging European markets as the impact of the economic slowdown hit Romania later than its peer markets. Also, the local authorities have requested from the IMF and EU flexibility to increase the budget deficit to help fund ongoing infrastructure projects.

The GDP is estimated to grow with 0.5% during 2010 (National Forecasting Commission, some banks even estimate a growth up to 1.9%). The same prognoses are made for Romanian exports, which have been a main driver of economic growth during the past years.

The Economy of Romania 2010, Current Estimates %



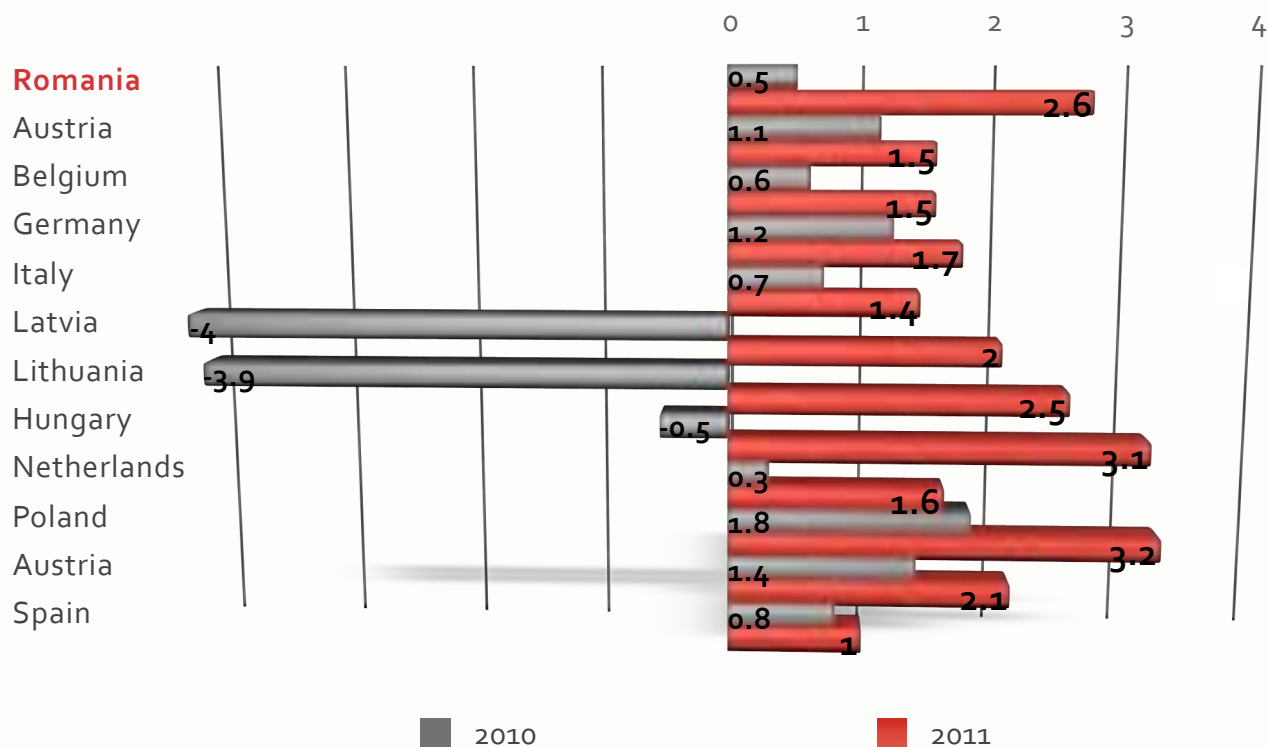
	2008	2009	2010	2011	2012	2013	2014
GDP	7.3	-7.1	0.5	2.6	3.7	4.4	5.2
Unemployment	4.4	7.8	6.2	5.7	5.3	4.9	4.6
Exports	13.8	2.39	1.34	4.57	6.65	7.29	9.16

Source: National Forecasting Commission

The study conducted by the statistical office of the European Union – Eurostat regarding the Gross Domestic Product, takes into account the economic condition and shows a strong growth for more countries of the European Union in the next 2 years (2010 – 2011). The economic activity growth will stay in positive term for the most of the countries and starting with 2011 the global economy is expected to start its growing trend, although at more moderate levels compared to the last 4 years. In Romania the GDP is expected to growth from 0,5% to 2,6% in the period 2010 – 2011.

Growth Rate of GDP Volume

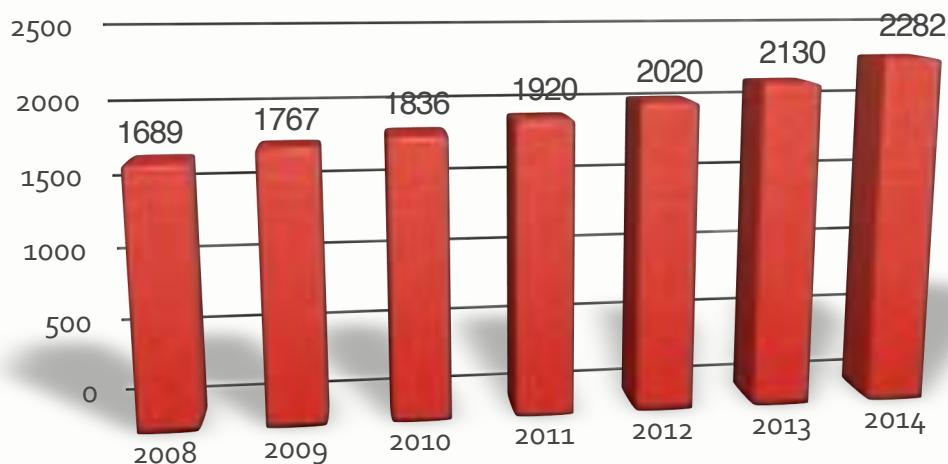
2010 -2011



Source: Eurostat

Between 2008 and 2014, the average salary in Romania is estimated to increase by an average of 5% per year. Taking into account the economic situation, this will lead to a significant increase in the consumer's purchasing power over the next years.

Average Gross Salary / RON



Source: National Forecasting Commission

A large domestic market, a relatively low labor cost, competitive prices in the housing market correction and a stable currency are been significant advantages for investors, for the past five years. The big difference is that now Romania is member of the European Union, this status providing an important political and economic stability for the country.

Residential Market

In 2009 the residential market faced a slowdown mainly due to the restricted access to mortgage loans. The demand for new apartments evolved from a slow activity in the residential market in the first quarter to a middle activity in the second quarter and ended the year with increased sales volume as a result of the newly government program “Prima Casa” (The First House) introduced on July 2009.

The “Prima Casa” program contributed to an increase in sales transactions of new apartments either directly, due to the favorable financing conditions of the program, or indirectly, through the spillover effect from the sales of old dwellings. Through this program the government gives a grantee up to EUR 60,000 for mortgage loans. In order to buy a house via the “First House” program, people must pay a 5% down payment. The guarantee is granted to the people buying their first house and who did not previously benefited from a mortgage loan.

Supply

The stock of new residential units in Bucharest continued its steep growing trend, reaching 6,000 units in Bucharest (directly from the developers) at the end of the year 2009. According to the Colliers International’s “Real Estate Review Romania 2010” study, “the 6000 unsold units are available in 35 residential projects, already delivered or under construction”.

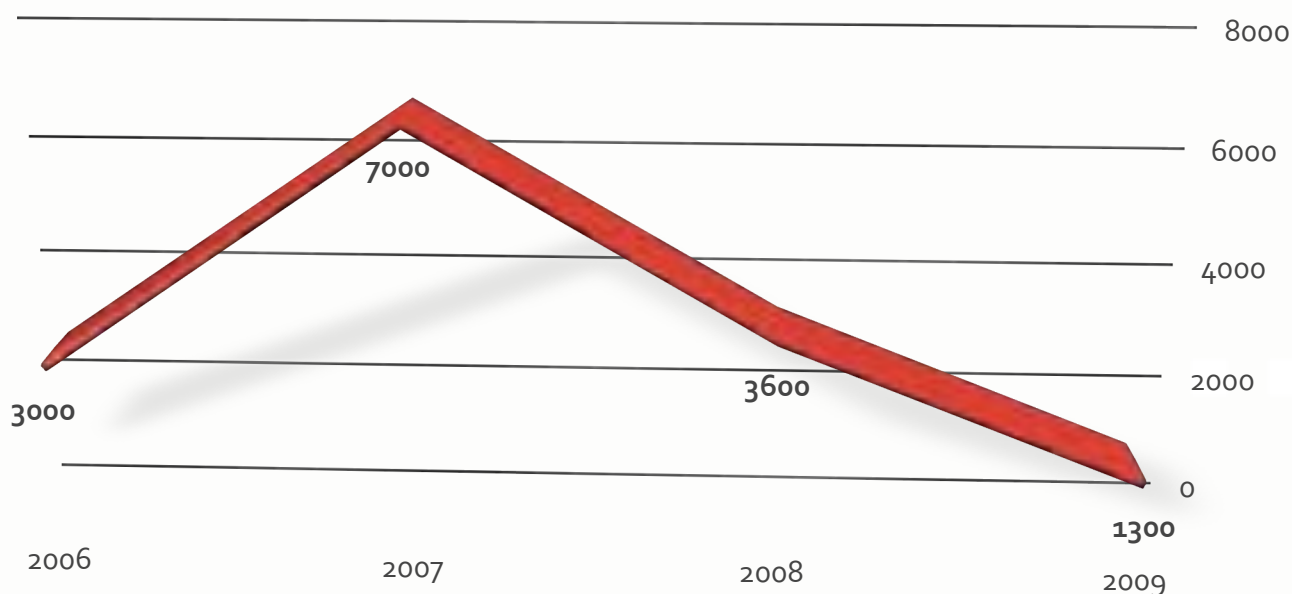


Supply levels have been changed due to the fact that no new residential projects started in 2009, and that some of the projects have been put on hold.

Demand

Approximately 1,300 apartments were sold in Bucharest during 2009 (in residential project with over 200 units), 63% less than in 2008, according to the Colliers International's market report published at the end of 2009. The main driver that will revitalize the demand is the improvement of the mortgage market for local buyers. Another driver of the demand is the governmental program "Prima Casa" that led to an increase of the demand in the second semester of 2009.

Sales Evolution (no. of units) 2006 - 2009

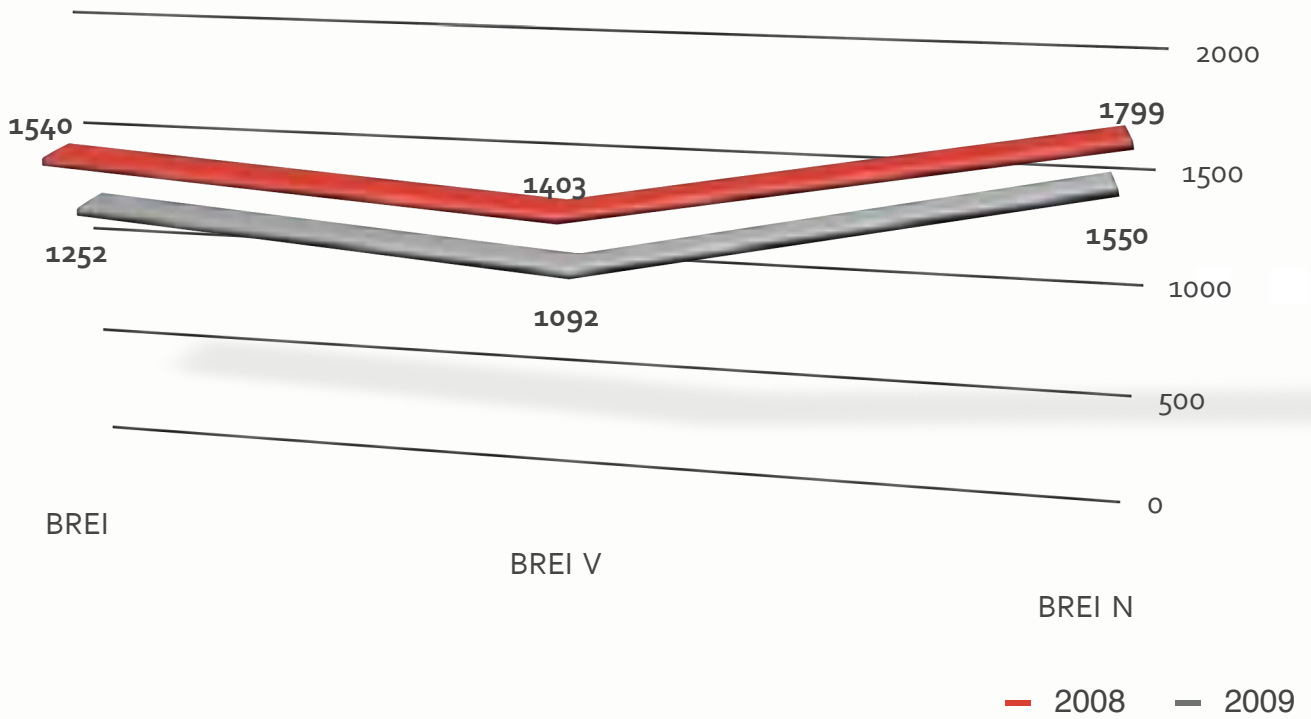


Source: Colliers International Report

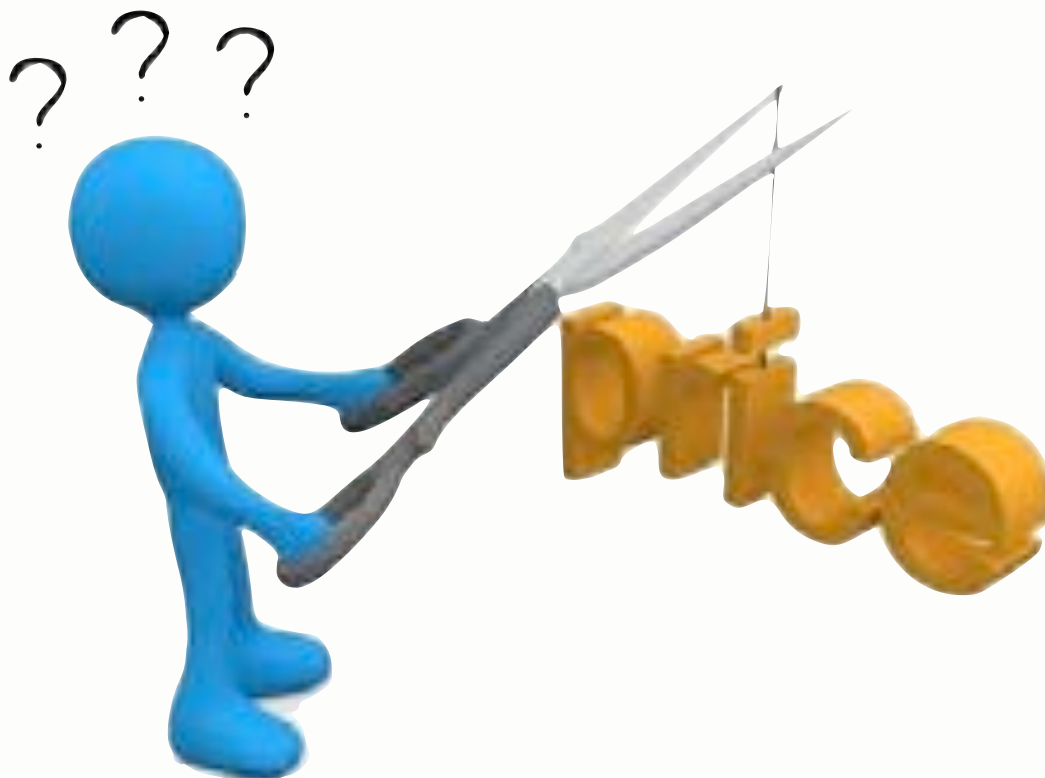
Prices

The market reports for the year 2009 show moderate reduction in prices for new units (13,8%) comparable to the decrease of the prices for old units (22%). According to December 2008, BREI (Bucharest Real Estate Index calculated monthly by real estate agency Colliers International) index declined with 15,5%. Its components, Old BREI decreased with 22% to 1,092 EUR/sqm and N BREI, the index that gauges the price evolution of new dwellings decreased with 13,8% to 1,550 EUR/sqm. All values include VAT.

BREI Indicator December 2008 -December 2009 EUR / SQM



Source: Colliers International



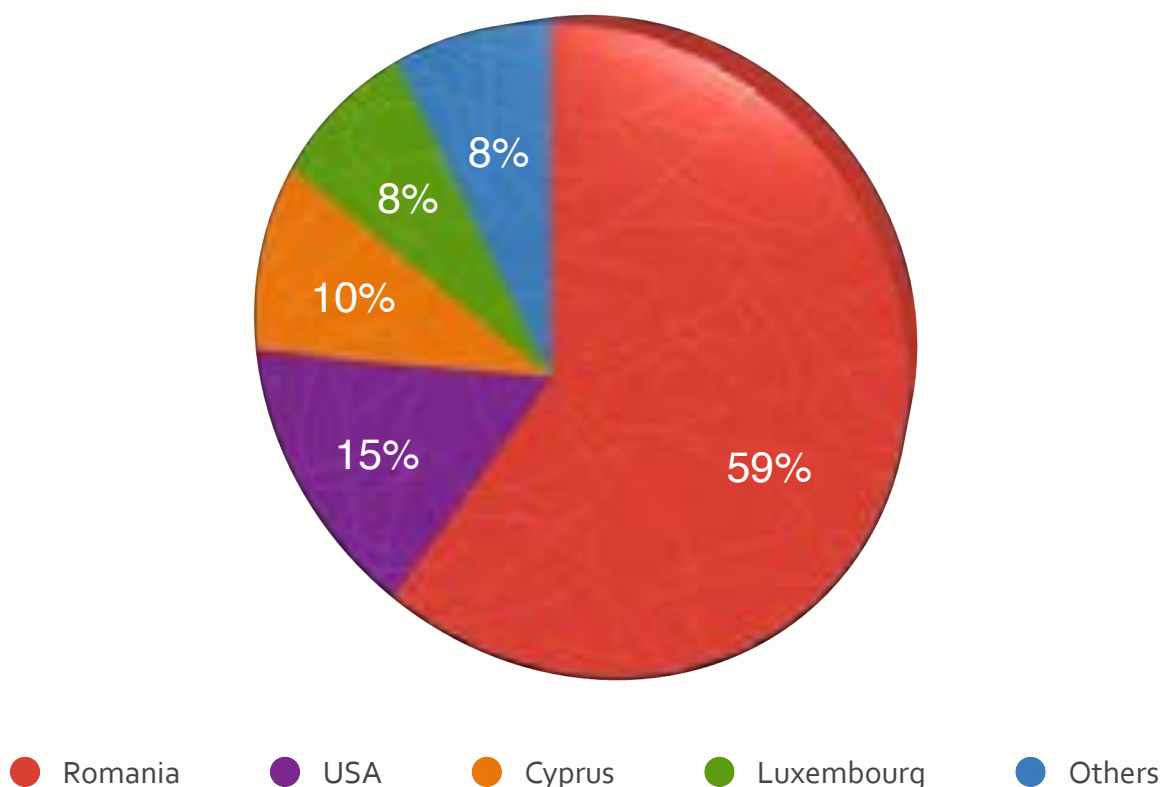
10. SHAREHOLDER STRUCTURE

Impact Developer & Contractor SA is a listed company at Bucharest Stock Exchange, first tier, with 200 million shares. At the end of 2009 the market capitalization was of 140 mil RON (33.31 mil EUR).

