NOTES TO THE FINANCIAL STATEMENTS

IMPACT DEVELOPER & CONTRACTOR

June 30th, 2012

CONTENTS

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

Statement of Changes in Equity

	Balance as of 01.01.2011	Increases		Decreases		**Balance as of 31.12.2011**
		Total, out of which	By transfer	Total, out of which	By transfer	
Subscribed capital	197,866,574					197,866,574
Premium related to capital	74,217,746					74,217,746
Merger premium	10,551,106					10,551,106
Revaluation reserves	11,190,233			60,474	60,474	11,129,759
Legal reserves	6,573,653					6,573,653
Reserves repres. revaluation reserve surplus	2,698,115	60,474	60,474			2,758,589
Other reserves	35,874,600					35,874,600
Own shares	0					0
Losses related to equity instruments	726,973					726,973
Carried forward result	-19,155,896			22,261,046		-41,416,942
Result of the accounting period	-22,261,046	12,849,393				-9,411,653
Distribution of profit	0					0
Total equity	296,828,111	12,909,867		22,321,520		287,416,458

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

Statement of Cash Flows by the Indirect Method

	June-11	June-12
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit/Loss before income tax:	**(8,001,924)**	**(9,411,653)**
Adjustments for:		
Depreciation and amortization	1,063,082	1,034,097
Changes in provisions	(1,776,110)	(1,667,091)
Interest - net	2,695,524	1,925,855
Foreign exchange gain/loss - net	(1,004,348)	2,520,708
Gain/(Loss) from sale of fixed assets	(442,291)	(174,696)
Reserves for investments		0
Adjustments for non-cash-items	**535,857**	**3,638,873**
Decrease (increase) in trade receivables	13,375,029	1,330,820
Decrease (increase) in other receivables		5,227,206
Decrease (Increase) in inventory	2,706,254	3,495,713
Increase (decrease) in trade payables and of other nature	(1,838,193)	(133,430)
Increase (decrease) in advances receives from customers		359,458
Interest paid	(3,613,804)	(2,297,928)
Increase (decrease) in other payables and accruals		
Change in operating assets and liabilities	**10,629,286**	**7,981,839**
Dividends received		**0**
Taxes paied	**(25,024)**	-
Net cash used in operating activities	**3,138,195**	**2,209,060**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of fixed assets		0
Proceeds from sale of other assets		0
Investment in affiliated companies	2,015,679	269,677
Lons granted to related parties	18,545,028	0
Interest received	(11,000)	(300,000)
Acquisitions of fixed assets	225,377	316,763
Net cash used in investing activities	**20,775,084**	**286,440**
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital - increase/decrease		0
Dividends paid		0
Payment of liabilities related to financial leasing	(27,550)	(17,356)
Variation of medium-term loans	(14,920,555)	(8,824,175)
		-
Net cash used in financing activities	**(14,948,105)**	**(8,841,531)**
(Decrease)/Increase in cash	**8,965,174**	**(6,346,032)**
Cash at the beginning of the period	**13,625,290**	**8,915,228**
Cash at the end of the period	**22,590,464**	**2,569,195**

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

NOTES TO THE FINANCIAL STATEMENTS as of June 30th 2012

Note 1 – Fixed Assets

The variation of gross value, of amortization and of net accounting value, as of June 30th,2012, by each category of fixed assets, is presented as follows:

Intangible Assets

Description	Intangible assets
01.01.2012	**1,414,164**
Gross value	
Inflows	-
Outflows/Transfer	-
30.06.2012	**1,414,164**
Amortization	
01.01.2012	**1,305,602**
Inflows	30,576
Outflows/Transfer	-
30.06.2012	**1,336,178**
Net value	
01.01.2012	**108,562**
30.06.2012	**77,986**

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

Tangible Assets

Description	Land Plots	Constructions	Technical inst., means of transp.	Furniture, ap. and office equipment	Advances and assets in progress	Total
COST						
As of 01.01.2012	12,521,948	48,866,685	6,658,257	807,871	0	68,854,762
Inflows	82,258	3,589,172	0	-	3,589,172	7,260,602
Outflows/Transfer	98,158	1,096,779	533,274	-	3,589,172	5,317,383
As of 30.06.2012	12,506,047	51,359,078	6,124,983	807,871	0	70,797,980
AMORTIZATION						
As of 01.01.2012	-	1,713,146	5,670,611	681,977	-	8,065,734
Inflows	-	833,599	143,852	26,070	-	1,003,521
Outflows/Transfer	-	8,796	522,543	0	-	531,339
As of 30.06.2012	-	2,537,949	5,291,920	708,046	-	8,537,915
NET VALUE						
As of 01.01.2012	**12,521,948**	**47,153,539**	**987,646**	**125,895**	**0**	**60,789,028**
As of 30.06.2012	**12,506,047**	**48,821,129**	**833,063**	**99,825**	**0**	**62,260,065**

Fixed assets are registered in accounting at cost or revaluated value and they are depreciated from the moment they started to be used on their normal duration of operation, according to the «Register 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 straight line method.

Assets in progress of accomplishment are depreciated beginning with the moment they started to be used, a moment that coincides with that of their transfer in the category of fixed assets. Land is not depreciated.

For the reflection in the accounting balance sheet, historical cost less accrued depreciation 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, at 31.12.2009 and as of 31.12.2010

Beginning with the year 2009 Impact's management made the decision to conclude with different clients lease contracts of dwelling units. Thus, for the previous years, 2009 and 2010 there were concluded a number of 161 lease contracts. According to OMFP 3055, these apartments were registered in the tangible assets accounts and the land related to these apartments was also registered in the tangible assets accounts in the account 211.

In 2012 there were signed 11 lease contracts. The value of these rented dwellings, booked at tangible assets is of 3.67 million RON (the construction and the related land plot).

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

The sale of the dwellings built with the declared purpose of being sold, which at the sale moment (when finding a buyer) are registered from the accounting point of view in the category Fixed Assets (they were rented for a period), are put again in the category Inventories, and the revenue obtained from the sale will be accounted in an account from Group 70-"Net turnover", according to the Accounting Policies and Procedures of the Company.

This thing is based on the basic activity of the entity, the economic background of the transaction being the dwellings sales by a real estate developer.

Financial Assets

FINANCIAL ASSETS	**01.01.2012**	**30.06.2012**
Shares held in affiliated entities	29,828,647	29,828,647
Loans granted to affiliated entities	1,240,564	1,509,332
Adjustments for the loss of value of loans	1,155,838	1,155,838
Net value	**29,913,373**	**30,182,141**

Participation Shares Owned to Affiliated Entities

Denomination of company	Registered office	Val. of share capital 30.06.2012	Value of IMPACT investment 31.12.2011	Value of IMPACT investment 30.06.2012	IMPACT share participation 30.06.2012
Actual Invest House SRL	Voluntari, 50, Drumul Bisericii St., bl wing A fl. P	11,005,000	504,950	504,950	4.58837%
Hobbit Broker de Asigurare Reasigurare SRL	Voluntari, 4C, Pipera Tunari Road, fl.6	25,000	94,602	94,602	95.00%
Clearline Development&Management SRL	Voluntari, 4C, Pipera Tunari Road, fl.6 Construdava, ground fl.	26,900,000	26,900,000	26,900,000	100.00%
Millenium Consult Invest 2002 SA	Bucharest, 1st District, 145, Padurea Pustnicu St.	5,175,930	2,329,020	2,329,020	45.00%
			29,828,647	**29,828,647**	

The company SC Millenium Consult Invest 2002 SA is the titular of a project that aims the development and the operation of a business support structure that would offer services for the SMEs in the Bucharest-Ilfov Region. It is the Business Support Center – Greenfield 2, a project submitted to be co-financed from the European Regional Development Fund, by the Regional Operational Programme. Impact holds 45% of the share capital of Millenium, respectively 2,329,020 lei.

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

S.C. LOMB S.A. was established in the year 2008 as a share trade company that had as shareholders the Local Council of the Municipality Cluj-Napoca (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%). Impact subscribed in the year 2008 the amount of 45,445,027.51 RON to the share capital of the project company Lomb SA. At present Impact holds shares in a percentage of 100% in the company Clearline Development & Management SRL (former LOMB S.A.).

The company has a dispute for the investments made by Clearline Management & Development SA in Lomb project, worth LEI 17,053,000 plus statutory interest, with term on the 11.09.2012.

Long Term Receivables

Company	**Loan balance as of 31.12.2010**	**Loan balance as of 30.06.2012**
ACTUAL INVEST HOUSE	4,949	273,717
BIPACT 1995 SRL	79,777	79,777
Rot Apact	0	27,000
INTOP CONSTRUCTION	1,128,838	1,128,838
INVESTIMOB	27,000	0
TOTAL	**1,240,564**	**1,509,332**

Note 2 – Provisions

Related to the Protocol drafted by ANAF in the year 2010, following the partial remake of the control act by the General Directorate of Administration for Large Taxpayers, there was issued the taxation decision no. 35 as of 15.12.2010, communicated as of 6 January 2011. There is admitted the appeal declared by Impact Developer& Contractor by the decision no. 3740/ June 24th, 2011 and there is disposed the suspension of the execution for the taxation decision no. 35/15.12.2010 issued by D.G.A.M.C., until the ruling of the first instance. In the ruling of the first substance instance there was partially admitted the request of Impact for the tax on profit in the amount of 760,957 lei, and the file regarding the penalties resulted from the control document was suspended until the final and irrevocable decision in the file that was ruled in first substance instance.

