

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

SC IMPACT DEVELOPER & CONTRACTOR SA

Financial statements for the year ending December 31st, 2012

Prepared according to the International Financial Reporting Standards adopted by the European Union

IMPACT DEVELOPER & CONTRACTOR

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(the amounts are expressed in RON unless otherwise specified)

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(the amounts are expressed in RON unless otherwise specified)

Statement of Financial Position

As of December 31st , 2012

<i>Lei</i>	31.12.2012	31.12.2011	31.12.2010
ASSETS			
Nontangible Assets	49,163	108,562	163,816
Tangible Assets	20,784,144	21,256,671	20,588,724
Investment Property	230,508,536	262,617,086	289,805,405
Financial Assets	18,634,631	29,828,673	48,374,955
Total fixed assets	269,976,474	313,810,992	358,932,900
Inventories	114,167,133	158,578,876	172,553,467
Trade Receivables	42,872,401	51,052,788	75,672,409
Prepayments	154,748	218,690	332,684
Cash and Cash Equivalents	1,581,101	8,915,228	13,625,290
Total current assets	158,775,383	218,765,582	262,183,850
Total assets	428,751,857	532,576,574	621,116,750
EQUITY AND LIABILITIES			
Share Capital	205,330,158	205,330,158	207,463,584
Capital Paid in Excess to Par Value	84,041,878	84,041,878	84,336,381
Revaluation Surplus	9,134,318	8,602,018	8,878,289
Accumulated Result	27,615,033	102,507,499	147,570,621
Total Equity	326,121,387	400,481,553	448,248,875
LONG TERM LIABILITIES			
Long Term Borrowings	35,101,809	64,649,104	98,396,039
Deffered Income Tax	15,235,127	20,750,433	27,867,949
Total Long Term Liabilities	50,336,936	85,399,537	126,263,988
Trade and Other Payables	17,002,408	17,297,077	17,173,995
Short Term Borrowings	32,883,133	26,988,751	27,277,115
Provisions	2,407,993	2,409,656	2,152,777
Total Current Liabilities	52,293,534	46,695,484	46,603,887
Total Liabilities	102,630,470	132,095,021	172,867,875
Total Equity and Liabilities	428,751,857	532,576,574	621,116,750

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Individual financial statements, together with the notes to the financial statements presented in pages 9 to 76 were authorized to be presented on 11 April 2013 to the Executive Management and signed by:

President of the Board of Directors

Dimitrios Sophocleous

Chief Accountant

Lidia Varzaru

IMPACT DEVELOPER & CONTRACTOR

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(the amounts are expressed in RON unless otherwise specified)

Statement of Comprehensive Result

For the year ending 31 December 2012

<i>Lei</i>	31.12.2012	31.12.2011
Turnover	22,003,647	8,076,674
Other operating income	8,887,867	13,788,177
Change in inventory of finished goods and work in progress	(27,549,580)	(27,884,020)
The work performed by the entity and capitalized	6,284,781	24,647,083
Raw materials and consumables	(2,594,971)	(2,137,096)
Staff costs	(1,687,124)	(1,128,428)
Depreciation and amortization expenses	(7,307,299)	(1,682,190)
Profit/Loss from IAS 40	(37,220,889)	(34,718,145)
Other operating costs	(38,094,716)	(26,662,361)
Net finance cost	(3,335,603)	(4,455,726)
Profit before tax	(80,613,887)	(52,156,032)
Income tax	5,721,420	7,092,910
Net profit of the period	(74,892,467)	(45,063,122)

President of the Board of Directors

Dimitrios Sophocleous

Chief Accountant

Lidia Varzaru

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Statement of changes in equity

For the year ending 31 December 2012

	Share Capital	Capital Paid in Excess to Par Value	Revaluation Surplus	Accumulated Result	Effects from IFRS	T o t a l
Balance as of January 1, 2012	05,330,158	84,041,878	8,602,018	(39,807,710)	142,315,209	400,481,553
Net result of the period				(43,687,729)	(31,204,738)	(74,892,467)
						0
Revaluation reserves			2,037,915			2,037,915
Current and deferred income tax recognized based on equity			(206,114)			(206,114)
						0
Decrease in value of fixed assets, previously recognized as revaluation surplus			(1,299,500)			(1,299,500)
Balance as of December 31, 2012	205,330,158	84,041,878	9,134,319	(83,495,439)	111,110,471	326,121,387

For the year ending December 31, 2011

	Share Capital	Capital Paid in Excess to Par Value	Revaluation Surplus	Accumulated Result	Effects from IFRS	T o t a l
Balance as of January 1, 2011	207,463,584	84,336,381	8,878,289	(17,546,665)	165,117,286	448,248,875
Decrease of share capital	(2,133,426)					(2,133,426)
						0
Loss from redeemed shares		(294,503)				(294,503)

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(the amounts are expressed in RON unless otherwise specified)

Net result of the period				(22,261,045)	(22,802,077)	(45,063,122)
						0
Revaluation reserves		2,311,944				2,311,944
						0
Decreases in value of fixed assets, previously recognized as revaluation surplus			(2,588,215)			(2,588,215)
Balance as of						
December 31, 2011	205,330,158	84,041,878	8,602,018	(39,807,710)	142,315,209	400,481,553

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Cash Flow Statement

For the year ending at December 31, 2012

	31.12.2012	31.12.2011
Cash flows from operating activities		
Profit before income tax	(80,613,885)	(52,156,033)
Adjustments for:		
Effect of transition to IFRS	35,758,874	29,919,732
Amortisation	945,024	1,395,870
Loss / (profit) on disposals of non-current assets	(680,264)	250,568
Increase / (Decrease) in provisions for risks and charges	7,415,639	880,861
Increase / (Decrease) in allowances for bad debts	(414,736)	107,952
Increase / (Decrease) in allowances for inventories	14,673,699	(209,521)
Increase / (Decrease) in impairment for participations	0	0
Net interest expenses	3,368,930	4,464,774
Other finance (income)/expenses, net	2,648,630	1,516,002
Operating profit before working capital changes	(16,898,089)	(13,829,795)
Decrease / (Increase) in trade and other receivable	8,659,065	24,625,663
Decrease / (Increase) in inventories	29,738,043	14,184,113
Increase / (Decrease) in trade and other payable	(1,112,602)	(2,901,829)
Net cash from operating activities	37,284,506	35,907,947
Cash flows from investing activities		
Aquisition of other financial assets	4,594,673	18,519,282
Purchase of property, plant and equipment	2,024,425	2,254,259
Increase / (Decrease) of investment property	(5,112,339)	(7,529,826)
Proceeds from sale of non current assets	443,170	8,752
Net cash used in investing activities	1,949,929	13,252,467
Cash flows from financing activities		
Proceeds / (Payments) of long term loans	(26,301,543)	(35,575,907)
Interest (paid)/received, net	(3,368,930)	(4,464,774)
Net cash used in financing activities	(29,670,473)	(40,040,681)
Net increase/(decrease) in cash and cash equivalents	(7,334,127)	(4,710,062)
Cash and cash equivalents at beginning of period	8,915,228	13,625,290
Cash and cash equivalents at end of period	1,581,101	8,915,228

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

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1. The reporting entity

Impact Developer & Contractor S.A. is one of the first private companies active in this industry, having been founded in 1991 by public subscription. Initially, its main activities were the lease and maintenance of luxury villas in the Bucharest area. In 1995, Impact introduced the concept of the "residential compound" to the Romanian market and thereafter progressively evolved into a pure real estate developer. Since 1996, Impact has been the only local developer to be listed on the Bucharest Stock Exchange (BSE). In 2006, the company's shares were promoted to the first tier of the stock market, becoming the first company in the real estate development and building sector to do so.

Since 1995, Impact has expanded its activities nationally and developed over 2,500 dwellings as well as 25,000 sqm of office and retail space.

Impact completed 16 small and medium projects in the last 20 years. The company is currently involved in four developments, each with a distinct project time frame and at a different stage of completion. Its pipeline is dominated by one major project: the Greenfield residential project from Bucharest.

In 2012 there were signed 123 contracts, out of which 100 sales contracts and 23 lease contracts, with 45% more sales contracts than in 2011.

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

The real estate sector has registered a drop over the past few years especially due to the difficult access to funding sources, in the case of both real estate developers and buyers of finished products.

In 2012, the evolution of Romanian economy registered a slight growth of +0.3% (according to the National Institute for Statistics), growth determined mainly by the increase of the volume of activity and gross added value of information and communications (+29.4%) and professional, scientific and technical activities; activities of administrative and support services (+8.4%). The construction sector stagnated in 2012 as compared to 2011, whereas real estate transactions registered a slight growth of 1.5%. The greatest reductions of the activity volume were registered in agriculture, forestry and fishing (-21.2%), in industry (-2.1%) and in the financial brokerage and insurance sector (-0.2%).

Although globally the significant decreases registered over the past few years got stable, both investors and creditors remain cautious, and the funding activity remains very limited.

Regarding the company's strategy, in 2012 Impact had as goals: the sale of completed dwellings from Bucharest, Ploiesti, Oradea, Constanta; as well as offering land plots to individuals and legal entities, for the development of houses of small retail spaces. Following this activity, in 2012 there were sold land plots in total area of 5,500 sqm in Bucharest, Ploiesti and Constanta.

Company Organization

IMPACT Company is led by the General Shareholders' Meeting which, through the Managing Board chosen by the shareholders, takes the decisions regarding the company's strategy. The executive power is exercised by the General Manager of the company.

Mission

IMPACT DEVELOPER & CONTRACTOR

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

In order to draw respect and exceed the expectations of the real estate market, the corporation IMPACT promotes its values, abiding by them in any activity.

The Company's organisational culture has as a basis the following set of values:

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

Company History

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

Beginning with 2003 IMPACT has expanded, as well, in Constanta, Ploiesti and Oradea, and it developed more than 500 dwellings in these locations.

On going projects

The company is currently involved in four residential compounds, each one with a distinct project time frame and at a different stage of completion. Its pipeline is dominated by one major project: the Greenfield residential project from Bucharest.

Greenfield Project from Bucharest

Greenfield, one of the largest mixed-use development projects in Romania, is located in the northern area of Bucharest, bordered on two sides by Baneasa Forest and Tunari Forest. This provides a relaxed and unpolluted environment together with landscaped green areas. Greenfield is based on a "neighbourhood" concept, providing all types of facilities required by habitants of a modern city: residential neighbourhoods – flats, office buildings, shopping malls and commercial galleries, hotels, public facilities – schools, health care facilities, kindergarten, and leisure areas – tennis courts, playgrounds, parks.

The project was conceived in two phases, Greenfield 1 (phase 1) and Greenfield 2 (Phase 2 – which is divided in 7 subphases).

Greenfield I (phase 1) is located in the South-Eastern part of the project and is developed on 9 ha. It is a residential project and it comprises over 670 residential units divided in 5 compounds: Rubin, Topaz, Blue, Onix, Quartz.

Rubin, Topaz and Onix compounds were finalized in 2008; Blue compound in 2009 and the Quartz compound were finalized in May 2010. The dwellings from Quartz compound can be delivered either completely finished or without finishing depending on the client's choice.

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(the amounts are expressed in RON unless otherwise specified)

2. Bases of preparation

(a) Compliance statement

The financial statements are prepared in accordance with and complying with International Financial Reporting Standards adopted by the European Union ("IFRS"). The company prepared the current financial statements in order to comply with the Order nro. 881/2012 regarding the International Financial Reporting Standards adopted by the European Union by the authorized entities, regulated and supervised by the National Securities Commission, as amended and supplemented.

This set of financial statements represents the company's first financial statements according IFRS and IFRS 1 („First-time Adoption of IFRS") was applied. Detailing of the transition to IFRS with effects to the financial position and financial performance of the Company is shown in note 30.

Financial statements were approved by the Board of Directors in its meeting dated April 11, 2013.

The Company's accounting records are held in lei, according to the Romanian Accounting Regulation („RCR"). These accounts were restated to reflect the existing differences between the accounts in compliance with RCR and the once in compliance with IFRS. Correspondingly, the accounts according to RCR were adjusted, where necessary, to bring the financial statements, in all material aspects, with IFRS adopted by the European Union.

