



SIF BANAT-CRIȘANA
SOCIETATE DE INVESTIȚII FINANCIARE

**CONSOLIDATED REPORT
OF THE BOARD OF DIRECTORS**

— FOR THE YEAR ENDED DECEMBER 31, 2015 —

FREE TRANSLATION from Romanian which is the official and binding version

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INTRODUCTION

This report presents the annual consolidated financial results of SIF Banat-Crișana, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, and FSA Norm no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by FSA from the Financial Instruments and Investments Sector.

The Company's consolidated financial statements prepared for the year ended on December 31, 2015 include the Company, its subsidiaries and affiliated entities (hereinafter referred to as "Group").

Pursuant to the requirements of FSA Norm no. 39/2015, the Board of Directors of SIF Banat-Crișana as parent company of the Group is required to prepare a consolidated report of administrators presenting the development and the performance of the activities and the position of the entities included in the consolidation. SIF Banat-Crișana also drew up a report of the Board of Directors for the parent entity, which accompanied the Separate Financial Statements as at December 31, 2015 approved by the Ordinary General Meeting of Shareholders held on April 26, 2016.

The company examined the cases of excepting SIF Banat-Crișana from drawing up consolidated financial statements, given the provisions of IFRS 10 "*Consolidated Financial Statements*" (in force starting 01.01.2014) on investment entities, obligations of a parent company and the definition of investment entities.

Paragraph 27 of IFRS 10 provides that "*A parent (company) shall determine whether it is an investment entity. An investment entity is an entity that: (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; (b) commits to its investor(s) that its business purpose is to invest funds solely 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.*"

Considering that the Company does not measure and assess the performance of almost all of its investments on a fair value basis, SIF Banat-Crișana considered that currently does not qualify to be considered investment entity, and thus cannot apply the exception provided by IFRS 10.

1. GENERAL INFORMATION

1.1 GENERAL INFORMATION ON SIF BANAT-CRIȘANA

CORPORATE NAME	Societatea de Investiții Financiare Banat-Crișana S.A. (hereinafter referred to as "SIF Banat-Crișana" or "the Company")
COMPANY TYPE	<ul style="list-style-type: none">▪ closed-end investment company self-managed with diversified investment policy, endorsed by the Financial Supervisory Authority by Endorsement no. 258 / 14.12.2005▪ set up as a joint stock company in November 1996 pursuant to Law no. 133/1996 for the transformation of Private Ownership Funds into Financial Investment Companies▪ Romanian legal entity with private capital
SHARE CAPITAL	<ul style="list-style-type: none">▪ RON 54,884,926.80 – subscribed and paid-in capital▪ 548,849,268 shares issued▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none">▪ J02/1898/1992 at Trade Registry of the Arad Court▪ Unique Registration Code 2761040▪ Number in ASF Registry PJR09SIIR/020002/2006
MAIN ACTIVITY	<ul style="list-style-type: none">▪ financial investments to maximize the value of own shares pursuant to the regulations in force; management of the investment portfolio and exercising the rights associated to the investments; other additional and related activities pursuant to the regulations in force;▪ main object of activity: other financial intermediation n.c.a. (CAEN code 6499) <i>CAEN - Classification of Activities from National Economy</i>
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker SIF1
FINANCIAL AUDITOR	KPMG Audit S.R.L. Bucharest, as at December 31, 2015
DEPOSITARY	BRD - Groupe Société Générale
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	Arad , 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro
BRANCH OFFICE	Bucharest 175 Calea Floreasca, 7th floor, room A1, S1, 014459, Bucharest

1.2 ENTITIES INCLUDED IN THE CONSOLIDATION

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights to the variable return based on its participation in the investee entity and has the ability to influence those revenues through its authority over the entity in which it invested. When assessing control, potential voting rights that are exercisable or convertible at that time are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the moment the exertion of control begins and until its termination. Accounting policies of subsidiaries have been changed to align them with those of the Group.

