NOTES TO THE INTERIM FINANCIAL STATEMENTS

IMPACT DEVELOPER & CONTRACTOR

30th of June 2009

(amounts are expressed in RON, unless otherwise specified)

Ownership Equity Modifications Statement

	Balance as at 01.01.2009	increases		decreases		Balance as at 0.06.2009
		Total, of which	By transfer	Total, of which	By transfer	
Subscribed capital	200,000,000					200,000,000
Capital premiums	74,217,746					74,217,746
Merger premiums	10,551,105					10,551,105
Reevaluation reserves	6,215,258			84	84	6,215,174
Legal reserves	6,573,653					6,573,653
Reserves repres. the surplus realized from reevaluation reserves	3,226,270	84	84			3,226,354
Other reserves	26,189,660	9,606,163	9,606,163			35,795,823
Own shares	2,853,111					2,853,111
Losses related to ownership equity instruments	8558					8,558
Carried forward result	9,606,163			10,276,092	9,606,163	-669,929
Result of the accounting period	8,258,687	2,039,365		8,258,687	8,258,687	2,039,365
Distribution of profit	8,258,687			8,258,687	8,258,687	0
Total ownership equity	333,718,186	11,645,612		10,276,176		335,087,622

According to the decision of AGA (General Assembly of Shareholders) no. 1 dated 29.04.2009 there was retaken to the reserves the carried forward result afferento to the year 2008.

Receivables recorded in the „Clients – Invoices to be drafted” accounts represent the amounts acknowledged as revenues according to OMF 94/2001 and to IAS 11 as at 31st of December 2005 for which there were not collected advanced payments at that moment. These receivables were afferent to the clients whose contracts were in running in 2005 and concluded contracts with Impact by means of the real estate leasing company MTS Leasing GmbH.

This year there was taken the decision that the amounts being in this account would be cancelled, on the account of the carried forward result, according to the accounting regulations in force.

NOTES TO THE INTERIM FINANCIAL STATEMENTS AFFERENT TO SEM. I 2009
(amounts are expressed in RON, unless otherwise specified)

Cash Flow Statement by Indirect Method

CASH FLOWS FROM EXPLOITATION ACTIVITIES	December-08	June-09
Net profit/(loss) before taxation	10,289,810	3,270,903
Adjustments for:		
Amortization	2,289,699	977,747
Revenues from sales of fixed assets	(4,831,534)	(335,867)
Expenses regarding assigned assets	1,878,630	140,496
Revenues from currency exchange rate differences	(3,967,663)	-
Expenses from currency exchange rate differences	20,394,422	-
Revenues from interests	(16,850,203)	(3,778,471)
Expenses with interests	15,326,608	4,517,529
Provisions increase/decrease	(139,470)	5,169,453
Adjustments of non-cash elements	14,100,489	6,690,887
Decrease/increase of commercial receivables and of other nature	(12,054,391)	13,635,661
Decrease/increase of stocks	(42,413,412)	(10,529,335)
Increase/decrease of debts to suppliers and of other nature	(3,470,775)	(7,684,599)
Modification of operational assets and liabilities	(57,938,578)	(4,578,273)
Paid interest	(15,176,586)	(6,237,399)
Paid tax on profit	(1,843,824)	-
Paid dividends/Profit distributed to employees	(11,266)	-
Net cash coming from exploitation activity	(50,579,955)	(853,881)
CASH FLOWS FROM INVESTMENT ACTIVITIES	December-08	June-09
Acquisitions of branches	(45,444,108)	-
Loans granted to affiliate entities	(782,339)	535,781
Acquisitions of fixed assets	(21,606,009)	(7,672)
Collections from the sale of fixed assets	4,831,534	335,867
Collected interests	13,128,228	3,778,471
Net cash coming from investment activity	(49,872,694)	4,642,446
CASH FLOWS FROM FINANCING ACTIVITIES	December-08	June-09
Medium-term loan variation	6,142,398	(54,630,740)
Acquisitions of own shares	(2,852,670)	-
Payment of financial leasing-related obligations	(1,147,083)	(380,224)
Net cash coming from financing activity	2,142,645	(55,010,964)
Net cash increase	(98,310,004)	(51,222,399)
Cash at the beginning of the period	165,756,314	67,446,310
Cash at the end of the period	67,446,310	16,223,911

The money availabilities decreased by about 76%, from 67.44 mil. RON in 2008 to 16.22 mil. RON in June 2009 due to the integral reimbursement of the secured loan and to the reimbursements of banking loans.

In order to continue the activity of the company's projects development, IMPACT will use mixed financing sources:

(amounts are expressed in RON, unless otherwise specified)

* The sources attracted by the share issue that took place in September 2007 will be used for the beginning of the „Dealul Lomb” Project in Cluj-Napoca, and for the continuation of the Greenfield Project;
* Contracting of some loans from banks, in order to facilitate the financing activity of the clients that desire to pay in installments;
* Refinancing;
* Partnerships with financers that will be attracted in the projects Greenfield in Bucharest, Dealul Lomb in Cluj-Napoca and Construdava II Hotel in Pipera.

NOTES TO THE FINANCIAL STATEMENTS as at 30th of June 2009

Note 1 - Fixed Assets

Variation of gross value, of amortization and of net accounting value, as at 30th of June 2009, by each category of fixed assets, presents as follows:

Intangible Assets

Description	Intangible assets (software licences)
01.01.2009	**1,261,754**
Inputs	84,952
Outputs/Transfer	82,518
30.06.2009	**1,264,188**
Amortization	
01.01.2009	**841,552**
Inputs	96,458
Outputs/Transfer	-
30.06.2009	**938,010**
Net value	
01.01.2009	**420,202**
30.06.2009	**326,178**

(amounts are expressed in RON, unless otherwise specified)

Tangible Assets

Description	Lands	Buildings	Techn. inst., means of transp.	Furniture, appl. and birotics	Advances and fixed assets in course	Total
COST						
As at 01.01.2009	11,490,706	9,079,938	8,989,704	783,512	51,754,141	82,098,001
Inputs	398,551	12,209,901	14,840	17,714	9,136,140	21,777,146
Outputs/Transfer	0	40,564	463,678	3,989	12,195,124	12,703,355
As at 30.06.2009	11,889,257	21,249,275	8,540,866	797,238	48,695,157	91,171,792
AMORTIZATION						
As at 01.01.2009	-	2,013,872	5,804,898	374,035	-	8,192,805
Inputs		305,025	523,768	52,496	-	881,288
Outputs/Transfer	-	19,173	319,828	3,158	-	342,159
As at 30.06.2009	-	2,299,724	6,008,837	423,373	-	8,731,934
NET VALUE						
As at 01.01.2009	11,490,706	7,066,066	3,184,806	409,477	51,754,141	73,905,196
As at 30.06.2009	11,889,257	18,949,551	2,532,028	373,865	48,695,157	82,439,858

Fixed assets are registered in accounting with a reevaluated cost or value and are amortizated from the moment of their commissioning on their normal functioning duration, according to the «Catalogue regarding the classification and the normal functioning durations of fixed assets». There was taken into consideration the minimal normal functioning duration provided for.

The amortization accounting method used is the linear method.

Fixed assets in course of realization are amortizated beginning with the moment of their commissioning, a moment that coincides with that of their transfer in the category of fixed assets. Lands are not amortizated.

In order to be reflected in the accounting balance, the historical cost, less accrued amortization, was reassessed 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 normative acts and as at 31.12.2006 as well.