The most important changes brought to the financial statements prepared according to RCR in order to align with IFRS adopted by the European Union are:

- Grouping multiple items into more comprehensive;
- Adjustments to recognize receivables and liabilities regarding the deferred income, according to IAS 12 „Income tax"; and
- Disclosure requirements under the IFRS.

(b) Presentation of Financial Statements

The Company adopted a presentation based on the division of assets and liabilities in fixed/current in the financial statements and a presentation of the income and expenses according to their nature in the income statement, considering that these methods of presentation provide information that are reliable and more relevant than those that would have been presented based on other methods allowed by IAS 1 „Presentation of financial statements".

(c) Basis of measurement

IFRS 1 "First-time Adoption of International Financial Accounting Standards" requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy has to be restated in accordance to IAS 29 „Financial reporting in hyperinflationary economies". The retreatment of the financial statements according to IAS 29 requires the use of a general price index which reflects the changes of the purchasing power of the reporting currency.

It is known that Romania stopped to be a hyperinflationary economy during the year 2004. Thus, the company prepares financial statements based on the fair value of the non-monetary assets and liabilities, monetary items are not restated, they being already expressed in terms of existing monetary unit at the end of the reporting period, restating the equity items, except retained earnings and any other revaluation surplus, by applying a general price index from the dates on which the components were brought as contribution.

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(d) Functional and presentation currency

Company's Management considers the functional currency; the way it is defined by IAS21 „Effects of variation of exchange rate” is Romanian leu (RON or lei). Financial statements are presented in lei, rounded to closest lei, the currency that the company's management has chosen as presentation currency.

The operations expressed in foreign currency are registered in lei at the official exchange rate at the transactions settlement date. The monetary assets and liabilities in foreign currency at the balance sheet date are translated to the functional currency at the exchange rate of the day. Gains or losses from settlement of these and the conversion using the exchange rate at the end of the financial year of the monetary assets and liabilities in foreign currency are recognized in profit and loss.

Conversion differences on realty investments accounted for a fair value in the profit and loss statement are presented as gains or losses from fair value.

The exchange rates of main foreign currencies were:

Currency	Spot Rate 31 December 2012	Spot Rate 31 December 2011	Spot Rate 1 January 2011
EUR	4,4287	4,3197	4,2848
USD	3,3575	3,3393	3,2045

(e) Use of estimates and judgments

As a result of inherent uncertainties in the conduct of activities, many items in financial statements can not be evaluated precisely, only estimated. The estimation process involves judgments based on the latest information credible considered available. There were made estimates for: doubtful debts, inventory obsolescence, the fair value of financial assets and liabilities.

The use of reasonable estimates is an essential part of the financial statement and does not undermine their reliability.

Estimation may need revision if changes occur in their circumstances on which the estimate was based or as a result of new information or more experience.

By its nature, the revision of the estimate does not relate to the prior periods and it doesn't represent the correction of an error. Thus, the company's management proceeded to revise the value of these items and their influence with possible changes in circumstances, of some subsequent events to the closing exercise, or other informations, if they were considered significant.

Use of estimates by the company led to recording the provisions for impairment losses for risks and charges. The effect of such operations has been included in the balance sheet positions of these items and affected the profit and loss statement.

3. Significant accounting policies

The accounting policies presented bellow has been applied consistently to all periods presented in these financial statements.

Starting with 2012, the company prepares its financial statements in accordance with OMF 1286/2012 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market.

IMPACT DEVELOPER & CONTRACTOR

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(the amounts are expressed in RON unless otherwise specified)

(a) Tangible assets

(i) Recognition and evaluation

Tangible assets are evaluated at their initial cost. The cost of the assets built by the company comprises the cost of the raw materials, labor and a percentage from the indirect costs, reasonably allocated to the construction of tangible assets.

Tangible assets are clasified by the Company in the following assets classes of the same nature and similar uses:

- Land
- Buildings
- Equipment, plant and vehicles
- Transportation vehicles
- Furniture and other tangible assets

(ii) The evaluation after recognition

The buildings are presented in the balance sheet at their revaluated value, less the accumulated depreciation and the any impairment. The last evaluation of the buildings portfolio was made on December 31st, 2012.

When the result of the revaluation shows a decrease of the net accounting value of the tangible asset, this is treated as an expense with the entire amount of impairment, if there is not recorded in the revaluation reserve an amount for that asset or a decrease of the revaluation reserve with the minimum of the value of the reserve and the decrease value, and just the uncovered difference is recorded as an expense. The decrease of the revaluation reserves and taking them in the account „Reserves representing the surplus realized from revaluation reserves” is made when the revaluated tangible assets is disposed or sold.

(iii) Subsequent costs

Subsequent costs of the tangible assets are evaluated through the general recognition criteria of tangible assets described in chapter (i) Recognition.

Daily maintenance costs („costs of repairs and maintenance”) for tangible assets are not capitalized; they are recognized as costs of the period they are made. These costs are mainly labor costs and supplies, and they can include cost of small value components.

The repairs and maintenance costs of tangible assets are recorded in the profit and loss statement when they occur, the significant improvements brought to the tangible assets, that add value or their life, or which significantly increase the capacity to generate economic benefits of them, are capitalized.

(iv) Depreciation

Depreciation is calculated for asset's cost or other amount substituted for cost, minus residual value. Depreciation is recognized in profit and loss statement using the linear method for the estimated useful life of tangible assets from the date they are available for use, this method reflecting more accurate the expected pattern of consumption of the economic benefits embodied in the asset.

Estimated useful lives for the current and comparative periods are as follows:

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(the amounts are expressed in RON unless otherwise specified)

Buildings	40 ani
Equipments, plant	3-5 ani
Transportation vehicles	4 ani
Furniture and other tangible assets	3-12 ani
Land is not depreciated.	

The depreciation method, estimated duration of useful lives and the residual values are revised by the Company's management at each reporting date.

(v) Sales/Disposal of tangible assets

The accounting value of a tangible asset item is eliminated from the statement of financial position on disposal or when no longer expects any future economic benefit from its use or disposal.

Tangible assets which are retired or sold are eliminated from the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulted from such transactions are included in the current profit and loss statement.

(b) Non-tangible assets

(i) Recognition and evaluation

Non-tangible assets are evaluated at their initial cost. After the initial recognition, a non-tangible asset is accounted at cost minus the accumulated depreciation and any impairment from accumulated depreciation.

(ii) Subsequent expenditure

Subsequent expenditures are capitalized only when these increase the value of future economic benefits embodied in the asset to which they are intended. All other expenses are recognized in the profit and loss statement when incurred.

(iii) Depreciation of non-tangible assets

Depreciation is calculated for the asset cost or other amount substituted for cost, minus residual value. Depreciation is recognized in profit and loss statement using the linear method for the estimated useful life of the non-tangible asset, from the date they are available for use, this method reflecting more accurate the the expected pattern of consumption of the economic benefits embodied in the asset.

Estimated useful life for the current and comparative periods is as follows:

Software	3 ani
Other non-tangible assets	1- 5 ani

The depreciation methods, estimated duration of useful lives and the residual value are revised at the end of each fiscal year and they are adjusted accordingly.

(c) Impairment of assets

The accounting value of the Company's assets is revised at each reporting date in order to identify the existing impairment indicators. If there are such indicators, there is estimated the recoverable amount of these assets.

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An impairment loss is recognized when the accounting value of the asset or of its cash generating unit exceeds the recoverable amount of the asset or of its cash generating unit. A cash generating unit is the smallest identifiable cash generating independent from other assets or other groups of assets. Impairment losses are recognized in the statement of comprehensive result.

The recoverable value of an asset or of a cash generating unit is maximum between the use value and the fair value less costs to sell the asset or units. In assessing the net use value, the future cash inflows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date in order to determine whether decreased or no longer exist. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the accounting value of the asset doesn't exceed the accounting value that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(d) Financial assets

Financial assets comprise other loans and guarantees.

Financial assets are recognized in the balance sheet at the purchasing cost or other value determined by the contract for acquiring the asset. The purchasing cost includes the transaction cost as well. Financial assets are subsequently assessed at input value less the accumulated adjustment for impairments.

(e) Investment properties

Investment properties are real estate properties (land or buildings) held by the company rather with the purpose of leasing or to increase the value of the asset or both, than for:

- (i) To be used in the production of goods, provision of services or for administrative purposes;
- (ii) To be sold in the ordinary course of business.

Investment properties are assessed at their initial cost. The cost of the investment properties held by the company includes the cost of raw material, labor, and a percentage of indirect costs, reasonably allocated to the investment properties.

After the initial recognition of the real estate properties the company has chosen the fair value model, which involves evaluating real estate investments at fair value with variations in value in the income statement. Fair value is determined based on the valuation of an independent valuer. The fair value of investment property shall reflect the market conditions at the end of each reporting period.

Gains or losses on the disposal of the investment property are determined as a difference between net disposal proceeds and the accounting value of the asset and it is presented in income statement.

(f) Stocuri

Inventories are assets:

- (i) held to be sold in the ordinary course of activities;
- (ii) work in progress for sale in the same conditions as above ; or
- (iii) raw materials and other supplies to be used in manufacturing or services.

The cost of inventories shall comprise all the expenses with acquisition and processing, and other costs incurred in bringing the inventories in form and in the place where they are today.

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Cost of inventories subject to processing are determined by adding the direct costs with a share of indirect costs of production, fixed and variable costs incurred by transforming raw materials in finished goods.

Inventories of raw materials and supplies are stated at acquisition cost. The cost of inventories is calculated by the first-in first-out method (FIFO).

In accordance with the economic reality and the company's policy, due to the fact that most of the land is intended for sale, it is considered as raw materials. Because of their special character, the method used for calculating the cost is the weighted average cost (WAC) and includes beside the actual acquisition cost and other expenses incurred in bringing them into the form intended for sale.

The inventories of finished goods are registered at the production cost.

The inventories of work in progress are registered at the production cost.

When the inventories are sold, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period that takes place decrease of the accounting value or loss. The amount of any reversal of any write-down of inventories as a result of an increase in net realizable value shall be recognized as a decrease of the inventories value recognized as expense in the period in which the reversal occurs.

(g) Trade receivables

Trade receivables are carried at the invoiced value less the provision made for impairment of these receivables. The impairment for trade receivables is established when there are evidences that the company won't be able to collect all the amounts at the initial deadline.

(h) Cash and cash equivalents

Cash and cash equivalents are carried in balance sheet at cost. For cash-flow statement, cash and cash equivalents comprise cash in hand, bank accounts, short-term financial investments, cash advances, net of overdrafts. In balance sheet, overdrafts is shown as liabilities that have to be paid over a period of one year – amounts owed to credit institutions.

(i) Provisions

Provisions are recognized in the financial statements when the company acquires a liability related to a past event and it is possible as in the future to be necessary the consumption of economic resources in order to set off the liability and it can be made a reasonable estimation of the value of the obligation. In order to determine the provision, future cashflows are discounted using a pre-tax discount rate that reflects current market conditions and the risks specific to the liability. The value recognized as provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(j) Liabilities

Short and long term liabilities are initially recorded at the amounts received, net of costs related with obtaining the loan. At the end of the fiscal year the company has long term liabilities.

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The short term portion of the long term liabilities is clasified as „Liabilities: Amounts that must be paid over a period up to one year” and included together with the interest accrued on the balance sheet in „Amounts due to credit institutions” of the current liabilities.

(k) Accounting of leasing contracts in which the company is the locator

Financial Leasing contracts

Leasing contracts for tangible assets where the company takes the risks and benefits related to the properties are clasified as financial leasing contracts. Financial leasing is capitalized at the estimated updated value of the payments. Each payment is divided between principle element and interest in order to get a constant rate of the interest for the payment period. The amounts due are included in the long or short term liabilities. Interest element is included in the profit and loss statement for the contract period. The assets held due to the financial leasing contracts are capitalized and deprecieted during their lifetime.

Operational Leasing Contracts

Leasing contracts, where the most of the risks and benefits associated with the ownership are held by the locator, are clasified as operational leasing contracts. The payment made in such a contract (net by any facility offered by the locator) is recognized in profit and loss statement on a linear base over the contract period.

