

**SC IMPACT Developer &
Contractor SA**

Consolidated financial statements
for the year ended
31 December 2007

IBDO

BDO Conti Audit SRL
Accountants & Consultants

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Report of the independent auditors to the General Assembly Shareholders of IMPACT Developer & Contractor

1. We have audited the accompanying financial statements of **IMPACT Developer & Contractor** („Impact” or „the Company”) and its subsidiaries („the Group”) which comprise the consolidated balance sheet as at December 31, 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 5 to 45.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in paragraph 4, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. Since the financial statements of the Group for the year ended December 31, 2005 were not audited in accordance with International Standards on Auditing, we were unable to satisfy ourselves as to the value of the balances as at 31.12.2005. Any adjustment to the balances of December 31, 2005 that would have been required would affect the consolidated income statement for the year ended December 31, 2006. Therefore, we are not in position to express an opinion on the consolidated income statement for the year ended December 31, 2006. Our report on the consolidated financial statements for the year ended 31 December 2006 was modified accordingly.

5. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the value of the consolidated balance sheet as at 31.12.2005, the consolidated financial statements give a true and fair view of the financial position of **IMPACT Developer & Contractor** and its subsidiaries as of December 31, 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO Conti Audit

BDO Conti Audit
Bucharest, May 05, 2008



IMPACT DEVELOPER & CONTRACTOR**CONSOLIDATED BALANCE SHEET**

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

	<u>Note</u>	31 December 2007	31 December 2006
ASSETS			
Non-current assets			
Property, plant and equipment	3	160,893	68,882
Intangible assets		34	70
Investments		-	1
		160,927	68,954
Current assets			
Inventories	4	44,042	36,331
Trade receivables	5	27,140	23,616
Prepayments and other receivables	6	4,998	2,075
Cash and cash equivalents	7	45,970	16,075
		122,150	78,097
Total Assets		283,077	147,051
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	8	57,340	29,641
Capital paid in excess of par value		23,480	3,510
Revaluation surplus		2,615	2,792
Accumulated result – profit		112,381	40,508
		195,816	76,451
Minority interest		94	122
Non-current liabilities			
Borrowings	9	30,800	44,817
Deferred incomes	10	20,274	5,609
		51,074	50,426
Current liabilities			
Trade and other payables	11	17,359	12,973
Short term borrowings		1	-
Current portion of interest-bearing borrowings	9	18,467	6,949
Provisions		267	129
		36,093	20,052
Total Equity and Liabilities		283,077	147,051

Administrator
SC Havila Trading International SRL

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Economic Director
Carmen Sandulescu

IMPACT DEVELOPER & CONTRACTOR**CONSOLIDATED INCOME STATEMENT**

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

	<u>Note</u>	2007	2006
Turnover	12	31,115	32,728
Revenue from IAS 40	13	102,411	31,933
Other operating income	14	4,354	2,214
Change in inventory of finished goods and work in progress		6,874	4,214
Work performed by the enterprise and capitalised		5,328	(2,827)
Raw material and consumables	15	(6,444)	(10,872)
Staff costs	16	(3,143)	(4,161)
Depreciation and amortization expenses	17	(735)	(1,027)
Other operating expenses	18	(33,764)	(12,688)
Net finance cost	19	(1,124)	(788)
Profit before tax		104,872	38,726
Income tax	20	(17,116)	(6,482)
Profit after tax		87,756	32,244
Minority interest		54	6
Net profit for the period		87,810	32,250

IMPACT DEVELOPER & CONTRACTOR
CONSOLIDATED CASH FLOW STATEMENT
(all amounts are expressed in thousands EUR, unless stated otherwise)

	2007	2006
Cash flows from operating activities		
Profit before taxation	104,872	38,726
Adjustments for:		
Translation adjustments	(2,946)	6,049
Minority interest	26	20
Depreciation	735	1,027
Loss / (profit) on disposals of non-current assets	(877)	(199)
Increase / (Decrease) in provisions for risks and charges	139	129
Increase / (Decrease) in allowances for bad debts	500	(140)
Increase / (Decrease) in allowances for inventories	296	65
Revenues from investment property	(102,411)	(33,281)
Interest income	(2,545)	(1,906)
Interest expenses	3,749	2,716
Other finance (income)/expenses, net	(79)	(22)
Operating profit before working capital changes	<u>1,459</u>	<u>13,183</u>
Decrease / (Increase) in trade and other receivable	(6,354)	7,219
Decrease / (Increase) in inventories	(8,006)	(14,627)
Increase / (Decrease) in trade and other payable	4,631	(490)
Cash generated from operations	<u>(8,270)</u>	<u>5,285</u>
Income tax paid	(1,499)	(2,262)
Net cash from operating activities	(9,769)	3,023
Cash flows from investing activities		
Acquisition of other financial assets	-	(1)
Purchase of property, plant and equipment	(3,235)	(12,805)
Proceeds from sale of non current assets	1,723	632
Net cash used in investing activities	(1,512)	(12,174)
Cash flows from financing activities		
Proceeds from issuance capital	45,135	177
Movements in long term loans	(2,506)	25,559
Movements in leasing contracts	(58)	(1,112)
Interest (paid)/received, net	(1,347)	(748)
Other finance expenses paid, net	79	22
Dividends paid/profit share to employees	(127)	(123)
Net cash used in financing activities	41,176	23,775
Net increase/(decrease) in cash and cash equivalents	29,895	14,624
Cash and cash equivalents at beginning of period	<u>16,075</u>	<u>1,451</u>
Cash and cash equivalents at end of period	<u>45,970</u>	<u>16,075</u>

Administrator
SC Havila Trading International SRL

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Economic Director
Carmen Sandulescu

IMPACT DEVELOPER & CONTRACTOR
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(all amounts are expressed in thousands EUR, unless stated otherwise)

Description	Share capital	Capital paid in excess of par value	Revaluation surplus	Retained earnings	Translation adjustments	Total
Balance as at Dec. 31, 2005	23,624	5,862	1,952	5,855	1,403	38,696
Exchange diff. (*)	-	512	170	511	3,529	4,722
Prior acquisition reserves of Patagonia	-	-	-	(5)	-	(5)
Acquisition of Patagonia	-	-	-	57	-	57
Issues of share	6,017	(2,864)	-	(2,976)	-	177
Revaluation of non-current assets	-	-	670	-	-	670
Net result of the period	-	-	-	32,250	-	32,250
Dividends distributed to employees	-	-	-	(116)	-	(116)
Balance as at Dec. 31, 2006	29,641	3,510	2,792	35,576	4,932	76,451
Exchange diff. (*)	-	(223)	(177)	(2,318)	(8,861)	(11,579)
Issues of share	27,699	20,193	-	(4,633)	-	43,259
Net result of the period	-	-	-	87,810	-	87,810
Dividends distributed to employees	-	-	-	(125)	-	(125)
Balance as at Dec. 31, 2007	57,340	23,480	2,615	116,310	(3,929)	195,816

(*) The exchange differences are the differences between the carrying amounts at the beginning and at the end of the reporting period that result from translation to different exchange rates and movements during the year at the average exchange rate.