66.31% of the company shares is free float and the management of the company has 33.69% of the shares. The shareholders with blocks of over 5% are: Mr. Dan Ioan Popp, the CEO of the company with 22.07%, Mrs. Carmen Sandulescu, the CFO of the company with 11.62%, Salink Limited 9.14%, Atrio International Equity (former Julius Baer Fund) 8.46%, Templeton GIT Emerging Markets Small Cap Fund 6.09%.

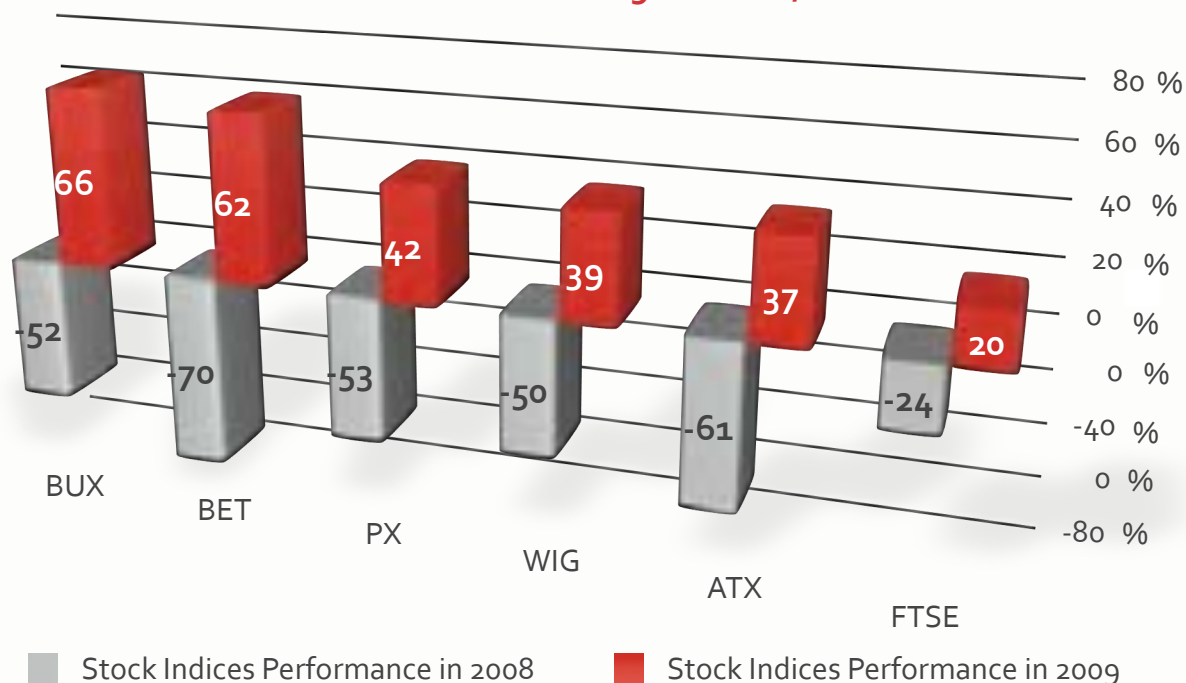
At the end of 2009, 59.46% of the shareholders were Romanian individuals and investors, 15.2% from USA, 10% from Cyprus, 7.76% from Luxembourg. The share of the private investors totals 51.8%, whereby 48.2% of the shareholders are institutional investors.

Shareholder Structure



In 2009 there was a reverse effect of the stock exchange indices's evolution compared with 2008. If in 2010 there was a decrease of BET index with 70%, in 2009 this index increased with 2%.

Stock Exchange Indices Performance in 2009 vs 2008 / %

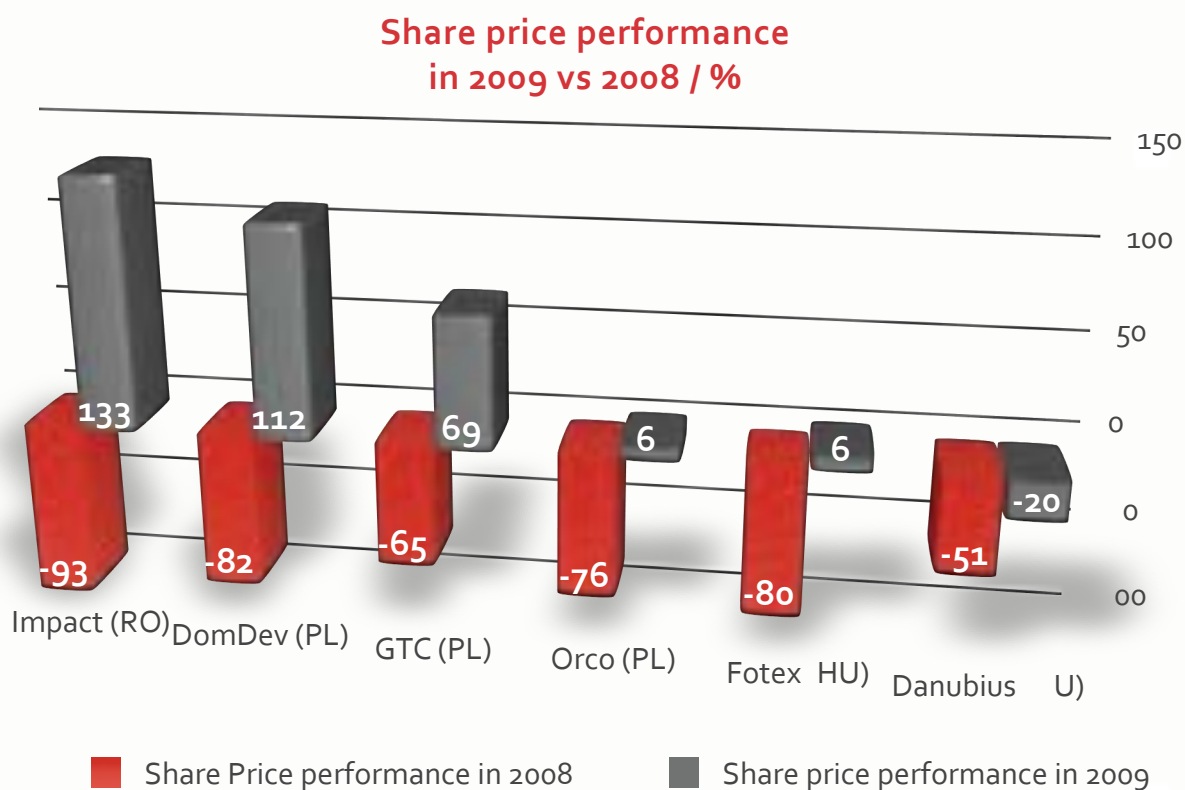


Substantial gains were recorded by Impact's shares at Bucharest Stock Exchange during 2009, when the share price increased with 132% from 0.301 RON/share at the end of 2008 to 0.7 RON/share at the end of 2009, which was also the maximum share price recorded in 2009. IMP continued its upturn in the first quarter of 2010 and reached 0.875 RON/share at the end of March 2010.

IMP vs. BET index



If in 2008 the real estate companies' shares were affected the most by the economic recession, they were the beneficiary of the highest increase from the capital market in 2009. The real estate company's shares listed on the stock exchanges from CEE countries had a steep increase then the stock indices presented in the previous graph.



Investors Relations

Professional investors relations have gained a high priority at Impact for the past years. This function reports directly to the Chief Financial Officer, but its work is also integrated closely with the Marketing and Communication Department. The goal of our investors relation activities is to provide a true and fair value of the company, and thereby facilitate a correct valuation of Impact's shares.

The Managing Board and the investors relations team met hundreds of investors in 2009, and discussed with them about the company, its developments and its strategy. The Impact website represents an important communications tool, and provides a wide range of information of the company as well as downloads of financial situations, financial calendar, the annual report, the reporting to the BSE, the information about the annual Capital Market Day event.

During last year Impact was covered by 5 analysts: KBC Securities, Wood & Co, Unicredit CAIB, ING Securities and BRD Securities.

Information on Impact Share:

<http://www.bvb.ro/ListedCompanies/SecurityDetail.aspx?s=imp>

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10.1 Outlook and Goals

In spite of the economic problems that Romania faces because of the global crisis (a crisis that also led to the destabilization of the real estate market by the decrease in demand and prices), for the year 2010 IMPACT established some objectives that will efficiently meet the needs of the market, of the clients and also of the partners. The optimism on the market and on the relationship that IMPACT has with its clients is given by the diversification of the real estate products and of the financial solutions that are offered to the clients, thus succeeding in answering both the clients difficulty to access to the financing sources, and the increased expectancies of the clients related to the dwelling quality.

The offer proposed by the company for the year 2010 is a complete and complex one, offering a wide range of products: from land development to agricultural land, finished and without finishings houses and apartments, buildings with reconfigurable surfaces, to off plan products. Also in order to add value to the projects under development a better valuation of the existing buildings and for a better land use the lands it has under its property, in 2010 IMPACT aims to establish partnerships with different operators/investors. IMPACT also aims to conclude partnerships with entities that have projects eligible to access EU funds, providing as a solution the land development for the projects that have this problem of eligibility.

In 2009 there were started such projects within the Greenfield Project for the development of a Business Support Center – a B class office building and two projects in the Lomb Project: IMPACT was involved in preparing the feasibility study and the application form for EU funds together with Emergency County Hospital for a medical research center – IMOGEN, which has been included in the Integrated Urban Development Plan. In 2009 there was also started the collaboration with the Direction of Social Assistance from the Cluj Napoca Municipality for the development of three social centers within Lomb project. In March 2010 the Cluj Napoca Municipality applied for EU funds for one of this center, Impact being involved in conducting the pre-feasibility study for this project.

Also, IMPACT has started the discussions for the accomplishment of two IT&C parks the Northern area of Bucharest and in Cluj – Napoca. In the case of the project from Cluj – Napoca one of the advantages is the location in the next vicinity of the University Centers. For such projects the company is willing to offer buildings and a land plots area between 6,000 and 10,000 sqm.



FINANCIAL STATEMENTS

IMPACT DEVELOPER & CONTRACTOR

2009

ECONOMICAL-FINANCIAL INDICATORS

	OMFP 1752	OMFP 1752
PROFITABILITY and RENTABILITY	12/31/2008	12/31/2009
Efficiency of available capital		
Profit before interests and taxes (A)	25,616,418	8,203,399
Equity (B)	421,424,451	408,169,070
A/B	6.08%	2.01%
Operating Profit Rate		
Profit before interests and taxes(A)	25,616,418	8,203,399
Operating Incomes (B)	233,600,410	68,557,322
A/B	10.97%	11.97%
Net profit rate		
Net profit (A)	8,258,687	141,540
Total incomes (B)	254,418,276	78,647,342
A/B	3.25%	0.18%
Indebtedness level		
Total loans (A)	86,336,874	71,013,054
Equity	333,718,186	333,512,530
A/B	0.26	0.21
SOLVABILITY		
Debt rate		
Total liabilities (A)	250,233,793	172,077,610
Total assets (B)	583,951,979	505,590,140
A/B	42.85%	34.04%
Interest coverage rate		
Profit before interests and taxes (A)	25,616,418	8,203,399
Interest (B)	15,326,608	7,706,027
A/B - ori	1.67	1.06
LIQUIDITY and WORKING CAPITAL		
Current liquidity indicator		
Current assets (A)	455,856,563	417,579,832
Current liabilities (B)	156,647,911	91,051,473
A/B	2.91	4.59
Clients turnover		
Net turnover (A)	151,688,180	54,233,682
Immovable assets (B)	125,657,275	87,624,247
A/ B	1.21	0.62



Total Income

In 2009 the company income decreased with 69% compared to 2008, due to the the operational income decrease.

The operating income recorded a decrease by 71% compared to the year 2008, and the operating expenses recorded a decrease by about 72% compared to the year 2008. This decrease of the operating income and expenses is due to the fact that during the year 2009, because of the economic conditions, the company focused preponderantly on the finishing of the residential projects under construction, without being started new projects that would generate additional revenues and expenses.



Turnover

The turnover recorded a decrease by 64%, from 151 mil RON to 54 mil RON, this being due to the decrease of incomes from sales. This is due both to the termination of the contracts with the British citizens, that led to a decrease of revenues by 19.1 mil RON, and to the fact that new projects were not started. To the extent new projects had been started, there would have been recognized the revenues from sales at the level of the operating costs, thus resulting an increase of the turnover.



According to OMFP 1752, the operating profit recorded, in 2009, a decrease by 58% compared to the year 2008, from 26.11 mil lei to 11.03 mil lei, although the turnover decreased by 64%. The operating profit decreased in comparison to the preceding year to a lower extent due to the fact that the company management succeeded a higher adjustment operating costs than the decrease of revenues.

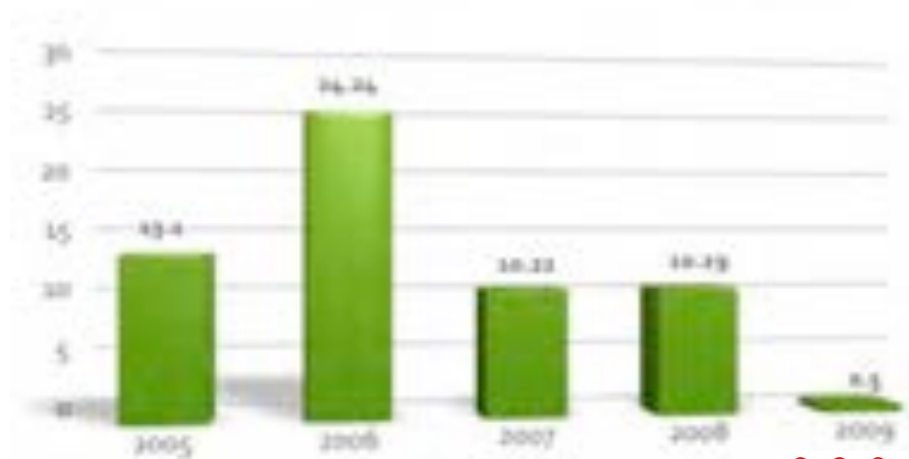


According to OMF 1752 the gross profit recorded in 2009 was of 497 thousand RON following the recording of financial losses. Because of the accounting modality of treating



loans in euro, that involves the assessment of the credits balance as at 31st of december 2009, there was recorded a loss from the financial activity of 10.53 mil RON.

Gross Profit OMFP 1752 (mil RON)



This accounting procedure makes that the value, in accountability, of the loans in euro would be determined by the leu/euro exchange rate at the end of the year. But this loss is just an accounting one and is not effectively realized from the operating point of view, because the loans, that maintain the same value in euro, will be reimbursed during the following years from the collections in euro of the company as well.

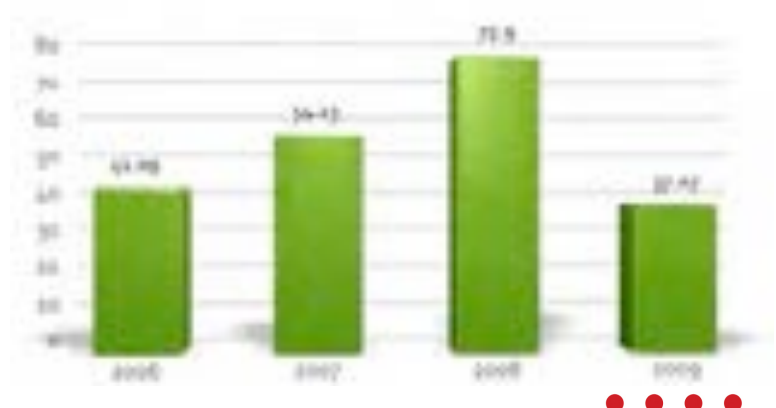
Net Profit

In the year 2009, the net profit, according to OMFP 1752, decreased to 141.54 thousand RON.

Fixed Assets

According to OMFP 1752, the Fixed Assets decreased by about 50% in the year 2009 compared to the year 2008, from 73.9 mil RON to 37.07 mil RON. This decrease was recorded, mainly, because of the reclassifications of the networks under execution from assets to stocks.

Fixed Asset OMFP 1752 (mil RON)





Inventories

According to OMFP 1752, the inventories recorded an increase of 12%, from 278 mil RON in 2008 to 311.6 mil RON in 2009. A percentage of 48% of the stocks is represented by lands, 22% by the production in course, 28% by houses and apartments, and 2% by the advanced payments from the clients.

The increase of 12% is due on one hand to the reclassification of the networks under execution from assets to stocks, and on the other hand to the finishing of the dwelling units that were under work at the end of the year 2008.



