

IMPACT DEVELOPER & CONTRACTOR

*Individual Financial Statements as of March 31st, 2016
(values are expressed in LEI, unless otherwise specified)*

IMPACT DEVELOPER & CONTRACTOR SA



Individual and unaudited financial statements as of March 31st, 2016

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

IMPACT DEVELOPER & CONTRACTOR

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Statement of Financial Position on March 31, 2016

	31-Dec-15	31-Mar-16
<i>ASSETS</i>		
Tangible assets	5,722,775	5,760,743
Intangible assets	117,491	179,090
Investment Property	214,898,889	213,880,727
Financial assets	14,377,226	14,377,226
Non-current receivables	11,367,047	8,524,803
<i>Total Non-current assets</i>	<i>246,483,428</i>	<i>242,722,589</i>
Inventories	177,887,026	179,263,335
Trade and other receivables	26,405,139	18,707,386
Prepayments	118,140	98,260
Cash and cash equivalents	17,080,848	23,768,261
<i>Total Current Assets</i>	<i>221,491,153</i>	<i>221,837,242</i>
<i>Total Assets</i>	<i>467,974,581</i>	<i>464,559,831</i>
Share capital	285,330,158	285,330,158
Share premiums	84,175,480	84,175,480
Revaluation reserves	3,190,469	3,190,469
Other reserves	3,859,821	3,859,821
Reported result	(10,956,001)	(15,415,410)
Net profit for the period	(4,459,409)	5,050,312
<i>Total equity</i>	<i>361,140,518</i>	<i>366,190,830</i>
Loans	13,228,061	35,052,958
Trade and other payables	2,832,954	2,845,767
Deferred taxes	13,000,347	13,000,347
<i>Total current liabilities</i>	<i>29,061,362</i>	<i>50,899,072</i>
Trade and other payables	25,384,120	15,155,979
Loans	32,560,942	12,487,332
Provisions for risk and charges	19,827,639	19,826,618
<i>Total Current liabilities</i>	<i>77,772,701</i>	<i>47,469,929</i>
<i>Total liabilities</i>	<i>106,834,063</i>	<i>98,369,001</i>
<i>TOTAL equity and liabilities</i>	<i>467,974,581</i>	<i>464,559,831</i>

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Bogdan Geanta

IMPACT DEVELOPER & CONTRACTOR

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Statement of Comprehensive Result on March 31, 2016

	31-Mar-15	31-Mar-16
Revenue from sale of residential inventories	3,342,159	28,844,992
The accounting value of sold residential inventories	(2,930,153)	(19,063,967)
<i>Profit / (loss) from sale of real estate properties</i>	412,006	9,781,025
Rental incomes	336,992	383,489
Operating incomes recharged to tenants	787,472	693,669
Operating expenses related to rented/sold properties	(735,062)	(647,290)
<i>Net rental income</i>	389,402	46,379
Income from sale of investment properties	932,342	1,102,812
Book value of sold investment properties	(905,516)	(1,018,163)
<i>Profit/loss from sale of investment properties</i>	26,826	84,649
Revenues from services rendered	29,236	8,655
Raw materials and consumables used	(92,925)	(200,966)
Third party services	(1,268,570)	(1,493,683)
Employee benefits expense	(1,194,711)	(1,774,916)
Other operating income	155,254	242,444
Other operating expense	(877,774)	(934,589)
<i>Other operating income / (expenses), net</i>	(3,249,490)	(4,153,055)
<i>Earnings before interest, taxation, depreciation and amortization (EBITDA)</i>	(2,421,256)	6,142,487
Depreciation and amortization	(153,231)	(138,547)
Impairment of assets, other than investment properties	-	(864,344)
<i>Depreciation and related impairment charges / reversals, other than investment properties</i>	(153,231)	(1,002,891)
Earnings / (losses) in fair value of investment properties, net	-	-
<i>Earnings before interest and taxation (EBIT)</i>	(2,574,487)	5,139,596
Financing costs	(433,719)	(248,590)
Financing income	64,689	(8,985)
Foreign exchange result	425,946	173,481
Other financial result	(10,857)	(5,190)
<i>Financial result</i>	46,059	(89,284)
<i>Gross profit (EBT)</i>	(2,528,428)	5,050,312
<i>Income tax</i>	-	-
<i>Net profit / (loss) for the period</i>	(2,528,428)	5,050,312

