



SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

**REPORT OF THE BOARD OF ADMINISTRATION
on simplified interim individual financial statements
for 30.06.2017
HALF-YEARLY REPORT
according to R.N.S.C. / F.S.A. Regulations no. 1/2006**

Report Date: 30.06.2017

Name of the Issuer: Societatea de Investiții Financiare OLTENIA S.A.

Headquarters: Dolj county, Craiova, Str. Tufănele nr. 1, zip code 200767

Phone/Fax: 0251-419.335 / 0251-419.340

CUI/CIF: RO 4175676

Trade Register Order Number: J16/1210/30.04.1993

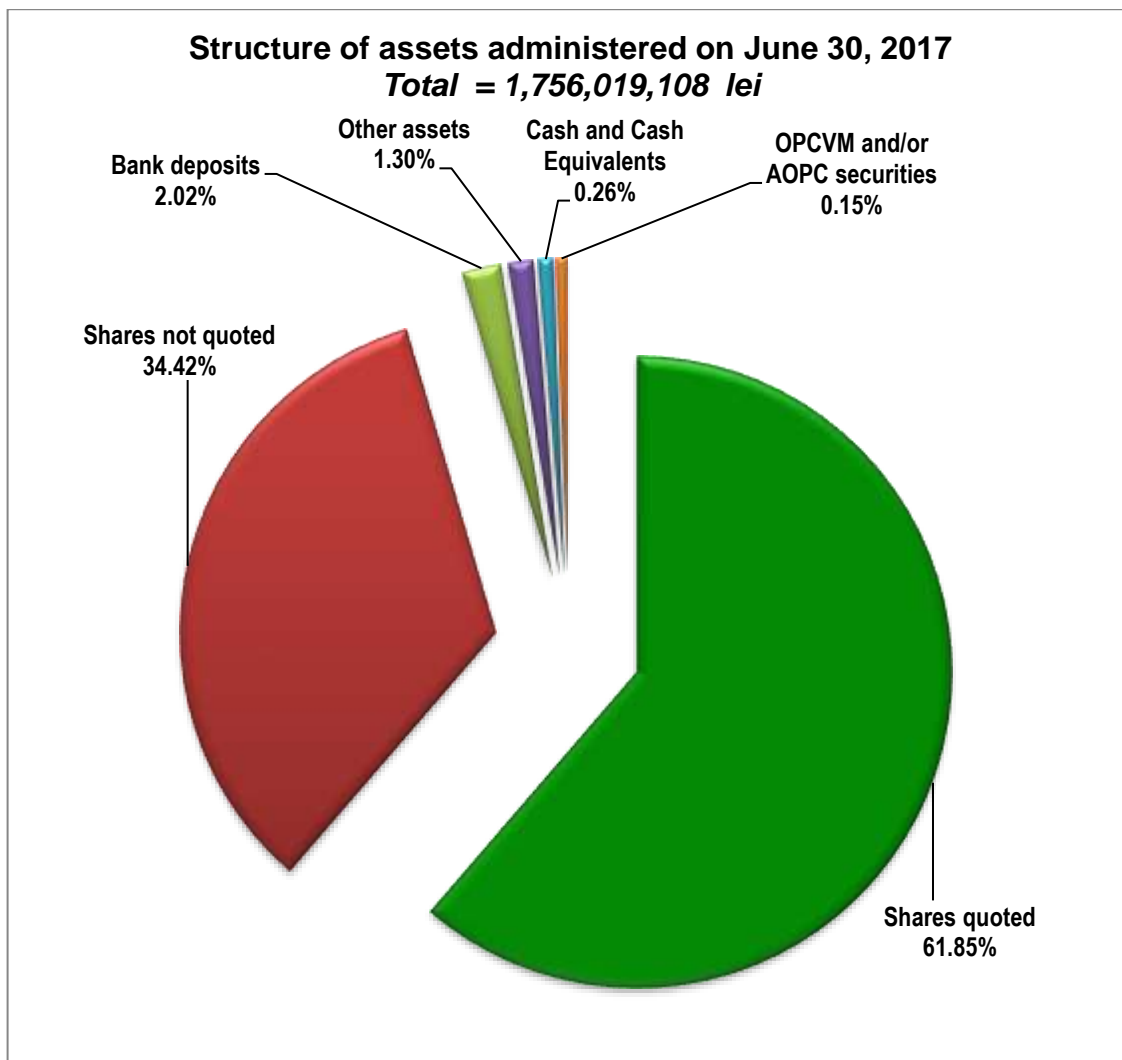
R.N.S.C. / F.S.A. Register no.: PJR09SIIR/160003/14.02.2006

Subscribed and paid-up share capital: 58,016,571 lei

The regulated market on which the issued securities are traded: Bucharest Stock Exchange – *Premium Tier*

1. Economic and financial status:

On 30.06.2017, **the Company's assets** - calculated in accordance with the provisions of R.N.S.C. Regulation No.15 / 2004 and F.S.A. Regulation No.9 / 2014 - registered a market value of **1,756,019,108 lei**, increased by **11.78 %** compared to the value recorded on 31.12.2016. Compared to the value recorded on 30.06.2016, the assets at the reporting date show an increase of **10.16%** compared to this value. This increase in the market value of the managed assets is mainly due to the valuation of the shares listed on the regulated market.