(l) Commercial liabilities

Commercial liabilities are registered at the amounts that will be paid for goods or services received.

(m) Employees' benefits

Retirement and other benefits after the retirement

In normal course of activity, the company makes payments to the social security, retirement fund and unemployment fund for employees' accordig to the statutory rates. All Company's employees are members of the retirement plan of the Romanian state. These expenses are recognised in the profit and loss statement at the same time with the salaries recognition.

Company doesn't operates any other retirement plan or other benefits after the retirement and, thus, doesn't have any other obligations related to pension funds.

(n) Taxes

Current income tax

Company recors accounting and fiscale losses, so it doesn't owe income tax.

Deferred income tax

Deferred income tax is determined using the balance sheet method for those temporary differences that arise between the tax base for computing tax assets and liabilities and their carrying value for financial reporting.

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Deferred income tax it is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities arising from transactions that are not business combination and that affects neither the accounting nor fiscal profit and the differences arising from investments in subsidiaries, with the condition that they will not reverse in the foreseeable future. Deferred income is determined using tax rates that are expected to be applied to the resumption of temporary differences according to the law in force at the reporting date.

Receivables and liabilities regarding the deferred income do not compensate.

The receivable regarding the deferred income is recognised only to the extent that it is probable that future taxable profit after offsetting tax loss of previous years and recoverable income tax.

Deferred tax assets are reduced to the extent that the related tax benefit is unlikely to be achieved.

(o) Income recognition

Income refers to the goods sold and services provided.

Revenue from sale of goods is recognized when the Company has transferred to the buyer the main risks and benefits associated with owning property.

Income and expenses are accounted for in the periods to which they relate on the basis of supporting documents. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue can be determined correctly.

The main income derived from operations is the ones from sale of houses / apartments built. Thus, the income related to the houses / apartments sold are recognized upon delivery of the building to the beneficiary. Part of the contracts closed with beneficiaries provides the execution of construction with the payment on construction stages. Starting with 2007, Company has chosen to recognize the revenue generated from such contracts upon delivery based on document sign at the delivery of the construction stage. Thus, the Company recognizes revenues on stages of completion. Aince 2008, because there is always a stock of completed apartments and houses, there wasn't concluded such contracts, the sales being made directly from the existing stock.

Regarding the work in progress, revenues are recorded at cost and distributed to every house that is under construction and they are reported as revenues from production.

In addition to revenues from sales of goods the company realizes income from rent and sale of land plots.

Service revenues are recognized in the period to which is relates.

Interest income is recognized periodically, on a pro rata, as the income is generated, based on accrual.

(p) Operating expenses

Operating expenses are recognized in the period to which is relates.

(q) Financial expenses

Financial expenses are recognized in the period to which is relates.

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

(r) Contingencies

A contingent liability is not recognized in the balance sheet, but it will be presented in the notes, which is why it is known as a non balance sheet item.

Contingent liabilities are continually assessed to determine whether it has become probable that an outflow of resources which embodies economic benefits. If it is considered necessary the outflow of resources, generated by an element which was previously considered contingent liability, it will be recognized, where appropriate, a liability or a provision in the financial statements for the period in which the change occurred framing event, except when no reliable estimate can be made.

(s) Related parties

Companies are considered related if one party, either through ownership, contractual rights, family relationship or otherwise, has the ability to directly control or significantly influence the other.

Fixed Assets

Variation of gross amount, of amortization and net book value as of December 31st, 2012, for each category of fixed assets, is presented as follows:

4. Nontangible assets

	Softwares	Other nontangible assets	Nontangible assets in progress	TOTAL
Gross value				
Balance as of 01.01.2011	1,296,718	6,300	70,927	1,373,945
Increases	113,564	3,883	0	117,447
Decreases	0	6,300	70,927	77,227
Balance as of 31.12.2011	1,410,282	3,883	0	1,414,165
Increases	0	0	0	0
Decreases	0	0	70,927	70,927
Balance as of 31.12.2012	1,410,282	3,883	-70,927	1,414,165
Depreciation				
Balance as of 01.01.2011	1,210,129	0	0	1,210,129
Increases	94,503	971	0	95,474
Decreases				0

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Balance as of 31.12.2011	1,304,632	971	0	1,305,603
				0
Increases	58,105	1,294	0	59,399
Decreases				0
Balance as of 31.12.2012	1,362,737	2,265	0	1,365,002
				0
Net accounting value				0
01.01.2011	86,589	6,300	70,927	163,816
31.12.2011	105,650	2,912	0	108,562
31.12.2012	47,545	1,618	70,927	49,163

5. Tangible assets

	Land and buildings	Equipment, plant, machinery	Furniture and other tangible assets	Tangible assets in progress	TOTAL
Gross value					
Balance as of					
01.01.2011	20,284,912	6,534,544	809,626	199,807	27,828,889
Increases	1,524,717	204,731	-	-	1,729,448
Revaluation surplus	68,505	-	-	-	68,505
Decreases	21,857	81,018	1,755	199,807	304,437
Balance as of					
31.12.2011	21,856,277	6,658,257	807,871	-	29,322,405
Increases	396,907	-	-	-	396,907
Revaluation surplus	781,550	-	-	-	781,550
Decreases	912,851	3,406,163	277,916	-	4,596,930
Balance as of					
31.12.2012	22,121,883	3,252,094	529,955	-	25,903,932
Depreciation					
Balance as of					

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

01.01.2011	1,422,408	5,235,274	582,483	-	7,240,165
Increases	694,533	504,906	100,957	-	1,300,396
Decreases	403,795	69,569	1,463	-	474,827
Balance as of 31.12.2011	1,713,146	5,670,611	681,977	-	8,065,734
	-				-
Increases	607,326	228,457	49,843	-	885,626
Decreases	265,754	3,299,197	266,621	-	3,831,572
Balance as of 31.12.2012	2,054,718	2,599,871	465,199	-	5,119,788
Net book value					
01.01.2011	18,862,504	1,299,270	227,143	199,807	20,588,724
31.12.2011	20,143,131	987,646	125,894	-	21,256,671
31.12.2012	20,067,165	652,223	64,756	-	20,784,144

Fixed assets are recorded at cost or revalued value and they are depreciated when they are put into use on normal operation, according to « Classification catalog and useful life of the fixed assets ». There was taken into consideration the minimum useful life. The accounting method used is straight-line depreciation.

Fixed assets in progress are depreciated since they are put in use, moment that coincides with the time of their transfer in the category of fixed assets. Land is not depreciated.

Since 2009 Impact's management has decided to sign lease contract of the dwellings with various clients. Thus, in previous years, 2009 and 2010 there were signed a number of 80 lease contracts. According to OMFP 3055, these apartments were recorded in fixed assets accounts, and the land related to these units was recorded in fixed assets accounts as well, in the account 211.

In 2011 there were signed 23 lease contracts in amount of 431.934 RON (building and related land).

Selling dwellings that are built with the purpose to be sold, which at the time of sale (finding a buyer) are recorded in accounting terms in the category of fixed assets (were rented for a period), are restored to inventories, and the income from sale will be accounted in an account from Group 70-« Net turnover », according to the Company's accounting principles and procedures.

This is based on the activity of the entity, the substance of the transaction is the sale of dwellings by a real estate developer.

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

In 2009 Impact has paid an advance of 195.000 EURO to an individual in order to purchase a land plot in Greenfield area. This amount was recorded in the account advances given for tangible assets. Given the changing economic conditions, in October 2012, Impact has negotiated with the land plot owner not to pay the remaining price and for the advance paid to receive shares to a company involved in the development of an office building. Until the date of the balance sheet, the shares transfer agreement has not be finalized, it will be finalized by the end of 2013. Information on behalf of the person and the company involved are subject to art. 226 line 3 Law 297/2004.

6. Investment property

	Book value	At fair value through retained earnings	At fair value through profit and loss account	TOTAL
Balance as of 01.01.2011	131,021,570	261,874,574	(103,090,739)	289,805,405
Increases	15,133,442	-	-	15,133,442
Decreases	(7,603,616)	-	(34,718,145)	(42,321,761)
Balance as of 31.12.2011	138,551,396	261,874,574	(137,808,884)	262,617,086
Increases	45,538,367	-	-	45,538,367
Decreases	(40,426,028)	-	(37,220,889)	(77,646,917)
Balance as of 31.12.2012	143,663,735	261,874,574	(175,029,773)	230,508,536

7. Financial assets

	31.12.2012	31.12.2011	31.12.2010
Shares in affiliated entities	25,233,970	29,828,647	48,374,955
Other financial assets	30	26	-
Impairment in value of shares	(6,599,369)	-	-
Net value	18,634,631	29,828,673	48,374,955

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Shares held in affiliated entities

Shares held in affiliated entities

Name of the company	Headquarters	Capital value 31.12.2012	IMPACT investment value 31.12.2011	IMPACT investment value 31.12.2012	Percentage of ownership IMPACT 31.12.2012
Actual Invest House SRL	Voluntari Str. Drumul Bisericii no.50 bl corp A, ground floor	8.105.000	504,950	504,950	6.23%
Clearline Development&Management SRL	Voluntari, sos Pipera Tunari no 4C, Construdava, ground floor	22.400.000	26,900,000	22,400,000	100.00%
Millenium Consult Invest 2002 SA	Bucuresti Sector 1 Str. Padurea Pustnicu no. 145	5,175,930	2,329,020	2,329,020	45.00%
Bipact 1995 SRL	Voluntari Str. Sos. Pipera Tunari no. 4C, 6 th floor	1,550	75	0	
Hobbit Broker de Asigurare Reasigurare SRL	Voluntari Str. Sos. Pipera Tunari no. 4C, 6 th floor	25,000	94,602	0	
			29,828,647	25,233,970	

Company SC Millenium Consult Invest 2002 SA is the holder of a project that involves the development and operation of a building support center that provides services to SMEs in Bucharest-Ilfov region. It's about Greenfield Support Center – Greenfield 2, co-financed by the European Regional Development Fund, the Regional Operational Programme. Impact holds 45% of the shares in Millenium, respectively 2,329,020 lei. Financing agreement for the project was signed on 03.27.2013.

S.C. LOMB S.A. was established in 2008 as a joint stock company that had as shareholders Cluj Napoca Council (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%). Impact subscribed in 2008 the amount of 45,445,027.51 RON to the share capital of Lomb SA Project Company. Impact currently owes 100% of the share capital of Clearline Development & Management SRL (formerly Lomb SA), in amount of 22,400,000 lei.

In 2012 was decided by the Board of Directors, the capital reduction of Actual Invest House from 11,005,000 to 8,105,000 lei and of Clearline Development& Management from 26.900.000 lei to 22.400.000 lei.

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(the amounts are expressed in RON unless otherwise specified)

For investments made by Clearline Development&Management SRL for Lomb project, the project company is in a litigation for the amount of 17,053,000 lei plus legal interest, the file which is currently judging at Arges Court, and it is being conducting expertise (Urban planning and CBuildings) placed in the file.

As of 31.12.2012 there were made impairments for the holdings in affiliated entities.

Long term receivables

Name of the company	Loan balance as of 31.12.2011	Loan balance as of 31.12.2012
Rot Apact	0	27,000
Intop Construction	1,128,838	1,128,838
Investimob	27,000	0
TOTAL	1,155,838	1,155,838

The long term receivables mentioned above are fully provisioned.

8. Inventories

Inventories structure is presented below:

	31.12.2012	31.12.2011	31.12.2010
Raw materials and consumables	32,960,781	75,494,517	76,667,074
Adjustments for impairment of raw materials and consumables	-1,062,212	-933,884	-978,074
Work in progress	48,112,846	39,884,522	40,722,984
Adjustments for work in progress	-945,506	0	0
Finished goods	48,824,118	44,144,256	56,275,825
Adjustments for finished goods	-13,837,470	-237,603	-402,934
Advances for inventories	114,576	227,068	268,592
Total	114,167,133	158,578,876	172,553,467

At the end of December of 2012 there were 188 completed houses and apartments and 108 in progress, respectively finalized without finishings.