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Statement of Cash flow on March 31, 2016

	<u>31-Mar-16</u>
Cash flows from operating activities	
Profit before income tax	5,050,312
Amortization	138,547
Increase / (decrease) in provisions for risks and charges	(864,344)
Financing costs	(262,765)
Exchange difference	173,481
Cash flows before changes in working capital	
	4,235,231
Decrease / (increase) in trade receivables and other receivables	10,559,877
Decrease / (increase) in inventory	(511,965)
Decrease / (increase) in trade payables and other payables	(10,216,349)
Net cash used from operating activities	4,066,794
Cash flows from investment activities	
Net cash used in investing activities	780,048
Cash flow from financing activities	
Proceeds /(Payments) from long term loans	1,751,287
Interest paid	262,765
Exchange difference	(173,481)
Net cash used in financing activities	1,840,571
Net increase/(decrease) in cash and in cash equivalents	6,687,413
Cash and cash equivalents at the beginning of the period	17,080,848
Cash and cash equivalents at the end of the period	23,768,261

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Financial Officer
Bogdan Geanta

Notes to the financial statements

1. The reporting entity

The stock 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 the 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, became a genuine real estate developer ever since. 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 has been part of the **Premium** category, pursuant to the new segmentation of local capital market.

For the past 25 years, IMPACT Developer & Contractor has completed **17 small and medium projects**, which comprised over **3,000 residences** and over **25,000 square meters** of office and commercial spaces. As at March 31, 2016, 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 took place the launch of **Salcamilor compound** - new development phase of GREENFIELD neighbourhood.

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

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

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

The works for stages 3 and 4 in Salcamilor compound with 420 apartments were started in the summer of year 2015 and they will be completed at the middle of year 2016.

Salcamilor compound consists of 35 blocks, having 924 apartments.

Also documentation was prepared for the start of construction of another 39 blocks, which will represent Platanilor Assembly, with 888 apartments, which will be completed early next year.

The company's management follows the market trends and it appropriately responds to any changes in demand and very quickly adapts to market changes.

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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 realities 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.

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 General Manager & Financial Manager 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, Sos. Bucuresti – Ploiesti, No. 172-176, Building A, 1st floor, Bucharest, District no 1, 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.

J 23/1927/2006

Sole Registration Code RO1553483.

The subscribed and paid share capital of the company, at March 31, 2016 is of RON 277,866,574.

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.

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The consolidated structure of shareholders, which hold at least 10% of the share capital on the date of **April 21, 2016**, is as follow:

Shareholder	Ownership *)
Iaciu Gheorghe	49.48%
Andrici Adrian	15.27%
SWISS CAPITAL / SAI SWISS CAPITAL AM / FDI ACTIVE DINAMIC / APOSTOL SORIN	10.89%
Other individuals and legal entities	24.35%
Total	100.00%

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

3. The company's management

Board of Directors

Pursuant to the legislation in force and the company Articles of Incorporation, the General Meeting of Shareholders is the managing and decisional body of the company, deciding on its business.

The company is led by the Board of Directors, consisting of five directors, as individual persons:

- Iuliana Mihaela Urda, Chairman of the Board of Directors;
- Liviu Stan, Director and General and Procurement Manger;
- Gabriel Vasile, Director;
- Konstantinos Tasoulas, Director;
- Victor Rachita, Director.

Mrs. Iuliana Mihaela Urda was elected in the Board of Directors during the General Ordinary Assembly in 26th of April 2013, by cumulative vote method, for a four years mandate, until April 2017.

