

IMPACT DEVELOPER & CONTRACTOR

*Individual Financial Statements as at September 30, 2015
(values are expressed in LEI, unless otherwise specified)*

IMPACT DEVELOPER & CONTRACTOR SA



**Individual and unaudited financial statements
as at September 30, 2015**

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

Translation from Romanian language

IMPACT DEVELOPER & CONTRACTOR

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IMPACT DEVELOPER & CONTRACTOR

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Statement of Financial Position on September 30, 2015

	<u>30-Sep-14</u>	<u>31-Dec-14</u>	<u>30-Sep-15</u>
ASSETS			
Tangible assets	6,998,464	6,596,081	5,697,957
Intangible assets	119,682	154,405	135,676
Investment Property	226,971,610	230,979,061	213,153,761
Financial assets	14,342,521	14,377,276	14,377,226
Non-current receivables	19,191,627	19,300,941	14,004,976
Total Non-current assets	267,623,904	271,407,764	247,369,596
Inventories	130,557,715	158,125,501	157,525,120
Trade and other receivables	10,676,709	9,062,483	19,125,644
Prepayments	85,007	97,221	78,228
Cash and cash equivalents	11,621,859	3,464,726	22,867,149
Total Current Assets	152,941,290	170,749,931	199,596,141
Total Assets	420,565,194	442,157,695	446,965,737
Share capital	277,866,574	277,866,574	277,866,574
Adjustment for hyperinflation (according to IAS 29)	7,463,584	7,463,584	7,463,584
Share premiums	84,175,480	84,175,480	84,175,480
Revaluation reserves	5,510,958	1,095,170	846,647
Other reserves	1,390,104	5,934,934	6,183,456
Reported result	(14,842,587)	(15,047,144)	(10,956,001)
Net profit for the period	(5,185,911)	4,091,143	7,499,240
Total equity	356,378,202	365,579,741	373,078,980
Loans	21,421,663	23,661,030	11,093,984
Trade and other payables	1,879,435	2,265,343	2,475,696
Deferred taxes	12,865,095	13,010,763	13,010,763
Total current liabilities	36,166,193	38,937,136	26,580,443
Loans	8,841,936	13,088,512	24,816,436
Trade and other payables	14,384,989	21,454,667	19,862,239
Provisions for risk and charges	4,793,874	3,097,639	2,627,639
Total Current liabilities	28,020,799	37,640,818	47,306,314
Total liabilities	64,186,992	76,577,954	73,886,757
TOTAL equity and liabilities	420,565,194	442,157,695	446,965,737

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Bogdan Geanta

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Statement of Comprehensive Result on September 30, 2015

	30-Sep-14	30-Sep-15
Revenue from sale of residential inventories	16,660,574	73,726,619
Accounting value of sold residential inventories	(19,294,725)	(54,130,754)
<i>Profit / (loss) from sale of real estate properties</i>	<i>(2,634,151)</i>	<i>19,595,865</i>
Rental income	1,090,722	934,225
Operating incomes recharged to customers / tenants	2,377,349	2,178,653
Operating expenses directly related to rented / sold properties	(2,084,439)	(2,011,949)
<i>Net rental income</i>	<i>1,383,632</i>	<i>1,100,929</i>
Income from sale of investment properties	3,279,226	4,295,138
Book value of sold investment properties	(3,782,474)	(4,238,327)
<i>Profit/loss from sale of investment properties</i>	<i>(503,248)</i>	<i>56,811</i>
Revenues from services rendered	100,869	71,423
Raw materials and consumables used	(315,032)	(392,217)
Third party services	(3,830,445)	(4,156,984)
Employee benefits expense	(3,192,036)	(5,420,462)
Other operating income	535,698	1,504,208
Other operating expense	(2,991,651)	(4,751,702)
<i>Other operating income / (expenses), net</i>	<i>(9,692,597)</i>	<i>(13,145,734)</i>
<i>Earnings before interest, taxation, depreciation and amortization (EBITDA)</i>	<i>(11,446,364)</i>	<i>7,607,871</i>
Depreciation and amortization	(381,223)	(473,435)
Impairment of assets, other than investment properties	5,415,917	1,088,043
<i>Depreciation and related impairment charges / reversals, other than investment properties</i>	<i>5,034,694</i>	<i>614,608</i>
<i>Earnings before interest and taxation (EBIT)</i>	<i>(6,411,670)</i>	<i>8,222,479</i>
Financing costs	(2,235,048)	(1,103,755)
Financing income	602,256	100,330
Foreign exchange result	579,722	353,072
Other financial result	2,278,829	(72,886)
<i>Financial result</i>	<i>1,225,759</i>	<i>(723,239)</i>
<i>Gross profit (EBT)</i>	<i>(5,185,911)</i>	<i>7,499,240</i>
<i>Net profit / (loss) for the period</i>	<i>(5,185,911)</i>	<i>7,499,240</i>

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Statement of changes in equity on September 30, 2015

