

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

SC IMPACT DEVELOPER & CONTRACTOR SA

Consolidated financial statements for the year ended

December 31, 2011

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

	31 December 2011	31 December 2010
ASSETS		
Non-current assets		
Property, plant and equipment	5,070	4,970
Investment property	60,997	70,086
Investments	539	1,236
Intangible assets	27	50
	66,634	76,342
Current assets		
Inventories	42,994	47,670
Trade receivables	11,341	13,939
Prepayments and other receivables	51	44
Cash and cash equivalents	2,121	7,742
	56,507	69,394
Total Assets	123,140	145,736
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	56,846	57,340
Capital paid in excess of par value	19,455	19,683
Revaluation surplus	1,991	2,072
Accumulated result – profit	14,175	26,007
	92,468	105,101
Minority interest	-7	21
Non-current liabilities		
Borrowings	14,992	22,990
Deferred incomes	4,808	6,540
	19,800	29,529
Current liabilities		
Trade and other payables	4,072	4,626
Short term borrowings	0	0
Current portion of interest-bearing borrowings	6,248	5,956
Provisions	559	502
	10,879	11,084
Total Equity and Liabilities	123,140	145,736

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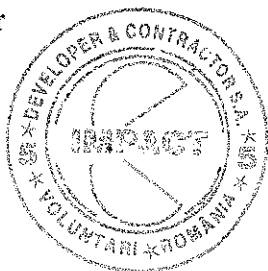
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial statements along with the Notes to the financial statements presented from page 9 to page 62 have been authorised to be issued on 18 May 2012 by the Executive Manager and signed by:

Carmen Sandulescu

Executive Manager



Lidia Varzaru

Chief Accounting Officer



IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

	2011	2010
Turnover	2,267	6,169
Effects from IAS 40 – revenue/(cost)	-8,251	-23,756
Other operating income	3,362	3,068
Change in inventory of finished goods and work in progress	-6,580	-5,293
Work performed by the enterprise and capitalised	5,816	2,454
Raw material and consumables	-714	-532
Staff costs	-392	-674
Depreciation and amortization expenses	-414	-474
Other operating expenses	-6,647	-8,334
Net finance cost	-1,601	-412
Income from associates	-8	293
Profit before tax	-13,161	-27,492
Income tax	1,679	3,856
Profit after tax	-11,482	-23,636
Minority interest	23	-3
Net profit for the period	-11,459	-23,639

IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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Statement of Changes in Equity

Description	Share capital	Capital paid in excess of par value	Revaluation surplus	Retained earnings	Translation adjustments	Total
Balance as at Dec. 31, 2010	57,340	19,683	2,072	37,981	-11,974	105,102
Investimob				-390	6	-384
Exchange diff. (*)	-	-159	-81	143	-132	-229
Net result of the period	-	-	-	-11,459	-	-11,459
Dividends distributed	-	-	-	-	-	0
Losses from shares redeemed	-	-69	-	-	-	-69
Losses related to equity instruments	-494					-494
Revaluation reserved	-	-	-	-	-	0
Decrease in fixed assets value, previously recognised in revaluation surplus	-	-		-	-	0
Balance as at Dec. 31, 2011	56,846	19,455	1,992	26,275	-12,100	92,468

IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Statement of Cash Flows by the Indirect Method

	2011	2010
Cash flows from operating activities		
Profit before taxation	-13,161	-27,492
Adjustments for:		
Translation adjustments	-647	-1,608
Revenues from investment property	8,251	23,756
Minority interest	-4	-11,599
Depreciation	414	474
Loss / (profit) on disposals of non-current assets	6	-222
Increase / (Decrease) in provisions for risks and charges	202	486
Increase / (Decrease) in allowances for bad debts	41	546
Increase / (Decrease) in allowances for inventories	3	0
Increase / (Decrease) in impairment for participations	713	
Interest income	-480	-1,379
Interest expenses	1,370	1,544
Other finance (income)/expenses, net	-8	-3
Operating profit before working capital changes	-3,301	-15,496
Decrease / (Increase) in trade and other receivable	4,754	1,090
Decrease / (Increase) in inventories	3,845	8,893
Increase / (Decrease) in trade and other payable	-446	-2,028
Cash generated from operations	4,852	-7,541
Income tax paid	-24	-47
Net cash from operating activities	4,828	-7,588
Cash flows from investing activities		
Aquisition of other financial assets	-16	
Purchase of property, plant and equipment	-3,176	8,481
Proceeds from sale of non current assets	1,533	516
Net cash used in investing activities	-1,660	8,997
Cash flows from financing activities		
Proceeds from issuance capital	0	122
Movements in long term loans	-7,697	-5,076
Movements in leasing contracts	-8	-62
Interest (paid)/received, net	-1,033	-10
Other finance expenses paid, net	8	3
Dividends paid/profit share to employees	-60	-3
Net cash used in financing activities	-8,789	-5,026
Net increase/(decrease) in cash and cash equivalents	-5,621	-3,617
Cash and cash equivalents at beginning of period	<u>7,742</u>	<u>11,395</u>
Cash and cash equivalents at end of period	<u>2,121</u>	<u>7,742</u>

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 1. ORGANIZATION and OPERATIONS

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.

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

Since 1995, Impact has expanded its activities nationally and developed over 2,200 dwellings as well as 25,000 sqm of office and retail space. Impact completed 16 small and medium projects in the last 19 years. The company is currently involved in four developments, each with a distinct project time frame and at a different stage of completion. Its pipeline is dominated by one major project: the Greenfield developments from Bucharest.

In 2011 the total number of the contracts signed for residential dwellings increased from 118 contracts signed in 2010 to 150 contracts signed in 2011. From the total number of 150 dwellings, 69 were sales contracts paid in full or paid in installments, and the rest of 81 dwellings were rented. The renting contracts increased with 84% compared with the previous year, so in 2011 there was registered a preference for renting over purchasing residential units comparing with 2010. In 2011 there were also sold small land plots for housing and small businesses in Bucharest-IIfov and Ploiesti, totaling 6350 sqm.

Management keeps an eye on the market’s pulse and responds appropriately to any changes in demand by adapting very quickly to the market changes.

In 2011, in the fourth year of the financial crisis, Romania’s strong performance in industrial production, as well as its solid export performance helped the recovery of the country’s GDP. Favorable economic conditions, including lower unemployment rates started a slight recovery in domestic demand. Although sentiment has improved globally with sharp declines showing signs of leveling off, both investors and lenders remain risk averse and investment and lending activity remain very restrictive.

Regarding the company strategy, IMPACT, in 2011 had as goals:

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- To focus on capitalizing on the finished dwellings and redesigning the estates in different stages of execution, allowing changes such as to best possibly fulfill the market requirements, adapting the sale strategy to the market conditions by introducing new *selling* solutions (Home Upgrade and Max Avantaj);
- To offer for sale small land plots to individuals and small companies for the development of houses and/or small businesses. As a result, in 2011 there were sold over 6000 sqm of land plots in Bucharest, and Ploiesti.
- To release two new innovative products: KALEIDOSCOPE – multifunctional dwelling “3 in 1” that offer three living functions in one space, and ACTIVE HOME – a house with independent solutions for utilities, which is based on an integrated system for water, sewage, heating and electricity;
- To identify partners at the project level in order to diminish the risk of the projects to be developed

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 executive power is exercised by the CEO of the company. The company has also an executive director .

Mission

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

In order to draw respect and exceed the expectations of the real estate market, the corporation 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

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The most effective management system

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

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.

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

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

Company history

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

Starting with 2003 Impact expanded also in Constanta, Ploiesti and Oradea and developed more that 500 units in this locations also.

On-going Projects

The company is currently involved in four developments, each with a distinct project time frame and with a different completion stage. Its pipeline is dominated by one major project: the GreenfieldProject.

Greenfield Project in 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.

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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 – Phase which is divided in 7 sub-phases).

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 and Quartz

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

Note 2. ACCOUNTING POLICIES

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

2.1 Reporting entity

Impact Developer & Contractor SA (the Company) presents these consolidated financial statements. These consolidated financial statements incorporate the results of the Company and its subsidiaries: Bipact 1995 SRL, Hobbit Intermediere Asigurari SRL, Actual Invest House SRL, Millenium Consult Invest 2002 SRL, Intop Construction SRL and Clearline SA as detailed in Note 23 “Principal subsidiaries”.

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.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

It is a consensus that Romania ceased to be a hyperinflationary economy during the year 2004. Therefore, the Group companies discontinue the preparation and presentation of the financial statements in accordance with provision of IAS 29, but according to provision of IAS 21 it will use for reporting purposes the amounts expressed in the measuring unit current at the date of discontinuation (31 December 2003) as historical cost for translation into EUR.

