IMPACT DEVELOPER & CONTRACTOR SA

Individual and unaudited financial statements
for the first quarter ending at 31st March 2014

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

Translation from Romanian language

Content

Statement of Financial position
As at March 31st, 2015

	31-Dec-14	31-Mar-15
ASSETS		
Non current assets		
Property, plant and equipment	6,596,081	6,568,109
Intangible assets	154,405	161,542
Investment property	230,979,061	216,486,572
Financial assets	14,377,276	14,377,276
Long term trade and other receivables	19,300,941	20,737,479
Total Non current Assets	***271,407,764***	***258,330,978***
Current assets		
Inventories	158,125,501	174,160,959
Trade and other receivables	9,062,483	8,925,062
Prepayments	97,221	96,972
Cash and cash equivalents	3,464,726	3,194,328
Total Current Assets	***170,749,931***	***186,377,321***
Total Assets	***442,157,695***	***444,708,299***
Shareholders' Equity		
Share capital	277,866,574	277,866,574
Adjustment for hyperinflation	7,463,584	7,463,584
Share premiums	84,175,480	84,175,480
Revaluation reserves	1,095,170	1,007,929
Other reserves	5,934,934	6,022,174
Retained earnings / (Accumulated losses)	(15,047,144)	(10,956,001)
Current result	4,091,143	(2,528,428)
Total shareholders 'equity	***365,579,741***	***363,051,312***
Non-current liabilities		
Loans and borrowings	23,661,030	16,465,763
Trade and other payables	2,265,343	2,247,574
Deferred taxes	13,010,763	13,010,763
Total Non-current liabilities	***38,937,136***	***31,724,100***
Current liabilities		
Trade and other payables	21,454,666	20,411,764
Loans and borrowings	13,088,513	26,893,484
Provisions for risk and charges	3,097,639	2,627,639
Total Current liabilities	***37,640,818***	***49,932,887***
TOTAL Liabilities	***76,577,954***	***81,656,987***
TOTAL Shareholders' Equity and Liabilities	***442,157,695***	***444,708,299***

President of the Board of Directors — Chief Financial Officer

Iuliana Mihaela Urda — Bogdan Geanta

Statement of Comprehensive Result
For the quarter ending at March 31st 2015

	31-Mar-14	31-Mar-15
Income from sale of real estate inventories	1,953,981	3,342,159
Book value of sold real estate inventories	(2,460,913)	(2,930,153)
Profit / (loss) from sale of real estate inventories	***(506,932)***	***412,006***
Rental income	417,869	336,992
Operating incomes charged to customers / tenants	826,668	787,472
Operating expenses directly related to properties sold / rented	(796,494)	(735,062)
Net rental income	***448,043***	***389,402***
Income from sale of investment properties	1,488,841	932,342
Book value of sold investment properties	(1,511,096)	(905,516)
Result from sale of investment properties	***(22,255)***	***26,826***
Revenues from services rendered	38,473	29,236
Raw materials and consumables used	(85,401)	(92,925)
Third party services	(921,914)	(1,268,570)
Employee benefits expense	(936,759)	(1,194,711)
Other operating income	115,091	155,254
Other operating expense	(696,697)	(877,774)
Other operating income / (loss), net	***(2,487,207)***	***(3,249,490)***
Earnings before interest, taxation, depreciation and amortization (EBITDA)	***(2,568,351)***	***(2,421,256)***
Depreciation and amortisation	(128,011)	(153,231)
Impairment of assets, other than investment properties	571,683	-
Depreciation and related impairment charges / reversals, other than investment properties	***443,672***	***(153,231)***
Fair value gains / (losses) from investment properties, net	-	-
Earnings before interest and taxation (EBIT)	***(2,124,679)***	***(2,574,487)***
Financing costs	(859,099)	(433,719)
Financing income	120,609	64,689
Foreign exchange result	330,323	425,946
Other financial result	589	(10,857)
Financial result	***(407,578)***	***46,059***
Gross profit (EBT)	***(2,532,257)***	***(2,528,428)***
Income tax	***0***	***0***
Net profit / (loss) for the period	***(2,532,257)***	***(2,528,428)***