	<u>Adjusted share capital</u>	<u>Capital premium</u>	<u>Revaluation reserve</u>	<u>Other reserves</u>	<u>Reported result</u>	<u>Total</u>
Balance on January 1, 2014	205,330,158	84,041,878	1,541,643	5,359,419	(14,842,587)	281,430,511
Total comprehensive income for the period						
Result of the period	-	-	-	-	4,091,143	4,091,143
Other comprehensive income						
Realization of the revaluation reserve related to sold assets	-	-	(370,958)	370,958	-	0
Reversal of revaluation reserve related to impaired assets, net	-	-	(65,099)	-	-	-65,099
The deferred tax liability related to revaluation reserve	-	-	(10,416)	-	-	-10,416
The legal reserve established				204,557	(204,557)	0
Total other comprehensive income	-	-	-446,473	575,515	3,886,586	(75,515)
Share capital increase	80,000,000	133,602				80,133,602
Total transactions with shareholders recognized directly in equity	80,000,000	133,602	-	-	-	80,133,602
Total comprehensive income for the period	80,000,000	133,602	(446,473)	370,958	4,091,143	84,149,230
Balance on December 31, 2014	285,330,158	84,175,480	1,095,170	5,730,377	(10,751,444)	365,579,741
Balance on January 1, 2015	285,330,158	84,175,480	1,095,170	5,730,377	(10,751,444)	365,579,741
Total comprehensive income for the period						
Result of the period	-	-	-	-	7,499,240	7,499,240
Other comprehensive income						
Realization of the revaluation reserve related to sold assets	-	-	(248,523)	248,523	-	0
Deferred tax assets related to the revaluation reserve	-	-	0	-	-	0
Total other comprehensive income	-	-	-248,523	248,523	0	0
Total comprehensive income for the period	-	-	(248,523)	248,523	7,499,240	7,499,240
Balance on September 30, 2015	285,330,158	84,175,480	846,647	5,978,900	(3,252,204)	373,078,980

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Statement of Cash flow on September 30, 2015

	<u>Sep-15</u>
Cash flows from operating activities	
Profit before income tax	7,499,240
Depreciation and amortization	473,435
Increase / (decrease) in provisions for risks and charges	4,319,199
Financing costs	(1,076,311)
Exchange difference	353,072
Cash flows before changes in working capital	11,568,635
Decrease / (increase) in trade receivables and other receivables	(5,218,203)
Decrease / (increase) in inventory	11,031,197
Decrease / (increase) in trade payables and other payables	(1,852,074)
Net cash used from operating activities	15,529,555
Cash flows from investment activities	
Net cash used in investing activities	3,988,753
Cash flow from financing activities	
Proceeds /(Payments) from long term loans	(839,123)
Interest paid	1,076,311
Exchange difference	(353,072)
Net cash used in financing activities	(115,884)
Net increase/(decrease) in cash and in cash equivalents	19,402,424
Cash and cash equivalents at the beginning of the period	3,464,726
Cash and cash equivalents at the end of the period	22,867,149

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Bogdan Geanta

Notes to the financial statements

1. The reporting entity

The public company Impact Developer & Contractor S.A. (the “Company”) is a company registered in Romania which offers complete residential solutions.

The Company’s seat address is “Construdava” Business Centre, 4C Pipera-Tunari Street, Voluntari City, Ilfov County, Romania.

The Company controls several other entities and prepares consolidated financial statements. According to the provisions of Law no. 297/2004, such entities have to prepare individual financial statements also.

The Company is one of the first companies active in real estate development sector in Romania, being constituted in 1991 through public subscription. Initially, its first activities were renting and maintenance of deluxe villas in Bucharest area. In 1995, the Company introduced the residential concept on the Romanian market and, consequently, it changed into a real estate developer. Starting 1996, the Company’s securities are publicly traded in Bucharest Stock Exchange (BVB). In 2006, Company’s shares were promoted to 1st category of the Stock Exchange, becoming **the first** real estate company to achieve this. Since January 2015 the company shares are traded on **Premium** category according with the new local capital market segmentation.

During the last 24 years, IMPACT Developer & Contractor finalized 17 small and medium projects, which comprised over 2,750 residences and over 25,000 square meters of office and commercial spaces. As at 30 September 2015, the company was involved in residential developments located in four cities, each project having different sizes and being in various stages of completion. IMPACT activity is dominated by a major project: **GREENFIELD residential complex** in Bucharest.

On November 6, 2014 it was launched the Salcamilor compound - new development phase of GREENFIELD quarter.

Salcamilor compound completes the GREENFIELD complex, joining the five existing compounds – Blue, Rubin, Topaz, Onix and Quartz.

In the 1st stage, started in 2014, inside Salcamilor compound were built 9 blocks with 5 floors, consisting of 252 apartments with 1, 2, 3 and 4 bedrooms each.

In April 2015 started the works on a 2nd stage of Salcamilor compound on a built area of 22,000 sqm, respectively another 9 blocks with 252 apartments. The completion of this project will take place in the month of November 2015.

The works for 3rd and 4th stages in Salcamilor compound with 420 apartments were started in the summer of 2015.

IMPACT makes constantly all the efforts in order to prove that it is customer-oriented, by being in line with the most specific needs of the consumer in this field. Implicitly, IMPACT proves a high level of adaptability to the specific market conditions, by succeeding in managing the existing circumstances and in identifying exploration resources of new business opportunities. To this end, the company's management continue to follow trends and market evolution and through the urban concepts innovation of the products it offers, will ensure the recognition of IMPACT Developer & Contractor as leader of the local real estate market, with focus on Romania's capital, Bucharest.

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Company's organization

The Board of Directors is responsible with fulfilling all necessary and useful documents for developing the company's object of activity, except for those involving the General Shareholders Assembly, as stipulated by the law.

The executive management is ensured by the CEO of the Company.

The company operates in compliance with an integrated management system (Quality – Environment – Occupational Security and Health) implemented in compliance with ISO 9001:2008, ISO 14001:2004 si OHSAS 18001:2007 standards, as certified during the first half of year 2015 by Lloyd's Register LRQA.

