



IMPACT DEVELOPER & CONTRACTOR SA

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Date cu Caracter Personal nr. 3406



Revenues and Expenditures Budget and Action Plan for year 2016

General principles for the 2016 budget drafting is based on, as well as for the next years, and for the action plan for the year in progress, were:

- increase in turnover and income obtained from the sale of new dwellings;
- focusing on developing the next stages of construction in GREENFIELD – stages 5,6 and 7;
- liquidation of land plots stock in other cities;
- maximizing the profitability of invested capital, minimizing payback periods;
- superposition principle of budgetary system, based on the system of authority in the company;
- implementing an effective standard of communication and transparency in order to promote the company to the investors and analysts community;
- principle of interdepartmental solidarity and correspondence with the general policy of unique company;
- viability / allotments of land for sale, identifying opportunities for lands in the portfolio by attracting partnerships;
- rigorous planning of new projects;
- careful management and liquidation of non-core assets (assets unnecessary for the main activity of the company);
- establishing a business plan with long-term vision allowing an optimal financial structure;
- contracting of new loans, optimal leverage ratios around 20%;
- financial management focused on controlling costs and maximizing revenue;
- optimization of operating costs and control of indirect costs;
- implementation of an appropriate and effective entrepreneurial and project management policy;
- reporting principle by each department. For each project, the works will be executed only on the basis of a well-documented budget and established beforehand. Each contract must be within the set budget;
- implementation of a cost control system in real time;
- principle of consistency with human resources policy in order to determine motivation and adherence to strategic objectives through implementation of an attractive motivation plan based on periodic evaluation of employee;
- establishing clear structure and teams responsible for each project development, procedures and workflows;
- increasing labor productivity.

The budget proposal was based on the company's sales plan.

Specifically, sales for 2016 are expected as follows:

1) 783 apartments, out of which:

- 33 units from the current real estate inventory;
- 750 units from new developments.

2016 Development Plan envisages continued construction for another 39 blocks – stages of construction 5,6 and 7 – in Salcamilor Compound in Greenfield neighborhood, totaling 90,000 square meters, as follows:

- 26,000 sqm – works will begin in April 2016
- 22,000 mp – works will begin in May 2016
- 42,000 mp – works will begin in September 2016.

2) 10,000 sqm plots in Constanta, Ploiesti, Oradea and Bucharest.

3) Preparing documentation related to the project design and legal permits for Ghencea Timisoarei project.

4) Preparing documentation related to the project design for Barbu Vacarescu project.

Thus, the budget for 2016 is summarized in the following table:

Proposed budget for 2016 (RON)	2016 - Q 1	2016 - Q 2	2016 - Q 3	2016 - Q 4	Total
Total Revenues, out of which	30,981,821	67,743,624	77,574,503	99,399,218	275,699,166
Revenues from sales of dwellings from the existing stock	2,850,448	1,739,781	1,999,204	1,716,458	8,305,891
Revenues from sales of land plots	330,000	1,518,000	1,232,000	660,000	3,740,000
Revenues from sales of dwellings from new developments	27,801,373	64,485,844	74,343,298	97,022,760	263,653,276
Total Operational Expenses, out of which	(26,702,697)	(51,682,966)	(58,072,843)	(73,394,373)	(209,852,878)
Cost of goods sold - dwellings from the existing stock	(2,780,127)	(1,703,328)	(1,946,472)	(1,669,272)	(8,099,199)
Cost of goods sold – land plots	(330,000)	(1,426,920)	(1,120,680)	(660,000)	(3,537,600)
Cost of goods sold – dwellings from new developments	(20,751,191)	(45,386,894)	(51,456,610)	(65,818,004)	(183,412,698)
Expenses with the management of project portfolio	(839,531)	(842,363)	(845,267)	(845,267)	(3,372,429)
Administrative expenses	(2,001,849)	(2,323,461)	(2,703,813)	(4,401,830)	(11,430,952)
Operational Result (EBITDA)	4,279,124	16,060,659	19,501,660	26,004,845	65,846,288
Expenses with depreciation and amortization	(157,500)	(157,500)	(157,500)	(157,500)	(630,000)
Provisions and other unexpected expenditures	(12,000)	(12,000)	(12,000)	(3,506,137)	(3,542,137)
Operational Result (EBIT)	4,109,624	15,891,159	19,332,160	22,341,208	61,674,151
Net interests	(187,466)	(155,692)	(78,936)	(90,405)	(512,499)
Net exchange rate differences	-	-	-	-	-
Gross Result (EBT)	3,922,158	15,735,467	19,253,224	22,250,803	61,161,652
Tax on profit	-	-	-	-	-
Net Result	3,922,158	15,735,467	19,253,224	22,250,803	61,161,652

In preparing the current budget of revenues and expenses for 2016 there were not estimated influences for which there is no reliable evidence of anticipation.