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

- **Assets and liabilities** for all balance sheet presented (including comparatives) are translated at the closing exchange rates existing at the date of each balance sheet presented (4.3197 RON/EUR as at December 31, 2011 and 4.2848 RON/EUR as at December 31, 2010).
- **Income and expense items** for the current reporting period are translated at the average exchange rates RON/EUR for the reporting period (4.2379 RON/EUR).
Comparative figures in the income statement have been derived by applying the RON/EUR exchange rate as at December 31, 2010 to the amounts expressed in current monetary units as of that date (4.2099 RON/EUR).
- **Equity items**, other than net profit and loss for the period that is carried forward, which have been contributed or accumulated before date of discontinuation are restated from their historical cost by applying

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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 impairment allowance, provisions for risks and charges, allowances for doubtful debts and for old and slow moving inventories and deferred tax. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from these estimates.

2.3 Summary of significant accounting policies

(a) Property, plant and equipment

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

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

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

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

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

(b) Intangible assets

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

(c) Impairment of assets

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

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

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

(d) Investment properties

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

(e) Group accounting

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

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assessing whether the Group controls another entity.

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

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

(f) Inventories

Inventories are valued at the lower of acquisition/production cost and net realizable value, after provision for obsolete items. Cost is calculated on a first-in-first-out (FIFO) basis.

According to the economic reality and the policy of Impact, land being intended for sale to their greatest extent, they are considered raw materials. Due to their special character, the method to calculate the cost is the Weighted Average Cost (WAC) and includes besides the proper acquisition cost other expenses as well caused by their bringing into the shape intended for sale.

Where necessary, an allowance is created for slow moving and obsolete inventories in order to arrive at the net realizable value, so a 50% provision for inventories without any movement for a period of three months.

Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Obsolete inventories are identified individually and provided in full.

For slow moving inventories the allowance is created based on an estimation of the age of inventories by each main category is made, considering the stock turnover by each main category and inventories older than one year, estimated as described above.

(g) Receivables

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

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(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.

(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%.

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Deferred Taxation

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

For the deferred tax we applied a current rate of 16%.

(m) Related party

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

(n) Contingencies

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

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

(o) Employee benefits

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

(p) Comparatives

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

Share sales to the employees

The shares included into the loyalty program developed by IMPACT DEVELOPER & CONTRACTOR S.A. have a nominal value of 1 RON. The company's shares are traded on the category I of the Bucharest Stock Exchange.

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

Note 3. Property, plant and equipment

Description	Land& Buildings	Investment property	Plant & equipment, Vehicles	Office equipment	Fixed assets under construction	TOTAL
Cost						
At 31.12.2010	4,629	70,086	1,686	199	46	76,646
Exchange diff	-37	-566	-14	-2	0	-619
Additions	9,420	1,708	49	0	5,582	16,760
Change in investment property (*)		-8,251				-8,251
Disposals	-8,926	-1,980	-37	-11	-5,629	-16,583
At 31.12.2011	5,086	60,997	1,685	187	0	67,954
Depreciation						
At 31.12.2010	204	0	1,248	138	0	1,590
Exchange diff	-2	0	-10	-1	0	-13
Charge	655	0	121	25	0	801
Disposals	-468	0	-23	-1	0	-492
At 31.12.2011	389	0	1,336	161	0	1,886
Impairment						
At 31.12.2011	0	0	0	0	0	0
Net Book Value						
31.12.2010	4,425	70,086	438	61	46	75,056
31.12.2011	4,697	60,997	349	25	0	66,068

The Group's tangible assets have been revaluated in 1994, 1998, 2000, 2003, 2006, 2009 and 2010.

At the end of the year 2011 there took place a revaluation of construction-type fixed assets. The revaluation was made by Parker Lewis for the land and by the valuation expert Vasile Monica for the rest of the properties. The revaluation was made on the basis of real value. Following this revaluation there resulted both positive and negative differences, cumulatively the value of assets decreasing. According to the accounting regulations, when the revaluation result is a decrease of net accounting value, this is treated as an expense with the entire depreciation value, when in the revaluation reserve is not registered an amount related to that asset.

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

In the year 2011, due to the existing economic context, work was done only in order to finish the started units from the residential compounds. For this reason, the value of the construction works compared to the preceding year is much diminished. In the range of the products offered by the company there are included both completely finished dwelling units, and some dwelling units on red stage, and others on plaster, so as the clients may purchase the products that are the most fit for their needs.

In August 2011 there were finished the approaches for the sale of a new real estate type P+3 within the Greenfield assembly, with a total built area of 919 sqm placed on the afferent land, plus a land plot with a surface of 693 sqm adjacent to the construction. The transaction was concluded on the date of 1st August, having a value of 1 million Euros plus V.A.T. The concluded transaction consolidates the existing advantages for the inhabitants of the Greenfield urban pole, as it allows the expansion of the volume and range of services afferent to education, sports and free time available for the children of the families in the area. On the third quarter there were terminated the contracts afferent to 33 constructions following the beneficiary entering liquidation. Following this termination there was recorded a minus per revenues from the sale of products in an amount of 12.07 mil lei. At present these constructions were recorded in inventories, 17 constructions with a value of 5.12 mil lei as finished products and 16 constructions with a value of 4.19 mil lei as tangible assets.

At the end of the month of December 2011 there existed a number of 395 houses and apartments of which 216 units are rented or held for lease, 176 units are held in stock for sale and 3 units are fixed assets.

In the year 2009 there was started a new assembly in Greenfield - RFR, with 46 apartments in the first phase. For the moment the capitalized costs comprise design, taxes, advices, etc. The investment afferent to the Dealul Lomb project is in an amount of 4,473 keuro representing investments in Dealul Lomb project (PUZ, roads, water and electricity networks etc). These were established by the framework contract no. 55423/04.07.2007 concluded between Impact Developer&Contractor SA and Cluj-Napoca Local Council as a prerequisite for the establishment of the company Clearline Development (former Lomb SA). In the year 2011 Impact summons for trial the Local Council of the Municipality Cluj-Napoca (file 79/1285/2012) requesting its obligation to pay damages and the afferent legal interest. According to the estimates of an independent law office there are significant chances that these costs would be recovered from the Cluj-Napoca Local Council.

IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Note 4. Inventories

The inventories consist of the followings:

Description	31 December 2011	31 December 2010
Land and advances for land	17,971	17,971
Raw materials and production supplies	3	419
Allowance for old and slow moving raw materials and production supplies	-271	-322
Work in progress	12,779	13,078
Finished goods	12,458	13,099
Merchandise	0	3,350
Advance payments	55	75
Total	42,994	47,670

Note 5. Trade and other receivables

The accounts receivable comprise:

Description	31 December 2011	31 December 2010
Trade accounts and notes receivable	9,264	9,567
Allowance for bad and doubtful debts	-696	-358
Income tax receivable	694	698
Sundry debtors	1,183	2,471
Allowance for sundry debtors	-485	-638
VAT and other state budget receivable	886	1,019
Interest receivable	30	45
Short term investments (*)	0	567
Advances to suppliers	466	570
Total	11,341	13,939

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

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

On 26 May 2011, according to the decision of the BoD as of 27.04.2011 Impact Developer&Contractor SA alienates the receivables held to the Pasteur Institute to Sortway LTD for the amount of 1,500,000 Euros, that makes that the balance of the „Sundry Debtors” account would decrease by the amount of 6,913,637 lei on 31 December 2011. This receivable assignment had as its purpose the insurance of immediate liquidities to the company, without recording a loss related to the amounts registered in the books, resulting only a small loss due to the exchange rate difference from the payment performance moment and the moment of collecting the amounts related to the receivable assignment.

Note 6. Prepayments

Description	31 December 2011	31 December 2010
Prepayments	51	44
Total	51	44

Note 7. Cash and cash equivalents

Cash and cash equivalents consist of the following:

Description	31 December 2011	31 December 2010
Cash in bank	2,090	3,227
Short term investments	0	4,502
Cash and cash equivalents	30	13
Total cash and cash equivalents	2,121	7,742

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 8. Share capital

- amounts in this table are in RON -

	31 December 2011	31 December 2010
Nominal share capital	197,866,574	200,000,000
Inflation adjustment to share capital	47,691,754	45,690,586
	<u>245,558,328</u>	<u>245,690,586</u>
Closing exchange rate:	4.3197	4.2848
Share capital in EUR:	56,846,153	57,340,036

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

Denomination : IMPACT DEVELOPER & CONTRACTOR SA

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

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

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

C.I.F. RO1553483

The subscribed and paid-up share capital of the company as at 31st of December 2011 is of 197,866,574 RON. The nominal value of a share is of 1 RON.