2. Share capital

Originally called SC IMPACT SA, the Company was established in 1991, according to the Law 31/1990. As of 4th October, 2006 the Company moved its headquarters from Bucharest District no 1, to Ilfov, Voluntary City in Construdava office building. At the same date, the company changed its name, as well. The identification data of the company are:

Name: IMPACT DEVELOPER & CONTRACTOR SA

Address: Voluntari, 4C Pipera-Tunari Street, Construdava Building Center, 6th floor, Ilfov County

Working point / Correspondence address: Willbrook Platinum Business & Convention Center, 172-176, Sos. Bucuresti – Ploiesti, Building A, 1st floor, Bucharest, 1st District,

Phone: +40-21-230.75.70/71/72, fax: +40-21-230.75.81/82/83

Registered with the Trade Registry Office attached to the Bucharest City Court under no. J23/1927/2006

Sole Registration Code RO1553483.

The subscribed and paid share capital of the company, at September 30, 2015 is of 277.866.574 RON. All shares are ordinary and have equal ranking related to the Company's residual assets. The nominal value of one share is 1 Leu.

The holders of ordinary shares have the right to receive dividends, as these are declared at certain moments in time, and have the right to one vote per 10 shares during the meetings of the Company.

The consolidated structure of shareholders, which hold at least 10% of the share capital on October 26, 2015, is as follow:

Shareholder	Ownership *)
Iaciu Gheorghe	49.04%
Andrici Adrian	15.33%
SWISS CAPITAL / SAI SWISS CAPITAL AM / FDI ACTIVE DINAMIC / APOSTOL SORIN	10.67%
Other legal entities	17.06%
Other individuals	7.90%
Total	100.00%

*) according to "Depozitarul Central" Statement and reports to the Bucharest Stock Exchange

3. The company's management

The current members of the Board of Directors were gradually elected following the GMS Decision no. 3/26.04.2013, for a 4 years mandate.

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The rights, powers and the functioning of the Board of Directors are in accordance with art. 8, 9 respectively, art. 10 from the Article of Incorporation of IMPACT DEVELOPER & CONTRACTOR S.A..

The Company's Board of Directors as of September 30, 2015 is as follows:

No	Name	Position
1	Iuliana Mihaela Urda	Chairman
2	Lucian Claudiu Mateescu	Director
3	Gabriel Vasile	Director
4	Liviu Stan	Director
5	Konstantinos Tasoulas	Director

Executive management

No	Name	Position	Citizenship
1	Lucian Claudiu Mateescu	CEO	Romanian
2	Bogdan Nicolae Geanta	CFO	Romanian
3	Liviu Stan	Purchasing Director	Romanian

4. Shares held in affiliated entities

Name of the company	Headquarter	Share Capital Value	Value of IMPACT's investment 31.12.2014	Value of IMPACT's investment 30.09.2015	IMPACT's Participation percent 30.09.2015
Actual Invest House SRL	Voluntari, Pipera-Tunari no.4C, Business Center Construdava, room 4, office no.2, ground floor, Ilfov County	1,765,000	505,000	109,950	6.23%
Clearline Development & Management SRL	Voluntari, sos Pipera Tunari no. 4C, Construdava, ground floor, Ilfov County	22,400,000	22,400,000	22,400,000	100.00%
TOTAL			22,905,000	22,509,950	

1. Actual Invest House S.R.L, a company in the IMPACT Group that has an important role in the diversification of services related to the sale of dwellings. ACTUAL INVEST HOUSE collaborates with major financial institutions from Romania in order to find solutions for credit facilities in the shortest time possible for customers who intend to purchase a dwelling. It also provides management services for new residential development and furniture and interior decoration services by partnering with leading suppliers at reasonable prices using high quality materials. In September 2015 the Decision of the General Assembly of Shareholders on share capital decreases, down to the amount of RON 1,765,000, was registered with the Trade Registry Office.
2. Clearline Development and Management SRL (formerly Lomb SA) is the company project of IMPACT established in order to develop a residential project in the city of Cluj-Napoca in partnership with the local authority. For the investments made by Clearline Development & Management SRL in order to develop the Lomb project in Cluj City, the project company has

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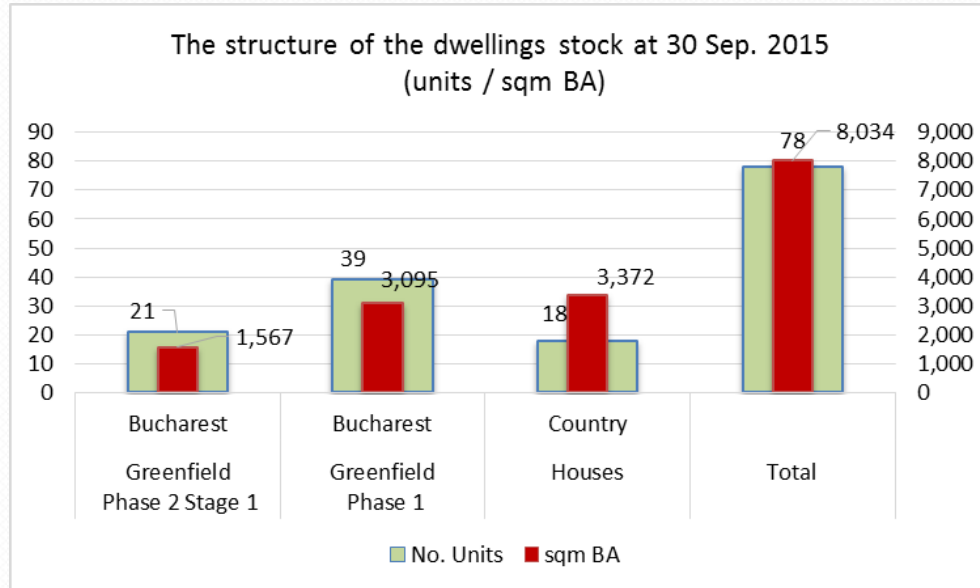
litigation in the amounting to 17,053,000 lei, plus legal interests. The case is currently investigated by the Court Law in Arges County, and the expertise of file is ongoing (Urbanism and Constructions).

