



SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A.

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Societate administrată în sistem dualist

No. 2024/29.03.2016

To: **Bucharest Stock Exchange**
Financial Supervisory Authority
- **Financial Instruments and Investments Sector**

CURRENT REPORT

According to the N.S.C. Regulation no. 1/ 2006

Report date: March 29th, 2016

S.I.F. Transilvania S.A.

Headquarters: 2, Nicolae Iorga Street, Brasov 500057

Telephone: +40 268 415529, 416171; Fax: +40 268 473215, 473216

Tax registration code: RO3047687

Order number in the Trade Register: J08/3306/92

Registration number in the NSC Register: PJR 09 SIIR/080004

Subscribed and paid-in share capital: RON 218,428,666.40

Regulated market on which the issued securities are traded: Bucharest Stock Exchange (ticker: SIF3)

Important event to be reported: 2015 financial statements and proposal for the distribution of the net profit

Following the closure of the financial year 2015 under IFRS, according to the F.S.A. Rule no. 39/28.12.2015 and the classification of S.I.F. Transilvania as an investment entity starting with 01.01.2015, according to IFRS 10, the company's management has classified according to IFRS the financial instruments issued by subsidiaries and associates as „financial assets at fair value through profit or loss” which are accounted for at fair value through profit or loss. Thus, as of 31.12.2014, the difference between the book value of the financial instruments issued by subsidiaries and associates and the fair value at the date on which S.I.F. Transilvania meets the investment entity criteria is accounted for as gain or loss on deconsolidation ("deconsolidation adjustment").

For the investments in financial instruments not issued by subsidiaries and associates, the classification as at 31.12.2014 according to IFRS has been maintained, namely the classification under „financial assets available for sale” and recognition of differences from the valuation at fair value through equity. For these investments, given that they are already valued at fair value according to IFRS, the accounting treatment and their classification as at 01.01.2015 does not change.

The classification of S.I.F. Transilvania as an investment entity under IFRS has impacted the profit and loss or the retained earnings by the fair value adjustments relating to its holdings in subsidiaries and associates.

The net profit for the year 2015 amounts to RON 158,597,060, the difference from its preliminary value being generated by the fact that, in the unaudited preliminary financial statements, published by S.I.F. Transilvania on 29.02.2016 (current report no. 1408/29.02.2016), all financial instruments held by the company were classified as „financial assets at fair value through profit or loss”.

We present enclosed the proposal of the Executive Board and the Supervisory Board regarding the distribution of the net profit achieved in financial exercise 2015 that will be submitted to the approval of the O.G.M.S. convened for 28/29.04.2016.

Mihai Fercală
Executive President / CEO

Marius Moldovan
Executive Vice President/Deputy CEO

Disclaimer: This is an English translation of the original current report which was prepared in Romanian. The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. In case of discrepancies between the Romanian and the English version, the Romanian version shall prevail.



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PROPOSAL OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD **for the distribution of the 2015 net profit and the gross dividend per share**

- item 5 on the OGMS agenda of 28/29 April 2016-

The annual financial statements prepared for the financial year 2015 according to the IFRS standards, as they are submitted for approval of the Ordinary General Meeting of Shareholders, include the following data:

- according to IFRS -

- RON -

Total revenues	187,796,724
Total operating expenses	20,466,497
Gross profit (before tax)	167,330,227
Income tax	8,733,167
Net profit to be distributed	158,597,060

The execution of the revenue and expenditure budget for 2015 and the profit and loss account for 2015, compared to the revenue and expenditure budget and the profit and loss account approved by shareholders for the financial year 2015 (according to the Romanian Accounting Standards-RAS, as approved by the OGMS of 29.04.2015) is presented in the table below:

- according to RAS-

- RON -

	Budget 2015	Results 2015	Execution rate (%)
Total revenues	113,158,000	184,738,800	163.25%
Total expenses	54,660,000	97,222,802	177.86%
Gross profit (before tax)	58,498,000	87,515,998	149.60%
Income tax	6,525,000	9,047,065	138.65%
Net profit	51,973,000	78,468,933	150.98%

The Executive Board and the Supervisory Board of S.I.F. Transilvania propose and recommend the Ordinary General Meeting of Shareholders to approve the following distribution of the 2015 net profit:

- according to IFRS and according to RAS for comparison -

	Destination	Amount (RON) IFRS	Amount (RON) RAS (for comparison)
1.	Legal reserves	8,366,511.35	4,375,800
2.	Dividends	57,949,125.20 (RON 0.02653/share)	57,949,125.20 (RON 0.02653/share)

3.	Other reserves – Own financing sources created from profit	92,281,423.62	16,144,007.80
	Total net profit achieved and distributed	158,597,060.17	78,468,933

The gross dividend to be paid for one share held on the registration date is of RON 0.02653/share which represents a yield of 10% in relation to the average trading price of SIF3 shares on the BVB-REGS market between 01.01.2015-31.12.2015.

The proposed value of the gross dividend for the financial exercise 2015:

- is consistent with SIF Transilvania policies regarding the shareholders' remuneration and takes into consideration the effective profit achieved by the company in accordance with the budget and the profit and loss account approved by shareholders (according to RAS); the difference between the profit as at 31.12.2015 under IFRS and the profit as at 31.12.2015 under RAS represents the effect of financial assets adjustments recognized at fair value through profit and loss, according to the FSA Rule no. 39/28.12.2015 and it does not represent profit from financial transactions;
- takes into consideration both the demand to maintain the shareholders' remuneration through distribution of dividends and the need to consolidate the Company's investment potential (in view to support the investment programs, to carry on the portfolio restructuring and to insure the long-term sustainability of the company's shares);
- leads to a yield of 10% in relation to the average trading price of SIF3 shares on the BVB-REGS market between 01.01.2015-31.12.2015.

The payment of dividends distributed from the profit achieved in 2015 will be made in accordance with the legal provisions in force. The potential costs related to the payment of dividends shall be borne by the shareholders. The payment methods and the related procedures will be drafted by the Executive Board and brought to the shareholders knowledge through a communique which will be published at least in the national newspaper "Bursa" and on the company website: www.siftransilvania.ro

The shareholders entitled to receive dividends from the 2015 net profit are the ones registered in the consolidated Shareholders' Register on the registration date which will be approved by the Ordinary General Meeting of Shareholders, as provided by article 238, paragraph (1) of Law no. 297/2004 on the capital market. The Executive Board and the Supervisory Board have proposed the general meeting of shareholders to approve the date of 6 October 2016 as registration date and the date of 28 October 2016 as payment date.

Supervisory Board
President
Ec. Ștefan Szabo

Executive Board,
Executive President / CEO
Ec. Mihai Fercală, Ph.D.