The latest reassessment (as of 31.12.2006) had as its object the tangible assets, fixed assets of type „buildings" being in the balance as at 31.12.2006, in the patrimony of Impact and was performed by the company ABC Expert Evalcons SRL. Reassessment was made based on the fair value. Following reassessment, the accounting net value of the assets increased by

2,256,024 RON. This reassessment took place taking into consideration the provisions of point 110, paragraph 2 of OMFP 1752/2005.

Beginning from the year 2009, the management of Impact made the decision to conclude with different clients lease contracts for the dwelling units. Thus, during the first semester of the year 2009 there was concluded a number of 41 lease contracts. According to OMFP 1752, these apartments were registered in the tangible assets accounts, the balance of the buildings account increasing by about 12 million lei. The land afferent to these apartments was also registered in the tangible assets accounts, the balance of the 211 account increasing by 398,551 RON.

Financial Assets

Participation Stakes Held to Other Companies

No.	Denomination of company	Registered office	Val. of share capital	Net result of the accounting period 30.06.2009	Value of IMPACT investment 31.12.2008	Value of IMPACT investment 30.06.2009	Participation percentage of IMPACT 30.06.2009
1	Actual Invest House SRL	Voluntari, 50, Drumul Bisericii st., bl. build. A, fl. P	5,000	-56,903	4,950	4,950	99.00%
2	Bipact 1995 SRL	Voluntari, 4C, Pipera Tunari Road, fl. 6	1,550	679,918	975	975	63.00%
3	BIZ-AR SRL	Bucharest, 1st district, 145, Pădurea Pustnicu st., ap. 6	200	-3,358	190	190	95.00%
4	Hobbit Intermediere Asigurări SRL	Voluntari, 4C, Pipera Tunari Road	25,000	13,479	94,602	94,602	95.00%
5	Imobilia Credit SA	Voluntari, 4C, Pipera Tunari Road	92,500	-150,093	64,750	64,750	70.00%
6	Intop Construction SRL	Bucharest, 1st district, 13, Intrarea Poiana st., ap. 4	2,010,200	-4,859	2,010,000	2,010,000	90.00%
7	LOMB SA	Cluj-Napoca, 22 Nasaud st., ap. 71	92,744,954	1,723,983	45,445,028	45,445,028	49.00%
8	Prest RV 2003 SRL	Bucharest, 1st district, 145, Pădurea Pustnicu st.	200	-3,131	190	190	95.00%
9	Topo Prest SRL	Bucharest, 1st district, 145, Pădurea Pustnicu st.	200	-3,085	190	190	95.00%

(amounts are expressed in RON, unless otherwise specified)

TOTAL				47,620,875	47,620,875	

The companies BIZ-AR, Prest RV and Topo Prest, whose shares were purchased in the year 2008, will be used as investment vehicles in the bew projects that will start especially in the Greenfield II area.

S.C. LOMB S.A. is a trade share company having as its shareholders the Local Council of the Municipality Cluj-Napoca (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%). The share capital is subscribed according to the Articles of Incorporation of SC LOMB SA:

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

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

The purpose of this company’s establishment is that of developing a residential district in Cluj-Napoca. The concept of the project regards the development of an urban environment, inspired by the European urban poles, where the local specific naturally combines with the contemporary dwelling standards, including with respect to the natural environment. There will be taken into account the university brand of Cluj as well and the newer trends in the city development, such as the one of Cluj seen also as a financial-banking center. The buildings dedicated to dwelling will be well balanced with the buildings dedicated to public functions, to businesses, trade, to spaces intended for entertainment and recreation and will have an adequate distrbution in the allotted surface of 267 ha.

Fixed Receivables

Company	Loan balance as at 31.12.2008	Loan balance as at 30.06.2009
Actual Invest House	1,914,500	1,302,884
Imobilia Credit	727,548	732,549
Bipact	0	53,834
Intop Construction	1,123,338	1,123,338
Investimob Development	10,365	27,365
TOTAL	3,775,751	3,239,970

(amounts are expressed in RON, unless otherwise specified)

In the first semester of the year 2009 the loans granted to the affiliate entities decreased by about 15% especially due to the compensations of the granted loans with other payment obligations.

Note 2 - Provisions

In the first semester of the year 2009 there was constituted a provision for the exchange rate differences afferent to this semester, but non-accomplished, with a value of 4.5 million RON, representing an estimated net value taking into account an average exchange rate of 4.3 RON/EUR.

Provisions	Balance as at 31.12.2008	Balance as at 30.06.2009
Provisions for guarantees granted to clients	1,023,500	1,092,630
Provisions for deferred taxes	161,822	120,515
Other provisions for risks and expenses	57,444	4,665,122
TOTAL	1,242,765	5,878,267

Note 4 – Analysis of the Exploitation Result

Indicator	30.06.2008	30.06.2009
Turnover	77,617,938	29,601,421
Cost of sold goods and of supplied services	62,443,865	23,814,432
Direct production expenses	49,478,084	18,869,628
Indirect production expenses	12,965,781	4,944,805
Gross result afferent to net turnover	15,174,073	5,786,989
Sell-out expenses	3,676,800	972,131
General administration expenses	1,273,789	983,939
Other exploitation expenses	34,608,688	13,587,046
Other exploitation revenues	41,923,371	14,153,137
Exploitation result	17,638,166	4,397,010

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

(amounts are expressed in RON, unless otherwise specified)

Note 5 – Receivables and Debts Statement

Receivables

In the presented period there was handed over a number of 93 apartments with a total value of the contracts of 37.6 million RON. There was terminated a number of 80 contracts with British citizens, their total value being of 26 million RON. There must be specified that, according to the contract, the entire amount of the collected advance is retained as penalties, that is approximately 9 million RON.

The detailed statement of receivables as at 30th of June 2009 is presented below:

Denomination of receivable	Balance as at 31.12.2008	Balance as at 30.06.2009, of which	Liquidity term	
			under 1 year	over 1 year
Clients	99,239,714	88,030,985	66,023,238	22,007,746
Provision for deprec. of clients' receivables	1,930,234	2,464,185	0	2,464,185
Clients, invoices to be drafted	914,241	41,151	41,151	0
Advances granted for services st.	1,959,608	2,329,791	2,329,791	0
Granted guarantees	48,203	45,443	45,443	0
Different debtors	4,738,660	5,291,863	4,180,572	1,111,291
Provision for deprec. of deb. receivables	899,196	899,196	0	899,196
Other receivables*	6,452,612	2,691,585	2,691,585	0
TOTAL	110,523,608	95,067,437	75,311,781	19,755,657

Other receivables*	**Value**
Operations in course of clearance	**-1,230**
Setting ups between branches	14,955
Amounts to be recovered from the budget	2,677,860
TOTAL	**2,691,585**

The receivables registered in the „Clients – invoices to be drafted" accounts represent the countervalue of the invoices for utilities that were invoiced to the clients in July 2009 but with relation to June.

In the different debtors account there is registered the payment of an amount of 1,684,853 RON representing the stamp tax in the file 24403/3/2007 to TMB in the lawsuit with SN Institutul Pasteur. This tax follows to be recovered, on this purpose being on roll another lawsuit to the Bucharest Court of Appeal.

(amounts are expressed in RON, unless otherwise specified)

The amounts to be recovered from the budget represent VAT to be recovered and tax on profit paid in plus, with a value of 1.2 mil. RON each.

Debts

According to OMF 1752, the total debts decreased by about 30%, from 244 mil. RON in 2008 to 174 mil. RON as at 30.06.2009, on the reporting date the amounts granted by the credit institutions having a weight of 83%.
There is noticed a decrease by about 65% of the advances collected from clients, due to the deliveries of the contracted buildings and to the sales from stock. The contracts are in term, not existing exceedings of the delivery date. In the mirror, also the commercial debts decreased by about 30%.

