



IMPACT DEVELOPER & CONTRACTOR SA

Voluntari, 4C Pipera-Tunari Road,
Construdava Business Center, floors 6,7, Ilfov County
Phone: 021- 230.75.70/71/72, fax: 021- 230.75.81/82/83, mobile: 0729.100.001
Subscribed and paid up share capital: RON 277,866,574
Registered with the Trade Registry Office within Bucharest Court under no. J 23/1927/2006
Sole Registration Code RO 1553483
Personal Data Operator, registered with the Personal Data Processing Evidence Registry under no. 3406

Report on the 3rd Quarter of 2014 pursuant to Regulation no. 1/2006
Report date 14.11.2014

“IMPACT DEVELOPER & CONTRACTOR ” S.A.

Bucharest Trade Registry Office registration date and number: J23/1927/2006.

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Regulated market the issued securities are traded on: Bucharest Stock Exchange

I. Important events occurred during the reporting period

Impact carried out, during the period 01.01.2014 – 30.09.2014, the activity of „Real Estate Development (promotion)”, pursuant to NACE code 4110. The company was set up in 1991, by Civil Sentence no. 137/26.02.1991, given by Bucharest 1st District Court.

The company’s shareholders had approved upon Ordinary General Assembly of Shareholders, that took place on the date of 25.04.2014, the election of Mr. Stan Liviu as administrator, member of the Board of Administration of the company. Election of the new administrator was required as result of the resignation of Mrs. Petre Ecaterina from the position of administrator.

Also, Mr. Stan Liviu was mandated by the Board of Administration with the representation, organization, management and control of the Acquisitions Department.

During the period of June – July 2014 the action of subscription related to the increase of the share capital of IMPACT DEVELOPER & CONTRACTOR S.A. took place. On the date of 29th of July 2014, the sale offer was successfully completed on the share capital increase, pursuant to the issuance minutes approved by decision ASF 591/19.06.2014. The 80,000,000 shares offered, were fully subscribed during the two subscription phases.

Subscription was performed in two phases, and the 80,000,000 shares were fully subscribed. During the 1st phase there were 66,639,834 shares subscribed, and during the 2nd phase 13,360,166 shares were subscribed.

Thus, the share capital had been increased, by the amount of RON 80,000,000, from the amount of RON 197,866,574 to the amount of RON 277,866,574. The share capital increase was decided by company

shareholders upon Extraordinary General Assembly of Shareholders that took place on the date of 12.04.2014.

Impact Company acquired on the date of 29.09.2014 a share part of 1/3 of the ownership title on the property consisting of 5 lands, in total area of 78,970 sq.m., located in Bucharest, Barbu Vacarescu Street.

This acquisition is part of the company strategy for the period 2014-2018, and the lands shall be used for company development.

The Board of Administration of IMPACT DEVELOPER & CONTRACTOR S.A. acknowledged the resignation of Mrs. Draguta Mihaila Administrator-Member of the Board of Administration, as of the date of 02.10.2014.

The Board of Administration of IMPACT DEVELOPER & CONTRACTOR S.A. had decided upon appointment of Mr. TASOULAS KONSTANTINOS, as temporary administrator of the company, pursuant to art. 137² in Law 31/1990, on trading companies and he shall hold the position of administrator until the first Ordinary General Assembly of Shareholders proceeding with the election of the administrator on the position remained vacant.

Mr. TASOULAS KONSTANTINOS graduated the University of Economic Studies in Greece, license in business administration, as well as an MBA, finance specialty.

Mr. TASOULAS has an experience of over 19 years in banking and real estate.

On the date of 03.10.2014 Impact Developer&Contractor SA organized the annual meeting with analysts on the capital market.

The company shareholders had approved on the Extraordinary General Assembly of Shareholders, that took place on the date of 11.10.2014, the mandating of the Board of Administration to approve, throughout the financial exercise of 2014 and 2015 respectively, the conclusion of attainment, alienation, exchange or securities set up documents for assets in the category of tangible assets of the company, even if their value exceeds, individually or jointly, throughout a financial exercise, 20% of the total intangible assets, less liabilities.

On the date of 06.11.2014 launching of the newest assembly in Greenfield took place, Salcamilor Assembly, consisting of nine buildings of five stories each. The nine buildings consist of 252 apartments with two, three and four rooms, and the first three thereof will be completed before the end of this year, approximately six months after commencement of construction. Salcânilor Assembly completes the GREENFIELD assembly, joining the five already existing assemblies– Blue, Rubin, Topaz, Onix and Quartz.

II. The Financial Position for the relevant period

Results obtained during the 3rd quarter of 2014 are reported pursuant to IFRS.
Results presented are not audited.

Analysis on Result Elements

During the first three quarters of year 2014 Impact recorded operational incomes amounting to RON 20 million, increased by 19% compared to the same period of the previous year.

The financial result indicators relating to the financial statements on the date of 30.09.2014 are the following:

Indicator (RON)	30.09.2013	30.09.2014	%
Turnover	22,083,172	20,229,515	-8%
Operational revenues	16,985,590	20,259,810	19%
Operational expenses	34,910,077	26,671,480	-24%
<i>Operational result</i>	<i>(17,924,487)</i>	<i>(6,411,670)</i>	<i>-64%</i>
Financial revenues	3,505,216	2,009,300	-43%
Financial expenses	6,044,120	783,541	-87%
<i>Financial result</i>	<i>(2,538,904)</i>	<i>1,225,759</i>	<i>n/a</i>
Total revenues	20,490,806	22,269,110	9%
Total expenses	40,954,197	27,455,021	-33%
Gross Result	(20,463,391)	(5,185,911)	-75%

Increase of the operational revenues by 19% compared to the similar period of the previous year is due to significant increase of the number of apartments sold in the Greenfield assembly in Bucharest, to adapting of the trading policy to the real estate trend respectively.