Mr. Gabriel Vasile was appointed as administrator in the General Ordinary Assembly on 16th of September 2013, Mr. Liviu Stan was appointed as in the General Ordinary Assembly on 25th of April 2014, and Mr. Konstantinos Tasoulas was appointed as administrator in the General Ordinary Assembly held on the date of 25.04.2015, and Mr. Victor Rachita was elected as administrator by the General Ordinary Assembly which took place on the date of 22.04.2016.

The members of the Board of Directors of IMPACT, acknowledging the resignation of Mr. Lucian Claudiu Mateescu from the position of Director and General Manager, as of 14 December 2015, appointed Mr. Liviu Stan (who also holds the position of Procurement Director) as General Manager, for a temporary period.

The Board of Directors is structured such as to allow diligent fulfilment of duties. The Board regularly meets to ensure fulfilment of its duties in an efficient manner.

There is a clear distribution of responsibilities between the Board and the executive management.

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Executive Management of the Company

The Board of Directors decided to empower Mr. Liviu Stan, General and Procurement Manager and Mr. Bogdan Nicolae Geanta, Financial Manager, to represent the company, as of 14.12.2015, pursuant to the provisions under art. 143 2 par. 5 of Law 31/1990 on trading companies.

Surname	First name	Position	Citizenship
Stan	Liviu	General and Procurement Manager	Romanian
Geanta	Bogdan Nicolae	Financial Manager	Romanian

4. Shares held in affiliated entities

Name of the company	Headquarter	Share Capital Value	Value of IMPACT's investment 31-Mar-16	IMPACT's Participation percent 31-Mar-16
Actual Invest House SRL	Voluntari, Pipera-Tunari no.4C, Construdava Business Center, room 4, office no.2, ground floor, Ilfov County	1,765,000	505,000	109,950
Clearline Development & Management SRL	Voluntari, sos Pipera Tunari no. 4C, Construdava Business Center, ground floor, Ilfov County	22,400,000	22,400,000	22,400,000
TOTAL			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.
2. **Clearline Development and Management S.R.L.** (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 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 March 31, 2016 provisions were maintained at the amount of 8.1 mil. Lei, for the depreciation of financial investments held in affiliated entities.

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5. 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

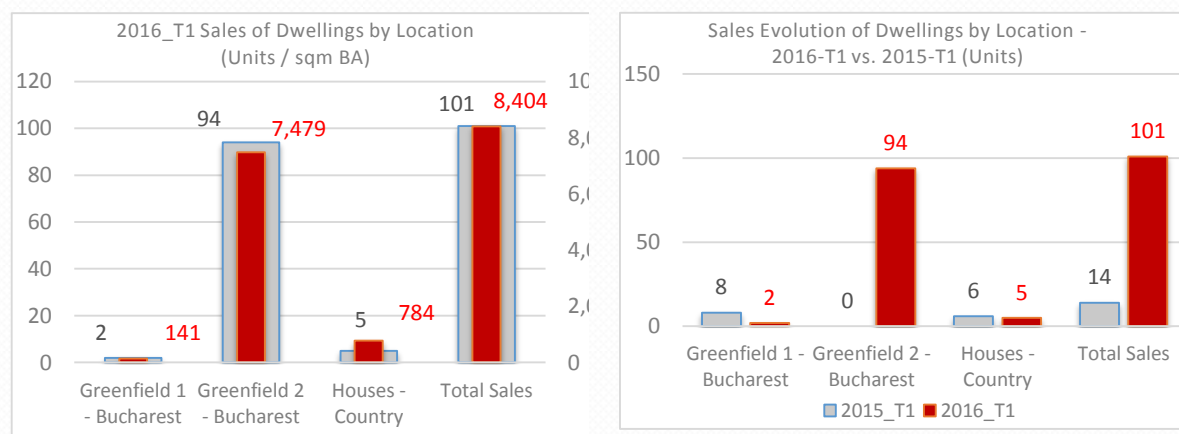
	31-Mar-15	31-Mar-16	Diferenta	
			valoare	%
Revenues from finished products sale	3,342,159	28,844,992	25,502,833	763%
Revenues from rentals	336,992	383,489	46,497	14%
Revenues from recharged utilities	787,472	693,669	-93,803	-12%
Revenues from sale of investments	932,342	1,102,812	170,470	18%
Other revenues of operational nature	184,490	251,099	66,609	36%
Total	5,583,455	31,276,061	25,692,606	460%