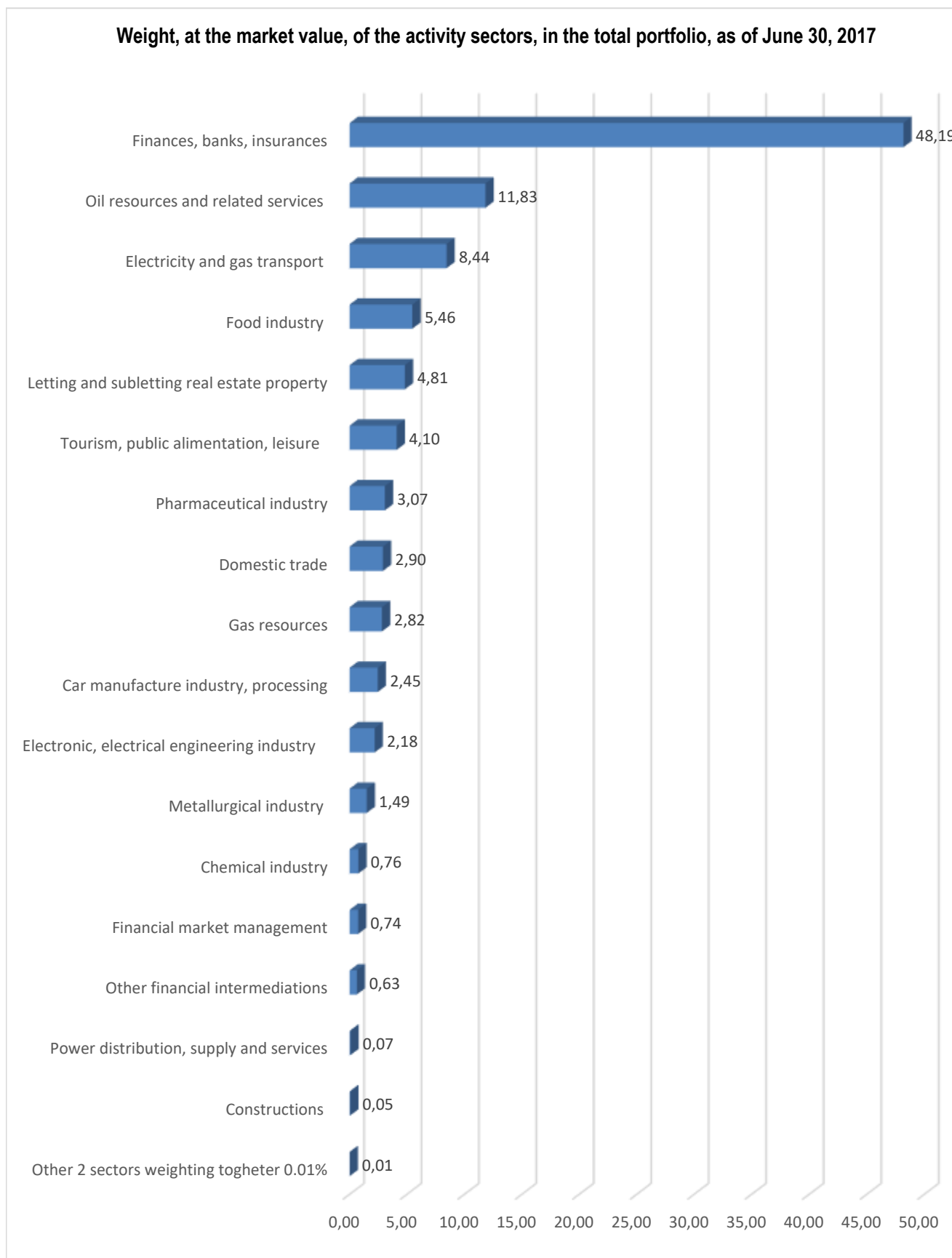


The financial assets such as shares have a market value of **1,690,536,398 lei**, i.e. **96.27%** of the total assets managed. In the portfolio of S.I.F. Oltenia S.A., on 30.06.2017, there are holdings to the share capital of **51** issuers, compared to 52 issuers on 31.12.2016.

The nominal value of the financial assets such as shares – **533,442,832 lei**, – is higher than the value recorded on 31.12.2016 – **522,663,899 lei**, registering an increase of **2.06%**. At the same time, the market value increased from **1,514,995,674 lei** to **1,690,536,398 lei**. The market value of the shares is higher by **216.91%** of the nominal value.

In the first half of 2017, the amounts placed in bank deposits and current accounts recorded a **42.58%** increase, from **27,975,673 lei** to 31.12.2016 to **39,888,660 lei** on 30.06.2017, increase mainly due to the collection of part of the dividends due for the financial year 2016.

The main sectors of activity represented in the portfolio on 30.06.2017 are:



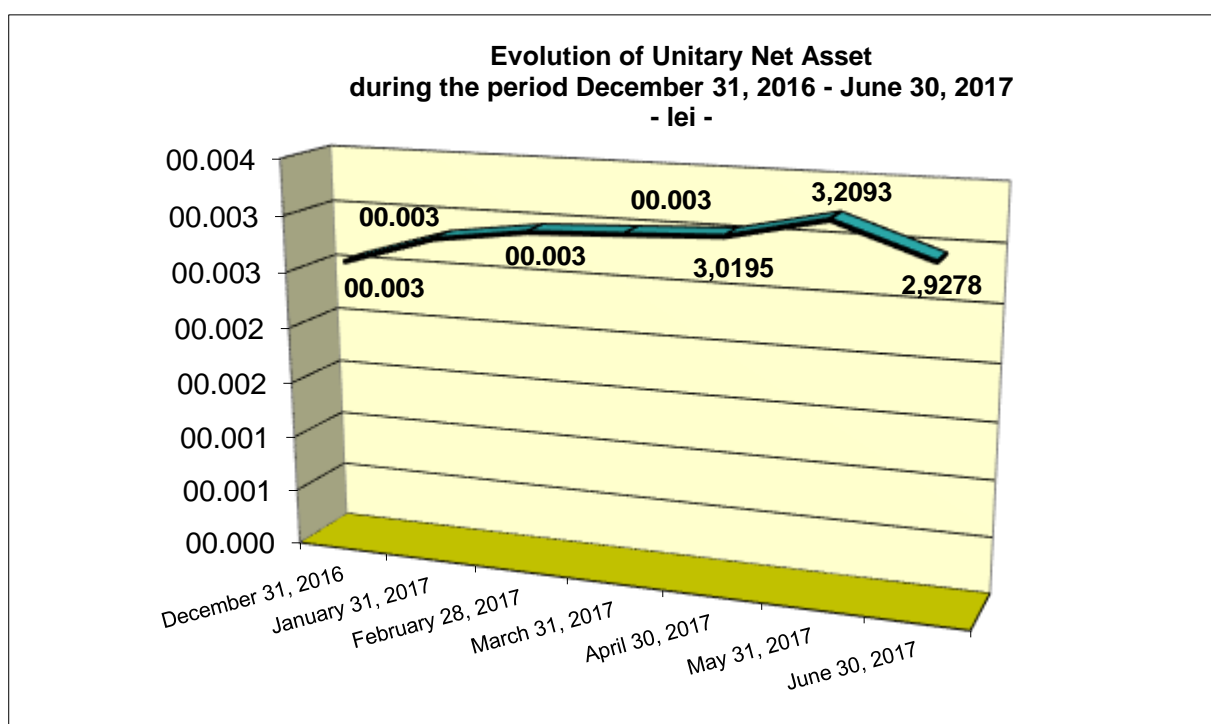
The structure of the portfolio of shares according to the market on which they are traded is as follows: - lei -