Administrator
SC Havila Trading International SRL

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Economic Director
Carmen Sandulescu

Note 1. ORGANIZATION and OPERATIONS

IMPACT Developer & Contractor S.A. is a joint stock business company, with entirely private capital, operating in the field of developing complex Real Estate projects.

The company was established in 1991, by public subscription. Seizing on the evolution of the market at that time, the company initially dealt in the rental and maintenance of deluxe villas located in the residential and central areas of Bucharest. In 1995, IMPACT S.A. Developer & Contractor introduced on the Romanian market the "residential ensemble" concept, along with the grounding of the ALFA ensemble.

IMPACT SA has been, since 1996, listed on the Bucharest Stock Exchange. In 2006, the company's shares were promoted into the first category of the stock market, thus becoming the first representative of the real estate development and building sector.

During the 15 years of existence, the company has recorded numerous accomplishments: 16 residential ensembles, over 1700 houses built at western quality standards, over 100 distinctions acquired expansion on a national scale (Bucharest, Ploiesti, Constanta and Oradea).

Along these 15 years of activity, IMPACT has acted towards the diversification of the types of services offered, choosing as focal points two main directions: the supply of habitation solutions within residential areas and the provision of office spaces, by the construction of the Construdava Business Centre building. Concurrently the company has initiated real estate development programs, concentrating on villas sold on credit, addressed to the youth and middle class families.

To this day, the main service categories provided by the company are the development of complex real estate projects: housing ensembles, modern office buildings, as well as spaces destined to retail or logistical platforms. Therewith, IMPACT Developer & Contractor S.A. provides private financing and consulting solutions, for the contracting of properties found in the company's offer.

The company participates in important real estate events, both domestically and abroad.

Company Organisation

IMPACT Company is led by the General Shareholders' Meeting which, through the Managing Board chosen by the shareholders, takes the decisions pertaining to the company's strategy. The Managing Board is assisted in decision taking by the Consulting Board, while the executive power is exercised by the Board of Directors. This is formed by the Director General, the Economic-Development Director, the Human Resources Director, the Legal-Organisation Director and the Building Director.

Financial Data

The financial standings of IMPACT Developer & Contractor S.A. place the company in an advantageous position on the market and confer it the status of a trust worthy partner. The company's shares are currently transacted within the first category of the Bucharest Stock Exchange. IMPACT shares are deemed by institutional investors as being attractive, East Capital Balkan Fund announcing, during the last transaction session of January 2006 that it held a 5.35% share of the stock issued by IMPACT S.A.

The real estate corporation IMPACT increased, in June 2006, its registered capital with the amount of 20.35 million lei, thus bringing it to the value of 100 million lei (RON).

Market share of IMPACT Company

IMPACT Company holds a share of 10.7% Bucharest's market, as regards the housing units under construction and a 2.6% market share at national level.

Mission

The mission of the IMPACT firm is to make its clients' real estate dreams reality, by the professionalism of the staff, which continues to develop, thus fulfilling the investment expectations of the shareowners.

This means that 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.

Thus, IMPACT is the company that builds more than dwellings, it develops communities!

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.

The most effective management system

As of the year 2004, a new management system has been instituted – from the objective based management we have shifted to project based management.

Project based management convenes the assembly of processes and activities undertaken during a limited period of time, in order to solve well delineated complex objectives with a high risk and motivation degree. The assembling, for a determined period, of a distinct team led by a manager and different experts within the organisation leads to an increase in the flexibility of the functional and operational structure in relation to the objectives.

The advantages of this management system are the following: the project phases can be closely surveyed – thus enabling the possibility to intervene more easily and for better results, the deadlines are better set and supervised, resources (material and human) are more efficiently distributed and used, team work is encouraged. Each investment represents a project, steered by a Project Manager, sided by a team comprising designers, project leaders, civil engineers, economists. The Project Manager handles the projects pursuing the observance of the budget (costs, income), execution terms and quality.

The company's strategic objective is to develop the integrated management system, at the level of top management and the certification of this status by business excellence awards. The company was ISO certified in 2005: ISO 9001: 2000 and 2004: ISO 14001, the integrated management system being re-acknowledged by an auditing survey in the 2006. Impact Developer&Contractor S.A. intends to certify its occupational health and safety management (OHSAS 18001) by a foreign company, until the end of 2006.

Company history

Impact residential projects

Seizing on the evolution of the market at that time, the company's main activity, until 1995, was the rental and maintenance of deluxe villas located in the residential and central areas of Bucharest.

Bucharest

ALFA – was the first residential ensemble built by Impact. Initiated in 1995 and completed in 2001, this first compound comprises 40 luxury habitations. The value of this project reached 6.5 million dollars. The successful accomplishment of its first real estate projects established the name of the IMPACT Company within the world of real estate promoters based in Bucharest. Undertaking the project with its own resources and the assistance of a bank credit contracted in 1995 (which was repaid in 15 months), IMPACT succeeded to prove the reliability and success of a reliable company.

BETA – endeavoured in 1998 and accomplished in 2002. This project includes 70 DeLuxe and Prestige Villas. The investment value was of 7 million dollars.

GAMMA and DELTA – started in 1999 and achieved in 2003. These two ensembles include 250 housing units: personalised DeLuxe villas, Prestige villas and Freedom villas. The aggregate value of the two projects amounted to 20 million dollars.

EPSILON si ZETA were ventured on in 2001 and completed in 2005. The ensembles host 106 houses, especially DeLuxe and Prestige. Set on the shores of Lake Pipera, they benefit from a lake front and a special arrangement. The value of both projects was 4.5 million dollars.

JUNIOR was started in May 2004 and finished in 2005. This ensemble incorporates 54 aligned villas, the price of which completed, at the time, with that of an apartment. The types of aligned villas built within this compound were: Muguras and Margarit type villas. One of these types is structured as ground floor and attic, while the other as ground floor, upper storey and attic. The value of the investment was 2.5 million Euro.

CLASS was set about in the summer of 2001 and was finished in 2004. Developed on a 75,000 sqm, the compound accommodates 202 villas, as well as playing grounds. After only 6 months the compound has been contracted in proportion of 60%. The total value of the investment was 13.5 million Euro.