a) Sales of apartments and houses

In the first quarter of 2016 sales amounted 101 buildings (apartments and houses) and 104 parking lots, totaling a number of 8.404 sq.m. SCD, over seven times more than the first quarter of the previous year.

Sales evolution by location is of 94 apartmente in Salcamilor Assembly (2 in the 1 stage and 92 in the 2 stage), 2 apartments in Greenfield 1, 3 houses in Oradea, 1 house in Ploiesti and 1 house in Constanta.

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 – 94 apartments, 7.479 sqm SCD respectively.



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.

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The increase of the number of units sold in the first quarter of 2016 is reflected in the increase of area sold and increase of sales revenues, compared to the first quarter of 2015.

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 maintained to 8 at the end of December 2015 until the end of the first quarter 2016.

c) Sales of land plots

During the first quarter of 2016 there were no land plots sold.

6. Operational expenses

Operational expenses increased due to the increase in sales volumes, and the production costs for the new residential development in Greenfield were efficientized so that it was possible, on March 31, 2016, to register an operational profit (EBITDA) of 6.1 millions lei, compared to an operational loss of 2.4 millions lei EBITDA on March 31, 2015.

	31-Mar-15	31-Mar-16	Variation	
			value	%
Consumption of raw materials	(92,925)	(200,966)	(108,041)	116%
Services provided by third parties	(1,268,570)	(1,493,683)	(225,113)	18%
Employee benefits expenses	(1,194,711)	(1,774,916)	(580,205)	49%
Other operating expenses	(877,774)	(934,589)	(56,815)	6%
Total	(3,433,980)	(4,404,154)	(970,174)	28%

The interest expenses decreased by more than 40 % on account of repayment of contracted loans, but also on EURIBOR/ROBOR reference interest decrease:

	31-Mar-15	31-Mar-16	Variation	
			value	%
Financing costs	(433,719)	(248,590)	185,129	-43%
Financial income	64,689	(8,985)	(73,674)	-114%
Exchange rate differences	425,946	173,481	(252,465)	-59%
Other financial items, net	(10,857)	(5,190)	5,667	-52%
Total	46,059	(89,284)	(135,343)	-294%