Crt. no.	Structure of portfolio	30.06.2017					
		Issuers		Total nominal value of package		Total market value of package	
		Co. no.	%	- lei -	%	- lei -	%
1	Companies listed on B.S.E.	17	33.33	231,754,233	43.44	862,374,744	51.01
2	Companies listed on AeRO (B.S.E.)	9	17.65	68,906,665	12.92	155,504,460	9.20
3	Companies listed and not traded	5	9.80	30,572,604	5.73	68,150,756	4.03
4	Companies closed	15	29.41	201,047,858	37.69	604,506,438	35.76
5	Companies in reorganization, judicial liquidation	5	9.80	1,161,472	0.22	0	0
TOTAL		51	100.00	533,442,832	100.00	1,690,536,398	100.00

For closed-end companies, the shares held at the Banca Comercială Română S.A. Bucharest amounting to **463,280,193 lei** represents **76.64%** of the total market value of closed-end trading companies.

The net asset of the company - as of 30.06.2017 - calculated in accordance with the legal provisions (ie FSA Regulation no. 9/2014), is of **1,698,590,522 lei**, increasing by **18.23%** compared to the value recorded on 30.06.2016.

The unit value of the net asset is, as of 30.06.2017, of **2.9278 lei/share**.



In the first half of 2017, the net asset value experienced the following evolution:

	Net asset value - lei -	VANU - lei -
31.01.2017	1,643,515,238	2.8328
28.02.2017	1,708,809,110	2.9454
31.03.2017	1,729,465,485	2.9810
30.04.2017	1,751,816,206	3.0195
31.05.2017	1,861,930,401	3.2093
30.06.2017	1,698,590,522	2.9278

On 30.06.2017, the net unit asset value registered an increase of **13.63%** compared to the value registered on 31.12.2016.

In the case of share-based assets, the most important holdings - in terms of asset weight - are represented by:

Crt. no.	Name of issuer	Market value according to FSA Regulation 9/2014 - lei -	Weight in the share capital of the issuer (%)	Weight in the total asset of S.I.F. (%)	Weight in the net asset of S.I.F. (%)
1	BANCA COMERCIALĂ ROMÂNĂ S.A. București - <i>closed</i>	463,280,193	6.30	26.38	27.27
2	BRD – Groupe Societe Generale București - <u>Premium</u>	206,875,471	2.20	11.78	12.18
3	OMV PETROM S.A. București - <u>Premium</u>	200,009,329	1.25	11.39	11.78
4	BANCA TRANSILVANIA S.A. Cluj Napoca - <u>Premium</u>	109,914,897	1.12	6.26	6.47
5	ARGUS S.A. Constanța - <i>AeRO</i>	88,832,356	86.21	5.06	5.23
6	C.N.T.E.E. TRANSELECTRICA București - <u>Premium</u>	76,902,949	3.84	4.38	4.53
7	S.N.T.G.N. TRANSGAZ S.A. Mediaș - <u>Premium</u>	65,826,534	1.56	3.75	3.88
8	ANTIBIOTICE S.A. Iași - <u>Premium</u>	51,859,565	14.25	2.95	3.05
9	S.N.G.N. ROMGAZ S.A. Mediaș - <u>Premium</u>	47,715,667	0.40	2.72	2.81
10	FLAROS S.A. București - <i>AeRO</i>	46,849,972	81.04	2.67	2.76
T O T A L		1,358,066,933		77.34	79.96

The value of the top 10 portfolio holdings represents **79.96%** of the net assets of the company. Of the 10 holdings above, 7 are listed in the Premium

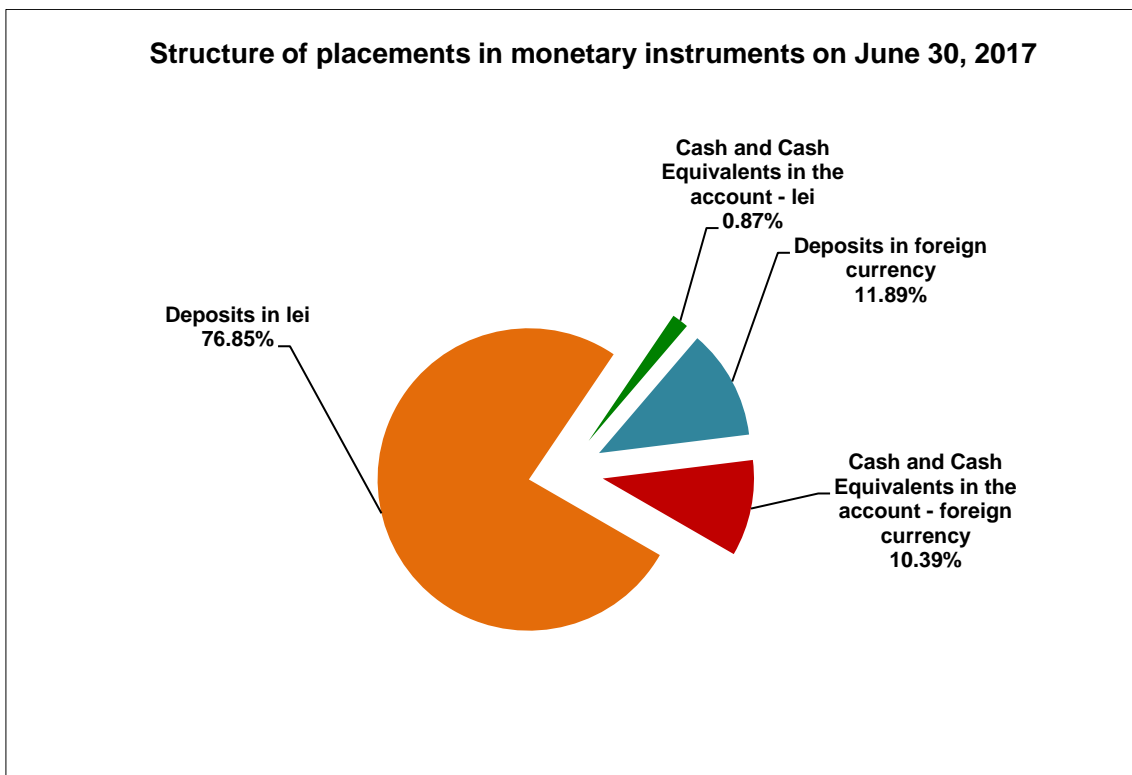
Tier of the Bucharest Stock Exchange – these being also among the most liquid securities on the capital market - and represent **44.70%** of the net assets of the company.