The value of work in progress is represented dwellings in amount of 2,806,395 lei, infrastructure works in amount of 33,305,764 lei, services in progress of 2,809,459 lei. At 31.12.2012 there were recorded provisions for impairment of finished goods and work in progress inventories.

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

The investment in Lomb project is in amount of 4,008,222 lei and represents mainly the preparation of documents for zoning permit and roads infrastructure related to Lomb Hill project in Cluj. These were established by the framework agreement no. 55423/04.07.2007 concluded between Impact Developer&Contractor SA and City Council of Cluj-Napoca as a condition preliminary of the establishment of the company Clearline Development (formerly Lomb SA). For the work in progress related to this project was established provision.

9. Trade receivables and other receivables

The detailed receivables as of December 31st, 2012 are presented below:

Receivable	31.12.2012	31.12.2011	31.12.2010
Trade receivable	37,184,895	39,640,219	40,549,017
Adjustments for trade receivables	(3,145,663)	(2,984,162)	(1,477,788)
Receivables with affiliated entities	3,108,274	4,604,035	22,467,998
Adjustments for receivables for affiliated entities	(1,128,838)	(1,128,838)	(1,128,838)
Sundry debtors	4,465,898	4,784,665	10,060,869
Adjustments for sundry debtors	(2,092,827)	(1,851,131)	(2,627,965)
Claims receivable from State Budget	2,647,750	5,845,678	3,173,922
Accrued interest	693	129,747	30,169
Short term investments	0	0	2,427,929
Advances paid to suppliers	1,832,276	2,012,632	2,197,153
Other receivables	(57)	(57)	(57)
Total	42,872,401	51,052,788	75,672,409

Receivable	31.12.2012	Maturity	
		Less than 1 year	Over 1 year
Trade receivable	36,845,524	10,663,185	26,182,339
Adjustments for trade receivables	(3,145,663)	(910,363)	(2,235,300)
Receivables with affiliated entities	3,456,527	3,456,527	0
Adjustments for receivables for affiliated entities	(1,128,838)	(1,128,838)	0

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(the amounts are expressed in RON unless otherwise specified)

Sundry debtors	4,457,016	1,433,463	3,023,553
Adjustments for sundry debtors	(2,092,827)	(673,094)	(1,419,733)
Claims receivable from State Budget	2,647,750	2,647,750	0
Accrued interest	693	693	0
Short term investments	0	0	0
Advances paid to suppliers	1,832,276	1,832,276	0
Other receivables	(57)	(57)	0
Total	42,872,401	17,321,542	25,550,859

Contracts signed between Impact and the beneficiary can be paid in full or in installments to the developer.

Installment payments contracts may be concluded for:

- Dwellings purchased in Bucharest or Constanta over a period of maximum 6 years with a down payment of minimum 40%
- Land plots for a period of 2 years and a minimum down payment of 40%

In the sundry debtors accounts are registered utilities (energy, water, security, gas) reinvoiced to customers. As of 31.12.2012 the significant amount from the balance of sundry debtors account is made of the amount to be received from the share capital adjustment from Ia Clearline Development & Management and by the bail paid to various litigations.

There were registered provisions in amount of 6,367,328 lei for doubtful receivables.

10. Expenses in advance

The structure of the advance expenses is presented below:

Description	31.12.2012
Other expenses in advance	10,918.27
Other taxes	15,841.00
Insurance (buildings and cars)	31,596.25
Commissions paid in advance	96,392.28
Total	154,747.79

The amounts secured in advance are due in one year.

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

11. Cash and cash equivalents

	31.12.2012	31.12.2011	31.12.2010
Bank accounts	1,558,114	8,861,316	13,590,061
Cash on hand	22,987	53,912	35,229
Total	1,581,101	8,915,228	13,625,290

Below there are presented the main banks and current accounts:

BANK	CURRENCY	BANK ACCOUNT
Banca Romaneasca	RON	RO27BRMA0500053004600000
Banca Romaneasca	EUR	RO62BRMA0500053004695400
Banca Transilvania	RON	RO83BTRL05001202G09191XX
Banca Transilvania	EUR	RO58BTRL05004202G09191XX
Banca Comerciala Romana	RON	RO79RNCB0085005796390001
Banca Comerciala Romana	EUR	RO25RNCB0085005796390003
Piraeus Bank	RON	RO19PIRB4201702814001000
Piraeus Bank	EUR	RO82PIRB4201702814002000

12. Share capital

SC Impact SA was established in 1991, according to the Law 31/1990. As of 04.10.2006 the company changed its headquarter from Bucharest Sector 1 to Ilfov, Voluntary town in Construdava office building. At the same date the company changed its name as well. The identification of the company:

Name : IMPACT DEVELOPER & CONTRACTOR SA

Adress : Voluntari, Pipera-Tunari Street no. 4C, Construdava Building Center, 6th floor, Ilfov county

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

Registrered at the Commerce Registry Office attached to the Bucharest City Court with no. J 23/1927/2006

Unique Registration Code: RO1553483

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(the amounts are expressed in RON unless otherwise specified)

The subscribed and paid up share capital of the company as of December 31st, 2012 is of 197,886,574 RON. The nominal value of one share is 1 RON.

As of 31.12.2012, the share capital in amount of 205.330.158 lei, includes the effects of applying restatement approach under IAS 29 “financial reporting in the hyperinflationary economies”.

Reconciliation of share capital is as follows:

	31.12.2012	31.12.2011	31.12.2010
Nominal value of share capital	197,866,574	197,866,574	200,000,000
Effect of transition to IFRS	7,463,584	7,463,584	7,463,584
Share capital restated	205,330,158	205,330,158	207,463,584

The difference of 7.463.584 lei related to the share capital comes from the application of IAS 29 “Financial reporting in hyperinflationary economies”. Hyperinflation adjustment was recorded in the retained earnings as of applying for the first time the IAS 29.

Shareholders structure as of December 31st, 2012, was as follow:

Shareholder	Ownership – according to the Depozitarul Central statement
Popp Ioan Dan	16.52%
Andrici Adrian	10.70%
SALINK LIMITED	10.10%
Sandulescu Carmen Daniela	9.69%
Fondul de Pensii Administrat Privat ING/ING Pensii	7.04%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.15%
Other legal persons, out of which	18.18%
- foreign institutions	10.10%
Other individuals, out of which	21.62%
- foreign individuals	0.47%
Total	100.00%

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(the amounts are expressed in RON unless otherwise specified)

Company Impact Developer & Contractor SA is listed at the Bucharest Stock Exchange since 1996, and starting with 2006 its shares, currently in number of 197,866,574, are traded in the first tier.

13. Long term borrowings

	31.12.2012	31.12.2011	31.12.2010
Long and medium term borrowings	66,385,982	89,143,924	95,210,170
Other liabilities (financial leasing agreements)	3,197,920	4,970,506	6,354,522
Other long term liabilities (guarantees)	-1,598,960	-2,476,575	-3,168,653
Total	67,984,942	91,637,855	98,396,039

	31.12.2012	Maturity		
		Less than 1 year	Between 1 and 5 years	Over 5 years
Long and medium term bank loans	66,385,982	32,883,133	33,502,849	0
Other long term liabilities (guarantees)	-1,598,960		-1,598,960	0
Total	64,787,022	32,883,133	31,903,889	

The ongoing bank loans situation at the end of December 2012 is presented below:

At chapter subsequent events there appears the statement as of 31.03.2013 of the loans balance.

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.

IMPACT DEVELOPER & CONTRACTOR

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(the amounts are expressed in RON unless otherwise specified)

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 at 31.12.2012 is of: 7,613,084.95 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 land according to the situation below.

On December 31st, 2012 Impact D&C SA Impact D&C SA had an outstanding in amount of 569,094.33 EURO related to installments due on December 21st, 2012. For rescheduling the outstanding and remaining loan payments due to Piraeus Bank, starting with January 2013 there was initiated the process of restructuring the facility, a process that is under negotiation.

2. Piraeus Bank

Credit contract no. 10/11.01.2007 Value: 250,415.66 EURO Due date 07.11.2013

Object: issue of two security letters with a value of 250,415.66 EURO, with a maturity on 07.11.2013.

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

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

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

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/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	234081	287.00	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	234082	315.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by 273/05.05.2011; fourth	land	Constanta, Constanta county, P VN 269

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(the amounts are expressed in RON unless otherwise specified)

mortgage; fourth rank mortgage; fifth rank mortgage			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	234083	320.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234084	325.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234085	330.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234086	335.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234087	340.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234088	345.00	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;	234089	350.00	2044/08.07.2005; second rank by 129/23.01.2009; third rank by	land	Constanta, Constanta county, P VN 269

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

third rank 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	234090	355.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234091	360.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234092	391.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234093	382.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234094	391.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234095	390.00	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	234096	339.00	2044/08.07.2005; second rank by 129/23.01.2009;	land	Constanta, Constanta county, P VN 269

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(the amounts are expressed in RON unless otherwise specified)

rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage			third rank by 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	234097	378.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234098	458.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234099	398.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234100	384.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234101	384.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234102	377.00	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

IMPACT DEVELOPER & CONTRACTOR*Notes to the financial statements at December 2012**(the amounts are expressed in RON unless otherwise specified)*

first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234103	449.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234104	402.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234105	367.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234106	420.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234107	349.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234108	364.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234109	383.00	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

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234111	446.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234112	395.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234113	371.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234114	441.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234115	410.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234116	378.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234117	464.00	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

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first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234118	426.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234119	413.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234120	446.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234121	432.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234122	401.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234123	386.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234124	418.00	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

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first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234125	405.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234126	385.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234127	416.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234128	495.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234129	3,106.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234130	50.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234131	47.00	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

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(the amounts are expressed in RON unless otherwise specified)

first rank mortgage; second rank mortgage; third rank mortgage; fourth rank mortgage; fifth rank mortgage	234132	50.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234133	9,568.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	234134	11.00	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 mortgage; fourth rank mortgage; fifth rank mortgage	10250 Constanta	9,100.00	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 264
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. Banca Romaneasca

3.a Loan contract for investments 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:

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(the amounts are expressed in RON unless otherwise specified)

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.

3.b. Loan contract for investment 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 area of the Project.

As of 31.12.2012 the loan balance, representing the amount to be paid to Banca Romaneasca, was of 7,187,493.81 EUR.

Guarantees:

- Assignment of receivables from trade 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 guarantees letters;

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(the amounts are expressed in RON unless otherwise specified)

-
- Pledge on the current accounts;
 - 2 promissory notes issued without protest.

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

Type of receivable	Cadastral No.	Mortgage d 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 buildings	Padurea Neagra no.52-54
first rank mortgage; second rank mortgage	23574	4,144.60	2648/25.07.2007; 2049/09.07.2008	Land and buildings	Padurea Neagra no. 22-28
first rank mortgage; second rank mortgage	22705	11,438.24	2648/25.07.2007; 2049/09.07.2008	Land and buildings	Padurea Pustnicu no. 125-135
first rank mortgage; second rank mortgage	21763 / 16060	23,349.66	2648/25.07.2007; 2049/09.07.2008	Land and buildings	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

At the end of 2012 there were no outstanding amounts to the loan agreements with Banca Romaneasca.

Taking in consideration the necessity to reschedule this loan starting with year 2013, in January 2013 have started the negotiations for restructuring the loan until the end of 2017. On January 23rd there was received the rescheduling offer which was approved by the Board of Directors of Impact in the meeting from 12.03.2013 and

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

later approved by the EGMS from 29.03.2013. Until April 15 will be signed the Addendum for loan restructuring which provides:

- Extending the payment period until 31.12.2017
- The principal will be paid in 20 equal installments. The installments will be due quarterly, and in the last year there will be paid 5 installments, the last installment being due on 31.12.2017
- Interest rate increases to EURIBOR (1M) + 6% p.a.
- Borrower won't distribute or pay dividends without prior written consent of the bank.
-

6. Banca Transilvania

Credit contract no. 15/21.07.2009.

The overall ceiling value of operating according to AA/29/15/21.01.2012: 6,891,472.60 RON .

Date of maturity: 27.06.2013.

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

Interest: ROBOR at 6 months to which there is added the bank margin of 5.94%. 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%/year.

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 afferent to the drawings from this credit as at 31.12.2012 is of 838,659.21 RON.