There was constituted a provision for the amount of 2,152,777 lei.

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

Provisions	**Balance as of 31.12.2011**	**Balance as of 30.06.2012**
Provisions for litigations	2,386,896	2,386,896
Provisions for deferred taxes	22,760	21,097
TOTAL	**2,409,656**	**2,407,993**

Note 3 – Analysis of the Operating Result

Indicator	**6/30/2011**	**6/30/2012**
Turnover	8,170,249	8,392,559
Cost of goods sold and supplied services	6,572,990	2,553,336
Direct production expenses	5,208,181	2,023,164
Indirect production expenses	1,364,809	530,172
Net turnover afferent gross result	**1,597,259**	**5,839,223**
Sale expenses	797,448	998,234
General administration expenses	5,917,664	5,409,061
Other operating expenses	1,728,138	1,789,093
Other operating revenues	823,784	-2,620,117
Operating result	**-6,022,208**	**-4,977,282**

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

Due to the special context that led to the decrease of sales and especially to a lack of predictability of the economic environment, the management of the company made the decision not to start anymore the construction of new residential compounds, so it led to an under-activity of the company. A direct consequence of this fact is that the fixed expenses that until now were considered as production costs became general administration expenses.

During the year 2011 there continued the diminishing of fixed costs and of salary costs in order to ensure a better correlation between the cash inflows and outflows.

In the turnover there is also comprised the revenue that comes from the sale of dwellings built on the purpose of being sold. The dwellings that are temporarily rented until the sale moment and that are recorded from the accounting point of view in the category of fixed assets (temporarily – during the lease period) are put again in the category of Inventories at the sale moment, and the obtained revenue is accounted in Group 70 - “Net turnover”. It is about the dwellings rented for a relatively short period. The record from the fixed assets category into the Inventories category will be made at their remaining value.

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

Note 4 – Statement of Receivables and Debts

Receivables

The detailed statement of receivables as of June 30th, 2012 is presented as follows:

Denomination of receivable	Balance as of 31.12.2011	Balance as of 30.06.2012 out of which	Liquidity term	
			under 1 year	over 1 year
Trade receivables	42,564,504	39,190,566	11,879,387	27,311,179
Adjustments for deprec. of trade receivables	2,984,162	2,645,893	0	2,645,893
Trade receivables, invoices to be drawn	386,615	368,448	368,448	0
Advances granted to service suppl.	972,402	917,461	917,461	0
Granted guarantees	51,762	51,762	51,762	0
Sundry debtors	4,812,473	5,507,260	2,090,920	3,416,340
Adjustments for deprec. of receivables	1,851,131	1,925,077	0	1,925,077
Other receivables*	6,155,163	3,889,094	3,889,094	0
TOTAL	**50,107,626**	**45,353,620**	**19,197,071**	**26,156,549**

Other receivables*	Value
Operations under clarification	224,116
Interests to be collected	7,774
Amounts to recovered from the state budget	3,657,204
TOTAL	**3,889,094**

The amounts being in operations under clarification represent collected amounts, whose destination was not clarified yet.

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

Debts

Denomination of debt	Balance as of 31.12.2011	Balance as of 30.06.2012 out of which	Maturity	
			under 1 year	over 1 year
Bank loans	89,143,924	82,773,548	34,272,423	48,501,126
Interests to be paid	47,559	259,951	259,951	0
Financial leasing**	17,356	0	0	0
Collected advances	726,681	1,086,139	1,086,139	0
Trade debts*	10,062,632	9,929,203	4,775,579	5,153,623
*Other debts****	5,262,708	5,569,215	3,813,728	1,755,487
TOTAL	**105,260,859**	**99,618,056**	**44,207,821**	**55,410,236**

Trade debts*	Value
Trade Payables	8,199,165
Trade Payables, unarrived invoices	1,730,038
TOTAL	**9,929,203**

Bank Loans		Balance as of 30.06.2012
BANC POST	EURO	342,627
	Equivalent RON	1,524,483
PIRAEUS	Euro	8,965,066
	Equivalent RON	39,889,165
BANCA ROMANEASCA	Euro	8,907,675
	Equivalent RON	39,633,811
BNACA TRANSILVANIA	RON	1,726,089
TOTAL	**RON**	**82,773,548**

Other debts ***	Balance as of 30.06.2012	Maturity	
		under 1 year	over 1 year
Guarantees of suppliers	3,444,415	1,688,928	1,755,487
Debts related to personnel	803,111	803,111	0
Non-exigible V.A.T.	54,020	54,020	0
Other taxes	332,820	332,820	0
Dividends to be paid	46,234	46,234	0
Sundry creditors	888,614	888,614	0
Total	**5,569,215**	**3,813,728**	**1,755,487**

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

The statement of the credits under performance at the end of the month of June 2012 is presented below.

At chapter subsequent events there appears the statement as at 31.07.2012 of the balance of credits.

1. Piraeus Bank

Credit contract no. 301/30.08.2006 Value: 12,807,256 EUR Due date: 31.07.2015

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

Interest: EURIBOR at 3 months plus a margin of 6 percentage 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-days year.

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

The balance of drawings from this credit as of 30.06.2012 is of: 8,965,066.18 EUR

Reimbursement: the reimbursement of the Facility will be made according to the reimbursement schedule annexed to the Contract and an integral part hereto.

Guarantees: 3 blank promissory notes with the mention without protest and movable real guarantee upon the balance of all the current accounts opened by Impact with Piraeus Bank and mortgages on lands according to the situation below

2. Piraeus Bank

Credit contract no. 10/11.01.2007 Value: 257,927 EURO Due date 03.10.2012

Object: issue of two security letters with a value of 257,926.57 EURO, with a maturity on 03.10.2012.

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

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

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

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
first rank mortgage; second rank mortgage	6515/2/6/1	258,925.36	2781/31.08.2006; second rank by 129/23.01.2009	land	Bucharest, Prelungirea Ghencea no. 402-412, District 6
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	10252 - Constanta	31,400.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 269
first rank mortgage; second rank mortgage; third rank	10250 Constanta	9,100.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by	land	Constanta, Constanta county, P VN 264

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
mortgage; fourth rank mortgage; fifth rank mortgage			273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011		
first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	10253-Constanta	13,600.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth rank by 274/05.05.2011; fifth rank by 583/23.08.2011	land	Constanta, Constanta county, P VN 267/2

3. Bancpost

Contract of credit facility on term no. 58/23.09.2005

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

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

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 rate equal to the amount of the provided interest rate and a margin of 3%.

On 30.06.2012 there remained in the balance the value of 342,626.67 EUR from the second subfacility, intended for the financing of the „Europa” residential project. The other due subfacilities were integrally reimbursed on the 25.07.2007, summing up 12,795,602 EUR, for their payment being contracted other two credits with Banca Romaneasca.

The statement of mortgaged assets for Bancpost is presented below:

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/Residential compound
first rank mortgage	1916/3/70	25,245.90	747/16.03.2007 Euros; 2864/21.10.2005 Euros	land	Voluntari, 50/Junior, Drumul Bisericii St.
first rank mortgage	1916/3/6	498.45	747/16.03.2007 Euros; 2283/04.10.2005 Euros	land	Voluntari, 50/Junior, Drumul Bisericii St.
first rank mortgage	1916/3/5	1,376.76	747/16.03.2007 Euros; 2283/04.10.2005 Euros	land	Voluntari, 50/Junior, Drumul Bisericii St.
first rank mortgage	1916/3/7	235.52	747/16.03.2007 Euros; 2283/04.10.2005 Euros	land	Voluntari, 50/Junior, Drumul Bisericii St.
first rank mortgage	1916/3/1	1,376.78	747/16.03.2007 Euros; 2283/04.10.2005 Euros	construction	Voluntari, 50/Junior, Drumul Bisericii St.
first rank mortgage	1916/3/2	498.45	747/16.03.2007 euro; 2283/04.10.2005 Euro	construction	Voluntari, 50/Junior, Drumul Bisericii St.
first rank mortgage	1916/3/4	223.42	747/16.03.2007 Euros; 2283/04.10.2005 Euros	construction	Voluntari, 50/Junior, Drumul Bisericii St.
first rank mortgage	1916/3/11	143.5	747/16.03.2007 Euros; 2864/21.10.2005	land + construction	Voluntari, 50/Junior, Drumul Bisericii St.

4. Banca Romaneasca

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

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

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

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

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

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

5. Banca Romaneasca

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

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

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

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

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

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

a) Current interest rate: EURIBOR (1M) + 2.5% p.y. The current interest is calculated according to the used balance of the credit facility, beginning with the date of the first use and is paid until the integral reimbursement of the Facility.

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

Reimbursement: The credit facility will be reimbursed on a quarterly basis in equal installments after the finish of the grace period. Also, the credit facility will be reimbursed on a pro-rata basis from the collections related 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 30.06.2012 the amount to be paid in balance afferent to these credits from Banca Romaneasca was of 8,907,675.41 EUR.