The list of investments in subsidiaries as at 31.12.2015, 31.12.2014 and 31.12.2013 is as follows:

No.	Company name	Percentage held (%)		
		31.12.2013	31.12.2014	31.12.2015
1	SIF Imobiliare PLC Nicosia	99.99	99.99	99.99
2	SAI Muntenia Invest SA Bucharest	50	74.98	99.96
3	Napomar SA Cluj-Napoca	99.43	99.43	99.43
4	SIF Hoteluri SA Oradea	97.08	98.66	98.99
5	Azuga Turism SA B Bucharest	98.94	98.98	98.94
6	Silvana SA Cehu Silvaniei	96.28	96.28	96.28
7	Iamu SA Blaj	76.69	76.69	76.69
8	Central SA Cluj	7.50	63.51	63.51
9	Vrancart SA Adjud	74.72	74.72	74.72
10	Somplast SA Bistrița	70.75	70.75	70.75
11	Beta Transport SA Cluj-Napoca**	99.76	99.76	0
12	Hotel Meseșul SA Zalău**	98.40	98.40	0
13	Rusca SA Hunedoara**	87.66	99.23	0
14	Trans Euro Hotel SA Baia Mare**	99.93	99.93	0
15	Valy-Tim SA Timișoara**	100	100	0
16	Ario SA Bistrița	93.64	93.64	93.64

* SIF Imobiliare PLC owns 21 branches, as presented in Chapter 6 – Other information – Branches of subsidiaries

** the company merged with SIF Hotels in 2015

The company Ario SA Bistrița is in bankruptcy, so the voting rights held by SIF Banat-Crișana not give authority over the investee entity, and is therefore excluded from the scope of consolidation.

Associated entities

Associated companies are those companies in which the Company can exercise significant influence, but not the control on the financial and operating policies.

The companies in which SIF Banat-Crișana holds between 20-50%, on which exerts a significant influence and which fall within the scope of consolidation, are Biofarm and Gaz Vest, presented in the following table:

No.	Company name	Percentage held (%)		
		31.12.2013	31.12.2014	31.12.2015
1	Gaz Vest SA Arad	25.82	25.82	25.82
2	Biofarm SA Bucharest	21.30	19.53	22.06

The company has representatives on the Board of Directors of both entities (Biofarm and Gaz Vest) and takes part in the development of their policies. In accordance with IFRS (IAS 28, paragraph 6), SIF Banat-Crișana exercises a significant influence on these two entities. The consolidated financial

statements comprise the two companies in the scope of consolidation by equity method from the date on which the Group began to exercise significant influence.

Transactions eliminated on consolidation

Settlements and transactions within the Group, as well as unrealized gains arising from intragroup transactions, are fully eliminated in the consolidated financial statements.

The accounting policies disclosed in *Note 4 of the consolidated financial statements for 2015* have been consistently applied to all the periods presented in these consolidated financial statements. The accounting policies have been consistently applied by all Group entities.

PRESENTATION OF THE ENTITIES WITHIN THE GROUP

2.1 INFORMATION OF THE ACTIVITY OF SIF BANAT-CRIȘANA

KEY FINANCIAL AND OPERATIONAL INFORMATION

FINANCIAL POSITION [RON mn]	IFRS		
	2013	2014	2015
Total assets, of which	1,612.83	1,638.61	1,941.52
Total financial assets	1,515.19	1,537.76	1,763.12
Equity	1,441.56	1,540.04	1,788.81
Total liabilities	171.27	98.56	152.72

FINANCIAL PERFORMANCE [RON mn]	IFRS		
	2013	2014	2015
Operational income	28.23	22.60	51.28
Gains from investments	56.98	140.52	52.85
Operational expenses	17.77	14.61	15.78
Gross profit	67.44	148.51	88.34
Net profit	45.12	139.00	75.32

FINANCIAL INDICATORS [%]	IFRS		
	2013	2014	2015
ROE (net profit / equity)	3.13	9.03	4.21
ROA (net profit / total assets)	2.80	8.48	3.88
Gross profit margin (gross profit / total revenues)	58.7	61.6	63.5

