

# **INTERIM CONDENSED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2016**

**UNAUDITED**

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In case of discrepancies between the Romanian version and the English version, the Romanian version shall prevail.

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### APPENDICES

Company’s report as at September 30, 2016, drafted according to Appendix 17 to the F.S.A. Regulation 15 / 2005 and Appendix 16 regarding the Company’s assets and liabilities.

## INFORMATION ABOUT THE COMPANY

Quarterly report drafted as at September 30, 2016 according to Law no. 297/2004, the N.S.C. Regulations no. 1/2006 and no. 15/2004 as further amended and supplemented, the BSE Rulebook and the F.S.A. Norm no. 39 / 2015 for the approval of the Accounting Regulations compliant with the I.F.R.S., applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Investments and Instruments Sector.

### Date of report: November 14, 2016

Company name	Societatea de Investiții Financiare Transilvania S.A.
Registered office	Brașov Municipality, 2 Nicolae Iorga street, Postal code 500057
Telephone / Fax	0268 41 61 71 0268 47 32 15
Webpage	<a href="http://www.siftransilvania.ro">www.siftransilvania.ro</a>
Sole registration code	3047687
Tax code	RO3047687
Registration number with the Trade Register	J 08/3306/1992
Registered with	A.S.F. as <b>other collective investment undertaking</b> with a diversified investment policy, through Certificate 258 / 14.12.2005
Registered with the Office of Securities with the F.S.A.	registration certificate no. 401/20.08.1999, respectively no. 401/12.07.2007
Registered with the F.S.A. Register at section 9	Closed-end financial companies – no. PJR09SIIR / 080004, ugh Certificate 146 / 06.03.2006
Subscribed and paid-in share capital	RON 218,428,666.40
Nominal value of one share	RON 0.10
Regulated market on which the issued securities are traded	Premium Category of BUCHAREST STOCK EXCHANGE (market symbol: SIF 3)

The Company is managed in a two-tier management system by an Executive Board which is controlled by the Supervisory Board.

The Company's shareholders' register is kept, under contract and as provided by the law by an independent depository and registry company - Depozitarul Central S.A. Bucharest.

The depository services related to the financial instruments held are provided by BRD-Groupe Societe Generale, and the Company's financial statements are audited by the financial (statutory) auditor Deloitte Audit S.R.L. Bucharest.

## PREAMBLE

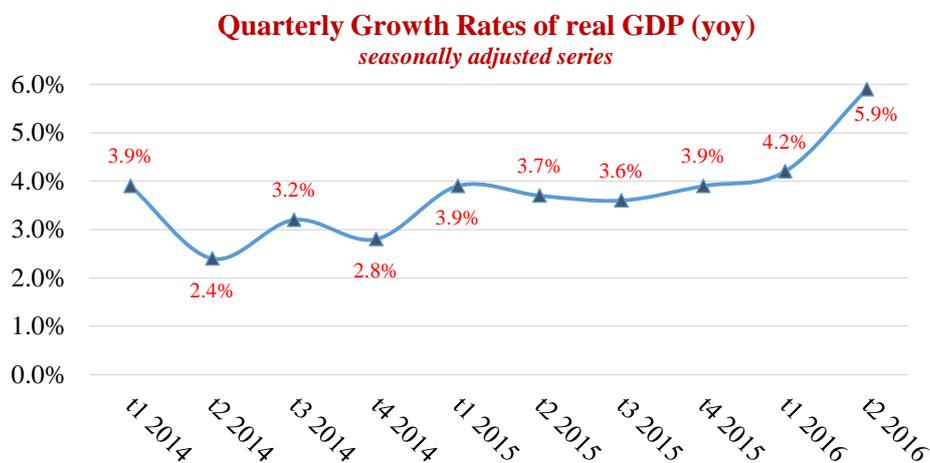
Due to the specific activity performed, S.I.F. Transilvania's activity is strongly related to the Romanian economic and legal context, the main events recorded during the first nine months of the year 2016 directly or indirectly influencing the results and performances of the company.

### Macroeconomic general context

At a global level a few general trends were recorded from a macroeconomic standpoint (most of them noted within the previous reporting):

- the outcome of the referendum on Great Britain exit from the European Union and the short and medium-term implications of such decision;
- the adjustment of estimates on the slowdown of the global economic increase, with possible risks affecting the emerging markets;
- the FED resumption of the reference interest rate increase cycle, supported by a positive trend in the US economy and by the uncertainties related to the rhythm of monetary policy decisions;
- uncertainties referring to the presidential elections in the United States of America;
- the maintaining / expanding of the quantitative easing measures in the economic space of European Union;
- geopolitical tensions leading to the volatility of transactions prices specific to certain financial instruments;
- uncertainties brought by the calendar of certain political events planned for the last quarter of this year.

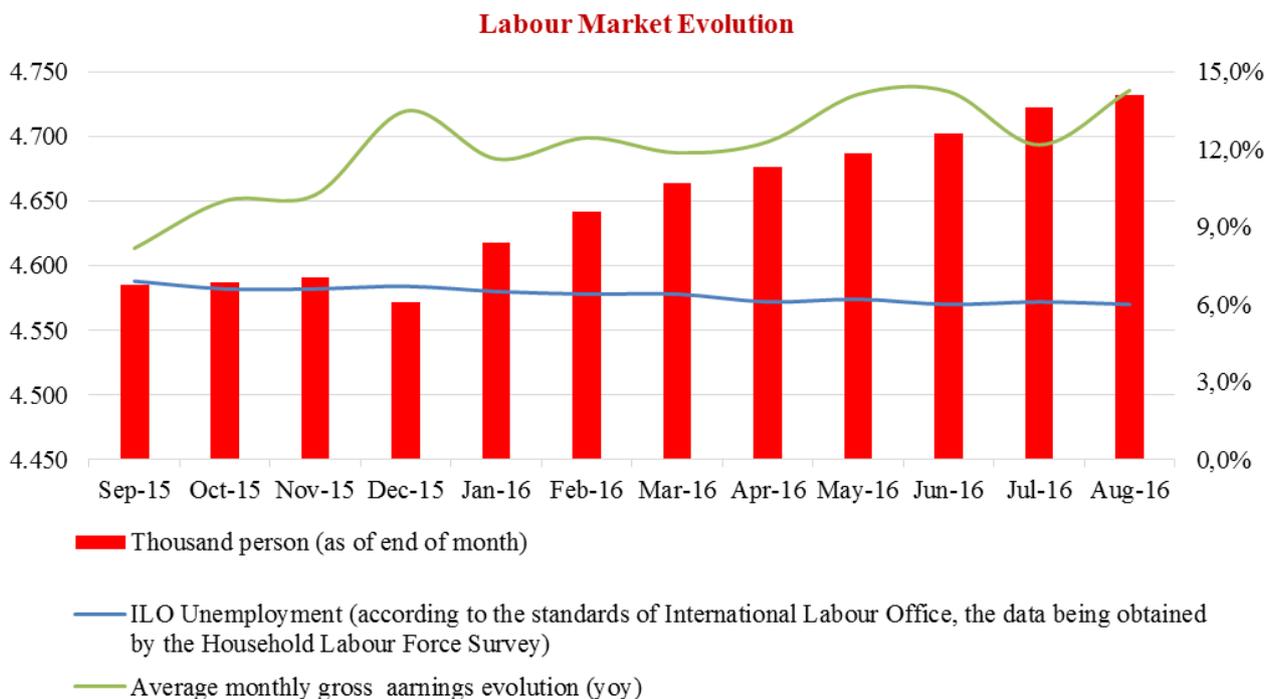
The quarterly development of the Gross Domestic Product shows a favourable trend of the national economy, supported by factors such as: the tax impulse, the rapidly growing rhythm in the actual disposable income, the high level of consumers' confidence and the low level of interest rates.



Source: National Institute of Statistics

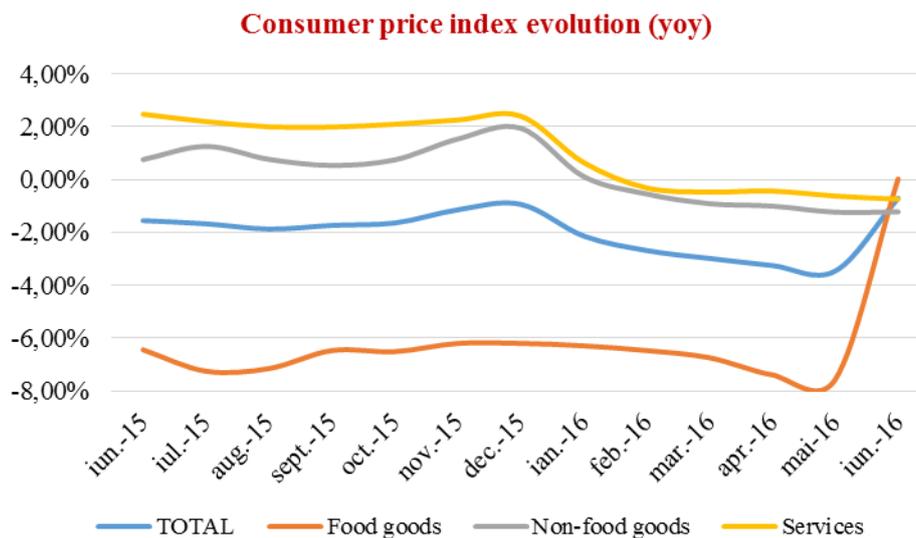
Within the emerging economies in the South-East and Central Europe, Romania maintains its leadership position in terms of annual average dynamics estimates of the actual Gross Domestic Product (reference period 2016 – 2017).

The significant improvement in consumers' confidence has been driven by a low unemployment rate and the rapid growth in real terms of the salary, acting as / being a favourable support for the development of the private consumption and, implicitly, for the Gross Domestic Product in recent years.



Source: National Institute of Statistics

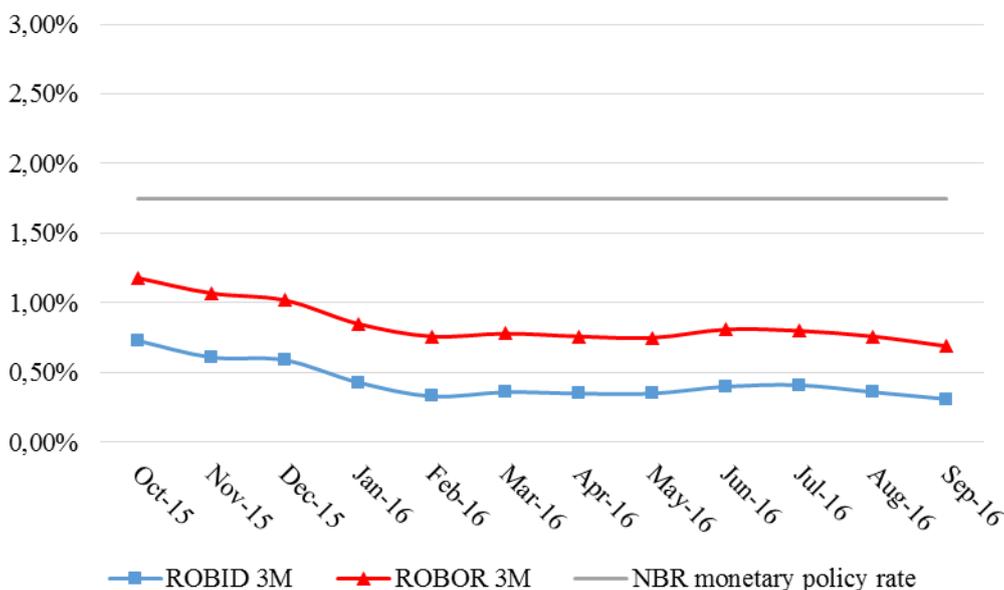
The measures to reduce the VAT rate implemented at the beginning of this year have resulted in a negative inflation rate mainly driven by the evolution of food prices. However, the inflationary pressure will become visible during the following financial year, and the estimates related to the inflation rate shall remain within 2.5–3.0% range.



Source: National Institute of Statistics

Even if the monetary policy rate of the National Bank of Romania has remained stable at a level of 1.75%, starting with May 2015, it has lost its monetary targeting, as evidenced through the registration of new annual minimum limits at the level of average interest rates on inter-banking monetary market.

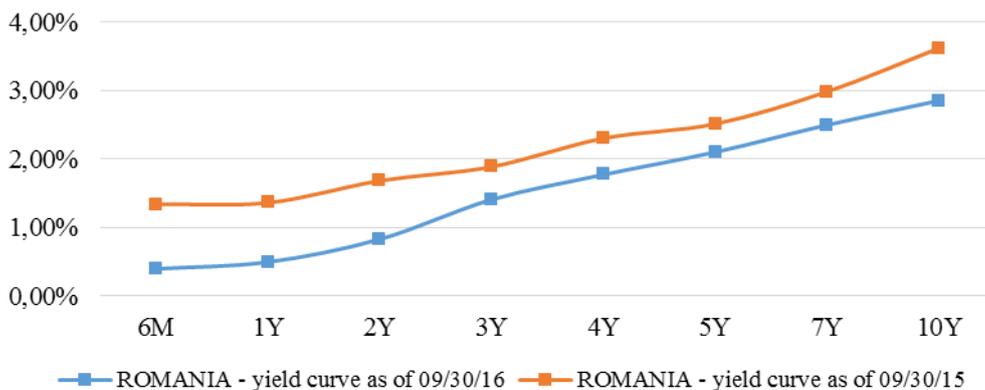
**Monthly evolution of key interest rates**



Source: National Bank of Romania

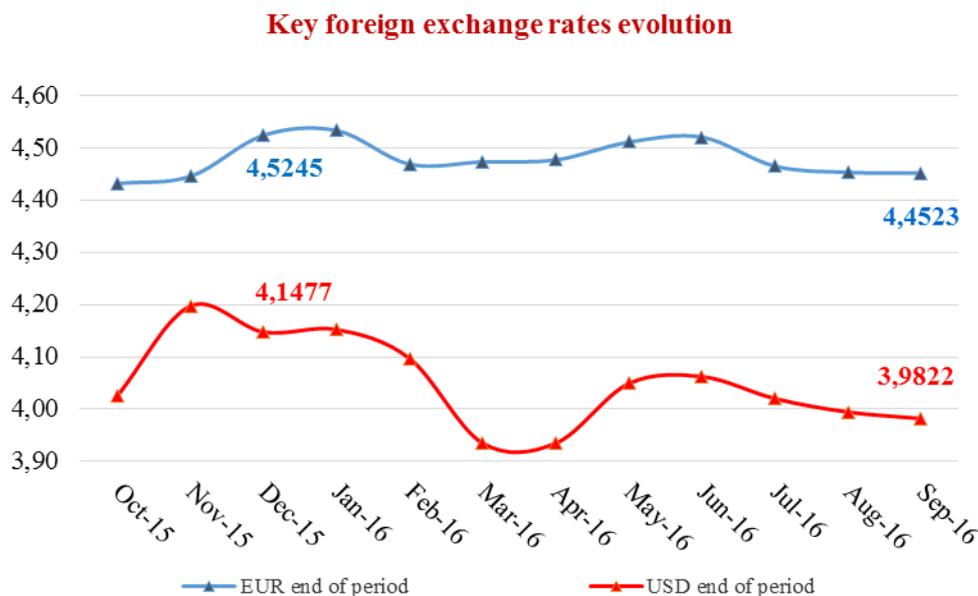
In the regional macroeconomic context, government bonds’ yield curve maintains an emphasis on maturities greater than 5 years. Both on short term and on average – long term, the market liquidity excess has pushed the yields below the ones related to the reference period. The superior gaps as recorded at the two ends of the due date axis record consistent values, similar to the situation recorded at the end of H1 2016.

**Yield curve evolution**



Source: Bloomberg

The evolution of the exchange rate of the national currency against major currencies has resulted, during the first 9 months of 2016, in a strengthening and moderate appreciation trend against the EUR and the US Dollar.



Source: National Bank of Romania

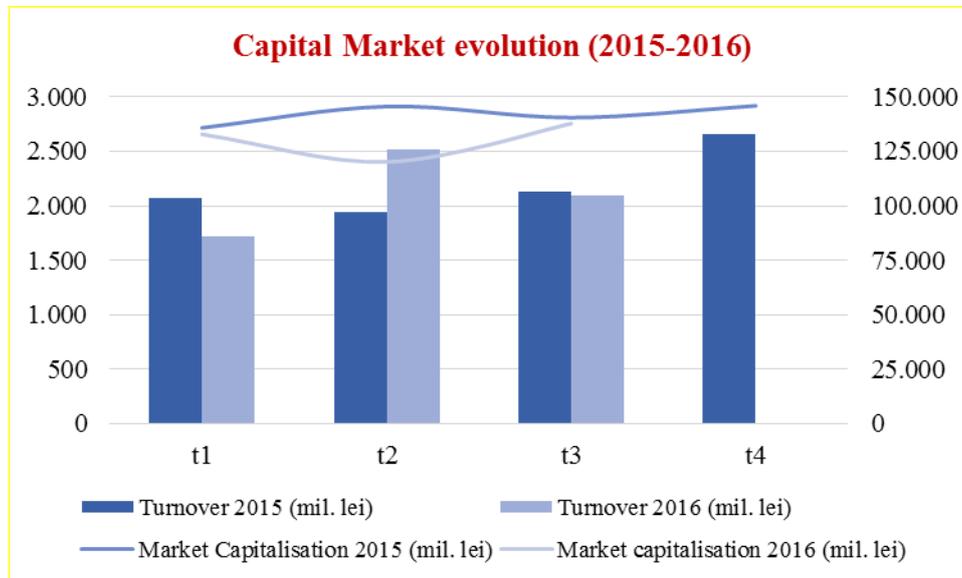
The first 9 months of 2016 were for the Romanian economy a period of continuing the macroeconomic trends recorded in the previous financial year, being characterised by a short / medium term macroeconomic balance. However, the economy remains exposed to the external specific risks generated by the regional geopolitical environment and the financial markets volatility. Moreover, the electoral calendar, established for the last quarter of this year, may bring uncertainties as to the average/long term sustainability of the trends recorded at this moment. Legislative initiatives such as the Law on Debt Discharge and the Law on conversion of loans contracted in CHF, bring significant risks for the scenarios used for grounding the estimates.

### **Context of Romanian capital market**

During the first 9 months of 2016, the development of the shares listed on the regulated market – the main segment of the Bucharest Stock Exchange, as compared to the similar period of the previous year, generally reported/ experienced negative elements (except for the announcement regarding the including by FTSE Russell of the Romanian capital market on the Watchlist for a possible promotion to the Secondary Emerging category):

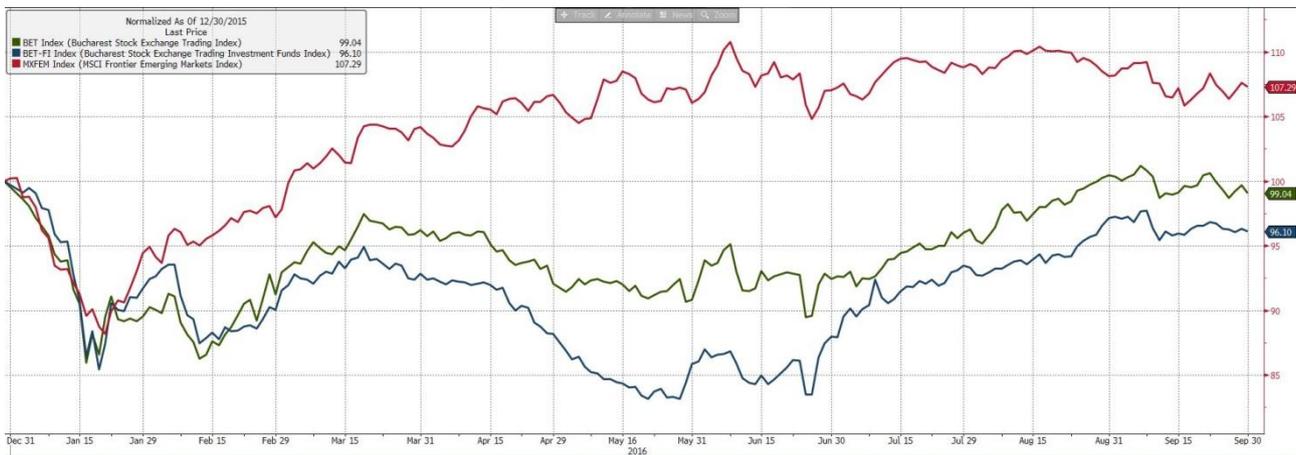
- ⇒ during the 2<sup>nd</sup> quarter of 2016 the quarterly value of transactions performed on B.S.E. regulated segment has made up for the downward trend of volumes traded during the first quarter, the 3<sup>rd</sup> quarter being considerably equal by reference to the same period of the previous year, the general liquidity remaining at a low level (key element for the awarding of the emerging market status);

⇒ during the first 9 months of 2016 financial year, the stock exchange capitalization of the regulated market was permanently below the levels recorded during similar periods of 2015.



Source: Bucharest Stock Exchange

During the first 9 months of 2016, the main index of the regulated market (BET) and the BET-FI sectorial index have recorded oscillating trends, resulting into moderate downfalls at the end of the term (in relation to the closings recorded at the end of the previous financial year – December 30, 2015). These contradict the moderate evolution recorded by the regional index MSCI FM100.



Source: Bloomberg

## EVOLUTION OF S.I.F. TRANSILVANIA SHARES DURING THE FIRST 9 MONTHS OF 2016

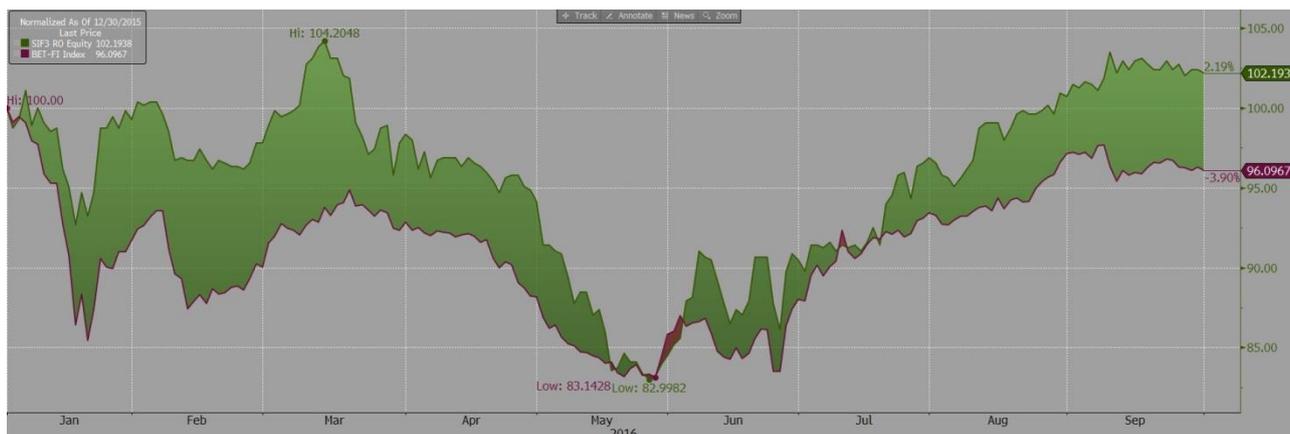
During the first 9 months of 2016 financial year, SIF3 shares have recorded an oscillating evolution, reflected in a slightly positive yield during the first 3 months of the year, followed by a correction correlated to BET-FI sectorial index (period April - May 2016), the end of the period recording the return of quotations at the maximum levels recorded during the first part of the year. The evolution can be characterised through the following trading benchmarks on the main market (BSE-Regs):

⇒ minimum quotation	RON 0,2215 /share
⇒ average quotation	RON 0,2649 / share
⇒ maximum quotation	RON 0,2850 / share
⇒ traded volume	249,5 million shares
⇒ number of trading sessions	192 sessions
⇒ average daily volume traded	1,3 million shares / session



Source: Bloomberg

By reference to the BET-FI sectorial index, SIF3 shares have maintained a positive standard deviation during most of the first 9 months of 2016, the unadjusted yield at the end of the reference period – as compared to the closing of the previous financial year (December 31, 2015)- having a positive value.



Source: Bloomberg

## ANALYSIS OF S.I.F. TRANSILVANIA'S ACTIVITY

### General framework

S.I.F. Transilvania is a joint-stock company which operates as a self-administered closed-end financial investment company. The company is authorized and supervised by the Financial Supervisory Authority, being included in the category of “other collective investment undertakings (NON-UCITS) with a diversified investment policy”. The company is managed in a two-tier management system by an Executive Board which is controlled by a Supervisory Board. S.I.F. Transilvania's shares are listed on the Bucharest Share Exchange – under symbol “SIF3”, Main segment, Premium Category.

S.I.F. Transilvania's goal is the management of the investments in its portfolio and the continuous identification of investment opportunities within a reasonable dispersion of the investment risk, with the intent of offering its shareholders the opportunity of achieving attractive returns and the increase of the capital invested.

The Company holds and manages an investment portfolio consisting of shares, bonds and other financial instruments. The share portfolio includes shares listed on the Romanian capital markets, respectively international share exchanges, as well as unlisted shares. S.I.F. Transilvania's investment portfolio is diversified and currently includes both financial instruments that offer controlling rights or rights to significantly influence other entities, as well as other financial investments.

Starting with the 2015 financial year, S.I.F. Transilvania has adopted the I.F.R.S. as the accounting basis according to the requirements of F.S.A Regulation 39/2015.

I.F.R.S. 10.4 provides certain exceptions from the drafting of consolidated financial statements, among which the exception applicable to parent entities which are classified as “Investment Entities”. Starting with January 01, 2015, as a result of the analysis made, the management of S.I.F. Transilvania considered that the company fulfils the requirements in order to be defined as an “Investment Entity” according to I.F.R.S. 10.

Under such circumstances, for the financial year 2015, S.I.F. Transilvania has drafted only one set of financial statements, respectively separate financial statements, according to I.F.R.S.. During the financial year 2015, S.I.F. Transilvania has presented interim financial statements according to I.F.R.S., pertaining to the periods March 31, 2016 and June 30, 2016.

### Investment entity

I.F.R.S. 10 defines an investment entity as being the entity that:

- i. obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- ii. commits to its investors(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and
- iii. measures and evaluates the performance of substantially all of its investment on a fair value basis (I.F.R.S. 10.27).

S.I.F. Transilvania directly provides asset management services to its investors, having the main object of activity the activities specific to closed-end investment companies, according to NACE code 6499 – Other financial service activities, except insurance and pension funds. S.I.F. Transilvania does not provide consultancy services for investments and administrative services, directly or through a branch, to third parties and/or its investors.

S.I.F. Transilvania presents its strategy to both its current and potential investors based on two documents whose discussion and approval is done by the General Meeting of Shareholders: the Multi-Annual Strategic Guidelines and the Annual Investment Program.

At the date of the present report the following versions of the above mentioned documents are in force:

- ✓ Strategic Guidelines for the period 2013 – 2017;
- ✓ Investment Program 2016.

The Company frequently monitors the structure and evolution of the investment portfolio and:

- i. publishes the situation of assets and liabilities on a monthly basis (net asset – Appendix 16 to F.S.A Regulation 15/2004);
- ii. calculates and publishes, along with the quarterly / bi-annual / annual reports, the Detailed Statement of Investments – Appendix 17 to F.S.A Regulation 15/2004).

The above mentioned aspects are detailed in the current Investment Policy of S.I.F. Transilvania.

S.I.F. Transilvania applies an exit strategy based on the permanent monitoring of the investments made in accordance with the approved investment programs and on the continuous analysis of current market circumstances, intending to identify the optimum exit momentum in order to reach the objectives established in the Annual Revenues and Expenditures Budgets respectively the reaching of higher aggregated outcomes.

The Company applies an exit strategy adjusted to the particularity of each investment, defined based upon the following items: applied strategy, investment horizon and exit transaction trigger factors.

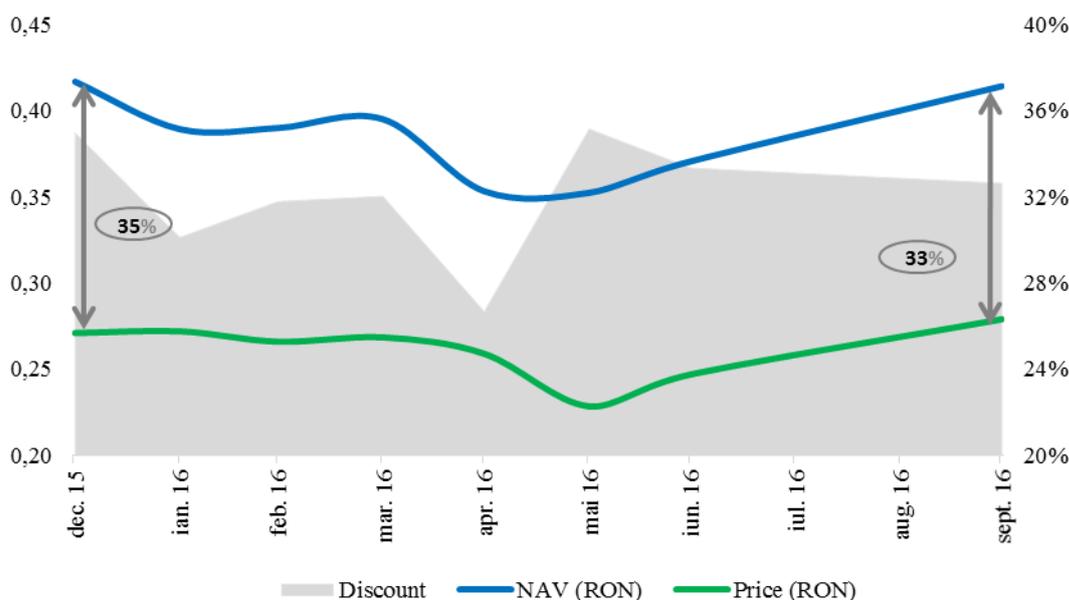
As of January 1, 2015 all financial investments of the Company are measured at fair value. S.I.F. Transilvania has classified the investments in subsidiaries and associated entities and the bonds issued by the latter and held by the Company as financial assets at fair value through profit or loss, the gains or losses resulting from the change of their fair value being recognized into the profit and loss account. The Company's investments in other equity instruments, corporate bonds and fund units (other than those related to subsidiaries and associated entities) are classified as financial assets available for sale measured at fair value through other elements of the Other Comprehensive Income.