Denomination of debt	Balance as at 31.12.2008	Balance as at 30.06.2009, of which	Liquidity term	
			under 1 year	over 1 year
Loans from issues of debentures	36,073,824	0	0	0
Banking credits	164,506,798	144,287,287	19,161,609	125,125,678
Interests to be paid	55,835	0	0	0
Financial leasing**	964,406	584,182	410,554	173,629
Collected advances	12,024,410	4,206,906	4,206,906	0
Commercial debts*	21,825,675	15,472,856	15,472,856	0
*Other debts****	8,903,228	9,528,369	5,095,569	4,432,801
TOTAL	244,354,176	174,079,602	44,347,494	129,732,107

Commercial debts*	Value
Suppliers	12,880,606
Suppliers non-arrived invoices	2,592,250
TOTAL	15,472,856

The balance of the non-exigible VAT account refers to the value-added tax afferent to the installments that have not reached the due date for the credit contracts concluded until the date of 31st of December 2006. After this date, for the sale contracts with payment in installments there intervened the VAT exigibility on the delivery moment, according to the Fiscal Code art. 134.1 paragraph 3.

The guarantees of suppliers are retained according to the contract. Percentages differ between 5% and 10% of the value of works, and are returned after at least one year from the execution of works, according to the contractual terms.

(amounts are expressed in RON, unless otherwise specified)

Other debts	Balance as at 30.06.2009	Liquidity term	
		under 1 year	over 1 year
Guarantees of suppliers	5,735,216	1,433,804	4,301,412
Debts related to personnel	888,732	888,732	0
Non-exigible VAT	525,555	394,166	131,389
Dividends to be paid	46,398	46,398	0
Different creditors	2,332,468	2,332,468	0
Total	9,528,369	5,095,569	4,432,801

On the date of 2nd of February 2009, there was reimbursed integrally the secured loan:

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

Totally there was paid the amount of 38,737,920 RON, the equivalent of 9,138,168 EUR. In the reported period, the contracted credit with BCR was reimbursed integrally.

All the banking loans contracted by Impact have as a reference currency the Euro. The balance of credits in Euro decreased as at the 30th of June 2009 compared to the 31st of December 2008 by 12%.

The due date of the credit contract with number 301 with the dur date as at the 30th of August 2009 and of the contract with no. 2219 from Piraeus Bank was expanded by the contract with number 766, the final due date being 31.12.2010. Thus, the amount of 12 million EUR that on the date of 31.12.2008 was recorded as a credit with a short-term due date, as at 30.06.2009 becomes a credit with the due date over one year. The contracts with numbers 2331 and 195, also with the Piraeus Bank, were reimbursed integrally.

Leasing**		Balance as at 30.06.2009
MOTOR ACTIVE	EUR	60,582
	Equivalent RON	241,431
RCI LEASING	EUR	86,006
	Equivalent RON	342,751
TOTAL	EUR	146,588

(amounts are expressed in RON, unless otherwise specified)

	Equivalent RON	584,181

Banking credits		Balance 30.06.2009
BANC POST	EURO	2,391,060
	Equivalent RON	9,528,714
PIRAEUS	Euro	13,607,271
	Equivalent RON	54,227,695
BANCA ROMANEASCA	Euro	20,207,487
	Equivalent RON	80,530,877
TOTAL	Euro	36,205,818
	Equivalent RON	144,287,287

1. Piraeus Bank
Credit contract for working capital 2219/21.04.2005
Value: 800,000 EUR
Due date: 31.12.2009

Object: insurance of working capital for the covery of financial needs afferent to the unfolding of current activity.
Interest: EURIBOR at 1 month plus a margin of 3.75 percentual points per year.
Penalties: current interest + 6% p.y.

2. Piraeus Bank
Credit contract no. 301/30.08.2006
Value: 13,000,000 EUR
Due date: 31.12.2010
Object: entire financing of the infrastructure works related to the Lomb Project in Cluj-Napoca.
Interest: EURIBOR at 3 months plus a margin of 3.75 percentual points per year.
Penalties: Annual rate with 6 percentual points higher than the interest rate.
Reimbursement: reimbursement of the Facility will be made entirely on the due date.

3. Bancpost
Contract of credit facility on term no. 58/23.09.2005
Value:
„First subfacility” in an amount of up to 4,500,000 EUR;
„Second subfacility” in an amount of 4,600,000 EUR;
„Third subfacility” in an amount of 2,000,000 EUR;
„Third subfacility bis” in an amount of 5,000,000 EUR;
„Fourth subfacility” in an amount of 2,900,000 EUR. The unwithdrawn amounts from the „first subfacility” will supplement the „fourth subfacility”
„Fifth subfacility” in an amount of 2,000,000 EUR;

Validity: 7 years from the signing date of the credit contract
The interest will be calculated from the withdrawing date on the basis of the number of effective days reported to a 360-day year and is monthly due and payable, on the last day of the current month. The interest will accrue daily, being calculated on the basis of the following formula: (credit balance x interest rate provided for at the previous paragraph)/360 years
If the Borrower does not reimburse on the due date any part of the credit withdrawn from the Facility, the outstanding amount will draw the payment of an increased interest to a rate equal to the sum between the provided interest rate and a margin of 3%.
The reimbursement date of the last installment from the Facility cannot exceed 7 years from the date of contract signing, respectively the date of 30.10.2013.
On the 31.12.2008 there remained in the balance the second subfacility, intended for the financing of the „Europa” residential project. The other due subfacilities were integrally reimbursed on the 25.07.2007, totalling 12,795,602.33 EUR, for their payment being contracted other two credits with Banca Romaneasca.

4. Banca Romaneasca
Credit contract for investments 50070065/25.07.2007
Value: 7,993,203.91 EUR
Validity: 7 years, 25.07.2007 - 24.07.2014
Object:
a) Refinancing of some credit facilities being in balance to SC BANCPOST SA, credit facilities that had as their destination the financing of different real estate projects/ purchases of immovable goods or purchase of shares in companies that held such immovable goods.
b) Financing of the anticipated reimbursement commission charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility.
Interests:
a) Current interest rate: EURIBOR (1M) + 2.5% p.y.
b) Penalty interest rate: 2% + Current interest rate
Reimbursement: the credit facility will be reimbursed quarterly, in equal installments

5. Banca Romaneasca
Credit contract for investments 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 to SC BANCPOST SA, credits that had as an object the financing of the building works of the Project;
b) Financing of the anticipated reimbursement commission charged by Bancpost in case of credits that follow to be taken over from Bancpost by the present facility;
c) Financing / refinancing of the building costs afferent to the Project under construction;

(amounts are expressed in RON, unless otherwise specified)

d) The amount of 3,000,000 EUR of the total of the present credit facility may also be 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 hold such lands, but only with 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. Current interest is calculated according to the used balance of the credit facility, beginning with the date of first use and is paid until the entire reimbursement of the Facility.
a) Penalty interest rate: 2% + current interest rate
Reimbursement:

the credit facility will be reimbursed quarterly in equal installments after the finishing of the grace period. Also, the credit facility will be reimbursed pro-rata from the collections afferent to the sale of each apartment/villa that is a part of the project.
The ration that defines the pro-rata is the following:
Amount to be reimbursed = Value of credit facility * surface of the apartment/villa that was sold according to the sale-purchase contract signed by the Borrower with the final client / Total surface of the Project.