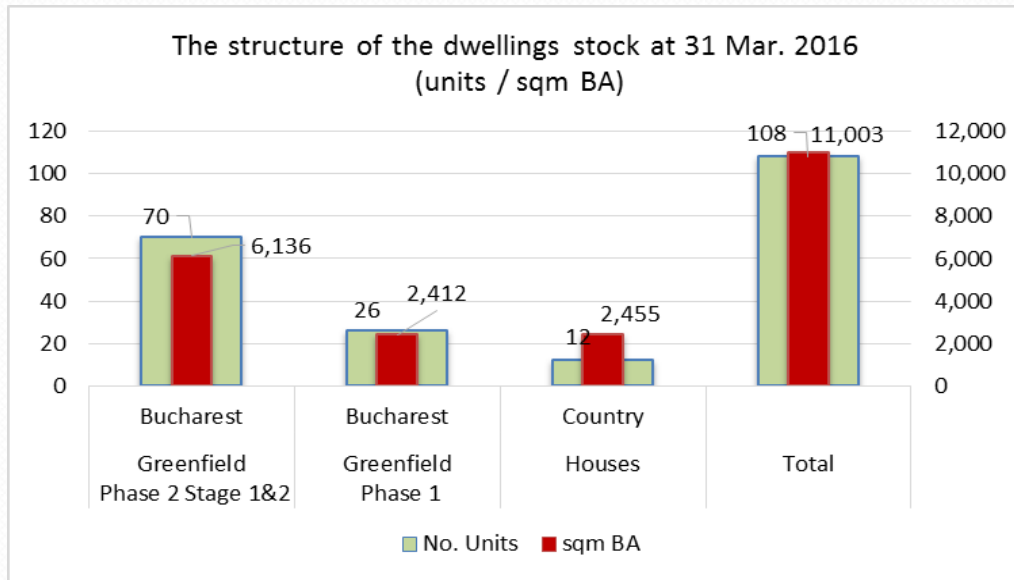
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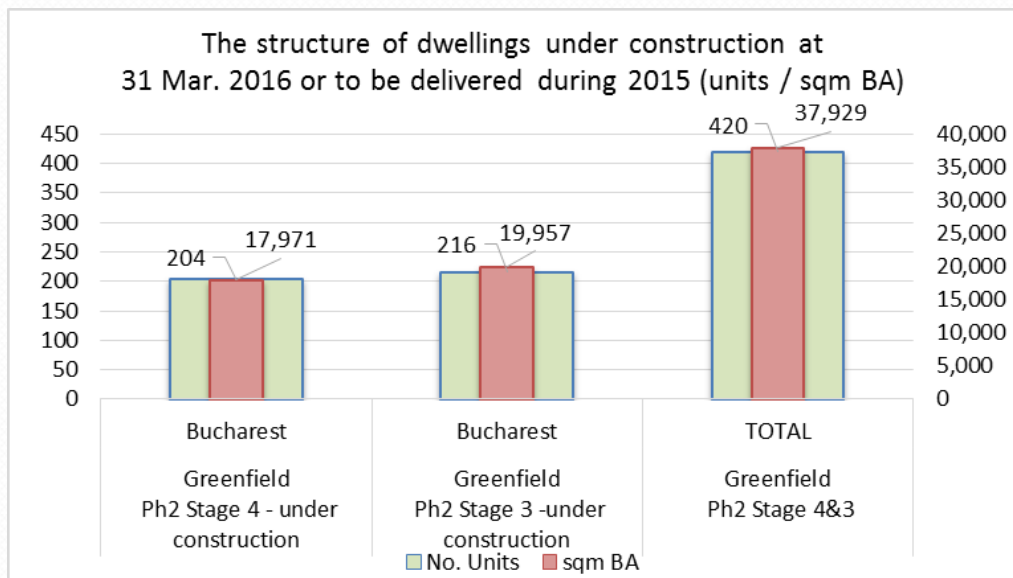
7. Inventories

a) Apartments and houses

At the end of March 2016 inventories consist of 108 houses and apartments fully constructed with a developed built surface of 11,003 sq.m. For impairment of inventories of finished goods and production stocks under construction in December 2015 provisions were recorded, which were also maintained on March 2016. The detailed situation of households and apartments inventories on March 31, 2016 is as follows:



Stages 3 and 4 in Salcamilor project (216, 204 apartments respectively), started in the summer of year 2015, are under construction and they will be accepted during 2016.