S.I.F. OLTENIA S.A. recorded on 30.06.2017, cash assets and money market investments in the total amount of **39,888,660 lei** (amount calculated according to the FSA Regulation No. 9/2014), representing **2.27%** of the total assets.

Cash assets and money market investments have the following structure:

Type of financial asset	Updated value (calculated according to FSA Regulation 9/2014) - lei -	Weight in the total asset of S.I.F. (%)	Weight in the net asset of S.I.F. (%)
Bank deposits in lei *	30,656,225	1.75	1.80
Bank deposits in foreign currency *	4,742,113	0.27	0.28
Current accounts and cash in lei	346,925	0.02	0.02
Current accounts and cash in foreign currency	4,143,397	0.23	0.24
TOTAL	39,888,660	2.27	2.34

** Bank deposits in lei and in foreign currency include - according to the FSA Regulation no.9/2014 – the interest receivable.*



Cash assets and money market investments on 30.06.2017 (amounting to **39.888.660 lei**) register an increase of **42,58%** compared to the beginning of the reporting period.

Analysis of Financial Statements - prepared for 30.06.2017 - highlights the main issues presented below.

The Company's assets, according to the balance sheet data, amount to **1,748,950,822 lei** and show an increase of **7.14%** compared to the value recorded at the beginning of the year.

The weight of financial assets available for sale - amounting to **1,686,162,227 lei** – in the total assets of the company is **96.41%**.

The company's liabilities at the reporting date are **199,831,136 lei**. The structure is as follows:

- deferred tax liabilities	137,354,550 lei
- dividends payable	56,435,023 lei
- taxes and fees	267,387 lei
- other liabilities	5,774,176 lei

The company does not record outstanding payments.

On 30.06.2017, the company's liability is **1,748,950,822 lei**.

Liability components:

- *liabilities* **199,831,136 lei**

- *shareholders equity* **1,549,119,686 lei**

Main economic and financial results on 30.06.2017

Crt. no.	Name of indicator	Achieved 30.06.2017 - lei -	30.06.2016 - lei -	Annual provisions BVC 2017 - lei -	30.06.2017 / BVC 2017 (%)
1.	TOTAL INCOME	46,686,747	50,724,289	101,718,700	45.90
2.	TOTAL EXPENSES	5,054,379	5,552,915	24,452,620	20.67
3.	GROSS RESULT - Profit	41,632,368	45,171,374	77,266,080	53.88
4.	PROFIT TAX	2,280,731	3,248,813	6,152,870	37.07
5.	NET RESULT - Profit	39,351,637	41,922,561	71,113,210	55.34

S.I.F. OLTENIA S.A. achieved, on 30.06.2017, total income amounting to **46,686,747 lei**, representing **92.04%** of the value recorded on 30.06.2016. The main income groups of the company are:

- dividend income 41,951,969 lei

*(dividend income is recorded
at gross value)*

- interest income: 16,114 lei

- net earnings from the sale of financial assets 3,534,181 lei

- income from the sale of the assets are in the amount of *15,344,014 lei*

- other operating income: 1,184,483 lei

Total expenses - on 30.06.2017 - are at the level of **5,054,379 lei** and represent **91.02%** of the value recorded on 30.06.2016.

The **net profit** obtained by the company on 30.06.2017 is of **39,351,637 lei** and represents **55.34 %** of the net profit established through the Income and Expenses Budget for the whole year 2017.

The companies from the S.I.F. Oltenia S.A. portfolio, who paid the dividends due for the financial year 2016 until 30.06.2017 are:

<i>In lei</i>	30 June 2017	30 June 2016
BRD-GROUPE SOCIETE GENERALE S.A. Bucuresti	11,203,197	5,673,819
OMV PETROM S.A. Bucuresti	10,582,504	
S.N.T.G.N. TRANSGAZ S.A. Medias	8,518,836	4,993,904
C.N.T.E.E. TRANSELECTICA S.A.	6,346,251	9,974,878
B.T. ASSET MANAGEMENT S.A.	1,999,969	
UNIVERS S.A. Rm.Valcea	1,862,435	886,449
FLAROS S.A. Bucuresti	475,799	
BURSA DE VALORI BUCURESTI S.A.	353,120	333,328
EXIMBANK S.A. Bucuresti	164,539	1,281,822
TURISM S.A. Pucioasa	101,060	85,901
PROVITAS S.A. Bucuresti	82,577	
ELBA S.A. Timisoara	80,183	106,113
S.E. ELECTRICA S.A. Bucuresti	70,248	
DEPOZITARUL CENTRAL S.A. Bucuresti	59,260	48,542
CONTACTOARE S.A. Buzau	27,295	38,212
RELEE S.A. Medias	24,696	47,884
BANCA TRANSILVANIA S.A.		13,473,250
S.I.F. MOLDOVA S.A. Bacau		18,927
TOTAL	41,951,969	36,963,029

Dividends incomes are recorded at gross value.

At the date of the report, the dividends received, in total amount of **41,951,969 lei**, present an increase of **13.50%** compared to 30.06.2016.

For the fiscal year 2016, the Board of Administration of S.I.F. Oltenia S.A. proposed to the Ordinary General Meeting of Shareholders held on 04.04.2017 two options of the net profit, amounting to 101,271,376.81 lei, as following:

„ Option I. Distribution of dividends

Net profit distribution

Giving a gross dividend of **0.0815 lei** per share

- **I. 1. Dividends - 47,283,505.69 lei (46.69% of net profit)**

- **I. 2. Own resources of development - 53,987,871.12 lei (53.31% of net profit)**

Proposed dividend provides to the shareholders a remuneration rate of **5.3%** calculated as the average trading price of shares in 2016 (**1.5357 lei/share**) and of **5%** calculated on the closing price for 2016 (**1.63 lei/share**).

Option II. Shares buy-back program

Net profit distribution

II. 1. - Reserve fund – 72,520,715 lei (71.61% of net profit) for the redemption of **29,008,286 shares** representing **5%** of company share capital. The company will carry out the buy-back program in accordance with the applicable legislation for the purpose of reducing the share capital by canceling them.