Encumbrance Statement

The total accounting value of the encumbered assets is of 202.4 million RON and is formed of lands and houses in different execution stages, as follows:

FIXED ASSETS, of which:	5,094,866
Lands	1,621,125
Buildings	3,473,741
STOCKS, of which:	185,034,203
Lands held for buildings	91,061,423
Buildings for sale	93,972,780
Total encumbered assets	190,129,069

Besides the above mentioned assets, the company also guaranteed the contracted credits with assets – lands and buildings with payment in installments handed over to the clients but for which there was not made the property transfer yet.

Note 6 – Accounting Principles, Policies and Methods

Bases of Financial Statements Drafting

Financial statements were drafted by the company, in accordance with the Order of the Minister of Finances number 1752/2005 for the aaproval of the accounting regulations compliant with the European directives, with the observance of the Accounting Law number 82/1991 with its subsequent modifications and the requirements to present the annual financial statements.

Accounting Principles

The financial statements for the first semester of the year 2009 were drafted in accordance with the following accounting principles:

The activity continuity principle. There must be presumed that the entity develops its activity based on the activity continuity principle.

This principle supposes that the entity normally continues its functioning without going into liquidation condition or the significant activity decrease. If the administrators of an entity found out some uncertainty elements related to certain events that may lead to its incapacity to continue its activity, these elements must be presented in the explanatory notes. In case the annual financial statements are not drafted based on the continuity principle, this information must be presented, together with explanations regarding the way of their drafting and the reasons that laid at the basis of the decision according to which the entity cannot continue its activity anymore.

The methods permanence principle. The assessment methods must be applied in a consistent way from an accounting period to another.

The prudence principle. Assessment must be made on a prudent basis, and especially:

a) there may be included only the profit realized until the balance day;

b) there must be taken into account all the debts appeared during the current accounting period or during a preceding accounting period, even if these become obvious only between the balance date and the date of its drafting;

c) there must be taken into account all the predictable debts and the potential losses appeared during the current accounting period or during a preceding accounting period, even if they become obvious only between the balance date and the date of its drafting;

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

The accounting period independence principle. There must be taken into account the revenues and the expenses afferent to the accounting period, irrespective of the collection or payment date of these revenues and expenses.

The principle of separate assessment of asset and liability elements. According to this principle, the components of the asset or debts elements must be assessed separately.

The intangibility principle. The opening balance for each accounting period must correspond to the ending balance of the preceding accounting period.

The non-compensation principle. Any compensation between the asset and debts elements or between the revenues and expenses elements is forbidden.
The eventual compensations between receivables and debts of the entity to the same economic agent may be performed, with compliance with the legal provisions, only after the registration into accounting of the revenues and expenses with their entire value.

The principle of economic prevalence over the juridical. The presentation of the values within the elements in the balance and the profit and loss account is made taking into account the economic fund of the transaction or of the reported operation, and not only their juridical form.

Accounting fundamentals
The interim financial statements, drafted by the company on the date of 30.06.2009, constituted of:
- The accounting balance
- The profit and loss account
- The ownership equity modifications
- The cash flow
- Accounting policies and explanatory notes

are compliant with the provisions of the Accounting Law no. 82/1991, of the OMFP no. 1752/2005 for the approval of the accounting regulations harmonized with the European directives.

Reporting Currency
Information is presented, in the financial statements, in Romanian lei. Taking into account the average rate of inflation during the first semester of the year 2009 of 6.44%, communicated by the National Institute of Statistics, not all the data is reflected in the real terms of the buying power of the leu as at 30th of June 2009.

Use of Estimations
As a result of the inherent uncertainties in the development of activities, many elements of the financial statements cannot be assessed precisely, but only

estimated. The estimation process involves reasonings based on the most credible recent information had available. There may be realized, for example, estimates for:

- uncertain clients
- moral wear of stocks
- fair value of assets and of financial debts etc.

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

An estimate may need a revision, if changes regarding the circumstances this estimate was based on take place or following some new information or subsequent experiences.

By its nature, the estimate revision is not related to previous periods and does not represent the correction of any errors. Thus, the company management proceeded to the revision of the respective elements and to their influence with the effects of some possible modifications of circumstances, of some events subsequent to the accounting period ending, or of some other information, if this was considered as significant.

The use of estimates led, for the company, to the constitution and registration of provisions for the depreciation of 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 recorded at the exchange rates, communicated for the transactions date. Receivables and debts in foreign currency are converted in lei at the end of every financial year, on the basis of the exchange rates communicated by the National Bank of Romania. The earnings and losses resulted following such operations are acknowledged in the profit and loss account. Whenever necessary, the company constitutes during the year provisions for the negative differences of exchange rates.

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 the buildings are delivered to the beneficiary. A part of the contracts concluded with the beneficiaries provides for 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 delivery, based on the minute for the delivery by work stage. Thus the company also acknowledges revenues along with the delivery of the work stages for buildings. 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 course, revenues are registered at the level of the costs distributed to each house in work and are reported to revenues from the stocked production.

Pensions and other benefits subsequent to retiring

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

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

Intangibe assets

The intangible assets purchased by Impact are presented by cost less the accrued amortization. The intangible assets registered by Impact represent informational programs. These are linearily amortizated for a period of 3 years.

Tangible assets

Own assets

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

Historic cost was reassessed in accordance with the Government Decisions: 983/1998 and 403/2000 and 1553/2003; retreating of the net accounting value of assets was made so as this would better reflect their value to be paid. The latest reassessment took place as at 31.12.2006 for certain groups of fixed assets existing in the patrimony.

Leasing contracts

The leasing contracts where the company undertakes the totality of the risks and benefits associated to the property are classified as financial leasing. The fixed assets that were purchased by financial leasing are presented to the minimum between the market value and the updated value of future payments, less the accrued depreciation and the value depreciations.

Subsequent maintenance and repairs expenses

The expenses with the repair or maintenance of fixed assets performed in order to restablish or to 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 of the technical performances improvement are capitalized and amortizated for the remaining amortization period of the respective fixed asset.

Amortization

Amortization is calculated in order to diminish cost using the linear amortization method on the functioning duration of fixed assets and of their components, that are accounted separately. The lands and fixed assets in course are not amortizated.

Stocks

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

According to the economic reality and Impact policy, the lands being intended for sale at their greatest extent, these are considered as raw materials. Due to their special character, the calculation method for the cost is the Weighted Average Cost (Costul Mediu Ponderat – CMP) and includes, besides the proper acquisition cost, other expenses as well, incurred by their bringing under the form intended for sale.

The stock of finished products is registered to production cost.

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

The production stocks in course of execution are put into evidence to production cost.

Provisions

Provisions are acknowledged in the balance when for Impact there appears a debts with uncertain exigibility or value and that can be acknowledged only at the moment when:

- there is a current obligation generated by a previous event;
- it is probable that an input of resources would be necessary in order to honour the respective obligation;
- there can be realized a credible estimate of the obligation value.

The provisions value was established in a differentiated way, depending on the probability of the failure to collect the respective receivables, as follows:

- advances granted to suppliers not closed for over 1 year -100%;
- provisions for guarantees – 0.5% of the building value;
- provisions for the depreciation of materials - 50% of the input value of stocks without circulation of over 3 months.

Taxes

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

Reserves from reassessment of fixed assets

The diminishing of reserves fro reassessment and their take over in the account named „Reserves representing the surplus realized of reassessment reserves" is made on the cassation or sale of reassessed fixed assets. In 2008 there was transferred to reserves the amount of 953,863 RON.