The fair value of all financial instruments held by the Company is determined internally, based on a methodology established by S.I.F. Transilvania, by authorised appraisers who report such information to key personnel within the senior management of the Company, and which will serve as a primary assessment attribute for measuring the performance of the majority of the investments and for making investment decisions.

## Net Asset

The Company's Statement of Assets and Liabilities is drafted in RON, as at the end of the last working day of the month and, if applicable, at any other reference dates. The Company's Statement of Assets and Liabilities at a certain date shall be drafted and presented in the format requested by the F.S.A. (according to F.S.A. Regulations 9 / 2014 and 15 / 2004). The net asset is calculated monthly by the Company, is certified by the depository BRD – Groupe Societe Generale S.A. Bucharest and is sent to the F.S.A. and B.S.E. no later than the 15<sup>th</sup> of the following month.

The value at a certain reference date of the Company's Net Asset is established as the difference between the total value of the assets held and the total value of Company's liabilities and deferred income.



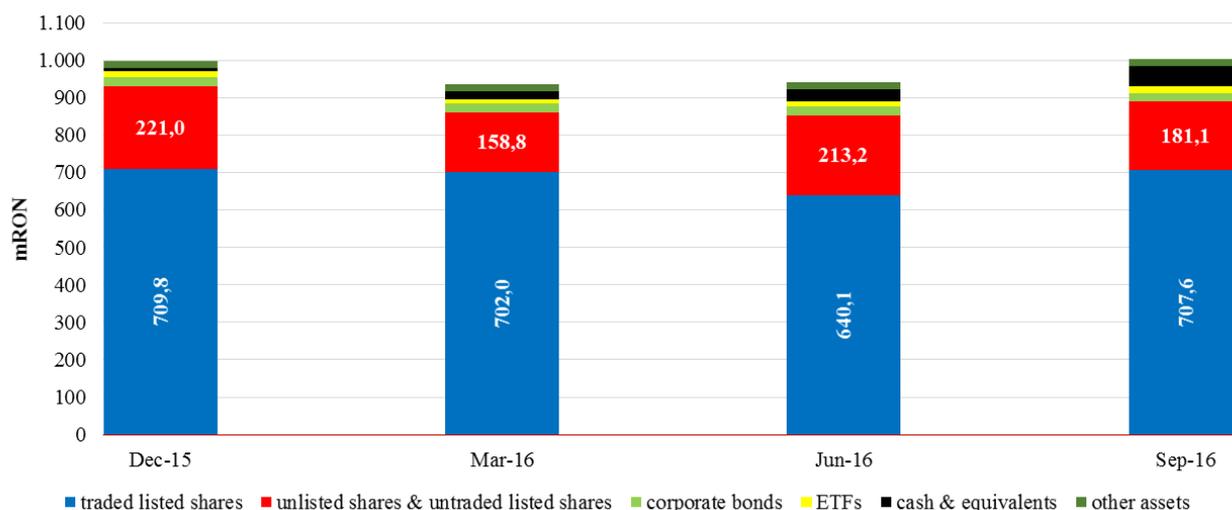
Source: S.I.F. Transilvania

## Main aspects on the evolution of the portfolio of financial instruments during the first 9 months of 2016

- ❖ the stability of total assets value, given a 0.3% increase rate corresponding to the first 9 months of the year 2016;

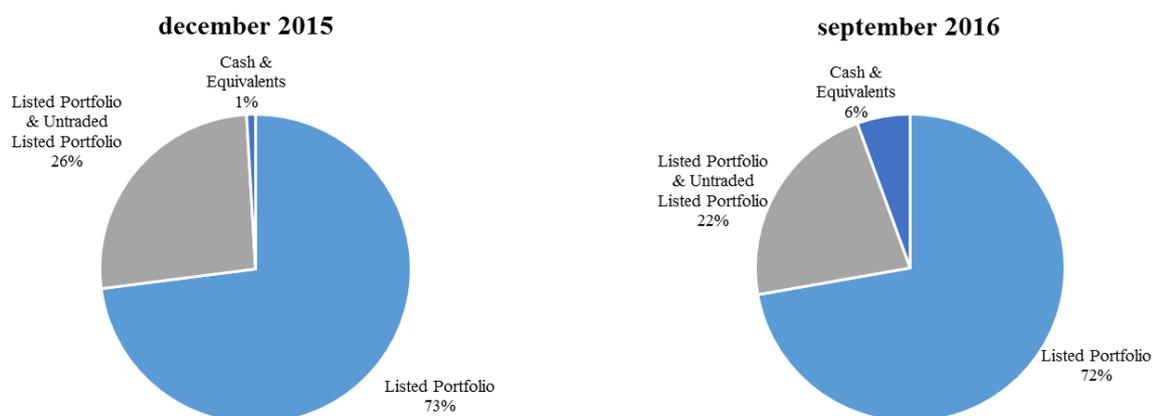
	- million RON -	Dec-15	evolution	Sep-16
value of total assets		998,4	↗	1.001,7
value of net asset		910,1	↘	904,4
portfolio of financial instruments (incl. cash)		979,6	↗	984,8
portfolio of financial instruments		970,6	↘	930,2
cash & equivalent		9,0	↗	54,6

Source: S.I.F. Transilvania, I.F.R.S. fair values, Appendix 16 acc. to F.S.A. Reg. 15 / 2004, F.S.A Reg. 9 / 2014



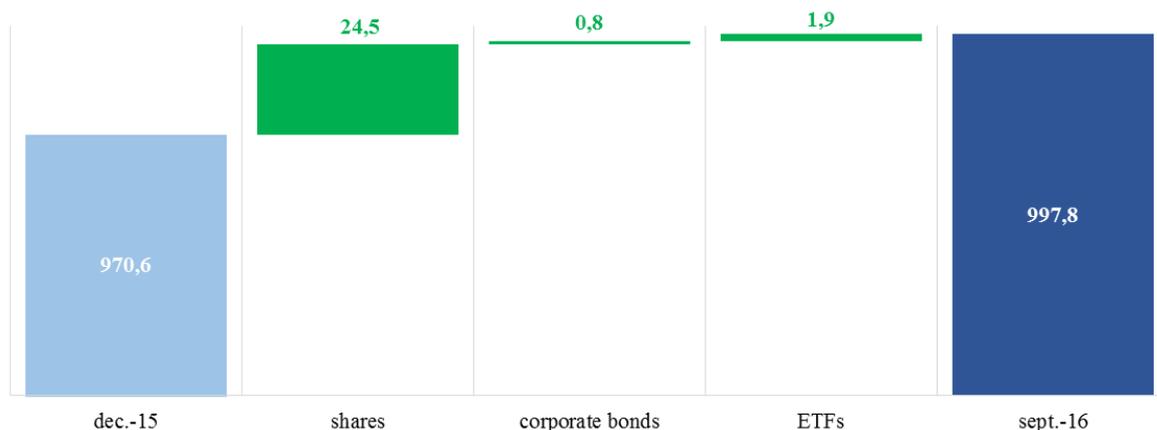
Source: S.I.F. Transilvania, Appendix 16 acc. to F.S.A. Reg 15 / 2004, F.S.A. Reg. 9 / 2014

- ❖ at a structural level, the weight of cash significantly increases as compared to the beginning of the financial year, given the stable level of the assets managed;



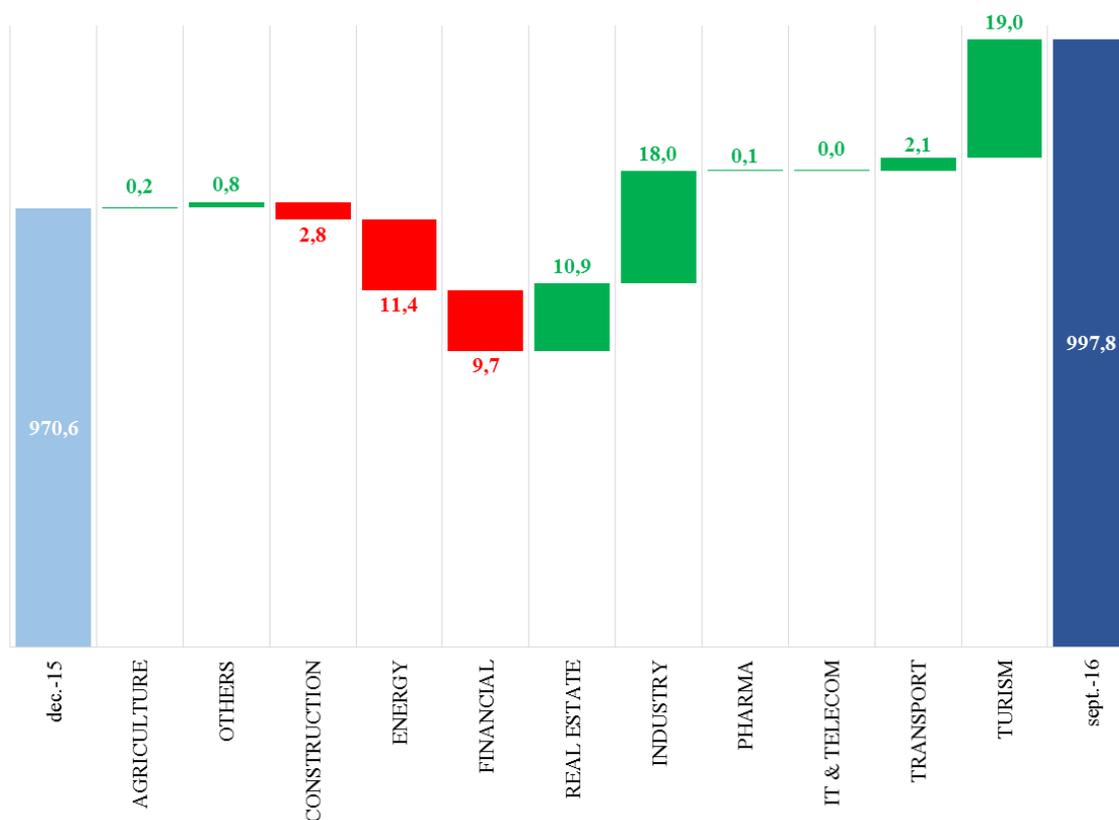
Source: S.I.F. Transilvania, I.F.R.S. fair values, Appendix 16 acc. to F.S.A. Reg. 15 / 2004, F.S.A. Reg. 9 / 2014

- ❖ the analysis of the financial instruments portfolio's variation (fair value + generated cash + corresponding receivables-deducted from the fair value)



Source: S.I.F. Transilvania

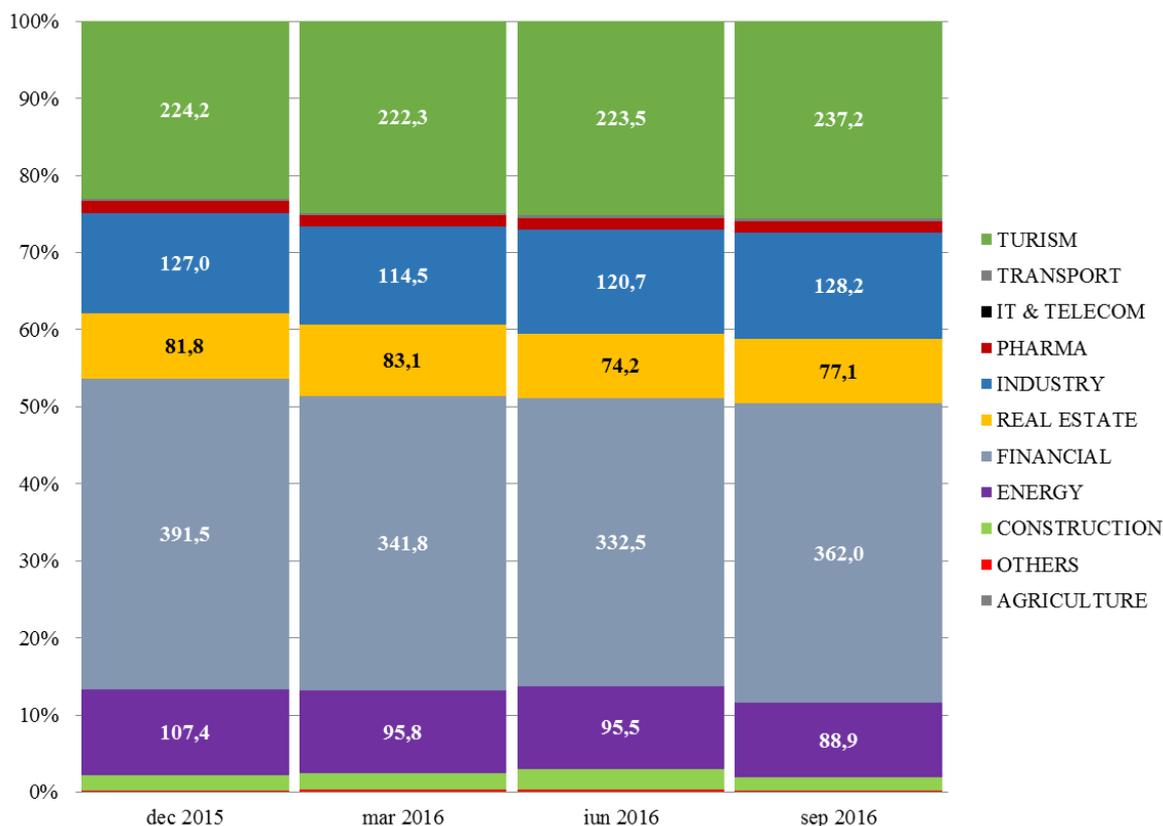
Obs.: The initial value (Dec.-15) of the financial instruments portfolio is calculated according to the IFRS fair value. The final value (Sept.-2016) of the financial instruments portfolio is calculated by summing up the IFRS fair values and the contribution of each instrument resulting from the execution of the investment program (cash generated / immobilized through capitalization / purchase transactions, collected dividends, collected cash distributions, other collected amounts (securities pending assignment), attached receivables). The values are expressed in millions RON.



Source: S.I.F. Transilvania

Obs.: The initial value (Dec.-15) of the financial instruments portfolio is calculated according to the IFRS fair value. The final value (Sept.-2016) of the financial instruments portfolio is calculated by summing up the IFRS fair values and the contribution of each instrument resulting from the execution of the investment program (cash generated / immobilized through capitalization / purchase transactions, collected dividends, collected cash distributions, other collected amounts (securities pending assignment), attached receivables). The values are expressed in millions RON.

- the shares sub-portfolio has generated - at the level of the value of administered assets, a positive impact totally amounting RON 24.5 million; the impact is determined based on the fair values of the financial assets in the portfolio at the reference date, the outcome of the transactions performed with different financial instruments, the financial liquidities generated by such holdings (collected dividends, collected cash distributions, collections related to securities pending assignment, cash from exit transactions / purchase operations), corresponding receivables (dividends to be collected deducted from the fair value of the financial instruments);
  - the financial and energy sectors record the most important negative net adjustments ( RON - 9.7 mil., respectively RON-11.4 million);
  - the real estate, industry and tourism sectors record the most important positive net adjustments (RON 10.9 million, RON 18.0 million, respectively RON 19.0 million), considering that they represent the sectors with the most important contribution to the generated cash position;
- ❖ the cash position (cash & equivalent) has increased by RON 45.6 million as compared to the beginning of 2016;
  - ❖ according to the goal of restructuring the managed portfolio, the trend of decreasing the number of companies in the portfolio of shares managed by S.I.F. Transilvania is maintained (-16 companies);
  - ❖ as far as the operational portfolio is concerned, the investments structure is characterised by a bi-sectorial concentration (the tourism and financial sectors cumulate more than 64% of it).



Source: S.I.F. Transilvania  
 Obs.: Fair values (expressed in RON)

## **Investment strategy**

The Investment Program for 2016 is in accord with the Strategic Guidelines of S.I.F. Transilvania for the period 2013-2017, that was approved by the shareholders during the annual G.M.S. of April 20, 2013, for the closing of the 2012 financial year. The program is designed in such a way that ensures the continuity and sustainability of S.I.F. Transilvania's activity, seeking to continuously adjust the means of action used in order to reach the undertaken strategic objectives.

Through the implementation of the Investment Program, S.I.F. Transilvania maintains its commitment to accelerate the portfolio restructuring process in order to fulfil the following objectives:

- sustainable and lasting increase of the size and quality of managed portfolio;
- ensuring the sources for an efficient and attractive remuneration of shareholders;
- structural balancing of the portfolio in terms of sectors, asset classes, etc;
- improvement of the portfolio liquidity degree through investments in financial instruments with a liquidity at least similar to the one of those assets whose disinvestment has ensured the financial resources.

In the context of:

- the changes in the national accounting legislation starting with the 2015 financial year, according to which the I.F.R.S. adopted by the European Union have become the official accounting regulations, both for accounting and for fiscal purposes,
- the classification of S.I.F. Transilvania as an investment entity, that quantifies and measures the performance of its investments based on the fair value,
- the classification of the majority of the financial instruments in S.I.F. Transilvania's portfolio as financial assets measured at fair value through profit or loss,

S.I.F. Transilvania has adjusted its investment objectives, the courses of action and the strategic guidelines on the remuneration of shareholders to the present and projected liquidity conditions.

The courses of actions set in the Multi-Annual Strategy (restructuring of the managed portfolio, encouraging investments correlated with the dividend policy approved by the shareholders and with the level of existing liquidities, the consolidation of the Company's position and image on the capital market) are basic elements that constantly increase the efficiency of S.I.F. Transilvania's activity.

The financing sources of the investment program have considered mainly the following components:

- ✓ sale of some highly liquid holdings conditioned by the market circumstances and by the current financing needs;
- ✓ revenues resulting from the portfolio restructuring process by accelerating the sale of stakes held in unlisted companies or in listed companies with low liquidity;
- ✓ financing sources in accordance with the applicable legislation corresponding to the sector in which S.I.F. Transilvania performs its activity.

The investments targeted within the investment program considered:

- ✓ the purchase of highly liquid listed shares in order to expand the sub-portfolio of companies that have an attractive and sustainable dividend policy and structural rebalancing of the portfolio in terms of sectors;

- ✓ the continuation of the development process of the companies in the portfolio through direct contributions to their equity, according to the commitments made through the previous investment programs;
- ✓ carry out speculative operations supported by a wide range of financial instruments allowed through capital market regulations in order to benefit from market-favourable conditions and circumstances;
- ✓ the investments in companies that activate in areas that have favourable perspectives and attractive profit margins;
- ✓ carry out transactions with financial instruments as permitted by the capital market legislation in force, in order to implement a market risk management strategy.

Other operations specific to the investment program:

- ✓ the sale / purchase of highly liquid monetary financial instruments allowing the increase in the efficiency and the profitability of the cash-management operations.

### **Implementation of the investment program during the first 9 months of 2016**

The investments made by S.I.F. Transilvania targeted acquisitions on both the internal and external markets.

The purchases made on the internal market mainly referred to companies listed on a regulated market, characterised through increased liquidity, and a generally stable and predictable dividend policy: S.N.G.N. Romgaz, OMV Petrom, Societatea Energetica Electrica, etc.

Moreover, for the improvement of the aggregate yield of the portfolio, financial instruments with high liquidity, shares and ETFs listed on the external markets (Erste Group Bank, Banco Santander, Invensesse, E.O.N. A.G., ETFS 3X Daily Short DAX 30, ETFS Coffee) were traded in a speculative manner.

During the analysed period, the purchases of unlisted financial instruments represented a small percentage in the overall investments made: S.I.F. Transilvania Project Management and fund units issued by the Star Value Closed-End Investment Fund.

During Q3 2016, the Company has performed one transaction with related parties (a member of the Executive Board) from whom a total of 6,749 shares was acquired, having a nominal value of RON 10/share, at an acquisition price of RON 7.51/share, shares issued by S.I.F. Transilvania Project Management Company (15% of the share capital) totalling RON 50,684.99.

Disinvestments referred both to the sale of certain listed holdings characterised by a high liquidity (shares and ETFs), conditioned by market circumstances, and to the sale of holdings in low liquidity companies and unlisted companies, in line with the portfolio restructuring objective.

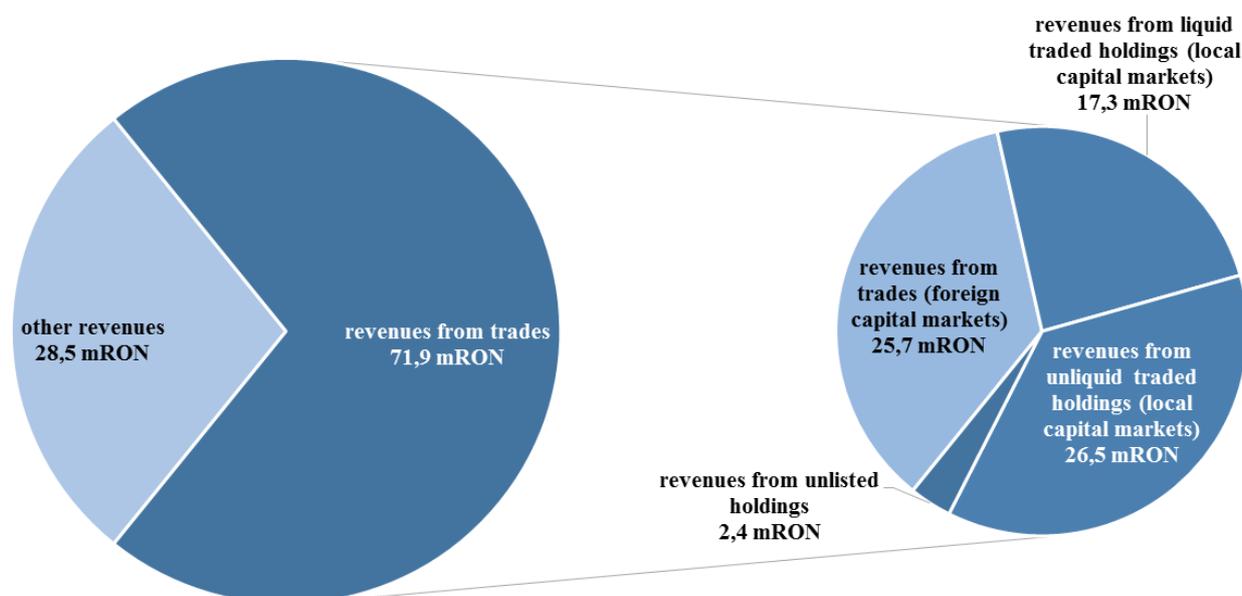
In the context of the multi-annual strategic guidelines, the investment program for 2016 and the exit strategy approved by S.I.F. Transilvania, both liquid companies (speculative operations and/or portfolio operations) listed on B.S.E. regulated market (Banca BRD – Groupe Societe Generale, S.N.G.N. ROMGAZ, Societatea Energetică Electrica, OMV Petrom București, C.N. Transelectrica) and companies traded on external markets (Banco Santander, E.ON A.G, Erste Group Bank, ETFS 3X Daily Short DAX 30, ETFS Coffee, iShares Gold Producers ETF, Barrick Gold Corporation) were partially or entirely sold.

In September 2016, following the subscription to the Public Tender Offer made by Fondul Proprietatea for the redemption its own shares, the stake held in this issuer was partially sold.

During 2016, the efforts to restructure the managed portfolio intensified in line with the multi-annual strategic guidelines, the objectives of 2016 investment program and the approved exit strategy, as follows:

- ✓ the entire stocks held in INAR Brasov and UPRUC CTR Făgăraș – listed stocks with low liquidity - were sold;
- ✓ in June 2016 S.I.F. Transilvania sold the entire stock held in EUXIN S.A. Constanta by subscription to the Voluntary Take-Over Public Offer initiated by one of the shareholders;
- ✓ S.I.F. Transilvania has entirely sold the significant unlisted stocks held in Suintest S.A. Fierbinți and Complex Savoy Mamaia.

### Volume of resources generated during the first 9 months of 2016



Source: S.I.F. Transilvania

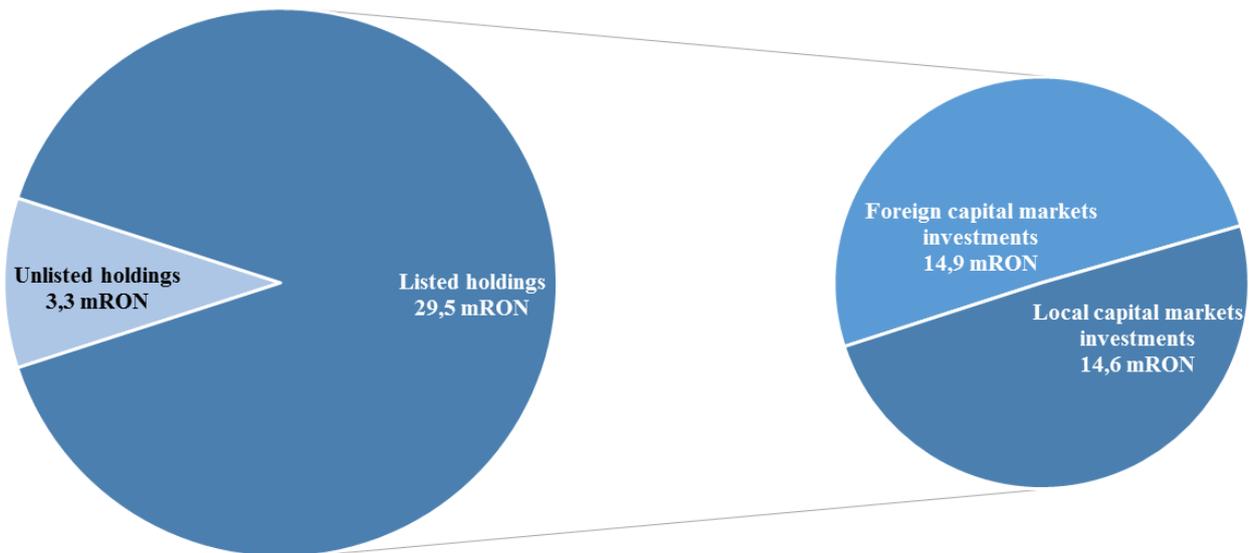
Obs.: Attached revenues include dividends, coupons, cash distributions and others. The capitalization of unlisted contributions also include the collections related to contributions pending assignment.

### Structure of resources generated during the first 9 months of 2016



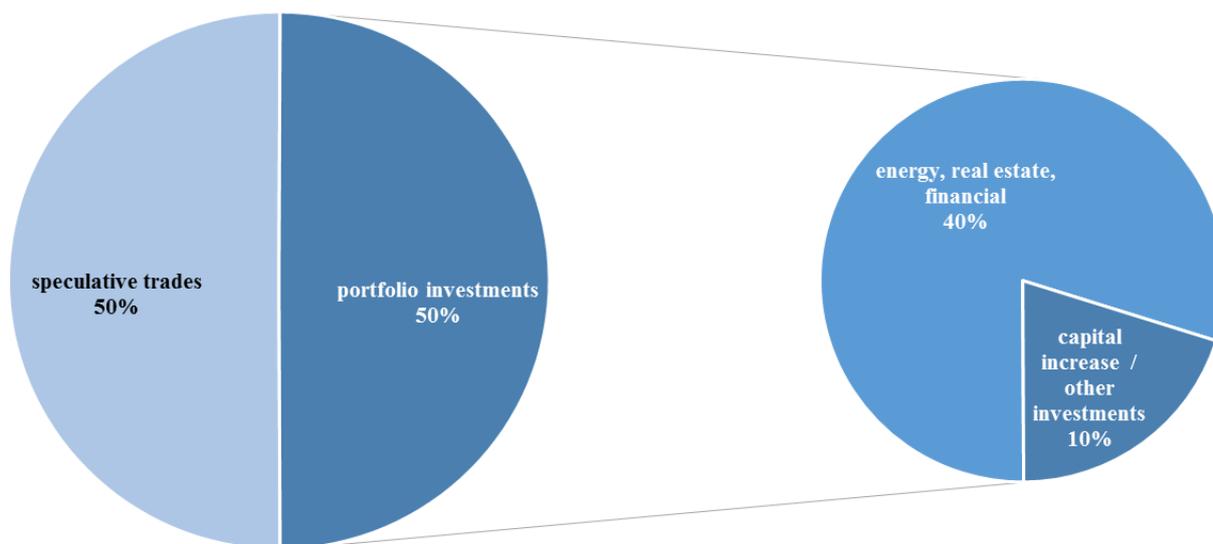
Source: S.I.F. Transilvania

### Volume of investments made during the first 9 months of 2016



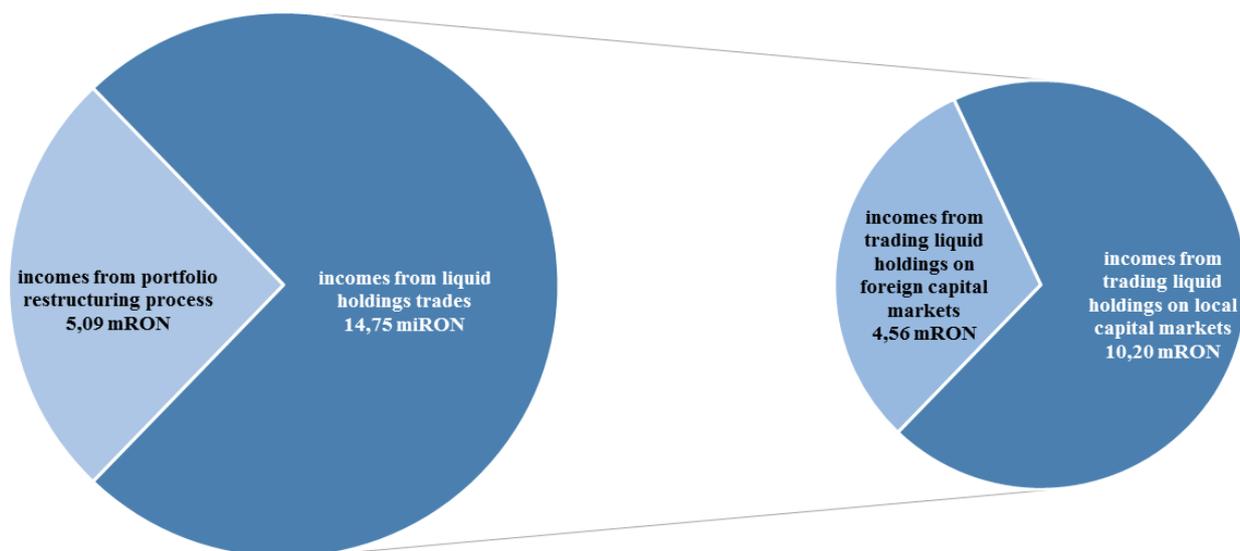
Source: S.I.F. Transilvania

### Structure of investments made during the first 9 months of 2016



Source: S.I.F. Transilvania

### Structure of the result of the sales made during the first 9 months of 2016



Source: S.I.F. Transilvania

Obs: The result of administered portfolio restructuring operations includes the results of the transactions completed by shares that are not liquid, respectively unlisted shares.