President of the Board of Directors

Iuliana Mihaela Urda

Chief Financial Officer

Bogdan Geanta

Statement of Cash flow
For the quarter ending at March 31st 2015

	31-Mar-15
Cash flows from operating activities	
Profit before income tax	**(2,528,428)**
Depreciation and amortization	153,231
Increase / (decrease) in provisions for risks and charges	2,767,503
Financing costs	(369,030)
Exchange difference	415,089
Cash flows before changes in working capital	**438,365**
Decrease / (increase) in trade receivables and other receivables	(1,298,868)
Decrease / (increase) in inventory	(18,802,961)
Decrease / (increase) in trade payables and other payables	(1,530,671)
Net cash used from operating activities	**(21,194,135)**
Cash flows from investment activities	
Net cash used in investing activities	**14,360,093**
Cash flow from financing activities	
Proceeds /(Payments) from long term loans	6,609,704
Interest paid	369,030
Exchange difference	(415,089)
Net cash used in financing activities	**6,563,645**
Net increase/(decrease) in cash and in cash equivalents	**(270,397)**
Cash and cash equivalents at the beginning of the period	**3,464,726**
Cash and cash equivalents at the end of the period	**3,194,328**

President of the Board of Directors — Chief Financial Officer

Iuliana Mihaela Urda — 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 whose basic activity is the development of real estate projects.

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 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, it changed into a pure real estate developer. 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 do this. Since January 2015 the company shares are traded on **Premium** category according with the new local capital market segmentation.

During the last 20 years, Impact Developer & Contractor finalized 16 small and medium projects, which comprised over 2,500 residences and over 25,000 square meters of office and commercial spaces. As at 31 March 2015, the company was involved in residential developments located in four cities, each project having different sizes and beeing 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 comound - new development phase of GREENFIELD quarter.

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

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

In April 2015 began the construction works for a new stage in Salcamilor complex with another 9 blocks with 5 floors.

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 believes in innovation and reinvention of work processes, so that IMPACT Developer & Contractor to become the well-known leader in the real estate market, locally and regionally.

Company's organization system

IMPACT's 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 CEO of the Company.

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:

Name: IMPACT DEVELOPER & CONTRACTOR SA

Address: Voluntari, 4C Pipera-Tunari Street, Construdava Building Center, 6-7th floor, Ilfov county

Phone: 0040-21– 230.75.70/71/72, fax: 0040-21– 230.75.81/82/83

Registered at the Trade Registry Office attached to the Bucharest City Court with no. J 23/1927/2006,

Unique Registration Code: RO1553483

The subscribed and paid share capital of the company, at March 31st, 2015, is of 277,866,574 lei. The nominal value of one share is of 1 leu.

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.

The consolidated structure of shareholders, which hold at least 10% of the share capital, at April 15th, 2015 is as follow:

Shareholder	**Ownership – according to "Depozitarul Central" Statement**
Iaciu Gheorghe	49.04%
Andrici Adrian	16.35%
Legal entities	21.59%
Other individuals	13.02%
Total	**100.00%**

3. The company's management

The current members of the Board of Directors were elected following the AGA Decision no. 3/26.04.2013, for a 4 years mandate.
Mrs. Iuliana Mihaela Urda was elected as President of the Board of Directors.

On 25/04/2015 the OGMS elected Mr. TASOULAS KONSTANTINOS as Administrator, with a mandate valid until 26/04/2017. It was approved the revocation of Mrs. Draguta Mihaila as company administrator.
The rights, powers and the functioning of the Board of Directors are in accordance with art. 8, 9 respective art. 10 from the Article of Incorporation of IMPACT Developer & Contractor SA.

Since June 14th, 2013, Mr. Lucian Claudiu Mateescu holds the position of CEO of IMPACT Developer & Contractor SA.

4. Administrators as at March 31st 2015, are as follows:

No	Name	Position
1	Iuliana Mihaela Urda	President of the Board
2	Lucian Claudiu Mateescu	Administrator
3	Gabriel Vasile	Administrator
4	Liviu Stan	Administrator
5	Konstantinos Tasoulas	Administrator

5. Executive management

Surname	First name	Position	Citizenship
Mateescu	Lucian Claudiu	CEO	Romanian
Geanta	Bogdan Nicolae	CFO	Romanian
Stan	Liviu	Purchasing Director	Romanian

6. Shares held in affiliated entities

Name of the company	Headquarter	Share Capital Value (lei)	Value of IMPACT's investment 31.12.2014	Value of IMPACT's investment 31.03.2015	IMPACT's Participation percent 31.03.2015
Actual Invest House SRL	Voluntari, Pipera-Tunari no.4C, Business Center Construdava, room 4, office no.2, ground floor, Ilfov district	8,105,000	504,950	505,000	6.2307%
Clearline Development&Management SRL	Voluntari, sos Pipera Tunari no. 4C, Construdava, ground floor, Ilfov District	22,400,000	22,400,000	22,400,000	100.00%
TOTAL			**22,905,000**	**22,905,000**	

For the investments made by Clearline Development&Management SRL in order to develop the Lomb project in Cluj City, the project company has a 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).

