



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

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Societate administrată în sistem dualist

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

**CURRENT REPORT
under NSC Regulation no. 1/2006
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S.I.F. Transilvania S.A.

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Website: www.siftransilvania.ro

Tax Identification Number/ Fiscal registration code: RO3047687

Trade Register number: J08/3306/92

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

Market on which issued securities are traded: Bucharest Stock Exchange (Symbol SIF3)

Important event to report: Communique of the Executive Board regarding the OGMS of April 28/29, 2016

For better information on the intention of a group of shareholders to change the Supervisory Board of SIF Transilvania, the Company's Executive Board publishes for the interested shareholders and investors the communique attached.

**Mihai Fercală
President of the Executive Board**

**Iulian Stan
Vice President of the Executive Board**

Disclaimer: The document herein 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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COMMUNIQUE

regarding the Ordinary General Meeting of Shareholders of 28/29 April 2016

Dear SIF Transilvania Shareholders,

We send this message to better inform you about the intention of a group of shareholders to change the SIF Transilvania Supervisory Board, without a just cause, while the economic results and performance of SIF Transilvania confirm the lack of a just cause. The respective shareholder group requests the application of the cumulative vote method for the election of the new Supervisory Board, in the conditions that the mandate of the current Supervisory Board expires in April 2017.

The application of this indirect method for revoking the Supervisory Board, respectively the election of a new Supervisory Board through the application of the cumulative vote method within SIF Transilvania, a financial investment company for which a 5% ownership threshold is established by law, can only generate an artificial majority, a **concentration of votes that is not allowed by law or even exceeding the voting rights of “minority” shareholders, that leads to the great danger of a “hostile takeover” of the SIF Transilvania leadership by individuals that act in a concerted manner with the “Fraţilă group”, the submission of the leadership structures in order to satisfy in a priority/exclusive manner the interests of this group and the blockage of all legal actions that are presently being carried out in different courts against them for the recovery of the produced damages.**

Moreover, thought the puerile and unprofessional strategies proposed by this group for the future management of SIF Transilvania there is no guaranty or presupposition that profit or increased share value will be obtained for the shareholders, but the company's financial resources will be used in the benefit of this group's members.

The conflictual relationship between Mr. Fraţilă and the SIF Transilvania leadership is notorious and he tried to change it through different actions, mimicking an apparent legality for his actions, invoking investment “activism”, **which in fact hides damages, due his criminal activities, in the order of millions of euro for COMCM Constanta, company held by SIF Transilvania in a proportion of 56.72%.** In addition, his permanent conflict with the company's leadership generates a negative impact and perception regarding the company among investors and shareholders. Presently there are over 65 civil cases underway, as well as 19 criminal complaints are being instrumented.

Regarding the repeated call for General Meeting of Shareholders that have on the agenda items regarding the change of SIF Transilvania leadership (Executive Board and/or Supervisory Board), the Braşov Court of Appeals rendered a definitive and irrevocable judgment, according to Decision 1622/2015 through which the Court **found the abuse of minority and the company harassment and ordered the group to pay for the costs incurred in organizing the OGMS/EGMS and the costs for litigation, costs already recovered by SIF Transilvania; other litigations are on the docket for the recovery of other costs and we are convinced that the courts will be consistent, since the litigations are about the same case they will render judgment in our favor.**

In the period of November 2015 – February 2016, based on reasonable suspicions we had by studying the shareholders' registry, we found that the group controlled by Mr. Frăţilă transferred significant share packages from their possession to other intermediaries that have the same real beneficiary, respectively Mr. Frăţilă, in order to elude the provisions of art. 286 of the Capital Market Law and thus avoid payment of damages to SIF Transilvania in the eventuality of a forced execution and/or in order to not be accused of further harassment of the company, being in grave breach, through this maneuver, of the Capital Market Law, the legislation for the prevention and combating of money laundering. For the above invoked reasons, we have filed felony complaints with the authorized institutions.