PERFORMANCE OF SHARES AND NET ASSET			
	2013	2014	2015
Share price (end of period, RON)	1.292	1.303	1.688
NAV*/S (RON) RAS	2.9094	2.9228	3.3541
PER	15.72	5.14	12.30
Dividend / share (RON)**	-	0.1	-
Accounting net asset / share (RON) RAS	2.6265	2.8059	3.2592
Nominal value of share (RON)	0.1	0.1	0.1
Number of shares	548,849,268	548,849,268	548,849,268

OPERATIONAL DATA			
	2013	2014	2015
Number of permanent employees, year end	51	48	41
Branch offices	2	2	1

* calculated acc. to FSA regulations

** as per OGM Resolutions

MILESTONES OF SIF BANAT-CRIȘANA'S ACTIVITY DURING 2015

Portfolio management

SIF Banat-Crișana's investment objective is the management of a diversified portfolio of high-quality assets, able to provide a constant flow of revenues, the preservation and the medium-long term growth of capital, aiming at delivering more value to the shareholders.

The strategic vision is the development of the Company through and effective administration and the increase of the value of the assets under managements, by improving resource allocation and attaining higher yields for the invested capital.

The strategy for asset allocation aims to maximize the performance of the portfolio within the prudential conditions set by Law no. 297/2004 regarding the capital market with subsequent amendments and Regulation no. 15/2004 regarding authorization and operation of asset management companies, collective investment undertakings and depositories. Throughout 2015, the assets managed by the Company have been within the allowed legal limits.

As at December 31, 2015, the value of SIF Banat-Crișana's stock portfolio reached RON 1,621 mn (calculated pursuant to ASF Reg. no. 9/2014 and ASF Reg. no. 10/2015), having the dominant weight, of 86.5% of the total assets under management.

At 2015-year end, SIF Banat-Crișana holds the majority stakes in 11 companies, with an aggregate value of RON 453.97 mn, weighing 24.7% in NAV.

The companies in which SIF Banat-Crișana holds majority and control are classified as subsidiaries as per International Financial Reporting Standards.

During 2015, SIF Banat-Crișana's leadership focused on streamlining the administration of majority stakes, in order to ensure a high financial return, a competitive management and the construct of development programs. These companies are being analysed and continuously monitored by our analysts, the managerial involvement of SIF Banat-Crișana focusing on:

- providing support in preparing and optimizing budgets, adopting measures to rationalize the use of resources, cost optimization and coordination of major investment processes;
- negotiating competitive performance criteria with the management teams;
- valuating and analysing on a monthly basis the recorded results and supporting the implementation of measures to streamline the activities;
- implementing best practice of corporate governance, up-to-date management techniques and promoting resourceful management teams;
- implementing unified management techniques;
- regularly visiting (monthly) to companies and analysing, together with the management teams, the results, prospects, opportunities and potential risks.

Cash management aimed at achieving real positive returns, liquidity risk dispersion and ensuring necessary cash to conduct the company's business.

An efficient collaboration with the banks satisfied the requirement to achieve a high yield for the cash investments and the flexibility in ensuring at the required terms the necessary amounts for investment objectives or to finance current activities.

Summary of transactions

Transactions performed by SIF Banat-Crișana throughout 2015 followed the coordinates set by the operational plan approved by the general meeting of shareholders.

There were purchased shares aiming at providing a mix of growth and value, seizing opportunities mainly in the energy sector, in companies with constant dividends and a high dividend yield, above the market average.

The sales aimed at reducing the exposure of the portfolio in the banking sector, and seizing the opportunities to exit from illiquid companies with negative impact on the profitability of the portfolio.

Financial assets acquisition and inflows:

- acquisitions of shares on the domestic markets amounting to a total of RON 34.8 mn, of value being the purchases of Romgaz and Electrica shares;
- direct investments amounting to RON 5.7 mn in a company (SAI Muntenia Invest - payment of the last instalment for the transaction initiated in 2013);
- bonus shares, received free of charge, following the share capital increase by incorporation of reserves by two companies in SIF Banat-Crişana's portfolio, totalling RON 21 mn;
- following the merger by absorption of the companies Rusca, Valy-Tim, Meseşul, Beta Transport and Trans Euro Hotel by the company SIF Hoteluri, SIF Banat-Crişana recorded the shares received after the capital increase of the acquiring company worth RON 28.8 mn.