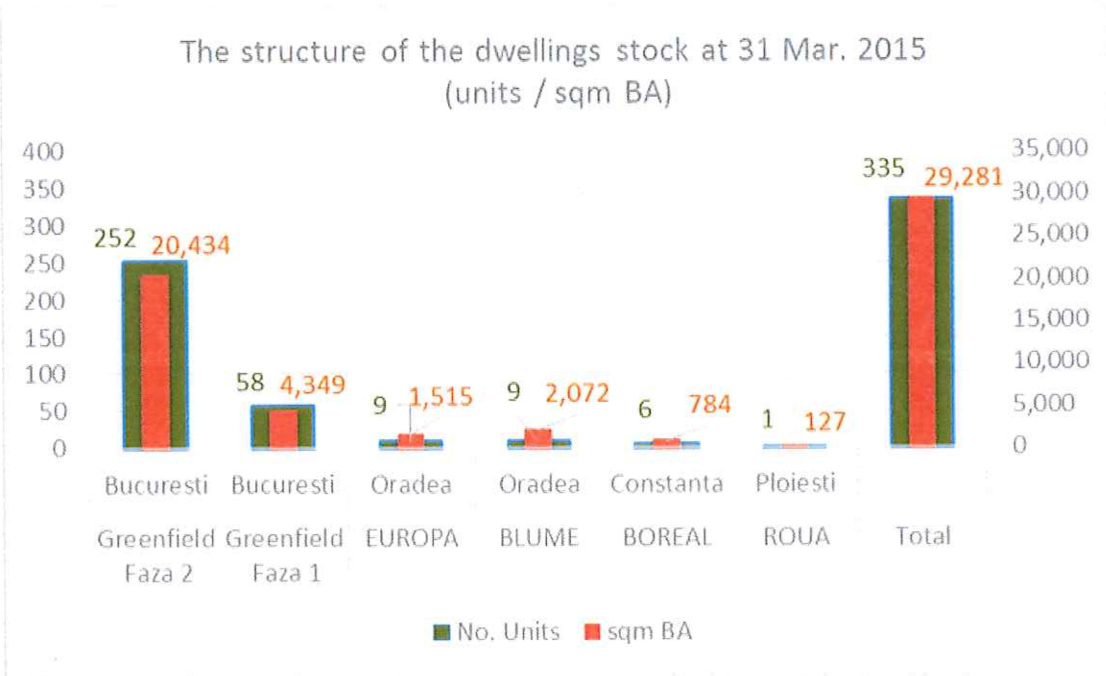
At 31.03.2015 provisions were maintained at the amount of 8.5 mil. Lei, for the depreciation of financial investments held in affiliated entities.

7. Inventories

a) Apartments and houses

At the end of March 2015, inventories consists of 335 houses and apartments fully constructed with a built surface of 29,281 sqm. It was registered provisions for the depreciation of the inventories of fully constructed and for the work in progress inventories in December 2014.