On September 30, 2015 provisions were maintained at the amount of 8.1 mil. Lei, for the depreciation of financial investments held in affiliated entities.

5. Inventories

a) Apartments and houses

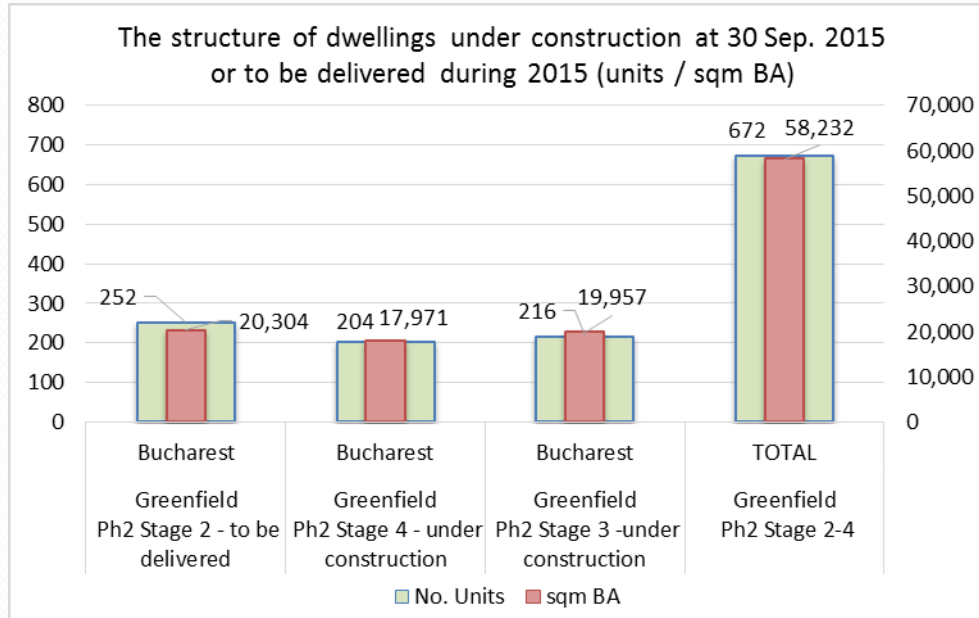
At the end of Q3/2015 inventories consist of 78 houses and apartments fully constructed with a built surface of 8,034 sqm. It was registered provisions for the depreciation of the inventories of fully constructed and for the work in progress inventories in December 2014. The detailed situation of households and apartments inventories on September 30, 2015 is as follows:



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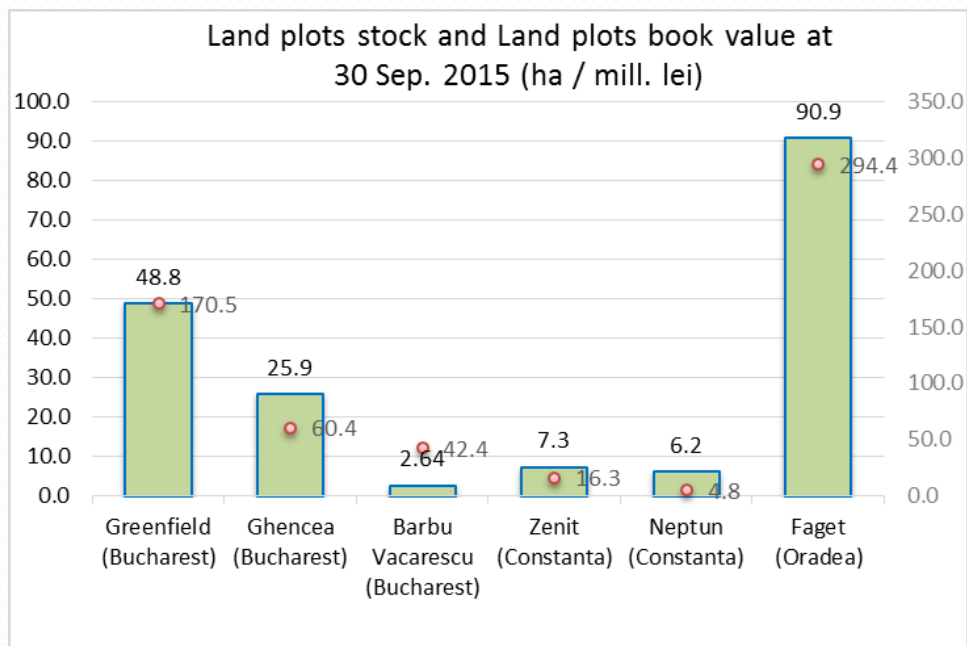
The 2nd phase in Salcamilor project (252 apartments) almost reached completion and the works of other two new phases in Salcamilor project (204, respectively 216 apartments) were initiated during the summer of year 2015.



b) Land plots

At the end of the Q3 /2015 there were in stock approximately 909,000 sqm of land plots for the sale and development of new projects. The land plots registered as Investment Properties, but also registered as Fixed Assets, have been re-valuated in accordance with market value.