Sales in Greenfield assembly were during the first nine months of 2014 of over two times higher than the similar period of the previous year (52 units sold in September 2014, compared to 24 units sold in September 2013), and the sales of houses in Europa assembly in Oradea have decreased during the first nine months of 2014 to less than half compared to the same period in 2013, due to the decrease of the inventory (19 units sold compared to 44 sold during the first three quarters in 2013).

Nevertheless, in the province, there were also two houses sold (one in Constanta and one in Ploiesti), compared to nine houses sold during the first three quarters in 2013 (7 houses in Constanta and 2 in Ploiesti).

Operational expenses had recorded a decrease by 24% during the first nine months in 2014 compared to the similar period in 2013:

Indicator (RON)	30.09.2013	30.09.2014	%
Raw materials and materials expenses	6,110,466	8,474,363	39%
Personnel expenses	2,385,231	3,192,036	34%
Assets value adjustments	(6,544,703)	(5,034,695)	-23%
Other operational expenses	32,959,083	20,039,776	-39%
Total operational expenses	34,910,077	26,671,480	-24%

The operational loss significantly decreased to RON -6.4 million, decreased by 64% compared to the same period of year 2013.

The gross loss of the third quarter is of RON -5.19 million, four times less than in September 2013, due to increase in revenues, decrease in operational expenses, but also due to obtaining of a positive result from the financial activity.

During the similar period of year 2013 several strategic expenditure was performed by the new management that aimed the change of the company policy, expenditure was performed respectively for the purpose of amiable settlement of certain litigations (Bodogan / Romconstruct), but also for contracting certain works related to the networks in Greenfield and Constanta assemblies.

The financial activity resulted in a positive outcome (RON 1.23 million) in the third quarter, mainly due to the revenues obtained from retake in revenues of the provision set up for the contributions in Millennium Consult Invest 2002 SRL company, amounting to RON 2.3 million, as result of the company deregistration.

Analysis on Balance Sheet Elements

Intangible assets of the company had increased due to the updating of the electronic system. Such assets are depreciated during a 3 years period.

Company cash had increased due to the share capital increase that took place during June – July 2014.

Acquisition of lands of 2.63 ha (1/3 of the total area of 78,970 sq.m.) in Barbu Vacarescu Ave. Along with the registration of the production in progress afferent to the nine buildings under construction, have contributed to the increase in inventories by over 50% compared to December 2013.

Total assets had increased by 13% compared to the beginning of the year.

Asset Elements

Indicator (RON)	01.01.2014	30.09.2014	%
Intangible assets	17,840	119,682	571%
Tangible assets	237,811,045	233,970,074	-2%
Financial assets	14,377,226	14,342,521	0%
Current assets	252,206,111	248,432,277	-1%
Inventories	86,415,696	130,557,715	51%
Receivables	28,484,838	29,868,336	5%
Cash	4,543,781	11,621,859	156%
Working assets	119,444,315	172,047,910	44%
Advance expenses	101,630	85,007	-16%
Total Assets	371,752,056	420,565,194	13%

The company's debts had a significant decrease at the end of the third quarter, which was favored by the early repayment of loans considerable amounts of the company. On the one hand the company had a more intense sale pace that favored the early repayment of company loans by paying company mortgage discontinuing removals of the sold apartments, and on the other hand, there have been EUR 2.5 mil. early repaid from equity.

In the third quarter there was registered the share capital increase by the amount of RON 80,000,000 by issuing of new shares, from RON 197,866,574 to RON 277,866,574. Thus, the equity of the company at the end of September 2014 was RON 356 million, increasing by 27% compared to the beginning of the year.

Liability elements

Indicator (RON)	01.01.2014	30.09.2014	%
Short term debts	36,019,367	21,834,110	-39%
Long term debts	49,458,355	36,166,194	-27%
Provisions	2,641,097	4,793,874	82%
Incomes in advance	2,202,726	1,392,814	-37%
Equity	281,430,511	356,378,202	27%
Total Liabilities	371,752,056	420,565,194	13%

Analysis of Cash Flow elements

Cash and cash equivalents significantly increased in the third quarter as a result of the capital increase and allowed acquisition of the land in Barbu Vacarescu Ave. and commencement of construction of the second stage of Greenfield project development.

Indicator (RON)	Sep-14
Cash at the beginning of the period	4,543,781
Net cash derived from operating activities	(51,725,432)
Net cash derived from investment activities	3,392,610
Net cash derived from financing activities	55,410,899
Cash at the end of the period	11,621,859

Economical – Financial Indicators:

The share capital increase had significantly contributed to improving the solvency and liquidity indicators of the company.

Borrowing rate (% equity)	30.09.2014
Borrowed capital (A)	21,421,663
Equity (B)	356,378,202
A/B*100	6.01%
Borrowing rate (% contracted capital)	
Borrowed capital (A)	21,421,663
Contracted capital (B)	377,799,865
A/B*100	5.67%
Current liquidity indicator	
Current assets (A)	172,047,910
Current liabilities (B)	21,834,110
A/B	7.88
Current liquidity indicator	
Current assets (A)	172,047,910
Inventories (B)	130,557,715
Current liabilities (C)	21,834,110
(A-B)/C	1.90
Clients debts rotation rate	
Clients average balance (A)	23,480,882
Turnover (B)	20,229,515
(A / B) * 90 days	313
Intangible assets rotation rate	
Turnover (A)	20,229,515
Intangible assets (B)	248,432,277
(A/B)	0.08

Chairman of the Board of Directors
Iuliana Mihaela Urda

Chief Executive Officer
Lucian Claudiu Mateescu

Chief Financial Officer
Bogdan Geanta