For the purpose of fulfilling the obligations that derive from the loan contract, between Impact and Banca Transilvania there were signed a series of receivable assignment contracts by which Impact constitutes in favour 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:

Type of receivable	Cadastral No.	Mortgage d surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
first rank mortgage	20254/40/2;1;3	90.61	218/21.07.2009	Land and buildings	Padurea Neagra no.52-54
first rank mortgage	23574/1/1/6	22.01	218/21.07.2009	Land and buildings	Padurea Neagra no. 22-28
first rank mortgage	21763/1/2/7/2/1;2;9	21.77	218/21.07.2009	Land and buildings	Padurea Neagra no. 56-64 and Padurea Pustnicu no.145
first rank	21763/1/2/7/2/2;2;8	16.47	218/21.07.2009	Land and	Padurea Neagra no.

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(the amounts are expressed in RON unless otherwise specified)

Type of receivable	Cadastral No.	Mortgage d surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
mortgage				buildings	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 buildings	Padurea Neagra no. 56-64 and Padurea Pustnicu no.145
first rank mortgage	222043 (110022)	139.00	1956/30.07.2012	Land	Constanta, str. Brest nr.2, Constanta county
first rank mortgage	222044 (110023)	56.00	1956/30.07.2012	Land and buildings	Constanta, Brest Str. no.2, Constanta county
first rank mortgage	221909 (109920)	241.00	1956/30.07.2012	Land	Constanta, Brest Str. no.2, Constanta county
first rank mortgage	221910 (109921)	56.00	1956/30.07.2012	Land and buildings	Constanta, str. Brest nr.2, judetul Constanta

As of December 31st, 2012 there wasn't outstanding amount for this loan.

14. Information regarding employees, administrators and directors

Structure of personnel expenses

During 2012 the expenditures with indemnities of the Board of Directors have increased compared with the same period of last year, the indemnities being approved by decission no. 1/25.04.2012 and decission no. 5/20.12.2012.

Description	31.12.2011	31.12.2012
Indemnities of the Board of Directors	151,814	395,292
Salaries	759,533	927,820
Expenses with insurance and social security	217,081	364,012
TOTAL	1,128,428	1,687,124

Company's Management

The current members of the Board of Directors have been appointed through the GMS decision no. 1/25.04.2012, for a four year mandate.

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(the amounts are expressed in RON unless otherwise specified)

There was elected as President of the Board of Directors Mr. Sophocleous Dimitrios.

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 no. 1/25.04.2012, the members of the BoD have the right to monthly indemnifications with a value of 5,000 RON net, and the chairman of the Board of Directors Mr. Sophocleous Dimitrios has the right to the monthly indemnity with a gross value of 10,000 RON.

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 as of 31.12.2012

	Name	Position	Identification Data
1.	Sophocleous Dimitrious	Presedinte	7660403400011
2.	Gheorghiu – Milicin Stefan	Administrator	1730226163261
3.	Popp Ioan Dan	Administrator	1570411400459
4.	Ionescu Valeriu Nicolae	Administrator	1520411400095
5.	Neacsu Vlad-Nicolae	Administrator	1810630410031

Executive Management

Surname	Name	Position	Citizenship
Gheorghiu Milicin	Stefan	General Director	Romanian
Sandulescu	Carmen Daniela	Executive director (Economic)	Romanian

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

15. Trade payables and other payables

	31.12.2012	31.12.2011	31.12.2010
Various Suppliers	9,472,424	10,051,168	11,792,653
Suppliers of fixed assets	4,002	4,002	4,002
Dividends to be paid	46,367	46,367	46,367
Clients-creditors	559,313	726,681	498,116
Interest to be paid	206,358	47,559	722,829
Debts related to affiliated parties	26,868	42,361	(35,719)
Debts related to employees	814,146	786,938	785,698
Debt to State Budget	541,527	472,665	512,889
Deffered income	3,563,964	3,853,842	4,132,597
Sundry creditors	394,501	630,510	267,987
Other liabilities (guarantees)	1,584,284	847,411	(878,380)
Amounts to be clarified	(211,346)	(212,427)	(675,044)
Total	17,002,408	17,297,077	17,173,995

Deffered income consists of interest related to contracts paid in installments and lease contracts. The transition of interest income to revenues it is made gradually, as its maturity or due date, depending on which comes first.

Deffered income structure is presented below

Deffered income	31.12.2012
Rent	326,830
Interest and cost of financing	2,938,791
Maintenance	298,343
Total	3,563,964

The maturity for deffered income it is presented below.

	31.12.2012	Less than 1 year	Maturity Between 1 and 5 years	Over 5 years
Various Suppliers	9,420,460	4,266,837	5,153,623	0
Suppliers of fixed assets	4,002	4,002	0	0
Dividends to be paid	46,367	46,367	0	0
Clients-creditors	559,313	559,313	0	0
Interest to be paid	206,358	206,358	0	0

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Debts related to affiliated parties	78,832	78,832	0	0
Debts related to employees	814,146	814,146	0	0
Debt to State Budget	541,527	541,527	0	0
Deffered income	3,563,964	1,414,039	1,901,648	248,277
Sundry creditors	394,501	394,501	0	0
Other liabilities (guarantees)	1,584,284	1,584,284	0	0
Amounts to be clarified	(211,346)	(211,346)	0	0
Total	17,002,408	9,698,860	7,055,271	248,277

Main suppliers are presented below:

MAIN SUPPLIERS	Products/ services	Turnover in 2012
DEGI CONSTRUDDAVA	Lease of the office area and payment of fees for services provided by locator	3,210,620.39
ENERGOTRANS SRL	Supply electricity to the patrimony line of the eligible consumer	2,306,832.72
ENEL ENERGIE MUNTENIA (ELECTRICA MUNTENIA SUD SA)	Energy supply	424,058.15
GDF SUEZ ENERGY ROMANIA S.A. (DISTRIGAZ SUD SA)	Gase supply	321,483.22

16. Provisions

Regarding the minute prepared by Referitor la Procesul verbal intocmit de NAFA in year 2010 , after a partial restoration of the control by the General Administration of Large Taxpayers, there was issued the imposing decision 35 from 15.12.2010, communicated on January 6th, 2011. Through the decision no. 3740/ June 24, 2011 there was admitted the appeal filed by Impact Developer& Contractor and there was suspended the imposing decision no.35/15.12.2010 issued by D.G.A.M.C. , until the decision of the first instance court. In the delivery of the first instance court there was admitted in part the request of Impact for the income tax in amount of 760.957 lei, and the file regarding the penalties resulted from the control act was suspended until the final and irrevocable decision from the file that was pronounced by the first instance.

Provisions are made of:

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Provisions	31.12.2012
Provisions for litigations	2,386,896
Provisions for deffered income tax	21,097
TOTAL	2,407,993

17. Turnover

The main income sources included in turnover are income from sale of built dwellings with the purpose to be sold, rent income and income from sale of land plots. Turnover structure is presented below:

	31.12.2012	31.12.2011
Income from sale of finished goods	21,329,872	7,312,076
Income from sale of goods	317,338	109,309
Income from services	356,437	655,289
Total	22,003,647	8,076,674

18. Profit/losses from IAS 40

The group decided to apply starting with year 2006, alternative treatment recommended by IAS 40 « Investment Property », recording part of the land and rented units from the portfolio, at their market value. An authorized evaluator valuated these properties. The difference between the historical cost of the land and revalued value were fully recognized in the income statement

Effect of change of the fair value model treatment is presented below:

Description	Area (sqm)	Book value	Fair value as of 31.12.2012	Diference
Investment property (land)				
Zenit (Constanta)	38,000	6,877,620	10,199,303	3,321,683
Prelungirea Ghencea (Buc, Sector 6)	258,925	54,128,271	60,774,966	6,646,694
Teisani (Buc, Sector 1)	400,000	50,240,000	124,885,910	74,645,910
Faget (Oradea)	24,460	1,446,564	4,333,040	2,886,476
Neptun (Constanta)	37,562	1,896,879	4,326,840	2,429,961
TOTAL	758,947	114,589,335	204,520,058	89,930,724
Investment property (houses and apartments)		29,074,401	25,988,478	-3,085,923
TOTAL		143,663,736	230,508,536	86,844,801

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Description	Area (sqm)	Book value	Fair value as of 31.12.2011	Diference
Investment property (land)				
Zenit (Constanta)	38,000	6,877,620	12,728,908	5,851,288
Prelungirea Ghencea (Buc, Sector 6)	180,000	37,629,000	65,317,677	27,688,677
Teisani (Buc, Sector 1)	205,495	25,810,172	109,431,279	83,621,107
Faget (Oradea)	24,460	1,446,564	4,565,923	3,119,359
Neptun (Constanta)	37,562	1,896,879	5,067,008	3,170,129
TOTAL	485,517	73,660,235	197,110,795	123,450,560
Investment property (houses and apartments)		64,891,161	65,506,291	615,130
TOTAL		138,551,396	262,617,086	124,065,690

19. Other operational income

	31.12.2012	31.12.2011
Income from sale of waste products	278,813	5,051
Revenue from other services	3,503,442	3,205,132
Rent income	2,698,687	2,253,543
Income from disposal of tangible assets	619,766	35,098
Income from financial investments transferred	41,638	6,194,400
Other operational income	1,143,141	317,913
Revenue from penalties	602,380	1,777,040
Total	8,887,867	13,788,177

Due to the changes from the real estate market in the last three years, in 2011 Impact continued with changes in the operational activity and adapts it to current market conditions. In the past two years, there has been an increase in customers' preference to rent against the acquisition of dwellings due to the existing restrictive financing conditions. In revenue form other services are revenues from recharging the utilities. There is an increase of the other operational income compares with 2011 mainly due to transition to income of the balances prescribed from the companies that have been struck and recovery of various legal costs.

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

20. Expenses with raw materials and consumables

	31.12.2012	31.12.2011
Expenses with raw materials	1,334,752	1,195,706
Expenses with auxiliary materials	678,897	670,330
Expenses with goods	367,483	83,593
Expenses with packaging	11,831	-
Expenses with other consumable materials	202,008	187,467
Total	2,594,971	2,137,096

The expenses categories which recorded the most significant turnover are expenses with raw materials which represent expenses with land plots. A significant increase compared with 2011 had the expenses with goods. This was generated by the decision to liquidate the inventory of materials in the second half of 2012.

