IMPACT DEVELOPER & CONTRACTOR SA
Voluntari, Şos. Pipera-Tunari nr. 4C,
Centrul de Afaceri Construdava, et. 6,7, jud. Ilfov
Tel.: 021– 230.75.70/71/72, fax: 021– 230.75.81/82/83, mobil: 0729.100.001
Capital social subscris şi întegral vărsat: 200.000.000 RON
Înmatriculat la O. R. C. de pe lângă T. M. B. sub nr. J 23/1927/2006
C.I.F. RO 1553483
Operator de date cu caracter personal, înscrisă în Registrul de Evidentă a Prelucrării de Date cu Caracter Personal nr. 3406

Nr.J696 / 14.08.2012

Semestrial Report
1H 2012

Date of report: 14.08.2012

Denomination of the issuing entity: **SC IMPACT DEVELOPER & CONTRACTOR SA**

Registered office: Town Voluntari, 4C, Pipera Tunari Road, Construdava Business Center, floors 6, 7, Ilfov County

Telephone/fax numbers: 230.75.81/82/83/ 230.75.70/71/72

Sole Registration Code with the Trade Register Office J23/1927/2006

Subscribed and paid-up share capital: 197.866.574 RON

Regulated market on which the issued securities are transacted: Bucharest Stock Exchange

1. Financial and Economic Statement

1.1. The Patrimony Statement, Profit and Loss Account, Distribution of Profit for the first Semester of the year 2012

In the first half of 2012 the company recorded a gross loss of 9.41 million lei consisting of an operating loss of 4.98 million lei, and financial loss of 4.43 million. The operating loss was mainly due to the achievement of 25% of operating revenues budgeted and approved by GMS. This achievement below the budgeted sales plan is due to the reduced number of contracts signed, and by the commercial policy regarding the special price offers below the cost of production.

Realized vs. Budgeted Financial Statements

Indicator (RON)	30.06.2012 budgeted	30.06.2012 realized
Operating Income	22.730.699	5.772.442
Operating Expenses	22.931.274	10.749.725
Operating Result	(200.575)	(4.977.283)

Financial Income	215.398	662.135
Financial Expenses	2.447.366	5.096.505
Financial Result	(2.231.968)	(4.434.370)
Gross Result	(2.432.543)	(9.411.653)

Turnover

Indicator (RON)	30.06.2011	30.06.2012	%
Finished Goods	8.124.619	8.336.192	3%
Sales of Goods	45.630	56.367	24%
Turnover	**8.170.249**	**8.392.559**	**3%**

Turnover slightly increased compared with the same period of 2011 as a result of the company's sales strategy of housing stock. Unlike the previous period when there were sold and leased 62 residential units, in the first half of 2012 there were sold and rented 35 dwellings, decrease being caused mainly by the relatively low customer preference for rental housing. The number of units sold was relatively constant over the same period of 2011 (24 homes sold in the first half of 2012 compared to 25 homes sold in the first half of 2011).

	2011			2012			
	1Q	2Q	1H	1Q	2Q	Presales contracts existing at the end of June	1H
No. of Contracts Signed	42	20	62	13	22	43	78

At the end of reporting period there were 43 presales contracts signed for the units sales, contracts that will be finalized through sales contracts in the next period.

In the first half of the year the expenses with materials decreased with 48% due to the fact that most of the on going projects were completed.

The expenses with the personnel and subcontractors increased by 16% on the one hand due to the increase of the indemnifications of the Board of Administration (according to the decission 1/25.04.2012), and on the other hand due to infrastructure related works made for the land plots for sale.

The operating loss decreased with 17% compared with the same period of the year 2011.

Income and Expenses Statement according to OMFP 3055/2009

Indicator (RON)	30.06.2011	30.06.2012	%
Expenses with materials	1.049.838	545.818	-48%
Expenses with personnel and subcontractors	2.718.905	2.278.616	16%
Expenses with third party services	4.744.792	3.185.521	-33%
Other operating expenses	6.502.716	4.703.905	-28%
Total Operating Expenses	**15.016.251**	**10.749.725**	**-28%**

Comparative Analysis of the Individual Results According to OMFP 3055/2009

Indicator (RON)	30.06.2011	30.06.2012	%
Operating Income	8.994.043	5.772.442	-36%
Operating Expenses	15.016.251	10.749.725	-28%
Operating Result	(6.022.208)	(4.977.283)	17%
Financial Income	12.262.486	662.135	-95%
Financial Expenses	14.242.202	5.096.505	-64%
Financial Result	(1.979.716)	(4.434.370)	-124%
Total Income	21.256.529	6.434.577	-70%
Total Expenses	29.258.453	15.846.230	-46%
Gross Result	**(8.001.924)**	**(9.411.653)**	**-18%**

The mirror variation of tangible assets (increase of 2%) and inventories (decrease of 2%) is determined by company's policy of leasing completed homes that was continued in 2012. Accounting rules require that in the case of leased units, the asset to be classified as tangible assets.