On the date of 11 October 2011, the Extraordinary General Meeting of Shareholders approved the decrease of the share capital, from the amount of 200,000,000 RON, respectively 200,000,000 shares, by the cancellation of the shares acquired by the company in a number of 2,133,426 shares. The share capital of the company, following this operation, became 197,866,574 RON. The registration date approved by EGMS was 28.10.2011, and the operation of the share capital decrease with Depozitarul Central SA took place as at 06.02.2012.

The structure of the shareholding as at 31st of December 2011 was the following:

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Shareholder	Holding – according to the statement of Depozitarul Central	Holding – corroborated with the D.EGMS for share capital decrease
Popp Ioan Dan	16.34%	16.52%
Sandulescu Carmen Daniela	9.59%	9.69%
SALINK LIMITED	10.00%	10.10%
Artio International Equity Fund	8.46%	8.55%
TEMPLETON G.I.T-T.EM.MKTS SMALL CAP FUND	6.09%	6.15%
FONDUL DE PENSII ADMINISTRAT PRIVAT ING	5.81%	5.88%
Other legal entities, out of which	23.79%	22.97%
- foreign entities	15.38%	15.55%
Other natural persons, out of which	19.92%	20.14%
- foreign pers	0.44%	0.45%
Total	100.00%	100.00%

The company Impact Developer & Contractor SA has been traded to the Bucharest Stock Exchange since the year 1996, and beginning from the year 2006 its shares, at present in a number of 197,866,574, have been quoted in the 1st category.

25.93% of the company shares were held, as at 31.12.2011, by the company management.

Information Regarding Employees, Administrators and Directors

Structure of Personnel Expenses

In the year 2011 the number of employees decreased from 51 to 27, a decrease also reflected in the expenses with personnel remuneration.

Description	31.12.2010	31.12.2011
indemnifications for the Board of Directors	81,624	151,814
salaries of directly productive employees	132,994	9,042
salaries of TESA	1,469,350	750,491
exp. with social insurances and protection	425,863	217,081
TOTAL	2,028,207	1,128,428

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Company Management

The current members of the Board of Directors were reelected by the Decision of GMS no. 3/11.10.2011, for a mandate of four years, except for Mr. Radu Bugica that was elected in the position of administrator for a mandate of four years by the Decision of GMS no. 1 / 16.04.2011.

Until 25.04.2012, Mr. Dan Ioan Popp occupied the position of Chairman of the Board of Directors. After this date, this position is occupied by Mr. Dimitris Sophocleous who is the former finance director of mobile division Romtelecom.

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 GAS nr. 1/25.04.2012, the members of the BoD have the right to a monthly gross allowance with a value of 5,000 RON t, and the chairman of the Board of Directors has the right to a monthly gross allowance with a value of 10,000 RON .

Administrators at the end of December 2011

	Name	Position	Identification Data
1.	Popp Ioan Dan	Chairman of BoD	1570411400459
2.	Ionescu Valeriu Nicolae	Administrator	1520411400095
3.	Bugica Radu	Administrator	1651213384184

Executive Management

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

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 9. Borrowings

Description	31 December 2011	31 December 2010
Long and medium term bank loans	20,637	28,169
Bonds – long term	0	0
Financial leases	4	12
Guarantees – long term	599	765
Total borrowings	21,240	28,946

The statement of the credits under performance at the end of the month of December 2011 is presented below.

At chapter subsequent events there appears the statement as at 31.03.2012 of the balance of credits.

1. Piraeus Bank

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

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

Interest: EURIBOR at 3 months plus a margin of 6 percentage points per year, the calculation of interests will be performed for the daily balance of the credit account and will be reported to a 360-days year.

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

The balance of drawings from this credit as at 31.12.2011 is of: 9,605,441.74 EUR

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

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

2. Piraeus Bank

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

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

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

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

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

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Contract of credit facility on term no. 58/23.09.2005

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

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

The interest will be calculated as of the drawing date on the basis of the number of effective days reported to a 360-day year and is due and payable monthly, on the last day of the current month. The interest will be

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

accumulated daily, being calculated on the basis of the following formula: (credit balance x interest rate provided for in the previous paragraph)/360 days.

If the Borrower does not reimburse on the due date any part of the credit drawn from the Facility, the outstanding amount will lead to the payment of an increased interest rate equal to the amount of the provided interest rate and a margin of 3%.

The reimbursement date of the last installment of the Facility, according to the schedule, is 22.09.2012.

On 31.12.2011 there remained in the balance the value of 683,925.09 EUR from the second subfacility, intended for the financing of the „Europa” residential project. The other due subfacilities were integrally reimbursed on the 25.07.2007, summing up 12,795,602 EUR, for their payment being contracted other two credits with Banca Romaneasca.

The statement of mortgaged assets for Bancpost is presented below:

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

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

4. Banca Romaneasca

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

24.07.2014 Object:

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

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

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

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

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

5. Banca Romaneasca

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

24.07.2014. Object:

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

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

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

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

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

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

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

Reimbursement: The credit facility will be reimbursed on a quarterly basis in equal installments after the finish of the grace period. Also, the credit facility will be reimbursed on a pro-rata basis from the collections related to the sale of each apartment/villa that is a part of the project.

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

The ratio that defines pro-rata is the following: Amount to be reimbursed = Value of Credit Facility * surface of apartment/villa sold according to the sale-purchase contract signed by the Borrower with the final client / Total surface of the Project.

On the date of 31.12.2011 the amount to be paid in balance afferent to these credits from Banca Romaneasca was of 9,746,194.30 EUR.

Guarantees:

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

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
first rank mortgage; second rank mortgage	20254	6,732.86	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 52-54
first rank mortgage; second rank mortgage	23574	4,837.44	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 52-54
first rank mortgage; second rank mortgage	22705	12,373.22	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Pustnicu no. 125-135
first rank mortgage; second rank mortgage	21763	23,959.37	2648/25.07.2007; 2049/09.07.2008	land and constructions	Padurea Neagra no. 56-64
first rank mortgage; second rank mortgage	18217/2/1	17,053.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Type of receivable first rank mortgage; second rank mortgage	Cadastral No.	Mortgage d surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
first rank mortgage; second rank mortgage	18217/2/2	3,817.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18217/2/3	23,041.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	18216/2	19,931.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/1	22,166.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/2	2,186.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1
first rank mortgage; second rank mortgage	26525/3	33,074.00	2648/25.07.2007; 2049/09.07.2008	land	Bucharest, district 1

6. Banca Transilvania

Credit contract no. 15/21.07.2009 value 9,000,000 RON , due date 20.07.2014.

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

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

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

Reimbursement: The credit will be reimbursed in monthly instalments, 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 31.12.2011 is of 2,596,310.79 RON.

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

IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
first rank mortgage	20254/36/1;2;6	101.91	218/21.07.2009	land and constructions	Padurea Neagra no. 52-54
first rank mortgage	20254/36/1;3;8	109.84	218/21.07.2009	land and constructions	Padurea Neagra no. 52-54
first rank mortgage	20254/40/2;1;3	90.61	218/21.07.2009	land and constructions	Padurea Neagra no. 52-54
first rank mortgage	23574/1/1/6	22.01	218/21.07.2009	land and constructions	Padurea Neagra no. 22-28
first rank mortgage	21763/1/2/6/2/1;1;6	59.60	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/6/2/1;2;9	59.60	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/7/2/1;2;9	53.48	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/7/2/2;2;8	40.45	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/9/2/1;2;8	44.60	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/9/2/2;1;4	74.85	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/10/2/2;2;9	63.70	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/11/2/1;1;5	46.99	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/11/2/1;2;7	49.83	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	21763/1/2/11/2/2;2;7	78.97	218/21.07.2009	land and constructions	Padurea Neagra no. 56-64 and Padurea Pustnicu no. 145
first rank mortgage	7603	321.00	218/21.07.2009	Land and constructions	26, George Palade St., Oradea, Bihor
first rank	7604	375.00	218/21.07.2009	Land and	26, George Palade St.,

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Type of receivable	Cadastral No.	Mortgaged surface	No. of Mortgage Contract	Real estate	Address/ Residential compound
mortgage				constructions	Oradea, Bihor
first rank mortgage	153317	220.00	218/21.07.2009	Land and constructions	38, George Palade St., Oradea, Bihor
first rank mortgage	153318	83.00	218/21.07.2009	Teren	38, George Palade St., Oradea, Bihor
first rank mortgage	7610	200.00	218/21.07.2009	Land and constructions	40, George Palade St., Oradea, Bihor
first rank mortgage	7613	200.00	218/21.07.2009	Land and constructions	46, George Palade St., Oradea, Bihor
first rank mortgage	7689	342.00	218/21.07.2009	Land and constructions	95, George Palade St., Oradea, Bihor
first rank mortgage	7537	470.00	305/04.06.2010	Land and constructions	152, George Palade St., Oradea, Bihor
first rank mortgage	7752	200.00	305/04.06.2010	Land and constructions	131, George Palade St., Oradea, Bihor
first rank mortgage	7541	325.00	120/09.03.2010	Land and constructions	160, George Palade St., Oradea, Bihor
first rank mortgage	7540	362.00	120/09.03.2010	Land and constructions	158, George Palade St., Oradea, Bihor

In total, the total accounting value of the assets mortgaged to the banks is of about 213.5 million RON.

