IMPACT Developer & Contractor

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.J ________ / 14.11.2011

Current Report

3Q 2011

Date: 14.11.2011

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

Address: Voluntari, 4 C Pipera Tunari Street, Construdava Business Centre, 6th floor, Ilfov

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

Unique registration code to the Trade Register J23/1927/2006

Capital subscribed and paid up: 200.000.000 RON

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

1. The Economic-Financial Situation

1.1. The Patrimony, the Profit and Loss, and Profit Distribution for the 3Q 2011.

Between July-September 2011 there were signed sales contract with a total value of 8.37 mil RON, and 21 renting contracts. In the same period, the value of the dwellings sales contracts was 43% bigger than the estimated value, the sale of the land plots was with 60% bigger than the estimations, and the value of the dwellings renting contracts was with 131% bigger than the estimations.

At the end of 3Q2011 the company activity recorded a gross loss of 14.4 mil RON. This loss is made of 8.9 mil RON loss from the operating activity, out of which 6 mil RON recorded in 1H2011 and 2.9 mil RON in the period July-September 2011, and 5.5 mil RON loss from the financial activity, out of which 2 mil RON recorded in 1H2011 and 2.5 mil RON recorded in the period July-September 2011. In 3Q201, the operating activity of the company recorded a profit of 0.1 mil RON, which was diminished by the loss resulted from the termination of contracts in total value of 3 mil RON, due to the fact that the beneficiary enters into liquidation, leading to an operation loss of 2.9 mil RON in the period July-September 2011.

The financial loss of 2.5 mil RON, recorded in 3Q2011, was mainly due to the exchange rate losses in amount of 2.2 mil RON and the losses with the interest in amount of 3.66 mil RON.

The financial situations for the 3Q2011 vs. 3Q2010

	September 30th 2010	September 30th 2011
Operating income	21,455,901	14,813,770
Operating expenses	24,737,504	23,673,661
Operating profit/loss	-3,281,603	-8,859,891
Financial income	10,889,219	13,089,059
Financial expenses	14,313,466	18,607,777
Financial profit/loss	-3,424,247	-5,518,718
Gross profit/loss	-6,705,850	-14,378,609

Turnover

Indicator (RON)	September 30th 2010	September 30th 2011	Variation %
Sold production	24,845,377	9,589,256	-61%
Income from the sales of goods	825,967	62,760	-92%
Turnover	**25,671,344**	**9,652,016**	**-62%**

Turnover has seen a downward trend compared with the same period of 2010, on the one hand following the termination of contracts worth 3 mil RON, and on the other hand as a result of unfavorable economic environment which led to a decrease of 12 % of the value of contracts signed for the sale of dwellings, offset by doubling the number of dwelling renting in the first 9 months of 2011 compared with same period in 2010. However, taking in consideration the number of contracts signed, compared with the first nine months of 2010 in which 89 dwellings have been sold and rented (58 dwellings rented and 31 dwellings sold), in the same period of 2011, 121 dwellings were sold an rented, which means 36% more contracts signed than the same period of 2010. In the first nine months of 2011 were 68 units rented, and sold 53 units.

Comparative analysis of the individual results according to OMFP 3055/2009

Indicator (RON)	September 30th 2010	September 30th 2011	Variation %
Operating income	21,455,901	14,813,770	-31%
Operating expenses	24,737,504	23,673,661	-4%
Operating result	-3,281,603	-8,859,891	-170%
Financial income	10,889,219	13,089,059	20%
Financial expenses	14,313,466	18,607,777	30%
Financial result	-3,424,247	-5,518,718	-61%
Total income	32,345,120	27,902,829	-14%
Total expenses	37,050,970	42,281,438	14%
Gross profit/loss	**-6,705,850**	**-14,378,609**	**-114%**

The variation in the mirror of the tangible assets, which grew 30% from 45.5 mil RON at the end of 2010 to 59.30 mil RON at the end of September 2011, and inventories, which decreased by 6% from 280.6 mil RON to 262.49 mil RON, is due to the fact that in 2011 the company continued its policy of dwellings rental. Accounting rules require that when is rented, the dwelling to be classified as tangible asset.