AZUR 1 was begun in September 2004 and is in the works. Stretching on a 53,500 sqm, the complex contains 150 Prestige and Junior type villas, supplemented by sport grounds, playgrounds, green areas and 50 parking spaces.

AZUR 2 was embarked on in February 2005 and is well underway. It will host 135 Prestige and Junior type villas, as well as playgrounds.

GREENFIELD was initiated in September 2006 and is the biggest residential project developed by IMPACT. Located in the northern area of Bucharest, the compound will be hosted by a 600,000 sqm and will incorporate 3,800 housing units, within aligned villas and block of flats.

GHENCEA will start in 2008 and will be located in the South part of Bucharest. It will be developed on 26 ha which are already secured, plus 38,5 ha which are in pre-agreement for sale. Ghencea project will comprise 960 houses and 3200 flats. The office area will have 37,000 sqm, the commercial area will have 73,000 sqm and the logistic one will have 93,000 sqm. Beside all these, Ghencea will include sport area and green spaces. It is estimated to be finished in 2015.

Constanta

BOREAL was set off in 2002 and is under accomplishment. Endowed with access from the DN (national road) Constanta-Ovidiu, the compound lies on a 65,000 sqm area. The value of this project is of 18 million, within this ensemble, 135 Junior, Prestige and DeLuxe villas will be available.

ZENIT will be launched at the end of 2007. Situated in the northern area of the city of Constanta, the ensemble will include 653 habitations, of which 125 Prestige, Junior and Freedom villas and 528 apartments (studios and 2, 3 and 4 rooms apartments). The accomplishment of the compound is envisaged in at least 3 years' time.

Oradea

LOTUS set off in the year 2004 and is in works. This compound will comprise 40 villas with up to 500 sqm individual plots. The investment value amounts to 3.5 million euro.

EUROPA was started in 2004 and is currently in progress. This ensemble constitutes the scope of a tender held by the City Hall of Oradea, and the criteria which decided the choice of partnership were: execution term, the building cost per square meter, including utilities, financing modalities for future buyers, contractor's experience.

IMPACT won the tender due to: the offering of the lowest square meter price, as a quality-price ratio, respectively 335 euro/sqm for the building and utilities. Developed on a 110,000 sqm area, the compound will include 312 duplex and aligned villas. The investment value will be of as much as 18 million Euro.

Ploiesti

ROUA is the residential ensemble which represents a new beginning for the company: the expansion on yet another market, the city of Ploiesti being a point of interest as to the company's development. The works for the Roua ensemble set off in November 2004 and are in the course of accomplishment. This objective will add up to a total of 152 Prestige and Junior villas.

Cluj-Napoca

Lomb District will be started at the end of 2007. It is the first large scale PPP in residential development in Romania and the biggest mixed-use real estate development outside Bucharest to date. It will be developed on 205 ha and will include 2500 flats and 3200 houses. The office area will have 54,000 sqm and the commercial area will have 121,000 sqm. It will also include sport areas and green spaces. It is estimated to be finished in 2015. **Impact business center project**

Bucharest

CONSTRUDAVA Business Center is the first class A office building in the Baneasa-Pipera area, conceived and executed by IMPACT. Located in the north-western side of Bucharest, the **building** grants a bird's eye view upon the entire residential zone of Baneasa. Construdava is a unique **building**, which accommodates office spaces, a retail gallery, a car showroom, bank quarters, five partitionable conference rooms (40 people each), a conference room for approx. 200 persons, but also a restaurant for 100 persons. Equipped with controlled access, five panoramic elevators, electronic monitoring and warning systems, video surveillance, air conditioning plant, internet, phone, video-interphone, night lighting, fire prevention system and much more, the building hosts a 13,236 sqm surface, spread on 11 levels, providing all the conditions necessary for a day in the office to be a particularly pleasant one. The constructor will also make available to those who will conduct their daily activities within this impressive building 276 parking spaces. Starting this fall, the biggest business center in the northern area of the capital will host, in addition to the IMPACT headquarters, the main offices of some prestigious firms, which chose to carry their business inside a high class facility, accomplished at the height of western standards.

CONSTRUDAVA II and III The works for these two class A buildings will start towards the end of 2006 and are projected to end in 24 months. Among the building's features will not miss: office spaces, developed on a 10,900 sqm surface, retail spaces, on circa 6,900 sqm and 200 new parking spaces.

Constanta

BLUE HOURS is a business club destined to business people all over the world. Located on the shore of the Black Sea, in the resort of Neptun, offers the advantage of a setting in a natural environment. This center will dispose of accommodation services, training, and conference and entertainment rooms. The estimate value of this project amounts to 10 million Euro.

Other projects

THE PRIVATE VILLA FAIR

The first edition – which took place in October 2003 – is a concept which belongs entirely to the IMPACT Company. Very well targeted towards clients, the fair, unique on the Romanian market enjoyed the expected success.

In March 2004 took place the second edition of the Private Villa Fair. This edition benefited from the participation of several personalities in the interest fields, from the country and the United States, Italy and Switzerland.

The third edition, carried out in September 2004, brought about a new position for IMPACT: that of official partner of the event, the organising rights being split between two agencies, organisers of conference and exhibitions. True to their “original event” policy, the IMPACT representatives managed to surprise their visitors and competition again, by the unveiling of a new concept: the IMPACT Club.

With hostesses dressed “a la petit Paris”, a Gavroche giving away the newspaper « Universul » written in the inter-war style and another one distributing flowers to the ladies, the IMPACT stand brought back to the visitors the relish of defunct times, in which decent housing was an affordable wish.

The fourth edition, held in March 2005, further increased the fame of this event, which become a moment expected by all the participants on the real estate market. This year, the IMPANCT representatives have established the model they launched last year: the IMPACT café, in Parisian style. The Villa Fair of March reunited for the first time the main institutions involved in the construction of villas by private undertakings and in the residential development, in the provision of mortgage credits, as well as in the supply of legal consulting. The event was a mix of exhibition spaces, workshops, conferences, presentations and real estate consulting, all inside the premises of the World Trade Plaza.

THE IMPACT CARAVAN

The “CARAVAN” concept was used first in the year 2003. As it was a successful experience, it was repeated in the following year. In the year 2004, at the anniversary of 13 years, marking multiple achievements, the second series of caravans took place.