The value of dividends collected during the first 9 months of 2016 was higher than the budgeted values for the issuers whose payment date was set prior September 30, 2016.

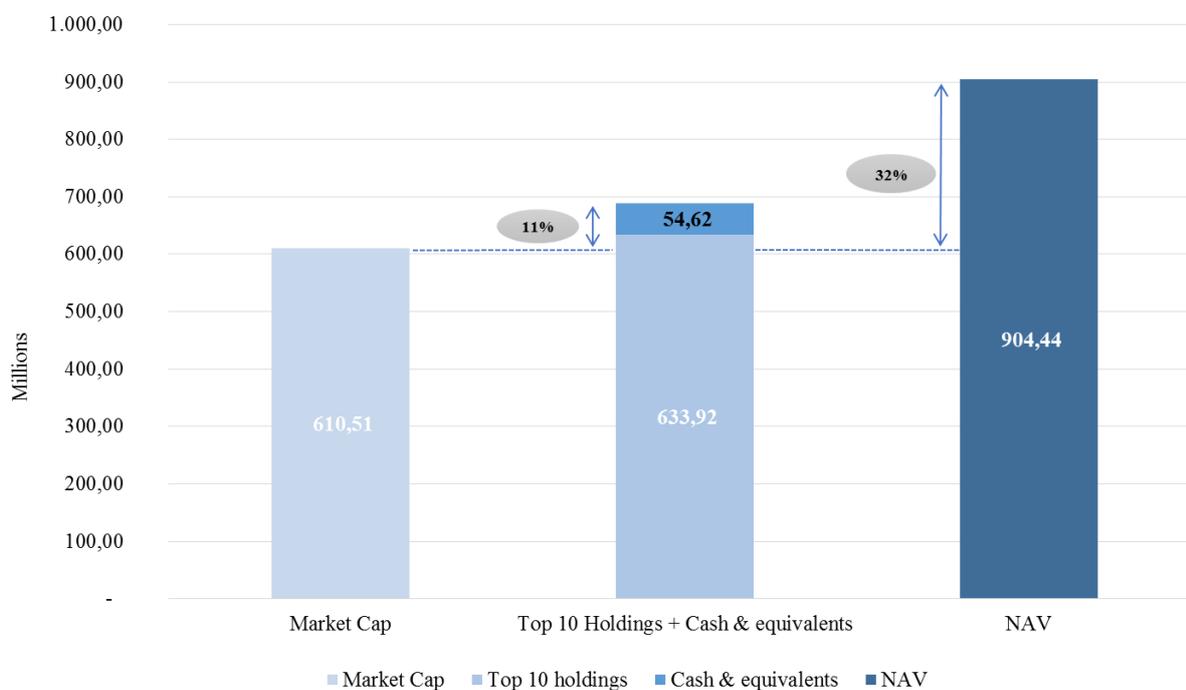
## Top 10 holdings

No.	Name	SIF percentage	% of Total Assets
1	BRD - GROUPE SOCIETE GENERALE	3.33%	25.48%
2	TURISM FELIX	63.20%	6.39%
3	FEPER	85.80%	5.50%
4	S.N.G.N. ROMGAZ	0.58%	5.23%
5	ARO-PALACE	85.74%	4.47%
6	T. H. R. MAREA NEAGRA	77.71%	4.04%
7	FONDUL PROPRIETATEA	0.40%	3.48%
8	OMV PETROM	0.22%	3.03%
9	CRISTIANA	99.80%	2.95%
10	ROMRADIATOARE	76.51%	2.71%
<b>Top 10 holdings</b>			<b>88.72%</b>
<b>Total portfolio of financial instruments</b>			<b>92.86%</b>
<b>Total Assets</b>			<b>100.00%</b>

Source: S.I.F. Transilvania

\* IFRS fair values (expressed in RON)

## Analysis of SIF3 shares trading discount



Source: S.I.F. Transilvania

## **Majority holdings included in Top 10**

### **TURISM FELIX S.A.**

The company has entirely private share capital, being listed on the main segment, within the Standard category of the regulated market administered by the Bucharest Stock Exchange (trading symbol TUFÉ).

**Registered office:** Băile Felix - Sanmartin locality, 22 Victoria Street, Bihor County

**Main activity:** “Hotels and similar accommodation” (NACE code 5510)

**Company management:** board of directors, consisting in five members

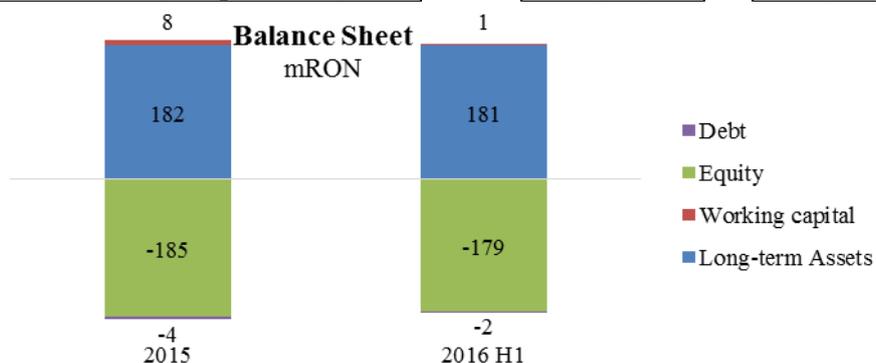
### **Main accommodation facilities, public food service, treatment and leisure units**

- one 4-star complex (International)
  - total capacity of 340 beds;
  - 600 seats for public food service;
  - conference rooms;
  - wellness & spa;
  
- three 3-star hotel complexes (Termal, Nufarul and Poienița)
  - total capacity of 750 beds;
  - 1.150 seats for public food service;
  - conference rooms;
  - wellness & spa;
  
- one 2-star hotel complex (Mureș)
  - total capacity of 650 beds;
  - 670 seats for public food service;
  - conference rooms, wellness & spa;
  
- two 2-star hotel complexes (Somes and Unirea)
- 3 swimming pools (Apollo, Felix and Venus);
- Poiana Restaurant, including Dark Club of 300 seats.

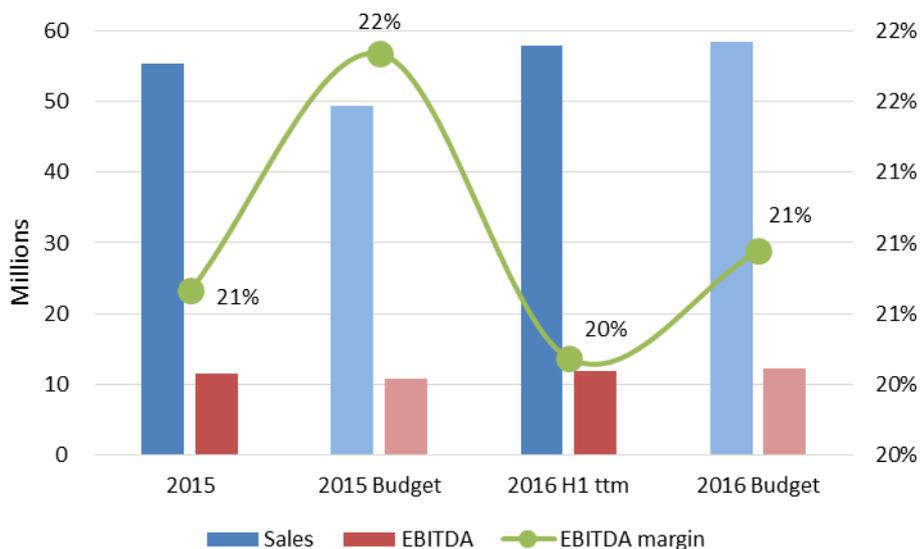
### **Synthetic financial information**

The presentations are based on the issuer’s financial statements, according to the reports published until the date the report was drafted.

Balance sheet indicators		2015	2016 H1
Non-current assets	RON	181,629,535	180,697,922
Working capital (non-cash)	RON	-1,725,748	-3,711,521
Cash and cash equivalents	RON	9,386,261	4,388,480
Equity	RON	185,469,055	178,992,559
Financial debts (incl. provisions)	RON	3,820,993	2,382,322



Operating indicators		2015	2015 BVC	2016 H1 ttm	2016 BVC
Sales	RON	55,328,976	49,300,000	57,883,247	58,515,000
EBITDA	RON	11,451,583	10,700,000	11,815,291	12,210,000
<i>EBITDA margin</i>		21%	22%	20%	21%
Operating income	RON	5,639,605	4,750,000	5,760,687	6,185,000
<i>operating margin</i>		10%	10%	10%	11%
Net income	RON	4,525,718	4,200,000	4,711,019	5,166,000
<i>net margin</i>		8%	9%	8%	9%



## Aspects regarding the stake held by S.I.F. Transilvania

- classification: assets at fair value through profit or loss;
- fair value measured based on the 1<sup>st</sup> level inputs (quoted prices according to I.F.R.S. 13);
- market approach – the last closing price of the main regulated market, recorded during the last 30 trading sessions, where available.

## Fair values recorded at the reference dates of financial reports



Source: Bloomberg

## FEPER S.A.

The company is listed on the alternative trading system administered by B.S.E. Bucharest. The subscribed and paid-in share capital amounts RON 36,378,218.60 and is divided in 363,782,186 shares with a nominal value of RON 0.10 /share out of which:

- 329,650,696 are ordinary shares, with „FEP” market symbol
- 34,131,490 are preferred shares, without voting right, held by the Authority for State Assets Administration (A.A.A.S), with „FEP1” market symbol

**Registered office:** Bucharest, 8 Dimitrie Pompeiu Blvd., 2<sup>nd</sup> district

**Main activity:** “Manufacture of computers and peripheral equipment”  
(NACE code 2620)

**Company management:** board of directors consisting in three members

At the end of 2015 the merger through absorption by the company Feper S.A. Bucharest of the companies Orizont Turism S.A. Predeal and T.H.R. Prahova S.A. Ploiești was completed, therefore at this date the activity of Feper S.A. is performed in three „Centres”, as follows:

**At the registered office in Bucharest:**

- **Business centre:** the main activity consists in rental of premises;

- **Production Centre:** performs manufacture and trading of the Feper brand products in the area of fine ironworks as well as the trading of other product brands (DIRAK) through distribution agreements.

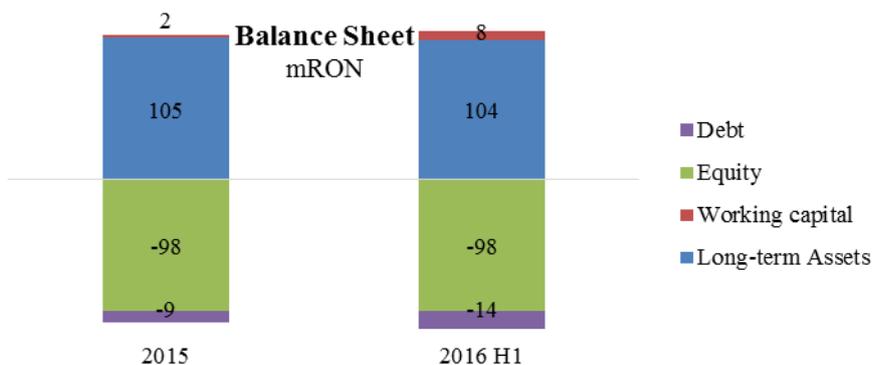
#### At Feper branches in Predeal and Ploiești:

- **Tourism Centre:** offers tourism specific services and event organization services in the assets taken over as result of the merger, namely:
  - **Orizont hotel complex in Predeal** consisting in:
    - Hotel: 139 rooms classified as 4 stars, with 260 beds;
    - International restaurant (185 seats), Miorița traditional Romanian restaurant (188 seats), winery (62 seats), bar lobby (50 seats), bar Sky Lounge (45 seats) and Cigar Club (25 seats);
    - Wellness centre; pool, fitness equipment, Jacuzzi, dry sauna, wet sauna and infrared sauna, massage;
    - Conference centre (4 halls completely equipped with conference activity specific equipment);
  - **Hotel Central in Ploiești** consisting in:
    - Hotel: 108 rooms classified as 4 stars, with 147 beds, respectively 58 rooms classified as 3 stars, 101 beds;
    - Restaurants: 3 restaurant rooms classified as 4 stars, a confectionery/coffee shop, a club / bar and a summer terrace;
    - Conference centre: 3 halls completely equipped with conference activity specific equipment;
    - Wellness centre; pool, Jacuzzi, sauna, fitness equipment, massage.

#### Synthetic financial information

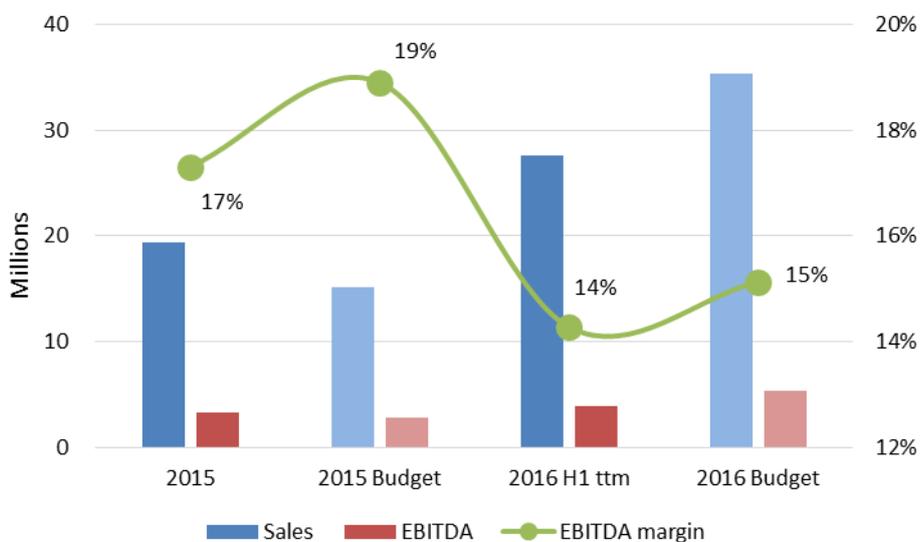
The presentations are based on issuer's financial statements, according to the reports published until the date the report was drafted.

Balance sheet indicators		2015	2016 H1
Non-current assets	RON	105,118,443	103,501,668
Working capital (non-cash)	RON	-7,042,822	704,170
Cash and cash equivalents	RON	8,616,011	7,180,422
Equity	RON	97,981,684	97,831,241
Financial debts (incl. provisions)	RON	8,709,948	13,555,019



Operational indicators *		2015	2015 BVC	2016 H1 ttm	2016 BVC
Sales	RON	19,363,134	15,113,606	27,601,344	35,314,824
EBITDA	RON	3,351,907	2,856,782	3,941,975	5,345,447
EBITDA margin		17%	19%	14%	15%
Operating income	RON	587,832	818,117	129,030	1,068,048
operating margin		3%	5%	0%	3%
Net income	RON	617,402	532,927	-156,856	150,360
net margin		3%	4%	-1%	0%

\* financial statements / REB according to the reports of the issuer (issuer involved in merger operations completed during the year 2015)



### Aspects on the stake held by S.I.F. Transilvania

- clasification: assets at fair value through profit or loss;
- fair value measured based on the 3<sup>rd</sup> level inputs (unobservable data according to I.F.R.S. 13);
- income approach – method of discounted cash flow.

## **ARO PALACE S.A.**

The company is listed on the alternative trading system (ATS) administered by SIBEX-Sibiu Stock Exchange S.A. (ARO symbol), having entirely private share capital.

**Registered office:** Brașov municipality, 27 Eroilor Blvd.

**Main activity:** “Hotels and similar accommodation” (NACE code 5510)

**Company management:** board of directors consisting in three members

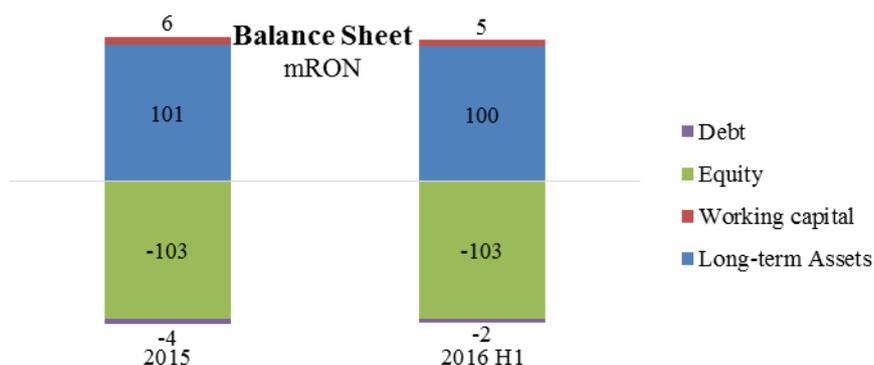
### **Main accommodation facilities, public food service and leisure units:**

- one 5-star complex (Aro Palace)
  - total capacity of 392 beds;
  - 4 restaurants with a total capacity of 576 seats;
  - night bar with a total capacity of 240 seats;
  - modular conference hall and a leisure and sport complex;
- two 3-star hotel complexes
  - Capitol with a total accommodation capacity of 366 beds, restaurant with a total capacity of 220 seats;
  - Aro Business with a total capacity of 197 seats;
- one 2-star complex (Coroana)
  - total capacity of 152 beds;
  - restaurant with a total capacity of 80 seats;
  - terrace with a total capacity of 130 seats;
- two 1-star hotels
  - Postăvaru with a total accommodation capacity of 105 seats;
  - Aro-Sport with a capacity of 58 beds;
- 3 restaurant complexes
  - Cerbul Carpatin Complex, capacity 383 seats;
  - Cetate, 2 halls of 250 seats, terrace of 40 seats;
  - Panoramic Restaurant, capacity of 240 seats.

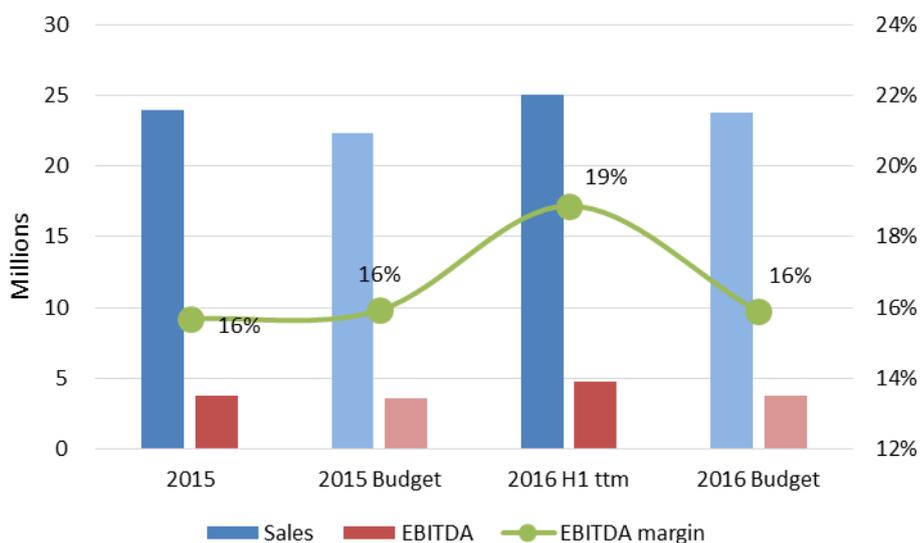
### **Synthetic financial information**

The presentations are based on issuer’s financial statements, according to the reports published until the date the report was drafted.

Balance sheet indicators		2015	2016 H1
Non-current assets	RON	100,985,529	99,922,729
Working capital (non-cash)	RON	1,568,007	2,583,585
Cash and cash equivalents	RON	4,071,585	2,767,773
Equity	RON	102,860,253	102,918,329
Financial debts (incl. provisions)	RON	3,764,868	2,355,758



Operating indicators		2015	2015 BVC	2016 H1 ttm	2016 BVC
Sales	RON	23,951,118	22,300,000	25,024,809	23,749,000
EBITDA	RON	3,755,279	3,551,400	4,723,578	3,773,000
<i>EBITDA margin</i>		16%	16%	19%	16%
Operating income	RON	640,322	682,000	1,924,006	1,052,000
<i>operating margin</i>		3%	3%	8%	4%
Net income	RON	322,399	421,680	1,640,433	813,960
<i>net margin</i>		1%	2%	7%	3%



### **Aspects on the stake held by S.I.F. Transilvania**

- classification: assets at fair value through profit or loss;
- fair value measured based on 3<sup>rd</sup> level inputs (unobservable data according to I.F.R.S. 13);
- income approach – method of discounted cash flows.

### **TURISM, HOTELURI SI RESTAURANTE MAREA NEAGRĂ S.A.**

The company is listed on the main segment, within the Standard category, of the regulated market administered by Bucharest Stock Exchange – **EFO** trading symbol.

**Registered office:** Mangalia locality, 29 Lavrion street, Constanța county

**Main activity:** “Hotels and similar accommodation” (cod CAEN 5510)

**Company management:** board of directors, consisting in five members

#### **Main accommodation facilities, public food service, treatment and leisure units:**

- two 4-star hotels, with a total capacity of 992 beds;
- eight 3-star hotels, with a total capacity of 3,462 beds;
- twelve 2-star hotels, with a total capacity of 3,058 beds.

#### **Restaurants**

- three 4-star restaurants, with a total capacity of 1.440 seats;
- seven 3-star restaurants, with a total capacity of 3.267 seats;
- six 2-star restaurants, with a total capacity of 4.174 seats;
- one 2-star buffet, with a total capacity of 170 seats;
- two 1-star buffet, with a total capacity of 150 seats;
- two 4-star day bars, with a total capacity of 120 seats;
- nine 3-star day bars with a total capacity of 554 seats.

#### **Leisure units**

- 3 aqua parks: Bran-Brad-Bega Complex, Balada and Cleopatra, with a total capacity of 850 seats.

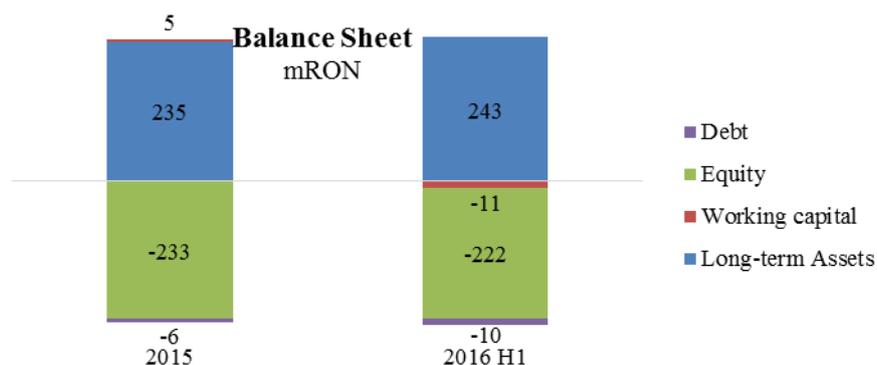
#### **Spa units**

- 4 resorts: Bran-Brad-Bega Complex, Hora, Balada and Sirena, with a total capacity of 5,350 procedures per day;
- Cold mud baths in Eforie Sud.

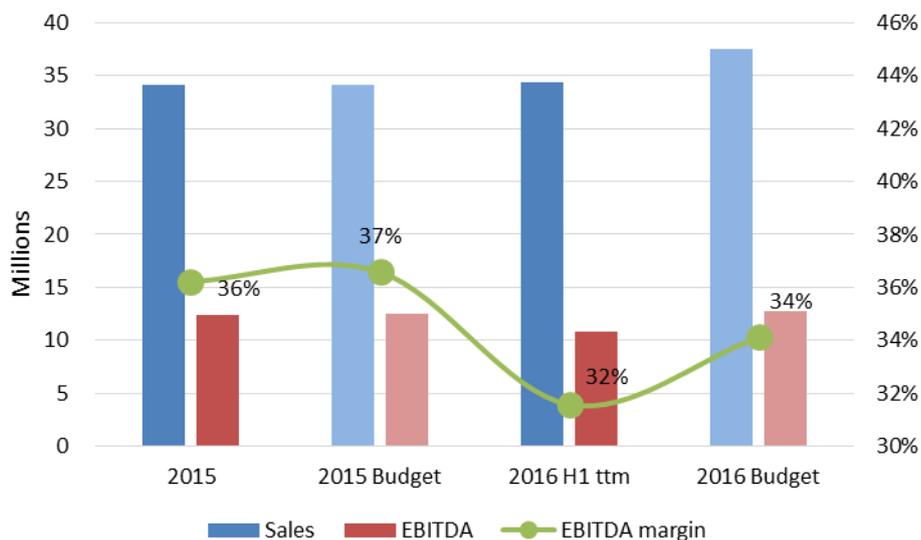
### **Synthetic financial information**

The presentations are based on issuer’s financial statements, according to the reports published until the date the report was drafted.

Balance sheet indicators		2015	2016 H1
Non-current assets	RON-	235,066,574	243,091,549
Working capital (non-cash)	RON	2,618,396	-12,950,350
Cash and cash equivalents	RON	1,889,392	1,574,430
Equity	RON	233,176,407	221,652,060
Financial debts (incl. provisions)	RON	6,397,955	10,063,569



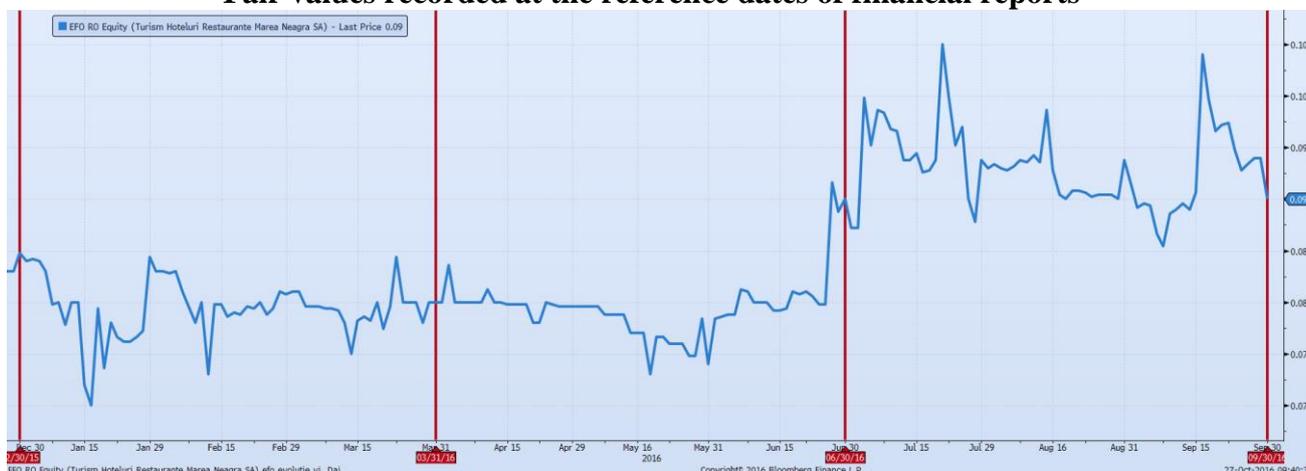
Operating indicators		2015	2015 BVC	2016 H1 ttm	2016 BVC
Sales	RON	34,183,784	34,125,870	34,397,432	37,535,789
EBITDA	RON	12,381,432	12,483,336	10,860,322	12,806,099
<i>EBITDA margin</i>		36%	37%	32%	34%
Operating income	RON	5,630,587	5,743,336	3,729,504	6,515,429
<i>operating margin</i>		16%	17%	11%	17%
Net income	RON	4,368,054	4,189,201	2,465,052	5,501,674
<i>net margin</i>		13%	12%	7%	15%



### Aspects regarding the stake held by S.I.F. Transilvania

- classification: assets at fair value through profit or loss;
- fair value measured based on 1<sup>st</sup> level inputs (quoted prices according to I.F.R.S. 13);
- market approach – the last closing price of the main regulated market, recorded during the last 30 trading sessions, where available.