Minimum price per share: **1.4 lei**

Maximum price per share: **2.5 lei**

Program duration: maximum 12 months from the date of publication of the decision in the Official Gazette of Romania, part IV.

II. 2. - Own sources of company development 28,750,661,81 lei (28.39% of net profit).

In case of approval of **Option II of net profit distribution**, i.e. **Shares buy-back program**, the Board of Administration of the company will convene, organize and conduct an Extraordinary General Meeting of Shareholders, who will decide in accordance with the existing legal framework, the realization of the shares buy-back program with a corresponding reduction in the share capital of the company.

In case of approval of **Option I of net profit distribution**, the shareholders entitled to receive the distributed dividends from the net profit realized in the financial year 2016 will be those registered in the consolidated register of shareholders **at the registration date, namely 10.07.2017.**

Distribution expenses (commissions) will be borne by the shareholders, out of the net dividend value.”

None of the two options **of the net profit distribution made in 2016** proposed by the **Board of Administration of S.I.F. Oltenia S.A.** did not meet the number of votes required for approval by the OGMS, so that the net profit in the amount of **101,271,376.81 lei** remained undistributed.

Simplified Statement of Cash Flows as at 30 June 2017

- lei -

Name of element	Reporting period	
	30.06.2017	30.06.2016
A	1	2
Treasury cash flows from operating activities		
Proceeds from customers, other proceeds	347,059	570,658
Proceeds from sales of financial investments (equity securities)	14,079,338	19,984,150
Payments for acquisition of shares	(23,313,201)	(12,431,447)
Payments to suppliers and employees, other payments	(3,588,921)	(4,150,516)
Payments to the state budget, social security budget and local budget	(1,540,564)	(1,592,123)
Interest received	15,608	8,081
Dividends received	31,125,587	29,159,748
Interest paid		
Profit tax paid	(4,398,142)	(2,131,354)
Proceeds from earthquake insurance		
Net cash from operating activities	12,726,764	29,417,197
Treasury cash flows from investing activities		
Payments for purchase of tangible assets	(237,042)	(8,538)
Proceeds from sale of tangible assets	586,888	
Net cash from investing activities	349,846	(8,538)
Treasury flow from financing activities		
Proceeds from issue of shares		
Proceeds from long-term loans		
Payment of finance lease liabilities		
Dividends paid	(556,946)	(725,248)
Advanced Deposits to the Central Depository for Dividend Payments		
Tax dividends paid	(607,170)	(1,905,174)
Net cash from financing activities	(1,164,116)	(2,630,422)
Net increase of cash and cash equivalents	11,912,494	26,778,237
Cash and cash equivalents at the beginning of the reporting period	27,973,366	6,575,101
Cash and cash equivalents at the end of the reporting period	39,885,860	33,353,338

2. Analysis of the company's activity

2.1. S.I.F. OLTENIA S.A. recorded on 30.06.2017, total available funds of **39,888,660 lei** (including interest receivable).

They are placed in bank deposits at different maturity dates. This policy aimed at achieving a high liquidity of money market placements, so that the amounts necessary to carry out in good conditions the activity of the company are always in place. Under these circumstances, we appreciate that there are no factors that can affect the company's liquidity.

2.2. In accordance with the activity strategy approved by the Ordinary General Meeting of Shareholders of 04.04.2017, S.I.F. OLTENIA S.A. will continue the stock market trading policy so that it has a high degree of liquidity at all times.

2.3. In the first 6 months of 2017, the number of holdings in the S.I.F. OLTENIA S.A. portfolio was reduced from **52** to **51**, S.I.F. OLTENIA S.A. leaving the shareholders of one (1) issuer, SANEX S.A. Cluj-Napoca, *through a shares sale-purchase contract, a closed-end company.*

Between 01.01.2017 - 30.06.2017, sales transactions were made taking into account the opportunities offered by the market. Thus, the value of the sale of the stock packages was of **15.34 mil. lei**.

During the same period, total investments were made in shares in the amount of **23.29 mil. lei**.

In the first six months of 2017, the most important investments in the capital market (in the primary market and in the secondary one) were in securities issued by:

- ANTIBIOTICE S.A. Iași
- BRD - GROUPE SOCIETE GENERALE S.A. București
- OMV PETROM S.A. București
- S.N.T.G.N. TRANSGAZ S.A. Mediaș
- MERCUR S.A. Craiova (participation in share capital increase)

We mention that the trading activity (sale / purchase of shares on the capital market, direct investments etc.) took place only until 20.04.2017, when the mandates of the members of the Board of Administration and those of the Senior Management expired.

On 04.04.2017 the Ordinary General Meeting of Shareholders of SOCIETĂȚII DE INVESTIȚII FINANCIARE OLTENIA S.A, was held, within which, by Decision no. 8, a new Board of Administration of S.I.F. Oltenia S.A. was elected for a four-year term, starting on 21.04.2017.

The Board of Administration of the company, as a result of the decision no.8 / 04.04.2017, meeting in its first meeting on 04.04.2017, decided:

- a) election to the position of Chairman of the Board of Administration of S.I.F. Oltenia S.A. of Mr. Tudor Ciurezu.

According to the Articles of Incorporation of the Company, Mr. Tudor Ciurezu will also perform the position of General Manager, member of the Senior Management according to the provisions of the capital market regulations and the Internal Regulations of S.I.F. Oltenia S.A.;

- b) election to the position of Deputy Chairman of the Board of Administration of S.I.F. Oltenia S.A. of Mr. Cristian Bușu.

According to the Articles of Incorporation of the Company, Mr. Cristian Bușu will also perform the position of Deputy General Manager, member of the Senior Management according to the provisions of the capital market regulations and the Internal Regulations of S.I.F. Oltenia S.A.;

The persons elected (both as administrators and as members of the Senior Management) shall exercise their respective duties according to the position after approval by F.S.A., registration at O.R.C. Dolj, conclusion of the insurance policies, constitution of the material guarantee stipulated in the articles of incorporation, conclusion of the mandate contracts.

The documentation required for approval / authorization was submitted to F.S.A. under no. RG 12977 / 11.04.2017 and completed, at F.S.A. request, through the addresses no. RG 17036 / 02.05.2017, RG 17805 / 05.05.2017, RG 18034 / 05.05.2017, RG 20157 / 19.05.2017, RG 20371 / 22.05.2017, RG 22521 / 08.06.2017 si RG 23438 / 15.06.2017.