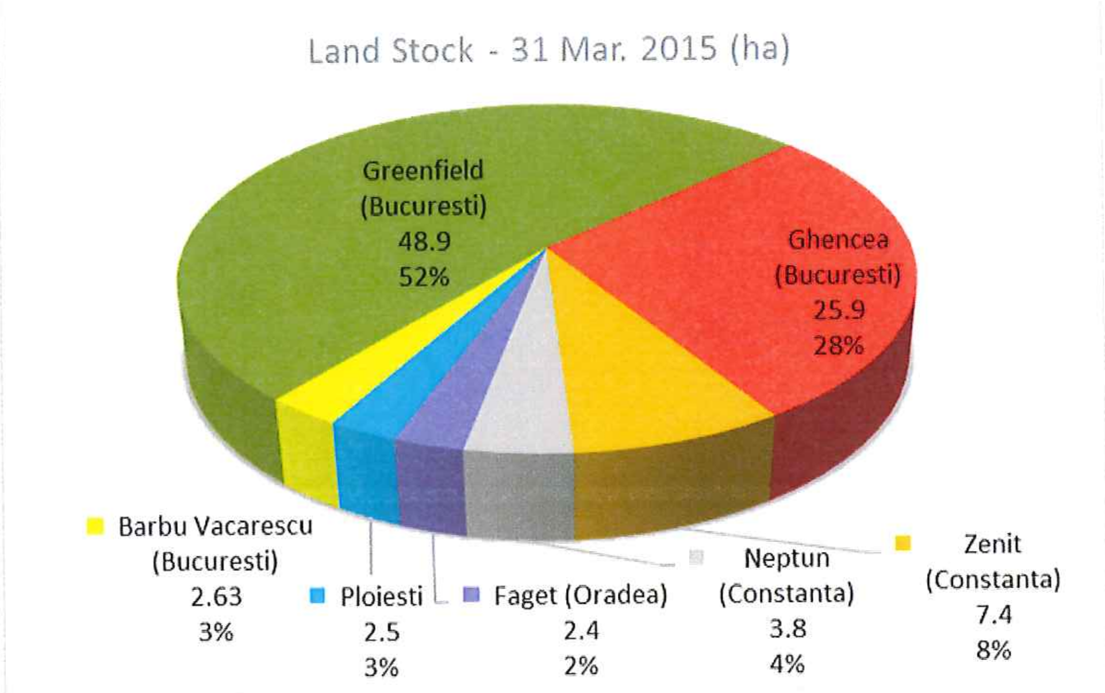
The detailed situation of households and apartments inventories, as at March 31st 2015 is as follows:



b) Land Plots

At the end of March 2015, there were in stock 935,000 sqm of land plots for development of new projects or for sale. The land plots registered as Investment Properties, but also registered as Fixed Assets, have been re-valuated in accordance with market value.

The company land stock, broken by city is illustrated in the following graph:



c) Work in Progress (Roads and utility networks)

Total value of networks utility at March 31st, 2015 is of approx. 29 mil lei.

8. Cash and cash equivalents

	31-Dec-14	31-Mar-15
Bank accounts	3,426,839	3,105,541
Cash on hand	37,887	88,787
	3,464,726	**3,194,328**

9. Long and short term borrowings

At March 31st, 2015, the analysis of the bank borrowings was as follow:

No of contract	Name	Currency	Maturity	Contract value (Euro)	Contract value (Lei)	Balance 31.03.2015 (Euro)	Equivalent after re-valuation (Lei)	Short term (Lei)	Long term (Lei)
301/30.08.2006	Piraeus Bank Grecia suc Londra	EURO	21-Oct-17	12,807,270		5,528,702	24,380,468	9,260,580	15,119,888
50070066/25.07.2007	Banca Romaneasca	EURO	21-Oct-16	22,306,796		727,586	3,208,510	1,862,635	1,345,875
684/17.12.2014	Banca Transilvania	RON	16-Jun-16		14,500,000		12,809,724	12,809,724	0
685/17.12.2014	Banca Transilvania	RON	16-Dec-15		2,000,000		1,999,873	1,999,873	0
100/04.03.2015	Banca Transilvania	RON	16-Dec-15		1,500,000		960,673	960,673	0
TOTAL				**35,114,066**	**18,000,000**	**6,256,288**	**43,359,247**	**26,893,484**	**16,465,763**

10. Provisions

At March 31st 2015, the company registered provisions are as follows:

a) **Provisions for litigations** - regarding the Memo drafted by ANAF in 2010, following the partial recovery of the control document by the General Direction of Relevant Contributors (D.G.A.M.C), was drafted the tax decision no 35 from December 15.12.2010, 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 1,920,000 lei. We mention that the total amount which makes the object of this file is of approx. 16,500,000 lei, but a technical expertise was done, which stipulates that the prejudice is diminished to the legal provision amount. The technical expertise is about to be approved by the Court of Law.

The provisions balance as at March 31st, 2015 is the following:

Provisions	**31-Mar-15**
Provisions for litigations	2,620,000
Provisions for deferred taxes	7,639
TOTAL	**2,627,639**

b) Provisions for shares held in affiliated entities represent 8.5 mil. lei and are related to financial investments held in the following affiliated entities: Actual Invest House and Clearline Development & Management.

c) Provisions for receivables and sundry debtors. The amount estimated is of 3.2 mil. lei and it is afferent to balance accounts older than 360 days, with unclear recovery status, balance accounts afferent to insolvent customers and litigation amounts.

d) Provisions for depreciation of inventory, houses and lands amounting to 4.54 mil. lei.

e) Provisions for utility networks and roads from residential compounds where IMPACT does no longer hold buildings and lands 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 to March 31st is of 12.3 mil. lei.