Note 2. ACCOUNTING POLICIES

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

2.1 Reporting entity

These consolidated financial statements are presented by Impact Developer&Contractor SA (the Company). These consolidated financial statements incorporate the results of the Company and its subsidiaries Bipact 1995 SRL, Hobbit Broker de Asigurare Reasigurare SRL, Imobilia Credit SA, Actual Invest House SRL, Intop Construction SRL and Investimob Development SRL as detailed in Note 23 "Principal subsidiaries". Actual Invest House (99% owned by Impact) is not incorporated into consolidated financial statements for the period ended on December 31st, 2006 as their insignificant influence over the Group figures.

2.2 Basis of presentation, reporting currency and translation

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

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

The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

IAS 21 "The effects of changes in foreign exchange rates" requires that the financial statements of a foreign entity that reports in the currency of a hyperinflationary economy should be restated in accordance with IAS 29 "Financial reporting in the Hyperinflationary Economies" before being translated into a different reporting currency. The restatement of financial statements in accordance with IAS 29 requires the use of a general price index that reflects changes in general purchasing power of reporting currency.

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(all amounts are expressed in thousands EUR, unless stated otherwise)

It is a general consensus that Romania ceased to be a hyperinflationary economy during the year 2004. This is sustained by the decrease of the general price index, in the past 4 years, as presented in the table below:

Year 2001	30.29%
Year 2002	17.84%
Year 2003	14.14%
Year 2004	9.26%

Therefore, the Group companies discontinue the preparation and presentation of the financial statements in accordance with provision of IAS 29, but according to provision of IAS 21 it will use for reporting purposes the amounts expressed in the measuring unit current at the date of discontinuation (31 December 2003) as historical cost for translation into EUR.

The primary guidelines followed in translation of the financial statements of the Group companies are as follows:

- **Assets and liabilities** for all balance sheet presented (including comparatives) are translated at the closing exchange rates existing at the date of each balance sheet presented (3.6102 RON/EUR as at 31 December 2007 and 3.3817 RON/EUR as at 31 December 2006).

Before translation, non monetary assets and liabilities (such as property and equipment, inventories) acquired before date of discontinuation (31 December 2003) are restated from their historical cost by applying the general price index from either the date of acquisition or contribution to the date of discontinuation.

- **Consolidated income and expense items** for the current reporting period are translated at the average exchange rates RON/EUR for the reporting period.

Comparative figures in the income statement have been derived by applying the RON/EUR exchange rate as at 31 December 2006 to the amounts expressed in current monetary units as of that date.

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

Use of estimates

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates have principally been made in respect of estimated cost of completion of construction contracts, impairment allowance, provisions for risks and charges, allowances for doubtful debts and for old and slow moving inventories and deferred tax. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

2.3 Summary of significant accounting policies

(a) Property, plant and equipment

Non current tangible assets are stated in the balance sheet by applying the closing exchange rate RON/EUR rates existing at the date of each balance sheet presented to their either historical costs or revalued value in RON.

Historical cost for the assets acquired until date of discontinuance is expressed the measuring unit current at the 31 December 2003 before being expressed in EUR.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposals is included in the income statement. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any direct attributable costs of bringing the asset to its working condition and location for its intended use.

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

	<u>Years</u>
Buildings	50
Equipment, furniture and fixtures	1-20
Vehicles	5

(b) Intangible assets

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

(c) Impairment of assets

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

The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the conditions leading to the impairment losses recognized for the asset no longer exist or has decreased. The reversal is recorded in income.

(d) Investment properties

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

(e) Group accounting

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

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

(f) Inventories

Inventories are valued at the lower of acquisition/production cost and net realizable value, after provision for obsolete items. Cost is calculated on a first-in-first-out (FIFO) basis. Where necessary, an allowance is created for slow moving and obsolete inventories in order to arrive at the net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Obsolete inventories are identified individually and provided in full. For slow moving inventories the allowance is created based on an estimation of the age of inventories by each main category is made, considering the stock turnover by each main category and inventories older than one year, estimated as described above.

(g) Receivables

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

(h) Cash

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

(i) Provisions

A provision is recognized when, and only when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in provision reflecting the passage of time is recognized as interest expense.

(j) Revenue and expense recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from sale of goods is recognized when all the following conditions, including the above, have been satisfied:

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

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

Revenues recognised based on IAS 11 "Construction contracts"

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

(k) Financing Costs

Interest is charged to income statement on accrual basis.

(l) Income taxes

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

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

Deferred Taxation

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

(m) Related party

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

(n) Contingencies

Contingent liabilities are not recognised in the accompanying financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the accompanying financial statements but disclosed when an inflow of economic benefits is probable.

(o) Employee benefits

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

(p) Comparatives

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

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(all amounts are expressed in thousands EUR, unless stated otherwise)

Note 3. Property, plant and equipment

Description	Land & Buildings	Plant & equipment, vehicles	Office equipment	Advances and FA under construction	TOTAL
Cost					
At 31.12.2006	63,980	3,034	192	3,910	71,116
Exchange diff	(3,734)	(197)	(13)	(255)	(4,183)
Additions	2,755	286	90	6,782	9,914
Change in investment property (*)	94,670	-	-	-	94,670
Disposals	(6,009)	(538)	(20)	(1,862)	(8,428)
At 31.12.2007	151,663	2,585	251	8,588	163,087
Depreciation					
At 31.12.2006	404	1,738	68	-	2,210
Exchange diff	(26)	(113)	(4)	-	(142)
Charge	131	490	31	-	652
Disposals	(92)	(424)	(16)	-	(531)
At 31.12.2007	418	1,692	79	-	2,189
Impairment					
At 31.12.2006	-	-	(24)	-	(24)
At 31.12.2007	-	-	(5)	-	(5)
Net Book Value					
31.12.2007	151,245	893	167	8,588	160,893
31.12.2006	63,576	1,296	101	3,910	68,882

The Group's tangible assets have been revalued in 1994, 1998, 2000, 2003 and 2006. The revaluation in 2006 was applied to certain groups of fixed assets such as: residential buildings, plant and pipes.

(*) The Group decided to adopt starting with 2006 the alternative treatment recommended by IAS 40 "Investment properties", recording the land owned at their market value. These properties have been revalued by an authorised external evaluator. The difference between the historical cost of the land and the revalued amount has been recognised directly to income statement (see Note 12).

The gain resulted was in amount of 125.8 million Euro (out of which 94.7 million is the result of current period).

