



SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A.

CUI / CIF: RO 3047687, R.C. J08/3306/92, Nr. registru C.N.V.M: PJR 09 SIIR/080004/06.03.2006
Capital social subscris și vărsat: 109.214.333,20 lei, IBAN: RO08RNCB0053008581440001, BCR Brașov

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PROPOSALS OF THE BOARD OF DIRECTORS

Regarding the distribution of the 2011 net profit, the gross dividend per share and the time frame and methods of the dividend payment

The annual financial statements drawn up by the Company for financial year 2011, as they are submitted for approval to the Ordinary General Shareholders' Meeting, include the following data regarding the profit:

	RON
Total income	325,883,732
Total expenses (including the provision for employees' profit participation fund of 2.8003%, as detailed in Note 2-Provisions)	77,562,747
Profit before tax	248,320,985
Income tax	40,593,421
Profit distributed for legal reserves (the balance of legal reserves represents 20% of share capital)	-
Undistributed net profit, achieved from:	207,727,564
- transaction with BCR shares, according to EGSM Decision no. 1/October 31 st 2011	92,389,727
- other sources	115,337,837

Considering that the trading price of SIF Transilvania shares increased by only 4.04% in 2011 (from RON 0.5450/share- opening price on the first trading day to RON 0.5670/share-closing price on the last trading day), considerably below our expectations, and considering the net profit achieved from the sale of the BCR shares (as part of the complex transaction with the stake held in BCR), the Board of Directors has decided to propose a dividend per share so as to satisfy the shareholders' expectations.

Under these circumstances and correlated with the revenue and expenditure budget for 2012 and the financial resources available and estimated for 2012, the Board of Directors proposes and recommends the Ordinary General Shareholders' Meeting to approve the following distribution of the 2011 net profit:

DESTINATION	Amount (RON)	Weight in net profit %
1. Other reserves – Own financing sources created from profit	20,752,626	9.99
2. Dividends	186,974,938	90.01
Total achieved/distributed net profit	207,727,564	100.00

The gross dividend to be paid for one share held on the registration date is of 0.1712 RON/ share, which represents a payout ratio of 90.01% of the carried out and distributed net profit. Thus, the dividend is approximately 6 times higher than the one distributed the previous year and the dividend yield (to present trading prices) is 24% higher than the average annual interest rate.

The dividends afferent to the profit carried out in 2011 shall be paid not later than six months after the General Shareholders' Meeting. The payment of dividends shall be made gradually, depending on the cash available.

The starting date of the payment, the payment methods and procedures shall be established by the Board of Directors and will be notified to the shareholders by means of a press release published in "Bursa" newspaper and on the Company's website www.siftransilvania.ro.

In the case of payments made by money order and/or through a payment agent (if the Board of directors selects such an agent), the costs related to the payment of dividends (postal fees, commissions) shall be borne by shareholders.

Shareholders entitled to receive dividends from the 2011 net profit are the ones registered in the consolidated Shareholders' Register on the registration date which is to be approved by the Ordinary General Shareholders' Meeting, as provided by Article 238, Paragraph (1) of Law no. 297/2004 regarding the capital market. The Board of Directors proposed the general meeting to approve the date of May 18th 2012 as registration date.

Under the Civil Code (Law no. 287/2009–republished, corroborated with Law no. 71/2011 for its enforcement), the shareholders' right to collect their dividends is prescribed within three years from the payment maturity date.

**President of the Board,
Ec. Mihai Fercala, PhD**