Guarantees:

- assignment of receivables from commercial contracts;
- assignment of receivables on all the rights that result from the insurance contracts;
- real movable guarantee coming from the guarantees that will be constituted by the constructor/ subcontractor
- assignment of the rights that come from the bank guarantee letters;
- pledge on the current accounts;
- 2 promissory notes issued without protest.

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

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
first rank mortgage; second rank mortgage	20254	6,732.86	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 52-54
first rank mortgage; second rank mortgage	23574	4,735.04	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 22-28
first rank mortgage; second rank mortgage	22705	11,984.42	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Pustnicu no. 125-135
first rank mortgage; second rank mortgage	21763	23,792.06	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 56-64
first rank mortgage; second rank mortgage	18217/2/1	17,053.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18217/2/2	3,817.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18217/2/3	23,041.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18216/2	19,931.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/1	22,166.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/2	2,186.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/3	33,074.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1

6. Banca Transivania

Credit contract no. 15/21.07.2009.

Overall limit value operating according AA/29/15/21.01.2012: 6,891,472.60 RON.

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

Due date: 27.06.2013.

Interest: ROBOR at 6 months to which there is added the bank margin of 5.94%. The annual interest rate is fluctuating, being able to modify during the entire credit duration, according to the evolution of interests on the banking market.

Penalties: the penalty interest to credit is of 20%/an.

Reimbursement: The credit will be reimbursed in monthly installments, according to the reimbursement schedule. The anticipated reimbursement can only be made with the prior and express agreement of the Bank.

The balance related to the drawings from this credit as of 30.06.2012 is of 1,726,088.85 RON.

For the purpose of fulfilling the obligations that derive from the credit contract, between Impact and Banca Transilvania there were signed a series of receivable assignment contracts by which Impact constitutes in favor of the bank first rank guarantees having as an object the present and future receivables.

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

Tip creanta	Nr. Cadastral	Suprafata ipotecata	Nr. Contract ipoteca	Imobil	Adresa/ansamblu

Tip creanta	Nr. Cadastral	Suprafata ipotecata	Nr. Contract ipoteca	Imobil	Adresa/ansamblu
first rank mortgage	20254/40/2;1;3	90.61	218/21.07.2009	land and constructions	Padurea Neagra no. 52-54
first rank mortgage	23574/1/1/6	22.01	218/21.07.2009	land and constructions	Padurea Neagra no. 22-28
first rank mortgage	21763/1/2/7/2/1;2;9	21.77	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/7/2/2;2;8	16.47	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/9/2/2;1;4	27.66	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/10/2/2;2;9	25.18	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/11/2/1;2;7	20.03	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/11/2/2;2;7	31.74	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	7541	325.00	120/09.03.2010	Land and constructions	160, Emil Palade St., Oradea, Bihor
first rank mortgage	7540	362.00	120/09.03.2010	Land and constructions	158, George Palade St., Oradea, Bihor

Note 6 – Accounting Principles, Policies and Methods

Basics of Drafting Financial Statements

Financial statements were drafted by the company, in accordance with the Order of the Minister of Finances number 3055/2009 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 June 2012 were drafted in accordance with the following accounting principles:

Going Concern Principle. There must be presumed that the entity develops its activity on Going Concern basis.

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 unsafely 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 Going Concern Principle, this piece of information must be presented, together with explanations regarding their drafting mode and the reasons that lay 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.

In the case of the assets of the nature of dwelling assemblies or complexes that initially were intended for sale and subsequently changed their destination, following to be used by the entity for a long period or be rented to thirds, in the accounting there is recorded a transfer from inventories to tangible assets. The transfer is performed on the date of destination change, to the value to which the assets were recorded in the accounting (represented by cost).

Basics of Accounting

The interim financial statements, drafted by the company on the date of 30.12.2011, constituted of :

- Accounting balance sheet
- Profit and loss account
- Statement of Changes in Equity
- Cash Flow Statement
- Accounting policies and explanatory notes

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

Reporting Currency

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

Use of Estimations

As a result of the inherent uncertainties in the development of activities, many elements of the financial statement cannot be precisely assessed, but only estimated. The estimation process involves reasoning 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 inventories

- real value of assets and of financial debts, etc

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

The 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.

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.

Besides the revenues from sale the company also accomplishes revenues from the rent of real estates and sale of land plots. During the first six months of 2012 the revenues from rents have a value of 1,278,118 lei and the sales of land plots have a value of 716,754 lei.

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 labor 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 31.12.2011 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 depreciated for the remaining life period of the respective fixed asset.

Depreciation

Depreciation is calculated to diminish the cost using the straight line method for the operating duration of fixed assets and of their components, that are separately accounted.

Lands and assets in progress are not depreciated.

Inventories

Inventories of raw materials and materials are put into evidence to their acquisition value. The cost of inventories 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.

Inventories 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 honor 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 inventories without turnover higher than 3 months.

Reserves from Revaluation of Fixed Assets

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

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, and family relationships or of other nature, has the possibility to directly control or significantly influence the other party.

Note 7 – Share Capital

SC Impact SA was established in the year 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 Business Centre. 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 of June 30th, 2012 is of 197.866.574 RON. The nominal value of a share is of 1 RON.

The structure of the shareholding as of June 30th, 2012 was the following:

Shareholder	Holding – according to the statement of Depozitarul Central
Popp Ioan Dan	16.52%
Sandulescu Carmen Daniela	9.69%
SALINK LIMITED	10.10%
Artio International Equity Fund	8.55%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.15%
FONDUL DE PENSII ADMINISTRAT PRIVAT ING	5.88%
Other legal entities, out of which	23.05%
- foreign entities	9.62%

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

Other natural persons, out of which	20.06%
- foreign pers.	0.47%
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, which currently counts 197,866,574 shares, have been quoted in the 1st category.

26.21% of the company shares were held, as of 30.06.2012, by the company management.

Note 8 – Information Regarding Employees, Administrators and Directors

Structure of Personnel Expenses

In the first part of 2012 the expenditures with indemnifications for the Board of Directors have increased comparing with the same period of preview year. The indemnifications were approved by GMS Decision no. 1/25.04.2012.

Description	30.06.2011	30.06.2012
Indemnifications for the Board of Directors	40,812	217,055
Salaries of TESA	389,199	408,859
Exp. with social insurances and protection	108,141	171,669
TOTAL	**538,152**	**797,583**

Company Management

The current members of the Board of Directors were elected by the Decision of GMS no. 1/25.04.2012, for a mandate of four years.

Mr. Dimitrios Sophocleous was elected as Chairman of the Board.

The rights, powers and operating mode of the Board of Directors are in accordance with art. 8, art. 9, respectively art. 10 in the Articles of Association of the company Impact Developer & Contractor SA.

According to the Decision of GMS nr. 1/25.04.2012, the members of the BoD have the right to monthly indemnifications with a value of 5,000 lei net, and the chairman of the Board of Directors Mr. Sophocleous Dimitrios has the right to monthly indemnifications with a value of 10.000 lei gross.

The members of the BoD have the right, according to the articles of association, to a percentage of 0.44% from the net profit, as well.

Administrators

	Name	Position	Identification Data

1.	Popp Ioan Dan	Administrator	1570411400459
2.	Ionescu Valeriu Nicolae	Administrator	1520411400095
3.	Bugica Radu	Administrator	1651213384184
4.	Sophocleous Dimitrious	Chairman of BoD	7660403400011
5.	Gheorghiu – Milicin Stefan	Administrator	1730226163261

Executive Directors

Name	Surname	Position	Citizenship
Sandulescu	Carmen Daniela	Executive Director (Economic Development)	Romana

Note 9 – Economic Financial Indicators

PROFITABILITY AND RENTABILITY	June 30th, 2011	December 31st, 2011	June 30th, 2012
Efficiency of capital employed			
Profit before interests and tax (A)	-5,013,948	-16,456,944	-7,161,261
Capital employed (B)	388,243,720	361,524,158	337,673,069
A/B	**-1.29%**	**-4.55%**	**-2.12%**
Efficiency of equity			
Net profit (A)	-8,001,924	-22,261,046	-9,411,653
Equity (B)	307,928,658	296,828,111	287,416,457
A/B	**-2.60%**	**-7.50%**	**-3.27%**
Operating profit rate			
Profit before interests and tax (A)	-5,013,948	-16,456,944	-7,161,261
Operation revenues (B)	8,994,043	12,433,515	5,772,442
A/B	**-55.75%**	**-132.36%**	**-124.06%**
Net profit rate			
Net profit (A)	-8,001,924	-22,261,046	-9,411,653
Total revenues (B)	21,256,529	27,540,411	6,434,577
A/B	**-37.64%**	**-80.83%**	**-146.27%**
Total assets rate			
Profit before interests and tax (A)	-5,013,948	-16,456,944	-7,161,261
Total assets (B)	433,048,658	408,352,467	392,875,208
A/B	**-1.16%**	**-4.03%**	**-1.82%**
Indebtedness degree			
Bank Loans (A)	77,309,983	62,155,173	48,501,126