During the year 2011 there were finished the controls of the Bucharest District 1 local authorities with regard to the mode of establishment and payment of the local taxes owed for the buildings and lands held under property. The differences established by the control bodies were to recover 200,860 lei tax on land paid in addition, from District I.

IMPACT DEVELOPER & CONTRACTOR

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

Note 10. Deferred tax

Deferred tax consists in:

Description	31 December 2011	31 December 2010
Deferred tax	4,808	6,540
<hr/>		
Total	4,808	6,540

The movement on the deferred tax liabilities is as follows:

Description	31 December 2011	31 December 2010
As at 1 st of January	6,540	10,509
Foreign exchange difference	-53	-139
Charge / (Release)	-1,679	-3,830
<hr/>		
As at 31st of December	4,808	6,540

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

Cumulative effect of temporary differences is:

a) IAS 40	1,320
b) Provision for taxes	359
Total	1,679

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

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 11. Trade and other payables

Trade and other payables consist in:

Description	31 December 2011	31 December 2010
Trade accounts and notes payable	2,369	2,826
Suppliers of non current assets	1	1
Advances from customers	168	116
Dividends payable	31	91
Accrued interest	11	169
Accruals related to employees	184	188
Income tax payable	0	19
Liabilities to State Budget	111	137
Deferred income	900	965
Other creditors	100	-91
Guarantees	196	205
Total	4,072	4,626

Note 12. Turnover

The Group has recorded its net turnover as follow:

Description	2011	2010
Sales of finished goods	1,751	5,552
Sales of merchandise	204	30
Sales of services	312	587
Total	2,267	6,169

IMPACT DEVELOPER & CONTRACTOR

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

Note 13. Revenue from IAS 40

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

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

Description	Area (sqm)	Cost of acquisition (RON)	Revalued amount 31.12.2010 (RON)	Difference (RON)	Difference (EUR)
Teisani (Buc, Sector 1)	205,495	25,810,172	109,431,279	83,621,107	19,731,732
Zenit (Constanta)	38,000	6,877,620	12,728,908	5,851,288	1,380,705
Prelungirea Ghencea (Buc, Sector 6)	180,000	37,629,000	65,317,677	27,688,677	6,533,584
Faget (Oradea)	24,460	1,446,564	4,565,923	3,119,359	736,062
Europa (Oradea)	644	42,709	83,457	40,748	9,615
Neptun (Constanta)	37,562	1,896,879	5,067,008	3,170,129	748,042
TOTAL LAND	486,161	73,702,944	197,194,252	123,491,307	29,139,741
216 housing units held for renting		65,549,330	66,294,875	745,545	175,923
Net effect of IAS 40		139,252,274	263,489,126	124,236,852	29,315,664

The amount of 29.316 thousand EUR is divided as follows:

Description	Amount (k EUR)
Revenue recognized until 31 December 2010	37,945
Exchange differences (*)	-378
Revenues recognized in 2011	-8,251
TOTAL	29,316

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(*) The exchange differences are determined based on annual average exchange rates used in calculation of Euro amounts.

Note 14. Other operating income

Other operating incomes includes as follows:

Description	2011	2010
Revenue from sundry services	753	996
Sales of residual goods	1	1
Rent	546	420
Proceeds from sales of fixed assets	71	516
Proceeds from sales of investments	1,462	
Penalties from customers	420	258
Miscellaneous	109	877
Total	3,362	3,068

Note 15. Raw material and consumables

Raw material and consumables costs includes as follows:

Description	2011	2010
Raw material	283	293
Auxiliary materials	159	92
Merchandise	222	88
Packing materials	0	0
Other consumables	51	60
Total	714	532

IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
(all amounts are expressed in thousands EUR, unless stated otherwise)**Note 16. Staff costs**

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

Description	2011	2010
Wages and salaries	266	491
Civil contract staff	46	44
Social security expenses	80	139
Total	392	674

Note 17. Depreciation and amortization of fixed assets

This position in the income statement includes as follow:

Description	2011	2010
Depreciation	346	419
Amortization – impairment	68	55
Total	414	474

IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Note 18. Other operating expenses

Other operating expenses includes as follows:

Description	2011	2010
Third parties services	2,084	2,987
Heat, light and power	609	728
Rent	480	975
Commissions and fees	48	56
Promotion and advertising	158	126
Taxes to State Budget	281	758
Bad and doubtful debts	44	546
Protocol		
Disposals at net book value	77	294
Foreign exchange differences (gain) / loss	358	408
Bank commissions	142	120
Working inventories	35	29
Maintenance and repairs	140	99
Provision for risks and charges	202	486
Insurance	105	139
Postage and telecommunication	61	97
Transport of goods and personnel	12	32
Travel	0	3
Penalties and fines	14	75
Cost of disposed investments	1,380	24
Penalties for commercial contracts	0	0
Old and damages inventories	0	0
Miscellaneous	416	350
Total	6,647	8,334

IMPACT DEVELOPER & CONTRACTOR**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
(all amounts are expressed in thousands EUR, unless stated otherwise)**Note 19. Finance cost, net**

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

Description	2011	2010
Interest income	-480	-1,379
Interest expenses	1,370	1,544
Other finance income	-8	-3
Other finance expenses	0	244
Discount received	6	7
Impairment losses of participations	713	
Total	1,601	412

Note 20. Income tax

Description	2011	2010
Income tax expenses	9	30
Differed tax expense/ (income)	-1,688	-3,886
Total	-1,679	-3,856

IMPACT DEVELOPER & CONTRACTOR

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

Note 21. Related parties

Nature of Relationships

In the year 2011, the company IMPACT SA realised trade relationships with a number of companies that are related parties. The list of the related parties with which Impact realised trade relationships is the following:

Denomination of company– related party:	Number and date of contract	Type of services/products
		purchased
	J3009/30.12.2011	Supplier (construction services)
SMART FIN INTERNATIONAL	CC/20.05.2011	Supplier
AD CONSULT LAND	J2780/31.10.07	Supplier (management services)

The prices of the contracts concluded with the affiliated party companies are established under market conditions. In the year 2011, the company realised transactions with the related parties, as follows:

Sales to:	31.12.2011	31.12.2010
SMART FIN INTERNATIONAL	0.62	1.25
AD CONSULT LAND	1.21	0.29
Total	1.82	1.55

Purchases from:	31.12.2011	31.12.2010
SMART FIN INTERNATIONAL	8.16	25.28
AD CONSULT LAND	97.04	116.02
TOTAL	105.20	141.30

Following the transactions with the related party companies, there resulted the following balances as at 31st of December 2011:

Receivables from/Advances granted to:	31.12.2011	31.12.2010
SMART FIN INTERNATIONAL	0.08	0.01
AD CONSULT LAND		

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	4.08	0.02
TOTAL	4.16	0.03

Debts to/Advances received from:	31.12.2011	31.12.2010
SMART FIN INTERNATIONAL	-	-
AD CONSULT LAND	-	9.70
TOTAL	-	9.70

Note 22. Subsequent events

Bank Credits

On the date of 31st of March 2012, the statement of the banking loans was the following:

No. of Contract	Name	Currency	Val. of contract	Balance as at 31.12.2011	Balance as at 31.03.2012
301/30.08.2006	Piraeus Bank Greece, Londra br.	EURO	12,807,270	9,605,441.74	8,965,078.96
58/23.09.2005	Bancpost Floreasca	EURO	21,000,000	683,925.09	513,275.88
50070065/25.07.2007	Banca Romaneasca	EURO	7,993,204	3,140,187.22	2,854,715.65
50070066/25.07.2007	Banca Romaneasca	EURO	22,306,796	6,606,007.08	6,411,546.13
15/21.07.2009	Banca Transilvania	RON	9,000,000	2,596,310.79	2,155,712.33

In March 2012 on the request of the representative of the Public Ministry, the court of the Bucharest Tribunal disposed the institution of the ensuring distraint upon the goods of Impact Developer& Contractor SA up to the accomplishment of the amount of 16,823,946 lei in favour of ANAF. Against this decision the company filed for recourse. During the last two weeks there were made significant approaches for the clarification of the situation created by the court by the mode the session conclusion was made on the date of 28/03/2011, so as the activity of the company would not be blocked. On the 10th of April ANAF signed a pledge on a land of 52,234 sq.m located in Bucharest, district I which covers 150% from the amount asked by the Public Ministry

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 23. Other Legal and Economic Information

During the period 7 December 2011 – 27 March 2012 the company was subject to a fiscal inspection for V.A.T. reimbursement, a control that was ended on the date of 2 April 2012. The checked period was 01.01.2009 – 30.09.2011. By the taxation decision no. F-MC 91/30.03.2012 communicated on 2 April 2012 there was established V.A.T. to be reimbursed with a value of 1,807,123 lei.