Cash and Cash Equivalents

The money availabilities decreased from 67.44 mil RON in 2007 to 14.4 mil RON because of the payment of the mortgage loan and of the afferent coupon with a value of 38.7 mil RON and to the reimbursement of an amount of 37.28 mil RON from the bank credits.





Total Debts

According to OMFP 1752, the total debts decreased by 31%, from 250 mil RON in 2008 to 172 mil RON in 2009, on the reporting date the amounts granted by the credit institutions weighting 81% in the total debts. The amounts due to the credit institutions decreased in 2009 in comparison to 2008 by 15%. At the same time, there also decreased the short term debts by 42% from 156.65 mil RON to 91.14 mil RON.

On the date of 2nd of February 2009, there was integrally reimbursed the mortgage loan, in total being paid the amount of 38,737,920 RON, the equivalent of 138,168 EUR.

In the reported period the credit no 11/9949/14.06.2006 contracted with BCR was integrally reimbursed, and also the contracts numbered 2219/21.04.2005, 2331/08.07.2005, and 195/10.07.2006 contracted with Piraeus Bank.



At the same time, the total assets of the company remained relatively constant. If in the year 2008 they were of 510 mil RON, in the year 2009 these reached the level of 505.68 mil RON.

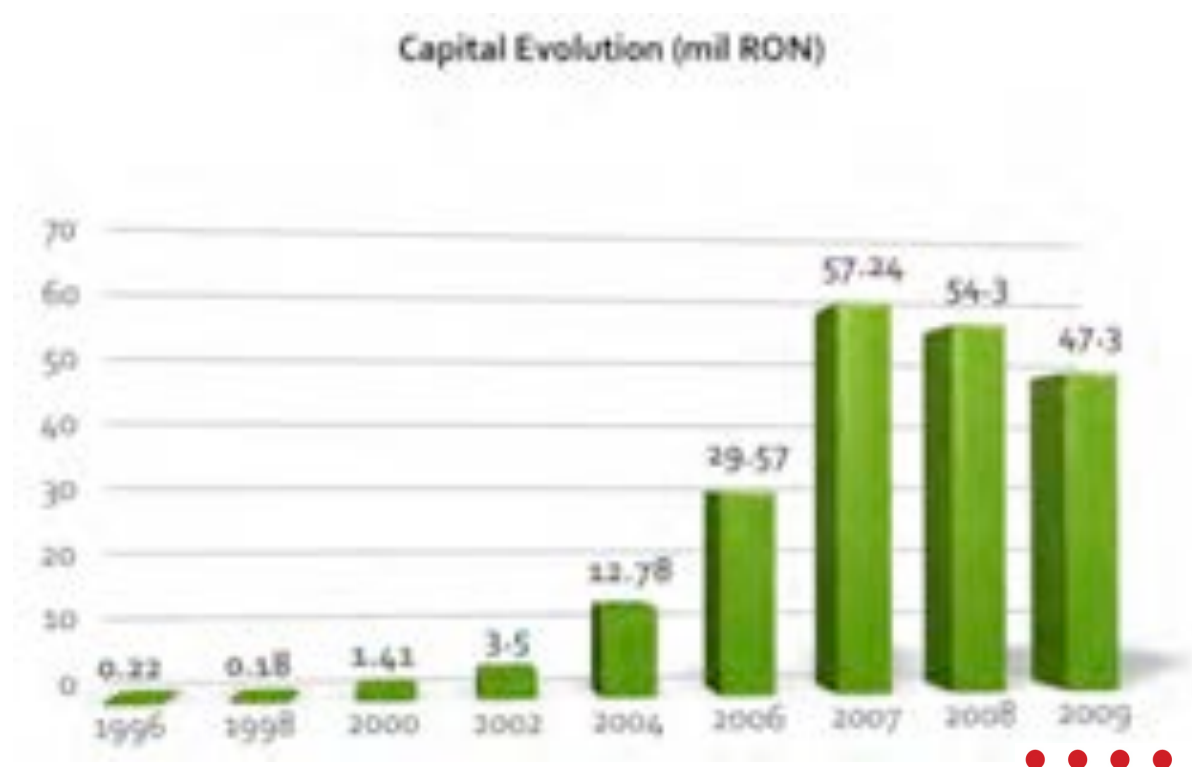
The stocks increased by 12% because of the increase of the apartments stock (the market got diminished), determining a more increased level of the apartment deliveries in

comparison to the sale level, and the receivables decreased by 17% because of the decrease of the trade receivables in relation to the slowing of credit granting to the persons interested in purchasing by credit from the supplier.

Even under these conditions, the debt rate decreased in the year 2009 to 34% in comparison to the debt rate recorded in 2008 of 49%. To be mentioned that IMPACT is favourably positioned with regard to the indebtedness rate in comparison to the companies with the same trade in the Central and Eastern Europe (the rate is framed between 50% and 90%).

Equity

The Equity of the company remained at the same value recorded in 2008, of 200 mil RON (but calculated at the end of the year in EUR has its value in decrease due to the devaluation of the ron, being in 2009 of 47.30 mil EUR).



Statement of Cash Flows by the Indirect Method

CASH FLOWS FROM EXPLOITATION ACTIVITIES	December-08	December-09
Net Profit/(Loss) before tax	10,289,810	497,372
Adjustments for:		
Amortization	2,289,699	1,973,928
Revenues from sales of assets	(4,831,534)	(1,463,766)
Expenses regarding assigned assets	1,878,630	1,307,573
Revenues from exchange rate differences	(3,967,663)	(532,390)
Expenses from exchange rate differences	20,394,422	7,924,611
Revenues from interests	(16,850,203)	(6,606,211)
Expenses with interests	15,326,608	7,706,027
Provisions increase/decrease	(139,470)	(1,112,122)
Adjustments of non-cash elements	14,100,489	9,197,651
Decrease/Increase of trade receivables and of other nature	(12,054,391)	18,921,295
Decrease/Increase of stocks	(42,413,412)	(4,694,849)
Increase/Decrease of debts to suppliers and of other nature	(3,470,775)	(15,513,416)
Modification of operating assets and liabilities	(57,938,578)	(1,286,970)
Paid-up interest	(15,176,586)	(7,576,119)
Paid-up profit tax	(1,843,824)	0
Paid-up dividends/Profit distributed to employees	(11,266)	0
Net cash resulted from exploitation activity	(50,579,955)	831,933
CASH FLOWS FROM INVESTMENT ACTIVITIES	December-08	December-09
Acquisitions of branches	(45,444,108)	(270)
Loans granted to affiliated entities	(782,339)	(489,820)
Acquisitions of assets	(21,606,009)	(156,645)
Collections from asset sales	4,831,534	1,463,700
Collected dividends		111,715
Collected interests	13,128,228	6,606,211
Net cash resulted from investment activity	(49,872,694)	7,534,891
CASH FLOWS FROM FINANCING ACTIVITY	December-08	December-09
Variation of medium-term loans	6,142,398	(60,507,485)
Acquisitions of own shares	(2,852,670)	0
Payment of liabilities related to financial leasing	(1,147,083)	(904,000)
Net cash resulted from financing activity	2,142,645	(61,411,485)
Nett collection of cash	(98,310,004)	(53,044,661)
Cash at the beginning of the period	165,756,314	67,446,310
Cash at the end of the period	67,446,310	14,401,649

The balance of money availabilities decreased by 79%, from 67.4 mil RON in 2008 to 14.4 mil RON at the end of the year 2009. The cash outflows are mainly due to the payment of the mortgage loan and of a part of the bank credits.

Balance Sheet

As of 31.12.2009

Name of indicator	Row no.	BALANCE AS OF	
		01.01.2009	31.12.2009
A	B	1	2
A FIXED ASSETS			
I. Intangible assets			
1. Set up expenses (ct. 201-2801)	01		
2. Development expenses (ct. 203-2803-2903)	02		
3. Concessions, patents, licenses, trademarks, and other similar rights and assets (ct. 205+208-2805-2808-2905-2908)	03	330.646	252.616
4. Goodwill (ct. 2071-2807-2907)	04		
5. Advances and intangible assets in progress (ct. 233+234-2933)	05	89.556	19.331
Total (row 01 to 05)	06	420.202	271.947
II. Tangible assets			
1. Land and buildings (ct. 211+212-2811-2812-2911-2912)	07	18.556.772	34.358.090
2. Machinery and equipment (ct. 213-2813-2913)	08	3.184.806	2.186.902
3. Other equipment and furniture (ct. 214-2814-2914)	09	409.477	324.623
4. Advances and tangibles in progress (ct. 231+232-2931)	10	51.754.141	199.807
Total (row 07 to 10)	11	73.905.196	37.069.422
III. Financial assets			
1. Investments in companies within the group (ct. 261-2961)	12	47.556.125	47.556.395
2. Debts upon the companies within the group (ct. 2671+2672-2964)	13	3.775.752	2.726.483
3. Investments (263-2962)	14		
4. Amounts owed by subsidiaries and associated companies (ct. 2673+2674-2965)	15		
5. Investments as assets (ct. 265-2963)	16		
6. Other debts (ct. 2675*+2676*+2678*+2679*-2966*-2968*)	17		
TOTAL (from row 12 to 17)	18	51.331.877	50.282.878
TOTAL FIXED ASSETS (rows 06 + 11+ 18))	19	125.657.275	87.624.247

B. CURRENT ASSETS

I. Inventories			
1 Raw materials and consumables (ct. 301+302+303+/-308+351+358+381+/-388-391-392-3951-3958-398)	20	147.865.856	151.654.723
2 Work in progress (ct. 331+332+341+/-348*-393-3941-3952)	21	116.476.158	67.128.801
3 Finished goods and merchandise (ct. 345+346 +/- 348*+354 +356+357 +361+/-368+371+/-378-3945-3946-3953-3954-3956-3957-396-397-4428)	22	8.191.576	86.293.858
4 Advances for stock purchase (ct. 4091)	23	5.353.055	6.498.107
TOTAL (from row 20 to 23)	24	277.866.645	311.575.489
II. Receivables (the amounts which are to be cashed after a period larger than one year must be shown separately for each element)			
1 Trade receivables (26) (ct. 2675*+2676*+2678*+2679*-2966*-2968*+4092+411+413+418-491)	25	100.231.532	82.535.924
2 Amounts to be received from related parties (ct. 451-495*)	26		
3 Amounts to be received from investments (ct. 453-495*)	27		
4. Other receivables (ct. 425 +4282 +431+437+4382 +441+4424 +4428+ 444+445+446 +447+4482+4582+461+473-496+5187)	28	10.292.076	9.153.506
5 Debts related to subscribed and not paid in capital (ct. 456-495*)	29		
TOTAL (from row 25 to 29)	30	110.523.808	91.689.430
III. Short term investments			
1 Investments hold on related parties (ct. 501-591)	31		
2 Other short term investments (ct. 505+506+508-595-596-598+5113+5114)	32		0
TOTAL (from row 31 to 32)	33		0
IV. Cash and bank accounts (ct. 5112+512+531+532+541+542)	34	67.446.310	14.401.649
TOTAL CURRENT ASSETS (rows 24+30+33+34)	35	455.856.563	417.666.568
C. PREPAYMENTS (ct. 471)	36	2.438.141	386.061
D. PAYABLES WITHIN ONE YEAR			
1. Debenture loans (ct. 161+1681-169)	37	36.073.824	0
2. Payables to credit institutions (ct. 1621+1622+1624+1625+1627+1682 +5191+5192+5198)	38	79.190.165	69.366.560

3. Advances cashed for orders (ct. 419)	39	12.024.410	1.922.310
4. Trade payables (ct. 401+404+408)	40	21.825.675	14.940.083
5. Bills of exchange payables (ct. 403+405)	41		
6. Amounts payable to related parties ct. (1661+ 1685+2691+451)	42		
7. Payables to investments participation (ct.1663+1686+2692+453)	43		
8. Other payables, including tax and social security payables (ct.1623+1626 +167+1687+2693+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+ 473+509+ 5186 +5193+5194+5195+5196+5197)	44	7.533.837	4.909.256
TOTAL (from row 37 to 44)	45	156.647.911	91.138.209
E.CURRENT ASSETS, NET CURRENT LIABILITIES, RESPECTIVELY (rows 35+36-45-62)	46	297.009.941	320.675.466
F.TOTAL ASSETS LESS CURRENT LIABILITIES (rows 19+46)	47	422.667.216	408.299.713
G.PAYABLES IN MORE THAN ONE YEAR			
1. Debenture loans (ct. 161+1681-169)	48		
2. Payables to credit institutions (ct. 1621+1622+1624+ 1625+1627+1628 +5191+5192+5198)	49	86.336.874	71.074.573
3. Advances cashed for orders (ct. 419)	50		
4. Trade payables (ct. 401+404+408)	51		
5. Bills of exchange payables (ct. 403+405)	52		
6. Amounts payable to related parties (ct. (1661+1685+2691*+451)	53		
7. Payables to investments participation (ct.1663+1686+2692+453)	54		
8. Other payables, including tax and social security payables (ct.1623+1626 +167+1687+2693+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+473+509 +5186+5193+5194+5195+ 5196 + 5197)	55	1.369.391	3.581.967
TOTAL (from row 48 to 55)	56	87.706.265	74.656.540
H.PROVISIONS			
1.Provisions for pensions and other liabilities (ct 1515)	57		
2.Provisions for taxes (ct.1516)	58	161.822	73.199
3.Other provisions (ct.1511+1512+1513 (27)+1514+1518)	59	1.080.943	57.444

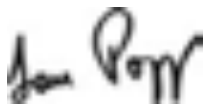
TOTAL PROVISIONS (rows 15 to 59)	60	1.242.765	130.643
I.DEFERRED INCOME			
1.Investments subsidies (ct. 131+132+133+134+138)	61		
2.Deferred income (ct. 472)	62	4.636.852	6.238.954
TOTAL (rows 61+62)	63	4.636.852	6.238.954
J.SHARE CAPITAL AND RESERVES			
I. SHARE CAPITAL			
1. Subscribed and paid in share capital (ct. 1012)	64	200.000.000	200.000.000
2. Subscribed and not paid in share capital (ct. 1011)	65		
3. Patrimony (ct. 1015)	66		
TOTAL (rows 64 to 66)	67	200.000.000	200.000.000
II. PREMIUM RELATED TO CAPITAL (ct. 104)	68	84.768.851	84.768.851
III. REVALUATION RESERVE (ct. 105)	69	6.215.258	6.523.446
IV. RESERVES			
1. Legal reserves (ct. 1061)	70	6.573.653	6.573.653
2. Statutory or contractual reserves (ct. 1063)	71		
3. Reserves representing surplus from reevaluation reserves (ct 1065)	72	3.226.270	2.632.379
4. Other reserves (ct. 1068)	73	26.189.660	35.795.823
TOTAL (rows 70 to 73)	74	35.989.583	45.001.855
Own shares reserve (ct.109)	75	2.853.111	2.427.929
Income from equity instruments (ct. 141)	76		
Losses from equity instruments (ct. 149)	77	8.558	432.470
V. PROFIT OR LOSS REPORTED	78	9.606.163	78.777
Balance C (ct.117)			
Balance D (ct. 117)	79	0	
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR			
Balance C (ct.121)	80	8.258.687	141.540
Balance D (ct. 121)	81	0	0
Profit appropriation (ct. 129)	82	8.258.687	141.540
TOTAL SHAREHOLDERS' EQUITY (rows 67+68+69+74-75+76-77+ 78-79+80-81-82)	83	333.718.186	333.512.530
Public patrimony (ct. 1016)	84		
TOTAL EQUITY (rows 83+84)	85	333.718.186	333.512.530

*) Account assigned to the nature of those elements

26) Amounts submitted to this row and taken from the 2675 to 2679 are finance debt from the finance leases contracts and other similar contracts and also of other receivables, due in a period of less than 12 months.

27) This account appears to entities that have implemented Accounting Regulation no. 94/2001 approved by Finance Minister and those which applied the provisions of section 92 (3) of the Accounting Regulations in accordance with Directive IV of the European Economic Community, part of Accounting Regulations in accordance with European Accounting Regulations, approved by OMFP No 1752/2005 as amended and supplemented.