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

Equity (B)	307,928,658	296,828,111	287,416,457
A/B	**0.25**	**0.21**	**0.17**
SOLVABILITY			
Debt rate			
Total liabilities (A)	125,120,000	111,524,356	105,458,751
Total assets (B)	433,048,658	408,352,467	392,875,208
A/B	**28.89%**	**27.31%**	**26.84%**
Financial leverage			
Equity (A)	307,928,658	296,828,111	287,416,457
Total assets less current debts (B)	388,243,720	361,524,158	337,673,069
A/B	**79.31%**	**82.10%**	**85.12%**
Interest coverage rate			
Profit before interests and tax (A)	-5,013,948	-16,456,944	-7,161,261
Interest (B)	2,987,976	5,804,102	2,250,392
A/B - times	**-1.68**	**-2.84**	**-3.18**
LIQUIDITY AND WORKING CAPITAL			
Liquidity ratio			
Current assets (A)	349,709,923	317,322,814	300,157,550
Current liabilities (B)	40,871,546	40,564,811	49,361,444
A/B	**8.56**	**7.82**	**6.08**
Quick Ratio			
Current assets (A)	349,709,923	317,322,814	300,157,550
Inventories (B)	267,794,399	258,299,960	252,234,736
Current liabilities (C)	40,871,546	40,564,811	49,361,444
(A - B)/ C	**2.00**	**1.46**	**0.97**
Client debt turnover			
Trade receivables (A)	57,203,769	50,107,626	45,353,619
Net turnover (B)	8,170,249	13,540,400	8,392,559
(A /B)* no of days in the period	**1,260.26**	**1,332.22**	**1,945.45**
Fixed asset turnover			
Net turnover (A)	8,170,249	13,540,400	8,392,559
Fixed assets (B)	83,151,946	90,810,963	92,520,192
A/ B	**0.10**	**0.15**	**0.09**

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

Note 10 – Other Information

Inventories

In 2012, due to the existing economic context, the operating activity focused on finishing the ongoing residential compounds. For this reason, the value of the construction works significantly decreased compared to the previous year. In the range of the products offered by the company there are included both completely finished dwelling units, and some dwelling units on red stage, and others on plaster, so as the clients may purchase the products that are the most fit for their needs.

The status of completed compounds is detailed below:

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

Description	31.12.2011	30.06.2012
Lands	147,477,045	147,420,778
Advances for lands	1,040,231	987,633
Finished products – houses	68,779,992	62,820,756
Production and services under execution	39,884,522	39,884,522
Construction materials	1,688,673	1,644,617
Adjustments for materials depreciation	1,171,487	1,097,348
Finished prod., merchandises, packaging and inventory objects	373,916	352,267
Advances for the purchase of construction materials	227,068	221,512
TOTAL	**258,299,960**	**252,234,736**

At the end of June 2012 there existed a number of 195 houses and apartments completely finished. 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, consulting services, etc.

The value of the production and services under execution of 39,884,522 lei represents: dwellings with a value of 3.303.690 lei, networks with a value of 33,771,373 lei, services under development with a value of 2,809,459 lei, out of which investments under execution with a value of 7,137,600 lei.

The investment related to Dealul Lomb project is in an amount of 4,008,222 lei and mainly represents the draft of the PUZ documentation and road networks for the Dealul Lomb-Cluj project. These were established by the framework contract no. 55423/04.07.2007 concluded between Impact Developer & Contractor SA and Cluj-Napoca Local Council as a prerequisite for the establishment of the company Clearline Development (former Lomb SA). In the year 2011 Impact summons for trial the Local Council of the Municipality Cluj-Napoca (file 79/1285/2012) requesting its obligation to pay damages and the afferent legal interest provisionally assessed to 4,008,222 lei, respectively to

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

500,000 Euros. According to the estimates of an independent law office there are significant chances that these costs would be recovered from the Cluj-Napoca Local Council.

Accrued Expenses

The structure of accrued expenses is presented as follows:

Description	30.06.2012
Other accrued expenses	11,147.17
Other taxes	136,349.61
Insurances (buildings and cars)	39,355.93
Commissions paid in advance	10,613.50
	197,466.21

Deferred Income

Revenues in advance are set up from the interests related to the payment in installments contracts and from lease contracts. The passing of the revenues from interests to revenues is made gradually, as the installments are paid or their due date, whichever comes first. The balance of deferred income as of 30.06.2012 is of 3,432,702.44 RON, decreasing compared to the month of June 2011.

Direct Expenses – Raw Materials

Description	30.06.2011	30.06.2012
Expenses with lands	479,967	245,127
Exp. with raw materials and materials	365,486	199,141
Exp. with fuel	54,795	50,669
Exp. with spare parts	18,354	15,874
Exp. with other constr. materials	15,808	18,553
Exp. with inventory objects	57,409	1,713
Ex. with unstocked materials	58,019	14,741
Exp. with energy and water	1,311,656	1,688,808
Exp. regarding merchandises	45,388	35,865
TOTAL	**2,406,882**	**2,270,491**

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

Other Operating Expense

Description	30.06.2011	30.06.2012
Expenses with maintenance and repairs	291,263	194,969
Expenses with royalties and rents	1,033,874	957,866
Expenses with insurance premiums	238,539	184,749
Expenses with commissions and fees	9,912	26,894
Expenses for protocol, advertisement and publicity	253,852	319,885
Expenses with transport of goods and pers.	26,357	30,651
Expenses with movements, assignments and transfers	105	405
Postal expenses and telecommunications charges	131,647	114,599
Expenses with banking services and assimilated	386,510	184,951
Expenses with services executed by thirds *)	4,348,370	2,973,676
Expenses with other assimilated taxes	910,161	1,545,711
Expenses with compensations, fines, penalties	2,129,980	4,944
Expenses regarded disposed assets	1,573,388	94,981
Other exploitation expenses	1,450,667	353,398
TOTAL	**12,784,625**	**6,987,678**

Expenses with Services Performed by Thirds Parties*

Description	30.06.2011	30.06.2012
Expenses with subcontractors	2,180,753	1,481,033
Consultancy expenses	354,868	67,423
Expenses with guard and protection	65,575	112,958
Expenses with meal tickets	0	0
Expenses with HR	1,645	326
Expenses for IT services	188,698	85,089
Expenses with fees (notary, cadastral, tabulations)	611,397	428,641
Expenses for design services	17,154	0
Other expenses for services	928,281	798,206
TOTAL	**4,348,370**	**2,973,676**

Financial Result

Description	30.06.2011	30.06.2012
Expenses regarding interests	2,987,976	2,250,392
Expenses from currency exchange rate differences	5,377,246	2,846,113
Exp. with disposal of financial investments	5,847,717	0
Other financial expenses	29,262	0
Total financial expenses	**14,242,201**	**5,096,505**

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

Revenues from interests	262,282	324,537
Revenues from currency exchange rate differences	5,787,246	325,405
Revenues from sales of partic. titles	6,193,500	0
Other financial revenues	19,458	12,193
Total financial revenues	**12,262,486**	**662,135**
Financial result	**-1,979,716**	**-4,434,370**

The expenses with interests decreased due to the decrease of the loan balance. Due to the decrease of the cash, the revenues from the interests collected to deposits had the same trend also, decreasing by over 90% compared to the similar period of the preceding year.

Tax on Profit

In January – June 2012 period Impact D&C recorded an accounting loss of 9.411.653 RON.

Auditors

RSM SCOT SRL 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.

RSM SCOT ensures to its clients fiscal consultancy and assistance, and also any other professional services specific to the activity field.

The team of RSM SCOT is composed by professionals, chartered accountants and financial auditors.

RSM SCOT 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.

RSM SCOT 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.

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

Note 11 - Contingents

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

A. List of litigations where Impact has the quality of a plaintiff:

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
1	Bucharest Court of Appeal	7034/105/2010/a1	insolvency procedure	plaintiff-creditor	**Romconstruct**	recourse - contestation in table	no term	Romconstruct recourse of the decision to accept the Impact contestation. The trial is suspended until the judge of transfer application filed by Impact in case no. 3964/1/2012	16,025,023	RON
2	High Court of Cassation and Justice	3964/1/2012	case relocation	plaintiff	**Romconstruct and others**	First instance	21-sep.-12	Relocation of recourse in case no. 7034/105/2010/a1		
3	Prahova Tribunal	7034/105/2010	insolvency procedure	plaintiff-creditor	**Romconstruct**	first instance	26-oct.-12	IDC formulated a request of admission to the creditor group. For the judgment of challenges. Impact made a challenge for a receivable in an amount of approximately 15,000,000 RON. THE PROVISIONAL RECORD of Impact IN THE PRELIMINARY TABLE OF THE RECEIVABLE OF 15,047,995.76 LEI It was allowed the Impact appeal and it was decided for provisional registration with the receivable in the amount of 15.047.995,76 lei until to solve the file no. 35939/3/2011. Romconstruct have made recourse.	16,025,023	RON