The land stock structure by cities is illustrated in the following graph:



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c) Work in Progress (real estate, amenities, roads and utility networks)

The total value of products in progress fit-out/networks on September 30, 2015 is of approximately 20.8 mil. lei.

6. Cash and cash equivalents

	31-Dec-14	30-Sep-15
Current accounts	3,426,839	22,832,766
Cash	37,887	28,159
Advance for settlement	0	6223
	3,464,726	22,867,149

7. Long and short term borrowings

On September 30, 2015, the analysis of the bank loans was as follow:

No of contract	Name	Currency	Maturity	Contract value		Balance on 30.Sep.2015		Total balance after re-valuation (lei)	Short term (lei)	Long term (lei)
				(euro)	(lei)	(euro)	(lei)			
301 / 30.08.2006	Piraeus Bank Grecia – suc. Londra	EURO	21-Oct-17	12,807,270	-	4,328,702	-	19,118,576	8,391,730	10,726,846
50070066 / 25.07.2007	Banca Romaneasca	EURO	21-Oct-16	22,306,796	-	463,722	-	2,048,120	1,680,982	367,138
294 / 27.05.2015	Banca Transilvania-Lipscani	RON	26-Nov-16	-	20,000,000		11,919,500	11,919,500	11,919,500	0
295 / 27.05.2015	Banca Transilvania-Lipscani	RON	26-Mai-16	-	4,800,000		2,824,222	2,824,222	2,824,222	0
TOTAL				35,114,066	24,800,000	4,792,424	14,743,722	35,910,419	24,816,435	11,093,984

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8. Provisions

On September 30, 2015 the company's registered provisions are as follows:

a) Provisions for litigations - regarding the Memo drafted by ANFA in 2010, following the partial recovery of the control document by the General Direction of Relevant Contributors (D.G.A.M.C), was drafted the tax decision no 35 from December 15.12.2010, communicated on January 6th 2011. Following decision no. 3740/June 24, 2011, the appeal declared by IMPACT is admitted and the suspension it is disposed of the tax decision no nr.35/15.12.2010 issued by D.G.A.M.C, until the law court decision in the first instance. In the first instance was partly admitted IMPACT's request for tax profit amounting to 760,957 lei, and the file regarding penalties resulting from the control document was suspended until the final and irrevocable decision in the respective file. The amount estimated for this case with interests and penalties amounts to 700,000 lei.

The company decided to make a litigation provision for partial amounts allocated to the file 60772/3/2011, in which it is held responsible as civil part, amounting to 1,920,000 lei.

The litigations provisions balance on September 30, 2015 is the following:

Provisions	30-Sep-15
Provisions for litigations	2,620,000
Provisions for deferred taxes	7,639
TOTAL	2,627,639

b) Provisions for shares held in affiliated entities represent 8.13 mil. lei and are related to financial investments held in the following affiliated entities: Actual Invest House and Clearline Development & Management.

c) Provisions for receivables and sundry debtors. The amount estimated is of 3.01 mil. lei and it relates to balance accounts older than 360 days, with unclear recovery status, balance accounts relates to insolvent customers and litigation amounts.

d) Provisions for depreciation of inventory, houses and lands amounting to 3.88 mil. lei.

e) Provisions for utility networks and roads from residential compounds where IMPACT does no longer own buildings and land plots for sale and which were sold or are about to be sold to the owners associations or local councils from the areas where the projects take place. For these assets were signed selling buying promises and were handed over accompanied by memos to the new owners. The value of provisions booked to September 30, 2015 is of 7.94 mil. lei.

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9. Operational revenues

The main revenue sources are revenues from sales of dwellings, revenues from selling land plots, revenues from rents, and from provided services.

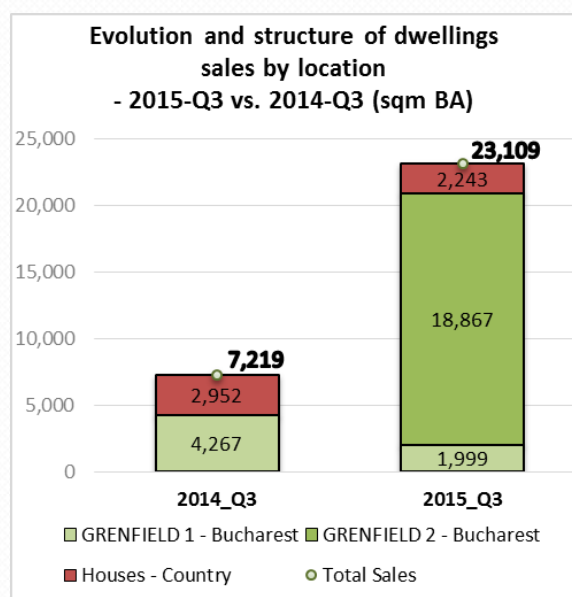
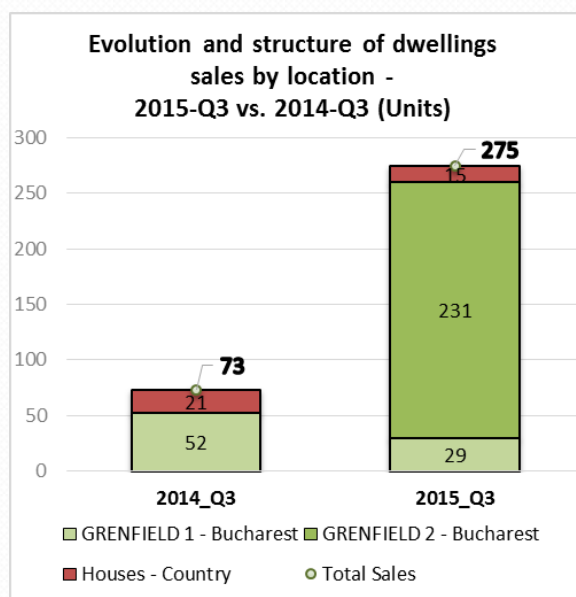
The structure of operational revenues is the following:

	30-Sep-14	30-Sep-15	Variation value	%
Revenues from finished products sale	16,660,574	73,726,619	57,066,045	343%
Revenues from rentals	1,090,722	934,225	(156,497)	-14%
Revenues from recharged utilities	2,377,349	2,178,653	(198,696)	-8%
Revenues from sale of investments	3,279,226	4,295,138	1,015,912	31%
Other revenues of operational nature	636,567	1,575,631	939,064	148%
Total	24,044,438	82,710,266	58,665,828	244%

a) Sales of apartments and houses

In the first three semesters of 2015, 275 houses and apartments were sold with a total built area of 23,109 sq.m, over three times more than the same period of the previous year. Also 4 installment contracts were canceled, so that the net number of housing units sold until September 30, 2015 was 271.

The new residential development started by IMPACT DEVELOPER & CONTRACTOR SA in the summer of the year 2014 - the SALCAMILOR Compound located in GREENFIELD neighbourhood, generated the biggest contribution to the company sales – 231 apartments, respectively over 18,867 sqm BA.



Also in the first 9 months were sold also 29 apartments of the stock related to the first phase of development of the GREENFIELD neighborhood and 15 dwellings were sold in the province (Oradea, Ploiesti and Constanta).

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GREENFIELD sales growth was favored by the new qualities of residential product and also by compound facilities which together have created a competitive advantage for the buyer. Also the buyers increased appetite associated with increased interest shown by banks regarding the financing facilities favored the sales growth.

The increase of the number of units sold in the first three semesters of 2015 is reflected in the increase of area sold and increase of sales revenues, compared to the same period of 2014.

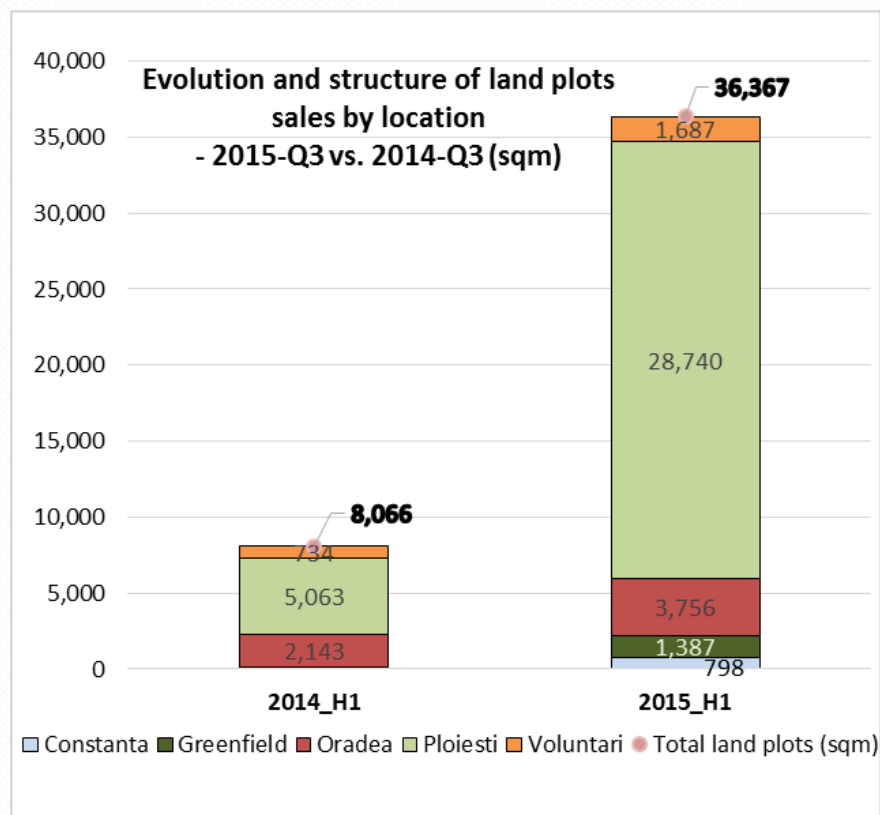
b) Rentals

The activity of apartment lease is no longer a priority for the Company in the past years. Most of the dwellings on which lease contracts were terminated in 2015, were sold and therefore the number of leased dwellings dropped from 21 dwellings at the end of December 2014 to 9 dwellings by the end of September 2015.

c) Sales of land plots

In the first three semesters of 2015 land plots with a surface of over 36,000 sq.m were sold in Ploiesti, Voluntari, Oradea, Constanta and Bucharest- Greenfield, over three quarters of the sold parcels being in Ploiesti.

Compared to the similar period in 2014, the sale of land plots is over four times higher mainly due to intensive sales activity that materialized in divestment of land plots portfolio in the Ploiesti project.