With regard to the project *Business Support Centre – Greenfield 2* of SC MILLENIUM CONSULT INVEST 2002 SA, on the first quarter of 2012, following the second visit on site from December 2011, the project financing was dismissed, because of the fact that a portion of approximately 400 m of the public road Aleea Teișani, District 1, Bucharest, being under the administration of the City Hall of the Municipality Bucharest, where the access to the designed project is provided, is not accomplished on a rigid structure (asphalt, concrete, pavings, cubic stone).

SC MILLENIUM CONSULT INVEST 2002 SA challenged the decision of AM POR for the project financing dismissal, because AM POR did not take into account the fact that the modernization / execution of a public road cannot be put in the charge and control of a private petitioner / economic operator. On the other hand, AM POR issued regulations regarding the characteristics of the access road, subsequently to the project submission, and these cannot be opposable to the project, retroactively, according to the law norms in force.

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

The Board of Directors proposed the issue of convertible bonds that is on the agenda of GMS as of 25 April 2012. According to the Call the amount proposed for the issue of bonds is of about 10 million EUR, that should cover the need of liquidities until the half of the year 2014, a moment on which most of the credit contracts will be reimbursed.

IMPACT DEVELOPER & CONTRACTOR

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

Note 24. Principal subsidiaries

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

Entity	December 31, 2011	December 31, 2010
	% share	% share
Actual Invest House SRL	100%	99%
Bipact 1995 SRL	63%	63%
Hobbit Intermediere Asigurari SRL	95%	95%
Investimob SA	0%	99%
Intop Construction SRL	99%	99%
Clearline Development&Management SRL	100%	100%
Millenium Consult Invest SRL	45%	45%
BIZ-AR SRL	0%	95%
Prest RV 2003 SRL	0%	95%

During the year 2011, according to the decisions of the BoD from the year 2010 and from May 2011, in order to decrease the participations of Impact in other companies, the companies Biz-ar and Prest RV were closed , Prest RV in February 2011 on the basis of the resolution no. 16047 as of 24.02.2011 and Biz-Ar in April 2011 on the basis of the resolution no. 35838 as of 21.04.2011. Following liquidation, the profit of Impact was negatively influenced by the amount of 380 RON.

Investimob was merged in 2011 into Rot Apact. Along this merger, Intop Construction, initial owner of Investimob, got a 42% of the respective company. In December 2011, Intop sold its participation in Rot-Apact to several natural persons, and consequently, Investimob was not included in consolidation process.

On the basis of the same decisions to restructure the holdings of Impact, in December 2011 the Board of Directors of Impact decides the alienation to their nominal value of 36 social parts that it holds in Bipact 1995 SRL, from the total participation of 975 lei. Following this transaction, the participation held by Impact in Bipact decreased from 63% to 4.83%, respectively from 975 to 75 lei.

Impact owns shares with a pair value of 539 keuro (45%) in Millennium Consult Invest 2002 S.A. The applicabil standard is IAS28, Investments in Associates.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

The company SC Millenium Consult Invest 2002 SA is the titular of a project that supposes the accomplishment and operation of a business support structure that would offer services for the SMEs in the Region Bucharest-Ilfov. It is about the Business Support Centre – Greenfield 2, a project submitted to be co-financed from the European Regional Development Fund, by the Regional Operational Programme.

The project was submitted in March 2010, in April 2010 the administrative compliance and project eligibility assessment were successfully finished, and in November 2010 the project was declared accepted for financing. In January 2011 the technical design compliance was finished, and in April 2011 there took place the visit on site, before the signing of the financing contract.

During the period May – November 2011 the contracting process was suspended because of a notice received from the owner of a land plot situated a few hundreds of meters far from the implementation place of the above mentioned project, that claimed the existence of some litigations with regard to the Zoning Plan.

The person that made the notice to the Bucharest-Ilfov Regional Development Agency filed for several actions in court, requesting the cancellation of the Zoning Plan, against Impact Developer & Contractor – the beneficiary of the PUZ, actions that he lost.

During the project contract suspension period the Management Authority for the Regional Operational Programme documented with regard to the case appeared and following the ascertainment of the eligibility conditions, it disposed the continuation of the contracting process with the remake of the visit on site (at the moment of the AM POR decision to continue the contracting, the sentences regarding the dismissal of the petitioner's actions were not ruled yet).

At the end of November 2011, the contracting process was resumed, and in this respect the visit on site was remade in December 2011.

Following the second visit on site from December 2011, the project financing was dismissed, because of the fact that a portion of approximately 400 m of the public road Alea Teişani, District 1, Bucharest, being under the administration of the City Hall of the Municipality Bucharest, where the access to the designed project is provided, is not accomplished on a rigid structure (asphalt, concrete, paving, cubic stone).

SC MILLENIUM CONSULT INVEST 2002 SA challenged the decision of AM POR for the project financing dismissal, because AM POR did not take into account the fact that the modernization / execution of a public road cannot be put in the charge and control of a private entity / economic operator. On the other hand, AM POR issued regulations regarding the characteristics of the access road, subsequently to the project submission, and these cannot be opposable to the project, retroactively, according to the law norms in force.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

S.C. LOMB S.A. was established in the year 2008 as a share trade company that had as shareholders the Local Council of the Municipality Cluj-Napoca (51%) and S.C. IMPACT DEVELOPER & CONTRACTOR S.A. (49%). Impact subscribed in the year 2008 the amount of 45,445,027.51 RON to the share capital of the project company Lomb SA. This was the cash participation of Impact, that represented the participation of 49%, the Cluj-Napoca Local Council having the obligation to bring the land to the share capital of the project company.

In the autumn of the year 2010, due to the fact that the shareholder the Cluj-Napoca Local Council did not fulfil its obligation to deposit to the share capital the 179 ha of land that represented the land subscribed by the Cluj-Napoca Local Council, the Board of Directors of SC Lomb SA decided the cancellation of the shares of the Local Council in accordance with the provisions of Law 31/1990 with its subsequent modifications. Following this fact the share capital of LOMB SA was diminished, and at present Impact holds shares in a percentage of 100% in the company Lomb SA. On the date of 03 June 2011 following the Extraordinary General Assembly of Shareholders there was decided the decrease of the share capital up to the value of 26,900,000 lei, the change of the legal form from share company in limited liability company with a sole associate. The denomination of the company was changed from S.C. Lomb S.A. to S.C. Clearline Development & Management SRL.

Auditors

RSM SCOT SRL is a company that develops its business in the field of professional services of financial accounting and audit, supplied in accordance with the Romanian and international accounting standards and also with the international audit standards.

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

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

RSM SCOT has its headquarters in Bucharest and was set up by Otilia and Dan Schwartz in the year 1994, by the merger of the clients of two small consultancy companies where the two were associates.

RSM SCOT is a member of the Romanian Association of Chartered and Certified Public Accountants (C.E.C.C.A.R.) since 1994 and of the Romanian Chamber of Auditors since its set-up in 1999.