21. Expenses with personnel

	31.12.2012	31.12.2011
Wages and other labor benefits	927,820	759,533
Expenditure on civil contracts	395,292	151,814
Social security expenses	364,012	217,081
Total	1,687,124	1,128,428

22. Expenses with amortization and depreciation of tangible assets

	31.12.2012	31.12.2011
Expenses with amortization	945,024	1,395,870
Expenses with depreciation	6,362,275	286,320
Total	7,307,299	1,682,190

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

23. Other operating expenses

	31.12.2012	31.12.2011
Small inventory expenses	238,335	156,112
Expenses on water and energy	3,335,122	2,561,263
Maintenance and repairs expenses	316,877	589,586
Expenses with rent	1,907,055	1,970,100
Expenses with insurance	302,878	437,795
Commissions and fees expenses	26,894	77,535
Advertising expenses	501,205	670,949
Transport of goods and people expenses	62,195	49,774
Travel expenses	1,690	1,367
Postal and telecommunication expenses	216,197	242,595
Expenses on services provided by third parties	6,228,796	8,439,132
Other taxes	2,008,220	917,183
Decrease/increase in provisions for doubtful debts	14,258,965	-101,569
Expenses with assets disposal	176,596	26,346
Expenses with penalties	1,151,548	51,113
Expenses with exchange rate differences	2,648,630	1,516,001
Expenses with investments transfer	95,130	5,848,617
Other expenses	3,323,960	1,761,180
Bank commissions	478,153	593,421
Expenses with provisions for risks and charges	816,270	853,861
Impairments from applying IAS 40	37,220,889	34,718,145
Total	75,315,605	61,380,506

24. Financial expenses, net

	31.12.2012	31.12.2011
Interest income	(674,844)	(1,339,328)
Interest expenses	4,043,774	5,804,102
Other financial income	(29,749)	(35,125)
Discounts received	(3,578)	(3,185)
Discounts given	0	29,262
Total	3,335,603	4,455,726

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

25. Expenses with income tax

	31.12.2012	31.12.2011
Expenses with income tax	0	0
Deferred income tax	5,721,420	7,092,910
Total	5,721,420	7,092,910

26. Affiliated entities

The nature of relationship

In the year 2012, company IMPACT SA had commercial relations with a number of affiliated entities. The list of related entities with which Impact had developed commercial relations is the following:

Name of the company – affiliated party:	Name and date of contract	Type of services/purchased products
Actual Invest House SRL	CTR 158/20.04.07, CTR 296/03.09.07	Client (construction)
	CTR 03.01.2012	Client (rent)
Clearline Development & Management	CTR 43/01.01.2011	Client (rent)
Millenium Consult Invest	CTR/26.01.10; CTR J138/28.02.11; CTR 01.05.2009	Client (rent)
	CTR 514/20.09.2010 cu AA 1720/10.07.2012	Client (sale of land)
	CTR 15/18.01.2012	Supplier (purchase of litigation rights)
	CTR 13/10.10.2011	Supplier (survey)

Prices of the contracts signed with affiliated parties are established according to the market conditions. In year 2012, the company had transactions with affiliated parties, as follow:

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Sales to:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	-1,105,288	-355,077
BIPACT 1995 SRL	50,614	14,827
HOBBIT INTERMEDIERE ASIGURARI SRL.	14,067	17,680
INTOP CONSTRUCTION	2,976	2,976
CLEARLINE	9,430	8,953
MILLENIUM CONSULT INVEST	25,940	23,993
SMART FIN INTERNATIONAL	2,608	9,403
Total	-999,652	-277,245

Purchases from:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	42,403	50,469
BIPACT 1995 SRL	211,469	138,260
INTOP CONSTRUCTION	21,154	13,504
MILLENIUM CONSULT INVEST	113,091	75,023
SMART FIN INTERNATIONAL	34,566	20,000
TOTAL	422,683	297,255

As a result of the transactions with affiliated parties, there were the following balances as of December 31st, 2012:

Receavables from/Advances given to:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	3,139,920	654
BIPACT 1995 SRL	167,373	1,503
HOBBIT INTERMEDIERE ASIGURARI SRL.	55,649	56,112
INTOP CONSTRUCTION	11,854	14,830
CLEARLINE	15,675	1,955,000
MILLENIUM CONSULT INVEST	426,055	357,205
SMART FIN INTERNATIONAL	358	646
TOTAL	3,816,883	2,385,949

Debt to/Advances received from:	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	7,388	26,160
BIPACT 1995 SRL	0	33,700
CLEARLINE	34,899	663
INTOP CONSTRUCTION	74	45
MILLENIUM CONSULT INVEST	97,200	51,964
TOTAL	139,561	112,532

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

The value of the loans given for ongoing contracts is presented below. Due to affiliated relationship, loans given to the affiliated parties were given in order to support and improve their activity; this being the reason why there was decided not to charge interest. In contract it is not specified a specific term regarding the repayment of the loan, but as the existence of available cash.

Loans given	31.12.2011	31.12.2012
ACTUAL INVEST HOUSE	4,949	0.00
BIPACT 1995 SRL	79,777	0
INTOP CONSTRUCTION	1,128,838	1,128,838
TOTAL	1,213,564	1,128,838

In March 2012 there were signed loans contracts with Actual Invest SRL and Intop Construction SRL for loans totalling 1,000,000 lei each, given for financing the activity of residential assemblies administration, public utilities, and urban furniture. There has been paid only the amount of 427.700 lei to Actual Invest House out of these contracts.

During the year 2012 there was decided the decrease of share capital of Actual Invest House as a result of the analysis made regarding the future of the company Actual Invest House. The reason of the existence of the company is linked to capitalize on renting houses that haven't clients for sale in Oradea.

Following the Decision of Impact's BoD, to sale all the dwellings from Oradea in the portfolio, including the rented ones, Actual Invest House started a sale process of the dwellings from the portfolio. The proceeds from sale will not be used for other purposes and thus it is no longer justified to maintain so much share capital of Actual invest House, so shareholders took the decision to reduce share capital in order to offset the losses and to return the contributions to associates.

This share capital decrease was possible because Actual Invest House has neither creditors nor litigations that ask for money.

Regarding the dwellings purchased by Actual Invest House from Impact between 2007 and 2008 we mention the fact that these were economic transferred, but due to the fact that there not signed notarized sales contracts, the transfer could not be registered at the Land Registry.

At the moment when these buildings were sold by Actual Invest House to other customers the legal transfer of property was made from Impact to the third party customer, the proceeds being recorded by Impact in creditors account. These amounts were offset from creditors account by offsetting against amounts due by Actual Invest House as a result of share capital decrease.

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

27. Subsequent events

Bank loans

As of March 31, 2013, the bank loan situation was as follow:

No. of Contract	Name	Currency	Contract value	Balance as of 31.12.2012	Balance as of 31.03.2013
301/30.08.2006	Piraeus Bank Grecia suc Londra	EURO	12,807,256	7,613,084.95	7,246,798.99
50070065/25.07.2007	Banca Romaneasca	EURO	7,993,204	1,998,300.94	1,723,002.77
50070066/25.07.2007	Banca Romaneasca	EURO	22,306,796	5,189,192.87	5,123,396.76
15/21.07.2009	Banca Transilvania	RON	6,891,473	838,659.21	465,455.99

28. Other legal and economic information

Related with the litigation with Romconstruct, Impact submitted an application to the Court of Appeal requesting the temporary suspension of the execution of the civil judgment 16053/31.10.2012 of the Bucharest Court, Section IV civil, in the file 35939/3/2011, having as parties Impact Developer & Contractor SA and Romconstruct SA.

The request made the object of the file 9308/2/2012. The court admitted on 09.01.2013 the request of temporary suspension of the execution of the civil judgment 16053/31.10.2012 made by plaintiff Impact Developer & Contractor SA and ordered the temporary suspension of civile judgment 16053/31.10.2012 of the Bucharest Court, Section IV civile, in the file 35939/3/2011 until the resolution of the request of temporary suspension of this judgment made within the appeal.

The next term in the file having as object the appeal against the civile judgment 16053/31.10.2012 is scheduled for 14.05.2013.

On 27.03.2013 was announced the decision of foreclosure for two of Impact shareholders, by selling the stock of shares they held at that time. Judicial Executors Asociati Lex handled the transaction of the shares held by Dan Ioan Popp and Carmen Daniela Săndulescu, representing approximately 25% of Impact Developer & Contractor SA shares. In the same day Mr Iaciu Gheorghe, in a transaction on secondary market of Bucharest Stock Exchange , bought 45.956.535 shares which represents an ownership percentage of 23,226% of the shares.

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Auditori

RSM SCOT SRL is a company operating in the professional accounting and auditing services, provided according to the Romanian and International Accounting Standards, and according to the International Auditing 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.A.R.) since 1994 and of the Romanian Chamber of Auditors since its set-up in 1999.

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

29. 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.	Prahova Tribunal	7034/105/2010	insolvency procedure	plaintiff-creditor	Romconstruct	first instance	22-apr.-13	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 admits Impact's appeal and allows temporary registration of the claim of 15,047,995.76 lei until the resolution of the file no. 35939/3/2011. Romconstruct had filed the appeal. The appeal was dismissed. The file follows the procedure.	16,025,023	RON
2.	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	22-mar.-13	It has term to discuss the request for reinstatement and the transformation of the demand in achievement. IDC's request was rejected. With appeal.	14,855,309	RON

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(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
3.	Bucharest Tribunal	63835/3 /2011	insolvency procedure	plaintiff	Floreasca Construction (former Summa Romania SA)	first instance	5-mar.-13	IDC is registered at the statement of affairs with the amount of, 442,674 lei. Files for bankruptcy. The procedure is in the final stage and the discussion of the application based on art. 138 from Insolvency Act.	13,442,674	RON
4.	High Court of Cassation and Justice	23619/3 /2009	action for finding	recurring	SC Summa Romania SA	appeal	No term	Admits the appeal, scraps and sends for retrial on appeal to the Court of Appeal.	7,602,445	RON
5.	Cluj Tribunal	79/1285 /2012	termination of contract	plaintiff	Local Council of the Municipality Cluj	first instance	17-apr.-13	Administration of evidences	4,008,222	RON
6.	Bucharest Court of Appeal	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 retrial of the appeal of both parties.	3,403,000	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
7.	Bucharest Court	26153/3/2010	bankruptcy	Plaintiff - creditor	Sqrw Development Romania	first instance	17-mai.-13	Impact requested the registration in the statement of affairs in the quality of successor in title of SC PATAGONIA INVEST SRL. Rejected as unfounded the appeals of the creditor SC Impact Developer & Contractor SA. Irrevocable.	1,975,743	RON
8.	Constanta Tribunal	15426/18/2011	dec. that take place to v-c/obligation to make	plaintiff	Tomis / Orban Lucian and Steluta	first instance	23-mai.-13	Partly admits the request	200,000	EUR
9.	Bucharest Court of Appeal	5962/2/2012	Cancellation act	plaintiff	ANAF	first instance	20-May-13	For lack of NAFA file	619,954	RON
10.	Bucharest Court	16650/299/2011	Challenge of exec, with prov. susp.	challenger	Bodogan Aurel si Bodogan Constantin	first instance	9-mai.-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 for settlement of the appeal of Bodogan Aurel and Constantin. Deadline for summoning Aurel Bogdogan's heirs.	559,503	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
11.	Sector 1 Court	9635/29 9/2012	Constraint seizure	challenger	Bodogan Aurel si Bodogan Constantin	first instance	No term	First term after decline. Suspended until the irrevocable resolution of the file no. 16650/299/2011	217,826	RON
12.	Bucharest Court	42605/3 /2012	Constraint seizure	challenger	Bodogan Aurel si Bodogan Constantin	Declined	18-Dec-12	Admits. Scraps and sends to Sector 1 court	168,000	RON
13.	Bucharest Court	19999/3 /2012	Insolvency procedure	creditor-plaintiff	Stratos Leasing IFN SA	first instance	17-sep.-13	Asked for own insolvency. We registrered at the statement of affairs. The file is connected to the file 50128/3/2012	113,383	RON
14.	Bucharest Court	40191/3 /2010	claims arising out of non-conforming work, executed by Summit	plaintiff	Summa Romania SA	first instance	No term	According to art.36 from Law no.85/2006, notes occurred suspension of the judgment	100,222	RON
15.	S1 Court	21136/2 99/2009	claims, legal expenses	plaintiff-defendent	SC Summa Romania SA	first instance	No term	Suspended based on art. 36 from Law 85/2006	100,123	RON
16.	Judecatori a Buftea	9807/94 /2010	Claims non-conforming works	plaintiff	Floreasca Construction (fosta Summa Romania SA)	first instance	No term	According to art.36 from Law no.85/2006, notes occurred suspension of the judgment	50,292	RON
17.	Buftea Court	1456/94 /2013	Payment order	plaintiff	Ripanu Madalina	first instance	16-Apr-13	First term	37,000	RON
18.	Buftea Court	3005/94 /2012	Contravention complaint	plaintiff	ANRSC	first instance	No term	Suspended until the irrevocable resolution of the file no. 35158/3/2012	35,000	RON
19.	Buftea Court	4392/94 /2011	Claims, lease contract	plaintiff	Manu Elena	First instance	No term	Enforces the defendant to pay to the plaintiff 22480 lei representing rent and	33,782	RON