#### Fair values recorded at the reference dates of financial reports



Source: Bloomberg

### **CRISTIANA S.A.**

The company is unlisted, having entirely private share capital.

**Registered office:** Brașov municipality, 3A Bd. Eroilor, at less than 1 km from town's historic centre

**Main activity:** "Renting and operating of own or leased real estate"  
(NACE code 6820)

**Company management:** board of directors, consisting in three members

#### **The company holds the following assets:**

- **Brașov:**  
Cristiana Business Centre (B+GF+A+5F) – company's registered office, situated in 3A Bd. Eroilor  
Building – 2 Nicolae Iorga street  
Building – 14 Bd. M. Kogălniceanu  
Land: 2,365 sq m
- **Bucharest:**  
Building – 2 Traian street

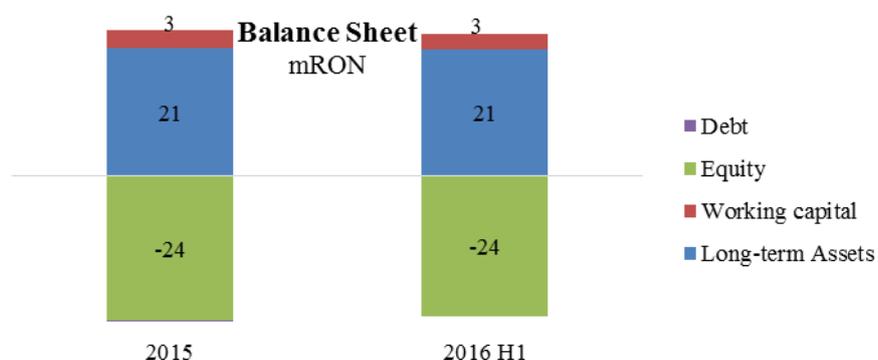
- **Focșani:**  
 Building – 21 Bucegi street  
 Building – 6 Independenței street  
 Land – 936 sq m
- **Tg. Mureș:**  
 Building – 1 Piața Teatrului  
 Land – 290 sq m
- **Tg. Neamț:**  
 Land situated outside the built area – 2,106 sq m

**Assets' exploitation method:** rental

### Synthetic financial information

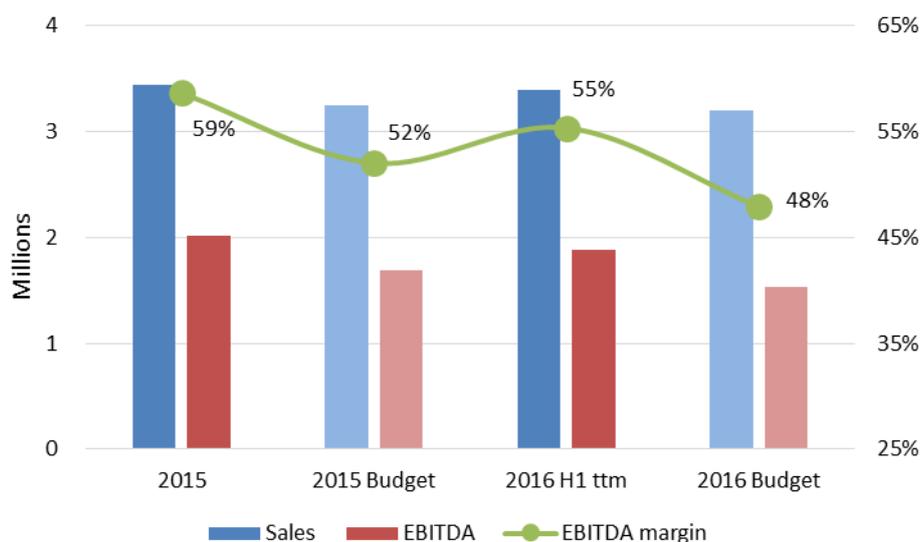
The presentations are based on issuer's financial statements, according to the reports published until the date the report was drafted.

Balance sheet indicators		2015	2016 H1
Non-current assets	RON	21,456,388	21,219,356
Working capital (non-cash)	RON	796,656	1,264,828
Cash and cash equivalents	RON	2,149,223	1,283,541
Equity	RON	24,363,519	23,767,725
Financial debts (incl. provisions)	RON	38,748	0



Operating indicators *		2015	2015 BVC	2016 H1 ttm	2016 BVC
Sales	RON	3,445,339	3,244,209	3,397,200	3,195,000
EBITDA	RON	2,020,757	1,688,385	1,881,009	1,530,880
EBITDA margin		59%	52%	55%	48%
Operating income	RON	1,465,811	1,114,785	1,332,997	957,280
operating margin		43%	34%	39%	30%
Net income	RON	1,230,864	928,661	1,135,299	837,715
net margin		36%	29%	33%	26%

\* financial statements / REB according to issuer's reports (issuer involved in merger operations completed during 2016)



### Aspects on the stake held by S.I.F. Transilvania

- classification: assets at fair value through profit or loss;
- fair value measured based on 3<sup>rd</sup> level inputs (unobservable data according to I.F.R.S. 13);
- income approach – method of discounted cash flows.

### ROMRADIATOARE S.A.

The company is listed in the alternative trading system (ATS) administered by SIBEX-Sibiu Stock Exchange S.A. (RRD trading symbol) having entirely private share capital.

**Registered office:** Brașov municipality, 113 A Zizinului street

**Main activity:** “Manufacture of other parts and accessories for motor vehicles” (NACE code 2932)

**Company management:** board of directors, consisting in three members

The company is the first Romanian manufacturer of radiators and heat exchanger in the country, its products being installed along time in most vehicles and thermal engine equipment manufactured in Romania.

**Main range of products offered by the company:**

- Industrial/specialized heat exchangers (copper, brazed aluminium, aluminium bronze, stainless steel, steel);
- Heat Interface Units for centralized heating applications and for registration of heat transfer fluid and household hot water;
- Heat exchangers for vehicles (mainly from copper / brass);
- Metallic parts and subassemblies.

During 2015 the company has started the implementation of an investment project having a total budget of EUR 932,000 (purchase of tools, equipment and software) supported from funds granted by the Government of Norway through Norwegian Grants 2009-2014 within the funding of Green Innovation in Romanian industry.

The *Green Business Development for Increased Competitiveness* project has been implemented during April 2016, the intended result being the significant improvement of the environmental performance in factory's manufacture processes, the modernization and greening of the main manufacture processes, the decrease of energy and natural gas consumption and of the consumption of materials, increase of the production ability and capacity for more environmental friendly products, respectively greener products such as heat exchangers from brazed aluminium.

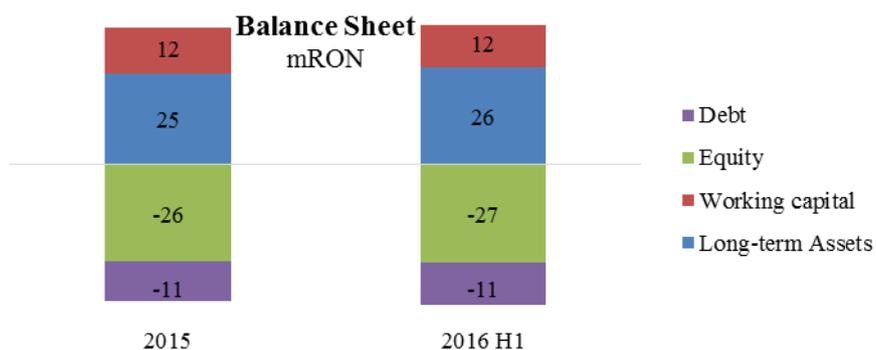
The company performs its activity on the Eastern industrial platform of Brașov, within a total area of 28,762 sq m, of which 9,123 sq m of built area, as follows:

- Production hall – manufacture of aluminium radiators, processing through cutting and pressing;
- Production hall – manufacture of metallic parts;
- Production hall – painting and refurbishing;
- Production hall – manufacture of copper-brass radiators;
- Production hall – maintenance of vehicles, tools and instruments;
- Storage of raw materials and finished products.

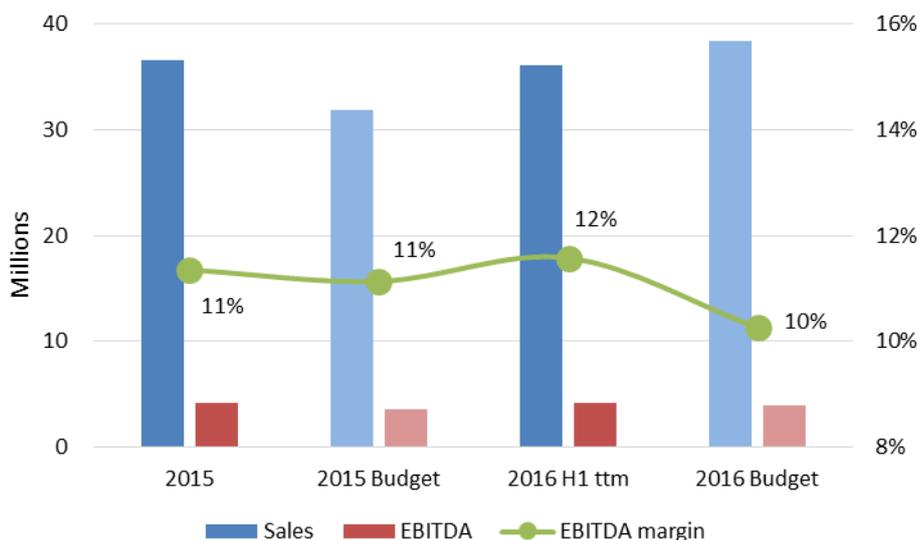
**Synthetic financial information**

The presentations are based on issuer's financial statements, according to the reports published until the date the report was drafted.

Balance sheet indicators		2015	2016 H1
Non-current assets	RON	24,501,309	26,111,146
Working capital (non-cash)	RON	8,412,258	8,052,514
Cash and cash equivalents	RON	4,062,585	3,598,100
Equity	RON	26,175,939	26,538,995
Financial debts (incl. provisions)	RON	10,800,213	11,222,765



Operating indicators		2015	2015 BVC	2016 H1 ttm	2016 BVC
Sales	RON	36,518,924	31,850,000	36,116,914	38,319,566
EBITDA	RON	4,145,098	3,546,256	4,180,681	3,928,850
EBITDA margin		11%	11%	12%	10%
Operating income	RON	2,168,668	1,645,906	1,917,423	1,554,078
operating margin		6%	5%	5%	4%
Net income	RON	1,613,475	707,583	1,441,055	885,425
net margin		4%	2%	4%	2%



### Aspects regarding the stake held by S.I.F. Transilvania

- classifications: assets at fair value through profit or loss;
- fair value measured based on 3<sup>rd</sup> level inputs (unobservable data according to I.F.R.S. 13);
- income approach – method of discounted cash flows.

## ANALYSIS OF FINANCIAL STATEMENTS

### Economic and Financial Position

The Company's economic and financial position as at the end of Q3 2016 can be synthetized as follows:

### Statement of Assets, Liabilities and Shareholders' Equity

INDICATORS	-RON-		
	BALANCE AT THE END OF THE PERIOD (RON)		
	30.09.2016	31.12.2015	30.09.2015
<b>NON-CURRENT ASSETS</b>			
Intangible assets	298,927	435,495	657,040
Tangible assets	11,447,776	11,735,258	11,659,491
Financial assets	930,204,165	970,588,193	962,765,518
<b>TOTAL NON-CURRENT ASSETS</b>	<b>941,950,868</b>	<b>982,758,946</b>	<b>975,082,049</b>
<b>CURRENT ASSETS</b>			
Inventories	65,275	67,633	61,589
Receivables	4,817,660	7,801,314	8,556,386
Short-term financial investments	-	-	12,181,504
Cash and bank accounts	54,616,594	9,043,064	29,142,481
<b>TOTAL CURRENT ASSETS</b>	<b>59,499,529</b>	<b>16,912,011</b>	<b>49,941,960</b>
<b>DEFERRED EXPENSES</b>	<b>236,499</b>	<b>156,948</b>	<b>210,977</b>
<b>TOTAL ASSETS</b>	<b>1,001,686,896</b>	<b>999,827,905</b>	<b>1,025,234,986</b>
<b>LIABILITIES</b>			
Liabilities due within less than one year (current liabilities)	69,971,530	54,381,131	90,211,902
Liabilities due within more than one year - total	27,274,779	33,967,269	21,803,595
<b>TOTAL LIABILITIES</b>	<b>97,246,309</b>	<b>88,348,400</b>	<b>112,015,497</b>
<b>OTHER PROVISIONS</b>	<b>159,577</b>	<b>159,577</b>	<b>159,577</b>
Tax provisions (registered in the reserves accounts)	-	-	-
<b>CAPITAL AND RESERVES</b>			
Subscribed and paid-in share capital	218,428,666	218,428,666	218,428,666
Share capital adjustments	-	669,806,471	669,806,471
Other equity	143,192,590	178,328,165	114,460,143
Revaluation reserves	9,684,169	9,684,169	9,780,607
Total reserves, of which:	446,929,802	483,989,704	475,623,192
Legal reserves	32,900,239	32,900,239	24,533,728
Profit/loss carried forward (excl. the ones resulting from the first implementation of IAS26)	-	-129,341,325	-86,577,082
Profit/loss carried forward resulting from the first implementation of IAS29	-	-669,806,471	-669,806,471
<b>PROFIT/LOSS OF THE YEAR</b>	<b>86,045,783</b>	<b>158,597,060</b>	<b>181,344,386</b>
Distribution of profit	-	-8,366,511	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>904,281,010</b>	<b>911,319,928</b>	<b>913,059,912</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,001,686,896</b>	<b>999,827,905</b>	<b>1,025,234,986</b>

Source: S.I.F. Transilvania

As at September 30, 2016, the Company's **total assets** increased by RON 1.9 million compared to the end of the previous year, as follows:

- **Non-current assets** decreased by RON 40.8 million.

*Note: The explanatory notes that accompany the quarterly financial statements offer details on tangible assets (note 14).*

As concerns the movements in the portfolio of financial instruments recorded between January 1, 2016 and September 30, 2016, we note the following:

- a) shares and fund units amounting RON 32.7 million entered the portfolio (exclusively contributions to share capital increases), out of which through:
  - ✓ purchases of fund units from external capital markets (ETFS 3xDAILY Short DAX30, ETFS Coffee) – RON 7.9 million;
  - ✓ purchases of unlisted fund units (Star Value Closed-End Investment Fund) – RON 3.0 million;
  - ✓ purchases of shares from external capital markets (Banco Santander, Invensense and Erste Group, E.ON) – RON 7.0 million;
  - ✓ purchases of shares / ETF from Romanian capital markets (Omv Petrom, Stock Exchange, EB Gold Turbo, Erste Group Turbo Short Dax, Fondul Proprietatea, Gastronom, S.N.G.N. Romgaz, Sibex Sibiu, Societatea Energetica Electrica) – RON 14.6 million;
  - ✓ purchases of unlisted shares (S.I.F. Transilvania Project Management Company) – RON 0.2 million;

During the mentioned period, the Company participated to the share capital increase of the company Stațiunea Oglinzi, through cash contribution amounting RON 0.09 million.

- b) shares and fund units exited the portfolio through sale, totalizing RON 71.3 million, out of which:
  - ✓ sales of unlisted instruments amounting RON 1.8 million;
  - ✓ sales on internal capital markets amounting RON 43.8 million;
  - ✓ sales on external capital markets amounting RON 25.7 million.

- **Current assets** increased by RON 42.6 million, as follows:
  - ✓ receivables decreased by RON 3.0 million;
  - ✓ cash and bank accounts increased by RON 45.6 million.

*Note: The explanatory notes that accompany the quarterly financial statements include details on the cash and bank accounts (note 11) and on receivables (note 15).*

- **Deferred expenses** increased by RON 0.08 million.

The Company's **liabilities** as at the end of Q3 2016 totalize RON 97.2 million, being by RON 8.9 million higher than the ones recorded at the end of the previous year, the increase being generated by the dividends distributed during this year from the profit of financial year 2015.

As concerns the **current liabilities** outstanding as at September 30, 2016, the amount of RON 65.6 million (93.6%) represents the dividends due to shareholders. From this amount RON 7.6 million represents dividends distributed from the profit obtained by the Company during the financial year 2014 which have not been requested for payment by the beneficiaries.

*Note: The detailed statement of dividends payable as at September 30, 2016 is presented in the explanatory note 16.*

The Company has not concluded any loan agreements, and the liabilities due within more than 1 year represent the deferred tax calculated for the gain from the fair value differences of the assets available for sale.

Compared to the end of the previous year, **the shareholders' equity** as at September 30, 2016 is by RON 7.0 million lower, the decrease being mainly generated by the loss registered from the measurement at fair value of the financial assets in the portfolio.

### Evolution of the calculated net asset

The net asset, calculated according to the methodology provided in the internal procedure in line with the N.S.C. Order of measures no. 23 / 20.12.2012 (September 30, 2015), respectively the F.S.A. Regulation 9 / 2014 (September 30, 2016), compared to the similar period of the previous year, has had the following evolution:

INDICATORS	RESULTS ON:		-RON- EVOLUTION (%)
	September 30, 2016 <sup>**</sup>	September 30, 2015 <sup>*</sup>	2016 /2015
Total assets – calculated amount	1,001,686,896	1,203,987,434	83.20
Total liabilities - calculated amount	97,246,309	90,558,133	107.39
<b>Calculated net asset</b>	<b>-RON- 904,440,587</b>	<b>1,113,429,301</b>	<b>81.23</b>
	<b>-RON / share- 0.4141</b>	<b>0.5097</b>	<b>81.24</b>

Source: S.I.F. Transilvania

<sup>\*</sup>) Calculated according to the internal procedure, in line with the N.S.C. Order of measures no. 23 / 20.12.2012, procedure that can be found on the Company's website: [www.siftransilvania.ro](http://www.siftransilvania.ro).

<sup>\*\*</sup>) Calculated according to the internal procedure, in line with the F.S.A Regulation 9 / 2014, procedure that can be found on the Company's website: [www.siftransilvania.ro](http://www.siftransilvania.ro).

### Cash flow

During Q3 2016 the Company registered a positive cash flow, the detailed statement being found in the Statement of Cash Flows.

**Result of the Financial Year and Execution of the Revenue and Expenditure Budget**

-thousand RON-

INDICATORS	REB 2016	REB Sep.2016	Achieved Sep. 2016	Achievement degree compared to:	
				REB 2016	REB Sep.2016
Dividend income	24,750	23,630	24,938	100.76	105.54
Interest income	1,100	691	832	75.64	120.41
Gain/Loss from financial assets	19,100	-2,300	42,413	222.06	-
Other operating income	37,000	37,000	38,320	103.57	103.57
<b>Net operating income</b>	<b>81,950</b>	<b>59,021</b>	<b>106,503</b>	<b>129.96</b>	<b>180.45</b>
Personnel expenses	10,700	8,025	8,325	77.8	103.74
Commissions and fees	4,730	3,760	1,920	40.59	51.06
Other expenses	4,462	3,408	3,630	81.35	106.51
<b>Profit before tax</b>	<b>62,058</b>	<b>43,828</b>	<b>92,628</b>	<b>149.26</b>	<b>211.34</b>

Source: S.I.F. Transilvania

**The net income** registered during Q3 2016 (cumulated as of the beginning of the financial year 2016) is by RON 47.5 million higher compared to the income provided in the revenue and expenditure budget for the first 9 months of 2016, respectively by RON 24.6 million higher than the one provided in the revenue and expenditure budget for the entire year 2016.

**The operating expenses** recorded during the 3<sup>rd</sup> quarter of 2016 totalize RON 13.9 million, being by RON 1.3 million higher than the ones provided in the revenue and expenditure budget for the first 9 months of 2016, and represent 69.8% of the ones provided in the budget approved for this year. **The profit before tax** as at September 30, 2016 amounts RON 92.6 million, by RON 30.6 million higher than the one provided in the revenue and expenditure budget for the entire financial year.

**Other significant information**

**Presentation and analysis of the trends, items, events or uncertainty factors that influence or might influence the Company's liquidity, compared to the same period of the previous year**

At this moment we are not aware of any items, events or uncertainty factors that might influence or could negatively and significantly influence the Company's liquidity.

The financial statements drafted for Q3 2016 represent the condensed interim financial statements prepared for the activity performed by the Company considering the going concern principle.

**Presentation and analysis of events, transactions, economic changes that influence in a significant manner the income obtained from the main activities compared to the corresponding period of the previous year**

The revenues and expenses recorded by the Company during Q3 2016, as well as the ones estimated to be achieved during the following period are and shall be influenced both by the evolution of the capital market and the financial position and performances recorded by the companies from S.I.F. Transilvania portfolio.

**Changes that influence the Company's capital and management**

For a better framing in the corporate governance principles, the Company's shareholders decided in the E.G.M.S. of April 20, 2013 on the change of the Company's management form and the passing from the one-tier to the two-tier management system, as well as the amendment and supplementation of other provisions of Company's Articles of Incorporation. The new Articles of Incorporation can be found on company's website at: [www.siftransilvania.ro](http://www.siftransilvania.ro).

According to the Company's Articles of Incorporation approved by the E.G.M.S. on April 20, 2013, S.I.F. Transilvania is managed in a two-tier system by an Executive Board controlled by a Supervisory Board which consists of seven natural persons members.

As at September 30, 2016, one of the members of the Supervisory Board elected based on the O.G.M.S. Decision of April 29, 2015 does not exercise his membership until the ruling of the final decisions in Files no. 4415 / 62 / 2014 and 3605 / 62 / 2014, decisions based on which F.S.A. will analyse the endorsement of the change in the membership of the Supervisory Board, according to the above mentioned O.G.M.S. Decision.

As at September 30, 2016, the subscribed and paid-in share capital amounts to RON 218,428,666.40 and corresponds to a number of 2,184,286,664 outstanding shares.

**Description of situations in which the Company could not observe its financial obligations during Q3 2016**

The Company has permanently had the necessary liquidities that allowed it to timely honour all its financial obligations. At this moment, there are no factors or events leading to the Company's impossibility of observing its due financial obligations.

**Description of any change in the rights of the holders of securities issued by the Company**

As concerns the shareholders whose individual and/or joint holdings exceed the 5% threshold of the Company's share capital, the Company has verified the situation of the voting rights for the reference date of the General meeting of shareholders convened for April 2016, under the conditions provided in the applicable regulations issued by the F.S.A.

The Company informed the investors on the observance of the aforementioned threshold, as well as on the suspended voting rights, by publishing on its website (“Notifications” section) information from the statements on holdings and/or notifications received from shareholders, as well as information necessary for the calculation of the 5% threshold of the share capital, provided by article 286 of Law 297 / 2004 and article 2, paragraph (1) of the F.S.A. Instruction 6 / 2012.

### **Significant transactions carried out during Q3 2016**

During the analysed period, the Company’s investments targeted purchases/sales on both the internal market and the external market.

During Q3 2016, the stakes held in the companies Complex Savoy Constanța and UPRUC CTR were sold and the general insolvency procedure for the company Organe de Asamblare was started.

During the said period, the company A.P.I. Brașov was removed from portfolio as result of the merger by absorption by the company Cristiana Brașov, according to the E.G.M.S. Decision of February 15, 2016 (A.P.I.), respectively February 17, 2016 (Cristiana).

During Q3 2016, the Company has performed a transaction with a member of the Executive Board, from whom a total of 6,749 shares was acquired, having a nominal value of RON 10/share, at an acquisition price of RON 7.51/share, shares issued by S.I.F. Transilvania Management Company (15% of the share capital) totalling RON 50,684.99.

**FINANCIAL AND ECONOMIC RATIOS AS AT SEPTEMBER 30, 2016**

RATIO	CALCULATION METHOD	RESULT
Current liquidity ratio <sup>1)</sup> (coefficient)	Current assets/Current liabilities	0.85
Debt ratio <sup>2)</sup> (%)	$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100$	not applicable
Receivables turnover <sup>3)</sup> (days)	$\frac{\text{Average clients balance (total receivables)}}{\text{Turnover}} \times 270$	16 days
Non-current assets turnover <sup>4)</sup> (coefficient)	$\frac{\text{Turnover}}{\text{Non – current assets}}$	0.11

Source: S.I.F. Transilvania

Obs.: The ratios are calculated according to the Appendix 30B to F.S.A Regulation 1 / 2006.

<sup>1)</sup> This indicator offers the guarantee of covering the current liabilities from current assets

<sup>2)</sup> Expresses the efficiency of credit risk management. S.I.F. Transilvania has concluded no loan agreements.

<sup>3)</sup> Expresses the Company's effectiveness in collecting its receivables, respectively the average number of days during which the debtors pay their debts to the Company. In the case of SIFs, turnover means the total net income from the current activity and in order to establish the average clients' balance all net receivables included in the balance sheet were calculated, the highest values being held by the debts resulting from dividends and related accessories, due and not collected.

<sup>4)</sup> Expresses the effectiveness of the non-current assets management. The shares measured at fair value held in the companies in the portfolio is of 98% of the total non-current assets recorded in the Statement of assets at row 19 col. 2, registered in the book keeping.

**INTERIM CONDENSED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2016**

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The interim condensed financial statements attached to this report, i.e. the "Statement of Financial Position", the "Statement of Profit and Loss and Other Comprehensive Income" and the corresponding Explanatory Notes, have been prepared as at September 30, 2016, in the national currency (RON) in accordance with the Financial Supervisory Authority (F.S.A.) Norm. no. 39/2015, regarding the approval of the accounting regulations in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, applicable to entities authorized, regulated and supervised by the F.S.A. – Financial Investments and Instruments Sector.

In accordance with article 6 of Norm 39/2015, at December 31, 2015 the Company has prepared a trial balance that contains the financial information in accordance with the IFRS, trial balance that was used in the preparation of the financial statements for the year ended at December 31, 2015 through the adjustment to IFRS of the financial information prepared in accordance with the F.S.A Regulation no 4/2011 regarding the Accounting Regulations compliant with Directive IV of the European Community applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority approved by Order no.13 / 2011.

The Company has not prepared any Interim Financial Reports during the year 2015 according to IAS 34 "Interim Financial Reporting". In order to ensure data comparability, the comparative data for the 1<sup>st</sup> half-year of 2015 prepared in accordance with the F.S.A Regulation no. 4/2011, have been restated in accordance with I.F.R.S.

Please note that the Financial Statements as at September 30, 2016 have not been audited by the Company's statutory Financial Auditor, given that only the Annual Financial Statements are subject to a financial audit.

**STATEMENT OF FINANCIAL POSITION**

*-RON-*

	<i>Note</i>	<b>September 30, 2016</b>	<b>December 31, 2015</b>
Cash and cash equivalents	<i>11</i>	54,620,157	9,043,219
Financial assets at fair value through profit and loss	<i>12</i>	446,500,221	435,155,996
Available-for-sale securities	<i>13</i>	483,703,944	535,432,203
Intangible assets		298,927	431,055
Tagible assets	<i>14</i>	11,447,776	11,735,258
Other financial assets	<i>15</i>	4,792,822	7,781,386
Other assets		323,049	248,788
Deferred income tax assets			
<b>Total Assets</b>		<b>1,001,686,896</b>	<b>999,827,905</b>
Provisions	<i>18</i>	159,577	159,577
Other financial liabilities	<i>16</i>	67,312,057	48,498,256
Other liabilities	<i>17</i>	781,429	2,305,401
Current income tax liabilities	<i>10</i>	1,878,044	3,577,474
Deferred tax liabilities		27,274,779	33,967,269
<b>Total Liabilities</b>		<b>97,405,886</b>	<b>88,507,977</b>
Share capital	<i>19</i>	218,428,666	888,235,137
Revaluation reserve related to tangible assets	<i>20</i>	9,684,169	9,684,169
Reserves from the fair value revaluation of available-for-sale securities	<i>21</i>	143,192,590	178,328,165
Other reserves	<i>22</i>	446,929,802	483,989,704
Retained earnings		86,045,783	(648,917,247)
<b>Total Shareholders' Equity</b>		<b>904,281,010</b>	<b>911,319,928</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,001,686,896</b>	<b>999,827,905</b>

The Interim Condensed Separate Financial Statements have been approved by the Executive Board and the Supervisory Board and have been signed by:

Executive Vice President/Deputy CEO  
 Ec. Iulian STAN, Ph.D.

Executive Vice President/Deputy CEO  
 Ec. Marius Adrian MOLDOVAN

Financial Manager  
 Ec. Adriana BOIAN

Notes 1 to 32 are an integral part of these financial statements.