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 4. Inventories

The inventories on hand consist of the followings:

Description	31 December 2007	31 December 2006
Land and advances for land	21,555	19,274
Raw materials and production supplies	1,504	1,732
Allowance for old and slow moving raw materials and production supplies	(380)	(112)
Work in progress	14,724	15,101
Finished goods	6,120	185
Merchandise	136	-
Advance payments	383	152
Total	44,042	36,331

Note 5. Trade and other receivables

The accounts receivable comprise:

Description	31 December 2007	31 December 2006
Trade accounts and notes receivable	27,633	23,853
Allowance for bad and doubtful debts	(493)	(237)
Total	27,140	23,616

Note 6. Other receivables and prepayments

Description	31 December 2007	31 December 2006
Receivables related to employees	-	3
Income tax receivable	530	183
Sundry debtors	2,138	965
Allowance for sundry debtors	(244)	(59)
Other state budget receivable	172	292
Interest receivable	247	1
Prepayments	722	204
Advances to suppliers	1,433	486
Total	4,998	2,075

IMPACT DEVELOPER & CONTRACTOR
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Note 7. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Description	31 December 2007	31 December 2006
Cash in bank	45,923	15,990
Cash and cash equivalents	47	85
Total cash and cash equivalents	45,970	16,075

In December 2006 the Company has cashed-in the amount of EUR 13 million in turn of selling of Construdava – an office building. This amount has been used in early 2007 to repay some borrowings.

Note 8. Share capital

- amounts in this table are in RON -

	31 December 2007	31 December 2006
Nominal share capital	200,000,000	100,000,000
Inflation adjustment to share capital	7,009,000	235,839
	<u>207,009,000</u>	<u>100,235,839</u>
Closing exchange rate:	3.6102	3.3817
Share capital in EUR:	57,340,036	29,640,666

IMPACT DEVELOPER & CONTRACTOR
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The movements in capital during current year were as follow:

	Shares issued	Own shares	Shares issued
At beginning of the year	1,000,000,000	441	999,999,559
New shares issued	<u>1,000,000,000</u>	<u>-</u>	<u>1,000,000,000</u>
At end of year	2,000,000,000	441	1,999,999,559

Through the Extraordinary General Shareholders' Assembly from 06.0.2007 and the Council of Administration Decision 4051/ 28.09.2007 it was adopted the increasing of share capital by RON 14.857.215 by direct contribution in cash.

Through the Council of Administration Decision 2630/ 03.10.2007 it was adopted the increasing of share capital by RON 85,142,785 by incorporation of: share premium (RON 68,417,261) and other reserves (RON 16,725,524). The increasing was made by giving 0.7412 free shares to each share owned at the registering date – 22.11.2007.

The statutory share capital is made up of 2 billion ordinary shares with a statutory par value of RON 0.1 each. On 03.05.2006, through the Decision of the General Council of Stock Exchange No. 52/30.05/06, IMPACT SA has been accepted at category I of Stock Exchange Bucharest. As at 31.12.2007, the shareholders' structure is as follow:

Shareholder	%
Popp Ioan Dan	27,95
Sandulescu Carmen Daniela	11,29
Julius Baer International Equity Fund	8,46
Companies	35,23
Individuals	17,07
Total	100,00

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 9. Borrowings

Description	31 December 2007	31 December 2006
Long and medium term bank loans	40,306	42,812
Bonds – long term	8,635	8,635
Financial leases	174	216
Guarantees – long term	152	103
Total borrowings	49,267	51,766

Loan with BANC POST, No. 58

Purpose	Working capital
Amount	14,000,000 EUR
Interest	EURIBOR 3M
Contract date	November 23 rd 2005
Maturity	October 30 th 2013
Repayment date	October 30 th 2013

Balance as of 31 December 2007 **3,414,312 EUR**

Loan with PIRAEUS BANK, No. 2076

Purpose	Working capital
Amount	1,800,000 EUR
Interest	PRIME RATE
Contract date	January 28 th 2005
Maturity	February 1 st 2009
Repayment date	February 1 st 2009

Balance as of 31 December 2007 **102,011 EUR**

Loan with PIRAEUS BANK, No. 2219

Purpose	Working capital
Amount	800,000 EUR
Interest	EURIBOR
Contract date	April 21 st 2005
Maturity	April 21 st 2006 (renewable)
Repayment date	April 21 st 2006 (renewable)

Balance as of 31 December 2007 **800,000 EUR**

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Loan with PIRAEUS BANK, No. 2331

Purpose	Working capital
Amount	1,800,000 EUR
Interest	EURIBOR
Contract date	July 08 th 2005
Maturity	June 06 th 2009
Repayment date	June 06 th 2009

Balance as of 31 December 2007 **900,000 EUR**

Loan with PIRAEUS BANK, No. 195

Purpose	Working capital
Amount	2,000,000 EUR
Interest	EURIBOR
Contract date	July 10 th 2006
Maturity	June 10 th 2009
Repayment date	June 10 th 2009

Balance as of 31 December 2007 **1,500,000 EUR**

Loan with PIRAEUS BANK, No. 301

Purpose	Working capital
Amount	13,000,000 EUR
Interest	EURIBOR
Contract date	August 30 th 2006
Maturity	August 08 th 2008
Repayment date	August 08 th 2008

Balance as of 31 December 2007 **12,807,270 EUR**

Loan with BCR, No. 11 / 9949

Purpose	Working capital
Amount	2,400,000 EUR
Interest	EURIBOR
Contract date	June 14 th 2006
Maturity	June 14 th 2009
Repayment date	June 14 th 2009

Balance as of 31 December 2007 **1,673,173 EUR**

IMPACT DEVELOPER & CONTRACTOR
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(all amounts are expressed in thousands EUR, unless stated otherwise)

Loan with BANCA ROMANEASCA, No. 50070066

Purpose	Refinance of BANCPOST loans
Amount	18,306,796 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25 th 2007
Maturity	July 24 th 2014
Repayment date	January 24 th 2009

Balance as of 31 December 2007 **11,401,442 EUR**

Loan with BANCA ROMANEASCA, No. 50070065

Purpose	Refinance of BANCPOST loans
Amount	7,993,204 EUR
Interest	EURIBOR + 2.5% p.a.
Contract date	July 25 th 2007
Maturity	July 25 th 2014
Repayment date	October 25 th 2007

Balance as of 31 December 2007 **7,707,732 EUR**

Long term bank loans are guaranteed as follows:

Loan with PIRAEUS BANK

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	3810	20.437,65	land	Voluntari, Str. Emil Racovita nr. 31-33/Azur2
Mortgage rank I	4355/3		land	Voluntari, Str. Emil Racovita nr. 35-37-39 /Azur1
Mortgage rank I	4355/2	31.332,86	land	Voluntari, Str. Emil Racovita nr. 35-37-39 /Azur1
Mortgage rank I	4355/1/4;		land	Voluntari, Str. Emil Racovita nr. 35-37-39 /Azur1
Mortgage rank I	6515/2/6/1	258.925,36	land	Bucuresti, Prelungirea Ghencea nr. 402-412, Sector 6
Mortgage rank I, II	18216/1	25.870,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I, II	18217/1	23.568,00	land	Bucuresti, sector 1, Baneasa/Greenfield
Mortgage rank I, II	18428/2	14.393,57	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	10252	31.400,00	land	Constanta, Jud. Constanta, P VN 269
Mortgage rank I	10250	9.100,00	land	Constanta, Jud. Constanta, P VN 264