The Cash and Cash Equivalents of the company decresed in the first half of 2012 with 71%, from 8.91 million RON to 2.57 million RON, due to the payment of the outstanding loans.

Total assets decreased with 4% in the 1H2012.

The Patrimony Analysis – Assets Evolution

Indicator (RON)	01.01.2012	30.06.2012	%
Nontangible Assets	108.562	77.986	-28%
Tangible Assets	60.789.028	62.260.065	2%
Financial Assets	29.913.373	30.182.141	1%
Fixed Assets	**90.810.963**	**92.520.192**	**2%**
Inventory	258.299.960	252.234.736	-2%
Receivables	50.107.626	45.353.619	-9%
Cash and Cash Equivalents	8.915.228	2.569.195	-71%
Current Assets	**317.322.814**	**300.157.550**	**-5%**
Prepayments	**218.690**	**197.466**	**-10%**
Total Assets	**408.352.467**	**392.875.208**	**-4%**

In the first half of 2012, the short term debt increased by 22% and the long-term debt decreased by 22% by reclassification of liabilities that were considered in the beginning of the year in the category of long term debt. In the first half of 2012 the company paid outstanding loans in amount of 8.82 million RON.

The liabilities & ccapital and reserves of the company decreased with 4% compared with the end of 2011.

Patrimony Analysis – Liabilities & Capital and Reserves Evolution

Indicator (RON)	01.01.2012	30.06.2012	%
Short Term Debt	40.564.811	49.361.444	22%
Long Term Debt	64.696.047	50.256.612	-22%
Provisions	2.409.656	2.407.992	-0,06%
Prepayments	3.853.842	3.432.703	-11%
Capital & Reserves	296.828.111	287.416.457	-3%
Total Liabilities & Capital and Reserves	**408.352.467**	**392.875.208**	**-4%**

Cash flow

Indicator (RON)	June 2011	June 2012
Cash at the beginning of the period	13.625.290	22.590.464
Net cash from the operating activity	3.138.195	2.209.060
Net cash from the investment activity	20.775.084	286.440
Net cash from the financial activity	(14.948.105)	(8.841.531)
Cash at the end of the period	**22.590.464**	**2.569.195**

2. Analysis of the Activity of the Company

2.1 Presentation and analysis of the events that affect or could affect the company's liquidity, in comparison to the same period of the previous year.

2.2 Presentation and analysis of the effects of all the current or anticipated capital expenses upon the financial statement of the company.

The detailed structure of the costs can be found in the notes to the financial statements–pag 31-33.

2.3 Presentation and analysis of the events that significantly affect the revenues from the basic activity.

The revenues from the basic activity were significantly influenced by the significant decrease of the lease contracts signed 11 compared with 38 contracts signed in the same period of 2011.

3. Changes that Affect the Capital and the Administration of the Company

3.1 Description of cases when the company was under the impossibility to observe its financial obligations.

There do not exist such cases. The company has paid all the financial obligations, having to recover 1.4 million RON from the central state budget and local budget.

3.2 Description of any modification regarding the rights of the owners of securities issued by the company.

The rights of the owners of securities issued have not been changed.

4. Other Events

At the Ordinary General Meeting of Shareholders held on 25.04.2012, due to the interest of the significant shareholders for the smooth running of the company and for the support of the direct investment in the company, there was decided the expansion of the Board of Directors of Impact from 3 (three) to 5 (five) members, the new Board of Directors having an international component, with two new representatives nominated by significant foreign shareholders, Mr. Dimitrios Sophocleous and Mr. Stefan Gheorghiu-Milicin.

During the same meetings Ordinary General Meeting of Shareholders from April 25th, 2012 the new President of the Board, Mr. Dimitrios Sophocleous has been nominated. With a large international financial horizon, he is welcomed to succeed in the mandate to attract investments at the project level and at the company level.

Dan Ioan Popp, one of the Impact founders in 1991, remained member of the Board of Directors of Impact.

In the Extraordinary General Meeting of Shareholders on June 28th, 2012 there was decided to modify the Article of Incorporation by rewritting the art. 10 & 11. These changes relate to the fact that the decisions of the Board of Directors shall be taken by 3 (three) votes "for" out of 5 (five) possible, for the validity of decisions being required the presence of the President of the Board or its authorized agent who may not be a Member of the Board of Directors. In the conditions leading to a tie vote the Presidents vote shall be deemed to 1.10.

At the same Extraordinary General Meeting of Shareholders there was decided that the President cannot be the CEO of the company Impact Developer & Contractor SA. The Board of Directors will choose the CEO from among its members or from outside of the Board of Directors.

S.C. IMPACT DEVELOPER & CONTRACTOR S.A.

Executive Director	**Chief Accountant**
Carmen Daniela Sandulescu	**Lidia Varzaru**