(amounts are expressed in RON, unless otherwise specified)

Affiliate companies

Companies are considered affiliate in case one of the parties, either by property, contractual rights, family relationships or of other nature, has the possibility to control in a direct way or to influence in a significant way 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 moved its registered office from Bucharest, 1st district, in Ilfov, town of Voluntari in the Construdava Office Building. On the same date the company changes its denomination. The new identification data of the company are:

Denomination: IMPACT DEVELOPER & CONTRACTOR SA
Address: Voluntari, 4C, Pipera-Tunari Road, Construdava Business Center, fl. 6,7, Ilfov county
Tel.: 021- 230.75.70/71/72, fax: 021- 230.75.81/82/83
Registered with O.R.C. from T.M.B. under no. J 23/1927/2006
C.I.F. R01553483

The subscribed and paid up share capital of the company as at 30th of June 2009 is of 200,000,000 RON. The nominal value of one share is of 1 RON.

The shareholding structure on the date of 30th of June 2009, according to the statement of Depozitarul Central was the following:

Shareholder	Holding
Popp Ioan Dan	28.06%
Sandulescu Carmen Daniela	11.55%
Artio International Equity Fund	8.45%
Other natural persons	28.31%
Other legal entities	23.63%
Total	100.00%

The company Impact Developer & Contractor SA has been listed to the Bucharest Stock Exchange since the year 1996, and beginning with the year 2006 its shares, at present in a number of 200 million, are quoted in the 1st category. With a stock market capitalization of 19.5 mil. EUR and a weight of 1.39% in the BET index at the middle of the year 2009, IMPACT is the only real estate developer listed in the 1st category of BVB.

39.61% of the company shares are held by the company management.

(amounts are expressed in RON, unless otherwise specified)

Among the shareholders that hold over 5% of the firm shares are numbered: Dan Ioan Popp with 28.06%, Carmen Sandulescu with 11.55% shares, Atrio International Equity (known as Julius Baer Fund) with 8.45% of the shares.

In the 1st semester of the year 2009, 62% of the shareholders were Romanian natural persons investors, 13% Romanian legal entities, 1% foreign natural persons and 24% foreign legal entities.

Evolution of share capital

Date	Explanation	Total number of shares
31 Dec.08	Initial balance	2,000,000,000
30 June 09	Final balance	200,000,000

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

Note 8 – Information regarding Employees, Administrators and Directors

Structure of personnel expenses

The number of personnel varied from 155 at the end of the last year to 87 in June 2009. This variation took place due to the difficult economic context in the current period. At present approximately 15% of the personnel is productive, the rest being technical, economic and administrative personnel.

Description	30.06.2008	30.06.2009
Indemnifications for the Board of Directors	45,912	40,812
Salaries for directly productive employees	636,969	281,578
Salaries for TESA	1,655,356	1,170,375
Exp. with insurances and social protection	633,212	396,110
TOTAL	2,971,449	1,888,875

Company management

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

(amounts are expressed in RON, unless otherwise specified)

The members of the BoD have also the right, according to the Articles of Incorporation, to a percentage of 0.44% of the net profit. In the year 2009, related to the 2008 accounting period, the General Assembly of Shareholders made the decision not to distribute this percentage to the members of the BoD, these being a part of a plan of share rewarding.

Administrators

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

Executive management

Name	First name	Position	Citizenship
Sandulescu	Carmen Daniela	Executive Director (Economic Development)	Romanian
Nita	Liviu Marius	Executive Director (Juridical Organization)	Romanian

There are no litigations the company management is involved in.

Note 9 – Economic-Financial Indicators

PROFITABILITY AND RENTABILITY	30.06.2008	31.12.2008	30.06.2009
Efficiency of available equity			
Profit before interests and tax (A)	24,511,229	25,616,418	7,788,432
Available equity (B)	456,866,682	421,424,451	464,819,729
A/B	5.37%	6.08%	1.68%
Efficiency of ownership equity			
Net profit (A)	14,085,218	8,258,687	2,039,365
Ownership equity (B)	340,579,003	333,718,186	335,087,622
A/B	4.14%	2.47%	0.61%
Operational profit rate			
Profit before interests and tax (A)	24,511,229	25,616,418	7,788,432
Exploitation revenues (B)	119,541,309	233,600,410	43,754,558
A/B	20.50%	10.97%	17.80%
Net profit rate			
Net profit (A)	14,085,218	8,258,687	2,039,365
Total revenues (B)	129,557,643	254,418,276	50,233,574

(amounts are expressed in RON, unless otherwise specified)

A/B	10.87%	3.25%	4.06%

Total assets rate Profit before interests and tax (A) Total assets (B)	 24,511,229 603,843,571	 25,616,418 583,951,979	 7,788,432 521,242,975
A/B	4.06%	4.39%	1.49%
Indebtedness degree Loaned equity (A) Ownership equity (B)	 112,367,319 340,579,003	 86,336,874 333,718,186	 125,125,678 335,087,622
A/B	0.33	0.26	0.37

SOLVENCY			
Debt rate Total liabilities (A) Total assets (B)	 263,264,568 603,843,571	 250,233,793 583,951,979	 186,155,353 521,242,975
A/B	43.60%	42.85%	35.71%
Financial lever Ownership equity (A) Total assets less current net debts (B)	 340,579,003 456,866,682	 333,718,186 421,424,451	 335,087,622 464,819,729
A/B	74.55%	79.19%	72.09%
Interest covering rate Profit before interests and tax (A) Interest (B)	 24,511,229 7,465,583	 25,616,418 15,326,608	 7,788,432 4,517,529
A/B - times	3.28	1.67	1.72

LIQUIDITY AND WORKING CAPITAL			
Current liquidity indicator Current assets (A) Current liabilities (B)	 481,885,467 138,386,962	 455,856,563 156,647,911	 387,097,458 44,347,494
A/B	3.48	2.91	8.73
Immediate liquidity indicator Current assets (A) Stocks (B) Current liabilities (C)	 481,885,467 253,691,215 138,386,962	 455,856,563 277,886,645 156,647,911	 387,097,458 275,806,110 44,347,494

(A-B)/C	1.65	1.14	2.51

(amounts are expressed in RON, unless otherwise specified)

Debt return speed clients Commercial receivables (A) Net turnover (B)	 127,828,552 77,617,938	 100,231,532 151,688,180	 92,389,577 29,601,421
(A /B)* no of days in the period	296.44	237.88	561.80
Frozen assets return speed Net turnover (A) Frozen assets (B)	 77,617,938 118,998,283	 151,688,180 125,657,275	 29,601,421 133,562,130
A/B	0.65	1.21	0.22

Note 10 – Other Information

Stocks

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

Description	31.12.2008	30.06.2009
Lands	146,078,608	150,431,438
Advances for lands	5,037,017	5,037,017
Finished products - houses	7,834,370	17,329,548
Production and services in course of execution	116,476,158	101,048,624
Building materials	2,577,451	2,151,961
Provisions for materials depreciation	995,184	995,184
Finished prod., merchandises, packahes and inventory objects	562,187	454,368
Advances for purchase of building materials	316,038	348,339
TOTAL	277,886,645	275,806,110

Stocks maintained relatively constant. However, the structure was modified, a part of the production in course of execution being finished. At the end of June 2009 there was a number of 74 finished houses and apartments.

Among Impact (in the quality of executant) and MTS Leasing (in the quality of beneficiary) and a series of natural persons (in the quality of users) there intervened execution contracts for the execution of some buildings.