ADMINISTRATOR,
DAN IOAN POPP



DRAFTED BY:
ROSCA FILIP FLORIN EUGEN
Chief Account



THE PROFIT AND LOSS ACCOUNT

31.12.2009

Name of indicator	Row no.	Financial Year	
		2008	2009
A	B	1	2
1. Net turnover (rows 02 to 05)	01	151.688.180	54.233.682
Sold production (ct. 701+702+703+704+ 705 +706+708)	02	138.345.429	53.939.287
Revenues from sales of commodities (ct. 707)	03	13.342.751	294.395
Revenues from interests incurred by the entities whose object of activity is leasing (ct. 766)	04		
Revenues from operation subsidies relative to the net turnover (ct. 7411)	05		
2. Movements in stocks of finished goods and of ongoing production (ct. 711)			
Balance C	06	42.969.742	
Balance D	07		17.487.323
3. Own work capitalized (ct. 721+722)	08	20.748.895	12.095.363
4. Other operating revenue (ct. 7417+758)	09	18.193.593	19.715.600
TOTAL OPERATING REVENUE (rows 01+ 06 -07+08+09)	10	233.600.410	68.557.322
5 a) Raw materials and consumables expenses (ct. 601+602-7412)	11	12.789.990	3.860.012
Other materials expenses (ct. 603+604+606 + 608)	12	662.519	365.577
b) Other utilities expenses (energy and water) (ct. 605-7413)	13	4.022.087	4.440.801
c) Purchases of goods (ct. 607)	14	9.973.256	247.520
6. Salary expenses (rows 16+17) out of which:	15	6.256.009	3.388.899

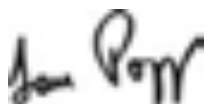
Name of indicator	Row no.	Financial Year	
		2008	2009
a) Salaries and indemnities(ct. 641+642-7414)	16	4.933.425	2.679.665
b) Social security contributions (ct. 645-7415)	17	1.322.584	709.234
7 a) Adjusting the value of tangible and intangible assets (rows 19-20)	18	2.354.449	1.973.928
a. 1) Expenses (ct. 6811+6813)	19	2.354.449	1.973.928
a. 2) Revenues (ct. 7813)	20		
b) Adjusting the value of current assets (row 22-23)	21	-43.482	-109.121
b. 1) Expenses (ct. 654+6814)	22	2.643.707	836.573
b. 2) Revenues (ct. 754+7814)	23	2.687.269	945.694
8 Other operating expenses (rows 25 to 28)	24	171.631.077	44.470.506
8.1 Third parties services (ct. 611+612+613+614+621+622+623+624+625+626+627+628-7416)	25	163.563.240	37.094.660
8.2 Other taxes, duties and assimilated payments (ct. 635)	26	4.578.083	5.134.749
8.3. Compensations, donations and conceded assets (ct. 658)	27	3.489.754	2.241.097
Expenses pertaining to the refinancing interests registered by the entities whose object of activity is leasing (ct. 666)	28		
Adjustments for provisions (rows 30-31)	29	-160.738	-1.112.122
- Expenses (ct. 6812)	30	15.658.564	8.178.000
- Revenues (ct. 7812)	31	15.819.302	9.290.122
TOTAL OPERATIONAL EXPENSES (rows 11 to 15+18+21+24+29)	32	207.485.167	57.526.000
OPERATING RESULTS			
- Profit (rows 10-32)	33	26.115.243	11.031.322
- Loss (rows 32-10)	34	0	0

Name of indicator	Row no.	Financial Year	
		2008	2009
9. Income from participation interests (ct. 7611+7613)	35		1.087.860
- out of which revenues from related parties	36		1.087.860
10 Income from other financial investments and loans, part of fixed assets (ct. 763)	37		
- out of which revenues from related parties	38		
11 Income from interest (ct. 766)	39	16.850.203	6.606.211
- out of which revenues from related parties	40		
Other financial revenues (ct. 762+764+765+767+768)	41	3.967.663	2.395.949
TOTAL FINANCIAL REVENUES (rows 35+37+39+41)	42	20.817.866	10.090.020
12 Adjustment of financial assets and investments held as current assets (44 -45)	43		677.207
- Expenses (ct. 686)	44		677.207
- Revenues (ct. 786)	45		
13 Interest expenses (ct. 666-7418)	46	15.326.608	7.706.027
- out of which revenues from related parties	47		
Other financial expenses (ct. 663+664+665+667+668)	48	21.316.691	12.240.736
TOTAL FINANCIAL EXPENSES (rows 43+46+48)	49	36.643.299	20.623.970
Financial results			
- profit (rows 42-49)	50	0	0
- loss (rows 49-42)	51	15.825.433	10.533.950
14 Current profit or loss			
profit (rows 10+42-32-49)	52	10.289.810	497.372
- loss (rows 32+49-10-42)	53	0	0

Name of indicator	Row no.	Financial Year	
		2008	2009
15 Extraordinary revenues (ct. 771)	54		
16 Extraordinary expenses (ct. 671)	55		
17 Extraordinary results			
- Profit (rows 54-55)	56	0	0
- Loss (rows 55-54)	57	0	0
TOTAL REVENUES (rows 10+42+54)	58	254.418.278	78.647.342
TOTAL EXPENSES (rows 32+49+55)	59	244.128.466	78.149.970
Gross profit or loss			
– Profit (rows 58-59)	60	10.289.810	497.372
- Loss (rows 59-58)	61	0	0
18. Income tax (ct. 691)	62	2.031.123	355.832
19. Other taxes which are not shown under the elements above (ct. 698)	63		
20. Net profit or loss for the financial year			
- profit (rows 60-61-62-63)	64	8.258.687	141.540
- loss (rows 61+62+63-60)	65	0	0

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INFORMATIVE NOTES

31.12.2009

-RON-

I. Data pertaining to the actual result	Row no.	No. of units	Amounts	
A	B	1	2	
Units which registered profit	01	1	141.540	
Units which registered loss	02	0	0	
II. Data pertaining to outstanding payments	Row no.	Total, out of which:	For the current activity	For investments
A	B	1=2+3	2	3
Outstanding payments – total (rows 04+08+14 to 18+22), out of which:	03			
Debtor suppliers – total (row 05 to 07), out of which:	04			
- over 30 days	05			
- over 90 days	06			
- over 1 year	07			
Overdue obligations to the social insurance budget – total (rows 09 to 13) out of which:	08			
- contributions for state social insurance owed by employers, employees and other included persons	09			
- contributions to the health insurance fund	10			
- contributions to the supplementary pension	11			
- contributions to the unemployment insurance budget	12			

II. Data pertaining to outstanding payments	Row no.	Total, out of which:	For the current activity	For investments
A	B	1=2+3	2	3
- other social debts	13			
Overdue obligations to the budgets of the special funds and other funds	14			
Overdue obligations to other creditors	15			
Overdue duties and taxes to the state budget	16			
Overdue duties and taxes to the local budgets	17			
Bank credits which have not been reimbursed by the due date – total (row 19 to 21)	18			
- over 30 days	19			
- over 90 days	20			
- over 1 year	21			
Overdue interests	22			
III. The average number of employees	Row no.	31.12.2008	31.12.2009	
Average employee number	23	160	89	
IV. Interest and royalty payments	Row no.	Amounts (RON)		
Gross revenues from interests paid by Romanian legal entities to natural persons which are not residents of the EU member states, out of which:	24			
- taxes owed to the state budget	25			
Gross revenues from interests paid by Romanian legal entities affiliated*), which are not residents	26			

of the EU member states, out of which:		
- taxes owed to the state budget	27	
Revenues from royalties paid by Romanian legal entities affiliated*), which are not residents of the EU member states, out of which:	28	
- taxes owed to the state budget	29	
V. Meal tickets	Row no.	Amounts (RON)
The counter-value of the meal tickets granted to the employees	30	35.931

VI. Innovation expenses **)	Row no.	31.12.2008	31.12.2009
TOTAL INNOVATION EXPENSES **) (row 32 to 34)	31		
- Innovation expenses finalized during the year	32		
- Innovation expenses in progress during the year	33		
- Innovation expenses canceled during the year	34		
VII. Other Information	Row no.	31.12.2008	31.12.2009
Financial assets in gross value (row 36+42), out of which:	35	51.380.080	50.005.528
Shares held in affiliated entities, participating interests, other securities and long term bonds in gross amounts (row 37 to 41), out of which:	36	47.556.125	57.556.395
- Listed shares	37		
- Unquoted shares	38	45.509.778	45.509.778
- Social individual shares	39	2.046.347	2.046.617

- Bonds	40		
- Shares issued by collective investment bodies (including by SIF)	41		
Trade receivables for non-current assets, in gross amounts, (row 43+44), out of which:	42	3.823.955	3.449.133
Trade receivables for noncurrent assets in RON and expressed in RON, whose settlement is made based on the exchange rate currency (ct. 267)	43	3.823.955	3.449.133
Trade receivables for non-current assets in foreign currency	44		
Trade receivables, advances to suppliers and other similar accounts, in gross amounts (ct. 4092+411+413 +418)	45		
Receivables related to personnel and similar accounts (ct.425+4282)	46		
Receivables related to social security budget and state budget (ct. 431+437 +4382+441+4424+444+445+446+447+4482)	47	5.431.714	4.780.112
Other receivables	48	7.178.072	5.752.444
Interest receivable	49	996.628	129.908
Short –term investments, in gross amounts (row 51 to 55), out of which:	50		
- Listed shares	51		
- Unquoted shares	52		
- Social individual shares	53		
- Bonds	54		
- Shares issued by collective investment bodies (including by SIF)	55		
Other amounts receivable	56		
Cash in RON and foreign currency (row 58+59), out of which:	57	274.017	190.760
- in RON	58	270.398	190.101
- in foreign currency	59	3.619	659

Current accounts at banks in RON and foreign currency (row 61+62), out of which :	60	67.172.292	14.200.550
- in RON	61	45.650.598	14.148.656
- in foreign currency	62	21.521.694	51.894
Other current accounts at banks and letters of credit (row 64+65), out of which:	63	0	10.339
-amounts under settlement, letter of credit and other receivables to be cashed, in RON (ct.5112+5125+ 5411)	64	0	10.339
- amounts under settlement, letter of credit in foreign currency (ct. 5125+ 5412)	65		
Debts (rows 67+70+73+76+79+82+ 83+86 to 90), out of which:	66	244.466.725	166.196.080
-Loans from issue of bonds together with related interest, in gross values (ct.161+1681), (row 68+69), out of which:	67	36.073.824	0
- in RON	68	36.073.824	0
- in foreign currency	69		
-Domestic short-term bank loans and related interests (ct.5191+5192+5197 + from ct.5198),(row 74+75), out of which:	70		
- in RON	71		
- in foreign currency	72		
Foreign short-term bank loans and related interests (ct. 5193+5194+5195 +from ct.5198 (row 74+75), out of which:	73		
- in RON	74		
- in foreign currency	75		
Long term bank loans and related interests (row 77+78), out of which:	76	164.506.798	140.128.972
- in RON	77	0	4.515.471
- in foreign currency	78	164.506.798	135.613.501
Foreign long term bank loans (ct. 1623+ 1624+1625+from ct.1682), (row 70+81), out of which:	79		

- in RON	80		
- in foreign currency	81		
Loans from the state treasury (ct.1626+from ct.1682)	82		
Other loans and related interests (ct.166+167+1685+1686+1687), (row 84+85), out of which:	83	964.406	312.161
- in RON and expressed in RON, whose settlement is made according to the rate of a currency	84	964.406	312.161
- in foreign currency	85		
Commercial debts, advances received from customers and other similar accounts in gross amount (ct. 401+ 403+404+405+408+419)	86	33.850.085	16.425.248
Debts related to personnel and similar accounts (ct.421+423+424+426+427+ 4281)	87	984.139	861.403
Debts related to social insurances budget and to state budget (ct. 431+437+4381+441 +4423+4428+444+446+447+4481)	88	966.143	543.709
Other debts (ct.451+453+455+457+4581+ 462+472+473+269+509)	89	7.121.330	7.924.587
Interest payable (ct.5186)	90		
Subscribed paid capital(ct.1012) (row 92 to 94) , out of which:	91	200.000.000	200.000.000
- Listed shares	92	200.000.000	200.000.000
- Unquoted shares	93		
- Social individual shares	94		
VIII.Information regarding the co-workers expenses	Row no.	31.12.2008	31.12.2009
Co-workers expenses	95	89.004	108.300

THE STATEMENT OF NON-CURRENT ASSETS

-RON-

Fixed assets	Row No.	Gross values				
		Initial balance	Increases	Decreases		Final balance (column 5=1+2+3)
				Total	Out of which segmentation and quashing	
A	B	1	2	3	4	5
Intangible assets						
Set-up expenses and development expenses	01	0	0	0	x	0
Other fixed assets	02	1.172.198	108.324	0	x	1.280.522
Prepayments and ongoing intangible assets	03	89.556	12.293	82.518	x	19.331
TOTAL (rows 01 to 03)	04	1.261.754	120.617	82.518	x	1.299.853
Tangible assets						
Lands	05	11.490.706	556.637	27.066	x	12.020.277
Constructions	06	9.079.938	17.293.345	2.876.697		23.496.586
Technical installations and machinery	07	8.989.704	308.112	1.070.164		8.227.652
Other installations, equipment and furniture	08	783.512	21.102	3.989		800.625
Prepayments and ongoing tangible assets	09	51.754.141	11.954.345	63.508.679	x	199.807

TOTAL (rows 05 to 09)	10	82.098.001	30.133.541	67.486.595		44.744.947
Financial assets	11	51.396.627	507.090	878.882	x	51.024.835
NON-CURRENT ASSETS - TOTAL (rows 04+10+11)	12	134.756.382	30.761.248	68.447.995		97.069.635

THE STATEMENT OF NON-CURRENT ASSETS DEPRECIATION

Fixed assets	Row No.	Initial balance	Depreciation during the year	Depreciation relative to the fixed assets shown	Depreciation at the end of the year (column 9=6+7-8)
A	B	6	7	8	9
Intangible assets					
Foundation expenses and development expenses	13				
Other fixed assets	14	841.552	186.354		1.027.906
TOTAL (rows 13+14)	15	841.552	186.354		1.027.906
Tangible assets					
Lands	16				
Constructions	17	2.013.872	760.960	1.616.060	1.158.772
Technical installations and machinery	18	5.804.898	967.211	731.359	6.040.750
Other installations, equipment and furniture	19	374.035	105.126	3.158	476.003

TOTAL (rows 16 to 19)	20	8.192.805	1.833.297	2.350.577	7.675.525
DEPRECIATION TOTAL (rows 15+20)	21	9.034.357	2.019.651	2.350.577	8.703.431

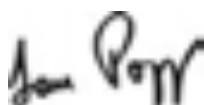
THE STATEMENT OF DEPRECIATION PROVISIONS

Fixed assets	Row No.	Initial balance	Provisions formed during the year	Provisions reincluded in revenues	Final balance (column 13 = 10+11+12)
A	B	10	11	12	13
Intangible assets					
Foundation expenses and development expenses	22				
Other fixed assets	23				
Prepayments and ongoing intangibles	24				
TOTAL (rows 22+24)	25				
Tangible assets					
Lands	26				
Constructions	27				
Technical installations and machinery	28				
Other installations, equipment and furniture	29				
Prepayments and ongoing tangible assets	30				

TOTAL (rows 26 to 30)	31				
Financial assets	32	64.750	677.207		741.957
PROVISIONS FOR DEPRECIATION – TOTAL (rows 25+31+32)	33	64.750	677.207		741.957

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NOTES TO THE FINANCIAL STATEMENTS

as at 31st of December 2009

(the amounts are expressed in RON, unless otherwise specified)

Note 1 - Fixed Assets

The variation of gross value, of amortization and of net accounting value, as at 31st of December 2009, by each category of fixed assets, is presented as follows:

Intangible Assets

Description	Intangible assets
01.01.2009	1,261,754
Gross value	
Inflows	120,617
Outflows/Transfer	82,518
31.12.2009	1,299,853
Amortization	
01.01.2009	841,552
Inflows	186,354
Outflows/Transfer	-
31.12.2009	1,027,906
Net value	
01.01.2009	420,202
31.12.2009	271,947

Tangible Assets

Description	Lands	Constructions	Technical inst., means of transp.	Furniture, ap. and birotics	Advances and assets in progress	Total
COST						
As at 01.01.2009	11,490,706	9,079,938	8,989,704	783,512	51,754,141	82,098,001
Inflows	556,637	17,293,345	308,112	21,102	11,954,345	30,133,541
Outflows/Transfer	27,066	2,876,697	1,070,164	3,989	63,508,679	67,486,595
As at 31.12.2009	12,020,277	23,496,586	8,227,652	800,625	199,807	44,744,947
AMORTIZATION						
As at 01.01.2009	-	2,013,872	5,804,898	374,035	-	8,192,805
Inflows	-	-541,027	967,211	105,126	-	531,310
Outflows/Transfer	-	314,072	731,359	3,158	-	1,048,589
As at 31.12.2009	-	1,158,773	6,040,750	476,003	-	7,675,526

NET VALUE						
As at 01.01.2009	11,490,706	7,066,066	3,184,806	409,477	51,754,141	73,905,196
As at 31.12.2009	12,020,277	22,337,813	2,186,902	324,622	199,807	37,069,421

Fixed assets are registered in accounting to 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.

At the end of the year 2009 there took place a revaluation of construction-type fixed assets. The revaluation was made by Coldwell Banker Research&Valuation for the real estates in the 1st District (Greenfield) and by the valuation expert Vasile Monica for the rest of the properties. The revaluation was made on the basis of real value. Following this revaluation there resulted both positive and negative differences, cummulatively the value of assets decreasing. According to the accounting regulations, when the revaluation result is a decrease of net accounting value, this is treated as an expense with the entire depreciation value, when in the revaluation reserve is not registered an amount related to that asset. Thus, following the revaluation there was registered a revaluation surplus of 533,995 RON, a decrease of the revaluation reserve of 2,216,355 and an expense of 94,670 RON. In total, the net value of fixed assets decreased by the amount of 1,770,030 RON.

Beginning with the year 2009 the management of Impact made the decision to conclude with different clients contracts for the lease of dwelling units. Thus, for the duration of 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 lei. The land afferent to these apartments was also registered in the tangible assets accounts, the balance of the account 211 increasing by 0.5 million RON.

Financial Assets

Elements	31.12.2008	31.12.2009
Participation shares owned to affiliated entities	47,620,875	47,621,145
Adjustments for the loss of value of the shares of affiliates	64,750	64,750
Loans granted to affiliated entities	3,775,751	3,403,690
Adjustments for the loss of value of loans	0	677,207
Net value	51,331,876	50,282,878

There were constituted two provisions afferent to the company Imobilia, a company that will be liquidated in the first half of the year 2010.

Participation Shares Owned to Affiliated Entities

Denomination of company	Registered office	Share capital value 31.12.2009	Net result of accounting period 31.12.2009	Value of IMPACT investment 31.12.2008	Value of IMPACT investment 31.12.2009	IMPACT participation percentage 31.12.2009
Actual Invest House SRL	Voluntari , Drumul Bisericii Street, no. 50 bl,A, Gf	5,000	(167,893)	4,950	4,950	99%
Bipact 1995 SRL	Voluntari, Pipera-Tunari Road, no. 4C Floor.6	1,550	186,731	975	975	63%
BIZ-AR SRL	Bucharest 1 st District Padurea Pusnicu Street, no. 145 ,ap6	200	(6,241)	190	190	95%
Hobbit Intermediere Asigurari SRL	Voluntari ,Pipera - Tunari Road, no.4C	25,000	(60,671)	94,602	94,602	95%
Imobilia Credit SA	Voluntari, Pipera – Tunari Road, no. 4C	92,500	(196,246)	64,750	64,750	70%
Intop Construction SRL	Bucharest 1 st District Intrarea Poiana Street, no.13 ap.4	2,010,200	(10,888)	2,010,000	2,010,000	90%
LOMB SA	Cluj –Napoca, Nasaud Street,no. 22, ap. 71	92,744,954	3,030,849	45,445,028	45,445,028	49%
Millenium Consult Invest SRL	Bucharest 1 st District Padurea Pusnicu Street, no. 145	600	31,778	0	270	45%
Prest RV 2003 SRL	Bucharest 1 st District Padurea Pusnicu Street, no. 145	200	(5,736)	190	190	95%
Topo Prest SRL	Bucharest 1 st District Padurea Pusnicu Street, no. 145	200	(7,266)	190	190	95%
				47,620,875	47,621,145	

The companies BIZ-AR, Prest RV and Topo Prest, whose shares were purchased in the year 2008, and Millenium Consult Invest, whose shares were purchased in the year 2009, will be used as investment vehicles in the new projects that will be started especially in the Greenfield II area.