IMPACT DEVELOPER & CONTRACTOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(all amounts are expressed in thousands EUR, unless stated otherwise)

Loan with BANC POST, No. 58

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	18216/2	19.931,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	18217/2	42.911,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15042/2	5.000,35	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15042/1	5.000,35	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15043	7.248,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15035	7.500,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15044	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15036	3.750,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15037	3.750,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15038/2	5.001,45	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15038/1	5.001,45	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15039/2	5.017,93	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15039/1	5.017,93	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15040	9.877,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15041	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15045	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15046	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15047/2	7.506,85	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15047/1	7.506,85	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15048/2	7.525,34	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15048/1	8.525,29	land	Same as above
Mortgage rank I	15050/2	5.016,49	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15050/1	5.016,49	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15365	2.500,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15051	2500,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	15052	2.025,00	land	Bucuresti, sector 1, Baneasa/ Greenfield

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Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank 1	15053	2.975,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	15054	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	15055	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	15056	6.500,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	15058	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	15057	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	4576	218,88	land and building	Bucuresti, Horatiu nr. 8-10
Mortgage rank 1	15059	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	9598/2/2	728,70	land and building	Constanta, Str. Brest nr. 2, Jud. Constanta / Boreal
Mortgage rank 1	9598/2/3	708,00	land and building	Constanta, Str. Brest nr. 2, Jud. Constanta / Boreal
Mortgage rank 1	16574	4.850,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	16297	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	16298	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	16299	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	16242	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	16214	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	16084	5.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank 1	16315/1	6.250,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank 1	16315/2	6.250,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank 1	16087	2.500,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank 1	16086	2.500,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank 1	16085	2.500,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank 1	16791	5.000,00	land	Bucuresti, sector 1, Baneasa/
Mortgage rank 1	16291	5.000,00	land	Bucuresti, sector 1,
Mortgage rank 1	18083		land	Bucuresti, sector 1, Str. Drumul padurea Neagra 52-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	16245/2	26.787,00	land	Bucuresti, sector 1, Str. Drumul padurea Neagra 52-54
Mortgage rank I	16245/1		land	Bucuresti, sector 1, Str. Drumul padurea Neagra 52-54
Mortgage rank I	16058		land	Bucuresti, sector 1, Str. Drumul padurea Neagra 52-54
Mortgage rank I	16251		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16060/1		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16575/1		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16575/2		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16900/1	27.024,00	land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16900/2		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16061		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	16247		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	15094		land	Bucuresti, sector 1, Str. Drumul Padurea Neagra 56-64
Mortgage rank I	1916/3/70	25.245,90	land	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1026/7/2	350,40	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/6/2	349,70	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/7/1 si 1026/5/21/1	357,30	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/5/23/2	258,30	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1026/5/22	345,50	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9
Mortgage rank I	1916/3/24	190,55	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1026/5/20/5	1.040,30	land and building	Voluntari, Str. Pipera Tunari nr. 1H/ Baneasa 8-9

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	4351	786,60	land and building	Voluntari, Sos. Pipera Tunari nr. 1H, Baneasa 8/9
Mortgage rank I	10457	244,00	land and building	Bucuresti, sector 1, Str. Intrarea Poiana nr. 8
Mortgage rank I	1916/3/6	498,45	land	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/5	1.376,76	land	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/7	235,52	land	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/1	1.376,78	building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/2	498,45	building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/4	223,42	building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/9	200,30	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	1916/3/10	200,30	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior
Mortgage rank I	18657	3.750,00	land	Bucuresti, str. Drumul Padurea Pusnicu nr. 135
Mortgage rank I	16062	5.000,00	land	Bucuresti, sector 1, Topaz, parcela 97
Mortgage rank I	16059/2	2.781,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16059/1	2.514,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	16246	10.000,00	land	Bucuresti, sector 1, Baneasa/ Greenfield
Mortgage rank I	18428/1	61302,3	land	Bucuresti, sector 1
Mortgage rank I	1916/3/11	143,5	land and building	Voluntari, str. Drumul Bisericii nr.50/Junior

Loan with BCR, No. 11 / 9949

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	2423	37.561,96	land	Mangalia, Statiunea Neptun, Zona Popasul Caprioarei
Mortgage rank I	2035	4.503,70	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	1585	1.000,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2084	1.204,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2108	4.413,40	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	1587	5.038,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2031	870,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	520	800,00	land	Com. Blejoi, sat Ploiestiori,

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Mortgage rank I	529	2.500,00	land	Jud. Prahova/Roua Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2033	8.697,50	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2088	260,80	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	1586	2.500,00	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	2093	3.493,60	land	Com. Blejoi, sat Ploiestiori, Jud. Prahova/Roua
Mortgage rank I	6168	3.170,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6169	182,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6185	273,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6187	233,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6188	295,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6189	158,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6190	74,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6191	152,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6193	243,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6195	147,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6196	147,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6202	149,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6205	184,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6206	213,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6207	174,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6161	230,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6164	237,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6165	225,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6166	235,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6167	486,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6170	204,00	land	Oradea, Str. Facliciei, Jud. Bihor / Lotus
Mortgage rank I	6171	192,00	land	Oradea, Str. Facliciei, Jud.