11. Operational revenues

The main revenue sources are revenues from sales of dwellings, revenues from selling land plots, revenues from rents, and from executed services.

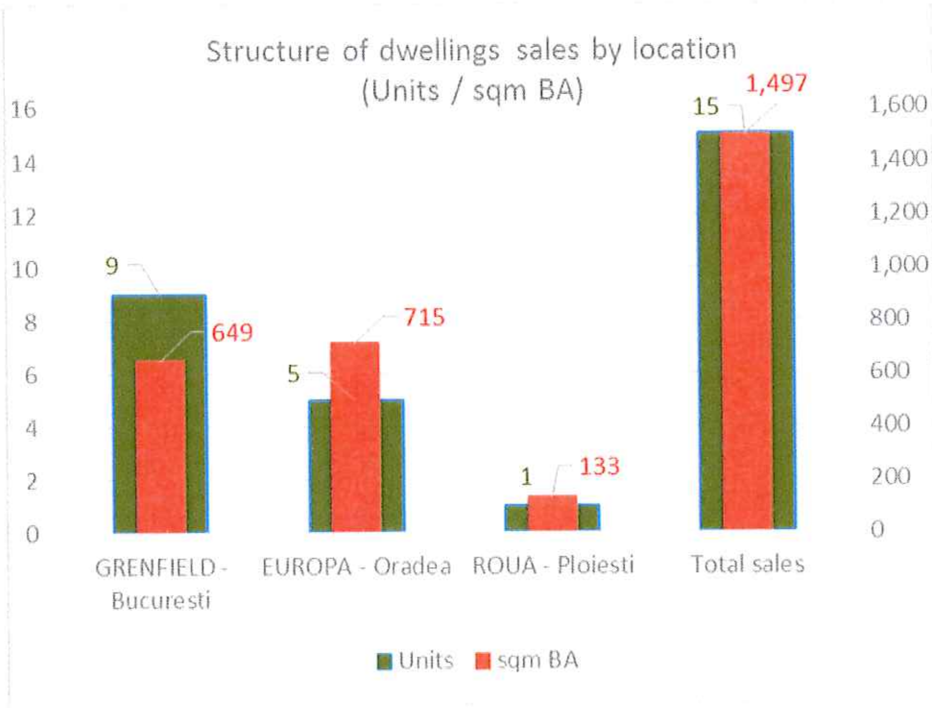
The structure of operational revenues are the following:

	31-Mar-14	31-Mar-15
Revenues from sale of finalized products	1,953,981	3,342,159
Revenues from rents	417,869	336,992
Revenues from sale of property investments	1,488,841	932,342
Total	**3,860,691**	**4,611,493**

a) Revenue from the sale of apartments and houses

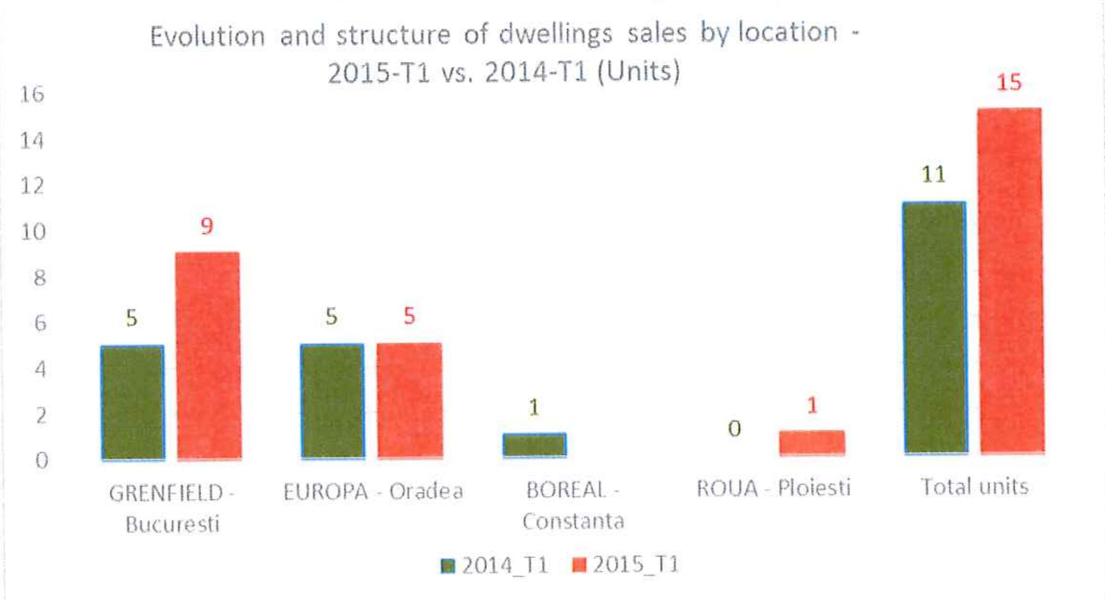
In the first quarter of 2015 year, 15 houses and apartments were sold with a total built area of almost 1.500 mp, and also it was registered one termination of instalment sale contract signed in previous years.

