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Report of the Independent Auditor

To:

The Shareholders and Administrative Board of IMPACT DEVELOPER & CONTRACTOR Group

1. We have audited the attached consolidated financial statements of Impact Developer & Contractor SA and its subsidiaries ("the Group"), which comprise: the consolidated balance sheet as of 31 December 2011, the consolidated income statement, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year closing on that date, as well as a synthesis of significant accounting policies and other explanatory notes. The above-mentioned financial statements refer to:

	- thousands euro - 31 December 2011
Total shareholders' equity	92,468
Net turnover	2,267
Net result-loss	(11,482)

Management responsibility for financial statements

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

The responsibility of the auditor

3.Our responsibility is to express an opinion on these financial statements based on our audit. Except for the issues presented in paragraph 5, 6 and 7, we conducted our audit in accordance with the International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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

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

5.As the company didn't establish the net realizable value through valuation reports issued by independent evaluators for all inventories presented in financial statements as of December 31, 2011, we have not been able to ensure ourselves that inventories (finished goods – buildings in value of 12,900 keuro) are presented at minimum between cost and net realisable value. Consequently we cannot express any opinion on the valuation of those inventories and nor on the possible effect on company's performance of the results of such valuations.

6. As of December 31, 2011 The Group presents in the consolidated financial statements work and services in progress in total amount of 4,473 keuro representing investments in Dealul Lomb project (PUZ, roads, water and electricity networks etc). The group has a dispute with Municipality Cluj for recouping the invested amount in this project. We cannot estimate the results of the litigation and we have not been able to ensure ourselves about the correct valuation of the mentioned asset. Consequently, we cannot express any opinion on the valuation of the inventories and nor on the possible effect on company's performance of the results of such evaluations. The previous year audit opinion issued on the financial statements for the period ended December 31, 2010, expressed an emphasis of matter with regard to inventories valuation.

7. For the legal litigations presented in Note 25 ("Contingent Liabilities", paragraph B2) to the financial statements, either we have not received confirmation from the company lawyers, or we have received confirmations but without an estimate of the result of each respective litigation. In the absence of this information, we cannot estimate the risks that might arise for the company and the possible impact on the company's position and financial performance.

Opinion

8. In our opinion, with the exception of the effects of adjustments that might have been ascertained as being necessary if we had been able to ensure ourselves as to the issues mentioned in paragraphs 5, 6 and 7, the consolidated financial statements give a true and fair view of the consolidated financial position of **IMPACT DEVELOPER & CONTRACTOR SA** and its subsidiaries as of December 31, 2011 and of the results of the group's operations and its cash flow for the year then ended in accordance with International Financial Reporting Standards and the accounting policies described in the notes to the consolidated financial statements.

Noteworthy issues

9. Without qualifying our opinion, we draw attention to the following issues:

a. As a result of the financial crisis and of the global economic downturn, the Romanian real estate market was subject to a significant fall in 2011 compared to previous years with regard to the individual value of transactions as well as their volume. This trend also became manifest in the case of Impact Developer and Contractor Group. Given this situation, the company management drew up

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and presented in Note 23 ("Other legal and economic information") to the financial statements drawn up as of December 31, 2011 an action plan on minimizing over the following twelve months the negative effects of the shrinkage of the real estate market.

b. In the audit report on the financial statements drawn up on 31 December 2010, we did not express any opinion with regard to the correctitude of the calculation of the tax liability due to the local budgets with regard to the property tax (buildings and land), the value of the debts accruing from local taxes and their possible impact on the profit and loss account. In 2011 a tax inspections were carried out by the local authorities, with the scope of establishing the aforementioned local taxes liability, which resulted in shortfalls of local taxes of immaterial value to be paid by the company.

c. As presented in Note 22 ("Subsequent events"), in March 2012, at the request of the Public Ministry, a Bucharest Tribunal's Court decided that goods belonging to Impact Developer and Contractor S.A. up to the sum of 16,823,946 lei to be sequestered at the A.N.A.F (internal Revenue Agency) disposal. The sequester has as object 2 pieces of land located in Bucharest, 350 Teisani Street, District 1 in a total area of 52,234 sq.

d. As laid out in Note 24, the paragraph titled "Shares owned in affiliated entities", in December 2011 the Impact management decided to sell 36 shares owned in Bipact 1995 S.R.L. in an amount, as par value, of 900 lei. As a result of this transaction, the Impact holdings in Bipact decreased from 63% to 4.83%.

e. As laid out in Note 24 at the paragraph titled "Shares owned in affiliated entities and Note 4 ("Inventories"), Impact owns shares with a par value of 539 keuro (45%) in Millennium Consult Invest 2002 S.A., the developer of the Greenfield 2 Business Support Centre, a project co-financed from the European Development Fund via the Regional Operational Programme and has executed investments (work in progress) with a value of 724 keuro. Although in 2010 the Management Authority accepted the Greenfield 2 Business Support Centre project, this acceptance following to be finalised through signing of a financing contract, after evaluation of the conformity of the technical plans and a visit to the site, the Management Authority then rejected the project in 2012. Millennium Consult Invest 2002 S.A. has appealed this decision and, upon the case, it will take legal action against the Management Authority, considering that the project was rejected illegally.

f. As presented within the Note 24, Investimob was merged in 2011 into Rot Apact. Along this merger, Intop Construction, initial owner of Investimob, got a 42% ofRot-Apact. In December 2011, Intop sold its participation in Rot-Apact to several natural persons, and consequently, Investimob was not included in consolidation process.

g. In connection with commercial transactions undertaken with related parties, we should draw attention to the fact that, according to the Romanian Tax Legislation, the prices utilized in these transactions must be at arm's length principle.

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10.The present auditor's report was prepared with a view to its use by the company and its shareholders gathered in General Meeting of Shareholders, according to the provisions of Law 31/1990 republished. To the fullest extent permitted by law, we do not accept or assume liability to anyone other than the company or the company's members as a body, for our audit work, for this report or for the opinions we have formed.

RSM Scot SRL
CAFR member (no. 322/31.05.2001)

18 May 2012
Bucharest

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