In accordance with the provisions of these contracts, payments followed to be made to Impact by MTS Leasing, on the date of physical stages' finishing, after signing the minutes for the acceptance of each stage. A part of the Impact beneficiaries, that initially had chosen the financing by MTS Leasing, paid to this financer an amount of money representing an advance. This advance should have been paid by MTS Leasing to Impact for the payment of the executed work stages. For some of these buildings this fact did not happen.

(amounts are expressed in RON, unless otherwise specified)

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

Following the termination of the execution contract with MTS Leasing and in accordance with the provisions of this contract, some of the users took over their contracts, finding other financing modalities. After the bankruptcy of the leasing company there appeared litigations between Impact and these clients. From among the six of them, two clients decided to continue the contract by own financing, the remaining four being in different phases of lawsuit. At present these buildings are registered in the stocks accounts of the company, their value being of 1,567,876 RON. There were not drafted any provisions for these amounts as the houses are in the property of Impact. The company does not register a loss at the moment of litigation finishing, as the amounts to be received are paid either by the present clients - in case Impact wins the litigations, or by the new clients following the sale to these - in case Impact loses the litigations.

Cash and Banking Accounts

Continuing the trend registered last year, cash availabilities decreased by 76%, from 67.44 mil. RON in 2008 to 16.22 mil. RON at prezent. The big cash outflows are mainly due to the secured loan and to a part of the banking credits.

Expenses in advance

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

Description	31.12.2008	30.06.2009
Other expenses in advance	38,196	29,599
Insurances (buildings and cars)	210,265	122,967
Insurances for professional liability	76,798.58	74,794
Commissions paid in advance	2,104,264	352,265
Taxes for rovignette	8,618	3,762
TOTAL	2,438,141	583,387

In the first quarter of the year 2009 there were handed over all the contracted apartments by the 27 English citizens, the company acknowledging in this quarter the entire revenue afferent to the contract and the cost of the apartment and the intermediation commission paid to the company MacAnthony Realty International Ireland Ltd and registered in the year 2008 in the expenses in advance account.

Revenues in advance

(amounts are expressed in RON, unless otherwise specified)

Revenues in advance are exclusively constituted of the interests afferent to the contracts with payment in installments. Their passing on revenues is made gradually, along with the payment of installments or with their due date, depending what comes first. The balance as at 30.06.2009 is of 6,197,485 RON, in increase compared to last year. This increase intervened due to the conclusion of 21 new contracts with payment in installments. This measure to resume the conclusion of contracts with payment in installments was taken in order to stimulate the sales, taking into account the current economic context.

Direct expenses – raw materials

In the first semester of the year 2009, due to the existing economic context, work was done only in order to finish the started assemblies. For this reason, the value of the building works compared to the preceding year is much diminished. The status of assemblies' finishing is detailed below:

Project	Rubin	Topaz	Onix	Blue	Quartz	Roua	Europa	Lotus	Boreal
Finishing degree as at 31.12.08	100%	100%	93%	88%	66%	99%	100%	98%	97%
Finishing degree as at 30.06.09	100%	100%	93%	96%	68%	100%	100%	99%	98%

Description	30.06.2008	30.06.2009
Expenses with lands	1,495,321	710,873
Exp. with raw materials and materials	4,354,918	1,122,924
Exp. with fuel	406,850	129,435
Exp. with spare parts	104,858	33,913
Exp. with other build. materials	66,419	279,239
Exp. with inventory objects	221,797	221,612
Exp. with unstocked materials	62,136	27,099
Exp. with packages	44,659	3,863
Exp. with power and water	2,042,579	2,508,782
Exp regarding merchandises	6,794,247	182,201
TOTAL	15,593,784	5,219,941

Other exploitation expenses

Description	30.06.2008	30.06.2009
Expenses with maintenance and repairs	847,765	42,142
Expenses with royalties and rents	2,251,259	1,485,005
Expenses with insurance premiums	543,561	401,591
Expenses with commissions and fees	848,388	1,614,779

(amounts are expressed in RON, unless otherwise specified)

Expenses for protocol, advertisement and publicity	1,786,219	282,685
Expenses with transport of goods and pers.	452,191	219,526
Expenses with translocations, assignments and transfers	40,538	2,930
Postal expenses and telecommunication charges	293,146	247,737
Expenses with banking and assimilated services	233,166	256,784
Expenses with services executed by thirds *	70,347,221	17,613,803
Expenses with other taxes and assimilated dues	1,274,200	3,632,109
Expenses with claims, fines, penalties	83,768	79,549
Expenses regarding assigned assets	1,654,722	140,496
Other exploitation expenses	523,103	82,397
TOTAL	81,179,247	26,101,532

Expenses with services performed by thirds*

Description	30.06.2008	30.06.2009
Expenses with subcontractors	54,492,725	10,447,584
Expenses for Havila consultancy	591,777	201,000
Expenses for consultancy	1,572,838	1,702,916
Expenses with guard and protection	685,801	591,496
Expenses with meal tickets	16,292	2,213
Expenses with HR	199,559	36,014
Expenses for IT services	207,370	224,792
Expenses with fees (notariate, cadastre, tabulations)	978,389	750,659
Expenses for design services	2,280,140	493,374
Other expenses with services*	658,338	71,234
Expenses of service supplies - suppliers	8,394,485	3,092,521
TOTAL	70,077,714	17,613,803

Financial result

Description	30.06.2008	30.06.2009
Expenses regarding interests	7,465,583	4,517,529
Expenses from currency exchange rate differences	3,143,271	3,087,594

(amounts are expressed in RON, unless otherwise specified)

Revenues from interests	9,206,570	3,778,471
Revenues from currency exchange rate differences	739,944	1,655,262
Revenues from dividends)	0	976,145
Other financial revenues	69,820	69,138
Profit/(loss)	-592,520	-1,126,107

SC Bipact 1955 SRL distributed all the undistributed profits for the previous years. The company Impact had to receive the amount of 976,138 RON, an amount that was compensated with the debts of Bipact to the company.

Due to the decrease of the owned cash, the revenues from the interests collected to deposits had the same trend as well, decreasing by more than 60% in comparison to the similar period of the preceding year.

Tax on profit

In the first six months of the year 2009 IMPACT registered a gross accounting profit of 3,270,903 RON and a net profit of 2,039,365 RON. Reconciliation between the fiscal result and the accounting one is presented below:

Tax on current profit

Explanation	Value
Accounting gross profit	3,270,903
Taxable revenues	50,298,153
Expenses afferent to taxable revenues	42,554,030
Taxable profit	7,744,123
Tax on profit – before the deduction of sponsorship expense	1,239,060
Owed tax on profit	1,231,538
Net profit	2,039,365

Tax on deferred profit

Deferred tax is generated by the temporary differences between the accounting basis and the fiscal one of the cashes with payment in installments sold until the year 2005 and of the accelerated amortization that was applied to certain fixed assets, according to the fiscal regulations in force until the year 2005. Thus, as the clients pay the installments or there intervenes the contract due date, the deferred tax becomes current. With the same respect, as there is registered the amortization of the fixed assets that took benefit of 20% accelerated amortization, the deferred tax becomes current. Under this situation, according to OMFP1752, there are registered revenues from the provisions for taxes.

(amounts are expressed in RON, unless otherwise specified)

Explanation	Value
Tax on deferred profit in balance as at 31.12.2008	161,822
Tax afferent to temporary differences afferent to houses with payment in installments	33,691
Tax afferent to temporary differences afferent to tangible assets	7,616
Tax on deferred profit in balance as at 30.06.2009	120,515
Revenue from tax on deferred profit	41,307

Auditors

Scot & Companv Consulting (SCC) is a company that acts in the field of professional accounting and financial audit services, supplied in accordance with the Romanian and International Accounting Standards and with the International Audit Standards.