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(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
								7591.46 lei delays penalties. Takes act of plaintiff weiver orf the judgement of 3 rd end of application. Enforces the defendant to pay to the plaintiff the amount of 2034.27 lei representing legal expenses.		
20.	Buftea Court	12633/94/2011	Contravention complaint	plaintiff	ANRE	first instance	5-sep.-12	Term for evidence. Rejects the complaint as unfounded.	25,000	RON
21.	Bucharest Court	4785/299/2009	claims arising out of paying utilities and rent	plaintiff	SC Patru Ace SRL	First instance	25-mar.-13	Admits in part the action.First term of the appeal	22,389	RON
22.	Bihor Court of Appeal	13314/111/2011	Action for declaration	plaintiff	Compania de Apa Oradea	Appeal	18-apr.-13	There was rejected the act, IDC filed for appeal	20,000	RON
23.	Buftea Court	13311/94/2012	Cancellation of sale contract of gate cottage	Actual Invest House+Impact	ASOCIATIA DE PROPRIETARI AZUR	First instance		first term for summoning Impact; suspended until the resolution file involving the establishment of the owners' association in Azur	19,000	RON
24.	Buftea Court	9376/94/2012	eviction/claims	plaintiff	Beco Logistic Serv	First instance	22-May-13	First term	18,000	RON
25.	Sector 1 Court	40150/299/2012	claims	plaintiff	Svetopetric Dinko	First instance	15-Apr-13	was quoting in croatia	15,000	RON
26.	Ilfov Court	8799/94/2012	Annulment of donation contract	plaintiff	Asociatia Class Pipera, Asociatia de Proprietari Class	Appeal	26-Apr-13	To pay 340,5 lei and legal expenses of 1.5 lei	9,600	RON
27.	Oradea Court	11114/94/2012	eviction	plaintiff	Simona Suhoi	First instance	12-Jun-13	First term	7,000	RON

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(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
28.	Buftea Court	15956/94/2012	eviction	plaintiff	Giura Luminita	First instance	11-Dec-13	First term	7,000	RON
29.	Sector 2 Court	43636/300/2012	Claims, utilities	plaintiff	Coca Adina	First instance	10-Jun-13	Declined at JS2	5,000	RON
30.	Sectorul 1 Court	33892/299/2012	Claims taxes for house	plaintiff	Chiru Gheorghe	First instance	17-May-13	For expertise. There has been paid the fee	3,800	RON
31.	sector 1 court	56082/299/2012	claims	plaintiff	Schwalb Emanuel	First instance	19-Apr-13	First term	3,500	RON
32.	Buftea Court	8602/94/2012	claims	plaintiff	Petcuta Danut	First instance	13-May-13	First term	2,380	RON
33.	Oradea Court	14306/271/2012	Contravention complaint	plaintiff	Politia Locala Oradea	First instance	15-Apr-13	IDC fined for not mowing the grass of the land of the City Hall	1,500	RON
34.	High Court of Cassation and Justice	2975/2/2010	Appealing the decision 206/2010ANRE	plaintiff	ANRE	First instance	23-apr.-13	IDC required the annulment of the ANRE decision regarding the approval of the distribution fees in Voluntari assemblies; admits the action. Cancels the decision of the ANRE's President no. 206/04.02.2010. Enforces the defendant to approve the fees for the activity of distribution the electricity of the plaintiff as it is mentioned in the judicial audit report prepared in this cause and the answer to întocmit în cauză și the answer to the objections. Enforces the defendant to pay to the plaintiff the amount of 15.146,8 lei as legal expenses. Term for judgement the appeal of ANRE.	N/A	N/A
35.	High Court of Cassation	6391/2/2011	complaint/cancellation of documents	plaintiff	ANRE	First instance	11-sep.-13	Rejects the application. First term of Impact's appeal.	N/A	N/A

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Notes to the financial statements at December 2012

(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
	and Justice		issued by ANRE							
36.	Sector 1 Court	9122/299/2007	obligation to make periodic penalty payments	plaintiff	Regia Nationala a Padurilor-Directia Silvica Bucuresti	defendant	suspended	Other procedural incidents, intervention request. Suspended the judgement of the case, notifies Bucharest Court of Appeal for solving the exception of illegality of the order no. 645/2003- file 4719/2/2012, on the Bucharest Court of Appeal, having term on 04/09/2012	N/A	N/A
37.	High Court of Cassation and Justice	3555/111/2010	Action for declaration	plaintiff	MTS Leasing;Ban Liviu	First instance	12-dec.-13	IDC asked the court to note that occurred the termination of execution contract, accepted in part the request. Liviu Ban filed appeal .rejects appeals. Impact filed appeal, first term for judgement the appeal.	N/A	N/A
38.	Arges Court	29651/3/2011	eviction	plaintiff	Hristeno Nicolae	First instance	No term	Decides eviction	N/A	N/A
39.	Prahova Court	2299/105/2012	Obligation to make/ issue an administrative document, Zoning Permit Roua	plaintiff	Consiliul Local Blejoi	First instance	28-nov.-12	Suspended at the request of the parties	N/A	N/A
40.	Oradea Court	13974/271/2012	Obligation to make/sign individual contracts for water and sewerage	plaintiff	Compania de Apa Oradea	First instance	23-May-13	evidences	N/A	N/A

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(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
41.	Buftea Court	7917/94/2012	evacuare	plaintiff	Ionescu Elena Ani Mihaela	First instance	15-May-13	First term	N/A	N/A
42.	S3 Court	1416/301/2013	Action for declaration	plaintiff	ANRSC	First instance	22-Mar-13	Action that requires IDC to take note that it has the right to invoice the value of the maintenance of water networks in Greenfield without ANRSC approved price. First term after declination	N/A	N/A
43.	Prahova Court	7034/105/2010/a2	Insolvency procedure	creditor	Romconstruct	First instance	4-Mar-13	Second appeal against the pv of AC from octomber 2012	N/A	N/A
44.	Bihor Court	564/35/2011	Cancellation of document	plaintiff	CLO-AIO		No term	Admits the action	N/A	N/A
45.	Ilfov Court	8552/94/2012	Contract cancellation	plaintiff	SPAAC	First instance	16-Sep-13	To submit statement of deffence	N/A	N/A

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

B. Litigation list where Impact has quality of defendant :

B.1.

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
1.	Bucharest Court	35939/3/2011(19/105/2010)	Action for contractual damages	defendant	Romconstruct & BRD SG	first instance	14-mai.-13	Admits Romconstruct's action. Appeal filed by Impact.	33,329,910	RON
2.	Bucharest Court	60772/3/2011	Civil liability	civil liable party	ANAF	first instance	12-apr.-13	Administration of evidence. Land valuation expertise. Expertiza evaluatorie terenuri. To present expert clarifications.	16,823,946	RON
3.	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	14-mar.-13	Dismisses the appeal as ungrounded. First term of the appeal filed by Brooklyn. Delayed for the settlement of the abstention. Irrevocably settled rejects Brooklyn appeal.	9,155,118	RON
4.	High Court of Cassation and Justice	40442/212/2010	claims grounded on sale-purchase contract with payment in installments, respectively interests for installments paid in	defendant	Sava Mircea Aurelian	first instance	30-mai.-13	Rejects the appeal as unfounded. first term on the appeal filed by Sava Mircea	500,000	EUR

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Notes to the financial statements at December 2012

(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
			advance and moral damages							
5.	Bucharest Court of Appeal	45886/3 /2009	Refund of the counter-value of guarantee letters	defendant	Brooklyn Property Management / SC SUMMA ROMANIA SA	First instance	No term	Rejects the appeal as unfounded, maintains the suspension until the irrevocable decision of the file 23619/3/2009.	317,422	EUR
6.	Constanta Court	4320/11 8/2006/ a2	The obligation to make	defendant	Iorgu Constantin - Lichidator Gamad Shipping	First instance	2-Apr-13	The liquidator of Gamad ordered to Impact to sign a sale contract with the company through the liquidator	50,000	EUR
7.	Constanta Court	81/118/ 2009	claims deriving from construction vices	defendant	S.C.Isac Maricica Contabilitate	First instance	21-iun.-12	Suspends the cause and sends it to the Prosecutor for research on the offense of forgery.	4,552	RON
8.	Constanta Court	30187/2 12/2012	presidency ordinance, IDC began implementing the termination for recovery counter value of utilities obtained by irrevocable	defendant	Isac Maricica	Appeal	25-Jan-13	Reject the ordinance. Requires the applicant to pay 3,000 lei legal costs.	Not rated	

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Notes to the financial statements at December 2012

(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
			decision							

B.2.

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
1.	Bucharest Court	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	Appeal	4-feb.-13	There was rejected Impact's appeal and the case was sent to the first instance then it was suspended until the irrevocable solution of the file no. 23619/3/2009.	9,138,140	RON
2.	Bihor Court	9297/111/2010	request for payment of contractual penalties	defendant	Municipiul Oradea prin Primaria Oradea	First instance	7-mai.-13	To answer the objections raised by the PMO in the audit report.	1,487,001	EUR
3.	High Court of Cassation and Justice	1521/2/2012 (45882/3/2009)	Action in which it was required the recovery of the counter-value of guarantees letters	defendant	Brooklyn Property Management / SC SUMMA ROMANIA SA	Appeal	24-apr.-13	Rejects the action as unfounded. With appeal in 15 days from communication. Rejects appeal filed by Brooklyn, as unfounded. First term of the appeal filed by Brooklyn.	490,940	EUR

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Notes to the financial statements at December 2012

(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 Court	14444/3/2012	Cancellation of sale contract	respondent	Taxi Mondial / Double Insolvency SPRL/Puiu Georgeta	First instance	1-mar.-13	Annulment of sales contract that Taxi Mondial debtor alienated the apartment pledged in favor of Impact for debts in amount of 237.636 lei.	237,636	RON
5.	Bufta Court	4519/94/2012	Annulment of sales contract/ putting the parties in the previous situation	defendant	Gavris(Pernes) Raluca	First instance	14-mar.-13	To administrate expertise evidence.	191,475	RON
6.	Bucharest Court	21136/299/2009 *	claims	plaintiff-defendant	SC Summa Romania SA	First instance	17-oct.-12	First term of appeal. Suspended based on art. 36 from insolvency law.	100,123	RON
7.	Oradea Court	19954/271/2012	claims, counter-value of net loss, recorded by the main meter	defendant	Compania de Apa Oradea	First instance	4-Mar-13	evidences; counter-value of net loss, recorded by the main meter	50,104	RON
8.	Oradea Court	1226/271/2013	claims, deriving from the consumption recorded by the main meter	defendant	Compania de Apa Oradea	Declined/ first instance	3-Apr-13	Compania de Apa Oradea requires to Impact to pay losses recorded by the main meter	37,000	RON

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Notes to the financial statements at December 2012

(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
9.	Tulcea Court	949/327/2013	Appeal to the enforcement	defendant	Marnache Virgil si Nicoleta	First instance	2-Apr-13	Appeal to the enforcement started by IDC for recovery of the amounts owed by the parties for rent, according to the contract signed	12,685	RON
10.	Buftea Court	1765/94/2013	Request for annulment	defendant	Marinache Virgil si Nicoleta	First instance	30-Apr-13	Request for annulment started by IDC for recovery of the amounts owed by the parties for rent, according to the contract signed	12,685	RON
11.	Buftea Court	1966/94/2013	Request for annulment	defendant	Marinache Virgil si Nicoleta	First instance	30-Apr-13	Request for annulment started by IDC for recovery of the amounts owed by the parties for rent, according to the contract signed	12,685	RON
12.	Buftea Court	7602/94/2010	Claims for non-conforming works	defendant	SC Romconstruct SA	First instance	No term	Suspended based on art. 36 law 85/2006	11,611	RON
13.	Buftea Court	12589/94/2012	Claims, counter-value of the invoices after cancellation of contract	defendant	Serviciul de Transport Voluntari	First instance	12-Sep-13	Counter-value of the invoices after the annulment of contract with SPAAC	9,600	RON
14.	Buftea Court	1009/94/2013	Payment rder	defendant	Atlantis Fitness &Lifestyle Srl	First instance	21-May-13	requests refund of the guarantee, retained by IDC as penalty clause for premature termination	1,560	EUR
15.	High Court of Cassation and Justice	31608/3/2010(1003/94/2010)	Networks	defendent-respondent	& Amariuca, Salom, Stanescu, Humeniuc, Radio	appeal	30-mai.-13	Dismisses as inadmissible; plaintiffs appealed. Rejects appeal of plaintiffs as unfounded. The first term on appeal.	N/A	N/A

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(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
					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					
16.	sector 1 Court	49031/299/2011	Claim againg the resolution of the prosecutor Nup	respondent	Ionita Florian	First instance	14-mar.-12	Admits claim. It has sent the case to the criminal body to resume criminal investigation.	N/A	N/A
17.	Bucharest Court of Appeal	2488/2/2012 (23136/	Annulment of decision of General	defendent	CGMB / Primarul Municipiului	Appeal	19-apr.-13	Rejects appeal as unfounded. GCB and Ionita Florian requested for annulment. Error of solution. Admits request for	N/A	N/A

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(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
		3/2009) (6108/2/2011)	Council of Bucharest no. 263/2008		Bucuresti/ Ionita			annulment, cancels the appealed decision and send the case to the court of appeal for hearing the appeal		
18.	Bucharest Court of Appeal	5415/3/2009 (43654/3/2009)	Annulment of administrative act	intervener	Ionita Florian - Consiliul General al municipiului Bucuresti	Appeal	18-oct.-12	Rejects the action as unfounded. Term for settlement of the appeal filed by Ionita Florian. Suspended until the irrevocably decision of the file no. 8/2/2012	N/A	N/A
19.	Sectorul 1 Court	55112/299/2012	obligatie de a nu face in sensul neingradirii dreptului de servitute	defendant	Cremer Marc si intervenientii	First instance	1-mar.-13	Term to take notice of intervenes made by Radu Alecu, Aldea Marius and Danielescu Valentin. Dismissed the action	N/A	N/A
20.	Bucharest Court	8458/3/2012	anulare act administrativ al carui titular/beneficiar este Electrica	defendant	Regia Nationala a Padurilor-Directia Silvica Bucuresti, Prefectura Bucuresti	First instance	16-apr.-13	First term	N/A	N/A

Besides the above presented litigations appreciated as significant, the company also has ongoing a number of litigations with different debtors of the company coming from the supply of utilities or other small receivables as value. These litigations (approximately 20) comprise a total value of IDC claims of approximately 151,000 RON.