Sales and outflows of financial assets:

- sales of listed shares on the domestic and foreign markets amounting to RON 72.1 mn, recording a profit of RON 49.7 mn (of significant values were the transactions with BRD and ERSTE shares);
- value of full and/or partial withdrawals out of three companies, totalling RON 8.2 mn, with a profit of RON 5.3 mn;
- value companies acquired following the merger through absorption by SIF Hoteluri in the amount of RON 21.4 mn (Beta Transport, Valy Tim, Hotel Meseşul, Trans Euro Hotel and Rusca);
- sale of the entire structured products held, with a value of RON 14.6 mn, with a gain of RON 6.9 mn.

Objectives for 2016

1. Consolidating and increasing the value of assets under management

SIF Banat-Crişana continues the process of optimizing the resource allocation and their management at higher efficiency parameters, focusing on developing the investment segments generating healthy revenues, and hence profit.

The efforts will be focused towards an investment process apt to provide the increase in the value of assets under management, generating strong future revenues without disinvestment from key positions in the portfolio.

In this context, the 2016 budget proposed for 2016 and approved by the OGM of April 26, 2016, is focused on the performance of the assets held and their potential of generating revenues translating into real profit. SIF Banat-Crişana's leadership is of the opinion that results are to be achieved in a sustainable manner, given the assets we hold, and to focus on the improvement our portfolio with quality assets to produce results in the future without massive disinvestments from valuable assets.

In 2016, the investment policy will be directed towards the creation of a core portfolio designed to provide solid, stable and predictable returns for the shareholders.

2. Performant management of the shareholdings

SIF Banat-Crișana is committed to provide a high level of performance in portfolio management, both by higher activism as a shareholder, and by developing internal processes and tools for analysis and evaluation of the portfolio performance.

SIF Banat-Crișana will have an active involvement in the portfolio companies with majority holdings, in order to increase their performance, by providing support and assistance.

The desire to increase the value of portfolio companies will be reflected through a pro-active involvement in the protection of all investments by intensifying the legal and corporate actions for the benefit of SIF Banat-Crișana.

3. Transparency in communication

SIF Banat-Crișana will pursue the intensification of promoting the company in the events held in Romania or abroad - either individually or together with BVB or intermediaries, in order to increase the transparency and the visibility for SIF1 shares to a wider class of investors.

4. Repurchase Program

Striving to increase value for the shareholders, the Board of Directors submitted for the approval of the EGM a program to repurchase company's own shares. By this program the company can buy back a limited number of shares available on the market and that the program is expected to contribute to an increased demand for SIF1 shares, with a positive effect on the liquidity, and reducing the discount at which the shares are traded.

Also, the component of repurchase program to reward the loyalty of the Company's employees and leadership has in view the development of the remuneration policy by introducing the remuneration instruments in equity, aiming the inducement of employees and leadership increase the efficiency of the administration.

The operation plan and budget for 2016, approved by the OGM held on April 26, 2016, are available in company's website, www.sif1.ro, in the section *Investor Relations > Financial reporting for 2015*

2.2 PRESENTATION OF CONSOLIDATED ENTITIES

SIF IMOBILIARE PLC

Stake held by SIF Banat-Crişana as at 31.12.2015: 99.99%

SIF Imobiliare Plc is listed on BVB since December 23, 2013, its securities being traded on AeRo under the ticker SIFI. The independent auditor for SIF Imobiliare Plc is Evoserve Auditors Limited from Cyprus.

The holding SIF Imobiliare Plc, registered in Cyprus, was founded in August 2013 as an investment vehicle by incorporating 18 companies from SIF Banat-Crişana's portfolio with activities in the real estate sector, to ensure a unified management, increase the rates of return for the companies in the portfolio and to seize the opportunities arising in the market. In 2014, SIF Imobiliare Plc contributed to the establishment of three new companies, that entered into its portfolio: two companies with activities in renting commercial premises and one in agriculture.