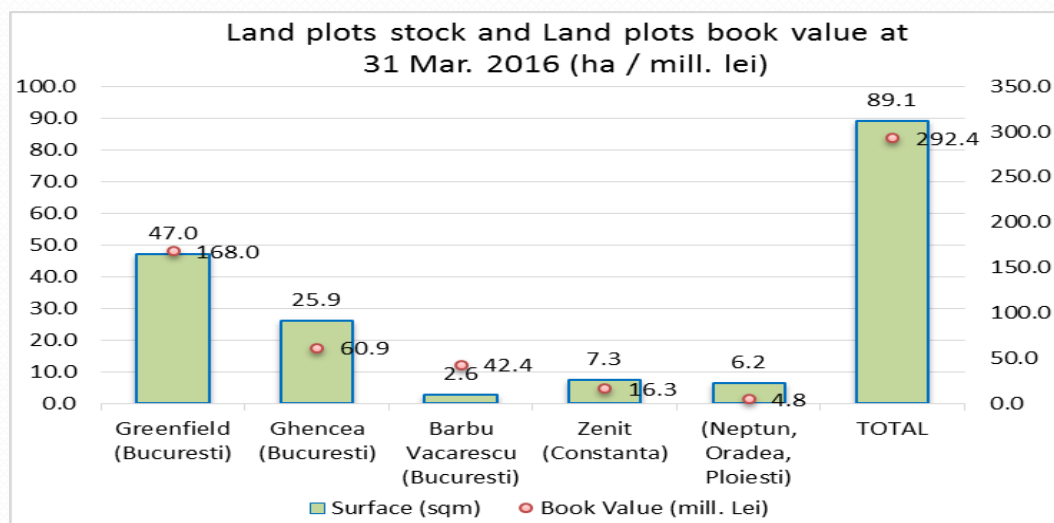
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b) Land plots

At the end of the first quarter of 2016, there were in stock approximately 891.000 sq.m 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 in December 2015.

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



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

The total value of products in progress fit-out/networks on March 31, 2016 is of approximately 17.5 mill. lei.

8. Cash and cash equivalents

	31-Dec-15	31-Mar-16
Current accounts	17,063,991	23,758,059
Cash	3,666	3,597
Advance for settlement	13,163	6,604
	17,080,821	23,768,261

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9. Long and short term borrowings

On the date of March 31, 2016, the analysis of the bank loans was as follows:

No of contract	Name	Currency	Maturity	Contract value	Contract value	Balance on 31.03.2016	Balance on 31.03.2016	Total balance after re-valuation	Short term	Long term
				(euro)	(lei)	(euro)	(lei)	(lei)	(lei)	(lei)
301/30.08.2006	Piraeus Bank Grecia suc Londra	EURO	21-Oct-17	12,807,270		3,428,702		15,339,325	8,947,600	6,391,725
50070066/25.07.2007	Banca Romaneasca	EURO	21-Oct-16	22,306,796		192,189		859,815	859,815	0
717/13.11.2015	Banca Transilvania-Lipscani	RON	12-May-17		18,253,000		11,884,431	11,884,431	0	11,884,431
718/13.11.2015	Banca Transilvania-Lipscani	RON	12-Nov-16		4,041,000		2,679,917	2,679,917	2,679,917	0
BA1589/11.11.2015	Libra Internet bank	RON	11-Nov-19		29,266,059		16,776,802	16,776,802	0	16,776,802
TOTAL				35,114,066	51,560,059	3,620,890	31,341,150	47,540,289	12,487,332	35,052,958

10. Provisions

On the date of March 31, 2016, the balance provisions are as follows:

a) Provisions for litigations - regarding the Minutes drafted by ANFA in 2010, following the partial recovery of the control document by the General Direction of Large Contributors, the tax decision no 35 from December 15, 2010 was issued, 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 19.1 mil lei, put of which 1.9 mill. lei in 2013 and 17.2 mill. lei in 2015.

In this case Bucharest court of Appeal, 1st Criminal Division, pronounced by criminal decision 527/24.03.2016. The decision is final. Regarding the civilly liable party, the court ordered the defendant STEGARU RUXANDRA MARIA, jointly with civilly responsible parties Sqrw Development SRL and Impact Developer & Contractor SA, to pay the civil party the amount of 3,284,466 lei, as material damages, to which flow related accessories tax obligations, calculated from the due date of payment obligations until the date of full payment of the flow is added. ANAF issued ANAF decision no. 769460/15.04.2016, amounting to 9,279,953lei, amount fully pai dup on the date of

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20.04.2016. The litigation afferent provision will be adjusted in April 2016, pursuant to decision issued by ANAF.