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

**-RON-**

	<i>Note</i>	<b>9 months ending September 30, 2016</b>	<b>9 months ending September 30, 2015</b>
Dividend income	3	24,938,083	15,747,476
Interest income	4	831,717	1,246,946
Net gain/(loss) from available-for-sale securities	5	14,823,271	18,431,478
Net gain/(loss) from changes in fair value of financial assets at fair value through profit or loss		27,590,109	165,914,796
Other operating income	6	38,319,856	9,214
<b>Total net income</b>		<b>106,503,036</b>	<b>201,349,910</b>
Personnel expenses	7	(8,324,747)	(8,125,668)
Fees and commissions expense	8	(1,919,906)	(2,922,291)
Other operating expenses	9	(3,629,975)	(3,894,025)
<b>Profit/(Loss) before tax</b>		<b>92,628,408</b>	<b>186,407,926</b>
Income tax	10	(6,582,625)	(5,063,540)
<b>Net profit/(loss) 3rd Quarter 2016</b>		<b>86,045,783</b>	<b>181,344,386</b>
<b>Other comprehensive income</b>			
Items that may subsequently be reclassified to profit or loss:			
Profit/Loss from changes in fair value of investment securities available for sale, net of deferred tax		(35,135,575)	114,460,143
Items that will not be subsequently reclassified to profit or loss			
Changes in the fixed assets revaluation surplus	20		(184,305)
<b>Total other comprehensive income</b>		<b>(35,135,575)</b>	<b>114,275,837</b>
<b>Total comprehensive gain/(loss) for the 3rd Quarter 2016</b>		<b>50,910,208</b>	<b>295,620,224</b>
<b>Earnings per share</b>		<b>0.03939</b>	<b>0.08302</b>
<b>Diluted earnings per share</b>		<b>0.03939</b>	<b>0.08302</b>

The Interim Condensed Separate Financial Statements have been approved by the Executive Board and the Supervisory Board and have been signed by:

Executive Vice President/Deputy CEO  
 Ec. Iulian STAN, Ph.D.

Executive Vice President/Deputy CEO  
 Ec. Marius Adrian MOLDOVAN

Financial Manager  
 Ec. Adriana BOIAN

Notes 1 to 32 are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**

**FINANCIAL YEAR 2016**

-RON-

Item	Share capital	Revaluation reserve for tangible assets	Reserves from the fair value revaluation of available-for-sale securities	Other reserves	Retained earnings	Total
<b>Balance at January 1, 2016</b>	888,235,137	9,684,169	178,328,165	483,989,704	(648,917,247)	911,319,928
<b>Total comprehensive income</b>						
Profit or loss for the year	-	-	-	-	86,045,783	86,045,783
<b>Other comprehensive income</b>						
Changes in fair value of investment securities available for sale, net of deferred tax	-	-	(35,135,575)	-	-	(35,135,575)
Revaluation surplus reserve	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	(35,135,575)	-	86,045,783	50,910,208
Other reserves	-	-	-	(37,059,902)	37,059,902	-
Adjustment due to deconsolidation	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-
Loss coverage	(669,806,471)	-	-	-	669,806,471	-
Dividends distributed to shareholders					(57,949,126)	(57,949,126)
<b>Balance at Spetember 30, 2016</b>	<b>218,428,666</b>	<b>9,684,169</b>	<b>143,192,590</b>	<b>446,929,802</b>	<b>86,045,783</b>	<b>904,281,010</b>

**STATEMENT OF CHANGES IN EQUITY**

**FINANCIAL YEAR 2015**

	Share Capital	Revaluation reserve for tangible assets	Reserves from the fair value revaluation of available for sale securities	Other reserves	Retained earnings	Total
						-RON
<b>Balance at 1 January, 2015</b>	888,235,137	9,964,912	411,277,318	448,135,359	(751,181,644)	1,006,431,082
<b>Total comprehensive income</b>						
Profit or loss for the year	-				181,344,386	181,344,386
<b>Other comprehensive income</b>	-					
Changes in fair value of investment securities available for sale, net of deferred tax	-		114,460,143			114,460,143
Revaluation surplus reserve	-	(184,305)			184,305	
<b>Total comprehensive income</b>	-	(184,305)	114,460,143		181,528,691	295,804,529
Other reserves	-			27,363,626	(27,363,626)	
Adjustment due to deconsolidation	-		(411,277,318)		49,405,202	(361,872,117)
Legal reserve	-			124,207	(124,207)	
Dividends distributed to shareholders					(27,303,583)	(27,303,583)
<b>Balance at September 30, 2015</b>	888,235,137	9,780,607	114,460,143	475,623,192	(575,039,167)	913,059,912

**STATEMENT OF CASH FLOWS**

	<i>Note</i>	<b>9 months ending September 30, 2016</b>	<b>Financial year ending December 31, 2015</b>	<b>-RON- 9 months ending September 30, 2015</b>
<b>Cash flows from operating activities,</b>				
total, out of which:		<b>47,885,319</b>	<b>5,757,472</b>	<b>25,734,230</b>
Receipt from clients (including from subsidiaries and creditor clients)			673	673
Payments towards suppliers and employees (including towards subsidiaries and associates)		(9,278,976)	(13,956,918)	(10,150,679)
Income tax payments		(8,282,055)	(10,453,278)	(8,765,431)
Payments of other tax, contributions and other payments towards state budget (excluding income tax and dividend tax)		(4,211,759)	(4,638,954)	(3,595,944)
Other operating payments or receipts		226,261	193,132	(85,041)
Payments for purchasing shares and fund units, out of which:		(30,459,611)	(129,534,600)	(109,096,138)
- financial assets at fair value through profit or loss		(1,364,073)	(11,173,603)	(9,992,103)
Payments for the acquisition of bonds				
Payments for the acquisition of tangible and intangible assets		(195,483)	(629,494)	(555,260)
Proceeds from the sale of shares		72,524,299	146,998,562	141,736,626
Proceeds from the sale of tangible assets			103,403	72,264
Interest received		2,301,994	1,594,346	1,180,920
Dividends received		25,503,648	16,173,557	15,189,233
Other payments and receipts from investment activities (trading sales commission and exchange rate differences)		(242,999)	(92,957)	(196,993)
<b>Cash flows from financing activities,</b>				
total, out of which:		<b>(2,308,381)</b>	<b>(19,294,287)</b>	<b>(19,168,959)</b>
Dividends paid to shareholders (including dividend tax)		(2,308,381)	(19,294,287)	(19,168,959)
<b>Net cash flow</b>		<b>45,576,938</b>	<b>(13,536,815)</b>	<b>6,565,271</b>
Cash and cash equivalents available at the beginning of the financial year	<i>11</i>	9,043,219	22,580,034	22,580,034
Cash and cash equivalents available at the end of the financial year	<i>11</i>	54,620,157	9,043,219	29,145,305

## **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

The main accounting policies used for the preparation of the present financial statements in accordance with I.F.R.S. are presented below.

The present Financial Statements have been prepared according to the going concern accounting principle.

#### **1.1. Basis of preparation**

The Company prepares its Financial Statements in accordance with the Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 27 - Consolidated and Separate Financial Statements (“Amendments”), following its classification as an investment entity starting January 01, 2015.

#### **1.2. Compliance Statement**

In accordance with article 6 of Norm 39/2015, at 31 December 2015 the Company has prepared a trial balance that contains the financial information in accordance with the IFRS, trial balance that was used in the preparation of the financial statements for the year ended at 31 December 2015 through the adjustment to IFRS of the financial information prepared in accordance with the C.N.V.M/F.S.A Regulation no 4/2011 regarding the Accounting Regulations compliant with Directive IV of the European Community applicable to entities authorized, regulated and supervised by the National Securities approved by Order C.N.V.M No.13 / 2011.

#### **1.3. Basis of measurement**

Starting 01 January, 2015, the Company values all its financial investments at fair value. The assets and non-financial liabilities are measured at their historical cost, revaluated value or historical cost.

#### **1.4. Foreign currency conversion**

a) *Functional and presentation currency*

The functional currency is the Romanian leu (RON). This is the currency of the primary economic environment in which the Company performs its activity.

The financial statements are prepared and presented in RON, unless otherwise stated.

b) *Transaction and balances valuation*

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into RON currency at the official exchange rate of the National Bank of Romania (“NBR”) at the end of the period. The conversion to

the official exchange rate is not applied to non-monetary assets and liabilities measured at fair value; for the latter, the exchange rate on the day the fair value was determined is used.

The exchange rate of major foreign currencies was:

Currency	September 30, 2016	September 30, 2015	Increase/Decrease (%)
Euro (EUR)	1: RON 4.4523	1: RON 4.4167	1.01
US Dollar (USD)	1: RON 3.9822	1: RON 3.9342	1.01

The exchange rate differences resulted from the monetary and non-monetary items are reported as follows:

- i. as part of the gain or loss recorder in „Other operating income” for the elements of cash and cash equivalents;
- ii. as part of the gain and losses resulted form the revaluation of the financial assets at fair value through profit or loss included under „Net gain/(loss) from changes in fair value of financial assets at fair value through profit or loss”.

### **1.5. Use of estimates and judgements**

The preparation of financial statements in accordance with IFRS requires the use of management estimates, judgments and assumptions that affect the amounts recognized in the financial statements, as well as the following year reported value of the assets and liabilities. Estimates and assumptions associated with these are based on historical experience and other factors deemed reasonable in light of the given circumstances, and the result of these considerations represents the basis for the judgements used when establishing the accounting value of the assets and liabilities for which no other valuation sources are available. The results obtained may differ from the value of the estimates.

Estimates and underlying assumptions are periodically reviewed. The revisions of accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in future periods if the revision affects both current period and following periods.

Change in estimates, by its nature, is not related to prior periods and does not represent a correction of errors.

As an exception to the presentation of the effect of a change in the estimate presented above, if these kinds of change give rise to changes in assets and liabilities or equity, the effect of changes will be presented by adjusting assets, liabilities or equity in the period of the change.

## **2. GENERAL CONSIDERATIONS REGARDING THE ACCOUNTING POLICIES APPLIED**

If a standard or interpretation specifically applies to a transaction, event or condition, then the accounting policies applied to that item are considered selected through the application of the standard or of the respective interpretation, taking into account any implementation guidance issued by the International Accounting Standards Board (“IASB”) for the standard or interpretation in question.

The change of an accounting policy is permitted only under one of the following conditions:

- the change is imposed by a standard or an interpretation;
- the change will provide more reliable and relevant information about the effects of transactions, events and conditions.

The material errors of the previous period identified with regards to the recognition, valuation, presentation or disclosure of financial statements elements must be corrected retroactively in the first financial statements that are authorized for issuance through:

- restating the comparative amounts for the prior period presented in which the error occurred
- restating the opening balances of the assets, liabilities and equity, for the earliest prior period presented, if the error has occurred before the earliest prior period presented.

### ***Subsidiaries and associated entities***

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has rights to the variable benefits that can be obtained from the involvement of the Company in the activity of its subsidiary and when the Company has the possibility to influence such benefits through the control owned over the subsidiary.

The associated entities are those entities over which the Company has significant influence over the financial and operational policies but does not have control, or joint control. The existence of significant influence is determined, in each reporting period, through the analysis of the shareholder structure of the entities in which the Company owns 20% or more of the voting rights, analysis of the constitutive acts and also of the Company’s capability to participate in the decision making process over the financial and operational policies of the respective entity.

### **2.1 Presentation of financial statements**

The financial statements are presented in accordance with IAS 1 “Presentation of Financial Statements”. The Company has adopted a liquidity based presentation in the Statement of Financial Position and a presentation of the revenue and expenses according to their nature in the Statement of Profit or Loss and Other Comprehensive Income, believing that these methods of presentation provide more relevant information than other methods allowed by IAS 1 “Presentation of financial statements”.

## **2.2 Accounting for the effect of hyperinflation**

Until December 31, 2003, Romania met the definition of a hyperinflationary economy as defined by the International Accounting Standard (“IAS”) 29 “Financial Reporting in Hyperinflationary Economies”. IAS 29 mentions that economies should be regarded as hyperinflationary if, among other factors, the cumulative inflation rate over a period of three years exceeds 100%. IAS 29 requires that financial statements prepared on a historical cost basis be adjusted to take into account the effects of inflation, for entities reporting in hyperinflationary economies.

The Company has used the general price index reported by the Statistics National Institute of Romania in applying IAS 29 for restating non-monetary items from the date of acquisition or contribution.

Effective 1 January 2004, the economy of Romania ceased to meet the criteria of hyperinflationary economy. Accordingly, starting January 01, 2004, the Company ceased to apply IAS 29 on a prospective basis. As a result of this change, the carrying amounts of non-monetary assets expressed in RON at December 31, 2003 formed the basis for the respective assets amounts from January 01, 2004 onwards. The Company has restated its share capital in accordance with the requirements of IAS 29.

Some of the resolutions of the Ordinary General Meeting of Shareholders that took place on April 28, 2016 were the following:

- ✓ coverage of the accounting loss carried forward registered in the account 118 „retained earnings due to the first-time adoption of IAS 29”, resulting from the application of IAS 29 „Financial reporting in hyperinflationary economies”, from the amounts reflected in account 1022 „Share capital adjustments”;
- ✓ coverage of the loss registered in account 117 „Retained earnings due to the transition to IFRS, with the exception of IAS 29”, from the reserves reflected in account 10683 „Other reserves-own financing sources created from the profit of previous years”.

## **2.3 Financial assets and financial liabilities**

### **I. Recognition**

Financial assets and financial liabilities are initially measured at fair value plus, in the case of financial assets and financial liabilities other than those at fair value through profit or loss, directly attributable transaction costs.

*Transaction costs* are incremental costs that are directly attributable to the acquisition, issue or sale of any financial instrument. An incremental cost is a cost that would not have been born, had the transaction not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and stock exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The Company initially recognizes bank deposits on the date they originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on the settlement date.

Mergers of the companies in the Company's portfolio are recognized at the time the merger is registered in the Trade Register.

The shares received by the Company free of charge from the companies in its portfolio following a share capital increase by incorporation of reserves, are not recognized.

## II. Classification

Starting January 01, 2015, the Company classified its investments in subsidiaries and associated entities as financial instruments held at fair value through profit and loss. The Company's investments in other share capital items, corporate bonds and fund units (other than investments in subsidiaries and associated entities) are classified as financial assets at fair value through profit and loss.

### *(a) Financial assets and financial liabilities at fair value through profit or loss*

The financial instruments measured at fair value through profit and loss are initially recognized at fair value, and the transaction costs are included in the statement of profit and loss. The subsequent measurements are performed at fair value, and the changes in fair value are recorded in the statement of profit and loss. The financial instruments measured at fair value through profit or loss are not subject to impairment tests.

### *(b) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, other than:

- those that the Company (holds for trading), intends to sell immediately or in the near future, that the Company, upon initial recognition, designates as non-derivative financial assets at fair value through profit and loss;
- those that the Company, upon initial recognition, designates as available for sale;
- those for which the holder may not substantially recover the initial investment in its entirety, other than for credit deterioration.

Loans and receivables include "Other financial assets", "Cash and current accounts" and "Corporate bonds".

### *(c) Financial assets available for sale*

The Company's investments in equity instruments, corporate bonds and fund units (other than subsidiaries and associates) are classified as financial assets available for sale.

The method used to derecognize each category of financial assets available for sale is "first in, first out".

The available-for-sale financial assets are measured at fair value, while all the other elements regarding changes in the fair value are recognized in other comprehensive income for the year until the investment is derecognized or depreciated, when the accumulated gain or loss is reclassified from other comprehensive income to profit and loss of the year.

***(d) Cash and cash equivalents***

Cash and cash equivalents consist of petty cash and cash at bank, including short-term deposits. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

For the purposes of preparing the Cash Flow Statement, cash and cash equivalents include petty cash, current bank accounts, including deposits with original maturity within up to 3 months, cash in transit, other short-term investments that are convertible into cash at any time and that are subject to an insignificant risk of change in value and overdraft facilities as well as their accompanying receivables.

***(e) Trade receivables***

Trade receivables are included in the category of financial assets.

A financial asset is recognized in the statement of financial position when, and only when the Company becomes part of the contractual conditions of said instrument.

Trade receivables are carried at original invoice amount less any allowance (impairment adjustment) created for doubtful debts. The amount of impairment adjustment (adjusting for impairment) is calculated as the difference between the carrying amount and the recoverable amount.

***(f) Other financial assets and financial liabilities***

Other financial assets and liabilities are measured at amortized cost using the effective interest method, less any impairment losses (for financial assets).

**III. Fair value measurement**

An essential element of the definition of an investment entity is that it quantifies and assesses the performance of the majority of its investments on a fair value basis.

*Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The best evidence of fair value is a quoted market price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

All shares admitted to trading on the Bucharest Stock exchange or on other regulated markets in a Member State are included in the “Shares traded on an active market” category.

The Company believes that the accurate determination of the fair value is an essential requirement for presenting true information that is useful to the investors and the Company’s key personnel for proper decision-making purposes.

In order to achieve this, a methodology was put in place to estimate the fair value of the financial instruments in compliance with the requirements of ANEVAR Valuation Standards - “SEV” - (standards including the International Valuation Standards) and with the International Financial Reporting Standards on estimating the fair value (IFRS 13 “Fair value measurement”).

The methods were established separately for:

- i) Capital instruments (shares held in trading companies);
- ii) Corporate bonds; and
- iii) Fund units portfolio.

Fair value measurements are analyzed according to the level in the fair value hierarchy, as follows:

- (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) level two includes measurement techniques using all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- (iii) level three are measurements not solely based on observable market data (that is, the measurement requires significant unobservable inputs).

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

The market price used to determine the fair value of the financial instruments traded on active markets (level 1) is the closing market price on the last trading day before the valuation date. In case of no transactions during the last 30 trading days (work days) prior to the date of the valuation, the fair value taken into account is the one determined by evaluation reports in accordance with the approved methodology for estimating the fair value, or- for fund units- the UNAV calculated by the fund manager.

The review of fair values of level two and level three, for financial instruments in the portfolio is done whenever deemed necessary following the analysis of the information available, given such analysis finds significant changes/events that can impact the fair value.

#### IV. Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the accumulated amortization using the effective interest method of any difference between the initially recognized value and its value at maturity date, minus any reduction for impairment losses.

Accrued interest includes amortization of deferred transaction costs at initial recognition and of any premium or discounts granted for the maturity amount using the effective interest method.

Accrued interest income and accrued interest expense, including both accrued coupon and amortized discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the Statement of Financial Position.

#### V. Depreciation

The Company assesses whether there are objective indications regarding the depreciation of the financial assets at every reporting date. A financial asset is only considered to be depreciated if there are objective indications regarding an event that had generated a loss subsequent to the initial recognition of that asset, an event that impacted the future cash-flows of the financial asset and when such event can be reasonably estimated.

Only the assets available for sale and the ones valued at amortized cost are depreciated.

##### *Financial assets measured at amortized cost*

For financial assets carried at amortized cost, the impairment loss is determined as the difference between the carrying amount of the asset and the value of estimated future discounted cash flows using the effective interest rate of the financial asset at the initial recognition date. The carrying amount is reduced through an adjustment account dedicated to financial assets, while the loss is recognized in the profit or loss account. When a subsequent event that diminishes the impairment loss occurs, the loss is recognized through the profit and loss account.

##### *Financial assets available for sale*

For the financial assets available for sale, when a decline in the fair value of the financial asset has been recognized directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in other comprehensive income will be reversed and recorded in profit or loss, even though the financial asset has not been derecognized.

The amount of the cumulative loss that is transferred from other comprehensive income and is recognized in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed with the amount of the reversal recognized in profit or loss.

In order to determine if the holdings are depreciated, the Company tracks all relevant loss-generating events, such as: significant long term decrease of the fair value below the initial cost, market and business environment circumstances, financial circumstances and short-term perspectives of the company, recent losses, the Financial Auditor's report regarding the most recent Financial Statements, etc.

#### VI. De-recognition

The Company derecognizes a financial asset when the contractual rights to receive cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which all the risks and rewards of ownership of the financial asset are substantially transferred.

The Company fully derecognizes a financial liability when its contractual obligations are settled, cancelled or have expired.

#### VII. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Such a right of offset:

- (a) must not be contingent on a future event and
- (b) must be legally enforceable in all of the following circumstances:
  - (I) in the normal course of business,
  - (II) the event of default and
  - (III) the event of insolvency or bankruptcy.

## 2.4 Tangible assets

### I. Recognition and measurement

The tangible assets are presented at their revalued value less accumulated depreciation and the provision for impairment losses. Tangible assets in progress are capitalized and depreciated once the assets enter into use.

Tangible assets are subject to revaluation with sufficient regularity as to ensure that the carrying amount does not materially differ from the amount otherwise determined using fair value at the end of the reporting period. If there is no market based evidence of fair value, fair value is estimated using an income approach.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity.

Decreases that offset previous increases of the same asset are recognized in other comprehensive income and decrease the previously recognized revaluation surplus in equity; all other decreases are charged to profit or loss for the year.

The revaluation reserve for tangible assets included in equity is transferred directly to retained earnings when the revaluation surplus is realized on the decommissioning or disposal of the asset.

Upon revaluation of tangible assets, accumulated depreciation at the date of revaluation is treated as follows: accumulated depreciation at the date of revaluation is eliminated from the gross carrying amount of the asset, while the gross carrying amount after the recording of revaluation is equal to its revalued amount; this method is used when a detailed valuation of the land and building portfolio is performed.

The revaluation of tangible assets is made at fair value, which is determined based on evaluations made by authorized external and internal certified appraisers.

The most recent revaluation of land and buildings of the Company was performed in 2013 by an independent appraiser.

Gains and/or losses from the de-recognition of tangible assets is determined as difference between revenues from sales of tangible assets and the expenses with their disposal and /or their decommissioning and are recognized in profit or loss for the year (under “other operating income or expenses”)

S.I.F. Transilvania does not own any property classified as „Real estate investments” that must be valued using the fair value model provided by I.A.S. 40.

## II. *Subsequent costs*

The amounts paid or payable, generated by the repairs and daily maintenance costs of the tangible assets owned, are recorded as an expense, according to the accrual accounting principle, changing the value of the Company’s profit or loss for the period.

The amounts paid or payable, generated by operations that lead to an increase in the value and/or the useful life of the asset, through the upgrade of the tangible assets owned, and also the activities that lead to a significant increase in the technical parameters, to an increase in the potential of obtaining future economic benefits are capitalized in the value of the tangible assets (increasing the accounting value of that asset).

## III. *Amortization*

The depreciation expense for each reporting period is recorded in the profit and loss account.

The depreciation is calculated using the accounting value (acquisition cost or revalued value) using the straight line depreciation method, on the entire useful life of the asset (starting with the date of its commissioning) and is recorded as an expense on a monthly basis. Depreciation of an asset starts when the asset is available for use, when it is in the

location and condition necessary for it to operate in the manner intended by management. The depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale), in accordance with IFRS 5, and the date that the asset is derecognized.

The parts of an item of tangible assets that present a cost that is significant in relation to the total cost of that item, shall be depreciated separately.

Depreciation methods and useful lives are established at each reporting date.

Land is not depreciated.

<b><u>Categories</u></b>	<b><u>Years of depreciation</u></b>
Buildings	50
Other equipment, furniture and other tangible assets	up to 12
Vehicles	up to 6

The accounting value of a tangible asset must be derecognized:

- a) upon sale, or
- b) when there are no future benefits expected from the use of the asset or from the sale.

The gain or loss that results from the de-recognition of a tangible asset is included in the profit and loss account when the item is derecognized.

## **2.5 Intangible assets**

Intangible assets that are acquired by the Company are initially valued at cost less accumulated amortization and impairment losses. Intangible assets include software and licenses.

The costs with an intangible asset are recorded as expenses when these incur, except the situations when the costs are part of the intangible assets according to the recognition criteria.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life for software is between 1 to 3 years and licenses are amortized on the validity period, using the straight line method.

## **2.6 Impairment of non-financial assets**

At each balance sheet date, the Company must verify if there are indications of asset impairment. Where such indication exists, the entity shall estimate the asset's recoverable

amount as the greater amount between its value in use and its fair value less any associated costs incurred to sell the asset.

If the carrying amount of an asset is decreased as a result of a revaluation, the decrease shall be recognized in the profit or loss account. However, the decrease shall be recognized in other comprehensive income to the extent that the revaluation surplus presents a credit balance for that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity as revaluation surplus.

## **2.7 Provisions**

Provisions for liabilities and charges are non-financial liabilities of uncertain maturity or amount.

A provision is recognized in the Statement of Financial Position when the Company has a present legal or constructive obligation due to a past event to execute an outflow of economic resources to settle this obligation and when a reliable assessment of the value of such obligation can be accomplished.

In order to determine the amount of the provision, future cash-flows are updated using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

## **2.8 Liability and contingent assets**

Contingent liabilities are not recognized in the financial statements. They are disclosed in notes, unless the possibility of an outflow of economic benefits is removed.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

## **2.9 Dividends payable**

The Company records a liability to pay dividends in the year when the distribution of the profit including dividends has been approved by the General Shareholders Meeting. The profit available to be distributed is the profit for the year, recorded in the Financial Statements prepared in accordance with the International Financial Reporting Standards (IFRS). The dividends that have not been claimed by their rightful owner within a time frame of 3 years are prescribed, date at which the amount is recorded as revenue in the profit and loss account.

## **2.10 Share capital**

Ordinary shares are classified as equity. Share capital has been restated to reflect the impact of IAS 29 up to 1 January 2004 when Romania ceased to be a hyperinflationary economy (Note 19).

## **2.11 Trade payables and other liabilities**

Trade payables are accrued when the counterparty has performed its obligations under the contract and are carried at amortized cost.

## **2.12 Employee benefits**

### *Short-term benefits*

Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are rendered.

In addition to salaries and other rights under contract (according to the articles of incorporation) and according to the Collective Labor Agreement, the directors/members of the Supervisory Board, managers with mandate contract/members of the Executive Board and the Company's employees have the right to receive bonuses and incentives from the employees' profit-sharing fund. The Company includes such benefits under "short-term benefits".

This liability is initially recorded in the profit and loss account for the financial year in which the profit has been obtained as a profit-sharing provision, which will be settled and paid out after the Annual Financial Statements have been approved by the General Meeting of Shareholders. The profit-sharing amounts are paid out no later than 12 months from the GMS approval date.

### *Defined contributions plan*

During the normal course of business, the Company makes payments to the public pension system, health care and unemployment benefit. All employees of the Company are members of the State pension plan and have the legal obligation to contribute to the state scheme (through social contributions). All contributions are recognized in the profit and loss account of the year when the expenses incur.

The Company does not operate any other pension scheme and, consequently, has no obligation in respect of pensions.

### *Long-term benefits*

The Company's net liability regarding the benefits associated with long-term service rendering consists of the value of the future benefits that the employees earned in exchange for the services they rendered during the current and previous period. Under the Collective

Labor Agreement, the employees retiring based on the statutory retirement age regulations will receive a retirement compensation for which the amount will be established and approved by senior management.

### **2.13 Income tax expense**

The current income tax includes the current income tax and the deferred income. Income tax is recognized in profit or loss or in equity if the tax is related to equity components.

Current income tax is the tax payable on the taxable profits of the period, determined using the tax rates available at the balance sheet date and any adjustments related to prior periods.

The deferred tax is determined using the balance sheet method, using the temporary differences arising between the tax base for calculating the tax for assets and liabilities and their carrying amount. The deferred tax is calculated using the tax rates that are expected to be applied to temporary differences when achieving the carrying amount of assets and liabilities, as it is specified in the laws in force at the reporting date. The main temporary differences arise from movements in the fair value and impairment of financial assets available for sale and provisions for employee benefits.

Additional taxes arising from dividends payment are recognized at the same date as the dividends liability.

For the Financial Statements as at September 30, 2016, the income tax rate used to calculate the current and deferred income tax was 16% (December 31, 2015: 16%), while as far as the current income tax, the Company used the anticipated income tax methodology.

### **2.14 Revenue recognition**

The revenues recorded by the Company are accounted for according to their nature (operational, financial).

Revenue is measured at the fair value of the benefit received or receivable. If the transaction is financial, fair value is determined by discounting all future receipts using an imputed interest rate, the difference between the latter and the book value representing interest income. When the result of a transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

### **2.15 Interest income and interest expense**

Interest income and interest expenses corresponding to financial instruments are recognized in profit or loss using the effective interest method based on accrual basis. The effective interest method is a method of calculating the amortized cost of a financial asset

or a financial liability and of allocating the interest income or expense over the relevant period of time.

The effective interest rate is the rate that exactly discounts the estimated future cash flows payable or receivable during the expected life of the financial instrument or, when appropriate, a shorter period, at the reported net value of the asset or financial liability. In order to calculate the effective interest rate, the Company estimates the cash flows, considering all contractual terms of the financial instrument, but does not account for future impairment losses. The calculation includes all fees paid or received between the parties that are part of the effective interest rate, transaction costs, and other premiums or discounts.

## **2.16 Dividend income**

Dividends on equity instruments are recognized in the Income Statement under “Dividend income” when the Company's right to receive payment is established.

## **2.17 Gain from the sale/disposal of financial instruments**

Income from the sale /disposal of participations held will be recognized at the date the property right over them is transferred from seller to buyer, using the account value at the settlement date.

## **2.18 Exchange rate gain/loss**

Foreign currency transactions are recorded in the functional currency (RON) using the official exchange rate of the National Bank of Romania (“NBR”) on the date of each transaction. At the reporting date, the foreign currency monetary items are converted according to the exchange rate on the last working day of the year.