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10. Operational expenses

Operational expenses increased due to the increase in sales volumes. The production costs for the new residential development in Greenfield were streamlined, such as on September 30, 2015 an operational profit (EBITDA) of approximately **7.6 million lei** was generated, compared to an operational loss of 11.4 millions lei EBITDA on September 30, 2014.

	30-Sept-14	30-Sept-15	Variation	
			value	%
Consumption of raw materials	(315,032)	(392,217)	(77,185)	25%
Services provided by third parties	(3,830,445)	(4,156,984)	(326,539)	9%
Employee benefits expenses	(3,192,036)	(5,420,462)	(2,228,426)	70%
Other operating expenses	(2,991,651)	(4,751,702)	(1,760,051)	59%
Total	(10,329,164)	(14,721,365)	(4,392,201)	43%

The interest expenses decreased by approx. 51% on account of repayment of contracted loans, but the net financial result is affected by the influence of exchange rate differences:

	30-Sep-14	30-Sep-15	Variation	
			value	%
Financing costs	(2,235,048)	(1,103,755)	1,131,293	-51%
Financial income	602,256	100,330	(501,926)	-83%
Exchange rate differences	579,722	353,072	(226,650)	-39%
Other financial items, net	2,278,829	(72,886)	(2,351,715)	-
Total	1,225,759	(723,239)	(1,948,998)	159%

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11. Strategic Directions and Activities Guidelines of IMPACT in 2015

The first three quarters of 2015 were marked by the completion of the first phase consisting of 9 collective housing buildings with 252 apartmentst of the new real estate development from Salcamilor Compount located in GREENFIELD neighborhood and also by the signing of the sale-purchase contracts and dwellings handing over to the new owners, as well as by begining of pre-contracting process for the second phase in Salcamilor Compount with other 9 buildings and 252 apartments.



On September 30, 2015 there were 231 sale contracts signed in Salcamilor Compount and 161 pre-contracts, out of which 142 in the second phase of Salcamilor Compount, the pre-contracting level being of over 56% of the total number of apartments that will be delivered soon.

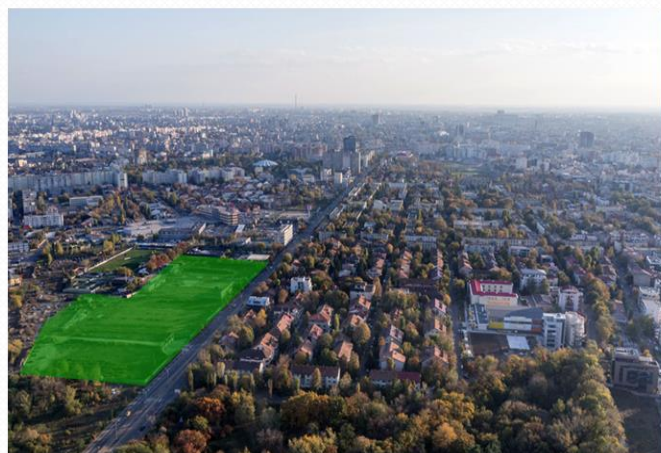
The Company's Development Plan for 2015 envisages continuing works in Salcamilor Compount, and to this end, in the summer of 2015 the works on two new stages had started - 17 blocks having 420 apartments, to be further delivered in February-March 2016.

The management's objective is that until the end of year 2015 to prepare the authorization process for the residential developments to be initiated as of the next year. The company's activity also focused on preparation of the documentation necessary for the construction of Greenfield Plaza urban center, of a total surface of 10,400 sqm, which shall include a SPA center, business and services areas, of approximately 8,000 sqm and an administrative office of 2,400 sqm.

Also in 2015 the company have initiated the preparation of the design and authorization documentation for the Barbu Vacarescu project, which started in September 2014 with the purchase of a new land plot of 2.6 ha.

The company intends to speed up the production cycles and product standardization so that the offer of IMPACT should be aligned with the market requirements, this beeing one of the concerns of the management in the current period in order to reach the sales objectives and profitability.

In order to finance the residential developments, besides own financing sources from reinvested profits, co-financing will be provided through bankloan facilities.



Also, in order to sustain the business development and financing of the above mention projects, the company has proposed obtaining financing from the capital market up to RON 135 million by issuing corporate bonds, and in this regard the Extraordinary General Meeting of Shareholders approved the modification of corporate

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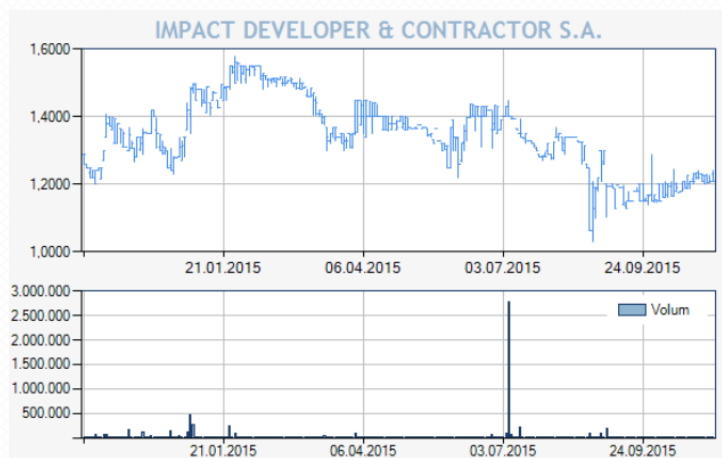
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bonds issue conditions on November 07, 2015, and the management of the company started the procedures for the issuance of the bond prospectus.