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Note 25. 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	7034/10 5/2010	insolvency procedure	plaintiff-creditor	Romconstruct	first instance	06-Apr-12	IDC formulated a request of admission to the creditor group. For the judgment of challenges. Impact made a challenge for a receivable in an amount of approximately 15,000,000 RON. THE PROVISIONAL RECORD OF IMPACT IN THE PRELIMINARY TABLE OF THE RECEIVABLE OF 15,047,995.76 LEI	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	no term	suspended according to art. 36 Law 85/2006	14,855,309	RON
3	Bucharest Tribunal	63835/3/ 2011	insolvency procedure	plaintiff	Floreasca Construction (former Summa Romania SA)	first instance	31-Jan-12	IDC recorded to the creditor group with the amount of 13,442,674 lei	13,442,674	RON
4	Bucharest Court of Appeal	5988/2/2 011	obligation to make	plaintiff-recurring	Institutul Pasteur	appeal	no term	The action was modified from action to oblige Pasteur to sell the land to us to action for return of advance and damages and the cancellation of pre-contract; IDC assigned the receivable; Cancels as unstamped the appeal declared by the appealing defendant S.N. INSTITUTUL PASTEUR SA. admits the appeal declared	2,500,000	EUR

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
								by the appellant - plaintiff SORTWAY LIMITED. Partially changes the commercial sentence attacked in the respect that it admits the second request reason as well and obliges the defendant to pay to the plaintiff the amount of 1,250,000 Euros representing damages according to the penal clause. Obliges the appellant – defendant to pay to the appellant – plaintiff the amount of 28,475.5 lei legal expenses (stamp charge in appeal).		
5	High Court of Cassation and Justice	23619/3/2009	action for finding	recurring	SC Summa Romania SA	recourse	17-Oct-12	dismisses the action/appeal. Impact declared recourse.	7,602,445	RON
6	Oradea Court of Law	4376/271/2010	Challenge to execution	plaintiff	Local Council of Mun. Oradea	recourse	no term	challenge to the forced execution begun by CLO for amounts as „penalties according to the joint venture contract no. 14.519/02.07.2004". Dismisses the recourse as ungrounded.	6,149,792	RON
7	Cluj Tribunal	79/1285/2012	termination of contract	plaintiff	Local Council of the Municipality Cluj	first instance	11-Apr-12		4,008,222	RON
8	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	no term	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	3,403,000	RON

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
								Patagonia Invest SRL. Partly cancels decision no. 266/29.09.2010 with regard to the solving mode of the challenged tax. With recourse in 15 days from communication		
9	Constanta Tribunal	15426/18/2011	dec. that take place to v-c/obligation to make	plaintiff	Tomis / Orban Lucian and Steluta	first instance	02-Apr-12	dismisses the challenge of execution for moratory damages deriving from execution contract. Irrevocable.	200,000	EUR
10	Court of Law of District 2	11725/300/2010	Challenge of forced execution	plaintiff	BODOGAN AUREL & CONSTNATIN, PIRAEUS BANK, BEJ G JALBA	First instance	no term	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.	772,979	RON
11	Court of Law of District 1	16650/299/2011	challenge of exec, with prov. susp.	challenger	Bodogan Aurel and Bodogan Constantin	first instance	no term	Dismisses the request. Amicable settlement.	559,503	RON
12	Bucharest Tribunalul	41894/3/2010	payment ordinance	plaintiff	Keops Consulting SRL	first instance	no term	dismisses the recourse as ungrounded. Irrevocable	485,408	RON
13	Court of Law of	11874/300/2009	challenge of execution	plaintiff	Bodogan Aurel and Bodogan	ruled in first	no term		113,091	RON

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
	District 2				Constantin	instance				
14	Bucharest Tribunal	40191/3/2010	claims deriving from in compliant works, executed by SUMMA	plaintiff	Summa Romania SA	first instance	no term	On the grounds of art. 36 in Law no. 85/2006, ascertains there intervened the suspension of right of trial	100,222	RON
15	Court of Law of District 1	21136/299/2009	claims, legal expenses	plaintiff-defendant	SC Summa Romania SA	first instance	no term	first term after refusal in civil section. Suspended by art. 36 in Law 85/2006	100,123	RON
16	Mures Tribunal	305/1371/2008	bankruptcy	plaintiff	Dafora Structuri	First instance	no term	we periodically collect 3,800 RON until the complete payment acc. to reorganization plan.	73,916	RON
17	Court of Law of Buftea	4393/94/2011	claims, lease contract	plaintiff	Huma Andreea Vasilica and Huma Danut	first instance	no term	Obliges the defendants to pay to the plaintiff the amount of 43,539 lei, representing the countervalue of the rent owed for the period January 2009 - December 2010, the amount of 24,711.22 lei, representing delay penalties afferent to the amount of 43,539 lei, and the amount of 4,681.31 lei, representing amounts owed according to the administration contract concluded between the parties. Obliges the defendants to pay to the plaintiff the amount of 4,346 lei, as legal expenses, representing stamp and judicial tax.	72,931	RON
18	Constanta Court of Appeal	13729/18/2010	action for the return of tax paid for the gas pipe in Boreal	plaintiff-recurring	CNADR	recourse	02-Apr-12	PARTIALLY ADMITS THE ACTION. ASCERTAINS THE RIGHT OF THE PLAINTIFF TO USE THE AREA WITHOUT THE PAYMENT OF THE USE TAX BEGINNING FROM THE DATE OF 1.01.2009. OBLIGES THE DEFENDANT TO PAY TO THE PLAINTIFF THE AMOUNT OF	71,850	RON

IMPACT DEVELOPER & CONTRACTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
								30,940.78 LEI AS A USE TAX FOR ROAD AREA PENALTIES, LEGAL INTEREST		
19	Court of Law of Buftea	9807/94/2010	claims of in compliant works	plaintiff	Floreasca Construction (former Summa Romania SA)	first instance	no term	On the grounds of art. 36 in Law no. 85/2006, ascertains as intervened the suspension of right of trial	50,292	RON
20	Ilfov Tribunal	8499/94/2011	contraventional complaint	plaintiff	ANRE	first instance	11-Sep-12	dismisses the complaint. First term of recourse.	50,000	RON
21	Court of Law of District 2	12758/300/2010	claims- green spaces	plaintiff	Cofaru Dumitru Gabriel	first instance	24-Apr-12	evidence	43,997	RON
22	Bucharest Tribunal	8274/299/2009	recoveries of receivables, price index according to the contract	plaintiff- recurring	Ciubotaru Pavel	recourse	18-Jan-13	Dismisses the main request as ungrounded. Dismisses the reconventional request as ungrounded. Recourse was filed for.	39,210	RON
23	Court of Law of Buftea	4392/94/2011	claims, lease contract	plaintiff	Manu Elena	first instance	no term	Obliges the defendant to pay to the plaintiff 22480 lei representing rent and 7591.46 lei delay penalties. Ascertains the waiver of the plaintiff to the judgment of reason 3 of request. Obliges the defendant to pay to the plaintiff the amount of 2034.27 lei representing legal expenses.	33,782	RON
24	Court of Law of District 2	14599/300/2008	Action for claims for recovering the price index communicated by INS, according to contract	plaintiff	PATURESCU CORNEL	First instance	no term	admits the action/undrafted decision. Irrevocable by the cancellation of the recourse as unstamped.	33,486	RON
25	Bucharest Tribunal	37677/3/2010	Recovery of expenses that came to Impact following the in compliances of	plaintiff	Cominstal Group	First instance	09-Apr-12	evidence	31,222	RON

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
			Cominstal works							
26	Court of Law of Buftea	12633/9 4/2011	contraventional complaint	plaintiff	ANRE	first instance	19-Mar-12	first term	25,000	RON
27	Constanta Tribunal	5235/21 2/2011	contraventional complaint	petitioner	CL Constanta, Serv of taxes, dues and other revenues	recourse	04-Apr-12	evidence	25,000	RON
28	Bucharest Tribunal	10402/3/ 2010	eviction/termination for failure to observe lease contract	plaintiff	Draghici Jenica Laura	First instance	no term	partially admits the action. Irrevocable by not declaring recourse.	25,000	RON
29	Court of Law of District 1	4785/29 9/2009	claims deriving from failure to pay utilities and rent	plaintiff	SC Patru Ace SRL	first instance	11-Feb-13	partially admits the action. First term of the recourse declared by them.	22,389	RON
30	Bihor Tribunal	13314/1 11/2011	action for ascertaining	plaintiff	Compania de Apa Oradea	first instance	03-Apr-12	evidence	20,000	RON
31	Ilfov Tribunal	2269/94/ 2011	contraventional complaint	petitioner	Administratia Apele Romane-Sistem de Gosp a Apelor Ilfov	first instance	08-May-12	first term of recourse.	17,500	RON
32	Court of Law of Buftea	6946/94/ 2010	termination of lease contract/claims	plaintiff	Muscalu Florentin Teodor	first instance	no term	admits the action/decision not drafted. No data about declaring recourse.	13,310	RON
33	Court of Law of District 1	34961/2 99/2010	claims, rents	plaintiff	Patru Ace SRL	first instance	02-Dec-12	dismisses the action. Decision not drafted. Impact declared recourse.	12,142	RON
34	Bucharest Tribunal	4372/94/ 2010	cancellation of contravention protocol, cash register	plaintiff	MEF - GF Ilfov	recourse	no term	dismisses the recourse as ungrounded.	8,000	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
35	Bucharest Tribunal	50746/3/2011	Payment call	debtor	IPCT Instalatii	first instance	no term	dismisses the request	5,500	RON
36	Bucharest Tribunal	5700/30/0/2009	claims	plaintiff-recurring	Coca Adina	recourse	21-Nov-12	Dismisses the action. IDC declared recourse	3,629	RON
37	Bucharest Court of Appeal	2927/2/2/010	cancellation of ANRE documents, decision 834/2010/suspension of decision	plaintiff	ANRE	first instance	no term	IDC requested to the court to cancel/suspend the decision of ANRE with regard to the electric power distribution service supply in the Class compound. Dismisses the recourse as ungrounded.	N/A	N/A
38	Bucharest Court of Appeal	2975/2/2/010	Attack of decision 206/2010 ANRE	plaintiff	ANRE	First instance	no term	IDC requested the cancellation of the ANRE decision with regard to the approval of distribution tariffs in the ass. of Voluntari; Admits the action. Cancels the Decision of the ANRE president no. 206/04.02.2010. Oblies the defendant to approve the tariffs for the activity of the plaintiff of electric power distribution as results from the judicial accounting expertise report drafted in the case and the response to objections. Obliges the defendant to pay to the plaintiff the amount of 15,146.8 lei as legal expenses	N/A	N/A
39	Bucharest Court of Appeal	6390/2/2/011	complaint/cancellation of documents issued by ANRE	plaintiff	ANRE	first instance	22-Feb-12	dismisses the request.	N/A	N/A
40	Bucharest Court of Appeal	6391/2/2/011	complaint/cancellation of documents issued by ANRE	plaintiff	ANRE	first instance	22-Feb-12	dismisses the request.	N/A	N/A
41	Constanta Court of Appeal	12377/1/18/2010	cancellation of contravention prot.	plaintiff-recurring	CJ, CR pentru Protectia Consumatorului	Recourse	no term	dismisses the recourse as ungrounded.	N/A	N/A