The balance on March 31, 2016 of provisions for litigations is:

Provisions	31-Mar-16
Provisions for litigations	19.820.000
Provisions for deferred taxes	6.618
TOTAL	19.826.618

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

c) Provisions for receivables and sundry debtors. The provisions amount is of 2.7 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 3.1 mill. 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 on March 31, 2016 is of 10.38 mill. lei.

11. Strategic Directions and Activities Guidelines of IMPACT in 2016

Year 2016 was marked, on one hand, by the preparation of the documentation for authorization of construction of a new neighborhood in Greenfield II, Platanilor Assembly, and on the other hand, by the completion of works in stages 3 and 4.

The new residential developments will benefit from all location advantages communicated under Greenfield brand (900 ha of forest, in the vicinity of Baneasa Forest, 5 minutes from Baneasa Business Center - Metro Cash&Carry, Selgross, IKEA, Mobexpert, Carrefour Feeria, Bricostore, immediate access to DN1 Bucharest – Ploiesti, 10 minutes to the two airports: Baneasa and Henri Coanda).

The second stage of development of Greenfield neighborhood aims to expansion of dwelling area within an improved concept, adapted to current market conditions, as well as attracting investors/operators for improving the facilities/services serving the dwelling area.

During the first quarter of 2016 there were signed sales, reservations and promises of sale in stages 2, 3 and 4 of Salcamilor Assembly, in an increasingly intense pace.

Thus, on March 31, 2016 there were 185 de promisses and reservations, the contracting degree for stages 2, 3 and 4 put up for sale, being of 60%.

Regarding Greenfield neighborhood, the management objective is that in the spring and summer of 2016 to start the construction works of the new residential compound in Greenfield neighborhood,

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Stages 5, 6 and 7 –Platanilor Assembly, which will include 39 blocks and 888 apartments, totaling 90,000 sqm.

In 2016 the company intends to sell 10,000 land plots in Constanta.

Also, the company's activity is focused on preparing the necessary building documentation for Greenfield Plaza urban center with a total area of 10,400 square meters which will include a spa, shops and services of approximately 8,000 sqm and an administrative headquarters of 2,400 sqm.

Also in 2016 the preparation and execution of the design and authorization documentation for Barbu Vacarescu Ave. Project is continued, the project being started in September 2014 with aquisition of ownership title over a land plot of 2.6 ha.

Another major goal of the company in 2016, is launching the technical documentation for development of a new residential project in Bucharest in the Ghencea Extension - Bd. Timisoara, where the company owns a land area of approximately 26 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 being 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 of development expenses 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 bonds issue conditions on November 07, 2015, and the management of the company started the procedures for the issuance of the bond prospectus.



IMPACT DEVELOPER & CONTRACTOR

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(values are expressed in LEI, unless otherwise specified)

12. Capital Market

IMPACT DEVELOPER & CONTRACTOR SA has been listed on the Bucharest Stock Exchange since the year 1996. Starting with the year 2006 its shares have been quoted as the first category of BVB. Since January 2015, IMPACT shares, amounting to 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 March 2016 is of EUR. 53 mill.

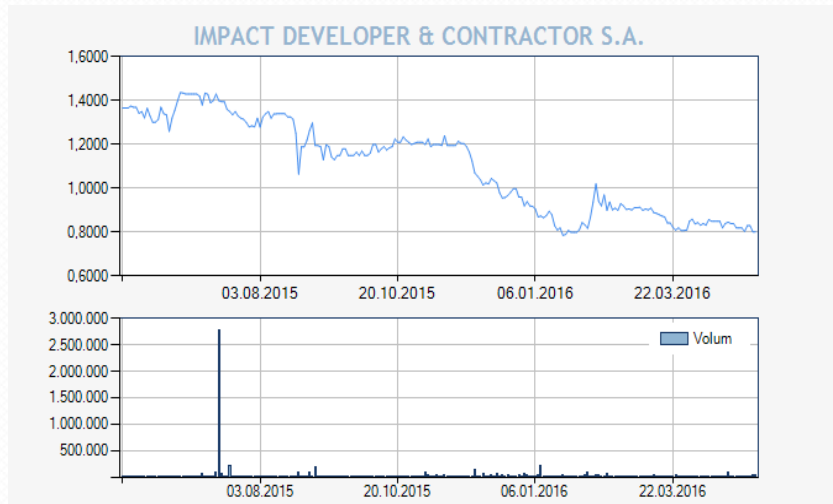
There are no restrictions for the security transfer, there are no restrictions for the voting rights, and there are no holders of securities with special control rights.