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
4	Bucharest Tribunal	39469/3/2008	Obligation of Romconstruct to pay delay penalties for the delay of execution of the constructions in the Rubin assembly	plaintiff	**Romconstruct**	First instance	no term	suspended according to art. 36 Law 85/2006	14,855,309	RON
5	Bucharest Tribunal	63835/3/2011	insolvency procedure	plaintiff	**Floreasca Construction (former Summa Romania SA)**	first instance	4-sep.-12	IDC recorded to the creditor group with the amount of 13,442,674 lei. It has filed for bankruptcy. The procedure stage is to assess the existing assets of the debtor patrimony.	13,442,674	RON
6	Bucharest Court of Appeal	5988/2/2011	obligation to make	plaintiff-recurring	**Institutul Pasteur**	appeal	no term	The action was modified from action to oblige Pasteur to sell the land to us to action for return of advance and damages and the cancellation of pre-contract; IDC assigned the receivable; Cancels as unstamped the appeal declared by the appealing defendant S.N. INSTITUTUL PASTEUR SA. Admits the appeal declared by the appellant - plaintiff SORTWAY LIMITED. Partially changes the commercial sentence attacked in the respect that it admits the second request reason as well and obliges the defendant to pay to the plaintiff the amount of 1,250,000 Euros representing damages according to the penal clause. Obliges the appellant – defendant to pay to the appellant – plaintiff the amount of 28,475.5 lei legal expenses (stamp charge in appeal). Irrevocable.	2,500,000	EUR

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
7	High Court of Cassation and Justice	23619/3/2009	action for finding	recurring	**SC Summa Romania SA**	recourse	17-oct.-12	dismisses the action/appeal. Impact declared recourse. First term of recourse.	7,602,445	RON
8	Cluj Tribunal	79/1285/2012	termination of contract	plaintiff	**Local Council of the Municipality Cluj**	first instance	30-mai.-12	suspend proceedings until resolution of the transfer application which is the subject of file no. 3865/1/2012.	4,008,222	RON
9	High Court of Cassation and Justice	3865/1/2012	case relocation	defendant	**Local Council of the Municipality Cluj**	first instance	11-sep.-12	first term from the judge of the transfer application no. 79/1285/2012.		
10	High Court of Cassation and Justice	11833/2/2010	cancellation of administrative document regarding the additional payment fiscal obligations established in the charge of the underwritten by the fiscal inspection report	plaintiff	**ANAF**	first instance	7-nov.-13	Partially admits the challenge. Partly cancels the taxation decision no. 115/19.05.2010 and the fiscal inspection report no. 33.364/18.05.2010 respectively with regard to the tax on profit in an amount of 760,957 lei resulted following the revaluation of the land purchased and resold by SC Patagonia Invest SRL. Partly cancels decision no. 266/29.09.2010 with regard to the solving mode of the challenge with regard to the previously mentioned tax. for judge the appeal brought by both parties.	3,403,000	RON
11	Bucharest Tribunal	26153/3/2010	bankruptcy	plaintiff-creditor	**Sqrw Development Romania**	First instance	30-mar.-12	Impact made registration requested at statement of affairs as successor in title for PATAGONIA INVEST SRL. Dismiss as unfounded the challenges made by the creditor, SC Impact Developer & Contractor SA. Irrevocable.	1,975,743	RON

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
12	Constanta Tribunal	15426/118/2011	dec. that take place to v-c/obligation to make	plaintiff	**Tomis / Orban Lucian and Steluta**	first instance	9-aug.-12	term for evidence.	200,000	EUR
13	Court of Law of District 2	11725/300/2010	Challenge of forced execution	plaintiff	**BODOGAN AUREL & CONSTNATIN, PIRAEUS BANK, BEJ G JALBA**	First instance	no term	dismisses the challenge of execution for moratory damages deriving from execution contract. Irrevocable.	772,979	RON
14	Court of Law of District 1	16650/299/2011	Opposability of exec, with prov. susp.	opponent	**Bodogan Aurel and Bodogan Constantin**	first instance	7-feb.-13	Admits the challenge to execution. Disposes the cancellation of the forced execution itself and the cancellation of all the execution documents performed in the execution file no. 8E/2011 constituted at B.E.J. Georgiana Jalbă, being cancelled the right to request forced execution. Dismisses the request to suspend forced execution, as remaining without object. Obliges the involved parties to pay to the challenger the amount of 8,090.63 lei, as legal expenses. With right of recourse within 15 days from communication. Term to resolve the appeal brought by Bodogan Aurel and Constantin.	559,503	RON
15	Bucharest Tribunal	40191/3/2010	claims deriving from incompliant works, executed by SUMMA	plaintiff	**Summa Romania SA**	first instance	no term	On the grounds of art. 36 in Law no. 85/2006, ascertains there intervened the suspension of right of trial	100,222	RON

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
16	Court of Law of District 1	21136/299/2009	claims, legal expenses	plaintiff-defendant	**SC Summa Romania SA**	first instance	no term	first term after refusal in civil section. Suspended by art. 36 in Law 85/2006	100,123	RON
17	Mures Tribunal	305/1371/2008	bankruptcy	plaintiff	**Dafora Structuri**	First instance	no term	we periodically collect 3,800 RON until the complete payment acc. to reorganization plan.	73,916	RON
18	Court of Law of Buftea	4393/94/2011	claims, lease contract	plaintiff	**Huma Andreea Vasilica and Huma Danut**	first instance	no term	Obliges the defendants to pay to the plaintiff the amount of 43,539 lei, representing the counter value of the rent owed for the period January 2009 - December 2010, the amount of 24,711.22 lei, representing delay penalties afferent to the amount of 43,539 lei, and the amount of 4,681.31 lei, representing amounts owed according to the administration contract concluded between the parties. Obliges the defendants to pay to the plaintiff the amount of 4,346 lei, as legal expenses, representing stamp and judicial tax.	72,931	RON
19	Constanta Court of Appeal	13729/118/2010	action for the return of tax paid for the gas pipe in Boreal	plaintiff-recurring	**CNADR**	recourse	24-sep.-12	PARTIALLY ADMITS THE ACTION. ASCERTAINS THE RIGHT OF THE PLAINTIFF TO USE THE AREA WITHOUT THE PAYMENT OF THE USE TAX BEGINNING FROM THE DATE OF 1.01.2009. OBLIGES THE DEFENDANT TO PAY TO THE PLAINTIFF THE AMOUNT OF 30,940.78 LEI AS A USE TAX FOR ROAD AREA PENALTIES, LEGAL INTEREST. Term to resolve the appeal brought by Impact.	71,850	RON

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
20	Court of Law of Buftea	9807/94/2010	claims of incompliant works	plaintiff	**Floreasca Construction (former Summa Romania SA)**	first instance	no term	On the grounds of art. 36 in Law no. 85/2006, ascertains as intervened the suspension of right of trial	50,292	RON
21	Ilfov Tribunal	8499/94/2011	contravention complaint	plaintiff	***ANRE***	first instance	11-Sep-12	dismisses the complaint. First term of recourse.	50,000	RON
22	Court of Law of District 2	12758/300/2010	claims- green spaces	plaintiff	**Cofaru Dumitru Gabriel**	first instance	24-apr.-12	evidence. Mortgage contract concluded on property owned by defendant successors.	43,997	RON
23	Bucharest Tribunal	8274/299/2009	recoveries of receivables, price index according to the contract	plaintiff-recurring	**Ciubotaru Pavel**	recourse	18-Jan-13	Dismisses the main request as ungrounded. Dismisses the reconvention request as ungrounded. Recourse was filed for.	39,210	RON
24	Court of Law of Buftea	4392/94/2011	claims, lease contract	plaintiff	**Manu Elena**	first instance	no term	Obliges the defendant to pay to the plaintiff 22480 lei representing rent and 7591.46 lei delay penalties. Ascertains the waiver of the plaintiff to the judgment of reason 3 of request. Obliges the defendant to pay to the plaintiff the amount of 2034.27 lei representing legal expenses.	33,782	RON
25	Court of Law of District 2	14599/300/2008	Action for claims for recovering the price index communicated by INS, according to contract	plaintiff	**PATURESCU CORNEL**	First instance	no term	admits the action/undrafted decision. Irrevocable by the cancellation of the recourse as unstamped.	33,486	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
26	Bucharest Tribunal	37677/3/2010	Recovery of expenses that came to Impact following the incompliances of Cominstal works	plaintiff	**Cominstal Group**	First instance	9-apr.-12	Evidence. Notes for waiver of right to trial because the parties have finally agreed by transaction.	31,222	RON
27	Buftea Court of Law	12633/94/2011	contravention complaint	plaintiff	***ANRE***	first instance	5-sep.-12	Term for evidence.	25,000	RON
28	Constanta Tribunal	5235/212/2011	contravention complaint	petitioner	**CL Constanta, Serv of taxes, dues and other revenues**	recourse	4-apr.-12	admits the appeal of Impact meaning that admits the complaint and cancel the contravention minutes.	25,000	RON
29	Bucharest Tribunal	10402/3/2010	eviction/termination for failure to observe lease contract	plaintiff	**Draghici Jenica Laura**	First instance	no term	partially admits the action. Irrevocable by not declaring recourse.	25,000	RON
30	Court of Law of District 1	4785/299/2009	claims deriving from failure to pay utilities and rent	plaintiff	**SC Patru Ace SRL**	first instance	11-Feb-13	partially admits the action. First term of the recourse declared by them.	22,389	RON
31	Bihor Tribunal	13314/111/2011	action for ascertaining	plaintiff	**Compania de Apa Oradea**	first instance	2-oct.-12	evidence	20,000	RON
32	Ilfov Tribunal	2269/94/2011	contravention complaint	petitioner	**Administratia Apele Romane-Sistem de Gosp a Apelor Ilfov**	first instance	8-mai.-12	first term of recourse. Dismisses the appeal as ungrounded. Irrevocable.	17,500	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
33	Ilfov Tribunal	6946/94/2010	termination of lease contract/claims	plaintiff	**Muscalu Florentin Teodor**	first instance	5-dec.-12	admits the action. Decision not drafted. Impact declared recourse. First term from recourse.	13,310	RON
34	Court of Law of District 1	34961/299/2010	claims, rents	plaintiff	**Patru Ace SRL**	first instance	2-nov.-12	dismisses the action. Decision not drafted. Impact declared recourse. First term from recourse.	12,142	RON
35	Bucharest Tribunal	4372/94/2010	cancellation of contravention protocol, cash register	plaintiff	**MEF - GF Ilfov**	recourse	no term	dismisses the recourse as ungrounded. Irrevocable.	8,000	RON
36	Bucharest Tribunal	50746/3/2011	Payment call	debtor	**IPCT Instalatii**	first instance	no term	dismisses the request. Irrevocable according with OUG 119/2007	5,500	RON
37	Bucharest Tribunal	5700/300/2009	claims	plaintiff-recurring	**Coca Adina**	recourse	26-sep.-12	Dismisses the action. IDC declared recourse. Term for trial of the recourse.	3,629	RON
38	High Court of Cassation and Justice	2975/2/2010	Attack of decision 206/2010 ANRE	plaintiff	**ANRE**	First instance	23-apr.-13	IDC requested the cancellation of the ANRE decision with regard to the approval of distribution tariffs in the ass. of Voluntari; Admits the action. Cancels the Decision of the ANRE president no. 206/04.02.2010. Obliges the defendant to approve the tariffs for the activity of the plaintiff of electric power distribution as results from the judicial accounting expertise report drafted in the case and the response to objections. Obliges the defendant to pay to the plaintiff the amount of 15,146.8 lei as legal expenses. Term for trial the appeal made by ANRE.	N/A	N/A