SCC ensures to its clients fiscal consultancy and assistance and any other professional services that are specific to the field of activity.

The team of SCC is formed of professionals, accounting experts and financial auditors.

SCC has its registered office in Bucharest and was founded by Otilia and Dan Schwartz in the year 1994, by the merger of the clients of two small consultancy companies where these were associates.

SCC is a member of the the Body of Expert and Licensed Accountants of Romania (C.E.C.C.A.R.) since 1994 and of the Chamber of Auditors of Romania since its establishment in 1999.

SCC supplies services both to its permanent clients, and to some occasional clients, upon their request. The services of SCC are used both by big multinational companies, and by small and middle companies with domestic and foreign capital.

SCC has built and implemented specific professional procedures and its own behaviour code in business. Being a company where there are involved both accounting experts, and financial auditors, the codes regarding ethical and professional behaviour elaborated by the Chamner of Auditors of Romania and by C.E.C.C.A.R. on the basis of the IFAC Ethical Code, are basic elements in the development of the SCC activity.

Note 11 – Contingent Debts

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

Court	Number of file	Object	Position of Impact	Adverse party	Position of adverse party	Stage of lawsuit	Next term
High Court of	24403/3/	obligation to	respondent	Institutul	recurrent	Appeal	08/05/09

Cassation and Justice	2007	do	plaintiff	Pasteur	plaintiff		
Court of Law of 1st District	9122/299/2007	obligation to do, comminatory damages	plaintiff	Romsilva	defendant	First instance	15/06/09
Bucharest Court of Law	39469/3/2008	claims	plaintiff	Romconstruct	defendant	First instance	04/09/09
Bucharest Court of Appeal	3829/2/2009	cancellation of administrative act	plaintiff	Ministry of Agriculture	defendant	First instance	08/09/09
Bucharest Court of Law	44642/3/2008	return of execution	plaintiff	Nicoelectroservice	defendant	First instance	03/06/09
Mureş Court of Law	305/1371/2008	bankruptcy	plaintiff	Dafora Structuri	defendant	First instance	08/06/09
Court of Law of 1st District	20441/299/2008	claims (judgment expenses)	plaintiff	Stratos Leasing; MTS	defendant	First instance	12/06/09
Bucharest Court of Law	24225/3/2009	request in annullment OUG 119/2007-13659/3/2009 and suspension request	plaintiff	SC Summa România SA	defendant	First instance	12/08/09
Court of Law of 1st District	15616/299/2009	challenge to execution/suspension	challenger	SC Summa România SA	respondent	First instance	12/08/09
Bucharest Court of Law	25062/3/2009	Obligation to do-reduction of lease contract	plaintiff	SC Degi Construdava SRL	defendant	First instance	09/09/09
Bucharest Court of Law	17290/3/2009	OUG 119/2007	plaintiff	Sc Summa România SA	defendant	First instance	10/09/09
Bucharest Court of Law	8513/3/2006	claims (device clearing)	plaintiff	Bodogan Aurel and Constantin	defendants	First instance	17/09/09
Court of Law of Oradea	6609/271/2009	tabular performance	plaintiff	Mayoralty of Oradea	defendant	First instance	24/09/09
Court of Appeal Oradea	5070/111/2006	Appeal – contract termination	appealer - plaintiff	MTS Stratos, Dumbrava, MTS Leasing	respondents	Appeal	18/03/09
Court of Appeal Bucharest	42784/3/2007	declaratory action	appealer - plaintiff	Bodogan Aurel	respondent -	Appeal	22/04/09

(amounts are expressed in RON, unless otherwise specified)

					defendant		

Bucharest Court of Law	18687/3/2007	claims	defendant	Kondrasky Amoura Levia	plaintiff	First instance	30/04/09
Court of Appeal Bucharest	7224/3/06 (1294/08	contract termination	appealer plaintiff	Munart (+MTS)	appealer defendant	Appeal	30/04/09
Constanta Court of Law	6361/212/2006	contractual damages	defendant	Soare Maria	plaintiff	First instance	19/05/09
Bucharest Court of Law	13658/3/2009	summons for payment	debtor	Sc Summa România SA	creditor	First instance	20/05/09
Court of Law of 1st District	2409/299/2009	presidential ordinance – access prohibition	defendant	ROMSILVA	plaintiff	First instance	09/06/09
Buftea Court of Law	7685/94/2008	claims	defendant	Suciu Eugen	plaintiff	First instance	10/06/09
Bucharest Court of Law	11641/3/2008	claims	defendant	Georgescu Serban	plaintiff	First instance	26/06/09
Bucharest Court of Law	23136/3/2009	annullment of administrative act	defendant	CGMB/ Mayor of Bucharest	plaintiff	first instance	07/09/09
High Court of Cassation and Justice	4998/1/2009	Completion of device	Respondent	Visan Petre	claimant	FIRST INSTANCE	29/09/09
Bucharest Court of Law	21414/3/2009	procedure of insolvency	debitor	Sc Consberg SRL	creditor	First instance	05/11/09
Constanta Court of Law	4730/212/2009	civil fine (580&572 C.c.p.)	defendant	Visan Petre	plaintiff	First instance	07/07/09
Court of Appeal Bucharest	5696/3/2008	declaratory action	defendant	Institutul Pasteur	plaintiff	Appeal	22/09/09

Besides the significant litigations above presented, there are also 21 litigations filed for by Impact for the recovery of the expenses of maintenance utilities from badly paying clients. The value of the amounts to be recovered from these lawsuits is of 115,479.90 RON.

Note 12 Affiliate Parties

Nature of Relationships

In the year 2009, the company IMPACT SA has developed commercial relationships with a number of affiliate part-companies. The list of the affiliate parties with which Impact has developed commercial relationships is the following:

Denomination of company – affiliate party:	Number and date of contract	Type of purchased services/products
Bipact 1995 SRL	48/28.12.04	Client (materials)
	CC/04.08.05	Supplier (building services)
Imobilia Credit SA	J1111/15.04.05 J150/03.01.06 J1068/10.05.07	client, debtor
Hobbit Intermediere Asigurări SRL	G/05.01.05	Client (materials)
Finance Consulting 2001 SRL	258//01.12.04	Supplier (management services)
Actual Invest House SRL	158/20.04.07, 296/03.09.07	Client (building)
	J190/01.02.07	Supplier
	1883/10.05.07 J2971/26.06.07 12865/27.11.07	Debtor
Lomb SA	526/28.07.08; 527/28.07.08; 529/28.07.08; 553/08.08.08; 746/24.10.08; 748/28.10.08	Client: consultancy, marketing, design, project management
Havila Trading SRL	FN/22.05.03	Supplier (management services)
Intop Construction SRL	1/12.09.05	Client
	1681/20.10.05; 153/01.07.07	Supplier

The prices of the contracts concluded with the companies affiliate parties are established in market conditions. In the year 2009, the company developed transactions with the affiliate parties as follows:

Sales to:	30.06.2008	30.06.2009
ACTUAL INVEST HOUSE	5,680,126	-469,204
BIPACT 1995 SRL	8,164	1,617
FINANCE CONSULTING 2001	22,987	2,039

IMPACT DEVELOPER & CONTRACTOR SA
NOTES TO THE INTERIM FINANCIAL STATEMENTS AFFERENT TO SEM. I 2009
(amounts are expressed in RON, unless otherwise specified)

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HAVILA TRADING	967	1,066
HOBBIT INTERMEDIERE ASIGURĂRI SRL	7,900	15,061
IMOBILIA CREDIT	4,409	0
LOMB	0	4,328,447
Total	5,724,553	3,933,026