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
42	High Court of Cassation and Justice	465/2/2011	suspension of administrative act execution, decision 35/15/12/2010	plaintiff	ANAF	first instance	no term	admits the recourse of Impact.	N/A	N/A
43	High Court of Cassation and Justice	3191/2/2010	cancellation of ANRE decision 485/2010	plaintiff-recurring	ANRE	Recourse	no term	dismisses the recourse.	N/A	N/A
44	Court of Law of Buftea	11416/94/2010(40089/3/2010)	contract termination	plaintiff-recurring	Public Service of Sewage and Water	recourse	19-Apr-12	there is judged the ascertainment of termination of contracts no. 8761/1.01.2008, 867P/01.01.2008, 878P/01.01.2008 și 879P/1.01.2008. administration of evidence: documents + examination.	N/A	N/A
45	Court of Law of Buftea	11416/94/2011	contract termination	plaintiff	Public Service of Sewage and Water	First instance	01-Mar-12	first term, after disjunction	N/A	N/A
46	Court of Law of District 1	9122/299/2007	obligation to make compensatory damages	plaintiff	Regia Nationala a Padurilor Forest Directorate Bucharest	defendant	23-Apr-12	other procedural interventions, intervention requests.	N/A	N/A
47	Court of Law of District 1	55912/299/2010(10401/3/2010)	eviction/termination	plaintiff	Pusca loan	First instance	no term	Dismisses the specified action as ungrounded.	N/A	N/A
48	Bihor Tribunal	3555/111/2010	Action for ascertainment	plaintiff	MTS Leasing; Ban Liviu	First instance	no term	IDC requested to the court to ascertain that there intervened the execution contract termination; partially admits the request	N/A	N/A
49	Bucharest Tribunal	25336/3/2011	eviction	plaintiff	Ionescu Elena Ani Mihaela	first instance	06-Nov-12	first term.	N/A	N/A

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
50	Bucharest Tribunal	29651/3/2011	eviction	plaintiff	Hristeno Nicolae	first instance	29-Nov-12	first term.	N/A	N/A
51	Bucharest Tribunal	29652/3/2011	eviction	plaintiff	Mihalache Stefan Costin	first instance	26-Nov-12	first term.	N/A	N/A
52	Bucharest Tribunal	33822/3/2010	eviction action, termination/claims	plaintiff	DF Broker Exquisite SRL	first instance	no term	admits the action, disposes the eviction of the defendant.	N/A	N/A
53	Bucharest Tribunal	49736/3/2011	eviction-refused from Court of Law of Buftea	plaintiff	Rothav Construction Srl	first instance	24-Apr-12	evidence.	N/A	N/A
54	Bucharest Tribunal	62268/3/2011	Subscription termination	plaintiff	Apele Romane	First instance	27-Mar-12	first term	N/A	N/A

B. List of litigations where Impact has the 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 Tribunal	60772/3/2011	Civil liability	civil liable party	ANAF	first instance	16-Mar-12	administration of evidence	16,823,946	RON
2	Bucharest Court of Appeal	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	no term	Dismisses the appeal as ungrounded. With recourse	9,155,118	RON
3	High Court of Cassation and Justice	32874/3/2010	Claims coming from the takeover by assignment by the plaintiff of receivables of Summa Romania from contr. 6/2007	defendant	SC Brooklyn Property Management SRL	recourse	24-May-12	Cancels the attacked sentence and sends the case, to be rejudged, to the first court. Impact declared recourse	9,138,140	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
4	Bucharest Tribunal	35939/3/2011(19/105/2010)	Action for contractual damages	defendant	Romconstruct & BRD SG	first instance	11-Apr-12	for administration of evidence	8,018,174	RON
5	Bucharest Tribunal	30348/3/2010	IP requests the payment of damages following the failure to conclude the sale-purchase contract	defendant	Institutul Pasteur	First instance	25-Apr-12	evidence; IDC does not have quality anymore in this file as it assigned the quality of defendant	1,250,000	EUR
6	Bucharest Tribunal	45882/3/2009	action by which there was requested the return of the guarantee letter countervalue	defendant	SC SUMMA ROMANIA SA	recourse	no term	dismisses the request as ungrounded. With appeal in 15 days from the communication	490,940	EUR
7	Bucharest Court of Appeal	45886/3/2009	Return of guarantee letter countervalue	defendant	SC SUMMA ROMANIA SA	First instance	no term	dismisses the recourse as ungrounded, maintains the measure of case suspension until the final solving of file 23619/3/2009	317,422	EUR
8	Bucharest Court of Appeal	5028/94/2009	claims (legal expenses)	defendant	Bodogan Constantin and Aurel	recourse	no term	admits the appeal declared by Impact. Partially changed the appealed sentence in the respect that partially admits the main action and obliges Impact to pay the amount of 102,784. Following the execution accomplished by intimates, Impact has to recover the amount of approximately 160,000 RON by the forced execution procedure return. Dismisses the recourse as ungrounded. Obliges the recurring to pay to the intimate the amount of 8080.96 lei, as legal expenses.	234,119	RON
9	Bucharest Court of Appeal	10892/3/2010	return of advance and penalties	defendant	Peter John Leigh	appeal	no term	dismisses the action.	34,692	EUR

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
10	Bucharest Tribunal	45236/3/2010	Termination of SPC under private signature and payment of penalties	defendant	Peter John Leigh	First instance	24-Oct-11	dismisses the action	131,446	RON
11	Bucharest Court of Appeal	48002/3/2009	return of land value	defendant	STYLE MODA ROMANIA SA	First instance	29-May-12	Admits the appeal declared by the appellant SC IMPACT DEVELOPER & CONTRACTOR SA. Entirely changes the appealed sentence in the respect that admits the exception regarding the prescription of the material right to action. Dismisses the action of plaintiff as being prescribed the material right to action. Obliges the intimate plaintiff to pay to the appellant defendant the amount of 13519.61 lei representing legal expenses for appeal. With recourse	26,186	EUR
12	Court of Law of Bufta	2278/94/2011	claims/contract termination	defendant	Farming consulting srl	first instance	no term	the plaintiff gave up the action	39,923	RON
13	Bucharest Tribunal	32099/299/2006 (15895/3/2010)	claims (damages for construction vices)	defendant	Stefanica Mihaela	first instance after cassation	14-Dec-12	first term of the recourse declared by Impact ruled	35,000	RON
14	Court of Law of Bufta	6283/94/2010	claims- damages for delay of constituting servitude by authentic document	defendant	Bobeica Andrei Sorin	first instance	no term	Dismisses the action as ungrounded	31,824	RON
15	Constanta Tribunal	17735/18/2010	decis. authentic SPC	defendant	Visan Petre Nicolae si Visan Genica	first instance	no term	cancels the appeal as unstamped.	N/A	N/A

B.2.