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
39	High Court of Cassation and Justice	6391/2/2011	complaint/cancellation of documents issued by ANRE	plaintiff	***ANRE***	first instance	11-sep.-13	dismisses the request. First term of the appeal made by Impact.	N/A	N/A
40	Constanta Court of Appeal	12377/118/2010	cancellation of contravention minute	plaintiff-recurring	**CJ, CR for Consumer Protection**	Recourse	no term	dismisses the recourse as ungrounded.	N/A	N/A
41	High Court of Cassation and Justice	465/2/2011	suspension of administrative act execution, decision 35/15/12/2010	plaintiff	**ANAF**	first instance	no term	admits the recourse of Impact.	N/A	N/A
42	High Court of Cassation and Justice	3191/2/2010	cancellation of ANRE decision 485/2010	plaintiff-recurring	**ANRE**	Recourse	no term	dismisses the recourse.	N/A	N/A
43	Ilfov Tribunal	11416/94/2010(40089/3/2010)	contract termination	plaintiff-recurring	**Public Service of Sewage and Water**	recourse	10-dec.-12	there is judged the ascertainment of termination of contracts no. 8761/1.01.2008, 867P/01.01.2008, 878P/01.01.2008 şi 879P/1.01.2008. administration of evidence: documents + examination. Admits the Impact action. Spaac declared recourse. Term for trial of recourse.	N/A	N/A
44	Court of Law of District 1	9122/299/2007	obligation to make compensatory damages	plaintiff	**Regia Nationala a Padurilor- Forest Directorate Bucharest**	defendant	suspended	other procedural interventions, intervention requests. Suspend the judgment of case, call the Bucharest Court of Appeal to resolve the illegality exception Bucharest for Order no. 645/2003- 4719/2/2012 file, of the Bucharest Court of Appeals, with term on the 04/09/2012	N/A	N/A

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
45	Court of Law of District 1	55912/299/2010(10401/3/2010)	eviction/termination	plaintiff	**Pusca Ioan**	First instance	no term	Dismisses the specified action as ungrounded. Irrevocable.	N/A	N/A
46	Bihor Tribunal	3555/111/2010	Action for ascertainment	plaintiff	**MTS Leasing; Ban Liviu**	First instance	no term	IDC requested to the court to ascertain that there intervened the execution contract termination; partially admits the request . Ban Liviu made appeal.	N/A	N/A
47	Bucharest Tribunal	25336/3/2011	eviction	plaintiff	**Ionescu Elena Ani Mihaela**	first instance	06-Nov-12	first term.	N/A	N/A
48	Bucharest Tribunal	29651/3/2011	eviction	plaintiff	**Hristeno Nicolae**	first instance	29-Nov-12	first term.	N/A	N/A
49	Bucharest Tribunal	29652/3/2011	eviction	plaintiff	**Mihalache Stefan Costin**	first instance	26-Nov-12	first term.	N/A	N/A
50	Bucharest Tribunal	49736/3/2011	eviction-refused from Court of Law of Buftea	plaintiff	**Rothav Construction Srl**	first instance	18-sep.-12	evidence.	N/A	N/A
51	Bucharest Court of Appeal	62268/3/2011	Subscription termination	plaintiff	**Apele Romane**	First instance	18-sep.-12	Admits the action of Impact, establish the cancelation of subscription since 31.12.2010. First term on the appeal of Apele Romane.	N/A	N/A

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
52	Court of Law of Buftea	5868/94/2012	eviction / contract termination	plaintiff	**Culda Mihai Eugen**	First instance	6-sep.-12	term for amiable understanding of the parties	N/A	
53	Court of Law of Buftea	6189/94/2012	eviction / contract termination	plaintiff	**Rotaru Constantin**	First instance	20-aug.-12	Term for lack of defense of the defendant.	N/A	
54	Court of Law of District 1	9635/299/2012	Challenge of execution	challenger	**Bodogan Aurel si Bodogan Constantin**	First instance	21-sep.-12	The first term after declining	217,826	RON
55	Bucharest Tribunal	19999/3/2012	Insolvency procedure	plaintiff-creditor	**Stratos Leasing IFN SA**	First instance	28-sep.-12	Impact ask to open the insolvency procedure of Stratos for a bad debt during foreclosure phase in the amount of	113,383	RON
56	Prahova Court	2299/105/2012	obligation to make / issue the administrative act	plaintiff	**Consiliul Local Blejoi**	First instance	4-oct.-12	Term to evidence	N/A	N/A

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B. List of litigations where Impact has the quality of defendant:

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
1	Bucharest Tribunal	60772/ 3/2011	Civil liability	civil liable party	**ANAF**	first instance	28-sep.-12	Administration of evidence. Expertise of land valuations.	16,823,946	RON
2	High Court of Cassation and Justice	32826/ 3/2010	Claims coming from the takeover by assignment by the plaintiff of receivables of Summa Romania from contr. 42/2007	defendant	**SC Brooklyn Property Management SRL**	appeal	17-ian.-13	Dismisses the appeal as ungrounded. First term from the recourse declared by Brooklyn.	9,155,118	RON
3	High Court of Cassation and Justice	32874/ 3/2010	Claims coming from the takeover by assignment by the plaintiff of receivables of Summa Romania from contr. 6/2007	defendant	**SC Brooklyn Property Management SRL**	recourse	27-sep.-12	Cancels the attacked sentence and sends the case, to be on trail again, to the first court. Impact declared recourse. First term from the recourse.	9,138,140	RON
4	Bucharest Tribunal	35939/ 3/2011(19/105/ 2010)	Action for contractual damages	defendant	**Romconstruct & BRD SG**	first instance	19-sep.-12	for administration of evidence, respectively for realizing the accounting expertise.	8,018,174	RON
5	Bucharest Tribunal	30348/ 3/2010	IP requests the payment of damages following the failure to conclude the sale-purchase contract	defendant	**Institutul Pasteur**	First instance	20-iun.-12	evidence; IDC does not have quality anymore in this file as it assigned the quality of defendant. Take notes by the transaction concluded between the parties. Closed by transaction.	1,250,000	EUR

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
6	Bucharest Court of Appeal	1521/2/2012 (45882/3/2009)	action by which there was requested the return of the guarantee letter counter value	defendant	**Brooklyn Property Management/ SC SUMMA ROMANIA SA**	recourse	14-iun.-12	dismisses the request as ungrounded. With appeal in 15 days from the communication. Dismisses the recourse declared by Brooklyn as ungrounded. The recourse of Brooklyn is still undeclared.	490,940	EUR
7	Bucharest Court of Appeal	45886/3/2009	Return of guarantee letter counter value	defendant	**Brooklyn Property Management/ SC SUMMA ROMANIA SA**	First instance	no term	dismisses the recourse as ungrounded, keeps the decision to suspend the case until the availability for an irrevocable decision of file no. 23619/3/2009.	317,422	EUR
8	Bucharest Court of Appeal	5028/94/2009	claims (legal expenses)	defendant	**Bodogan Constantin and Aurel**	recourse	no term	admits the appeal declared by Impact. Partially changed the appealed sentence in the respect that partially admits the main action and obliges Impact to pay the amount of 102,784. Following the execution accomplished by intimates, Impact has to recover the amount of approximately 160,000 RON by the forced execution procedure return. Dismisses the recourse as ungrounded. Obliges the recurring to pay to the intimate the amount of 8080.96 lei, as legal expenses. Irrevocable.	234,119	RON
9	Bucharest Court of Appeal	10892/3/2010	return of advance and penalties	defendant	**Peter John Leigh**	appeal	27-iun.-12	dismisses the action. cancel the applicant's appeal as unpaid.	34,692	EUR