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

The share capital is subscribed according to the Articles of Association of SC LOMB SA:

- the amount of 45,445,027.51 lei, representing the contribution of SC IMPACT DEVELOPER & CONTRACTOR SA to the subscribed share capital of SC LOMB SA, was integrally paid-up;
- the amount of 47,299,926.60 lei, representing the land, with a surface of 179 ha, brought as a contribution by the Local Council of the Municipality Cluj-Napoca to the share capital of SC LOMB SA, was not paid-up, the formalities of land dismembering being in process of realization;

The company is registered with the Trade Register Office of Cluj-Napoca under the number J12/3024/2008, having the sole registration code 24190182 with fiscal attribute RO. The main activity object of the company is real estate development and promotion, according to the NACE code no. 4110.

The purpose for the set-up of this company is that of developing a residential quarter in Cluj-Napoca. The project concept envisages the development of a town environment, inspired by the European urban poles, where the local specific is naturally combined with the contemporary dwelling standards, including with regard to the natural environment. There will be taken into account the university brand of Cluj, including the newer trends in the development of the city, as it is that of viewing Cluj as a financial and banking center. The constructions intended for dwelling will be in balance with the constructions intended for public functions, business, trade, to spaces intended for entertainment and rest and will have an adequate distribution within the allotted surface of 267 ha.

Frozen Receivables

Company	Loan balance as at 31.12.2008	Loan balance as at 31.12.2009
Actual Invest House	1,914,500	1,409,704
Bipact	0	162,834
Imobilia Credit	727,548	680,449
Intop Construction	1,123,338	1,123,338
Investimob Development	10,365	27,365
TOTAL	3,775,751	3,403,690

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

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	Balance as at 31.12.2008	Balance as at 1.12.2009
Provisions for guarantees granted to clients	1,023,500	0
Provisions for deferred taxes	161,822	73,199
Other provisions for risks and expenses	57,444	57,444
TOTAL	1,242,766	130,643

Note 3 – Analysis of Exploitation Result

Indicator	31.12.2008	31.12.2009
Turnover	151,688,180	54,233,682
Cost of sold goods and supplied services	122,033,598	44,552,970
Direct production expenses	96,694,665	33,365,719
Indirect production expenses	25,338,933	11,187,251
Net turnover afferent gross result	29,654,582	9,680,712
Sale expenses	7,274,116	2,203,217
General administration expenses	2,587,500	1,327,396
Other exploitation expenses	75,589,953	9,442,418
Other exploitation revenues	81,912,230	14,323,640
Exploitation result	26,115,243	11,031,322

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.

Note 4 – Statement of Receivables and Debts**Receivables**

In the presented period there was handed over a number of 124 apartments with a total value of contracts of 54.7 million RON. There was terminated a number of 114 contracts, their total value being of 42.5 million RON. There must be mentioned that, according to the contract, the

entire amount of the collected payment in advance is retained as penalties, that is approximately 12.5 million RON.

The detailed statement of the receivables as at 31st of December 2009 is presented as follows:

Denomination of receivable	Balance as at 31.12.2008	Balance as at 31.12.2009, out of which	Liquidity term	
			under 1 year	over 1 year
Clients	99,239,714	80,678,485	60,508,864	20,169,621
Adjustments for deprec. of clients' rec.	1,930,234	2,078,127	0	2,078,127
Clients, invoices to be drawn	914,241	166,102	166,102	0
Advances granted to service suppl.	1,959,608	3,724,021	3,724,021	0
Granted guarantees	48,203	45,443	45,443	0
Different debtors	4,738,660	5,136,826	4,058,092	1,078,733
Adjustments for deprec. of debt rec.	899,196	688,353	0	688,353
Other receivables*	6,452,612	4,618,297	4,618,297	0
TOTAL	110,523,608	91,602,694	73,120,819	18,481,875

Other receivables*	Value
Interests to be collected	129,908
Operations under clarification	-8,126
Settlements among branches	-738
Amounts to recover from budget	4,497,253
TOTAL	4,618,297

The receivables registered in the „Clients – invoices to be drawn“ accounts represent the countervalue of the invoices for the utilities that were invoiced to clients in the month of December 2009 but with reference to the month of January 2010.

In the different debtors account there is registered the payment of an amount of 1,684,853 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 amounts to be recovered from the budget represent VAT to recover and additionally paid profit tax, with a value of 2.25 million RON each. In the month of March 2010 following the request of VAT compensation submitted in the month of August 2009, there was solved the request for the reimbursement of the amount of 1,496,312 RON by the compensation of the amount of 639,190 RON with contributions regarding the social insurances, health insurances and salary taxes and also the collection of the amount of 857,122 RON.

After the finishing of the fund control existing at the moment of the present notes' draft, there will be possible to also request the additionally paid profit tax.

Debts

According to OMF 1752, the total debts decreased by about 32%, from 244 mil RON in 2008 to 165 mil RON as at 31.12.2009. On the reporting date, the amounts granted by the credit institutions had a weight of 85%.

There is noticed a decrease by about 84% of the advances collected from the clients, due to the handing over of the contracted constructions and to the stock sales. The contracts are within the term, not existing delays of the handover date. The trade debts also decreased, by about 32%.

Denomination of debt	Balance as at 31.12.2008	Balance as at 31.12.2009, out of which	Liquidity term	
			under 1 year	over 1 year
Loans from bond issues	36,073,824	0	0	0
Bank credits	164,506,798	140,128,972	69,115,918	71,013,054
Interests to be paid	55,835	0	0	0
Financial leasing**	964,406	312,161	250,642	61,519
Collected advances	12,024,410	1,922,310	1,922,310	0
Trade debts*	21,825,675	14,940,083	14,940,083	0
Other debts***	8,903,228	8,404,486	4,822,519	3,581,967
TOTAL	244,354,176	165,708,012	91,051,472	74,656,540

Trade debts*	Value
suppliers	10,536,940
suppliers, unrarried invoices	4,403,143
TOTAL	14,940,083

Other debts ***	Balance as at 31.12.2009	Liquidity term	
		under 1 year	over 1 year
Guarantees of suppliers	5,299,116	1,766,372	3,532,744
Debts related to personnel	1,216,046	1,216,046	0
Non-exigible VAT	98,445	49,222	49,222
Dividends to be paid	46,398	46,398	0
Different creditors	1,744,481	1,744,481	0
TOTAL	8,404,486	4,822,519	3,581,967

The balance of the non-exigible VAT account refers to the added value afferent to the installments not reaching the due date for the credit contracts concluded until the date of 30th of May 2005. After this date, for the sale contracts with payment in installments there occurred the VAT exigibility on the delivery moment, according to the Fiscal Code, art. 134.1 paragraph 3.

The guarantees of suppliers are withheld according to the contract. The percentages differ between 5% and 10% of the value of works, and are refunded after at least one year from the works' execution, depending on the contractual terms.

Leasing**		Balance 31.12.2009
MOTORACTIVE	EUR	26,377
	Equivalent RON	111,529
RCI LEASING	EUR	47,451
	Equivalent RON	200,632
TOTAL	EUR	73,828
	Equivalent RON	312,161

Bank credits		Balance 31.12.2009
BANC POST	EUR	2,049,761
	Equivalent lei	8,666,801
PIRAEUS	EUR	12,807,256
	Equivalent lei	54,151,638
ROMANEASCA	EUR	17,216,561
	Equivalent lei	72,795,062
TRANSILVANIA	RON	4,515,471
TOTAL	EUR	32,073,578
	Equivalent lei	140,128,972

On the date of the 2nd of February 2009, there was intehrally reimbursed the mortgage loan :

- there was paid the amount of 503,412 EUR, to the RON/EUR exchange rate as of the day of 28.01.2009 that represents the value of the coupon afferent to the 8th semester, according to the calendar of the bonds issue (1 coupon = 1.6135 Euros*exchange rate 4.2390 RON/EUR * 312,000 = 2,134,080 lei).
- there was paid the amount of 8,634,756 EUR, to the RON/EUR exchange rate as of the day of 28.01.2009 that represents the main payment (312,000*27.6755*4.2390 RON/EUR = 36,603,840 RON)

In total there was paid the amount of 38,737,920 RON, the equivalent of 9,138,168 EUR.

In the month of July 2009 there was contracted a new credit with Transilvania Bank, with a total value of 12,800,000 EUR. The destination of the loan is for the financing of the finishing of the projects being under development. The annual rate of the interest will be modified on a quarterly basis, according to the official level of the ROBOR index to 6 months valid on the first day of the quarter. The guarantee is constituted of a number of 46 mortgages upon some apartments and houses being under the ownership of Impact in Bucharest and Oradea and of a contract of real movable security upon the collections and of the current balance with a value of 15,984,000 lei. The total market value of the real estates brought under guarantee is of 16,516,436 lei.

In 2009 the credit contract 301 was extended, the final due date being 31.07.2010. The loan contracts numbered 195 (contract value 2,000,000 EUR), 2219 (contract value 800,000 EUR) and 2331 (contract value 1,800,000 EUR) with Piraeus Bank were integrally reimbursed.

Also during the year 2009 there was integrally reimbursed the loan contract no 11/9949 with a value of 2,400,000 EUR with BCR Bank.

The statement of the credits under development at the end of the year 2009 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, 6th district, Prelungirea Ghencea no. 402 - 412 and for the payment of an amount of up to 50% of the value of the risk commission afferent to the Facility.

Interest: EURIBOR at 3 months plus a margin of 5 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.

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

2. Piraeus Bank

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

Object : issue of a security letter with a value of 112,180 EUR, 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.

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 31.12.2009 there remained in the balance the value of 2,050,000 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.

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: 2% + 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: 2% + 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 31.12.2009 the amount to be paid in balance afferent to these credits from Banca Romaneasca was of 17,216,520 EUR.

6. Transilvania Bank

Credit contract no. 15/21.07.2009 , value 12,800,000 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 6.44%.

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 28th of each month, according to a reimbursement schedule, in monthly installments correlated to the collection of installments and of rents from the assigned contracts.

Statement of Mortgages

The total accounting value of the mortgaged assets is of 212 million RON and is composed of lands and houses under different execution stages, as follows:

FIXED ASSETS , out of which:	21,037,661
Lands	1,621,125
Constructions	19,416,536
STOCKS, out of which:	190,618,145
Lands owned for constructions	111,852,288
Constructions for sale	78,765,857
Total mortgaged assets	211,655,806

Note 5 – 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 1752/2005 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 2009 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 consequently 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. 1752/2005 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. Taking into consideration the average inflation rate in the year 2009 of 5.59%, communicated by the National Institute of Statistics, not all the data are reflected in the real terms of the purchasing power of the leu as at 31st of December 2009.

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. A part of the contracts concluded with the beneficiaries provides the execution of the building with the payment by execution stages. Beginning with the year 2007, the Company opted for the modality to acknowledge the revenues generated from such contracts at the moment of the handover, based on a handover minutes for work stage. Thus, the Company also acknowledges the revenues to the extent of the handover of work stages for the constructions. However, in 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.

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

Own 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 last revaluation took place on 31.12.2009 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.

The acquisition value/production cost does not exceed the accomplishable net value of stocks.

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.

Taxes

The current profit tax was calculated using the legal rate of 16%, valid for 2009. According to OMF 1752, there is not calculated and registered anymore the tax on deferred profit. As the taxable temporary differences disappear, the provision for deferred taxes is diminished.

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 6 – Share Capital

SC Impact SA was established in 1991, on the grounds of Law 31/1990. On the date of 04.10.2006 the company moves its registered office from Bucharest 1st District in Ilfov, the town Voluntari in the Construdava office building. Also on this date the company changes its denomination as well. The identification data of the company are :

Denomination : IMPACT DEVELOPER & CONTRACTOR SA

Address : Voluntari, Pipera-Tunari Road no. 4C, Construdava Business Center, fl. 6, Ilfov County

Tel.: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83

Registered with the O.R.C. from T.M.B. under no. J 23/1927/2006

C.I.F. RO1553483

The subscribed and paid-up share capital of the company as at 31st of December 2009 is of 200,000,000 RON. The nominal value of a share is of 1 RON.

The structure of the shareholding as at 31st of December 2009, according to the statement of the Central Repository was the following:

Shareholder	Holding
Popp Ioan Dan	22.07%
Sandulescu Carmen Daniela	11.62%
SALINK LIMITED	9.14%
Artio International Equity Fund	8.46%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.09%
Other legal entities, out of which	24.50%
- foreign entities	16.16%
Other natural persons, out of which	18.12%
- foreign pers	0.70%
Total	100.00%

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 1st category. At the end of the year 2009, Impact had a market capitalization of 33.31 mil EUR and a weight of 1.39% in the BET index, being the only real estate developer quoted in the first category of the BVB.

33.69% of the company shares are held by the company management.

Among the shareholders that hold over 5% of the company shares there are: Dan Ioan Popp with 22.07%, Carmen Sandulescu with 11.62%, Salink Limited with 9.14%, Atrio International Equity with 8.46% of the shares.

At the end of the year 2009, 51% of the shareholders were Romanian natural person investors, 8% Romanian legal entities, 1% foreign natural persons and 40% foreign legal entities.

Evolution of Share Capital

Date	Explanation	Total no. of shares
31 December 2008	Initial balance	2,000,000,000
31 December 2009	Final balance	200,000,000

By the Decision of CNVM no. 22 as of 20th of January 2009 there was approved the consolidation of the company shares, the number of shares being reduced from 2 billion to 200 million, and the nominal value of the shares increased from 0.1 RON/share to 1 RON/share. This decision was made in the month of November of the year 2008 by the Extraordinary General Assembly of Shareholders of Impact.

Note 7 – Information Regarding Employees, Administrators and Directors

Structure of Personnel Expenses

During the year 2009 the number of personnel decreased by about 60%, from 160 at the end of the last year to 68 in the month of December 2009. This variation took place due to the difficult economic context in the current period. In 2009 approximately 10% of the personnel was productive, the rest being technical, economic and administrative personnel.

Description	31.12.2008	31.12.2009
indemnifications for the Board of Directors	158,604	108,300
salaries of directly productive employees	740,013	267,966
salaries of TESA	4,193,412	2,411,699
exp. with social insurances and protection	1,322,584	709,234
TOTAL	6,414,613	3,497,199

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. In the year 2009, related to the 2008 accounting period, the

General Assembly of Shareholders made the decision not to distribute this percentage to the members of the BoD, these being a part in a share rewarding plan.

Administrators

	Name	Position	Identification data
1.	S.C. Havila Trading International S.R.L. represented by Popp Ioan Dan	President of BoD	J40/26453/94 CUI RO 6712040
2.	Ionescu Valeriu Nicolae	Administrator	1520411400095
3.	Rosca Ioana-Andreea	Adminstrator	2710501411515

Executive Management

Surname	Name	Position	Citizenship
Sandulescu	Carmen Daniela	Executive Director (Economic Development)	Romanian
Nita	Liviu Marius	Executive Director (Legal Organization)	Romanian

Note 8 – Economic Financial Indicators

PROFITABILITY AND RENTABILITY	31.12.2007	31.12.2008	31.12.2009
Efficiency of available equity			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Available equity (B)	439,655,899	421,424,451	408,169,070
A/B	5.17%	6.08%	2.01%
Efficiency of own equity			
Net profit (A)	7,401,076	8,258,687	141,540
Own equity (B)	326,702,495	333,718,186	333,512,530
A/B	2.27%	2.47%	0.04%
Operating profit rate			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Exploitation revenues (B)	158,641,682	233,600,410	68,557,322
A/B	14.33%	10.97%	11.97%
Nnet profit rate			
Net profit (A)	7,401,076	8,258,687	141,540
Total revenues (B)	182,079,265	254,418,276	78,647,342
A/B	4.06%	3.25%	0.18%
Total assets rate			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Total assets (B)	561,589,014	583,951,979	505,590,140
A/B	4.05%	4.39%	1.62%

Indebtedness degree			
Borrowed equity (A)	110,854,196	86,336,874	71,013,054
Own equity (B)	326,702,495	333,718,186	333,512,530
A/B	0.34	0.26	0.21

SOLVABILITY			
Debt rate			
Total liabilities (A)	234,886,519	250,233,793	172,077,610
Total assets (B)	561,589,014	583,951,979	505,590,140
A/B	41.83%	42.85%	34.04%
Financial leverage			
Own equity (A)	326,702,495	333,718,186	333,512,530
Total assets less current debts (B)	439,655,899	421,424,451	408,169,070
A/B	74.31%	79.19%	81.71%
Interest coverage rate			
Profit before interests and tax (A)	22,730,583	25,616,418	8,203,399
Interest (B)	12,510,887	15,326,608	7,706,027
A/B - times	1.82	1.67	1.06
LIQUIDITY AND WORKING CAPITAL			
Current liquidity indicator			
Current assets (A)	499,568,834	455,856,563	417,579,832
Current liabilities (B)	112,275,614	156,647,911	91,051,473
A/B	4.45	2.91	4.59
Immediate liquidity indicator			
Current assets (A)	499,568,834	455,856,563	417,579,832
Stocks (B)	235,097,417	277,886,645	311,575,489
Current liabilities (C)	112,275,614	156,647,911	91,051,473
(A - B) / C	2.36	1.14	1.16
Client debt turnover			
Trade receivables (A)	91,527,905	100,231,532	80,844,587
Net turnover (B)	108,645,733	151,688,180	54,233,682
(A / B) * no of days in the period	303.28	237.88	536.64
Fixed asset turnover			
Net turnover (A)	108,645,733	151,688,180	54,233,682
Fixed assets (B)	59,413,125	125,657,275	87,624,247
A / B	1.83	1.21	0.62

Note 9 – Other Information

Stocks

In the year 2009, 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. The assembly finishing situation is detailed below:

Project	Rubin	Topaz	Onix	Blue	Quartz	Roua	Europa	Lotus	Boreal
Accomplishment degree as at 31.12.08	100%	100%	93%	88%	66%	99%	100%	98%	97%
Accomplishment degree as at 31.12.09	100%	100%	100%	100%	80%	100%	100%	99%	98%

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

Description	31.12.2008	31.12.2009
Lands	146,078,608	149,776,273
Advances for lands	5,037,017	6,159,288
Finished products – houses	7,834,370	86,072,889
Production and services under execution	116,476,158	67,128,801
out of which networks	0	40,521,457
Construction materials	2,577,451	2,633,287
Adjustments for materials depreciation	995,184	949,013
Finished prod., merchandises, packagings and inventory objects	562,187	415,145
Advances for the purchase of construction materials	316,038	338,819
TOTAL	277,886,645	311,575,489

At the end of the month of December 2009 there existed a number of 154 finished houses and apartments and 161 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.