## **3. DIVIDEND INCOME**

At the end of Q3 2016 (respectively Q3 2015), the Company has recorded dividend income as follows:

<b>Entity</b>	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Independența Sibiu	-	1,599,024
T.H.R. Marea Neagră	2,429,569	1,574,720
Euxin Constanța	-	1,263,252
Turism Felix	2,006,906	1,222,958
Cristiana Brașov	1,133,958	1,187,956
OMV Petrom	-	1,084,420
Bursa de Valori București	543,115	637,436
Emailul Mediaș	693,073	625,298
Feper București	-	612,923
Antibiotice Iași	533,683	533,796
S.N.T.G.N. Transgaz Mediaș	-	465,619
Transilvania Leasing & Credit IFN Brașov	423,939	398,019
Conpet Ploiești	-	379,207

Gastronom Buzău	2,262,257	369,540
COMCM Constanța		321,720
S.N.G.N. Romgaz Mediaș	5,775,023	2,831,429
BRD Goupe Societe Generale	7,150,998	-
Unicom	11,413	-
Utilaj Greu	761,962	-
Grup Bianca Trans	169,272	-
Soft Aplicativ și Servicii	24,197	-
Altele	1,018,718	640,159
<b>TOTAL</b>	<b>24,938,083</b>	<b>15,747,476</b>

#### 4. INTEREST INCOME

Comparatively, the interest income recorded as at September 30, 2015 and as at September 30, 2016 are shown below:

	<b>-RON-</b>	
	<b>September 30, 2016</b>	<b>September 30, 2015</b>
Interest income from bank deposits	44,311	54,586
Interest income from corporate bonds	787,406	1,150,171
Interest income from fund units	-	42,189
<b>Total interest income</b>	<b>831,717</b>	<b>1,246,946</b>

#### 5. NET GAIN / LOSS FROM FINANCIAL ASSETS AVAILABLE FOR SALE

	<b>-RON-</b>	
	<b>September 30, 2016</b>	<b>September 30, 2015</b>
Gain from sale of financial investments	14,823,271	18,431,478
Impairment of financial investments expense		
<b>Gain/Loss from financial assets available for sale</b>	<b>14,823,271</b>	<b>18,431,478</b>

#### 6. OTHER OPERATING INCOME

	<b>-RON-</b>	
	<b>September 30, 2016</b>	<b>September 30, 2015</b>
Other operating income	38,319,856	9,214
<b>Total</b>	<b>38,319,856</b>	<b>9,214</b>

Income recorded as a result of the amounts cashed from litigations won by the Company, as well as the foreign currency differences are also included in other operating income, as well as the value of the prescribed dividends.

## 7. PERSONNEL EXPENSES

	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Salary expense	6,810,930	6,643,873
Social security contribution expense	1,513,817	1,481,795
<b>Total</b>	<b>8,324,747</b>	<b>8,125,668</b>

## 8. FEES AND COMMISSIONS EXPENSE

	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Various taxes	24,050	20,905
Commission from the net asset value owed to the National Securities Commission/Financial Supervisory Authority	561,316	777,155
Audit charges	321,772	366,159
Custody commission	243,655	246,248
Trading commission	123,842	158,896
Other fees and commissions	645,271	1,352,928
<b>Total</b>	<b>1,919,906</b>	<b>2,922,291</b>

## 9. OTHER EXPENSES

	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Other tax expense	864,306	1,071,731
Postal and telecommunication charges	238,328	198,526
Consumables materials and supplies expense	8,139	171,134
Utilities expense	76,192	84,247
Banking fees	15,132	15,020
Provision for impairment charges of receivables	0	0
Maintenance and repairs expenses	29,394	71,745
Insurance premium charges	96,720	110,206
Rent	57,581	31,146
Travel expenses	91,060	114,087
Other expenses	2,153,123	2,026,183
<b>Total</b>	<b>3,629,975</b>	<b>3,894,025</b>

## 10. CURRENT INCOME TAX AND DEFERRED TAX

The differences between regulations issued by the Romanian Ministry of Finance and the accounting rules applied in preparing these financial statements give rise to temporary differences between the carrying value and fiscal value of certain assets and liabilities.

The deferred income tax will be calculated in case of temporary differences using the tax rate applicable at the date of such differences.

The components of the income tax are the following:

	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Current income tax expense	6,582,625	5,063,540
Deferred tax income	0	0
<b>Total</b>	<b>6,582,625</b>	<b>5,063,540</b>

In view of implementing the International Financial Reporting Standards, the Company has adopted the anticipated payments system starting with 2015.

As at September 30, 2016, the current income tax expense represents the three quarterly tranches owed. Income tax reconciliation:

	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Profit/(Loss) before tax	92,628,408	186,407,926
Tax income/(expense) at the statutory rate of 16% (2015: 16%)	(6,582,625)	5,063,540)
<b>Total</b>	<b>86,045,783</b>	<b>181,344,386</b>

## 11. CASH AND BANK ACCOUNTS

	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Cash at banks, in RON	9,998	19,199
Cash at banks, in foreign currency	7,647,496	2,338,571
Bank deposits, in RON	46,957,190	6,680,372
Bank deposits, in foreign currency	0	0
Interest	3,562	155
Petty cash, in RON	1,911	4,922
Other values	0	0
Cash advances	0	0
<b>Total</b>	<b>54,620,157</b>	<b>9,043,219</b>

As at December 31, 2015 and September 30, 2016, the amounts presented within the financial position regarding cash and bank accounts are current and not impaired.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Due to the classification of the Company as an investment entity, the investments in subsidiaries and associates have been classified as financial assets at fair value through profit or loss. Also, the fair value differences for the assets that were recognised in previous years as available for sale were derecognized (as an effect of the deconsolidation).

At September 30, 2016, the statement of financial assets at fair value through profit or loss, based on the nature of the financial instrument, is presented as follows:

	<b>September 30, 2016</b>	<b>September 30, 2015</b>
		<i>-RON-</i>
Shares quoted on internal markets	382,526,806	373,329,406
Shares quoted on external markets	0	0
Unquoted shares	53,105,205	51,006,843
Corporate bonds	10,868,210	10,819,747
Other financial instruments quoted on external markets	0	0
<b>Total</b>	<b>446,500,221</b>	<b>435,155,996</b>

The investments in subsidiaries as at September 30, 2016 are as follows:

<b>Company</b>	<b>Location</b>	<b>%</b>	<b>Voting rights (%)</b>
Anca-Irina	Venus	91.07	91.07
Aro-Palace	Brașov	85.74	85.74
Casa Alba Independența	Sibiu	53.32	53.32
Comcm	Constanța	56.72	56.72
Cristiana	Brașov	99.80	99.80
Feper	București	85.80	97.53
Gastronom	Buzău	70.29	70.29
Grup Bianca Trans	Brașov	70.84	70.84
Independența	Sibiu	53.30	53.30
Internațional Trade & Logistic Center	Brașov	87.30	87.30
Mecanica Codlea	Codlea	81.07	81.07
Organe de Asamblare	Brașov	95.70	95.70
Romradiatoare	Brașov	76.51	76.51
Șantierul Naval	Orsova	50.00	50.00
Sembraz	Sibiu	90.97	90.97
Sibarex	Cîmpineanca	52.85	52.85
S.I.F. Transilvania Project Management Company	Brașov	99.99	99.99
Stațiunea Oglinzi	Târgu Neamț	54.52	54.52
Terracotta Star	Sf. Gheorghe	97.48	97.48
Transilvania Leasing & Credit I.F.N.	Brașov	68.51	68.51
Transilvania Hotels & Travel	București	95.38	95.38
Tratament Balnear Buziaș	Buziaș	91.87	91.87
Turism Covasna	Covasna	92.84	82.84
Turism Felix	Băile Felix	63.20	63.20
Turism, Hoteluri, Restaurante Marea Neagră	Mangalia	77.71	77.71
Tușnad	Tușnad Bai	76.41	76.41
Utilaj Greu	Murfatlar	70.39	70.39
Virola-Independența	Sibiu	53.62	53.62

The merger between Cristiana (the acquiring company) and Administrare și Promovare Imobiliară (A.P.I.) Transilvania (the acquired company) was completed on August 31, 2016. The share capital increase of Cristiana has been registered with the Brasov Trade Register and in SIF Transilvania portfolio, according to the merger plan, while A.P.I. Transilvania has been removed from portfolio.

As at September 30, 2016 the Company held corporate bonds measured at fair value through profit or loss, as follows:

Entity	Currency	Units as at September 30, 2016	Units as at December 31, 2015	Fair value as at September 30, 2016	Fair value as at December 31, 2015	Maturity Date
Organe de Asamblare	RON	2,200,000	2,200,000	0	0	Jan. 25, 2017
Feper	RON	1,993,160	1,993,160	5,115,607	5,131,553	June 5, 2018
Romradiatoare	RON	2,260,000	2,260,000	5,752,604	5,688,194	Nov. 27, 2017
Sibarex	RON	900,000	900,000	0	0	Nov. 21, 2016
<b>Total</b>				<b>10,868,211</b>	<b>10,819,747</b>	

As at September 30, 2016 the Company owned corporate bonds issued by:

- **Organe de Asamblare SA Brașov** – corporate bonds with a nominal value of RON 5,5 million. The bonds are unquoted, non-convertible into shares and issued at a nominal value of RON 2.50 per bond, with a maturity of 48 months (maturity date: January 25, 2017) and with an annual interest rate represented by the variable interest of ROBOR 3 months plus 2.00%. Interest payments are made on an annual basis. The principal and interest must be repaid in full by the date of reimbursement; early reimbursement cannot be made without the written agreement of the owner. The bonds issued are secured by the assets from the patrimony of Organe de Asamblare. Due to the financial difficulties of the issuer, the collection of principal and overdue interest become unlikely, therefore the respective receivables were valued at zero and the adjustments previously recorded were de-recognised. The Company is in insolvency as of August 4, 2016, the statement of claims has been filed and accepted, and the Reorganization Plan is pending to be implemented;
- **Feper București** – bonds with a nominal value of RON 4.98 million. The bonds are unquoted, non-convertible into shares and issued at a nominal value of RON 2.50 per bond, with a maturity of 60 months (maturity date: June 5, 2018) and with an annual interest rate represented by the variable interest of ROBOR 3 month plus 2.00%. As at September 30, 2016 the accrued interest related to these bonds was RON 66,808. The principal and interest must be repaid in full by the date of reimbursement; early reimbursement can not be made without the written agreement of the owner. The bonds were taken over by Feper Bucuresti as a result of its merger with Orizont Turism Predeal;
- **Romradiatoare Brașov** – bonds with a nominal value of RON 5.65 million. The bonds are unquoted, non-convertible into shares and issued at a nominal value of RON 2.50 per bond, with a maturity of 60 months (maturity date: November 27, 2017) and with an annual interest rate resulting from the variable interest of ROBOR 6 months plus 1.50%. Interest will be paid on a half-year basis. As at September 30, 2016, accrued interest related to these bonds was RON 49,344. The principal and interest must be repaid in full by the date of reimbursement; early

reimbursement can not be made without the written agreement of the owner. The bonds are secured with the assets from the patrimony of Romradiatoare;

- **Sibarex Câmpineanca** - bonds with a nominal value of RON 2.25 million. The bonds are unquoted, non-convertible into shares, issued at a nominal value of RON 2.50 per bond, having a maturity period of 3 years (maturity date: November 21, 2016) and an annual interest rate resulting from the variable interest of ROBOR 6 months plus 2.00%. Interest payments are made on a half-year basis. As at September 30, 2016, accrued interest related to these bonds was RON 211,247. The principal and interest must be repaid in full by the reimbursement date or anticipated (partial or total) upon the issuer's request. Given the financial difficulties of the issuer during 2015, the fair value of these instruments was zero and the adjustments previously recorded were de-recognised.

### 13. FINANCIAL ASSETS AVAILABLE FOR SALE

The Company has classified the financial instruments owned in companies in which its ownership percentage is smaller than 20% as securities available for sale. The structure of these securities, measured at fair value, as at September 30, 2016 and September 30, 2015 is presented as follows:

	September 30, 2016	September 30, 2015
Shares quoted on internal markets	429,442,607	486,260,970
Shares quoted on external markets	443,219	4,673,792
Unquoted shares	23,210,838	15,449,754
Corporate bonds	12,397,751	12,335,470
External quoted fund units	3,570,745	5,064,276
Internal quoted and unquoted fund units	14,638,784	11,647,941
<b>Financial assets available for sale</b>	<b>483,703,944</b>	<b>535,432,203</b>

The shares from portfolio classified as assets available for sale include internal or external quoted or unquoted securities.

In relation to the bonds from portfolio classified as assets available for sale, we note the following:

- **Banca Transilvania** - the bonds are issued in EUR, are convertible, subordinated, unsecured, nominative and dematerialized. They are issued at a nominal value of EUR 0.60 per bond with a maturity of 7 years (maturity date: May 25, 2020) and the annual interest rate resulting from the variable interest of EURIBOR at 6 months plus 6.25%. The receivable accrued interest related to these bonds as at September 30, 2016 is RON 24,991. Interest payments are made on a half-year basis, on January 15 and June 15. The bonds can not be prepaid or redeemed before the redemption date. The unmaturred bonds can be converted into shares.
- **S.A.I. Certinvest** – unquoted bonds with a nominal value of RON 9 million. The bonds are unquoted, non-convertible into shares and are issued at a nominal value of RON 10,000 per bond, with a maturity of 5 years (maturity date: December 12, 2019) and fixed interest rate of 7% per year, payable on a half year basis. Accrued interest at September 30, 2015 is RON 186,411.

<b>Entity</b>	<b>-RON-</b>	
	<b>Fair value at September 30, 2016</b>	<b>Fair value at December 31, 2015</b>
Banca Transilvania	2,147,808	2,177,031
S.A.I. Certinvest	10,249,943	10,158,439
<b>Total</b>	<b>12,397,751</b>	<b>12,335,470</b>

In relation to the fund units from portfolio classified as assets available for sale, we note the following:

<b>Entity</b>	<b>September 30, 2016</b>		<b>December 31, 2015</b>	
	<b>Number of units</b>	<b>Fair value</b>	<b>Number of units</b>	<b>Fair value</b>
F.I.I. Multicapital Invest	3,400	7,019,130	3,400	7,279,196
F.I.I. BET-Fi Index Invest	2,054	976,505	2,054	1,001,191
F.I.I. Star Value	9,154	6,643,149	4,547	3,367,554
IShares Gold Producers	-	-	210,000	5,064,276
ETFS 3X Daly Short DAX 30	250,000	3,570,745	-	-
<b>Total</b>		<b>18,209,529</b>		<b>16,712,217</b>

#### 14. TANGIBLE ASSETS

The classes of tangible assets at September 30, 2016 are as follows:

	<b>-RON-</b>			
	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Fixtures, fittings and furniture</b>	<b>Total</b>
<b>Gross value</b>				
Balance at January 1, 2016	14,356,499	1,555,233	794,846	16,706,578
Increases	-	50,689	-	50,689
Disposals and transfers	-	2,244	-	2,244
<b>Balance at September 30, 2016</b>	<b>14,356,499</b>	<b>1,603,678</b>	<b>794,846</b>	<b>16,755,023</b>
<b>Accumulated depreciation</b>				
Balance at January 1, 2016	3,222,757	1,077,822	670,741	4,971,320
Depreciation recorded during the financial year	211,248	112,760	14,164	338,172
Depreciation for the assets sold	-	2,245	-	2,245
<b>Balance at September 30, 2016</b>	<b>3,434,005</b>	<b>1,188,337</b>	<b>684,905</b>	<b>5,307,247</b>
<b>Net value</b>				
Net accounting value at January 1, 2016	11,133,742	477,411	124,105	11,735,258
<b>Net accounting value at September 30, 2016</b>	<b>10,922,494</b>	<b>415,341</b>	<b>109,941</b>	<b>11,447,776</b>

The classes of tangible assets for the year 2015 are as presented below.

	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Fixtures, fittings and furniture</b>	-RON- <b>Total</b>
<b>Gross value</b>				
Balance at January 1, 2015	14,356,499	1,416,237	789,064	16,561,800
Increases	-	461,461	8,266	469,727
Disposals and transfers	-	322,465	2,484	324,949
<b>Balance at December 31, 2015</b>	<b>14,356,499</b>	<b>1,555,233</b>	<b>794,846</b>	<b>16,706,578</b>
<b>Gross value</b>				
Balance at January 1, 2015	2,907,507	1,178,673	620,005	4,706,185
Increases	315,250	200,483	53,220	568,953
Disposals and transfers	-	301,334	2,484	303,818
<b>Balance at December 31, 2015</b>	<b>3,222,757</b>	<b>1,077,822</b>	<b>670,741</b>	<b>4,971,320</b>
<b>Net value</b>				
Net accounting value at January 1, 2015	11,448,992	237,564	169,059	11,855,615
<b>Net accounting value at December 31, 2015</b>	<b>11,133,742</b>	<b>477,411</b>	<b>124,105</b>	<b>11,735,258</b>

The Company has no restrictions over its ownership titles and none of its assets are pledged. At the end of the reporting periods from 2015 and 2016, the Company had no contractual obligations for the purchase of tangible assets.

The most recent revaluation of the Company's land and buildings was performed on December 31, 2013 and the differences from the revaluation were recorded in equity.

## 15. OTHER FINANCIAL ASSETS

<b>Description</b>	<b>September 30, 2016</b>	-RON- <b>December 31, 2015</b>
Other receivables	1,586,651	1,724,212
Advances for services rendered	10,096	336
Dividends receivable	119,576	2,309,735
Receivables from shares disposal (B.T.T. Bucuresti)	3,076,499	3,747,103
<b>Total</b>	<b>4,792,822</b>	<b>7,781,386</b>

## 16. OTHER FINANCIAL LIABILITIES

	<b>September 30, 2016</b>	-RON- <b>December 31, 2015</b>
Trade payables	19,544	432,758
Dividend payables (*)	65,552,868	47,186,896
Collections made in advance from third parties	1,500,639	873,598
Liabilities with related parties	0	390
Other payables	239,006	4,614
<b>Total</b>	<b>67,312,057</b>	<b>48,498,256</b>

(\*) The movement in the dividends payable is presented in the following table::

<b>Description</b>	<b>September 30, 2016</b>	<b>-RON- December 31, 2015</b>
Balance at the beginning of the period	47,186,896	76,677,315
Dividends payable from the previous year profit	57,949,125	27,303,583
Dividends paid during current year, including related tax	(1,176,179)	(19,957,994)
Dividends prescribed (reversed to income)	(38,407,427)	(36,837,301)
Dividends returned	453	1,293
<b>Balance at the end of period</b>	<b>65,552,868</b>	<b>47,186,896</b>

## **17. OTHER LIABILITIES**

	<b>September 30, 2016</b>	<b>-RON- December 31, 2015</b>
Salary liabilities	392,893	345,669
Tax liabilities	126,033	1,717,702
Social contributions owed to the State budget	262,503	242,030
<b>Total</b>	<b>781,429</b>	<b>2,305,401</b>

## **18. PROVISIONS**

At September 30, 2016 the outstanding balance of the provisions for litigations is the same as the one at September 30, 2015, respectively RON 159,577 and includes the court file regarding the absolute nullity of the agreement on assignment of shares no. 243/838/01.09.1997. There are no other significant litigations for which additional provisions were recognized at September 30, 2016.

## **19. SHARE CAPITAL**

The Company's subscribed and paid-in share capital at September 30, 2016 is RON 218,428,666.40.

Following the implementation of the provisions of IAS 29 "Financial reporting in hyperinflationary economies", the Company adjusted to inflation the share capital in order to reflect the impact of changes in the purchasing power of the functional currency in a hyperinflationary economy (loss on retained earnings)- as the Romanian economy was considered until January 1, 2004.

The Ordinary General Meeting of Shareholders approved by the Resolution no. 1 / April 28, 2016 the coverage of this loss from "Share capital adjustments" resulted from the first time adoption of IAS 29.

The legal value of the share capital has not been amended with the Trade Register, yet the adjustments had a negative impact (loss) on the Company's equity.

The subscribed and paid-in share capital is divided into 2,184,286,664 shares. The shares issued by the Company are common, nominative, indivisible, of equal value and dematerialized, issued at the nominal value of RON 0.10 per share.

**Shareholding structure as at September 30, 2016**

Shareholders	Number	Shares owned	Percentage in the Company's share capital (%)
<b>Resident shareholders:</b>	<b>6,986,209</b>	<b>2,056,395,565</b>	<b>94.14</b>
natural persons	6,985,906	1,361,903,914	62.35
legal entities	303	694,491,651	31.79
<b>Non-resident shareholders:</b>	<b>2,302</b>	<b>127,891,099</b>	<b>5.86</b>
natural persons	2,258	14,695,638	0.67
legal entities	44	113,195,461	5.18
<b>TOTAL</b>	<b>6,988,511</b>	<b>2,184,286,664</b>	<b>100.00</b>
natural persons	6,988,164	1,376,599,552	63.02
legal entities	347	807,687,112	36.98

Source: Central Depository

**Shareholding structure as at September 30, 2015**

Shareholders	Number	Shares owned	Percentage in the Company's share capital (%)
<b>Resident shareholders:</b>	<b>6,994,069</b>	<b>2,019,876,011</b>	<b>92.47</b>
natural persons	6,993,725	1,492,378,254	68.32
legal entities	344	527,497,757	24.15
<b>Non-resident shareholders:</b>	<b>2,258</b>	<b>164,410,653</b>	<b>7.53</b>
natural persons	2,213	29,629,228	1.36
legal entities	45	134,781,425	6.17
<b>TOTAL</b>	<b>6,996,327</b>	<b>2,184,286,664</b>	<b>100.00</b>
natural persons	6,995,938	1,522,007,482	69.68
legal entities	389	662,279,182	30.32

**20. REVALUATION RESERVES FOR TANGIBLE ASSETS**

The most recent revaluation of the tangible assets was performed by the Company at December 31, 2013.

	<b>-RON-</b> <b>Revaluation reserve</b>
<b>Balance at January 1, 2015</b>	9,964,912
Transfer of the reserve to retained earnings	(184,305)
<b>Balance at September 30, 2015</b>	<b>9,780,607</b>
<b>Balance at January 1, 2016</b>	9,684,169
Transfer of the reserve to retained earnings	-
<b>Balance at September 30, 2016</b>	<b>9,684,169</b>

## 21. DIFFERENCES FROM CHANGES IN THE FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

The difference from the fair value valuation of the financial assets available for sale is presented net of tax.

	<b>September 30, 2016</b>	<b>-RON- December 31, 2015</b>
Gross reserves from the fair value revaluation of available-for-sale financial instruments	170,467,369	212,295,434
Related deferred tax liabilities	(27,274,779)	(33,967,269)
<b>Net reserve</b>	<b>143,192,590</b>	<b>178,328,165</b>

## 22. OTHER RESERVES

Other reserves have been created from the statutory profit allocation.

	<b>September 30, 2016</b>	<b>-RON- December 31, 2015</b>
Initial balance	483,989,704	448,135,359
Allocation from the net profit achieved in the financial exercise 2015	92,281,424	27,363,627
Coverage of loss (account 117) resulted from the application of IFRS less IAS 29	(129,341,326)	-
Legal reserve	-	8,490,718
<b>Final balance</b>	<b>446,929,802</b>	<b>483,989,704</b>

## 23. TRANSACTIONS WITH RELATED PARTIES

The related parties are considered as such in case one of the parties has the ability to control the other party or exercise significant influence over its financial and operating decisions. Compared with September 30, 2015, as at September 30, 2016 the following transactions were carried out with related parties:

<b>Acquisitions from subsidiaries</b>	<b>Type of transaction</b>	<b>September 30, 2016</b>	<b>-RON- December 31, 2015</b>
ARO PALACE S.A.	Hotel services	18,027	12,397
Transilvania Hotels&Travel SA	Services Rendering	7,962	12,237
A.P.I. Transilvania S.A.	Rent and utilities	51,684	63,070
International Trade Center S..A.	Renting services	28,527	29,308
THR Marea Neagra S.A.	Hotel services	590	854
Cristiana	Renting services	400	-
<b>Total</b>		<b>107,190</b>	<b>117,866</b>

The acquisitions are presented in the “Statement of Profit or Loss and Other Comprehensive Income”, under “Other expenses”.

At the end of Q3 2016, the Company does not have any liabilities towards its affiliated entities.

<b>Amounts owed to subsidiaries</b>	<b>Type of transaction</b>	<b>September 30, 2016</b>	<b>-RON- December 31, 2015</b>
Aro Palace	Hotel services	-	-
Transilvania Hotels	Services ending	-	789
A.P.I. Transilvania	Rent and utilities	-	871
International Trade Center	Renting services	-	-
T.H.R. Marea Neagra	Hotel services	-	-
<b>Total</b>		<b>-</b>	<b>1,660</b>

### **Dividend income from related parties**

Dividend income from related parties are presented in the “Statement of Profit or Loss and Other Comprehensive Income”, under “Dividend income”.

As compared to September 30, 2015, the dividend income from subsidiaries is presented below:

<b>Subsidiary</b>	<b>September 30, 2016</b>	<b>-RON- September 30, 2015</b>
Independența Sibiu	-	1,599,024
THR Marea Neagră	2,429,569	1,574,720
EUXIN Constanța	-	1,263,252
Turism Felix	2,006,906	1,222,958
Cristiana Brașov	1,133,958	1,187,956
Feper București	-	612,923
Transilvania Leasing & Credit IFN Brașov	423,939	398,019
Gastronom Buzău	2,262,256	369,540
COMCM Constanța	-	321,720
Grup Bianca	169,272	-
Utilaj Greu Mulfatlar	761,962	-
<b>Total</b>	<b>9,187,862</b>	<b>8,550,112</b>

As compared to September 30, 2015, the dividend income from associates is presented below:

<b>Associates and jointly controlled entities</b>	<b>Balance at September 30, 2016</b>	<b>-RON- Balance at December 31, 2015</b>
Emailul	693,074	625,298
Fondul de Garantare	55,469	-
Soft Aplicativ și Servicii	24,197	-
Unicom Buzău	11,413	-
<b>Total</b>	<b>784,153</b>	<b>625,298</b>

### Receivables from related parties

At the end of Q3 2016, the Company has recorded receivables from related parties as follows:

<b>Entity</b>	<b>Type of transaction</b>	<b>Balance at September 30, 2016</b>	<b>-RON- Balance at December 31, 2015</b>
Organe de Asamblare	Bond interest	835,189	835,189
Feper	Bond interest	66,808	125,056
Romradiatoare	Bond interest	49,344	15,711
Sibarex	Bond interest	211,247	211,247
<b>Total receivables from subsidiaries</b>		<b>1,162,588</b>	<b>1,187,203</b>

The above amounts representing receivables from related parties are included in the value of financial assets at fair value through profit or loss.

### Interest income from related parties

The interest income related to the corporate bonds issued by the related parties, including for the amounts already paid, is included in the “Statement of Profit and Loss and Other Comprehensive Income”, under “Interest income” and compared with the previous period, is presented as follows:

<b>Interest income from:</b>	<b>Recorded at September 30, 2016</b>	<b>-RON- Recorded at September 30, 2015</b>
Romradiatoare Brașov	115,333	141,182
Organe de Asamblare Brașov	-	148,197
Turism Covasna	-	-
Turism Lotus Felix	-	10,915
Orizont Turism Predeal	-	147,453
Tușnad Băile Tușnad	-	-
Sibarex	-	64,789
Feper	112,243	-
<b>Total</b>	<b>227,576</b>	<b>512,536</b>

## 24. INFORMATION REGARDING THE EMPLOYEES AND MEMBERS OF THE SUPERVISORY AND EXECUTIVE BODIES

### *Remuneration and other salary rights granted to the members of the Supervisory Board and of the Executive Board*

As at September 30, 2016, the Company paid and recorded as expenses the amount of RON 3,130,418 (as compared to RON 1,058,610 in Q3 2015), representing compensation for the members of the Supervisory Board and of the directors acting as such under a mandate contract.

During 2016, no incentives from the profit sharing fund were granted.

The Company does not have contractual obligations regarding the payment of pensions to former members of the Supervisory Board and directors acting as such under a mandate contract and therefore has not accounted for such obligations.

The Company did not and does not grant loans or advances (except for salary advances and/or travel expenses) to the members of the Supervisory Board and directors acting as such under a mandate contract and has no such obligations accounted for at September 30, 2016.

#### *Personnel*

As at September 30, 2016, the average number of employees was 52 (as compared to 52 at September 30, 2015), while the actual number of employees at September 30, 2016 is 54.

The Company has no obligations to pension plans, other than the one required by state pension plans as required by Law no 263/2010 with its amendments regarding the unitary system of public pension.

## **25. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Company makes estimates and assumptions that affect the reported value of the assets and liabilities in the next financial year. Estimates and assumptions are continuously assessed and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the given circumstances. In addition to experience and historical information, the Company has also considered the effects of current conditions of the financial environment in assessing these estimates.

The Company applied the Amendments to IFRS 10, IFRS 12 and IAS 27 from January 1, 2015, when, after considering the criteria mentioned in the Amendments, the Company's management concluded that the Company qualifies for classification as investment entity. Thus, the Company is an investment entity under IFRS due to the following:

- a) obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- b) commits to its investors that its business purpose is to invest funds mainly for returns from capital appreciation, investment income, or both; and
- c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

In addition, the Company has other characteristics specific to an investment entity, as follows:

### *I. Services related to investments*

The Company is a joint stock company which operates as a closed-end financial investment company, providing direct services related to managing investments for its investors and its main business activity is exclusively connected with providing activities specific to the closed-end investment companies.

The Company does not provide consulting services and investment support or administrative services directly or through a subsidiary to third parties and/or its investors.

## *II. Business purpose*

The Company's purpose is to carry out business activities (financial) specific to its object of activity and to obtain profit to be allocated to shareholders and/or as financing sources for the necessary and appropriate investments, in accordance with the statutory object of activity and legal provisions.

The multiannual strategic guidelines and the investment program approved by the General Meeting of Shareholders are public information presented on the official website of the Company, so that they can be consulted at anytime by interested third parties or potential investors, in order for their investment decision to be supported.