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
10	Bucharest Court of Appeal	48002/3/2009	return of land value	defendant	**STYLE MODA ROMANIA SA**	First instance	2-oct.-12	Admits the appeal declared by the appellant SC IMPACT DEVELOPER & CONTRACTOR SA. Entirely changes the appealed sentence in the respect that admits the exception regarding the prescription of the material right to action. Dismisses the action of plaintiff as being prescribed the material right to action. Obliges the intimate plaintiff to pay to the appellant defendant the amount of 13519.61 lei representing legal expenses for appeal. Term at the recourse declared by Style Moda.	26,186	EUR
11	Bucharest Tribunal	32099/299/2006 (15895/3/2010)	claims (damages for construction vices)	defendant	**Stefanica Mihaela**	first instance after cassation	14-dec.-12	first term of the recourse declared by Impact ruled	35,000	RON
12	Court of Law of Buftea	6283/94/2010	claims- damages for delay of constituting servitude by authentic document	defendant	**Bobeica Andrei Sorin**	first instance	no term	Dismisses the action as ungrounded. Irrevocable.	31,824	RON
13	Oradea Court of Appeal	9297/111/2010	request for seizure to pay contractual penalties	defendant	**Municipiul Oradea prin Primaria Oradea**	first instance	29-mai.-12	dismisses the recourse declared by Oradea City, as ungrounded.	1,487,001	EUR
14	Bihor Court	9297/111/2010	request to pay contractual penalties	defendant	**Municipiul Oradea prin Primaria Oradea**	first instance	25-sep.-12	for realizing expertise	1,487,001	EUR

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
15	Constanta Court	40442/212/2010	claims grounded on sale-purchase contract with payment in installments, respectively interests for installments paid in advance and moral damages	defendant	**Sava Mircea Aurelian**	first instance	21-iun.-12	dismisses the action, with appeal	500,000	EUR
16	Bucharest Court of Appeal	9761/2/2011	commercial arbitration- claims for construction vices Degi	defendant	**Degi Construdava SRL**	cancellation of arbitral ruling	20-apr.-12	Takes note for solving the litigation in an amicable way	584,713	RON
17	Bucharest Tribunal	21136/299/2009*	claims	plaintiff-defendant	**SC Summa Romania SA**	fond	17-oct.-12	First term form the recourse.	100,123	RON
18	High Court of Cassation and Justice	20014/3/2010	resolution of contract for vices, IDC formulated a counterclaim for the payment of outstanding installments	defendant-plaintiff	**Plescan Petruta**	appeal	21-nov.-12	action was dismissed. Admits the counterclaim formulated by Impact in the respect that obliges the plaintiff-defendant to pay the amount of approximately 65,000 RON. Cancels the appeal, as unstamped. Obliges the appellant to pay to the intimate the amount of 2480 lei as legal expenses representing the lawyer fee. First term from the recourse declared by Plescan as plaintiff.	59,116	RON
19	Court of Law of Buftea	5540/94/2007	document cancellation (dismembering documents)/claims	defendant	**Georgescu Maricica**	first instance after cassation	26-sep.-12	Will be solved at this term.	49,357	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
20	Court of Law of District 1	11190/ 299/20 07	claims (reason separated from the file for obligation to make; counter value of lack of use)	defendant	**Petcuta Danut**	first instance after cassation	2-iul.-12	Orders the defendant to pay to the plaintiff the sum of 3,967.73 LEI representing interest on late payment calculated according to art. 7.1.b from execution and construction contract with payment in installments no. 211 of 31.08.2004 on the value of the work remaining to be executed on 13.08.2005 for the period 20.09.2005 until 20.12.2005. Compel the defendant to pay the applicant the sum of 3,150 lei representing damages for the work of relocation of gas niche. Dismisses the remainder of the claims. Notes that the applicant seeks costs about separate case. Orders the applicant to pay the defendant the sum of 4265.6 lei as legal expenses.	33,150	RON
21	Court of Law of Buftea	297/94/ 2011	payment call by which there is requested the payment of some amounts for which services were not supplied	defendant	**Viab Consulting Srl**	first instance	no term	Dismisses the ordinance request as ungrounded.	30,811	RON
22	Court of Law of Buftea	7602/9 4/2010	Action for recovery of incompliant works	defendant	**SC Romconstruct SA**	First instance	No term	Suspended according to art. 36 Law 85/2006	11,611	RON
23	Constanta Court	81/118/ 2009	claims deriving from construction vices	defendant	**S.C.Isac Maricica Contabilitate**	First instance	21-iun.-12	Suspend the case and sends to The Prosecutor for research on the offense of forgery.	4,552	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
24	Bucharest Court of Appeal	31608/3/2010(1003/94/2010)	Networks	defendant-intimate	**& Amariucai, Salom, Stanescu, Humeniuc, Radio Consult, Paicu Claudia, Ispas Daniel, Ermis Ioana, Mihailesc Cristinel, Grigoriu C, Ciocan D, Antonesc, Cioaca, Onirom, Maftei, Paul Man, Timpu A, Majed Samer, SC Rudyal, Rotaru, Oeru, Naftanaila Ionel, Paun Mihai, Clinciu, Go West, Flash Models**	*appeal*	27-iun.-12	Dismisses the action as inadmissible; the plaintiffs declared appeal. Dismisses the appeal declared by applicants as ungrounded.	N/A	N/A
25	Court of Law of District 1	49031/299/2011	complaint against resolution of prosecutor Nup	intimate	**Ionita Florian**	first instance	14-mar.-12	Admits the complaint. Decide to sent the case to the criminal body to resume criminal investigation.	N/A	N/A
26	Bucharest Court of Appeal	2488/2/2012 (23136/3/2009) (6108/2/2011)	Cancellation of Decision No.263/2008 of General Council of Bucharest Municipality.	defendant	**CGMB / Primarul Municipiului Bucuresti/ Ionita**	Recourse	18-oct.-12	Dismisses the recourse as ungrounded. CGMB and Florian Ionita made an appeal for annulment. Error solution. Admit the appeal for annulment, cancel the appealed decision and refer the case to the court of recourse for trial of the recourse.	N/A	N/A

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Curr ency
27	Bucharest Court of Appeal	5415/3/ 2009 (43654/ 3/2009)	Cancellation of administrative act	intimate	**Ionita Florian - Consiliul General al municipiului Bucuresti**	Recourse	18-oct.-12	Dismiss the application as unfounded. Term for solving the appeal declared by Florian Ionita.	N/A	N/A
28	Bucharest Tribunal	16546/ 3/2012	challenge against provisional enrollment of receivable	intimate - creditor	**Taxi Mondial**	first instance	14-nov.-12	Term for solving the challenge declared by Taxi Mondial against decision of provisional enrollment of Impact in debtor's table with a receivable in amount of 237.636 lei.	237,636	RON
29	Bucharest Tribunal	14444/ 3/2012	cancellation of sale-purchase contract	intimate	**Taxi Mondial / Double Insolvency SPRL/Puiu Georgeta**	first instance	14-nov.-12	Cancellation of sale-purchase contract through which Taxi Mondial - the debtor have alienated the property that is also mortgaged to Impact for a receivable in amount of 237.636 lei.	237,636	RON
30	Court of Law of District 1	55112/ 299/20 12	Not to do Obligation in terms of do not disturb the right of easement.	defendant	**Cremer Marc and intervenient**	first instance	7-sep.-12	Term to take the knowledge of requests for intervention made by Radu Alecu, Aldea Valentin Marius and Danielescu	N/A	N/A
31	Court of Law of Buftea	4519/9 4/2012	cancellation of sale-purchase contract / throw parties in the previous situation	defendant	**Gavris(Pernes) Raluca**	first instance	6-sep.-12	First term after defense request filed by Impact.	191,475	RON
32	Bucharest Tribunal	8458/3/ 2012	cancellation of sale-purchase contract / Electrica is the Beneficiary	defendant	**Regia Nationala a Padurilor- Directia Silvica Bucuresti, Prefectura Bucuresti**	first instance	19-mar.-13	First term	N/A	N/A

Besides the significant litigations described above, the company has a number of ongoing litigation against various debtors of the Company from providing utilities and other receivables of low value. These litigations (about 100) include a total of IDC claims of around 120.000 RON.

To understand better the litigations situation, they are grouped into several major categories, such as:

1. On the date of the present notes drafting there remained only two litigations with Romconstruct, litigations coming from two construction execution contracts concluded in the year 2006, being caused by very long delays of the constructor in the finishing of the construction works and its claims to receive amounts of money for unfinished works. The litigations are in the following situation: At position 3 in the litigations where Impact is a plaintiff by which there was admitted the provisional registration of Impact to the creditor group of Romconstruct for the amount of 16,025,023 RON, so the claims of Impact coming from the delays of the works were recognized, and respectively at position 4 in the situation of the litigations where Impact is a defendant, where Romconstruct requests the counter value of the unpaid works and penalties. This file is pending on the dockets of the Bucharest Court.
2. Litigations with Floreasca Construction (former Summa Romania SA) and respectively Brooklyn Property Management SRL coming from execution contracts signed in the year 2006 where Summa was executant and Impact beneficiary. These contracts were very much delayed and appeared from the part of Impact requests for penalties and from the part of Summa the request for the payment of some executed works. In the year of 2008 Summa assigned the receivables to Brooklyn from the Company group that is a party in some of the trials that have the same origin. At present there are files on the list A, litigations from positions 7, 15, 16 and 20, that are either suspended due to the beginning of the insolvency procedure, or under recourse, but whose values are found in the amount with which Impact is registered to the creditor group of Summa, respectively position 5 in list A. On list B at positions 2, 3, 6, 7 there appear claims of Summa/Brooklyn that were dismissed until at present.
3. Litigations with Pasteur from positions A 6 and B 5 where there was taken over the trial quality by Sortway Ltd following the assignment of receivable and sale of litigious rights that took place in the year of 2011.
4. Litigations with the Oradea Local Council coming from the so-called “penalties according to the joint-venture contract as of 02.07.2004“ from position B14 for which the forced execution was also attempted by the CL Oradea, that was dismissed (position B13).