The most dwellings sold were made in GREENFIELD project from Bucharest (9 apartments) and in Europa project from Oradea (5 houses).

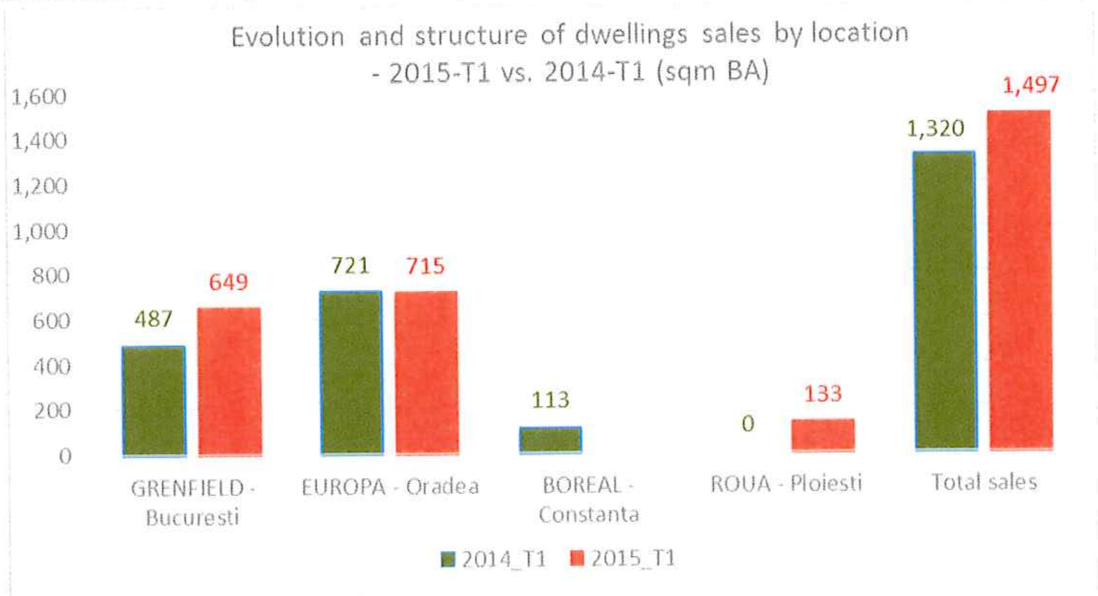


Comparing with the preview year, in GREENFIELD project, 9 apartments were sold and one instalment contract was terminated, comparing with 5 apartments sold and two termination of contracts in the first quarter of 2014. In Oradea City, Europe compound, 5 units were sold in Q1 2015, as in Q1 2014.

The considerable increase of sales in GREENFIELD project was favoured by the adjustment of the selling price to the new market characteristics, by the higher banks interest to finance customers, but also by a more intensive promotion of the products.



Increase the number of units sold in the first quarter of 2015 is also reflected in the growth of area sold in 2015 compared to the first quarter of 2014.