In order to better understand the situation of the litigations, these are grouped in some more important categories, such as:

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

-
1. Litigations with Romconstruct that, on the date of the present notes drafting, remained only three, are litigations coming from two construction execution contracts concluded in the year 2006, their cause being very long delays of the subcontractor in finishing the construction works and its claims to receive amounts of money for unfinished construction works. The litigations are in the following situation: At position 1 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. The insolvency procedure of Romconstruct is still in progress. At position 2, from the litigations list where Impact is a plaintiff, Impact has requested the judgement of the file in which it has claimed penalties to Romconstruct in amount of 14,855,309 lei, in the same time with the change of action from action in achievement, in action for declaration. The request was dismissed by the first instance, after the motivation of the decision Impact will file the appeal. In the litigations list where the Impact is defendant, list B1 position 1, is the file in which Romconstruct obtained in the first instance damages of 33,329,910 lei. Implementation of this decision was temporarily suspended, and the file is currently in appeal.
 2. Litigations with Floreasca Construction (former Summa Romania SA) and Brooklyn Property Management SRL arose from construction works contracts signed in 2006 in which Summa was subcontractor and Impact the beneficiary. These contracts have been very much delayed. And there were penalties requested by Impact and request for payment of the construction works by Summa. In 2008 Summa has transferred the receivables to the company withing the group Brooklyn, which is part in some of the litigations that have the same source. Currently there are files on the list where Impact is plaintiff, the litigations from positions 3 and 4. At position 3 there is the insolvency file of Floreasca Construction where Impact was admitted to the statement of Affairs for the amount of 13,442,674 lei representing contractual penalties and noncomplying works. Summa's patrimony has been sold and as a result of the sale Impact could not recover any amount that was registered with at the statement of affairs, and on 5th of March was admitted the bankruptcy of Floreasca Construction. Impact had filed the appeal against this decision since the company Floreasca Construction can not dispose the company without the litigations from position 4 from the same list to be final, in which Impact requests to obtain the declaration of the existing debt of Floreasca Construction towards Impact, in amount of 7,602,445 lei. On the list where Impact is defendant, litigations with Brooklyn, arised from the disposal of receivable rights Floreasca Constrauction related to Impact, is in the list B1 positions 3 and 5 and list B2 positions 1 and 3. Claims from list B1 position 3 were irrevocably rejected. Files from list B1 position 5 and list B2
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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

position 1 are suspended until the final decision of file from position 4 – plaintiff Impact, and the file from position 3 from list B2, in which Brooklyn claims the value of letter of guarantee in amount of 490,940 EURO in in appeal filed by Brooklyn after it lost the appeal at the first instance.

3. Litigations with NAFA are at positions 6 and 9 on the list where Impact is plaintiff. The litigation from position 6 is the one in which Impact contested the amount of 3,403,000 lei and won at the first instance the cancellation as undue amount of about 2,000,000 lei. This file is in the process of appeal filed by Impact and ANAF. At position 9 Impact contested as incorrect calculated the outstanding amount of 619,954 lei. Both amounts are collected by NAFA, so favorable litigation settlement will bring the recovery of the amounts unjustifiably collected by NAFA.
4. Litigation with Local Council Oradea arised from « penalties according to the association contract from 02.07.2004 » from position 2 from list B2 Impact-defendant. There was administrated the evidence with technical expertise which is favorable to Impact.
5. Litibations with LC Cluj in which Impact requires amounts arised from investments made by Impact and the project company Clearline Development&Management SRL for the development of Lomb in which LC Cluj Napoca didn't contribute with land, so the project cannot be realized. The total amount requested is over 21 million lei plus legal interest, but which doesn't include the non-realized benefits requested by Impact by calling to conciliation. For these amounts there will be open a separate file. These litigations are currently on trial in Cluj (the one with Impact) and in Arges (the one with Clearline) and are in the phase of administrating the urban and construction expert analysis.
6. Litigation with NAFA where Impact is called as part civilly responsible for the acts of another, in amount of 16,823,946 lei, is in the phase of first instance and there was conducted a technical expertise which had as result that the damaged determined by NAFA is not real, land value being much smaller than the one calculated by NAFA without expertise. In year 2012 the court ordered the seizure of Impact's patrimony for the whole amount of 16,823,946 lei. In order to solve the problem of seizure Impact had pledged in favour of NAFA land with total area of 52.234 sqm located in Sector 1, Bucharest.
7. There are 2 litigations on Impact defendant list where the judicial administrator of two companies in the insolvency procedure request the cancellation of the contracts having as object dwellings sale to the administrators of these companies (positions 4 from list B2 and 6 from list B1), litigations totaling 100,000 EURO.

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Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

8. Besides the litigations mentioned above there is a number of lower value litigations where Impact requires rent and damages until the release of the property for the lease contracts or contracts with payment in instalments that have been cancelled: positions 17, 19, 21, 24, 25, 27, 28, 29, 37 and 41.

30. The application for the first time of IFRS

Financial Position Statement

<i>In Lei</i>	31.12.2012 IFRS	31.12.2011 IFRS	31.12.2012 RCR	31.12.2011 RCR	31.12.2012 Diferente	31.12.2011 Diferente
ASSETS						
Nontangible assets	49,163	108,562	49,163	108,562	0	0
Tangible assets	20,784,144	21,256,671	46,772,620	60,789,028	-25,988,476	-39,532,357
Investments property	230,508,536	262,617,086	0	0	230,508,536	262,617,086
Financial assets	18,634,631	29,828,673	19,846,731	31,093,999	-1,212,100	-1,265,326
Total fixed assets	269,976,474	313,810,992	66,668,514	91,991,589	203,307,960	221,819,403
					0	0
Inventories	114,167,133	158,578,876	228,756,468	257,259,729	-114,589,335	-98,680,853
Trade receivables and other receivables	42,872,401	51,052,788	41,659,580	49,786,726	1,212,821	1,266,062
Prepaid expenses	154,748	218,690	154,748	218,690	0	0
Cash and cash equivalent	1,581,101	8,915,228	1,581,101	8,915,228	0	0
Total current assets	158,775,383	218,765,582	272,151,897	316,180,373	-113,376,514	-97,414,791
					0	0
Total assets	428,751,857	532,576,574	338,820,411	408,171,962	89,931,446	124,404,612
					0	0

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

EQUITY AND LIABILITIES					0	0
Share capital	205,330,158	205,330,158	197,866,574	197,866,574	7,463,584	7,463,584
Premiums related to capital	84,041,878	84,041,878	84,041,878	84,041,878	0	0
Revaluation surplus	9,134,318	8,602,018	7,302,518	11,190,233	1,831,800	-2,588,215
Retained earnings	27,615,032	102,507,499	-37,785,182	3,729,425	65,400,214	98,778,074
Total equity	326,121,386	400,481,553	251,425,788	296,828,110	74,695,598	103,653,443
LONG TERM LIABILITIES					0	0
Long term borrowings	35,101,809	64,649,104	35,101,809	64,649,104	0	0
Deffered income tax	15,235,127	20,750,433	0	0	15,235,127	20,750,433
Total long term debt	50,336,936	85,399,537	35,101,809	64,649,104	15,235,127	20,750,433
Commercial debt and of other nature	17,002,408	17,297,077	15,417,403	16,448,930	1,585,005	848,147
Short term borrowings	32,883,133	26,988,751	34,467,418	27,836,162	-1,584,285	-847,411
Provisions	2,407,993	2,409,656	2,407,993	2,409,656	0	0
Total current liabilities	52,293,534	46,695,484	52,292,814	46,694,748	720	736
Total liabilities	102,630,470	132,095,021	87,394,623	111,343,852	15,235,847	20,751,169
Total equity and liabilities	428,751,857	532,576,574	338,820,411	408,171,962	89,931,446	124,404,612

IMPACT DEVELOPER & CONTRACTOR

Notes to the financial statements at December 2012

(the amounts are expressed in RON unless otherwise specified)

Global Result Statement

<i>In Lei</i>	31.12.2012 IFRS	31.12.2011 IFRS	31.12.2012 RCR	31.12.2011 RCR	31.12.2012 Diferente	31.12.2011 Diferente
Turnover	22,003,647	8,076,674	22,003,647	8,076,674	-	-
Other operating income	8,887,867	13,788,177	8,887,867	13,788,177	-	-
Changes in inventories of finished goods and work in progress	(27,549,580)	(27,884,020)	(27,549,580)	(27,884,020)	-	-
The work performed by the entity and capitalized	6,284,781	24,647,083	6,284,781	24,647,083	-	-
Raw materials and consumables	(2,594,971)	(2,137,096)	(2,594,971)	(2,137,096)	-	-
Expenses with personnel	(1,687,124)	(1,128,428)	(1,687,124)	(1,128,428)	-	-
Expenses with depreciation and impairment	(7,307,299)	(1,682,190)	(8,769,314)	(6,480,604)	1,462,015	4,798,414
Other operating expenses	(75,315,605)	(61,380,506)	(36,927,432)	(26,687,105)	(38,388,173)	(34,693,401)
Financing cost	(3,335,603)	(4,455,726)	(3,335,603)	(4,455,726)	-	-
Profit before tax	(80,613,887)	(52,156,032)	(43,687,729)	(22,261,045)	(36,926,158)	(29,894,987)
					0	0
Income tax	5,721,420	7,092,910	-	-	5,721,420	7,092,910
					0	0
Net profit of the period	(74,892,467)	(45,063,122)	(43,687,729)	(22,261,045)	(31,204,738)	(22,802,077)

IMPACT DEVELOPER & CONTRACTOR

*Notes to the financial statements at December 2012
(the amounts are expressed in RON unless otherwise specified)*

Statutory accounts were reprepared in order to reflect the differences between RCR and IFRS. Accordingly, statutory accounts were adjusted, where necessary, in order to bring the financial statements, in all material aspects, with IFRS.

The most important changes brought to the financial statements in order to align with IFRS are:

- Adjustments in accordance with IAS 29 «Financial Reporting in Hyperinflationary Economies » because the Romanian economy was a hyperinflationary economy until December 31st, 2003 ;
- Adjustments according to IAS 40 « Investment Properties » by restatement the investment properties (land and buildings) and identifying the investment property held with the purpose of rent or for increasing their value.
- Deferred income IAS 12 « Income tax ».

Chairman of the Board of Directors
Dimitrios Sophocleous

Chief Accountant
Lidia Varzaru