At the end of the year 2009 there was made the decision that the investments under execution, in an amount of 46,254,473 RON, afferent to the networks, would be reflected in the balance in the stocks account and not in the fixed assets as until that moment. This fact will better reflect the economic reality because, beginning with the new assemblies, the investments in networks are recovered by the sale of the apartments.

By adjusting the stocks value with the above mentioned amount, in comparison to the preceding year, there results a small decrease, of about 2% of the balance of the stocks held by Impact.

Between Impact (as an executant) and MTS Leasing (as a beneficiary) and also a series of natural persons (as users) there intervened execution contracts for the execution of some buildings.

In accordance with the provisions of these contracts, the payments followed to be made to Impact by MTS Leasing, on the dates of finishing the physical stages, after signing the acceptance minutes for each stage.

A part of the beneficiaries of Impact that initially had chosen the financing by MTS Leasing paid to this financier an amount of money representing an payment in advance. This advance should have been paid by MTS Leasing to Impact for the payment of the executed work stages. For some of these constructions this fact did not happen.

For MTS Leasing there appeared in the year 2005 financial problems, this company systematically delaying payments for the contracts under development, a fact that determined their termination.

Following the termination of the execution contract with MTS Leasing and in accordance with the provisions of this contract, some of the users took over the contracts, finding other financing modalities.

After the bankruptcy of the leasing company there appeared litigations between Impact and these clients. Out of the six, two clients decided the continuation of the contract by own financing, the rest of four being in different trial stages. At present, these constructions are registered in the stock accounts of the company, their value being of 1,567,876 RON. There were not constituted provisions for these amounts as the houses are under the property of Impact. The company does not register a loss at the moment of litigation finishing as the amounts to be received are paid either by the present clients – in case Impact wins the litigations, or by the new clients following the sale to these - in case Impact loses the litigations.

Cash and Bank Accounts

Going on with the trend registered last year, money availabilities decreased by 79%, from 67.4 mil RON in 2008 to 14.4 mil RON at the end of the year 2009. Great cash outflows are mainly due to the payment of the mortgage loan and of a part of the bank credits.

Expenses in Advance

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

Description	31.12.2008	31.12.2009
Other expenses in advance	38,196	21,537
Insurances (constructions and cars)	210,265	113,140
Insurances for professional liability	76,799	73,298
Commissions paid in advance	2,104,264	177,856
Taxes for rovigmeta	8,618	230
TOTAL	2,438,142	386,061

In the first quarter of the year 2009 there were handed over all the contracted apartments by the 27 British citizens, the company acknowledging in this quarter the entire income afferent to the contract and also the cost of the apartment and the brokerage commission paid to the company

MacAnthony Realty International Ireland Ltd and registered in the year 2008 in the expenses in advance account.

Revenues in Advance

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 31.12.2009 is of 6,123,094 RON, increasing in comparison to the last year. This increase came due to the conclusion of new contracts with the payment in installments. Thus, at the end of the year 2009 there was under development a number of 117 contracts with payment in installments or in tranches. This measure to resume the conclusion of contracts with payment in installments was taken into consideration in order to stimulate the sales, taking into account the present economic context.

According to the concluded lease contracts, the invoice is issued and must be paid by the clients a month before. Thus, the amount of 115,860 RON represents the lease invoices afferent to the month of January 2010 and invoiced in December 2009.

Revenues in advance	31.12.2008	31.12.2009
interests	4,636,852	6,123,094
rents		115,860
TOTAL	4,636,852	6,238,954

Direct Expenses – Raw Materials

Description	31.12.2008	31.12.2009
Expenses with lands	2,999,164	1,366,038
Exp. with raw materials and materials	8,683,585	1,747,026
Exp. with fuel	760,993	211,795
Exp. with spare parts	155,499	57,346
Exp. with other constr. materials	190,749	477,807
Exp. with inventory objects	419,255	282,381
Ex. with unstocked materials	185,415	78,976
Exp. with packagings	57,848	4,219
Exp. with energy and water	4,022,087	4,440,801
Exp. regarding merchandises	9,973,256	247,520
TOTAL	27,447,852	8,913,910

Other Exploitation Expenses

Description	31.12.2008	31.12.2009
Expenses with maintenance and repairs	1,219,221	70,697
Expenses with royalties and rents	4,899,777	2,648,532
Expenses with insurance premiums	991,859	760,952

Expenses with commissions and fees	1,325,403	1,628,455
Expenses for protocol, advertisement and publicity	3,434,938	610,332
Expenses with transport of goods and pers.	836,391	361,179
Expenses with movements, assignments and transfers	136,293	6,900
Postal expenses and with telecommunications	540,882	518,351
Expenses with banking services and assimilated	650,359	770,642
Expenses with services executed by thirds *)	149,528,117	29,718,619
Expenses with other assimilated taxes and dues	4,578,083	5,134,749
Expenses with compensations, fines, penalties	144,517	287,462
Expenses regarded assigned assets	1,878,630	1,307,573
Donations (sponsorships)	3,000	9,522
Other exploitation expenses	1,463,606	636,541
TOTAL	171,631,077	44,470,506

Expenses with Services Performed by Thirds*

Description	31.12.2008	31.12.2009
Expenses with subcontractors	125,548,665	17,496,705
Havila consultancy expenses	838,059	410,232
Expenses for consultancy	4,079,745	2,547,854
Expenses with guard and protection	1,293,029	1,087,176
Expenses with meal tickets	33,227	2,261
Expenses with HR	385,146	167,556
Expenses for IT services	410,416	359,759
Expenses with fees (notary, cadastre)	1,467,435	1,307,327
Expenses for design services	5,378,711	1,454,658
Other expenses for services	10,093,684	4,885,092
TOTAL	149,528,117	29,718,619

Financial Result

Description	31.12.2008	31.12.2009
Expenses regarding interests	15,326,608	7,706,027
Expenses from currency exchange rate differences	21,316,691	12,240,736
Adjustments regarding loans	0	677,207
Revenues from interests	16,850,203	6,606,211
Revenues from currency exchange rate differences	3,822,761	2,272,405
Revenues from dividends	0	1,087,860
Other financial revenues	144,902	123,544
Profit/(loss)	-15,825,433	-10,533,950

SC Bipact 1955 SRL distributed all the undistributed profits from the preceding years. The company had to receive the amount of 976,145 RON, an amount that was compensated with the debts of Bipact to the company.

The company Hobbit also distributed the dividends afferent to the preceding years. The due amount of money was of 111,715 RON. The amount was integrally collected in the month of September 2009.

The expenses with interests decreased due to the decrease of the balance of loans, beginning right with the integral payment of the bonds in the month of February 2009.

Due to the decrease of the owned cash, also the revenues from the interests collected for deposits had the same trend, decreasing more than 60% compared to the similar period of the preceding year.

With regard to the value adjustments afferent to loans, these were constituted for the loan granted to the company Imobilia Credit, a company that will be liquidated in the first half of the year 2010.

Profit Tax

In the year 2009 IMPACT registeted an accounting gross profit of 497,372 RON and a net profit of 141,540 RON. The reconciliation between the fiscal result and the accounting one is presented next.

Current Profit Tax

Explanation	Value
accounting gross profit	497,372
taxable revenues	81,253,838
expenses afferent to taxable revenues	78,970,378
taxable profit	2,283,460
profit tax – before deducing the expenses with sponsorship	365,354
Due profit tax	355,832
Net profit	141,540

The big profit tax is due to big undeductible expenses. Compared to the preceding years, these differences come especially from the revaluation of lands coming from the merger of the two companies, Patagonia and Fondamento. According to the fiscal regulations, beginning from May 2009 the difference between the cost and the revaluated value becomes undeductible at the moment of land sale.

Deferred Profit Tax

Deferred tax is generated by the temporary differences between the accounting basis and the fiscal one of the houses with the payment in installments sold until the year 2005 and of the accelerated amortization that was applied to certain fixed assets, according to the fiscal regulations in force until the year 2005. Thus, as the clients pay the installments or the contract due date

comes, deferred tax becomes current. In the same sense, as there is registered the amortization of the fixed assets that took benefit of 20% accelerated amortization, deferred tax becomes current. Under this situation, according to OMFP 1752, there are registered revenues from provisions for taxes.

Explanation	Value
Deferred profit tax in balance as at 31.12.2008	161,822
Tax afferent to the temporary differences afferent to the houses with payment in installment	240,750
Tax afferent to the temporary differences afferent to tangible assets	216,746
Deferred profit tax in balance as at 31.12.2009	73,199
Income from deferred profit tax	88,623

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.

Note 10 – Contingent Debts

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

List of litigations where Impact Developer & Contractor S.A. has the quality of a plaintiff

Court	No. of file	Object/Kind of action	Descriptive object of action	Opponent	Position of Impact	Trial stage/ Stage
Court of law S1	9122/299/2007	Action for the obligation to also make the payment of cominatory damages	Action by which Impact requested the right to pass by Str. Vadul Moldovei. Impact obtained this provisory right until the judgment of this file.	Romsilva	plaintiff	Suspended
Mures Tribunal	305/1371/2008	Enlistment to the statement of assets	Enlistment to the statement of assets was admitted	Dafora Structuri SRL	Creditor	First instance
Constanta Tribunal	4276/118/2009	Request to return immovable	SM got bankrupt. Taking into account it still had to pay a small part of the immovable, IDC requested the return	Standard Management SRL	Creditor	First instance
Court of law S1	20441/299/2008	Action for claims	Legal expenses	Stratos Leasing; MTS	Plaintiff	Appeal
Bucharest Tribunal	24403/3/2007	Action for resolution and claims	There was modified the action in action to force Pasteur to sell to us the land in action for the return of advance and damages and annulment of the precontract	Pasteur Institute	Recurring plaintiff	Suspended

Bucharest Tribunal	8513/3/2006	Request to clarify the applicability of device	Clarification that the device indicates that penalties apply only until the construction finishing	Bodogan Aurel and Constantin	plaintiff	First instance
Bucharest Tribunal	32797/3/2009		annulment of administrative deed	Mayoralty of Municipality Oradea	defendant	Given in first instance
Bucharest Tribunal	23619/3/2009	Request to find the non-existence of the right of SR to request the payment of this amount	IDC requests to be found the compensation of the amounts	Sc Summa Romania SA	defendant	First instance
Bucharest Tribunal	2179/89/2009		procedure of insolvency	Gadal construct SRL	debtor	first instance
Bucharest Tribunal	16381/3/2008	Enlistment to the statement of assets	Enlistment to the statement of assets was admitted	SC CONSULTING SUD SRL (Bidepa)	debtor	First instance
Bucharest Tribunal	39469/3/2008	Action for claims	Obligation of Romconstruct to pay delay penalties for the delay in the execution of the constructions in the Rubin assembly	Romconstruct	plaintiff	First instance
Bucharest Court of Appeal	3829/2/2009	Action for annulment	annulment of administrative deed	Ministry of Agriculture	plaintiff	First instance

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

Court	No. of file	Object/Kind of action	Descriptive object of action	Opponent	Position of Impact	Trial stage/ Stage
Bucharest Tribunal	48766/3/2008	Action for finding contract termination and claims	Termination of execution contract with Impact and payment of delay penalties	Defendant	GREGORY ALEX JAMES	Given appeal
Bucharest Court of Appeal	11641/3/2008 (2167/2009)	Action for claims	Return by Impact of the earning obtained from the construction sale	Appealant	Georgescu Serban	Given appeal
Constanta Tribunal	6361/212/2006	Action for claims and counterclaims	Payment by S.M. of delay penalties for installments and payment by IDC of penalties for delay handover (counterclaims)	Appealant	Soare Maria	Given appeal
Bucharest Court of Appeal	5696/3/2008	Action for finding	I.P. requests to be found its having no more obligation arising from the sale-purchase precontract concluded for Ghencea II land	Recurring	Pasteur Institute	Dismissed first instance. Case in appeal
High Court of Cassation and Justice	42784/3/2007	Action for finding	Finding of IDC impossibility to execute the obligation to hand over the immovable good	Recurring	Bodogan Aurel	Appeal

Prahova Tribunal	19/105/2010	Action for claims	Request for issue of good performance guarantees	Defendant	Romconstruct, Defendant & BRD SG	First instance
Constanta Tribunal	8643/118/2008	Action for finding	IE requests the payment of delay penalties, and Impact requests the payment of the indexation index and late payment penalties	Defendant	Ionescu Eduard	First instance
Bucharest Tribunal	45882/3/2009	Action for claims	Return by IDC of the c/val of the guarantee letters executed by IDC last year	Defendant	SC SUMMA ROMANIA SA	First instance
Bucharest Tribunal	45886/3/2009	Action for claims	Return by IDC of the c/val of the guarantee letters executed by IDC last year	Defendant	SC SUMMA ROMANIA SA	First instance
Bucharest Tribunal	323/3/2010	Action for the start of the insolvency procedure		Debtor	Romconstruct	First instance
Buftea Court of law	1579/94/2010	Action for finding	Finding the property right of the association members upon the utilities networks	Defendant	Owners Association Class, Coca Adina	First instance
Bucharest Tribunal	43654/3/2009	Action for annulment	Annulment of the Decision of the General Council of Mun. Bucharest no. 263/2008	Defendant	Ionita Florian	First instance

Bucharest Court of Appeal	5415/3/2009	Action for annulment	Annulment of the Decision of the General Council of Mun. Bucharest no. 263/2008	Intervenient	Ionita Florian – Buc. General Council	Appeal
Bucharest Tribunal	48002/3/2009	Action for claims	Impact requests the return of a payment made by the plaintiff on the basis of a precontract of Nov. 2004	Defendant	STYLE MODA ROMANIA SA	First instance
Oradea Court of law	10229/271/2009	Action for finding the property right acquired by accession	Plaintiffs want their property right be acknowledged, with the obligation of Impact to pay the c/value of the construction	Defendant	Ban Liviu and Ban Cornelia	First instance
Bucharest Tribunal	191/3/2010	Action for the issue of a demand for payment	Romconstruct SA requests the payment of the amount by Impact SA for works done on the basis of some invoices issued for works executed in the Rubin assembly	Debtor	Romconstruct	First instance
Oradea Court of Appeal	5070/111/2006	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which Dumbrava acquired the land in the	Appellant	Dumbrava SRL , MTS Leasing	Appeal

			Europa assembly			
Bucharest Tribunal	190/3/2010	Action for the issue of a demand for payment	Romconstruct SA requests the payment of the amount by Impact SA for works on the basis of some invoices issued for works executed in the Rubin assembly	Debtor	Romconstruct	First instance
Oradea Court of Appeal	4126/111/2007	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which West Expo purchased land from OLC and termination of the execution contract	Appellant	West Expo	Rejudgment after appeal
High Court of Cassation and Justice	278/118/2005	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which Chiriac purchased the land	Recurring	Chiriac Alexandru and Ionela	Appeal
Oradea Court of law	18726/271/2009	Action for the issue of a demand for payment	Requests the payment of some electric power networks works	Debtor	Ceir Pedrochi	First instance
Buftea Court of law	5028/94/2009	Action for claims	Payment by IDC of legal expenses	Defendant	Bodogan Aurel	First instance
Buftea Court of law	1003/94/2010	Action for finding	Defendant	Defendant	Amariuca, Salom SA	First instance

Bihor Tribunal	3540/111/2008	Action for giving a decision that would replace an authentic deed		Defendant	Actual Invest House	Appeal
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Besides the litigations appreciated as significant presented above, the company also has in progress a number of litigations with different debtors of the company arising from the supply of utilities or other receivables that are small as value. These litigations (approximately 100) comprise a total value of the claims of IDC of approximately 120,000 RON.

Note 11 Affiliated Parties

Nature of Relationships

In the year 2009, 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)
Imobilia Credit SA	J1111/15.04.05 J150/03.01.06 J1068/10.05.07	client, debtor
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
	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	5/11.04.2005 addendum 10/2009	Consultancy, debtor
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
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The prices of the contracts concluded with the affiliated party companies are established under market conditions. In the year 2009, the company developed transactions with the affiliated parties, as follows:

Sales to:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	7,393,742	-430,313
FINANCE CONSULTING 2001	25,698	3,549
HAVILA TRADING	2,653	2,473
BIPACT 1995 SRL	8,353	7,416
HOBBIT INTERMEDIERE ASIGURARI SRL.	46,999	141,867
IMOBILIA CREDIT	9,051	0
INTOP CONSTRUCTION	0	3,200
LOMB	14,232,621	7,212,338
TOTAL	21,719,116	6,989,673

Purchases from:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	3,826,088	273,432
FINANCE CONSULTING 2001	191,352	316,272
HAVILA TRADING	1,463,165	997,290
BIPACT 1995 SRL	3,652,460	1,198,842
IMOBILIA CREDIT	55,000	52,100
MILLENIUM CONSULT INVEST	0	113,632
TOTAL	9,188,065	2,951,569

Following the transactions with the affiliated party companies, there resulted the following balances as at 31st of December 2009:

Receivables from/Advances granted to:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	18,772,650	17,531,546
BIPACT 1995 SRL	189	6,745
HOBBIT INTERMEDIERE ASIGURARI SRL.	39,928	63,583
IMOBILIA CREDIT	302,623	0
INTOP CONSTRUCTION	0	3,200
LOMB	975,070	595,897
MILLENIUM CONSULT INVEST	0	49,142
TOTAL	20,090,459	18,250,112

Debts to/Advances received from:	31.12.2008	31.12.2009
ACTUAL INVEST HOUSE	611,616	254,305
FINANCE CONSULTING 2001	31,892	11,662
HAVILA TRADING	558,775	39,865

BIPACT 1995 SRL	1,023,586	3,062
LOMB	0	315,000
TOTAL	2,225,869	623,894

In 2009 Impact granted several loans to the controlled companies in order to support the circulating capital. The total value of the loans granted in the year 2009 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.