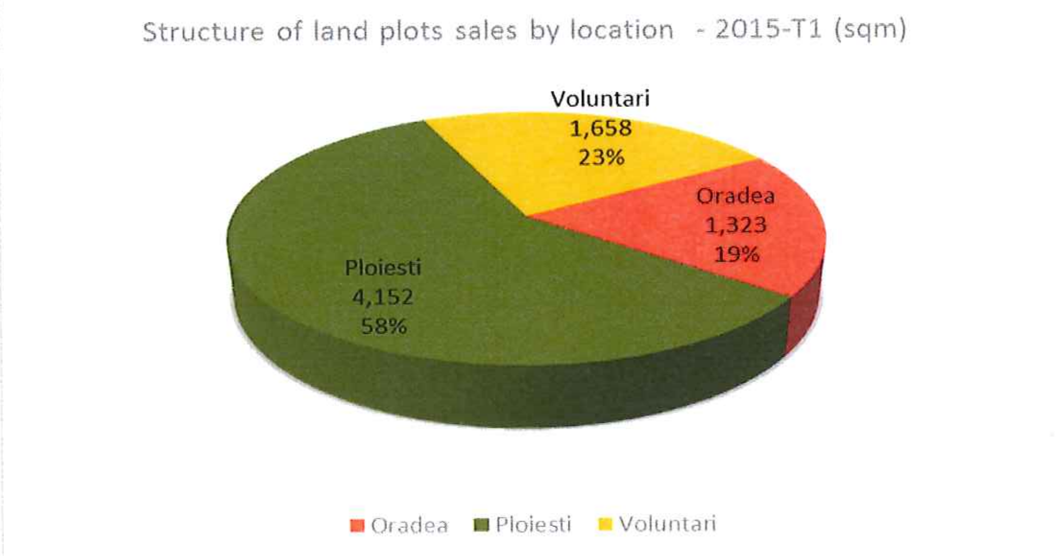


b) Rental Revenue

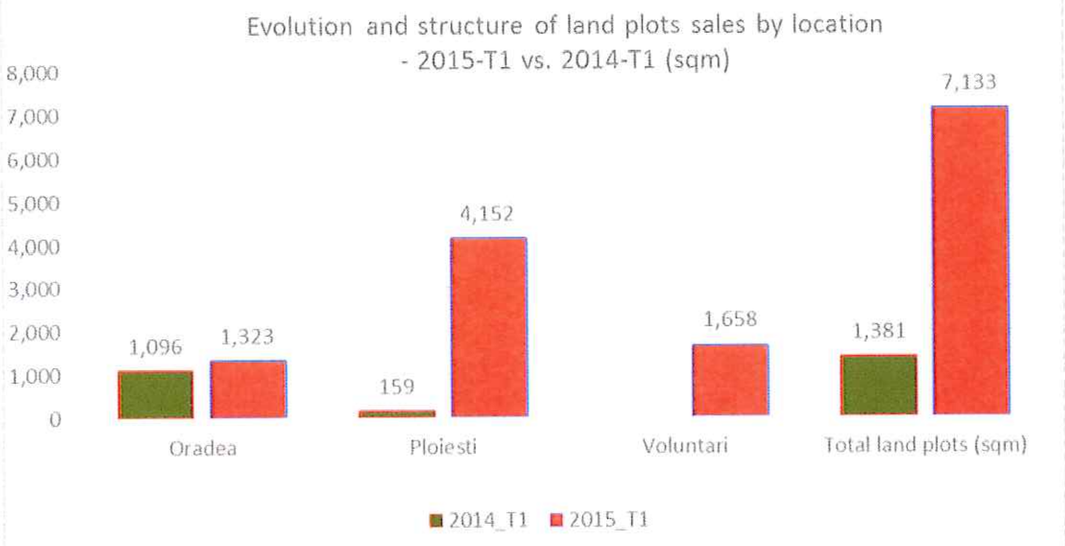
The activity of apartment lease has never been a priority for the Company in the past years. Most homes whose leases were terminated in Q1 2015 were sold, so that the number of leased homes dropped from 21 dwellings in December 2014 to 15 dwellings by the end of March 2015.

c) Revenue from the sale of land plots

In the first quarter of 2015 over 7,000 square meters of land plots were sold in Ploiesti, Voluntari and Oradea, over half of parcels being sold in Ploiesti.



Compared to Q1 2014, the sold of land plots is over five times greater mainly because in Q1 2015 have concluded many contracts that where promised in previous periods.



12. Strategic Directions and Activities of IMPACT in 2015

Year 2014 was marked by the restart of the development activity respectively 9 blocks with 252 apartments in Salcamilor complex, located in the GREENFIELD quarter, according to the company's development strategy, established in September 2013 by General Meeting of Shareholders.

The necessary documentation for the sale of 252 dwellings has been prepared in the first quarter of 2015 and also the pre-sales contracts were signed in an accelerated rhythm so that **at the end of March 2015 were 132 reservations and pre-contracts signed representing over 52% of the total number of units and over 56% of built area for sale.**

The Company Development Plan for 2015 envisages continued construction for another 18 blocks in Salcamilor Compound in Greenfield neighborhood, totaling 44,000 square meters and an urban center (Greenfield Plaza) with a total surface of 10.400 sqm that will contain a SPA center of approximately 8,000 square meters and an administrative office for the company with 2,400 sqm, with starting works as follows:

- 22.000 sqm – in April 2015
- 22.000 mp – in September 2015
- 8.000 mp – in September 2015
- 2.400 mp – in September 2015.