The Company's objective is the management of the portfolio and permanent identification of investment opportunities ensuring a reasonable level of investment risk dispersion in order to offer its shareholders the opportunity to obtain attractive performance while increasing the value of the invested capital.

## *III. Exit strategy*

Starting with January 1, 2015 the Company applies an exit strategy based on the continuous monitoring of investments made through investment programs approved and on the continuous analysis of current market conditions, aiming the identification of the optimal exit moments in order to achieve the objectives set by the Annual Revenues and Expenditure Budgets, respectively to achieve higher aggregate-yields.

The Company applies a specific exit strategy for each investment category, an exit strategy tailored to the category of the investment defined based on the following elements: strategy applied, investment horizon and exit transaction triggers.

## *IV. Fair value measurement*

Starting with January 1, 2015 all financial investments of the Company are measured at fair value. For investments in subsidiaries and associates, including the corporate bonds issued by them and owned by the Company are valued at fair value through profit or loss. The other investments in shares and unit funds are measured at fair value and the gains or losses resulted from the change in fair value are directly recognized in other comprehensive income.

The fair value of the financial instruments is determined by authorized valuers who report this information to key personnel within the Company's management for use as a primary measurement attribute for evaluating the performance of most investments and making investment decisions.

## *V. Implications following the classification of the Company as an investment entity*

A company that is an investment entity is not required to consolidate any of its subsidiaries, except for those subsidiaries that provide services related to investment activities.

Therefore, the Company changed its accounting policy regarding investments in subsidiaries and associates, measuring them at fair value through profit or loss.

When a company becomes an investment entity, the change of its statute must be accounted for as a deconsolidation adjustment, as a “determined disposal” or “loss of control” over its subsidiaries as they have been presented in the consolidated financial statements prepared according to IFRS.

The fair value of the investment at the date of the statute modification should be used as a consideration received, when the IFRS 10 is applied. Thus, the gain or loss in the event of "determined disposals " must be recognized as a gain or loss in profit or loss. As such, the change in the statute of the Company is treated as an important economic event and is consistent with the reason for which gains or losses are recognized in profit or loss in accordance with IFRS 10, when control is lost.

Accordingly, at January 1, 2015, the Company classified its investments in subsidiaries and associates as financial instruments held at fair value through profit and loss and the difference between their fair value on January 1, 2015 and their carrying amounts from the consolidated financial statements in accordance with IFRS for the year ended on December 31, 2014 had to be recognized in the profit or loss of the financial year ended December 31, 2015 as a deconsolidation adjustment. Due to the fact that on December 31, 2014 the Company has not consolidated subsidiaries and associates in accordance with IFRS 10 "Consolidated Financial Statements", the Company used the book values from the interim condensed financial statements in accordance with IFRS for the year ended December 31, 2014 in order to determine the deconsolidation adjustment.

#### *VI. Disclosures*

For each subsidiary which has not been consolidated in the financial statements, an investment entity shall disclose the following information: the subsidiary’s name, the main place of business and the ownership percentage held by the investment entity.

If, during the reporting period, an investment entity or any of its subsidiaries has provided financial or other support to an unconsolidated subsidiary (e.g. purchase of assets or instruments issued by the respective subsidiary), the entity shall disclose the type and amount of support provided to each unconsolidated subsidiary and the reasons for providing such support.

The information above has been presented in Note 12.

## **26. PRESENTATION OF THE FINANCIAL INSTRUMENTS BY MEASUREMENT CATEGORIES**

The table below presents a reconciliation of the financial assets by measurement categories as at September 30, 2016:

				-RON-
Assets	Loans and receivables	Financial assets available for sale	Financial assets at fair value through profit or loss	Total
Cash and bank accounts	54,620,157	-	-	54,620,157
Corporate bonds	-	12,397,751	10,868,211	23,265,962
Shares and fund units	-	471,306,193	435,632,010	906,938,203
Other financial assets	4,792,822	-	-	4,792,822
<b>Total financial assets</b>	<b>59,412,979</b>	<b>483,703,944</b>	<b>446,500,221</b>	<b>989,617,144</b>

## 27. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

### Hierarchy analysis of the fair value of financial instruments measured at fair value

- Level 1: includes instruments quoted in active markets for identical assets or liabilities;
- Level 2: includes instruments whose fair value is determined using inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: includes instruments for which the fair value is determined using inputs that are not based on observable market data (unobservable inputs).

General terminology used in the methodology for estimating fair value are presented in accordance with IFRS 13 definition of fair value and the definition of market value as per Valuation Standards SEV 100 "General framework". The two concepts regarding the type of value are equivalent, as outlined in SEV 300 "Valuation prepared for Financial Reporting".

In order to estimate the fair values classified at level 3, the Company uses a general methodology for estimating the fair value by complying with the requirements of SEV and IFRS 13: the selection of the valuation method is based on the specifics of the financial instrument and based on the relevance and credibility of the information available. The input data used in the assessment are based on credible information, obtained from independent sources whenever possible.

The Company has included in the category of financial instruments for which the fair value is classified as Level 3 in accordance with the fair value hierarchy the following financial instruments:

- (i) Financial instruments available for sale
  1. Equity shares (participation in the share capital of the entity of less than 20%);
    - i. quoted on a regulated stock market for which the last trading price is not available;
    - ii. quoted on an alternative stock market;
    - iii. unquoted
  2. corporate bonds (exclusively bonds issued by the subsidiaries and associates);
  3. fund units

- (ii) Financial instruments at fair value through profit and loss account
1. Equity shares (participation in the share capital of the entity of more than 20%);
    - i. quoted on a regulated stock market for which the last trading price is not available;
    - ii. quoted on an alternative stock market;
    - iii. unquoted
  2. corporate bonds (bonds issued by the subsidiaries and associates)

General description of the methodology for estimating the fair value:

- the estimation of fair values is reported at a reference date;
- the portfolio of financial instruments corresponding to the reference date is segmented according to the relevant selection criteria so that each category or subcategory can use specific techniques for collecting the data and information required in the estimation of the fair value.

For equity shares whose estimated fair value is included in Level 3, the following approaches have been used:

- Market approach - comparison with similar companies listed on the stock exchange market :
  - multipliers calculated based on the information collected for comparable companies such as trading prices, relevant financial indicators are applied to the analyzed company's recent financial performance.
  - unobservable data: indicators established based on turnover, EBITDA, etc
- Income approach - discounted cash flow method ( "DCF")
  - the models used ( "Discounted Cash Flow - DCF", "Dividend Discount Model - DDM") mainly involve estimates of future cash flows, terminal value, discount rate.
  - an unobservable data: discount rate, perpetual growth rate, etc.
- Asset approach - adjusted net asset method
  - the model targets operating companies, for which the cash inflow can not be measured reliably.
  - the unobservable data: adjustments of assets and liabilities, adjustments for the lack of liquidities and adjustments based on the size of the ownership held at the reference date.

For bonds whose estimated fair value is framed Level 3, the following approaches were used:

- Income approach - discounted cash flow method ( "DCF")
  - the models used ( "Discounted Cash Flow - DCF" ) mainly involve estimates of future cash flows, discount rate.
  - an unobservable data: discount rate, etc.

For fund units whose estimated fair value is framed Level 3, the following approaches were used:

- Asset approach - adjusted net asset method
  - the model targets unquoted fund units which is available for the monthly reporting of the net asset (NAV)
  - the unobservable data: unitary value of the net asset as reported by the asset management company.

The outlook of the assets measured at fair value at September 30, 2016 is presented below:

Financial assets	Level 1	Level 2	Level 3	-RON- Total
<b>Financial assets available for sale</b>	<b>426,296,195</b>	-	<b>57,407,749</b>	<b>483,703,944</b>
shares	422,725,450	-	30,371,214	453,096,664
fund units	3,570,745	-	14,638,784	18,209,529
corporate bonds	0	-	12,397,751	12,397,751
<b>Financial assets at fair value through profit or loss</b>	<b>118,513,052</b>	-	<b>327,987,169</b>	<b>446,500,221</b>
shares	118,513,052	-	317,118,958	435,632,010
fund units	-	-	-	-
corporate bonds	-	-	10,868,211	10,868,211
<b>Non-financial assets</b>	-	-	<b>11,447,776</b>	<b>11,447,776</b>
Land, buildings and other non-tangible assets	-	-	11,447,776	11,447,776
<b>Total assets at fair value</b>	<b>544,809,247</b>	-	<b>396,842,694</b>	<b>941,651,941</b>

## 28. RISK MANAGEMENT

### 28.1 Market risk and position risk

Market risk is the present or future risk of recording losses related to balance-sheet and off-balance sheet items due to adverse movements of the prices on the market (such as stock prices, interest rates, foreign exchange rates). The Company's exposure to position risk is low with reference to the value of the assets managed.

### 28.2 Concentration risk

Concentration risk relates to all financial assets held by the Company, regardless of the period during which the Company held these assets; through diminishing this risk it is intended to avoid large exposure against the same debtor/entity at a Company and Group level.

SIF Transilvania is highly exposed in relation to the financial and tourism sectors and has also a high credit risk exposure (solvency risk of the entities in the portfolio). In order to achieve an optimal diversification level the process of portfolio restructuring should be continued.

### **28.3 Currency risk**

The Company is slightly exposed to exchange rate fluctuations mainly in relation to the shares acquired from foreign markets, foreign currency current accounts, receivables and liabilities in other currencies, as well as receivables and liabilities in RON, but which-by contracts-are consolidated in relation to other currencies, usually EUR and/or USD.

By computing and monitoring foreign currency net position and exchange rate volatility, the Company is aiming to maintain a balanced portfolio between foreign currency assets and liabilities against the total assets and liabilities of the Company.

### **28.4 Interest rate risk**

Interest rate risk is the current or future risk that profits and equity are negatively affected by adverse changes of interest rates. Operational cash flows of the Company are affected by interest rates fluctuations especially in case of available cash placed in bank deposits and corporate bonds. At September 30, 2016 the Company has not contracted any loans.

The weight of the assets affected by interest rate movements is low, being under 10% of the Company's own funds / NAV. The Company does not currently use derivatives in order to protect itself from interest rate fluctuations.

### **28.5 Liquidity risk**

Liquidity risk is- along with other significant risks - an important component of the financial risk management system, given that the Company operates on financial markets.

In order to mitigate this risk it is required that the portfolio restructuring process is carried forward with special attention paid to both the liquidity of the securities included into the calculation of this indicator, and the level of diversification of the respective securities.

## **29. EQUITY MANAGEMENT**

The Company's objectives related to the equity management are to safeguard the Company's ability to operate according to the going concern principle, in order to provide added value for its shareholders and benefits for other stakeholders and to maintain an optimal equity structure to reduce the equity cost.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The value of the shareholders' equity that the Company managed as of September 30, 2016 was RON 904,281,010 (RON 911,319,928 at December 31, 2015).

Consistent with other companies in the industry, the Company monitors capital on the basis of net asset value. This value is calculated as a ratio between total net assets and number of shares issued by the Company.

### **30. BUSINESS ENVIRONMENT**

In the past years, the European financial sector faced a significant public debt crisis, triggered by major fiscal imbalances and high public debt in several European countries. Current fears that deteriorating financial conditions could contribute to a further reduction at a later stage of the investors' confidence, led to a joint effort of governments and central banks to adopt special measures to counter the vicious circle of increasing risk aversion and to ensure the normal operation of the market.

New challenges are raised by the identification and valuation of investments influenced by a lending market lacking liquidity, the credit analysis of compliance with contracts and other contractual obligations, evaluation of significant uncertainties, including the uncertainties related to the ability of entities to continue to operate for a reasonable period of time-

Their effects on the Romanian financial market were represented by price and liquidity cuts in the capital markets and increases in long-term interest rates due to liquidity conditions at international and national level.

### **31. COMMITMENTS AND CONTINGENCIES**

#### **31.1 Legal actions**

At the end of Q3 2016, the Company is involved in legal actions specific to the activity performed. The Company's management believes that these litigations will not have a material adverse effect on the economic and financial position of the Company, as reflected in the present financial statements. With regards to the disputes pending before the courts for which there are indications that they might settle with unfavorable rulings, the Company has recognized provisions for litigations totaling RON 159,577.

During the analyzed period, the number of disputes in which the Company is engaged and the structure of these disputes were similar to those recorded in the corresponding period of the previous year, predominant being the ones regarding the defence of the Company's corporate rights, as well as litigations in which other rights of the Company are defended.

#### **31.2 Taxation**

The taxation system in Romania has undergone many changes in recent years and is in a continuous process of updating and modernization. In Romania, tax periods remain open for fiscal verification for 5 years. The Company's management believes that tax liabilities in these financial statements are fairly presented.

#### **31.3 Transfer pricing**

The tax legislation in Romania includes the "market value" principle, according to which transactions with related parties must be conducted at market value. Taxpayers who carry out transactions with related parties must prepare and make available to the Romanian tax authorities the transfer pricing documentation. The transaction amounts, preparation deadlines,

contents and conditions to request the transfer pricing file and the procedure to adjust/estimate the transfer prices were regulated under Order 442/2016.

Consequently, tax authorities can initiate inspections in order to ensure and verify the effect of the transfer prices in relation to related parties over the fiscal result. The outcome of such examinations cannot be quantified by the Company. For S.I.F. Transilvania, the transactions with related parties are below the specific thresholds for large tax-payers.

#### **31.4 Contingent liability**

At September 30, 2016, the Company had no contingent liability.

#### **31.5 Onerous contracts**

At September 30, 2016, the Company had no onerous contracts concluded. An onerous contract represents a contract in which the mandatory costs for fulfilling the object of the contract is greater than the economic benefits that are to be obtained from this type of contract.

### **32. SUBSEQUENT EVENTS**

The General Meeting of Shareholders of April 28, 2016 approved the following allocation of the 2015 net profit:

- Legal reserves (RON 8,366,511.35);
- Other reserves – own financing sources created from profit (RON 92,281,423.60);
- Dividends (RON 57,949,125.20); the gross dividend for a share held at the registration date was set at RON 0.02653/share, resulting in a yield of 10% of the average trading price of SIF 3 shares on the BVB-REGS market between January 1, 2015 – December 31, 2015

The shareholders entitled to receive dividends from the net profit of the financial year 2015 are the shareholders recorded in the shareholders' consolidated register held by the Central Depository (Depozitarul Central) on October 6, 2016 (registration date). The dividend payment has started on October 28, 2016 (Payment Date).

Executive Vice President  
Deputy CEO  
Ec. Iulian STAN, PhD.

Executive Vice President  
Deputy CEO  
Ec. Marius MOLDOVAN

Financial Manager  
Ec. Adriana BOIAN



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**RINA SIMTEX**  
ISO 27001 REGISTERED I.91.1

Societate administrată în sistem dualist

13/10/2016

According to Annex no. 17  
to the NSC Regulation no. 15/2004

REPORT AS AT SEPTEMBER 30, 2016  
STATEMENT OF ASSETS

RON 998,447,389 Total Assets (Annex 16) = RON 1,001,686,896

RON 910,098,989 Net Assets (Annex 16) = RON 904,440,587

Item		Beginning of the reporting period				End of the reporting period				Differences
		% of net assets	% of total assets	Currency - (equivalent in RON)	RON	% of net assets	% of total assets	Currency - (equivalent in RON)	RON	RON
1	2	3	4	5	6	7	8	9	10	11
I.	Total assets	109.71	100.00	14,998,402	983,448,986	110.75	100.00	13,920,770	987,766,125	3,239,506
1.	Securities and money market instruments, of which:	83.73	76.32	4,673,792	757,322,496	87.38	78.89	443,219	789,814,860	28,261,790
1.1.	Securities and money market instruments admitted or traded on a regulated market in Romania, of which:	83.21	75.85	-	757,322,496	87.33	78.85	-	789,814,860	32,492,364
1.1.1.	- shares	83.21	75.85	-	757,322,496	87.33	78.85	-	789,814,860	32,492,364
1.1.2.	- bonds	-	-	-	-	-	-	-	-	-



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1.2.	Securities and money market instruments admitted or traded on a regulated market in a member state, of which:	0.18	0.16	1,616,332	-	-	-	-	-	-1,616,332
1.2.1.	- shares	0.18	0.16	1,616,332	-	-	-	-	-	-1,616,332
1.2.2.	- bonds	-	-	-	-	-	-	-	-	-
1.3.	Securities and money market instruments admitted to a stock exchange in a non-member state or negotiated on another regulated market in a non-member state	0.34	0.31	3,057,460	-	0.05	0.04	443,219	-	-2,614,242
1.3.1.	- shares	0.34	0.31	3,057,460	-	0.05	0.04	443,219	-	-2,614,242
1.3.2.	- bonds	-	-	-	-	-	-	-	-	-
2.	Newly issued securities	-	-	-	-	-	-	-	-	-
3.	Other securities and money market instruments referred to in art. 187 indent a), of which:	10.50	9.57	2,227,684	93,298,691	11.04	9.97	2,159,923	97,664,557	4,298,104
3.1.	- securities: unlisted shares	7.24	6.60	303,403	65,553,699	8.38	7.56	296,906	75,454,520	9,894,324
3.2.	- unlisted bonds	3.26	2.97	1,924,281	27,744,992	2.66	2.40	1,863,017	22,210,037	-5,596,220
4.	Bank deposits, of which:	0.73	0.67	-	6,680,527	5.19	4.69	-	46,960,752	40,280,225
4.1.	bank deposits held at credit institutions in Romania, total, of which:	0.73	0.67	-	6,680,527	5.19	4.69	-	46,960,752	40,280,225
4.1.1.	- bank deposits in RON	0.73	0.67	-	6,680,527	5.19	4.69	-	46,960,752	40,280,225
5.	Derivatives traded on a regulated market	-	-	-	-	-	-	-	-	-
6.	Current bank accounts and cash, total, of which:	0.26	0.24	2,338,570	24,121	0.85	0.76	7,647,496	11,908	5,296,713
6.1.	in RON	0.00	0.00	-	24,121	0.00	0.00	-	11,908	-12,213



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6.2.	in USD, equivalent in RON	0.00	0.00	7,857	-	0.38	0.35	3,470,148	-	3,462,290
6.3.	in EUR, equivalent in RON	0.26	0.23	2,328,561	-	0.46	0.42	4,176,934	-	1,848,373
6.4.	in GBP, equivalent in RON	0.00	0.00	2,152	-	0.00	0.00	415	-	-1,737
7.	Money market instruments, other than those traded on a regulated market, in accordance with article 101 paragraph (1) indent g) of Law no. 297/2004 - Government securities	0.00	0.00	-	0	0.00	0.00	-	0	0
8.	Equity securities held with NON-UCITS/ UCITS, total, of which:	6.02	5.48	5,064,276	49,694,340	5.86	5.30	3,570,750	49,473,310	-1,714,556
8.1.	Shares listed on BSE	4.18	3.81	-	38,046,399	3.85	3.48	-	34,834,526	-3,211,873
8.2.	Fund units – Investment Funds	1.84	1.67	5,064,276	11,647,941	2.01	1.82	3,570,750	14,638,784	1,497,317
9.	Other assets (amounts in transit, amounts at distributors, amounts at financial investment service firms, tangible and intangible assets, receivables, etc.)	8.47	7.72	694,079	76,428,811	0.44	0.39	99,382	3,840,738	-73,182,770

Net Asset Value per Unit

Item	September 30, 2016	September 30, 2015	Differences
Net Asset Value	904,440,587	1,113,429,301	-208,988,714
Number of outstanding shares	2,184,286,664	2,184,286,664	0
Net Asset Value per share (RON/share)	0.4141	0.5097	-0.0956



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**Detailed statement of investments**

**Securities admitted or traded on a regulated market in Romania**

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value RON/share	Share value RON/share	Total value - RON -	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
<b>Securities and money market instruments admitted or traded on a regulated market in Romania</b>										
1	ALUMIL ROM INDUSTRY BUCURESTI	ALU	30/09/2016	323,367	0.2000	0.9280	300,084.58	1.035	0.03	0.03
2	ANTIBIOTICE	ATB	30/09/2016	27,026,664	0.1000	0.5160	13,945,758.62	4.026	1.39	1.54
3	ARMAX GAZ SA	ARAX	27/09/2016	88,135	10.0000	2.1900	193,015.65	1.435	0.02	0.02
4	ARO-PALACE SA	ARO		345,704,600	0.1000	0.1295	44,768,745.70	85.740	4.47	4.95
5	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	BRD	30/09/2016	23,204,874	1.0000	11.0000	255,253,614.00	3.330	25.48	28.22
6	BIROUL DE TURISM PENTRU TINERET (BTT) SA	BIBU	05/08/2016	0	2.5000	0.0000	0.00	0.000	0.00	0.00
7	BURSA DE VALORI BUCURESTI SA	BVB	30/09/2016	688,110	10.0000	27.1000	18,647,781.00	8.967	1.86	2.06
8	CASA ALBA INDEPENDENTA SIBIU	CAIN	30/10/2015	419,484	2.5000	28.6106	12,001,688.93	53.319	1.20	1.33
9	CASA DE BUCOVINA-CLUB DE MUNTE SA	BCM	29/09/2016	6,434,481	0.1000	0.0716	460,708.84	3.845	0.05	0.05
10	COCOR SA	COCR	16/09/2016	30,911	40.0000	70.0000	2,163,770.00	10.246	0.22	0.24
11	COMCM SA CONSTANTA	CMCM	01/09/2014	134,049,930	0.1000	0.1569	21,032,434.02	56.725	2.10	2.33
12	COMPA SA SIBIU	CMP	30/09/2016	3,353,936	0.1000	0.9720	3,260,025.79	1.533	0.33	0.36
13	CONCAS SA	CONK	17/10/2013	336,756	2.5000	34.7292	11,695,266.48	47.207	1.17	1.29
14	CONDMAG BRASOV	COMI	20/07/2015	19,000,000	0.1000	0.0000	0.00	4.982	0.00	0.00



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15	DORNA TURISM SA	DOIS	12/09/2016	455,793	2.5000	1.1200	510,488.16	32.014	0.05	0.06
16	DUPLEX SA	DUPX	19/07/2016	32,772	2.5000	0.0000	0.00	26.867	0.00	0.00
17	ELECTROMAGNETICA S.A.	ELMA	30/09/2016	5,426,452	0.1000	0.1560	846,526.51	0.803	0.08	0.09
18	EMAILUL SA	EMAI	27/09/2016	729,551	2.5000	14.0000	10,213,714.00	28.926	1.02	1.13
19	FEPER SA	FEP	28/09/2016	312,123,729	0.1000	0.2690	83,961,283.10	85.800	8.38	9.28
20	GASTRONOM SA	GAOY	28/09/2016	215,453	2.5000	24.1000	5,192,417.30	70.288	0.52	0.57
21	IAR SA	IARV	30/09/2016	863,212	2.5000	6.3000	5,438,235.60	4.572	0.54	0.60
22	INDEPENDENTA SA	INTA	28/06/2016	1,530,636	2.5000	0.6435	984,964.27	53.301	0.10	0.11
23	IUS SA	IUBR	26/09/2016	1,161,362	0.1000	0.0580	67,359.00	2.526	0.01	0.01
24	LEGMAS SA	LGMS	19/09/2012	175,429	2.5000	0.8612	151,079.45	7.276	0.02	0.02
25	LIDO SA	LIDO	15/09/2016	409,710	0.1000	0.1810	74,157.51	3.309	0.01	0.01
26	MECANICA CODLEA SA	MEOY	05/09/2016	100,260,250	0.1000	0.0448	4,491,659.20	81.072	0.45	0.50
27	MECANICA SA	MEMI	09/12/2014	422,503	2.5000	0.0000	0.00	10.892	0.00	0.00
28	MECON SA	MECP	28/09/2016	58,966	11.6000	2.4000	141,518.40	12.284	0.01	0.02
29	NEPTUN-OLIMP SA	NEOL	20/09/2016	30,194,757	0.1000	0.2500	7,548,689.25	41.185	0.75	0.83
30	OIL TERMINAL	OIL	30/09/2016	8,249,697	0.1000	0.0970	800,220.61	1.416	0.08	0.09
31	OMV PETROM SA BUCURESTI	SNP	30/09/2016	124,506,102	0.1000	0.2440	30,379,488.89	0.220	3.03	3.36
32	ORGANE DE ASAMBLARE SA	ORAS	14/03/2016	129,845,110	0.1000	0.0000	0.00	95.697	0.00	0.00
33	PRAHOVA ESTIVAL 2002 SA	PRAH	28/01/2016	1,288,584	0.1000	0.0979	126,152.37	39.624	0.01	0.01
34	PROSPECTIUNI SA BUCURESTI	PRSN	06/04/2016	41,129,011	0.1000	0.0000	0.00	5.728	0.00	0.00
35	ROMRADIATOARE SA BRASOV	RRD		11,477,141	1.6300	2.3687	27,185,903.89	76.514	2.71	3.01
36	S.N. NUCLEARELECTRICA	SNN	30/09/2016	1,000,203	10.0000	4.9350	4,936,001.81	0.332	0.49	0.55
37	S.N.G.N. ROMGAZ S.A.	SNG	30/09/2016	2,251,471	1.0000	23.2500	52,346,700.75	0.584	5.23	5.79
38	SANTIERUL NAVAL CONSTANTA SA	SNC	13/09/2016	471,605	2.5000	0.9000	424,444.50	0.726	0.04	0.05
39	SANTIERUL NAVAL SA	SNO	28/09/2016	5,711,432	2.5000	2.4600	14,050,122.72	50.000	1.40	1.55
40	SEMBRAZ SA	SEBZ	29/07/2016	719,900	2.5000	2.2838	1,644,107.62	90.968	0.16	0.18



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41	SERVICE NEPTUN 2002 SA	SECE	29/01/2016	3,610,420	0.1000	0.4280	1,545,259.76	39.624	0.15	0.17
42	SIBAREX SA	SIBX	29/09/2016	1,215,711	1.6000	0.3000	364,713.30	52.853	0.04	0.04
43	SIBEX SIBIU STOCK EXCHANGE	SBX	06/09/2016	1,714,283	1.0000	0.4000	685,713.20	5.128	0.07	0.08
44	SIMEC SA	SIMI	24/11/2015	197,044	2.5000	1.5884	312,984.69	45.775	0.03	0.03
45	SSIF BRK FINANCIAL GROUP S.A.	BRK	30/09/2016	2,039,480	0.1600	0.0720	146,842.56	0.604	0.01	0.02
46	TERRACOTTA STAR SA	BAZL	05/11/2014	2,209,017	2.5000	0.5107	1,128,144.98	97.483	0.11	0.12
47	TRANSILVANIA LEASING SI CREDIT IFN SA BRASOV	TSLA	23/09/2016	353,282,752	0.1000	0.0260	9,185,351.55	68.507	0.92	1.02
48	TRATAMENT BALNEAR BUZIAS SA	BALN	29/09/2016	145,615,772	0.1000	0.0290	4,222,857.39	91.871	0.42	0.47
49	TURISM COVASNA SA	TUAA	30/09/2016	407,760,355	0.1000	0.0460	18,756,976.33	92.840	1.87	2.07
50	TURISM FELIX SA	TUFE	29/09/2016	313,579,000	0.1000	0.2040	63,970,116.00	63.203	6.39	7.07
51	TURISM, HOTELURI, RESTAURANTE MAREA NEAGRA SA	EFO	30/09/2016	449,920,140	0.1000	0.0900	40,492,812.60	77.713	4.04	4.48
52	TUSNAD SA	TSND	22/09/2016	230,601,476	0.1000	0.0404	9,316,299.63	76.408	0.93	1.03
53	UTILAJ GREU SA	UTGR	26/09/2016	476,226	2.5000	2.5000	1,190,565.00	70.387	0.12	0.13
54	VIOLA-INDEPENDENTA SIBIU	VIRO	11/06/2015	74,307	2.5000	43.8464	3,258,094.44	53.616	0.33	0.36
<b>TOTAL Securities and money market instruments admitted or traded on a regulated market in Romania</b>							<b>789,814,860</b>		<b>78.85</b>	<b>87.33</b>
<b>UCITS/NON-UCITS equity securities</b>										
1	FONDUL PROPRIETATEA SA	FP	30/09/2016	43,380,481	0.8500	0.8030	34,834,526.24	0.396	3.48	3.85
<b>TOTAL UCITS/NON-UCITS equity securities</b>							<b>34,834,526</b>		<b>3.48</b>	<b>3.85</b>
<b>TOTAL SHARES</b>							<b>824,649,386</b>		<b>82.33</b>	<b>91.18</b>

<sup>x)</sup> includes both the shares reflected in Chapter I row 1.1. and shares held in FONDUL PROPRIETATEA, reflected in Chapter I row 8.