12. Capital Market

IMPACT share price evolution (November 2014 – October 2015)

IMPACT DEVELOPER & CONTRACTOR SA has been listed at the Bucharest Stock Exchange since the year 1996. Starting with the year 2006 its shares are quoted in the first category of BVB. Since January 2015, IMPACT shares, in a number of 277,866,574, are traded on the Premium category according to the new segmentation of Bucharest Stock Exchange.



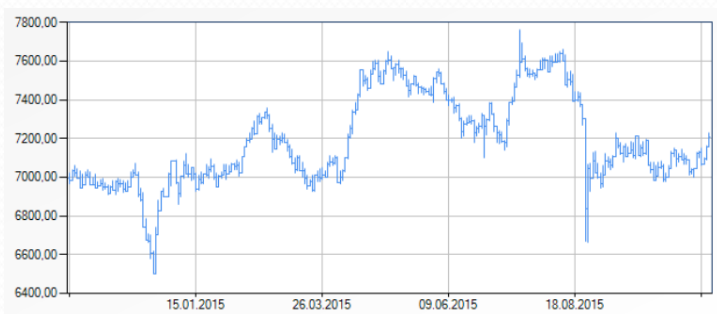
The market capitalization of the company at the end of September 2015 was of 72 mil. EUR.

BET Index Evolution (November 2014 – October 2015)

There are no restrictions for the security transfer, there are no restrictions for the voting rights, there are no holders of securities with special control rights.

According to the situation reported by the Central Depository and reports to the Bucharest Stock Exchange,

among the shareholders that held over 10% of the company shares on 26.10.2015 are: Gheorghe Iaciu with 49.04%, Andrici Adrian with 15.33% of the share capital, SWISS CAPITAL together with a group of shareholders affiliated to SWISS CAPITAL holds 10.67% of the share capital, and 24.96% of the shares are held by other shareholders.



On 26.10.2015, 24.49% of the shares were held by legal entities and 75.51% of the shares were held by individuals.

The BET index recorded on September 30, 2015 a decrease of 1% compared to the beginning of the year, and the IMP shares have recorded a decrease of 22% (1.15 lei/share on 30.09.2015 compared to 1.4850 lei/share on 31.12.2014), after a sustained growth in the preview year.

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13. Performance Indicators

Stock exchange indicators - evolution:

Indicators	Dec-12	Dec-13	Sep-14	Dec-14	Sep-15
Price / share	0.115	0.544	1.35	1.485	1.150
No. of shares	197,866,574	197,866,574	277,866,574	277,866,574	277,866,574
Market capitalization (lei)	22,754,656	107,639,416	375,119,875	412,631,862	319,546,560
Exchange rate	4.4287	4.4847	4.4114	4.4821	4.4167
Market capitalization (EUR)	5,137,999	24,001,475	85,034,201	92,062,172	72,349,619
Net Asset Value (lei)	326,121,386	281,430,511	356,378,201	365,579,741	373,078,980
Net Asset Value (EUR)	73,638,175	62,753,475	80,785,737	81,564,387	84,470,075
Annual/semester Profit/Loss	(74,892,467)	(42,457,620)	(5,185,911)	4,091,143	7,499,240
Gain per share (lei)	-0.378	-0.215	-0.019	0.015	0.027
Net Asset Value (lei/share)	1.648	1.422	1.283	1.316	1.343
Premium/discount compared to the net asset value	-93%	-62%	5%	13%	-14%

During 2015 the company's share price was stabilised especially due to the implementation of the new development plan for the next 5 years and to the company's strategy to sale of non-core assets.

Economic and financial indicators – evolution:

Indicators	Dec-13	Sep-14	Dec-14	Sep-15
Return on Assets	-11.42%	-1.23%	0.93%	1.68%
Return on Equity	-15.09%	-1.46%	1.12%	2.01%
Debt ratio (Total debt vs. Total asset)	24.28%	15.26%	17.32%	16.53%
Leverage (Equity vs. Total asset)	75.72%	84.74%	82.68%	83.47%
Gearing ratio (Loans vs. Equity)	21.19%	8.49%	10.05%	9.63%
Current ratio	3.26	5.46	4.54	4.22
Quick ratio	0.43	0.80	0.34	0.89

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EPRA¹ Net Asset Value:

Description	Dec-14	Sep-15
IFRS Net Asset Value	365,579,740	373,078,980
Number of shares	277,866,574	277,866,574
IFRS Net Asset Value /Share	1.32	1.34
Revaluation of inventories / available land for sale	47,704,789	44,512,892
Excludes:		
Deffered tax	13,010,763	13,010,763
EPRA Net Asset Value	426,295,292	430,602,635
EPRA Net Asset Value/Share	1.53	1.55

The objective of the **EPRA Net Asset Value** is to highlight the fair value of net assets on an ongoing analysis on a long term horizon.

Adjustments are considering the revaluation of assets and land available for sale to net realizable value.

¹"EPRA" European Public Real Estate is an association representing public real estate companies listed in Europe.

14. Auditors

By Decision of General Shareholders Assembly in November 7, 2015 the auditor KPMG ROMANIA SRL, elected during General Shareholders Assembly in April, 2015 was revoked, as result of impossibility of contract signing under the conditions of the ofer of April, 2015. The new auditor elected during General Shareholders Assembly in November 7, 2015 is DELOITTE AUDIT SRL.

The Financial Statements as of September 30, 2015 are not audited.

Chairman of the Board of Directors

Iuliana Mihaela Urda

Chief Financial Officer

Bogdan Geanta

Translation from Romanian language