Also in 2015 year will be prepared the documentation design and authorization for the Barbu Vacarescu project, that started in September 2014 with the purchase of a new land plot of 2.6 ha.

In order to sustain the business development and financing of the above mention projects, the company has proposed obtaining financing on the capital market up to RON 135 million by issuing corporate bonds, and in this regard it was convened the Extraordinary General Meeting of Shareholders on 02 / 03 June, 2015.

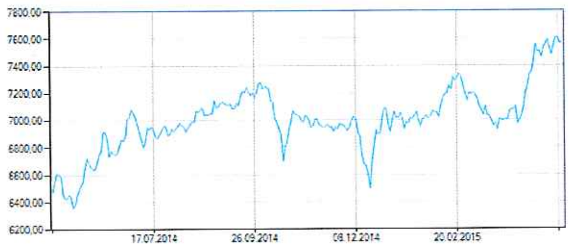
13. Capital market

Impact share price evolution (mai.2014 – mai. 2015)

The company IMPACT Developer & Contractor SA has been listed at the Bucharest Stock Exchange since the year 1996. Starting with the year 2006 its shares are quoted in the first category of BVB. Since January 2015, IMPACT shares, in a number of 277,866,574, are traded on the Premium category according to the new segmentation of Bucharest Stoc Exchange.

The market capitalization of the company at the end of march 2015 was of 91 mil EUR.

BET Index Evolution (mai.2014 – mai. 2015)



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

Among the shareholders that held over 10% of the company shares on the date of 31.03.2015 there are: Gheorghe Iaciu with 49.04%, and Andrici Adrian with 16.35% of the share capital.

At the end of March 2015, 21.59% of the shares were held by legal entities and 78.41% of the shares were held by individuals.

The BET index recorded at the end of March 2015 the same level as the begining of 2015, and the IMP shares have recorded a slight decrease then beginning of the year (1.45 RON/share as at 31.03.2015 comparing with 1.4850 RON/share as at 31.12.2014), after a sustained growth in the preview year.

14. Performance Indicators

Stock exchange indicators - evolution:

Indicators	Dec-12	Dec-13	Dec-14	Mar-15
Price / share (lei)	0.115	0.544	1.485	1.45
No. of shares	197,866,574	197,866,574	277,866,574	277,866,574
Market Capitalization (lei)	22,754,656	107,639,416	412,631,862	402,906,532
RON / 1 EUR as End of Month	4.4287	4.4847	4.4821	4.4098
Market Capitalization (euro)	5,137,999	24,001,475	92,062,172	91,366,169
Net Asset Value (lei)	326,121,386	281,430,511	365,690,847	363,051,312
Net Asset Value (euro)	73,638,175	62,753,475	81,589,176	82,328,294
Annual Profit (lei)	-74,892,467	-42,457,620	4,126,735	-2,528,428
EPS (lei)	-0.378	-0.215	0.015	-0.009
Premium(Discount) to NAV	-0.93	-0.62	0.13	0.11

During Q1 2015 the company's share price was stabilised especially due to the implementation of the new development plan for the next five years and to the company's strategy to sale of non-core assets.

Economic and financial indicators – evolution

Indicators	Dec-13	Dec-14	Mar-15
Return on Assets (ROA)	-11.42%	0.93%	-0.57%
Return on Equity (ROE)	-15.09%	1.13%	-0.70%
Debt ratio (Total debt vs. Total asset)	24.28%	17.48%	18.36%
Leverage (Equity vs. Total asset)	75.72%	82.52%	81.64%
Gearing ratio (Loans vs. Equity)	21.19%	10.05%	10.67%
Current ratio	3.26	4.05	3.73
Quick ratio	0.43	0.39	0.24

15. Auditors

Following General Shareholders Assembly (AGA) in April 2015, has extended the contract with the current external auditor of the Company, KPMG Romania SRL, for a term of one year.

The Quarterly Financial Statements as at March 31st, 2015 are not audited.

President of Board of Directors — Chief Financial Officer

Iuliana Mihaela Urda — Bogdan Geanta

Translation from Romanian language