The cash and cash equivalents increased with 20% compared with the beginning of the year, due to the fact that were collected 6.19 mil RON from sale of debts with Institutul Pasteur, and recovery of 18.54 mill RON from the capital of the formal company Lomb SA

The financial assets decreased with 38% compared with the end of 2010, as a result of the capital reduction for LOMB SA with 18.54 mil RON.

Total assets decreased with 9% in the first 9 months of 2011.

The patrimony analysis – Assets analysis

Indicator (RON)	December 31st 2010	September 30th 2011	Variation %
Intangible Assets	163,816	98,188	-40%
Tangible Assets	45,549,085	59,298,975	30%
Financial Assets	48,488,444	29,967,804	-38%
Fixed Assets	**94,201,345**	**89,364,967**	**-5%**
Inventories	280,619,736	262,489,761	-6%
Receivables	72,856,152	51,549,845	-29%
Cash and cash equivalents	13,625,290	16,320,513	20%
Current Assets	**367,101,178**	**330,360,119**	**-10%**
Accrued Expenses	**357,429**	**676,710**	**89%**
Total Assets	**461,659,952**	**420,401,796**	**-9%**

At the end of the reporting period, the short term liabilities decreased with 4% and the long term liabilities decreased with 26% as a result of loan payments in amount of 27.4 mill RON (5.9 mil EUR).

The company's equity and liabilities decreased with 9% compared with the end of the year 2010.

Patrimony Analysis – Equity and liabilities analysis

Indicator (RON)	December 31st 2010	September 30th 2011	Variation %
Short term liabilities	40.898.780	39.352.125	-4%
Long term liabilities	98.520.610	73.151.369	-26%
Provisions	2.177.383	2.409.656	11%
Deferred income	4.132.597	3.936.673	-5%
Shareholder's Equity	315.930.582	301.551.973	-5%
Total equity and liabilities	**461.659.952**	**420,401,796**	**-9%**

Cash flow

Indicator (RON)	Year 2010	3Q 2011
Cash at the beginning of the period	14,401,649	13,625,290
Net cash from the operating activity	14,949,319	2,036,057
Net cash from the investment activity	7,215,495	25,371,556
Net cash from the financial activity	(22,941,173)	(24,712,390)
Cash at the end of the period	13,625,290	16,320,513

2. The analysis of the company's activity

2.1 Presentation and analysis of events that affect or could affect the liquidity of the company, compared to same period last year.

2.2 Presentation and analysis of effects on the financial situation of the society of all capital spending, current or anticipated..

The structure of expenses is detailed in the notes to the financial statements page 9-10.

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

Revenues from daily activity were significantly affected by the structure of signed contracts (44% and 56% sales contracts rental contracts). Due to the increasing number of contracts signed in 2011 compared to same period of 2010 by about 36%, ensure business continuity and a secure cash flow for future periods.

3. Changes that affect the shareholder's equity and the administration of the company.

3.1 Description of situations in which the company was unable to meet its financial obligations.

There is no instance of breach of financial duties. The company is up to date with payment of loans and taxes, having to recover about 4.96 mil RON from the central budget and local budgets.

3.2 Description of any change on the rights of shareholders of securities issued by the company.

The rights of shareholders of securities issued by the company have not been modified.

4. Other events

On August 1, 2011 there was closed the sale transaction of a building GF+3 in Greenfield project, with a built area of 919 sqm, plus a plot of land of 693 sqm nearby. The transaction had a value of 1 mil EUR plus VAT.

The transaction closed reinforces existing advantages for residents of Greenfield urban pole, it allows expansion of the volume and range of services related to education, sport and leisure time available to children of families in the area.

In the EGMS from October 11th 2011 there was approved with open vote the company's capital reduction from the amount of 200 mil RON, respectively 200 mil shares at 197,866,574 RON by cancellation of the shares acquired by the company in amount of 2,133,426 shares.

At the OGMS from the same day was approved by secret ballot election of two members of the Board of Directors, following the expiration of their mandate, in the person of Mr. Dan Ioan Popp and Valeriu Nicolae Ionescu Mr. At the same meeting was voted Chairman of the Board Directors out of the three Board members, following the expiration of its mandate, in the person of Mr. Dan Ioan Popp.

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

Board of Director President	Executive Director	Chef Accountant
Dan Ioan Popp	**Carmen Daniela Sandulescu**	**Lidia Varzaru**