Purchases from:	30.06.2008	30.06.2009
ACTUAL INVEST HOUSE	3,825,850	269,752
BIPACT 1995 SRL	1,677,330	684,918
FINANCE CONSULTING 2001	79,730	69,972
HAVILA TRADING	705,065	239,190
IMOBILIA CREDIT	33,000	52,100
TOTAL	6,320,975	1,315,932

Following the transactions with the companies affiliate parties, there resulted the following balances as at 30th of June 2009:

Receivables from/Advances granted to:	31.12.2008	30.06.2009
ACTUAL INVEST HOUSE	18,772,650	17,654,204
HOBBIT INTERMEDIERE ASIGURĂRI SRL	39,928	51,354
IMOBILIA CREDIT	302,623	302,623
LOMB	975,070	430,634
TOTAL	20,090,271	18,438,814

Debts to/Advances received from:	31.12.2008	30.06.2009
ACTUAL INVEST HOUSE	611,616	254,305
BIPACTSRL	1,023,586	0
FINANCE CONSULTING 2001	31,892	27,608
HAVILA TRADING	558,775	39,865
IMOBILIA CREDIT	0	52,100
LOMB	0	315,000
TOTAL	2,225,869	688,878

In 2009 Impact has granted several loans to the controlled companies in order to sustain the circulating equity. The total value of the granted loans in the year 2009 is presented below. Due to the affiliation relationship, the loans granted to the affiliate companies have been granted in order to support and to develop their activities, for which reason there was made the decision not to charge any interest. In the contract there is not specified a certain date regarding the loan reimbursement, but as the availabilities exist.

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

Received/granted short-term credits	Date of contract	Credit currency	Val. of contract	val. used in previous years	val used in 2009	Loan balance
ACTUAL INVEST HOUSE						
	12.06.2008	RON	2,700,000	2,670,000		
	02.06.2008	RON	163,000	163,000		
	10.01.2008	RON	42,000	42,000		
	27.11.2007	RON	445,000	445,000		
	26.06.2007	RON	1,824,000	1,824,000		
	10.05.2007	RON	148,500	148,500		
TOTAL ACTUAL INVEST HOUSE			5,322,500	5,292,500		1,302,884
BIPACTSRL						
	23.03.2009	RON	100,000		30,000	
	12.02.2009	RON	44,000		44,000	
	30.01.2009	RON	145,000		145,000	
	15.12.2008	RON	191,000	141,000	50,000	
	24.11.2008	RON	180,000	180,000		
	06.11.2008	RON	138,000	138,000		
	25.09.2008	RON	140,000	140,000		
	23.09.2008	RON	180,000	180,000		
	21.08.2008	RON	130,000	130,000		
	05.08.2008	RON	130,000	130,000		
	15.07.2008	RON	175,000	175,000		
	25.03.2008	RON	100,000	100,000		
	19.03.2008	RON	150,000	150,000		
	12.03.2008	RON	150,000	150,000		
	07.03.2008	RON	150,000	150,000		

(amounts are expressed in RON, unless otherwise specified)

	05.03.2008	RON	100,000	100,000		
	27.02.2008	RON	100,000	100,000		
	15.02.2008	RON	150,000	150,000		
	05.02.2008	RON	150,000	150,000		
	27.09.2005	RON	2,324,800	2,324,800		
	02.03.2005	RON	902,600	902,600		
	01.12.2004	RON	1,211,100	1,211,100		

TOTAL BIPACTSRL			7,041,500	6,702,500	269,000	53,834
IMOBILIA CREDIT						
	24.10.2008	RON	30,000	24,456	5,000	
	21.10.2008	RON	20,000	20,000		
	15.09.2008	RON	30,000	30,000		
	13.08.2008	RON	25,000	25,000		
	30.06.2008	RON	11,000	11,000		
	07.01.2008	RON	72,000	72,000		
	10.05.2007	RON	200,000	200,000		
	03.01.2006	RON	300,000	300,000		
	15.04.2005	RON	150,000	150,000		
TOTAL IMOBIUA CREDIT			838,000	832,456	5,000	732,549
INTOP CONSTRUCTION						
	14.07.2008	RON	10,000	10,000		
	30.04.2008	RON	150,000	150,000		
	16.04.2008	RON	150,000	150,000		

(amounts are expressed in RON, unless otherwise specified)

	01.04.2008	RON	100,000	100,000		
	01.04.2008	RON	100,000	100,000		
	14.03.2008	RON	150,000	150,000		
	10.02.2008	RON	90,000	90,000		
	03.02.2008	RON	100,000	100,000		
	26.02.2008	EUR	163,935	163,935		
	10.01.2008	RON	140,000	140,000		
TOTAL INTOP CONSTRUCTION			1,153,935	1,153,935	0	1,123,338

According to the AGA decision no. 1 as of 05.05.2009 of SC Bipact 1955 SRL following which there were distributed all the undistributed profits from the previous years, the company Impact had to receive the amount of 976,138 RON, an amount that was entirely compensated with the debts of Bipact to the company.

Note 13 – Subsequent Events

Sale of Shares to Employees

The securities allotted to the lotalty program run by S.C. IMPACT DEVELOPER & CONTRACTOR S.A. are shares having the nominal value of 1 leu. The company's shares are transacted at the 1st category of the Bucharest Stock Exchange and were redeemed by the company, in order to allot the to employees and members of the management. Share allotment was performed according to the provisions in the contents of the offer prospect.

The date of offer closing was the date of 14.07.2009. Within the offer there was allotted a number of 118,000 shares, the selling price being of 0.057 lei/share. Within the offer there were sold 94,580 shares, being purchased by a number of 7 buyers. The total amount collected by the company in July is of 5,391.05 lei.

Imobilia Credit

In the third quarter of 2009 there will take place the voluntary liquidation of the company Imobilia Credit, a company where Impact holds 70% of the shares. Following the liquidation of Imobilia, Impact will register a loss of approximately 950,000 RON, a loss that will be registered in the company's accounts on the third quarter of 2009.

Banking Credits

In July 2009 there was contracted a new credit from Banca Transilvania, with a total value of 12,800,000 EUR. The intended use of the loan is for the financing the finishing of the projects being under construction. The annual interest rate will be modified on a quarterly basis, according to the official level of the ROBOR Index for 6 months valid on the first day of the month of the quarter. The guarantee is constituted by a number of 46 mortgages upon some apartments and houses being the property of Impact in Bucharest and Oradea and by a contract of real security guarantee upon the collections and the balance of the current account with a value of 15.984.000 lei. The total payment value of the real estates brought as a guarantee is of 16,516,436 lei.

No. of contract	Bank	Currency	Val. of contract	Balance as at 30.06.2009	Balance as at 31.07.2009
2219/21.04.2005	Piraeus Bank	EURO	800,000	800,000	800,000
301/30.08.2006	Piraeus Bank	EURO	13,000,000	12,807,270	12,807,270
58/23.09.2005	Bancpost Floreasca	EURO	21,000,000	2,391,060	2,391,060
50070065/25.07.2007	Banca Romaneasca	EURO	7,993,204	5,994,903	5,709,431
50070066/25.07.2007	Banca Romaneasca	EURO	22,306,796	14,212,584	13,558,346
15/21.07.2009	Banca Transilvania	EURO	12,800,000	0	990,073
TOTAL			77,900,000	36,205,817	36,256,180

General Director
Dan Ioan Popp
(illegible signature and stamp of Impact)

Chief Accountant
Florin Rosca
(illegible signature)