According to the situation reported by the Central Depository and the reports to the Bucharest Stock Exchange, the shareholders that held over 10% of the company shares on 21.04.2016 included: Gheorghe Iaciu with 49.48%, Andricu Adrian with 15.27% of the share capital, and other shareholders, which held 35.25%.

On 21.04.2016, 30.15% of the shares were held by legal entities and 69.85% of the shares were held by natural persons.

The BET index recorded on March 31, 2016 a decrease of 3.8% compared to the beginning of the year, and the IMP shares have recorded a decrease of 9.6% (0.85 lei/share on 31.03.2016 compared to 0.94 lei/share on 31.12.2015).

IMPACT share price evolution (April 2015 – March 2016)



BET Index Evolution (April 2015 – March 2016)



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13. Performance Indicators

Stock exchange indicators - evolution:

Indicators	31-Dec-13	31-Dec-14	31-Dec-15	31-Mar-16
No. of shares	197,866,574	277,866,574	277,866,574	277,866,574
Price / share	0.544	1.485	0.94	0.85
Market capitalization (lei)	107,639,416	412,631,862	261,194,580	236,186,588
Exchange rate	4.4847	4.4821	4.5245	4.4634
Market capitalization (EUR)	24,001,475	92,062,172	57,728,938	52,916,294
Net Asset Value (lei)	281,430,511	365,579,741	361,140,518	366,190,830
Net Asset Value (EUR)	62,753,475	81,564,387	79,818,879	82,043,023
Annual Profit (RON)	(42,457,620)	4,091,143	(4,459,409)	5,050,312
Annual Profit (EUR)	(9,607,970)	920,475	(1,003,242)	1,128,864
Earning per share (RON)	-0.215	0.015	-0.016	0.018
Earning per share (EUR)	(0.049)	0.003	(0.004)	0.004
NAV/Share (RON)	1.422	1.316	1.300	1.318
NAV/Share (EUR)	0.317	0.294	0.287	0.295
Premium/discount compared to the net asset value	-62%	13%	-28%	-36%

During 2015 but also during the first quarter of 2016, the company's shares have declined, influenced by both the evolution of the local market and foreign ones. The stock exchanges were significantly affected by slowing of Chinese economy, by the problems of the reference rate increase in the USA and the collapse of oil prices.

Economic and financial indicators – evolution:

Indicators	31-Dec-13	31-Dec-14	31-Dec-15	31-Mar-16
Return on Assets	-11.42%	0.93%	-0.95%	1.09%
Return on Equity	-15.09%	1.12%	-1.23%	1.38%
Debt ratio (Total debt vs. Total asset)	24.28%	17.32%	22.88%	21.17%
Leverage (Equity vs. Total asset)	75.72%	82.68%	77.12%	78.83%
Gearing ratio (Loans vs. Equity)	21.19%	10.05%	10.81%	12.98%
Current ratio	3.26	4.54	2.79	4.67
Quick ratio	0.43	0.34	0.51	0.9

IMPACT DEVELOPER & CONTRACTOR

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14. Auditors

By Decision of General Shareholders Assembly in April 2016 the contract with the current external financial auditor of the Company, DELOITTE AUDIT SRL, was extended for a mandate of 1 (one) year.

The Financial Statements as of March 31st, 2016 are not audited.

Chairman of the Board of Directors

Iuliana Mihaela Urda

Chief Financial Officer

Bogdan Geanta