The balance of loans is also presented at Note 1, Financial Assets.

Date of contract	Currency of credit	Val. of Contract	Val. used in the previous years	Val. used in 2009	Restitutions/ compensations	Balance	Unused value
ACTUAL INVEST HOUSE							
25.11.2009	RON	22,320	0	22,320			0
03.08.2009	RON	70,000	0	8,500			61,500
24.07.2009	RON	76,000	0	76,000	611,616		0
12.06.2008	RON	2,700,000	2,670,000		3,215,000		30,000
02.06.2008	RON	163,000	163,000		163,000		0
10.01.2008	RON	42,000	42,000				0
27.11.2007	RON	445,000	445,000				0
26.06.2007	RON	1,824,000	1,824,000				0
10.05.2007	RON	148,500	148,500				0
TOTAL		5,490,820	5,292,500	106,820	3,989,616	1,409,704	91,500
BIPACT SRL							
21.12.2009	RON	150,000	0	39,000	215,166		111,000
23.03.2009	RON	100,000	0	100,000			0
12.02.2009	RON	44,000	0	44,000			0
30.01.2009	RON	145,000	0	145,000			0
15.12.2008	RON	191,000	141,000	50,000	2,264,000		0
24.11.2008	RON	180,000	180,000				0
06.11.2008	RON	138,000	138,000				0
25.09.2008	RON	140,000	140,000				0
23.09.2008	RON	180,000	180,000				0
21.08.2008	RON	130,000	130,000				0
05.08.2008	RON	130,000	130,000				0
15.07.2008	RON	175,000	175,000				0
25.03.2008	RON	100,000	100,000				0
19.03.2008	RON	150,000	150,000				0
12.03.2008	RON	150,000	150,000				0
07.03.2008	RON	150,000	150,000				0

05.03.2008	RON	100,000	100,000				0
27.02.2008	RON	100,000	100,000				0
15.02.2008	RON	150,000	150,000				0
05.02.2008	RON	150,000	150,000				0
27.09.2005	RON	2,324,800	2,324,800		4,438,500		0
02.03.2005	RON	902,600	902,600				0
01.12.2004	RON	1,211,100	1,211,100				0
TOTAL		7,191,500	6,702,500	378,000	6,917,666	162,834	111,000
IMOBILIA CREDIT							
24.10.2008	RON	30,000	24,456	5,000	157,008		544
21.10.2008	RON	20,000	20,000				0
15.09.2008	RON	30,000	30,000				0
13.08.2008	RON	25,000	25,000				0
30.06.2008	RON	11,000	11,000				0
07.01.2008	RON	72,000	72,000				0
10.05.2007	RON	200,000	200,000				0
03.01.2006	RON	300,000	300,000				0
15.04.2005	RON	150,000	150,000				0
TOTAL		838,000	832,456	5,000	157,008	680,448	544
INTOP CONSTRUCTION							
14.07.2008	RON	10,000	10,000		30,597		0
30.04.2008	RON	150,000	150,000				0
16.04.2008	RON	150,000	150,000				0
01.04.2008	RON	100,000	100,000				0
01.04.2008	RON	100,000	100,000				0
14.03.2008	RON	150,000	150,000				0
10.02.2008	RON	90,000	90,000				0
03.02.2008	RON	100,000	100,000				0
26.02.2008	RON	163,935	163,935				0
10.01.2008	RON	140,000	140,000				0
TOTAL		1,153,935	1,153,935	0	30,597	1,123,338	0

Note 12 – Subsequent Events

Imobilia Credit

In the year 2010 there will take place the voluntary liquidation of the company Imobilia Credit, a company in which Impact owns 70% of the shares. Following the liquidation of Imobilia, Impact will register a loss of approximately 950,000 RON. This loss was caught in the year 2009 by means of the adjustment accounts for the value of the investment receivables accounts.

Bank Credits

On the date of 31st of March 2010, the statement of the banking loans was the following:

No. of Ct.	Bank	EUR	Val of contract EUR	Val of contract RON	Balance 31.12.2009 EUR	Balance 31.12.2009 RON	Balance 31.03.10 EUR	Balance 31.03.10 RON
10/11.01. 2007	Piraeus	EUR	112,180		0		0	
301/30.08 2006	Piraeus	EUR	13,000,000		12,807,256		12,807,256	
58/23.09. 2005	Bancpost	EUR	21,000,000		2,049,761		1,879,111	
50070065 /25.07. 2007	Romaneasca	EUR	7.993.204		5.423.960		4.853.017	
50070066 /25.07. 2007	Romaneasca	EUR	22,306,796		11,792,601		10,639,496	
15/21.07. 2009	Transilvania	RON		12,800,000		4,515,471	0	5,311,644
TOTAL			77,900,000	12,800,000	32,073,578	4,515,471	30,178,880	5,311,644

VAT Recovered in March 2010

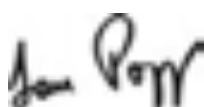
In the month of March 2010 following the request for the VAT compensation submitted in the month of August 2009, there was solved the request for the reimbursement of the amount of 1,496,312 RON by the compensation of the amount of 639,190 RON with contributions regarding the social insurances, health insurances and taxes on salaries and also the collection of the amount of 857,122 RON.

General Manager

Dan Ioan Popp

Chief Accounting

Florin Rosca





IMPACT DEVELOPER & CONTRACTOR

Consolidated financial statements

2009

Report of the Independent Auditor

To: The Shareholders and Administrative Board of IMPACT DEVELOPER & CONTRACTOR Group

Report concerning the Financial Statements

1. We have audited the attached consolidated financial statements of Impact Developer & Contractor SA and its subsidiaries ("the Group"), which comprise: the consolidated balance sheet as of 31 December 2009, the consolidated income statement, the consolidated statement of changes in equity, and the 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:

	- Thousands EUR -
	<u>31 December 2009</u>
Total shareholders' equity	129,749
Net turnover	9,670
Net result-loss	(37,633)

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 International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material 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 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.
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 group's accounts.
6. As of 31 December 2009, commercial liabilities (payables to suppliers and advances received from customers), to the value of 3,923 thousands EUR, had not been confirmed by the third parties. Because the value of these debts might have a direct impact upon determination of the group's results, 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 consolidated financial statements give a true and fair view of the financial position of IMPACT DEVELOPER&CONTRACTOR SA and its subsidiaries as of December 31, 2009 and of the results of its operations and its cash flow for the year then ended in accordance with International the Financial Reporting

Standards and the accounting policies described in the notes to the 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 and its subsidiaries. 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 litigations presented in Appendix 1 to the present report, we have received no confirmation from the company's lawyers, Traian Briciu, Romana Tent 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 group presents in the balance sheet advances for tangible assets in amount of EUR 1,250,000 paid to Pasteur Institute and stamp duty to the sum of EUR 398,634. 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 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 175 buildings (as inventories and investment property) with a total value of EUR 12,209,089 in the Europa Oradea residential complex. The Group 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 the Group present shares to the sum of EUR 701,481 held in Cluj University Football Club. The Group management considers the investment profitable given that the shareholder has the right to benefit free of charge from advertising on the team's uniforms and in the club's football stadium.

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

g) In September 2009, the Company invoiced Summa Romania, as per the contract concluded, for late-payment penalties to the sum of EUR 142,054. As of 31 December 2009, the sum EUR 142,054 appears as unpaid by Summa Romania. According to their own declarations, the group management will go to court to recover this amount.

h) By the date of the present report the contribution in kind of Cluj Napoca Local Council to the Lomb SA share capital consisting in land with a value of 11,869 thousands EUR has not been paid.

i) 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. EUR 175,650. In 2009, the Group booked this sum by diminishing its result.

j) 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 373 thousand EUR, 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.

9. The present auditor's report was prepared with a view to its use by the management and shareholders of the Group and by the authorities and it shall not be made available to any third party without the advance permission of the auditors.

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)

7 May 2010

Bucharest



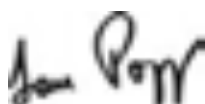

BALANCE SHEET

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

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

Dan Ioan Popp

President of the Board



Florin Rosca

Chief accountant



CASH FLOW

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

EQUITY

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

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

PROFIT AND LOSS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and operations

See all the information in the Annual Report, Chapter: The Company and On-going Projects.

Note 2. Accounting policies

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

2.1 Reporting entity

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

2.2 Basis of presentation, reporting currency and translation

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

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

IAS 21 "The effects of changes in foreign exchange rates" requires that the financial statements of a foreign entity that reports in the currency of a hyperinflationary economy

should be restated in accordance with IAS 29 "Financial reporting in the Hyperinflationary Economies" before being translated into a different reporting currency. The restatement of financial statements in accordance with IAS 29 requires the use of a general price index that reflects changes in general purchasing power of reporting currency. It is a consensus that Romania ceased to be a hyperinflationary economy during the year 2004. Therefore, the Group companies discontinue the preparation and presentation of the financial statements in accordance with provision of IAS 29, but according to provision of IAS 21 it will use for reporting purposes the amounts expressed in the measuring unit current at the date of discontinuation (31 December 2003) as historical cost for translation into EUR. The primary guidelines followed in translation of the financial statements of the Group companies are as follows:

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

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

- **Equity items**, other than net profit and loss for the period that is carried forward, which have been contributed or accumulated before date of discontinuation are restated from their historical cost by applying the general price index to 31 December 2003 before being translated at the closing exchange rates existing at the date of each balance sheet presented.
- **All exchange differences** resulting from the translation of the current year financial statements are recognized directly to the equity while the effect of translation on the Company's net monetary position until date of discontinuance was included in the income statement as translation gain or loss.

Use of estimates

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates have principally been made in respect of estimated cost of completion of construction contracts, impairment allowance, provisions for risks and charges, allowances for doubtful debts and for old and slow moving inventories and deferred tax. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

2.3 Summary of significant accounting policies

(a) Property, plant and equipment

Non-current tangible assets are stated in the balance sheet by applying the closing exchange rate RON/EUR rates existing at the date of each balance sheet presented to their either historical costs or revaluated value in RON. Historical cost for the assets acquired until date of discontinuance is expressed the measuring unit current at the 31 December 2003 before being expressed in EUR. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposals is included in the income statement. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any direct attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

(b) Intangible assets

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

(c) Impairment of assets

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

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the conditions leading to the impairment losses recognized for the asset no longer exist or has decreased. The reversal is recorded in income.

(d) Investment properties

The Group has ownership over properties that are not held for a specific purpose. The properties consist in land held in different locations. The Group has adopted in 2006 for the first time the provisions of IAS 40 "Investment properties". As disclosed in Note 11 "Revenues from investment properties", the changes in value of the investment properties are reported directly to the income statement.

(e) Group accounting

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

If some subsidiaries do not have significant influence to the Group figures then the

subsidiary's figures have not been consolidated. The investment of parent company in those subsidiaries is presented at cost under "Financial investment" line in balance sheet. Also, the investments in companies where the voting rights are below fifty percent are presented at cost under the same line in balance sheet.

(f) Inventories

Inventories are valued at the lower of acquisition/production cost and net realizable value, after provision for obsolete items. Cost is calculated on a first-in-first-out (FIFO) basis. According to the economic reality and the policy of Impact, land being intended for sale to their greatest extent, they are considered raw materials. Due to their special character, the method to calculate the cost is the Weighted Average Cost (WAC) and includes besides the proper acquisition cost other expenses as well caused by their bringing into the shape intended for sale.

Where necessary, an allowance is created for slow moving and obsolete inventories in order to arrive at the net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Obsolete inventories are identified individually and provided in full. For slow moving inventories the allowance is created based on an estimation of the age of inventories by each main category is made, considering the stock turnover by each main category and inventories older than one year, estimated as described above.

(g) Receivables

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

(h) Cash

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

(i) Provisions

A provision is recognized when, and only when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions

are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in provision reflecting the passage of time is recognized as interest expense.

(j) Revenue and expense recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue from sale of goods is recognized when all the following conditions, including the above, have been satisfied:

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

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

Revenues recognised based on IAS 11 "Construction contracts"

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

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

(k) Financing Costs

Interest is charged to income statement on accrual basis.

(l) Income taxes

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

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

Deferred Taxation

In accordance with IAS 12 ("Income Taxes (revised)"), deferred tax liabilities and assets are recognized for the tax effects attributable to differences between the tax and book bases of assets and liabilities (i.e. future deductible or taxable temporary differences) and carry forwards, using the currently enacted tax rates. The measurement of deferred tax assets are then reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized. For the deferred tax we applied a current rate of 16%.

(m) Related party

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

(n) Contingencies

Contingent liabilities are not recognised in the accompanying financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the accompanying financial statements but disclosed when an inflow of economic benefits is probable.

(o) Employee benefits

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

(p) Comparatives

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

Share sales to the employees

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

Council from 27.05.2008, the share allocation was made under the provisions of the offer prospectus, whose closing date was on 14.07.2009. Within the offer there has been a total allocation of 118,000 shares, at a selling price of 0.057 lei per share. A number of 7 customers bought 94,580 shares and from these transactions Impact collected in July a total amount of 5,391.05 RON. At 1st of September, 2009, the Administration Council decided that 278,580 shares were to be sold at price of 0.057 lei per share, with closing date 18.09.2009. There were 8 persons (employees and management) who bought the shares and the total amount that Impact obtained in September out of these transactions, was 15,879.06 RON.

Note 3. Property, plant and equipment

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

The Group's tangible assets have been revaluated in 1994, 1998, 2000, 2003, 2006 and 2009. At the end of the year 2009 there took place a revaluation of construction-type fixed assets. The revaluation was made by Coldwell Banker Research & Valuation for the real estates in the 1st District (Greenfield) and by the valuation expert Vasile Monica for the rest of the properties. The revaluation was made on the basis of real value. Following this revaluation there resulted both positive and negative differences, cumulatively the value of assets decreasing. According to the accounting regulations, when the revaluation result is a decrease of net accounting value, this is treated as an expense with the entire depreciation value, when in the revaluation reserve is not registered an amount related to that asset.

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

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

Note 4. Investment

Description	31 December 2009	31 December 2008
Investment to U Cluj	701	744
Total	701	744

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

Note 5. Inventories

The inventories on hand consist of the followings:

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

At the end of the month of December 2009 there existed a number of 158 finished houses and apartments and 161 under execution. 87 of the finished houses were located in Oradea. Management board estimates that until 2015 all will be sold or rented. In the year 2009 there was started a new assembly in Greenfield - RFR, with 46 apartments in the first phase. For the moment the capitalized costs comprise design, taxes, advices, etc.

Note 6. Trade and other receivables

The accounts receivable comprise:

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

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

Note 7. Prepayments

Description	31 December 2009	31 December 2008
Prepayments	92	613
Total	92	613

Note 8. Cash and cash equivalents

Cash and cash equivalents consist of the following:

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

Note 9. Share capital

- Amounts in this table are in RON –

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

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

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

68,417,261) and other reserves (RON 16,725,524). The increasing was made by giving 0.7412 free shares to each share owned at the registering date – 22.11.2007. The statutory share capital is made up of 2 billion ordinary shares with a statutory par value of RON 0.1 each. On 30.05.2006, through the Decision of the General Council of Stock Exchange No. 52/30.05.06, IMPACT SA (currently IMPACY DEVELOPER & CONTRACTOR) has been accepted at category I of Stock Exchange Bucharest. As at December 31, 2009 the shareholders' structure is as follow:

Shareholder	%
Popp Ioan Dan	22.07%
Sandulescu Carmen Daniela	11.62%
SALINK LIMITED	9.14%
Artio International Equity Fund	8.46%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.09%
Other legal entities, out of which	24.50%
- foreign entities	16.16%
Other natural persons, out of which	18.12%
- foreign persons	0.70%
Total	100.00%

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

Note 10. Borrowings

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

Description of the loan contracts

Loan with BANC POST, No. 58

Purpose	Working capital
Amount	21,000,000 EUR
Interest	EURIBOR 3M
Contract date	November 23 rd 2005
Maturity	October 30 th 2013
Repayment date	October 30 th 2013
Balance as of December 31, 2009	2,049,671 EUR (out of which 682,597 EUR are due until December 31, 2010)

Loan with PIRAEUS BANK, No. 301

Purpose	Financing the infrastructure works for Lomb Project in Cluj-Napoca
Amount	12,807,270 EUR
Interest	EURIBOR + 3,75 % / year
Contract date	August 30 th 2006
Maturity	July 31st 2010
Repayment date	July 31st 2010
Balance as of December 31, 2009	12,807,270 EUR (there is no short term repayment, the loan will be totally reimbursed at its maturity date)

Loan with BANCA ROMANEASCA, No. 50070066

Purpose	Refinance of BANCPOST loans and an amount of maximum 3,000,000 EUR for acquisition of land
Amount	22,306,796 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25 th 2007
Maturity	July 24 th 2014

Repayment date	July 24 th 2014
Balance as of December 31, 2009	11,792,601 EUR (out of which 646.736 EUR are due until December 31, 2010)

Loan with BANCA ROMANEASCA, No. 50070065

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

Loan with TRANSILVANIA BANK, No. 15

Purpose	Working capital
Amount	12,800,000 RON (eqv 3,027,292 EUR)
Interest	ROBOR 6 months + 6.44% p.a.
Contract date	July 21 th 2009
Maturity	July 20 th 2014
Repayment date	July 20 th 2014
Balance as of December 31, 2009	4,515,471 RON (eqv 1,067,942 EUR)