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Mortgage	Cadastral number	Surface	Description	Bihor / Lotus
				Localization
Mortgage rank I	6172	149,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6173	129,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6174	223,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6175	264,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6178	231,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6179	116,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6180	101,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6181	125,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6182	211,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6183	207,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6184	195,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6186	169,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6194	267,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6128	201,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6129	203,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6130	179,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6131	221,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6132	276,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6133	187,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6134	186,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6135	287,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6136	224,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6137	195,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6138	90,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6139	384,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank I	6140	247,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus

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Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank 1	6141	238,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6142	214,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6143	224,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6144	218,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6145	213,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6146	201,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6148	246,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6149	226,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6150	248,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6152	238,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6153	355,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6154	252,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	6155	232,00	land	Oradea, Str. Facliei, Jud. Bihor / Lotus
Mortgage rank 1	5330/3	4.833,90	land	Voluntari
Mortgage rank 1	1916/3/48	194,00	land	Voluntari, Drumul Bisericii nr.50

Loan with BANCA ROMANEASCA

Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank 1	20254/1	227.3	land	Bucuresti, Drumul Padurea Pustnicu nr. 143
Mortgage rank 1	20254/2	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143A
Mortgage rank 1	20254/3	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143B
Mortgage rank 1	20254/4	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143C
Mortgage rank 1	20254/5	153.5	land	Bucuresti, Drumul Padurea Pustnicu nr. 143D
Mortgage rank 1	20254/6	228.2	land	Bucuresti, Drumul Padurea Pustnicu nr. 143E
Mortgage rank 1	20254/35	1,253.7	land	Bucuresti, Drumul Padurea Pustnicu nr. 141
Mortgage rank 1	20254/36	1,521.3	land	Bucuresti, Drumul Padurea Pustnicu nr. 141A
Mortgage rank 1	20254/37	1,357.1	land	Bucuresti, Drumul Padurea Pustnicu nr. 141B
Mortgage rank 1	20254/38	1,357.8	land	Bucuresti, Drumul Padurea Pustnicu nr. 141C

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Mortgage	Cadastral number	Surface	Description	Localization
Mortgage rank I	20254/39	1,379.9	land	Bucuresti, Drumul Padurea Neagra nr. 52D
Mortgage rank I	20254/40	1,389.6	land	Bucuresti, Drumul Padurea Neagra nr. 52C
Mortgage rank I	20254/43	2,854.5	land	Bucuresti, sector 1
Mortgage rank I	20254/44	7,655.3	land	Bucuresti, sector 1
Mortgage rank I	20254/45	5,893.3	land	Bucuresti, sector 1
Mortgage rank I	20254/46	143.8	land	Bucuresti, sector 1
Mortgage rank I	20254/47	254	land	Bucuresti, sector 1
Mortgage rank I	23574	10,005	land	Bucuresti, Drumul Padurea Neagra nr. 22-28
Mortgage rank I	22705	23,750	land	Bucuresti, Drumul Padurea Pustnicu nr.125-135
Mortgage rank I	21763	27,024	land	Bucuresti, Drumul Padurea Pustnicu nr. 56-64
Mortgage rank I	15042/1	5,000.35	land	Bucuresti, Drumul Padurea Pustnicu nr. 79A
Mortgage rank I	15042/2	5,000.35	land	Bucuresti, Drumul Padurea Pustnicu nr. 79
Mortgage rank I	15043	7,248	land	Bucuresti, Drumul Padurea Pustnicu nr. 79B
Mortgage rank I	18217/2	43,911	land	Bucuresti, sector 1
Mortgage rank I	18216/2	19,931	land	Bucuresti, sector 1
Mortgage rank I	15044	5,000	land	Bucuresti, Drumul Padurea Neagra nr.1
Mortgage rank I	15036	3,750	Land	Bucuresti, Drumul Padurea Neagra nr. 3
Mortgage rank I	15037	3,750	land	Bucuresti, Drumul Padurea Neagra nr.
Mortgage rank I	15038/1	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 7A
Mortgage rank I	15038/2	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 7
Mortgage rank I	15039/1	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 9A
Mortgage rank I	15039/2	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 9
Mortgage rank I	15040	9,877	land	Bucuresti, Drumul Padurea Neagra nr. 11
Mortgage rank I	15041	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 13
Mortgage rank I	15045	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 15
Mortgage rank I	15046	5,000	land	Bucuresti, Drumul Padurea Neagra nr. 17
Mortgage rank I	15047/1	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 21A
Mortgage rank I	15047/2	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 21-23
Mortgage rank I	15048/1	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 25A
Mortgage rank I	15048/2	7,500	land	Bucuresti, Drumul Padurea Neagra nr. 25-27

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Bonds

Through the public sale offer by private placing, approved by the CNVM decision no.181/18.01.05 312.000 bonds were issued at the nominal value of 1.000.000 ROL. The interest rate is Euribor 6 months + 6.5%, payable semi-annual, indexed to the EUR/ROL exchange rate, non-guaranteed, without option to redeem, non-convertible. Maturity is set at 4 years. Interest rate payment is semi-annual.

The **first payment** from 22.08.2005 is in amount of **374,400 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of 17.08.2005 and represents (the interest) the coupon value for semester I, in accordance with the bond issues calendar (1 coupon = 1.2 Euro * 312.000 = 374.400 Euro, respectively *1.342.942 lei*)

The **second payment** from 16.02.2006, is in amount of **373,963 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of 13.02.2006 and represents (the interest) the coupon value for semester II, in accordance with the bond issues calendar (1 coupon = 1.1986 Euro * 312.000 = 373.963,2 Euro, respectively *1.322.880 lei*)

The **third payment** from 15.08.2006, is in amount of **397,800 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of 12.08.2006 and represents (the interest) the coupon value for semester III, in accordance with the bond issues calendar (1 coupon = 1,275 Euro * 312,000 = 397,800 Euro, respectively *1,397,760 lei*)

The **fourth payment** from 12.02.2007, is in amount of **427,159 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of the payment date and represents (the interest) the coupon value for semester IV, in accordance with the bond issues calendar (1 coupon = 1.3691 Euro * 312.000 = 427,159 Euro)

The **fifth payment** from 10.08.2007, is in amount of **449,873 Euro**, payable at the Romanian National Bank EUR/RON exchange rate of the payment date and represents (the interest) the coupon value for semester V, in accordance with the bond issues calendar (1 coupon = 1.4419 Euro * 312.000 = 449,873 Euro)

The balance as at 31.12.2007 represents the principal (8,635 thousand EUR) and interest cumulated till the end of the year (382 EUR).

Reconciliation of minimum lease payments:

Short term financial leases	97	188
Long term financial leases	84	43
Interest	(7)	(14)
Current portion of financial lease	174	217
Short term financial leases	94	176
Long term financial leases	80	41
Current portion of financial lease	174	217

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Note 10. Deferred income

Deferred income consists in:

Description	2007	31 December 2006
Deferred tax	20,274	5,609
Total	20,274	5,609

The movement on the deferred tax liabilities is as follows:

Description	2007	2006
As at 1st of January	5,609	575
Foreign exchange difference	(1,596)	50
Charge / (Release)	16,261	4,984
As at 31st of December	20,274	5,609

The temporary differences arise from: the re-measurement of land treated according IAS 40 (see Note 3), effects of IAS 11 – “Construction contracts”, instalments selling contracts concluded until 30.04.2005 and from the different depreciation rule applied in accounting comparing to fiscal purposes.