By the end of the analyzed period - 30.06.2017 - the elected persons did not receive the approval from F.S.A.

This situation resulted in ending of the trading activity starting on 21.04.2017.

RISK OF PORTFOLIO

THE CLASSIFICATION OF ASSET CLASSES WITHIN THE LIMITS IMPOSED BY LEGISLATION

In accordance with the provisions of Art. 235 (1) of the R.N.S.C. no. 15/2004, S.I.F. OLTENIA S.A. falls under the category O.C.I.O. (Other Collective Investment Organizations) with a **diversified investment policy**.

Holdings limits on different categories of assets are covered by Art. 188 of the R.N.S.C. Regulation no. 15/2004.

In the first half of 2017, the structure of the portfolio was reviewed periodically and its inclusion in the legal provisions.

The structure of the portfolio of financial assets as at 30.06.2017 is as follows:

a) Securities and money market instruments not admitted to trading - admissible limit: 20% of assets

Asset type	Asset value according to the FSA Regulation no. 9/2014 - lei -	Weight in the net asset - % -	Weight in the total asset - % -
Shares held in closed-end companies *	141,226,245	8.31	8.04
Bank deposits	35,398,338	2.08	2.02
TOTAL	176,624,583	10.39	10.06

** In the calculation was not taken into account - according to art. 275 (2) of the R.N.S.C. Regulation no. 15/2004 the holding held at the Banca Comercială Română S.A. București.*

b) Securities and / or money market instruments issued by the same issuer - exposure to an issuer: 10% of assets

BANCA TRANSILVANIA S.A. Cluj Napoca (market symbol TLV)

Asset type	Asset value according to the FSA Regulation no. 9/2014 - lei -	Weight in the net asset - % -	Weight in the total asset - % -
Shares issued by Banca Transilvania S.A. Cluj Napoca	109,914,897	6.47	6.26
Bank deposits	35,294,702	2.08	2.01
TOTAL	145,209,599	8.55	8.27

The holding held at OMV PETROM S.A. Bucharest represents, on 30.06.2017, **11.39%** of the total assets, respectively **11.78%** of the net assets, but falling within the exception provided in art. 188 letter b) of Regulation no. 15/2004 of R.N.S.C.

c) Financial instruments issued by entities belonging to the same group - admissible limit: 50% of the assets

Group name	Asset value according to the FSA Regulation no. 9/2014 - lei -	Weight in the net asset - % -	Weight in the total asset - % -
Banca Transilvania Group, out of which:			
- Banca Transilvania shares	109,914,897	6.47	6.26
- BT ASSET MANAGEMENT SAI shares	4,232,920	0.25	0.24
- BT INDEX titles	1,689,658	0.10	0.10
Bank deposits	35,294,702	2.08	2.01
TOTAL	151,132,177	8.90	8.61

d) Exposure to counterparty risk in a transaction with derivative financial instruments - not applicable

e) The value of current accounts, bank deposits and cash - the maximum admissible limit: 10% of the value of the assets.

The value of current accounts, bank deposits and cash accounted for in the net asset as at 30.06.2017 is **39,888,660 lei** – amount with current interest rates for bank deposits included - representing **2.27%** of the value of the assets.

f) Bank deposits at the same bank - admissible limit: 30% of the assets

The total holdings in bank deposits are of **35,398,338 lei**, representing **2.02%** of the value of the assets.

g) Global exposure to derivative financial instruments - not applicable.

h) AOPC participation certificates - admissible limit: 50% of the assets.

S.I.F. OLTENIA S.A. holds shares in OPCVM / AOPC registered in the net asset as at 30.06.2017, amounting to **2,694,115 lei**, representing **0.15%** of the value of the assets.

In the situation where we take into account the shares held at S.I.F. MOLDOVA S.A. and S.I.F. TRANSILVANIA S.A., the value of the securities amounts to **4,049,798 lei**, respectively **0.23%** of the value of the assets.

3. Changes affecting the capital and management of the company

3.1. S.I.F. OLTENIA S.A. was able to meet its financial obligations during the reporting period.

3.2. Changes in the rights of the holders of securities issued by the company - Not applicable.

Litigation

On 30.06.2017, at the Legal Directorate of Societatea de Investiții Financiare Oltenia S.A. there were registered de **29 cases**, out of which:

- 18 cases – as applicant;
- 4 cases – as defendant;
- 2 cases – as intervener;
- 5 cases - in insolvency proceedings.

According to their subject, the causes are structured as follows:

- **5 cases** - companies in insolvency proceedings, as follows:
 - *in 4 cases* S.I.F. Oltenia S.A. has the capacity of a chirographic creditor;
 - *in one case* has the capacity of contribution creditor.
- **8 cases** - annulment of the decision of the G.M.S / cancellation of operations with shares, in which S.I.F. Oltenia S.A. has the capacity of applicant;
- **16 – other cases.**

The following changes occurred in the bankruptcy cases:

- in the case of ARO S.A. on 26.05.2017 the closure of the bankruptcy proceedings was ordered, S.I.F. Oltenia S.A. not recovering any amount of its debt amounting to 217,921 lei (out of which principal sum dividends 1995-1996 – 58,118.14 lei, the difference being constituted by interest and proceedings costs). The sentence is appealed and is currently unrecorded;
- in the case of ROPRINT S.A. Craiova the closure of the bankruptcy proceedings was ordered by Decision 318/18.05.2017, S.I.F. Oltenia S.A. not recovering any amount of its debt amounting to 7,430.80 lei (rent and default penalties). There have been taken from O.R.C. Dolj, the justifying documents for the decrease from the records of the S.I.F. Oltenia S.A.

As for the actions in court where S.I.F. Oltenia S.A. has the capacity of **applicant, having as its object the annulment of G.M.S. decisions**, these mainly concern: amendments to the articles of incorporation, formation of new companies with contributions in kind, asset acquisition, operations with shares, mergers, decisions taken in breach of the limits of competence among the defendant companies being PRODPLAST S.A. București, CONTACTOARE S.A. Buzău, CEREALCOM S.A. Alexandria, BANCA COMERCIALĂ ROMÂNĂ S.A.