5. Litigations with CL Cluj by which Impact requests amounts coming from the investments made by Impact and respectively the project company Clearline Development & Management SRL in the Lomb project to which CL Cluj-Napoca did not bring the land, so the project couldn't be accomplished anymore. The total amount requested at this moment is over 21 million lei plus legal interests, but it does not include the unaccomplished benefit requested by Impact by the conciliation call. For these amounts a separate action follows to be filed for.
6. Litigations with ANAF following the protocol drafted in the year of 2010 by which Impact appealed the amounts and penalties established by the control document. Following the court decision in the first instance, from the total amount associated to the main reason, the action of Impact was admitted for the amount of 760,957 lei, so, also the penalties of 1,214,786 lei associated to this amount are not due. Impact has declared appeal with term on November 7th, 2013.
7. Litigations with Bodogan Aurel and Bodogan Constantin for amounts requested as penalties, positions A 13, 54 and B 8, are litigations that have begun from 2008, for which Impact was executed for amounts as penalties, but in 2011 there was admitted Impact's request that these amounts are no longer due in the file from position A 14 and the procedures for execution return were begun;
8. There is also a number of litigations with authorities for certain issued documents or illegal sanctions, positions A 21, 27, 28, 32, 35, 38, 39, 40, 51, 56. These litigations do not have significant value, but the management has the obligation to attack all the illegal administrative documents;
9. There is also a number of litigations with smaller values by which Impact requests damages and rents until the release of the real estates for the lease contracts or the contracts with payment in installments that were terminated: positions A 18, 24, 25, 29, 33, 37, 45, 47-50, 52-53.
10. With regard to the file being at position B1, where Impact is called to be liable as a civil liable party for deeds performed by other persons, facts unconfirmed by court decisions, without having been administered evidence in the file, the representative of the Prosecutor's Office requested the institution of the distraint for the amount of 16,823,946 lei upon the goods of Impact, reasoned by the fact that the goods of the defendant (Stegaru Ruxandra) upon which the distraint was put are insufficient to cover the prejudice. Against the measure disposed by the court to institute the distraint upon the patrimony of Impact for the entire amount of 16,823,946 lei, the company Impact declared appeal. The companies Fondamento Forte and Patagonia Invest were called in this file as civil liable parties for the deed of Mrs. Stegaru Ruxandra. As the companies Fondamento Forte and Patagonia do not exist anymore, Impact was summoned as a successor in rights of the two companies that it absorbed.

To solve the problem of seizure Impact have mortgaged in favor of ANAF land plots with an area of 52,234 sqm located in Bucharest, District 1. In March 2012 at the request of the representative of the Public Ministry, the Bucharest Tribunal ordered the seizure of the goods of Impact Developer & Contractor SA up to the amount of 16,823,946 lei in favor of ANAF. Against this decision the company appealed. The appeal was rejected but the company has mortgaged in favor of ANAF 2 land plots with an area of 52,234 sqm located in Bucharest, sector 1.

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

Note 12 Affiliated Parties

Nature of Relationships

In 2012, the company IMPACT SA realized trade relationships with a number of companies that are affiliated parties.

The list of the affiliated parties that Impact realized trade relationships with is the following:

Denomination of company– affiliated party:	Number and date of contract	Type of services/products purchased
SMART FIN INTERNATIONAL	CC/20.05.2011	Supplier
Actual Invest House SRL	158/20.04.07, 296/03.09.07	Client (construction)
	J190/01.02.07; 5/02.02.2011	Supplier
	J883/10.05.07 J2971/26.06.07	Debtor
	J2865/27.11.07	
CLEARLINE DEVELOPMENT & MANAGEMENT SRL	526/28.07.08; 527/28.07.08; 529/28.07.08; 553/08.08.08; 746/24.10.08; 748/28.10.08; 2/01.06.2010	Client: consultancy, marketing,
		design, project management, sublease
Millenium Consult Invest	CC/26.01.10; J138/28.02.11	Client (lease)
	12/15.07.2011; 13/10.10.2011	Supplier (services)
Hobbit Intermediere Asigurari	298/01.08.2011	Client (lease)
Intop Construction SRL	1/12.09.05	Client
Intop Construction SRL	1681/20.10.05; 153/01.07.07; J255/05.04.11; J329/15.04.11	Supplier

The prices of the contracts concluded with the affiliated party companies are established under market conditions. In the year 2012, the company realized transactions with the affiliated parties, as follows:

Sales to:	31.12.2011	30.06.2012
ACTUAL INVEST HOUSE	-1,105,288	78,132
SMART FIN INTERNATIONAL	2,608	2,135
AD CONSULT LAND	5,121	821
HOBBIT INTERMEDIERE ASIGURARI SRL.	14,067	11,575
INTOP CONSTRUCTION	2,976	1,488
CLEARLINE	9,430	4,409
MILLENIUM CONSULT INVEST	25,940	13,358
INVESTIMOB	-14,290,627	0
Total	**-15,285,158**	**125,413**

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

Purchases from:	31.12.2011	30.06.2012
ACTUAL INVEST HOUSE	42,403	24,309
INTOP CONSTRUCTION	21,154	7,682
MILLENIUM CONSULT INVEST	113,091	383
TOTAL	**863,933**	**32,374**

Following the transactions with the affiliated party companies, there resulted the following balances as of 30 June 2012:

Receivables from/Advances granted to:	31.12.2011	30.06.2012
ACTUAL INVEST HOUSE	3,139,920	2,177,276
AD CONSULT LAND	17,614	17,876
HOBBIT INTERMEDIERE ASIGURARI SRL.	55,649	51,141
INTOP CONSTRUCTION	11,854	13,342
CLEARLINE	15,675	20,091
MILLENIUM CONSULT INVEST	426,055	425,346
TOTAL	**3,968,983**	**2,886,575**

Debts to/Advances received from:	31.12.2011	30.06.2012
ACTUAL INVEST HOUSE	7,388	0.01
CLEARLINE	34,899	34,899
INTOP CONSTRUCTION	74	1
MILLENIUM CONSULT INVEST	97,200	42,237
TOTAL	**142,033**	**77,136**

The value of the loans granted for the contracts under performance 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.

Loans granted	31.12.2011	30.06.2012
ACTUAL INVEST HOUSE	4,949	273,717.13
BIPACT 1995 SRL	79,777	79,777
INTOP CONSTRUCTION	1,128,838	1,128,838
TOTAL	**1,240,564**	**1,482,332**

In March 2012 there were signed loan contracts with Actual Invest SRL and Intop Construction SRL for loans with a value of 1,000,000 lei each, granted for the financing of the activity of residential compound administration, urban equipment, urban furnishing. There was paid only the sum of 300,000 lei to Actual Invest House for these contracts.

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

Note 13 – Subsequent Events

Bank Loans

On July 31st, 2012 the statement of the banking loans was as follow:

No. of Contract	Name	Currency	Val. of contract	Balance as of 31.12.2011	Balance as of 31.07.2012
301/30.08.2006	Piraeus Bank Greece suc Londra	EURO	12,807,270	9,605,441.74	8,324,716.18
58/23.09.2005	Bancpost Floreasca	EURO	21,000,000	683,925.09	342,626.67
50070065/25.07.2007	Banca Romaneasca	EURO	7,993,204	3,140,187.22	2,569,244.08
50070066/25.07.2007	Banca Romaneasca	EURO	22,306,796	6,606,007.08	5,901,526.86
15/21.07.2009	Banca Transilvania	RON	6,891,473	2,596,310.79	1,561,452.31

Note 14 – Other Legal and Economic Information

During the period December 7th, 2011 – March 27th , 2012 the company was subject to a fiscal Inspection for V.A.T. reimbursement, a control that was ended on April 2nd, 2012. The verified period was January 1st, 2009 – September 30th, 2011. There was established V.A.T. to be reimbursed in value of 1,807,123 lei by the taxation decision no. F-MC 91/30.03.2012 communicated on April 2nd, 2012.

Impact also launched in February 2012 the product villas on land plots, in Junior extension area and in the Amber area in Greenfield.

The GMS on 28 June 2012 approved the changing of The Company Article of Incorporation within the meaning of separation of the President of the Board position from the General Manager position. Thus, in the aftermath of the GMS, the Board of Directors will elect the General Manager.

Executive Director,
Carmen Sandulescu

Chief Accounting Officer,
Lidia Varzaru

Translation from Romanian language