Cumulative effect of temporary differences is:

a) IAS 40	20,135
b) Instalments contracts	89
c) Depreciation	33
d) IAS 11	17
Total	20,274

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

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Note 11. Trade and other payables

Trade and other payables consist in:

Description	2007	31 December 2006
Trade accounts and notes payable	2,657	2,180
Suppliers of non current assets	2	3
Dividends payable	16	19
Accrued interest	434	332
Accruals related to employees	236	148
Advances from customers	9,314	1,494
Income tax payable	1	297
Liabilities to State Budget	1,474	1,905
Deferred income	2,286	3,499
Other creditors	585	2,855
Guarantees	354	242
Total	17,359	12,973

Note 12. Turnover

The Group has recorded its net turnover as follow:

Description	2007	2006
Sales of finished goods	27,965	32,286
Sales of merchandise	2,573	192
Sales of services	577	250
Total	31,115	32,728

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Note 13. Revenue from IAS 40

The Group decided to adopt starting with the current year the alternative treatment recommended by IAS 40 "Investment properties", recording a part of the land owned at their market value. These properties have been revalued by an authorised external evaluator. The difference between the historical cost of the land and the revalued amount has been fully recognised directly to income statement.

The effect of changing the treatment to fair value model is presented below:

Description	Area (sqm)	Cost of acquisition (RON)	Revalued amount 31.12.2007 (RON)	Difference (RON)	Difference (EUR)
Teisani (Buc, sect 1)	205,000	22,397,661	274,491,998	252,094,337	75,538,410
Zenit (Constanta)	38,000	6,877,775	30,175,940	23,298,165	6,981,142
Prelungirea Ghencea (Buc, sect 6)	180,000	37,628,843	201,457,037	163,828,194	49,090,041
Faget (Oradea)	24,460	1,446,638	5,054,280	3,607,642	1,081,006
Neptun (Constanta)	37,562	1,896,879	13,393,842	11,496,963	3,444,989
TOTAL	485,022	70,247,796	524,573,097	454,325,301	136,135,589

The amount of 136,135 thousand EUR is divided as follows:

Description	Amount (k EUR)
Revenue recognized in 2006	31,933
Exchange differences	1,791
Revenues recognized in 2007	102,411
TOTAL	136,135

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Note 14. Other operating income

Other operating incomes includes as follows:

Description	2007	2006
Revenue from sundry services	1,506	967
Sales of residual goods	14	3
Rent	174	237
Proceeds from sales of fixed assets	1,721	632
Penalties from customers	548	244
Write-back of provisions	141	-
Miscellaneous	250	131
Total	4,354	2,214

Note 15. Raw material and consumables

Raw material and consumables costs includes as follows:

Description	2007	2006
Raw material	970	2,343
Auxiliary materials	3,236	7,511
Merchandise	1,892	507
Packing materials	37	6
Other consumables	309	504
Total	6,444	10,872

Note 16. Staff costs

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

Description	2007	2006
Wages and salaries	2,647	3,753
Civil contract staff	24	20
Social security expenses	424	373
Other costs related to employees	48	15
Total	3,143	4,161

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Note 17. Depreciation and amortization

This position in the income statement includes as follow:

Description	2007	2006
Depreciation	755	1,027
Amortization – impairment	(20)	-
Total	735	1,027

Note 18. Other operating expenses

Other operating expenses includes as follows:

Description	2007	2006
Third parties services	19,529	10,185
Heat, light and power	1,293	752
Rent	1,377	824
Commissions and fees	2,779	646
Promotion and advertising	715	397
Taxes to State Budget	845	689
Bad and doubtful debts	795	(140)
Disposals at net book value	845	433
Foreign exchange differences (gain) / loss	3,174	(2,953)
Bank commissions	503	64
Working inventories	116	299
Maintenance and repairs	144	96
Provision for risks and charges	286	123
Insurance	204	210
Postage and telecommunication	167	194
Transport of goods and personnel	263	555
Travel	25	14
Penalties and fines	58	58
Penalties for commercial contracts	427	-
Old and damages inventories	-	65
Losses from IAS 11	(1)	7
Miscellaneous	220	170
Total	33,764	12,688

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Note 19. Finance cost, net

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

Description	2007	2006
Interest income	(2,545)	(1,906)
Interest expenses	3,749	2,716
Other finance income	(16)	(13)
Discount received	(62)	(9)
Total	1,124	788

Note 20. Income tax

Description	2007	2006
Income tax expenses	855	1,700
Differed tax expense/ (income)	16,261	4,782
Total	17,116	6,482

Note 21. Related parties

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

Description	December 31, 2007	December 31, 2006
Accounts receivable		
Finance Consulting 2001	-	1
	-	1
Accounts payable		
Finance Consulting 2001	37	3
Havila Trading	104	295
	141	298
	2007	2006
Revenue		
Finance Consulting 2001	-	1
Havila Trading	-	1
	-	2
Expenses		
Finance Consulting 2001	101	79
Havila Trading	235	273
	336	352

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Note 22. Commitments

The situation of loans engaged by the company as at December 31st, 2007, is presented below:

AGREEMENT	BANK	Value	December 31, 2007
58/23.09.2005	BANC POST	14,000	14,000
2076/28.01.2005	PIRAEUS	1,800	1,800
2219/21.04.2005	PIRAEUS	800	800
2331/08.07.2005	PIRAEUS	1,800	1,800
195/10.07.2006	PIRAEUS	2,000	2,000
301/30.08.2006	PIRAEUS	13,000	13,000
11/9949/14.06.2006	BCR	2,400	2,400
50070065/25.07.2007	Banca Romaneasca	7,993	7,993
50070066/25.07.2007	Banca Romaneasca	18,307	18,307
TOTAL		62,100	62,100

Note 23. Principal subsidiaries

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

Entity	31 Dec. 2007 % share	31 Dec. 2006 % share
BIPACT 1995 SRL	62.91	62.91
Hobbit Broker de Asigurare Reasigurare SRL	95.00	95.00
Imobilia Credit SA	70.00	60.00
Patagonia Invest SRL	-	100.00
Actual Invest House	99.00	99.00
Intop Construction SRL	99.99	-
Investimob Development SRL	99.00	-

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Note 24. Revenues recognised under IAS 11 "Construction contracts"

Description	2007 [EUR]	2006 [EUR]
Contract revenue recognized as revenue in the period	12,401,979	1,178,215
Contract costs incurred and recognized profits (less recognized losses) to date	12,320,549	2,742,528
Advances received	9,220,442	1,493,554
Gross amount due from customers presented as an asset	-	1,227,968
Gross amount due to customers presented as a liability	9,139,012	-