For „**other cases**”, where **S.I.F. Oltenia S.A. acts as applicant**, there are recorded files with a diversified object: criminal complaints, forced execution, claims-damages, appeals against forced execution through attachment on the due dividends, of which we exemplify:

- forced execution against the debtor A.V.A.S. (currently A.A.A.S.) for the recovery of the amount of 633,567 lei, according to the Civil Decision no. 1581 / 21.10.2010, case no. 19477/3/2010, representing the amount owed by A.V.A.S. to S.C. RETIZOH S.A., respectively 70% of the value of a real estate returned to former owners. The company also executed this amount from the S.I.F. Oltenia S.A., using the provisions on joint and several liability. Up to now, the amount of 7,875 lei was collected and was distributed S.I.F. Oltenia S.A. the amount of 35,565 lei of the sale price of the shares held by A.A.A.S. to Biofarm S.A. București (in forced execution by other creditors) amount not collected until the reporting date. Execution continues. A.A.A.S. has challenged both the sale of the shares held at Biofarm, which is admissible at the first court, the decision being challenged by an appeal (S.I.F. Oltenia S.A. intervenef), and the Minutes of the distribution of the price obtained from the sale of BIOFARM shares.

- forced execution for the recovery of debts according to the enforcement titles obtained in the action regarding the indemnification for non-fulfillment of the obligation to carry out the mandatory public offer of the shares in application of the provisions of art. 203 of Law 297/2004, regarding shares MOBILA RĂDĂUȚI S.A. - debtors GEOCHIS SA, AMATTIS SA;

- in the case regarding the indemnification for non-fulfillment of the obligation to carry out the mandatory public offering of the shares in the application of the provisions of art. 203 of Law 297/2004, regarding shares

LACTA S.A. Giurgiu, after the favorable settlement reached in the first court, the Bucharest Court of Appeal admitted the defendants' appeals and ordered payment to the appellant GEOCHIS S.A. of the amount of 8,676 lei representing court costs. The appeal of S.I.F. Oltenia S.A. was dismissed.

- in the cases having as object claims, under art. 210 of Law 297/2004, against the majority shareholders of the issuers SINTEROM S.A. and CONTACTOARE S.A., the cases were completed as follows:

- in case no. 4395/114/2012, having as object the obligation to pay damages of CONTACTOARE S.A. as a majority shareholder of SINTEROM S.A., after the Supreme Court of Cassation and Justice admitted the appeal filled by S.I.F. Oltenia S.A., the case was re-judged by the Ploiesti Court of Appeal and was settled by Decision 641/12.10.2016, in the sense of admitting the action and ordering the defendant SINTEROM S.A. to pay the amount of 368,804 lei, representing damages and 32,144 lei, court costs. ICCJ rejected the appeal made by CONTACTOARE SA, the Court of Appeal's decision remaining final and irrevocable. It is in the process of obtaining the enforceable title to promote forced execution of the claim.

- in case no. 5756/279/2012, having as object the obligation to pay damages of the company SERVICIILE COMERCIALE ROMÂNE S.A. Piatra Neamț, as a majority shareholder of CONTACTOARE S.A. Buzau, the application was rejected in both cases by the first court and at the appeal. The Bacău Court of Appeal admitted the appeal of S.I.F. Oltenia S.A. By decision 689/12.05.2017, SERVICIILE COMERCIALE ROMÂNE was obliged to pay damages to S.I.F. Oltenia S.A. in the amount of 104,627.28 lei and 9,960 lei court costs, decision unregistered until the date of this report.

S.I.F. Oltenia S.A. also filled during the year 2016 a pecuniary claim for the obligation of CEREALCOM S.A. Alexandria to pay the amount of 1,660,826 lei, representing the equivalent of the share package due to the withdrawal from the company, according to the provisions of art. 134 of Law no. 31/1990 R, as amended and supplemented. The case has the trial date 11.10.2017.

The cases where **S.I.F. Oltenia S.A. has the capacity of a defendant**, representing actions having as object money claims resulting from the capacity of Director and / or administrators of S.I.F. Oltenia S.A., filled by Buzatu Florian Teodor and Popescu Carmen Ioana, presents the following situation on the date of reporting - 30.06.2017:

◆ Case no. 6584/63/2014*, the applicant Buzatu Florian Teodor, having as object money claims in the amount of 1,758,550 lei and moral damages in the amount of 40,000 lei, motivated by the fact that he was revoked from the position of administrator in the OGMS S.I.F. Oltenia S.A. of 29.04.2011 is in retrial at the Dolj Court, with trial date 21.09.2017.

◆ Case no. 22552/215/2015*, appellant Popescu Carmen Ioana, having as object money claims in the amount of 48,000 lei, representing participation in profit for the period 01.01.2011-29.04.2011 (date when it was revoked by AGOA S.I.F. Oltenia S.A. from the position of Administrator) is in retrial at Dolj Court, trial date on 14.09.2017.

Until 30.06.2017, there were no actions for annulment of the resolutions adopted by the General Meeting of Shareholders of S.I.F. Oltenia S.A.

4. Significant Transactions - Not Applicable.

5. Changes in the management of the company

Board of Administration

Audit Committee

In the period 01.01.2017 – 20.04.2017, the composition of the Board of Administration of S.I.F. OLTENIA S.A. was:

1. Tudor Ciurezu – Chairman/ General Manager
2. Anina Radu – Deputy Chairman/Deputy General Manager

3. Cristian Buşu – administrator – Member of the Audit Committee
4. Victor Căpitanu – administrator
5. Nicolae Stoian – administrator
6. Carmen Popa – administrator – Member of the Audit Committee
7. Paul-George Prodan – administrator – Member of the Audit Committee

The audit committee set up at the level of the Board of Directors had the following composition:

1. Cristian Buşu - Chairman
2. Carmen Popa - member
3. Paul-George Prodan - member

On 04.04.2017 took place the Ordinary General Meeting of Shareholders of SOCIETATEA DE INVESTIȚII FINANCIARE OLTENIA S.A.

By Decision no. 8, a new Board of Administration of S.I.F. Oltenia S.A. was elected for a four-year term, starting on 21.04.2017, consisting of 7 members, with the following composition:

1. Mr. Tudor Ciurezu
2. Mr. Cristian Buşu
3. Mrs. Anina Radu
4. Mr. Radu Hanga
5. Mrs. Ana Barbara Bobircă
6. Mr. Nicolae Stoian
7. Mrs. Carmen Popa

The Board of Administration of the company, as a result of the Decision no.8 / 04.04.2017, meeting in its first meeting on 04.04.2017, decided:

- election to the position of Chairman of the Board of Administration of S.I.F. Oltenia S.A. of Mr. Tudor Ciurezu.