Long term bank loans are guaranteed as follows:

Loan with PIRAEUS BANK				
Mortgage	Cadastral number	Surface	Description	Location
Mortgage rank I, II	6515/2/6/1	258,925.36	Land	Bucharest, Prelungirea Ghencea no. 402-412, 6 th District
Mortgage rank I, II	18216/1	25,870.00	Land	Bucharest, 1 st District,

				Baneasa/ Greenfield
Mortgage rank I, II	18428/1/1	12,421.00	Land	Bucharest, Aleea Teisani no.350A, 1 st District
Mortgage rank I, II	18217/1	23,568.00	Land	Bucharest, 1 st District, Baneasa/Greenfield
Mortgage rank I, II	18428/2	14,393.57	Land	Bucharest, 1 st District, Baneasa/ Greenfield
Mortgage rank I, II	10252	31,400.00	Land	Constanta, P VN 269
Mortgage rank I, II	10250	9,100.00	Land	Constanta, P VN 264
Mortgage rank I, II	10253	13,600.00	Land	Constanta, P VN 267/2
Loan with BANCPOST				
Mortgage rank I	1916/3/70	25,245.90	Land	Voluntari, Drumul Bisericii Street, no. 50/Junior
Mortgage rank I	1916/3/6	498.45	Land	Voluntari, Drumul Bisericii Street, no. 50/Junior
Mortgage rank I	1916/3/5	1,376.76	Land	Voluntari, Drumul Bisericii Street, no. 50/Junior
Mortgage rank I	1916/3/7	235.52	Land	Voluntari, Drumul Bisericii Street, no. 50/Junior
Mortgage rank I	1916/3/1	1,376.78	Building	Voluntari, Drumul Bisericii Street, no. 50/Junior
Mortgage rank I	1916/3/2	498.45	Building	Voluntari, Drumul Bisericii Street, no. 50/Junior
Mortgage rank I	1916/3/4	223.42	Building	Voluntari, Drumul Bisericii Street, no. 50/Junior
Mortgage rank I	1916/3/11	143.5	Land & building	Voluntari, Drumul Bisericii Street, no. 50/Junior
Loan with BANCA ROMANEASCA				
Mortgage rank I, II	20254	8,775.07	Land & building	Padurea Neagra, no. 52-54
Mortgage rank I, II	23574	7,617.70	Land & building	Padurea Neagra, no. 22-28
Mortgage rank I, II	22705	16,870.82	Land & building	Padurea Pustnicu, no. 125-135

Mortgage rank I, II	21763	26,111.74	Land & Building	Padurea Neagra, no. 56-64
Mortgage rank I, II	Greenfield 2	121,268.00	Land	Greenfield II
Mortgage rank I, II	18217/2	43,911.00	Land	Bucharest, 1 st District
Mortgage rank I, II	18216/2	19,931.00	Land	Bucharest, 1 st District
Mortgage rank I, II	26525	57,426.00	Land	Bucharest, 1 st District
Loan with TRANSILVANIA BANK				
Mortgage rank I	20254	641.32	Land & building	Padurea Neagra no.52-54
Mortgage rank I	23574	22.01	Land & building	Padurea Neagra no. 22-28
Mortgage rank I	22705	356.05	Land & building	Padurea Pustnicu no. 125-135
Mortgage rank I	21763	337.06	Land & building	Padurea Neagra no. 56-64 and Padurea Pustnicu no.145
Mortgage rank I	5308	214.00	Land & building	George Palade Street, no.6, Oradea, Bihor
Mortgage rank I	153647	220.00	Land & building	George Palade Street, no.19, Oradea, Bihor
Mortgage rank I	153648	80.00	Land	George Palade Street, no.19, Oradea, Bihor
Mortgage rank I	5522	191.00	Land & building	Gabor Jozsef Street, no.4, Oradea, Bihor
Mortgage rank I	5309	212.00	Land & building	George Palade Street, no.8, Oradea, Bihor
Mortgage rank I	153587	220.00	Land & building	George Palade Street, no.20, Oradea, Bihor
Mortgage rank I	153588	121.00	Land	George Palade Street, no.20, Oradea, Bihor
Mortgage rank I	7601	332.00	Land & building	Str.George Palade nr.22, Oradea, Bihor
Mortgage rank I	7602	312.00	Land & building	George Palade Street, no.24, Oradea, Bihor

Mortgage rank I	7603	321.00	Land & building	George Palade Street, no.26, Oradea, Bihor
Mortgage rank I	7604	375.00	Land & building	George Palade Street, no.28, Oradea, Bihor
Mortgage rank I	153317	220.00	Land & building	George Palade Street, no.38, Oradea, Bihor
Mortgage rank I	153318	83.00	Land	George Palade Street, no.38, Oradea, Bihor
Mortgage rank I	7610	200.00	Land & building	George Palade Street, no.40, Oradea, Bihor
Mortgage rank I	7611	200.00	Land & building	George Palade Street, no.42, Oradea, Bihor
Mortgage rank I	7612	200.00	Land & building	George Palade Street, no.44, Oradea, Bihor
Mortgage rank I	7613	200.00	Land & building	George Palade Street, no.46, Oradea, Bihor
Mortgage rank I	7690	342.00	Land & building	George Palade Street, no.97, Oradea, Bihor
Mortgage rank I	7689	342.00	Land & building	George Palade Street, no.95, Oradea, Bihor

Bonds

Through the public sale offer by private placing, approved by the CNVM decision no.181/18.01.05 312,000 bonds were issued at the nominal value of 1,000,000 ROL. The interest rate is Euribor 6 months + 6.5%, payable semi-annual, indexed to the EUR/ROL exchange rate, non-guaranteed, without option to redeem, non-convertible. Maturity is set at 4 years. Interest rate payment is semi-annual. The balance as at 31.12.2008 represents the principal (8,635 thousand EUR). The interest cumulated till the end of the year (417 thousand EUR) is reported under current payables.

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

Reconciliation of minimum lease payments:

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

	31 December 2009	31 December 2008
Short term financial leases	59	162
Long term financial leases	15	80
Total financial lease payables	74	242

Note 11. Deferred income

Deferred income consists in:

Description	31 December 2009	31 December 2008
Deferred tax	10,509	17,927
Total	10,509	17,927

The movement on the deferred tax liabilities is as follows:

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

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

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

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

Note 12. Trade and other payables

Trade and other payables consist in:

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

Note 13. Turnover

The Group has recorded its net turnover as follow:

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

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

Note 14. Revenue from IAS 40

The Group decided to adopt starting with the current year the alternative treatment recommended by IAS 40 "Investment properties", recording a part of the land owned at their market value. An authorised external evaluator has revaluated these properties. The

difference between the historical cost of the land and the revaluated amount has been fully recognised directly to income statement. The same treatment was applied related to the apartments held for renting. The effect of changing the treatment to fair value model is presented below:

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

Note 15. Other operating income

Other operating incomes includes as follows:

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

Note 16. Raw material and consumables

Raw material and consumables costs includes as follows:

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

Note 17. Staff costs

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

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

Note 18. Depreciation and amortization

This position in the income statement includes as follow:

Description	2009	2008
Depreciation	-447	682
Amortization – impairment	33	1
Total	-414	683

Note 19. Other operating expenses

Other operating expenses includes as follows:

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

Note 20. Finance cost, net

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

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

Note 21. Income tax

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

Note 22. Related parties

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

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

	2009	2008
Revenue		
Finance Consulting 2001	1	7
Havila Trading	1	1
	2	8

Expenses		
Finance Consulting 2001	75	22
Havila Trading	235	192
	310	214

Note 23. Subsequent events

Imobilia Credit

In the year 2010 there will take place the voluntary liquidation of the company Imobilia Credit, a company in which Impact owns 70% of the shares. Following the liquidation of Imobilia, Impact will register a loss of approximately 950,000 RON. This loss was caught in the year 2009 by means of the adjustment accounts for the value of the investment receivables accounts.

Bank Credits

On the date of 31st of March 2010, the statement of the banking loans was the following:

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

VAT Recovered in March 2010

In the month of March 2010 following the request for the VAT compensation submitted in the month of August 2009, there was solved the request for the reimbursement of the amount of 1,496,312 RON by the compensation of the amount of 639,190 RON with contributions regarding the social insurances, health insurances and taxes on salaries and also the collection of the amount of 857,122 RON.

Note 24. Principal subsidiaries

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

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

The companies BIZ-AR, Prest RV and Topo Prest, whose shares were purchased in the year 2008, and Millenium Consult Invest, whose shares were purchased in the year 2009, will be used as investment vehicles in the new projects that will be started especially in the Greenfield II area. S.C. LOMB S.A. is a share trade company having as shareholders the Local Council of the Municipality Cluj-Napoca (51%) and SC. IMPACT DEVELOPER & CONTRACTOR SA. (49%). The share capital is subscribed according to the Articles of Association of SC LOMB SA: the amount of 45,445,027.51 lei, representing the contribution of SC IMPACT DEVELOPER & CONTRACTOR SA to the subscribed share capital of SC LOMB SA, was integrally paid-up; the amount of 47,299,926.60 lei, representing the land, with a surface of 179 ha, brought as a contribution by the Local Council of the Municipality

Cluj-Napoca to the share capital of SC LOMB SA, was not paid-up, the formalities of land dismembering being in process of realization;

The company is registered with the Trade Register Office of Cluj-Napoca under the number J12/3024/2008, having the sole registration code 24190182 with fiscal attribute RO. The main activity object of the company is real estate development and promotion, according to the NACE code no. 4110. The purpose for the set-up of this company is that of developing a residential quarter in Cluj-Napoca. The project concept envisages the development of a town environment, inspired by the European urban poles, where the local specific is naturally combined with the contemporary dwelling standards, including with regard to the natural environment. There will be taken into account the university brand of Cluj, including the newer trends in the development of the city, as it is that of viewing Cluj as a financial and banking centre. The constructions intended for dwelling will be in balance with the constructions intended for public functions, business, trade, to spaces intended for entertainment and rest and will have an adequate distribution within the allotted surface of 267 ha. Due to their insignificance, the last three companies were not included in the consolidated financial statements.

Although Impact Developer & Contractor holds 49% of the share capital of LOMB SA, the company has control over decisions of the latter company. Therefore, it is presumed that Lomb SA is a subsidiary. Impact Developer & Contractor holds 45% of the share capital of Millenium Consult Invest. The applicable standard is IAS28, Investments in Associates. The revenue from this investments is 4 thousands EUR. 99% of the shares of Investmob are owned by INTOP Construction SRL. Due to this fact Impact owns 89.1% of Investmob shares.

Note 25. Revenues recognised under IAS 11 "Construction contracts"

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

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

Note 26. Land

Based on the destination of the land, there is more than one accountable procedure. Bellow you can find the centralized presentation of these procedures:

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

Note 27. Contingent Debts

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

List of litigations where the group of Impact Developer & Contractor S.A. has the quality of a plaintiff:

Court	No. of file	Objective/Kind of action	Descriptive object of action	Opponent	Position of Impact	Trial stage/ Stage
Court of law S1	9122/299/2007	Action for the obligation to also make the payment of cominatory damages	Action by which IMP requested the right to pass by Vadul Moldovei Street IMP obtained this provisory right until the judgment.	Romsilva	Plaintiff	Suspended

Mures Tribunal	305/1371/2008	Enlistment to the statement of assets	Enlistment to the statement of assets was admitted	Dafora Structuri SRL	Creditor	First instance
Constanta Tribunal	4276/118/2009	Request to return immovable	SM got bankrupt. Taking into account it still had to pay a small part of the immovable, IDC requested the return	Standard Management SRL	Creditor	First instance
Court of law S1	20441/299/2008	Action for claims	Legal expenses	Stratos Leasing; MTS	Plaintiff	Appeal
Bucharest Tribunal	24403/3/2007	Action for resolution and claims	There was modified the action in action to force Pasteur to sell to us the land in action for the return of advance and damages and annulment of the pre-contract	Pasteur Institute	Recurring plaintiff	Suspended
Bucharest Tribunal	8513/3/2006		Clarification that the device indicates that penalties	Bodogan Aurel and Constantin	Plaintiff	First instance
Bucharest Tribunal	32797/3/2009		annulment of administrative deed	Mayorality of Municipality Oradea	Defendant	Given in first instance

Bucharest Tribunal	23619/3/2009	Request to find the non-existence of the right of SR to request the payment of this amount	IDC requests to be found the compensation of the amounts	Sc Summa Romania SA	Defendant	First instance
Bucharest Tribunal	2179/89/2009		procedure of insolvency	Gadal construct SRL	Debtor	first instance
Bucharest Tribunal	16381/3/2008	Enlistment to the statement of assets	Enlistment to the statement of assets was admitted	SC CONSULTING SUD SRL (Bidepa)	Debtor	First instance
Bucharest Tribunal	39469/3/2008	Action for claims	Obligation of Rmc to pay delay penalties for the delay in the execution of the constructions in the Rubin assembly	Romconstruct	Plaintiff	First instance
Bucharest Court of Appeal	3829/2/2009	Action for annulment	annulment of administrative deed	Ministry of Agriculture	Plaintiff	First instance

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

Court	No. of file	Objective/Kind of action	Descriptive object of action	Position of Impact	Opponent	Trial stage/ Stage
Bucharest Tribunal	48766/3/2008	Action for finding contract termination and claims	Termination of execution contract with Impact and payment of delay penalties	Defendant	GREGORY ALEX JAMES	Given appeal

Bucharest Court of Appeal	11641/3/2008 (2167/2009)	Action for claims	Return by IMP of the earning obtained from the construction sale	Appellant	Georgescu Serban	Given appeal
Constanta Tribunal	6361/212/2006	Action for claims and counterclaims	Payment by S.M. of delay penalties for installments and payment by IDC of penalties for delay handover (counterclaims)	Appellant	Soare Maria	Given appeal
Bucharest Court of Appeal	5696/3/2008	Action for finding	I.P. requests to be found its having no more obligation arising from the sale-purchase precontract concluded for Ghencea II land	Recurring	Pasteur Institute	Dismissed first instance. Case in appeal.
High Court of Cassation and Justice	42784/3/2007	Action for finding	Finding of IDC impossibility to execute the obligation to hand over the immovable good	Recurring	Bodogan Aurel	Appeal
Prahova Tribunal	19/105/2010	Action for claims	Request for issue of good performance guarantees	Defendant	Romconstruct, Defendant & BRD SG	First instance
Constanta Tribunal	8643/118/2008	Action for finding	IE requests the payment of delay penalties, and IMP requests the payment of the indexation index and late payment penalties	Defendant	Ionescu Eduard	First instance

Bucharest Tribunal	45882/3/2009	Action for claims	Return by IDC of the c/val of the guarantee letters executed by IDC last year	defendant	SC SUMMA ROMANIA SA	First instance
Bucharest Tribunal	45886/3/2009	Action for claims	Return by IDC of the c/val of the guarantee letters executed by IDC last year	Defendant	SC SUMMA ROMANIA SA	First instance
Bucharest Tribunal	323/3/2010	Action for the start of the insolvency procedure		Debtor	Romconstruct	First instance
Buftea Court of law	1579/94/2010	Action for finding	Finding the property right of the association members upon the utilities networks	Defendant	Owners Association Class, Coca Adina	First instance
Bucharest Tribunal	43654/3/2009	Action for annulment	Annulment of the Decision of the General Council of Bucharest no. 263/2008	Defendant	Ionita Florian	First instance
Bucharest Court of Appeal	5415/3/2009	Action for annulment	Annulment of the Decision of the General Council of Bucharest no. 263/2008	Intervenient	Ionita Florian – Bucharest General Council	Appeal
Bucharest Tribunal	48002/3/2009	Action for claims	IMP requests the return of a payment made by the plaintiff on the basis of a s-p pre-contract of Nov. 2004	Defendant	STYLE MODA ROMANIA SA	First instance

Oradea Court of law	10229/271/2009	Action for finding the property right acquired by accession	Plaintiffs want their property right be acknowledged, with the obligation of IMP to pay the c/value of the construction	Defendant	Ban Liviu and Ban Cornelia	First instance
Bucharest Tribunal	191/3/2010	Action for the issue of a demand for payment	Romconstruct requests the payment of the amount by IMP for works done on the basis of some invoices issued for works executed in the Rubin assembly	Debtor	Romconstruct	First instance
Oradea Court of Appeal	5070/111/2006	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which Dumbrava acquired the land in the Europa assembly	Appellant	Dumbrava SRL , MTS Leasing	Appeal
Bucharest Tribunal	190/3/2010	Action for the issue of a demand for payment	Romconstruct requests the payment of the amount by IMP for works on the basis of some invoices issued for works executed in the Rubin assembly	Debtor	Romconstruct	First instance
Oradea Court of Appeal	4126/111/2007	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which West Expo purchased land from OLC and termination of the execution contract	Appellant	West Expo	Rejudgment after appeal
High Court of Cassation and Justice	278/118/2005	Action for the resolution of the SPC	IDC requests the resolution of the SPC by which Chiriac purchased the land	Recurring	Chiriac Alexandru and Ionela	Appeal

Oradea Court of law	18726/271/2009	Action for the issue of a demand for payment	Requests the payment of some electric power networks works	Debtor	Ceir Pedrochi	First instance
Bufta Court of law	5028/94/2009	Action for claims	Payment by IDC of legal expenses	Defendant	Bodogan Aurel	First instance
Bufta Court of law	1003/94/2010	Action for finding	Defendant	Defendant	Amariuca, Salom s.a.	First instance
Bihor Tribunal	3540/111/2008	Action for giving a decision that would replace an authentic deed			Actual Invest House	Appeal
Oradea Court of law	3578/111/2008	Action for giving a decision that would replace an authentic deed			Investimob	Appeal

Besides the litigations appreciated as significant presented above, the company also has in progress a number of litigations with different debtors of the company arising from the supply of utilities or other receivables that are small as value. These litigations (approximately 100) comprise a total value of the claims of IDC of approximately 120,000 RON.

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