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Securities admitted or traded on a regulated market in a member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
	TOTAL SHARES								0.00	0.00

Securities admitted or traded on a regulated market in a non-member state

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
1	INVENSENSE	INVN	30/09/2016	15,000	1.0000	29.5479	443,218.50	0.020	0.04	0.05
	TOTAL SHARES						443,218.50		0.05	0.04

Money market instruments admitted or traded on a regulated market in Romania

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Money market instruments admitted or traded on a regulated market in a member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %



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Money market instruments admitted or traded on a regulated market in a non-member state

No.	Issuer	Instrument symbol / series	Date of last trading session	Number	Instrument value	Total value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

Instruments referred to in art. 187, indent a)

No.	Issuer	No. of shares/bonds held	Acquisition date <sup>*)</sup>	Maturity date	Acquisition price RON/share <sup>**) (RON/bond)</sup>	Share (bond) value (RON or equivalent RON)	Total value RON <sup>***)</sup> or equivalent RON	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
<b>SHARES TOTAL, of which:</b>							<b>75,751,426</b>		<b>7.56</b>	<b>8.38</b>
1	ADES SA CONSTANTA CT	138,221	01.11.1996		0.0000	0.0000	0.00	40.81	0.00	0.00
2	AGRIAS SA CASTELU CT	39,098	01.11.1996		0.0000	0.0000	0.00	8.71	0.00	0.00
3	AGROHOLDING SA CONSTANTA CT	107,409	01.11.1996		0.0000	0.0000	0.00	21.73	0.00	0.00
4	AGROINDUSTRIALA SA BV	132,143	01.11.1996		0.0000	0.0000	0.00	12.20	0.00	0.00
5	ANCA-IRINA SA VENUS-MANGALIA CT	792,630	01.11.1996		0.0000	0.0000	0.00	91.07	0.00	0.00
6	APOLLO ESTIVAL 2002 SA CT	2,350,890	31.07.2002		0.3433	0.3433	807,060.54	39.62	0.08	0.09
7	ARCOM S.A. BUCURESTI BU	667	27.07.2007		0.0000	0.0000	0.00	0.19	0.00	0.00
8	BANCA DE EXPORT IMPORT A ROMANIEI SA EXIMBANK BU	414,740	01.11.1996		2.0398	2.0398	845,986.65	0.31	0.08	0.09
9	BANCA INTERNATIONALA A RELIGIILOR SA BU	460,440	28.11.1997		0.0000	0.0000	0.00	2.30	0.00	0.00
10	BANCA ROMANA DE SCONT SA BV	150,000	01.11.1996		0.0000	0.0000	0.00	7.50	0.00	0.00



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11	BRAV ROMPROT 2000 SA BV	4,060	31.12.1999		0.0000	0.0000	0.00	42.42	0.00	0.00
12	CAPITOL SA JUPITER CT	106,363	01.11.1996		1.9023	1.9023	202,334.33	27.57	0.02	0.02
13	CEZOTOR SA TORTOMANU CT	68,783	01.11.1996		0.0000	0.0000	0.00	16.50	0.00	0.00
14	CNM PETROMIN SA CONSTANTA CT	5,358,861	01.11.1996		0.0000	0.0000	0.00	23.83	0.00	0.00
15	COMET SA HIRSOVA CT	65,453	01.11.1996		0.0000	0.0000	0.00	39.44	0.00	0.00
16	COMSIG SA MS	29,304	01.11.1996		9.7544	9.7544	285,842.94	27.09	0.03	0.03
17	CONSTRUCTII AERONAUTICE SA BV	4,283	30.11.2004		0.0000	0.0000	0.00	4.57	0.00	0.00
18	CONSTRUCTII COMPLEXE CONSTANTA SA CT	674	01.11.1996		0.0000	0.0000	0,00	14.15	0.00	0.00
19	CONSTRUCTII FERROVIARE CONSTANTA SA CT	7,083	01.11.1996		0.0000	0.0000	0.00	10.35	0.00	0.00
20	CONTINENTAL HOTELS SA BUCURESTI BU	2,729,171	31.12.1997		6.0288	6.0288	16,453,626.12	9.30	1.64	1.82
21	CRISTIANA SA BV	153,410	01.11.1996		192.7545	192.7545	29,570,467.85	99.80	2.95	3.27
22	DELTAROM SA TL	91,538	01.11.1996		0.0000	0.0000	0.00	21.59	0.00	0.00
23	DEPOZITARUL CENTRAL SA BUCURESTI BU	10,128,748	12.08.1999		0.0290	0.0290	293,733.69	4.00	0.03	0.03
24	DEPOZITARUL SIBEX SA SB	12,480	24.03.2009		24.0015	24.0015	299,538.72	5.44	0.03	0.03
25	DIVERSIS SA VN	11,149	01.11.1996		0.0000	0.0000	0.00	6.68	0.00	0.00
26	DOCURI SA GL	60,579	01.11.1996		4.8855	4.8855	295,958.70	3.53	0.03	0.03
27	ELECTROMECC SA CV	37,577	01.11.1996		0.0000	0.0000	0.00	23.81	0.00	0.00
28	ENERGO SA BV	113,047	01.11.1996		6.8668	6.8668	776,271.14	15.00	0.08	0.09
29	FELAM SA SB	374,907	01.11.1996		0.0000	0.0000	0.00	36.22	0.00	0.00
30	FERMA STUPINI UTB SA BV	5,343,195	23.02.2000		0.0000	0.0000	0.00	26.69	0.00	0.00
31	FERMIT SA BZ	151,468	01.11.1996		14.1516	14.1516	2,143,514.55	16.37	0.21	0.24
32	FONDUL ROMAN DE GARANTARE A CREDITELOR PT.INTREPRI BU	3,697,948	21.12.2006		0.6416	0.6416	2,372,603.44	23.02	0.24	0.26



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33	FRUVILEG SA BRASOV BV	154,055	01.11.1996		0.0000	0.0000	0.00	30.00	0.00	0.00
34	FRUVIMED SA MEDGIDIA CT	332,528	01.11.1996		0.0000	0.0000	0.00	20.82	0.00	0.00
35	GALGROS GL	568,000	29.10.2007		1.7795	1.7795	1,010,756.00	13.70	0.10	0.11
36	GRUP BIANCA TRANS SA BV	7,694,200	31.07.2006		0.5154	0.5154	3,965,590.68	70.84	0.40	0.44
37	HARGHITA SA HR	45,633	01.11.1996		0.0000	0.0000	0.00	31.42	0.00	0.00
38	HIDROMECHANICA SA BV	1,170,304	01.11.1996		0.0000	0.0000	0.00	36.27	0.00	0.00
39	ICIM SA BV	29,748	01.11.1996		0.0000	0.0000	0.00	3.59	0.00	0.00
40	ILEDIFICIA SA IL	35,768	28.02.2003		0.0000	0.0000	0.00	34.47	0.00	0.00
41	IMUM SA MEDGIDIA CT	405,313	01.11.1996		0.0000	0.0000	0.00	22.49	0.00	0.00
42	INTERNATIONAL TRADE&LOGISTIC CENTER SA BV	81,708,428	01.11.1996		0.0623	0.0623	5,090,435.06	87.30	0.51	0.56
43	IRUCOM SA HR	6,269	01.11.1996		1.0900	1.0900	6,833.21	17.41	0.00	0.00
44	ISTRIA ESTIVAL 2002 SA CT	543,940	31.07.2002		0.2622	0.2622	142,621.07	39.62	0.01	0.02
45	LIANA 95 SA VENUS-MANGALIA CT	14,432,354	01.11.1996		0.0000	0.0000	0.00	29.79	0.00	0.00
46	MARCHIM SA VN	614,852	01.11.1996		0.0000	0.0000	0.00	23.76	0.00	0.00
47	MASINI UNELTE SI MECANIZARI UTB SA BV	11,009,890	23.02.2000		0.0000	0.0000	0.00	18.12	0.00	0.00
48	MIDEX SA CT	32,338	01.11.1996		0.0000	0.0000	0.00	24.89	0.00	0.00
49	MOLDOVA ESTIVAL 2002 SA CT	1,862,343	31.07.2002		0.0000	0.0000	0.00	8.88	0.00	0.00
50	MULTI PREST SA MS	149,686	01.11.1996		0.0000	0.0000	0.00	14.48	0.00	0.00
51	MUNCA OVIDIU SA CT	326,479	01.11.1996		0.0000	0.0000	0.00	18.26	0.00	0.00
52	MUNTENIA ESTIVAL 2002 SA BU	1,784,313	31.07.2002		0.0000	0.0000	0.00	39.62	0.00	0.00
53	NAZARCEA OVIDIU SA CT	149,722	01.11.1996		0.0000	0.0000	0.00	30.08	0.00	0.00
54	NEVOCECA SA NEGRU VODA CT	75,343	01.11.1996		0.0000	0.0000	0.00	13.63	0.00	0.00
55	NICOVALA SA MS	150,001	01.11.1996		0.0000	0.0000	0.00	23.72	0.00	0.00



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56	NITRAMONIA SA BV	315,283	01.11.1996		0.0000	0.0000	0.00	2.10	0.00	0.00
57	OPAL SA JUPITER MANGALIA CT	120,186	01.11.1996		1.5788	1.5788	189,749.66	28.37	0.02	0.02
58	RESTAURANT TOMIS SA CT	63,931	01.11.1996		0.3177	0.3177	20,310.88	18.18	0.00	0.00
59	REUTCOM UTB SA BV	2,134,920	23.02.2000		0.0306	0.0306	65,328.55	8.99	0.01	0.01
60	ROMAGRIBUZ SA RAMNICU SARAT BZ	83,146	01.11.1996		0.0000	0.0000	0.00	7.88	0.00	0.00
61	ROMAGRIBUZ VERGULEASA SA BZ	280,631	01.11.1996		0.0000	0.0000	0.00	37.30	0.00	0.00
62	ROMLAG SA BV	247,917	01.11.1996		0.0000	0.0000	0.00	22.84	0.00	0.00
63	S.I.F. TRANSILVANIA PROJECT MANAGEMENT COMPANY SA BV	44,999	26.03.2014		7.5065	7.5065	337,784.99	100.00	0.03	0.04
64	S.U.D.V. BRASOV S.A. BV	2,154,539	28.07.2004		0.0739	0.0739	159,220.43	9.33	0.02	0.02
65	SCUDIVER UTB SA BV	2,232,707	23.02.2000		0.0000	0.0000	0.00	11.91	0.00	0.00
66	SECOM SA MS	26,312	01.11.1996		0.0000	0.0000	0.00	27.09	0.00	0.00
67	SEMLACT SACELE SA CT	98,660	01.11.1996		0.0000	0.0000	0.00	30.00	0.00	0.00
68	SERE CODLEA SA BV	1,218,707	01.11.1996		0.0000	0.0000	0.00	12.52	0.00	0.00
69	SIMARO-SIB SA SB	20,732	31.03.1998		0.0000	0.0000	0.00	10.02	0.00	0.00
70	SIRETUL PASCANI IS	17,116,533	23.03.2004		0.0000	0.0000	0.00	10.78	0.00	0.00
71	SOCIETATEA DE INVESTITII CERTINVEST IMM S.A. B1	1,125	11.11.2014		64.6466	64.6466	72,727.43	15.63	0.01	0.01
72	SOFT APLICATIV SI SERVICII SA SB	47,728	01.11.1996		5.5029	5.5029	262,642.41	28.33	0.03	0.03
73	SOL-LACT SA CV	171,470	01.11.1996		0.0000	0.0000	0.00	29.99	0.00	0.00
74	STATIUNEA OGLINZI SA NT	1,093,552	23.02.2000		0.9230	0.9230	1,009,348.50	54.52	0.10	0.11
75	STEEL WORKS SA CONSTANTA CT	170,708	01.11.1996		0.0000	0.0000	0.00	22.01	0.00	0.00
76	TOMIS CAR SA CT	61,561	01.11.1996		0.0000	0.0000	0.00	15.99	0.00	0.00
77	TOMIS ESTIVAL 2002 SA CT	522,893	31.07.2002		0.5292	0.5292	276,714.98	39.62	0.03	0.03
78	TOPLACER SA CT	179,022	01.11.1996		0.0000	0.0000	0.00	27.26	0.00	0.00



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79	TRANSIL SA IL	16,857	01.11.1996		7.8387	7.8387	132,136.97	33.16	0.01	0.01
80	TRANSILVANIA ESTIVAL 2002 SA CT	3,589,861	31.07.2002		0.1291	0.1291	463,451.06	11.14	0.05	0.05
81	TRANSILVANIA HOTELS & TRAVEL S.A. BU	1,123,180	01.11.1996		0.0000	0.0000	0.00	95.38	0.00	0.00
82	TRANSMAR IALOMITA S.A. IL	29,422	01.11.1996		0.0000	0.0000	0.00	14.83	0.00	0.00
83	TURISM LOTUS FELIX SA BH	484,853,142	09.12.2009		0.0126	0.0126	6,109,149.59	38.27	0.61	0.68
84	The Foundations Feeder AA	124,000	23.02.2015		2.3944	2.3944	296,905.60	26.67	0.03	0.03
85	UNICOM SA BZ	94,778	01.11.1996		15.7125	15.7125	1,489,199.33	22.83	0.15	0.16
86	UNIVERSAL-IND SA IL	11,571	01.11.1996		0.0000	0.0000	0.00	25.91	0.00	0.00
87	UNIVERTIS SA CT	14,708	01.11.1996		0.0000	0.0000	0.00	18.03	0.00	0.00
88	UPRUC RAMA SA BV	312,639	29.12.2000		0.0000	0.0000	0.00	31.54	0.00	0.00
89	UPRUC SERV SA BV	192,850	29.12.2000		0.0000	0.0000	0.00	20.69	0.00	0.00
90	UPRUC TAP-SDV SA BV	200,197	29.12.2000		0.0000	0.0000	0.00	12.63	0.00	0.00
91	UPRUC UTCH SA BV	130,869	29.12.2000		0.0000	0.0000	0.00	23.34	0.00	0.00
92	VERITAS PANCIU SA VN	656,693	01.11.1996		0.0000	0.0000	0.00	26.33	0.00	0.00
93	VITIPOMICOLA FETESTI SA IL	74,336	01.11.1996		0.0000	0.0000	0.00	11.34	0.00	0.00
94	VITIVINICOLA BASARABI SA CT	342,580	01.11.1996		0.0000	0.0000	0.00	10.86	0.00	0.00
95	VULTURUL SA PH	2,105,276	11.10.2007		0.1442	0.1442	303,580.80	7.13	0.03	0.03
<b>BONDS TOTAL, of which:</b>							<b>24,073,054</b>		<b>2.40</b>	<b>2.66</b>
1	BANCA TRANSILVANIA SA	688,362	22.05.2013	22.05.2020	2.6079	2.7064	1,863,017		0.19	0.21
	<b>TOTAL BANCA TRANSILVANIA SA</b>	<b>688,362</b>					<b>1,863,017</b>		<b>0.19</b>	<b>0.21</b>
2	FEPER SA	800,000	30.12.2015	05.06.2018	2.5000	2.5343	2,027,419		0.20	0.22
3	FEPER SA	1,193,160	30.12.2015	05.06.2018	2.5000	2.5330	3,022,289		0.30	0.33
	<b>TOTAL FEPER SA</b>	<b>1,993,160</b>					<b>5,049,708</b>		<b>0.50</b>	<b>0.56</b>
4	ORGANE DE ASAMBLARE SA	2,200,000	24.01.2013	25.01.2017	2.5000	0.0000	0		0.00	0.00



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	<b>TOTAL ORGANE DE ASAMBLARE SA</b>	2,200,000						<b>0</b>		<b>0.00</b>	<b>0.00</b>
5	ROMRADIATOARE SA BRASOV	2,260,000	27.11.2012	27.11.2017	2.5000	2.5218		5,699,344		0.57	0.63
	<b>TOTAL ROMRADIATOARE SA BRASOV</b>	2,260,000						<b>5,699,344</b>		<b>0.57</b>	<b>0.63</b>
6	S,A,I, CERTINVEST S,A,	900	12.12.2014	12.12.2019	10,000,0000	10,207.1233		9,186,411		0.92	1.02
	<b>TOTAL S,A,I, CERTINVEST S,A,</b>	900						<b>9,186,411</b>		<b>0.92</b>	<b>1.02</b>
7	SIBAREX SA	900,000	21.11.2013	21.11.2016	2.5000	2.5273		2,274,574		0.23	0.25
	<b>TOTAL SIBAREX SA</b>	900,000						<b>2,274,574</b>		<b>0.23</b>	<b>0.25</b>
<b>TOTAL Instruments referred to in art. 187, indent a) (shares total + bonds total)</b>								<b>99,824,479</b>		<b>9.97</b>	<b>11.04</b>

\*) For all the companies in the portfolio on the date of S.I.F. Transilvania setting up (through reorganization of the former F.P.P. III Transilvania, according to Law no. 133/1996), the acquisition date is considered November 1, 1996; for all the other companies, the acquisition date is considered the date of first acquisition (irrespective of whether the stock existing on the reporting date was acquired through several acquisitions). In the case of bonds, the acquisition date is the payment date of the amount subscribed.

\*\*) "Acquisition price" represents the average acquisition price for the securities in portfolio on the reporting date.

\*\*\*) In the case of bonds, the total value includes the interest accrued up to the reporting date.

**Bonds or other traded debt securities issued or guaranteed by the State or by central public administration authorities**

No.	Series and number of issue	No. of securities	Acquisition date	Maturity dare	Initial value	Daily increase	Accrued interest	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %	Intermediary bank

**Bonds or other traded debt securities issued or guaranteed by local public administration authorities**

No.	Issuer	No. of securities	Acquisition date	Maturity dare	Initial value	Daily increase	Accrued interest	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %



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Bank deposits														
No.	Bank name	Currency	Set-up date	Maturity*	Initial value		Daily interest		Accrued interest		Discounted value		Weight in the SIF total assets %	Weight in the SIF net assets %
					Currency	RON	Currency	RON	Currency	RON	Currency	RON		
1	BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI	RON	30.09.2016	03.10.2016		2,892,175		10.44		10		2,892,185	0.29	0.32
	<b>TOTAL BANCA BRD - GROUPE SOCIETE GENERALE SA BUCURESTI</b>	<b>RON</b>				<b>2,892,175</b>				<b>10</b>		<b>2,892,185</b>	<b>0.29</b>	<b>0.32</b>
1	BANCA COMERCIALA ROMANA SA	RON	30.09.2016	03.10.2016		1,558,564		7.36		7		1,558,571	0.16	0.17
	<b>TOTAL BANCA COMERCIALA ROMANA SA</b>	<b>RON</b>				<b>1,558,564</b>				<b>7</b>		<b>1,558,571</b>	<b>0.16</b>	<b>0.17</b>
1	ING BANK	RON	30.09.2016	03.10.2016		22,493,083		124.96		125		22,493,208	2.25	2.49
	<b>TOTAL ING BANK</b>	<b>RON</b>				<b>22,493,083</b>				<b>125</b>		<b>22,493,208</b>	<b>2.25</b>	<b>2.49</b>
1	UNICREDIT TIRIAC BANK	RON	05.09.2016	05.10.2016		10,007,368		83.39		2,168		10,009,536	1.00	1.11
2	UNICREDIT TIRIAC BANK	RON	16.09.2016	17.10.2016		10,006,000		83.38		1,251		10,007,251	1.00	1.11
	<b>TOTAL UNICREDIT TIRIAC BANK</b>	<b>RON</b>				<b>20,013,368</b>				<b>3,419</b>		<b>20,016,787</b>	<b>2.00</b>	<b>2.21</b>
<b>TOTAL DEPOSITS IN RON</b>						<b>46,957,190</b>				<b>3,562</b>		<b>46,960,752</b>	<b>4.69</b>	<b>5.19</b>
<b>GRAND TOTAL DEPOSITS</b>						<b>46,957,190</b>				<b>3,562</b>		<b>46,960,752</b>	<b>4.69</b>	<b>5.19</b>

\* Maturity date represents the last day of deposit (the amount being available in the current account the next day).



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Fund units held in investment funds

No.	Issuer	No. of fund units	Acquisition date	Acquisition price	Value /fund unit - RON or equivalent RON-	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
1	ETFS 3X Daily Short DAX 30	250,000	11.03.2015	14.2830	14.2830	3,570,750	2.50	0.36	0.39
	<b>Subtotal fonduri deschise</b>					<b>3,570,750</b>		<b>0.36</b>	<b>0.39</b>
1	FOND INCHIS DE INVESTITII BET-FI INDEX INVEST	2,054	01.09.2014	475.4162	475.4162	976,505	8.87	0.10	0.11
2	FONDUL INCHIS DE INVESTITII MULTICAPITAL INVEST	3,400	14.11.2012	2,064.4500	2,064.4500	7,019,130	36.19	0.70	0.78
3	FONDUL INCHIS DE INVESTITII STAR VALUE	9,154	07.08.2015	725.7100	725.7100	6,643,149	29.44	0.66	0.73
	<b>Subtotal closed-end funds</b>					<b>14,638,784</b>		<b>1.46</b>	<b>1.62</b>
<b>TOTAL Fund Units</b>						<b>18,209,534</b>		<b>1.82</b>	<b>2.01</b>

Securities pending the sale, according to Law no. 151/2014

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
3	CORAL SA			165,500	2.5000	0.0000	0.00	34.580	0.00	0.00
1	LEGUME FRUCTE BUZAU S.A.			207,822	2.5000	14.9900	3,115,251.78	25.227	0.31	0.34
2	METALICA MEDGIDIA SA			19,875	2.5000	0.0000	0.00	6.667	0.00	0.00
	<b>TOTAL ACTIUNI</b>						<b>3,115,252</b>		<b>0.00</b>	<b>0.00</b>

Money market instruments referred to in art. 187 indent a)



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No.	Issuer	Acquisition date	Maturity	Initial value	Daily increase	Discounted value	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %

**Newly issued securities**

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Share value	Total value	Weight in the issuer's share capital %	Weight in the S.I.F. total assets %	Weight in the S.I.F. net assets %
	TOTAL									

**NAV and NAV/share in the last 3 years**

	30.09.2014	30.09.2015	30.09.2016
<b>Net Asset Value</b>	1,070,935,956.00	1,113,429,301.00	904,440,587.00
<b>Net Asset Value per share (RON/share)</b>	0.4903	0.5097	0.4141

Executive Vice President / Deputy CEO,  
Iulian STAN

Executive Vice President / Deputy CEO,  
Marius Adrian MOLDOVAN

Financial Division  
Banking-Financial Expert,  
Marioara Adriana BOIAN

Portfolio Management Division  
Manager,  
Dragos CALIN



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Societate administrată în sistem dualist

13.10.2016

**According to the FSA Regulation no. 9/2014**

**Certified by BRD - Groupe Société Générale S.A. Bucuresti**

STATEMENT OF ASSETS AND LIABILITIES OF S.I.F. TRANSILVANIA			
as at September 30, 2016			
		LEI	% din total active
<b>1</b>	<b>NON-CURRENT ASSETS, of which:</b>	<b>251.091.489</b>	<b>25,07</b>
1.1	Intangible Assets	298.927	0,03
1.2	Tangible Assets	11.447.776	1,14
1.3	Financial Non-Current Assets, of which:	239.344.786	23,89
1.3.1	Listed Shares	125.834.827	12,56
1.3.2	Unlisted Shares	75.751.426	7,56
1.3.3	Government Securities	0	0,00
1.3.4	Certificates of Deposit	0	0,00
1.3.5	Bank Deposits (Guarantees)	4.200	0,00
1.3.6	Municipal Bonds	0	0,00
1.3.7	Corporate Bonds (including Accrued Interest)	24.073.054	2,40
1.3.8	Newly Issued Securities	0	0,00
1.3.9	UCITS and/or non-UCITS Equity Securities	13.662.279	1,36
1.3.10	Other Non-Current Financial Assets - TOTAL, of which:	19.000	0,00



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1.3.10.1	Shares and Bonds from subscription to public offerings, share capital increases and bond issues (subscribed amount)	0	0,00
1.3.10.2	Shares from dividend capitalization (evaluated amount)	0	0,00
1.3.10.3	Shares Receivable (evaluated amount)	0	0,00
1.3.10.4	Other Non-Current Financial Assets	19.000	0,00
<b>2</b>	<b>CURRENT ASSETS, of which:</b>	<b>750.358.908</b>	<b>74,91</b>
2.1	Inventory	65.157	0,01
2.2	Receivables- TOTAL, of which:	4.791.015	0,48
2.2.1.	Bill of Exchange Receivables	0	0,00
2.2.2.	Dividends or Other Receivable Rights	3.096.693	0,31
2.2.3.	Amounts Receivable from the sale of shares with settlement date in the next month	0	0,00
2.2.4.	Other Receivables	1.694.322	0,17
2.3	Cash and Cash Equivalents	7.659.405	0,77
2.4	Short-term Financial Investments, of which:	703.805.033	70,26
2.4.1	Listed Shares	664.423.252	66,33
2.4.2	Unlisted Shares	0	0,00
2.4.3	Municipal Bonds	0	0,00
2.4.4	Corporate Bonds	0	0,00
2.4.5	UCITS and/or non-UCITS Equity Securities	39.381.781	3,93
2.4.6	Preference Rights	0	0,00
2.5	Newly Issued Securities	0	0,00
2.6	Government Securities	0	0,00
2.7	Bank Deposits	46.960.752	4,69



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2.8	Certificates of Deposit	0	0,00
2.9	Other Current Assets	-12.922.454	-1,29
<b>3</b>	<b>Derivatives</b>	<b>0</b>	<b>0,00</b>
<b>4</b>	<b>Prepaid Expenses</b>	<b>236.499</b>	<b>0,02</b>
<b>5</b>	<b>TOTAL ASSETS</b>	<b>1.001.686.896</b>	<b>100,00</b>
<b>6</b>	<b>TOTAL LIABILITY, of which:</b>	<b>97.246.309</b>	
6.1	Debenture Loans	0	
6.2	Amounts Owed to Credit and Leasing Institutions	0	
6.3	Advance Payments from Customers	1.500.639	
6.4	Trade Liabilities	19.544	
6.5	Bill of Exchange Payable	0	
6.6	Amounts Owed to Group Companies	0	
6.7	Amounts Owed related to Participation Interests	0	
6.8	Other Liabilities, of which:	95.726.126	
6.8.1	Dividends Payable **	65.552.868	
6.8.2	Amounts Subscribed and not paid-in to share capital increases and bond issues	0	
6.8.3	Amounts Payable for Acquisition of Shares with settlement date in the next month	0	
6.8.4	Other Liabilities	30.173.258	
<b>7</b>	<b>PROVISIONS FOR EXPENSES AND TAXES</b>	<b>159.577</b>	
<b>8</b>	<b>DEFERRED INCOME, of which:</b>	<b>0</b>	
8.1	Investment Subsidies	0	
8.2	Deferred income	0	
<b>9</b>	<b>SHAREHOLDERS' EQUITY, of which:</b>	<b>904.281.010</b>	



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9.1	Adjusted Share Capital, of which:	218.428.666	
9.1.1	Subscribed and Paid-in Share Capital	218.428.666	
9.1.2	Share Capital Adjustments under IFRS according to IAS 29 hyperinflation	0	
9.2	Differences from Changes in Fair Value on non-monetary financial assets available for sale	143.192.590	
9.3	Premium related to Capital	0	
9.4	Revaluation Differences	9.684.169	
9.5	Reserves	446.929.802	
9.6	Retained Earnings	0	
9.6.1	Retained Earnings (including from the application of IFRS, with the exception of IAS 29)	0	
9.6.2	Retained Earnings from the first-time adoption of IAS 29	0	
9.6.3	Retained Earnings- Profit Carried Forward	0	
9.7	Result of the Period (YTD)	86.045.783	
9.8	Profit Appropriation (to be deducted)	0	
<b>10</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>1.001.686.896</b>	
<b>11</b>	<b>NET ASSET VALUE</b>	<b>904.440.587</b>	
<b>12</b>	<b>NUMBER OF SHARES ISSUED</b>	<b>2.184.286.664</b>	
<b>13</b>	<b>NET ASSETS VALUE PER SHARE (RON/share)</b>	<b>0,4141</b>	
<b>14</b>	<b>Number of Companies in Portfolio- total, of which:</b>	<b>151</b>	
14.1	Companies Admitted to trading on a Regulated Market	21	
14.2	Companies Admitted to trading on an Alternative Trading System	35	
14.3	Companies not Admitted to Trading	95	
<b>15</b>	<b>Companies for which Financial Statements are not</b>	<b>0</b>	



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	available*		
<b>16</b>	<b>Number of Investment Funds in which the company holds Fund Units- total, of which:</b>	<b>4</b>	
16.1	Number of open-end Investment Funds in which the company holds Funds Units	1	
16.2	Number of closed-end Investment Funds in which the company holds Funds Units	3	

\*These companies are included in the NAV at nil value.

\*\* The dividends payable according to the O.G.M.S. Resolution no. 1/28.04.2016, amounting to RON 57.949.125,20, are recorded in row 6.8.1

Note: The Company's procedure for drafting the statement of assets and liabilities, harmonized with the provisions of the FSA Regulation no. 9/2014, is available on the Company's website: [www.siftransilvania.ro](http://www.siftransilvania.ro)

**VICE-PRESIDENT OF THE EXECUTIVE BOARD /  
DEPUTY CHIEF EXECUTIVE OFFICER,  
Ec. IULIAN STAN, Phd.**

Certified by the Depository Company  
BRD-Groupe Societe Generale S.A. Bucharest  
Director: Claudia IONESCU

**VICE-PRESIDENT OF THE EXECUTIVE BOARD /  
DEPUTY CHIEF EXECUTIVE OFFICER,  
Ec. MARIUS ADRIAN MOLDOVAN**

FINANCIAL DIVISION  
FINANCIAL EXPERT,  
BOIAN MARIOARA ADRIANA

PORTOFOLIO MANAGEMENT DIVISION  
MANAGER  
DRAGOS CALIN,

This is a free translation of the "Statement of assets and liabilities of SIF Transilvania as at 30.06.2016" which was prepared in Romanian. In case of discrepancies between the Romanian version and the English version, the Romanian version shall prevail.

CUI / CIF: RO 3047687 • R.C. J08/3306/92 • Capital social subscris și vărsat: 218.428.666,40 lei • IBAN: RO08RNCB0053008581440001, BCR Braşov  
Număr registru C.N.V.M: PJR 09 SIIR/080004/06.03.2006 • Înregistrată în Registrul de Evidență a Prelucrărilor de Date cu Caracter Personal sub nr. 22940