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
16	Oradea Tribunal	9297/11/2010	request to pay contractual penalties	defendant	Municipiul Oradea primăria Oradea	first instance	29-May-12	term for evidence	1,487,001	EUR
17	Constanta Tribunal	40442/212/2010	claims grounded on sale-purchase contract with payment in installments, respectively interests for installments paid in advance and moral damages	defendant	Sava Mircea Aurelian	first instance	no term	dismisses the action, with appeal	500,000	EUR
18	Bucharest Court of Appeal	9761/2/2011	commercial arbitration-claims for construction vices Degi	defendant	Degi Construdava SRL	cancellation of arbitral ruling	20-Apr-12	For solving the litigation in an amicable way	584,713	RON
19	Bucharest Tribunal	5876/3/2010	claims of damages for vices	defendant	Dumitrescu Doina	first instance	no term	admits the exception for the prescription of action material right. Dismisses the action as prescribed.	110,000	RON
20	Court of Law of District 1	21136/299/2009*	claims	plaintiff-defendant	SC Summa Romania SA	first instance	no term	registration to the creditor group	100,123	RON
21	Ploiesti Court of Appeal	20014/3/2010	resolution of contract for vices, IDC formulated a counterclaim for the payment of outstanding installments	defendant-plaintiff	Plescan Petruta	appeal	no term	action was dismissed. Admits the counterclaim formulated by Impact in the respect that obliges the plaintiff-defendant to pay the amount of approximately 65,000 RON. Cancels the appeal, as unstamped. Obliges the appellant to pay to the intimate the amount of 2480 lei, legal expenses representing the lawyer fee	59,116	RON
22	Court of Law of	5540/94/2007	document cancellation (dismembering)	defendant	Georgescu Maricica	first instance	23-May-12	first term of recourse.	49,357	RON

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
	Buftea		documents)/claims			after cassation				
23	Court of Law of District 1	11190./299/2007	claims (reason separated from the file for obligation to make; countervalue of lack of use)	defendant	Petcuta Danut	first instance after cassation	30-Apr-12	for the performance of technical expertise of constructions	33,150	RON
24	Court of Law of Buftea	297/94/2011	payment call by which there is requested the payment of some amounts for which services were not supplied	defendant	Viab Consulting Srl	first instance	no term	dismisses the ordinance request as ungrounded.	30,811	RON
25	Bucharest Tribunal	44218/3/2011	Action for penalty claim	defendant-recurring	Antonescu Adrian	recourse	no term	Dismisses the recourse as ungrounded. Obliges the recurring to pay to the intimate the amount of 1200 lei expense.	15,182	RON
26	Court of Law of Buftea	7602/94/2010	Action for recovery of incompliant works	defendant	SC Romconstruct SA	First instance	no term	suspended according to art. 36 Law 85/2006	11,611	RON
27	Constanta Tribunal	81/118/2009	claims deriving from construction vices	defendant	S.C.Isac Maricica Contabilitate	First instance	29-Mar-12	the plaintiff was requested to specify the value of each request reason according to the value established by the expertise report to establish the stamping to this value	4,552	RON
28	Bucharest Court of Appeal	31608/3/2010(1003/94/2010)	Networks	defendant-intimate	& Amariucal, Salom, Stanescu, Humeniuc, Radio Consult, Paicu Claudia, Ispas Daniel, Ermis Ioana, Mihailesc	<i>appeal</i>	28-Mar-12	dismisses the action as inadmissible; the plaintiffs declared appeal	N/A	N/A

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Pos.	Court	No. of file	Object	Position of Impact	Adverse party	Trial stage	Term	Observations	Claims of parties	Currency
					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					
29	Court of Law of District 1	49031/299/2011	complaint against resolution of prosecutor Nup	intimate	Ionita Florian	first instance	14-Mar-12	remained to be ruled	N/A	N/A
30	Bucharest Tribunal	23136/3/2009 (6108/2/2011)	Cancellation of the Decision of the General Council of Mun. Bucharest no. 263/2008	defendant	CGMB / Mayor of the Municipality Bucharest/ Ionita	Recourse	no term	dismisses the recourse as ungrounded. CGMB and Ionita Florian made a challenge for cancellation.	N/A	N/A
31	Bucharest Tribunal	5415/3/2009 (43654/3/2009)	cancellation of administrative document	intervenant	Ionita Florian - Consiliul General al municipiului Bucharest		21-Dec-11	dismisses the action as ungrounded.	N/A	N/A

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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 100) comprise a total value of IDC claims of approximately 120,000 RON.

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

1. Litigations with Romconstruct that, on the date of the present notes drafting, remained only two, are litigations coming from two construction execution contracts concluded in the year 2006, their cause being the very long delays of the constructor in the finishing of the works and its claims to receive amounts of money for unfinished 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, so the claims of Impact coming from the delays of the works were recognized, and respectively at position 4 in the situation of the litigations where Impact is a defendant, where Romconstruct requests the countervalue of the unpaid works and penalties. This file is pending on the dockets of the Bucharest Tribunal. A third file, from position 2 on list A, where Impact requests the payment of the delay penalties was suspended, being found in fact in the file from position 1 on list A;
2. Litigations with Floreasca Construction (former Summa Romania SA) and respectively Brooklyn Property Management SRL come from execution contracts signed in the year 2006 where Summa was executant and Impact beneficiary. These contracts were very much delayed and appeared from the part of Impact requests for penalties and from the part of Summa the request for the payment of some executed works. In the year 2008 Summa assigned the receivables to the company in the Brooklyn Group, that is a party in some of the trials that have the same origin. At present there are files on the list A, litigations from positions 5, 14, 15 and 19, that are either suspended due to the beginning of the insolvency procedure, or under recourse, but whose values are found in the amount with which Impact is registered to the creditor group of Summa, respectively position 3 in list A. On list B1 at positions 2, 6, 7 there appear claims of Summa/Brooklyn that were dismissed until at present.
3. Litigations with Pasteur from positions A 4 and B1 5 where there was taken over the trial quality by Sortway Ltd following the assignment of receivable and sale of litigious rights that took place in the year 2011.

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4. Litigations with the Oradea Local Council coming from the so-called "penalties according to the joint-venture contract as of 02.07.2004" from position B2 16 for which the forced execution was also attempted by the CL Oradea, that was dismissed (position A6).
5. Litigations with CL Cluj by which Impact requests amounts coming from the investments accomplished by Impact and respectively the project company Clearline Development&Management SRL for the accomplishment of the Lomb project to which CL Cluj-Napoca did not bring the land, so the project cannot be accomplished anymore. The total amount requested until at present is of over 21 million lei plus legal interests, but that does not include the unaccomplished benefit requested by Impact by the conciliation call. For these amounts a separate action follows to be filed for.
6. Litigations with ANAF following the protocol drafted in the year 2010 by which Impact challenged the amounts and penalties established by the control document. Following the court decision in the first instance, from the total amount afferent to the main reason, the action of Impact was admitted for the amount of 760,957 lei, so, also the penalties of 1,214,786 lei afferent to this amount are not due. Thus, from the total amount there remained to be challenged in the recourse only the difference of 1,427,257 lei;
7. Litigations with Bodogan Aurel and Bodogan Constantin for amounts requested as penalties, positions A 10, 11, 13 and B1 8, are litigations that have begun from 2008, for which Impact was executed for amounts as penalties, but in the year 2011 there was admitted the request of Impact that these amounts are no longer due in the file from position A 11 and the procedures for execution return were begun;
8. There is also a number of litigations with authorities for certain issued documents or illegal sanctions, positions A 18, 20, 26, 27, 31, 34, 37, 38, 39, 40, 41, 42, 43, 44, 46, 54 and B2 30. These litigations do not have significant value, but the management has the obligation to attack all the illegal administrative documents;
9. There is also a number of litigations with smaller values by which Impact requests damages and rents until the release of the real estates for the lease contracts or the contracts with payment in installments that were terminated: positions A 17, 24, 29, 33, 50, 51, 52, 53
10. With regard to the file being at position B1, where Impact is called to be liable as a civil liable party for deeds performed by other persons, facts unconfirmed by court decisions, without having been administered evidence in the file, the representative of the Prosecutor's Office requested the institution of the distraint for the amount of 16,823,946 lei upon the goods of Impact, reasoned by the fact that the goods of the defendant

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(Stegaru Ruxandra) upon which the distraint was put are insufficient to cover the prejudice. Against the measure disposed by the court to institute the distraint upon the patrimony of Impact for the entire amount of 16,823,946 lei, the company Impact declared recourse. The companies Fondamento Forte and Patagonia Invest were called in this file as civil liable parties for the deed of Mrs. Stegaru Ruxandra. As the companies Fondamento Forte and Patagonia do not exist anymore, Impact was summoned as a successor in rights of the two companies that it absorbed