Mr. Radu Toia has also rallied to the Fratila group. He is a former Executive Vice President of SIF Transilvania for the period of 1 June, 2014 – 30 July 2015, revoked from the position held within SIF Transilvania for inappropriate execution of duties, abuse of position, incurrence of damages for the SIF Transilvania portfolio – which he directly coordinated. The "performances" achieved in the respective period makes us believe that he will not be able to achieve other performances if elected as member of the Supervisory Board, as he desires, in an alliance with candidates of the same group. Due the fraudulent management and administration practices and the breach of commercial legislation at Sigma Management & Hotels SA, a company where Mr. Toia was the President of the Board of Directors, the company was forced to revoke him from the position of President of the Board of Directors and to initiate liability proceedings to cover the produced damages and filed criminal complaint against the company's management and the President of the Board of Directors. SIF Transilvania is the company's majority shareholder. The company's situation is critical, very close to bankruptcy due to deficient management and administration performed by Mr. Radu Toia and Mr. Bruno Negoită, former General Manager of the company; currently we are making great efforts for this company's rehabilitation. With the approval of the President of the Board of Directors, without having the necessary approvals from the Board of Directors, Mr. Troia hired 11 managers that had to lead a total of 24 employees, including the respective managers, without an organizational chart for these positions and without informing anyone in the Supervisory Board, without any strategy proposed and approved by the Board of Directors of Sigma Management Hotels. Mr. Toia and this company's General Manager approved for the company's managers, besides the consistent base salary, that the respective managers conclude consultancy contracts with their own companies, valued at tens of thousands of euros monthly; based on these contracts, the managers' companies were supposed to monitor and supply the tourism companies in the SIF Transilvania's portfolio thus aiming to gain impressive revenues in the detriment of these companies and of their majority shareholder SIF Transilvania. For this reasons, Mr. Toia was revoked from

the position of Vice President of the Executive Board of SIF Transilvania and from the position of President of the Board of Directors of Sigma Management and Hotels – held by SIF Transilvania; the fraudulently employed managers were revoked and the company initiated liability proceedings against the guilty parties in order to recover the prejudice and filed criminal complaints for the crimes committed by these individuals.

During his mandate with SIF Transilvania, Mr. Radu Toia in his capacity of Executive Vice President has shown support for different investment strategies and initiatives, for investment projects in companies held or promoted by different groups or investors with whom he has certain affiliations/interests, one of these being SAI Certinvest, a company where Mr. Razvan Rusu was/is employed. As such, shares and bonds issued by SAI Certinvest have been purchased; Mr. Toia proposed to SIF Transilvania Executive Board to purchase wind power generation farms, insurance companies and other property from SAI Certinvest. Also, he proposed the purchase of shares in agriculture NFIs, held by individuals close to him, the closing of activities for certain companies and the rental of commercial space at modest prices by transportation/carrier operators, spaces in which important resources were invested for modernization, and other operations in the detriment of SIF Transilvania but very profitable for the interested groups. **Following the investment analyses carried out at the level of the SIF Transilvania Executive Board and Supervisory Board, these investment plans into the non-banking financial sector, agriculture, real estate or other renewable energy projects were rejected by the Executive Board and Supervisory Board, due to financial and economic considerations, the future benefits of SIF Transilvania from these investments being highly uncertain and certainly detrimental.**

As such, these two groups coordinated by Mr. Frățilă and by SAI Certinvest – Radu Toia and Răzvan Rusu, groups with interests contrary to those of serious and good faith shareholders of the company, have rallied and requested the supplementation of the OGMS agenda of 28/29 April 2016, requesting amongst other things the indirect revocation of the Supervisory Board members through the cumulative vote method, argued by promises for performance growth and by promises of future returns through investments and strategies that were also initiated in the past and which they unsuccessfully tried to impose upon the SIF Transilvania Executive Board and Supervisory Board.

A criminal complaint has been filed against this group with DIICOT and FSA for crimes as capital market manipulation, misleading the investors through dissemination of false information regarding losses of over 50 million euros, in order to manipulate/decrease the share prices, deliberate misleading of shareholders through dissemination of false/denigrating information and carrying out transactions during the entire period in which the prices had fallen, causing at the same time very high damages for SIF Transilvania investors/shareholders by crashing the trading prices of SIF3 shares.

At the same time, a lawsuit for the recovery of material and image damages that had been suffered by SIF Transilvania due to the above mentioned operations is pending before the civil courts, the company being legally bound to protect its image and the shareholders' interests and to recover the damages produced by the guilty parties.

We ask that you carefully analyze the information presented above as well as all the publicly available information in order to express your voting option at the GMS on the date of 28/29 April 2016, **in full knowledge**, taking into account the information presented herein as well as those presented with other occasions regarding the action of this group.

SIF Transilvania Executive Board