According to the Articles of Incorporation of the company, Mr. Tudor Ciurezu will also perform the position of General Manager, member of the Senior Management according to the provisions of the capital market regulations and the Internal Regulations of S.I.F. Oltenia S.A.;

- election to the position of Deputy Chairman of the Board of Administration of S.I.F. Oltenia S.A. of Mr. Cristian Buşu.

According to the Articles of Incorporation of the company, Mr. Cristian Buşu will also perform the position of Deputy General Manager, member of the Senior Management according to the provisions of the Capital Market Regulations and the Internal Regulations of S.I.F. Oltenia S.A.;

The persons elected as members of the Board of Administration have expressly accepted the mandate of administrator of S.I.F. Oltenia S.A. and shall exercise their respective duties according to the position after approval by F.S.A., the registration at O.R.C. Dolj, the conclusion of the insurance policy and the constitution of the material guarantee stipulated by the articles of incorporation.

The members of the Senior Management (General Manager and Deputy General Manager) elected following the decision no. 8 / 04.04.2017 of the Board of Administration of the company shall also exercise their respective functions after the approval of the FSA, the conclusion of the mandate contracts, the registration with O.R.C. Dolj and the conclusion of insurance policies.

All the formalities imposed by the provisions of the F.S.A. Regulation no. 14/2015 were fulfilled regarding the evaluation and approval of the members of the management structure, the documentation required for the approval of the members of the Board of Administration and the Senior Management was submitted.

The documentation for approval / certification was submitted to F.S.A. under no. RG 12977 / 11.04.2017 and completed, at the request of F.S.A. , by the addresses no. RG 17036 / 02.05.2017, RG 17805 / 05.05.2017, RG 18034 / 05.05.2017, RG 20157 / 19.05.2017, RG 20371 / 22.05.2017, RG 22521 / 08.06.2017 and RG 23438 / 15.06.2017.

By the end of the analyzed period - 30.06.2017 - the elected persons did not receive the approval from F.S.A.

In order to fulfill all the formalities required by the F.S.A. regulations for the evaluation of the members of the Board of Administration and the Senior Management, they presented themselves at the interview organized by F.S.A. as follows:

1. Mr. Tudor Ciurezu - on 23.06.2017
2. Mr. Cristian Buşu - on 27.06.2017
3. Mrs. Anina Radu - on 26.06.2017
4. Mr. Radu Hanga - on 26.06.2017
5. Mrs. Ana Barbara Bobircă - on 26.06.2017
6. Mr. Nicolae Stoian - on 27.06.2017
7. Mrs. Carmen Popa- on 26.06.2017.

The present composition of the Board of Administrators, elected according to OGSM Decision no. 8/04.04.2017, as well as the composition of the Company's Senior Management have been approved by the FSA, according to Approval no. 424/26.07.2017 and to Approval no. 423/26.07.2017.

Senior Management

During the period 01.01.2017 - 20.04.2017, the activity of S.I.F. OLTENIA S.A. was coordinated, as members of the Senior Management, by:

- Tudor Ciurezu - General Manager
- Anina Radu - Deputy General Manager,

as, according to the Articles of Incorporation and Internal Regulations of the company, Mr. Tudor Ciurezu, as Chairman of the Board of Administration, also performs the position of General Manager, and Mrs. Anina Radu, as Deputy Chairman of the Board of Administration, also fulfills the function of Deputy General Manager.

Management of Departments

During the analyzed period, respectively 01.01.2017 - 30.06.2017, this was done by:

- Elena Sichigea - Financial Department Manager
- Elena Caliţoiu - Investments, Transactions and Net Asset Calculations Division Director
- Dan Voiculescu - Portfolio Monitoring Division Director
- Vasilica Bucur - Legal Division Director
- Ion Patrichi – Human Resources – Logistics Division Director.

Internal Control / Compliance

During the analyzed period, the internal control / compliance activity was carried out by Mrs. Viorica Balan - Representative of the Internal Control / Compliance Division.

Internal Audit

The internal auditor is Mrs. Bălțățeanu Nadia Florentina - employee of the issuer for an indefinite period.

Financial audit

The financial auditor of the company is JPA AUDIT ȘI CONSULTANȚĂ S.R.L. București.

On 30.06.2017, the number of employees of S.I.F. OLTENIA S.A. was of **49 persons**, compared to **50 persons** (and **2** members of the Senior Management) existing on 31.12.2016.

NOTE

The financial statements as of 30.06.2017 have not been audited.

conf. univ. dr. ec. Tudor CIUREZU
Chairman / General Manager

ec. Elena SICHIGEA
Financial Manager

SOCIETATEA DE INVESTITII FINANCIARE OLTENIA SA

Headquarter : Craiova, str. Tufanele nr.1, judetul Dolj

Tax Registration Number: RO 4175676

Registration no. at TRO: J16/1210/1993

Share capital 58,016,571 lei

**DECISION no. 8
OF THE
ORDINARY GENERAL MEETING OF SHAREHOLDERS
as of 04.04.2017**

The Ordinary General Meeting of Shareholders of the SOCIETATEA DE INVESTITII FINANCIARE OLTENIA SA, statutory called on 04.04.2017, in the first convocation, in the presence of shareholders holding a number of 330,404,611 shares, representing 56.950% of the share capital, all shares with voting right, with the vote of a number of 330,390,5511 shares, representing 56.948% of the share capital with voting right, under Law no. 31/1990 R, with subsequent amendments, of Law no. 297/2004, as amended, of the FSA regulations (formerly RNSC) in force and its Articles of Incorporation, with the majority of the votes cast, as it is evidenced in the minutes of the meeting, according to the issues on the agenda

DECIDES

To elect the Board of Administrators of SIF Oltenia SA for a mandate of 4 years, starting on 21.04.2017, consisting of 7 members, in the following structure:

1. Mr. Tudor Ciurezu
2. Mr. Cristian Buşu
3. Mrs. Anina Radu
4. Mr. Radu Hanga
5. Mrs. Ana Barbara Bobircă
6. Mr. Nicolae Stoian
7. Mrs. Carmen Popa

The elected persons expressly accepted before the general meeting the mandate of administrator of SIF Oltenia SA and shall exercise their duties corresponding to the position after approval by FSA, registration with TRO Dolj, conclusion of the insurance policy and establishment of the collateral security provided by the Articles of Incorporation.

CHAIRMAN,

Assoc. Prof. PhD Ec. Tudor CIUREZU