As at 31.12.2015 SIF Imobiliare Plc had a portfolio of stakes in 21 companies, of which 20 companies having assets in the real estate and rental activity and one company with operations in the agriculture. Of the 21 companies in SIF Imobiliare Plc's portfolio, five are listed on the Bucharest Stock Exchange, AeRo category.

During 2015, the holding SIF Imobiliare Plc has optimized its activity by restructuring the management and the activities of the companies held in the portfolio. Thus was implemented a resource planning system - ERP Atlantis at companies' level, the integration of all internal information at subsidiaries level into a single platform, aiming to ensure data transparency within the group and facilitate decision-making process in order to improve the efficiency and effectiveness of the business. Analyses of some business opportunities were performed, aiming to improve the performance of SIFI's global portfolio, and rationalization and review of operational processes at affiliates level, in order to increase their efficiency, as well as achieving a quantum leap on performance measures such as return of investments, cost reduction and improving the quality of services.

A process of optimization of the costs incurred at group level was designed and initiated, that will ensure the centralization of approval operations for the necessary purchases, and disbursements.

Also, the groundwork was laid for creating a package of unitary financial reporting, customer reports, monitoring reports claims, budget reports, etc. and developing a system for calculating the rates of profit margins and return on equity, which will underpin the construction of models of analysis of yield and risk investments, their efficiency, cost-benefit analysis, distribution of performance indicators - return and profitability, high sensitivity analysis, scenarios, stress testing, etc. Some guidelines at SIFI Group were drawn, comprising concepts and business processes, legal and economic methods, able to provide the basic principles on the management of real estate owned by affiliates.

In H1 2016 the company increased its capital by EUR 2.99 million. SIF Banat-Crişana was the sole shareholder that exercised its right to subscribe, and payed to the date of this report the amount of EUR 1.23 million.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	301.2	329.6	109.4
Equity	198.3	223.1	112.5
Operating Income	23.8	25.5	107.1
Net Profit/Loss	14.1	24.8	175.9

SAI MUNTENIA INVEST SA BUCHAREST

Stake held by SIF Banat-Crișana as at 31.12.2015: 99.96%

The Investment Management Company (SAI) Muntenia Invest SA was founded in 1997, and is in SIF Banat-Crișana's portfolio since 2013. The company is the manager of SIF Muntenia SA and FDI Plus Invest.

The company's main activity consists in specific services on the management of undertakings for collective investment in transferable securities (UCITS) and the management of other collective investment undertakings (UCI), holding the FSA authorization for operating as investment management company (SAI). The activity of SAI Muntenia Invest is regulated and supervised by the FSA.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	27.7	19.4	70
Equity	23.1	17.5	75.8
Operating Income	28.0	17.9	63.9
Net Profit/Loss	11.1	5.4	48.6

NAPOMAR SA CLUJ-NAPOCA

Stake held by SIF Banat-Crișana as at 31.12.2015: 99.43%

The company was founded in 1973 under the name Întreprinderea de Mașini Unelte (Factory of Grinding Machines), and in 1991 was transformed into joint stock company Napomar SA. Since 1998, SIF Banat-Crișana is the majority shareholder.

Company's business is the manufacture of equipment and machinery - tools for metal processing and the main lines of activity are the production of machine tools and machine tool components, energy production equipment, production of marine rescue equipment.

During 2010-2015 the company was retrofitted to European standards through an extensive investment program (over RON 55 mn).

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	64.7	60.3	93.2
Equity	34.0	32.2	94.7
Operating Income	31.8	30.7	96.5
Net Profit/Loss	-1.4	-1.8	128.6

SIF HOTELURI SA ORADEA

Stake held by SIF Banat-Crișana as at 31.12.2015: 98.99%

The company SIF Hoteluri resulted from the change of Calipso's company name in 2014.

SIF Hoteluri is listed on BVB, with the ticker CAOR.

At the end of October 2015, SIF Hoteluri has completed the process of merger by absorption with the companies Trans Euro Hotel SA Baia Mare, Beta Transport SA Cluj, Hotel Meseșul Zalău, Rusca SA Hunedoara and Valy Tim SA Timișoara, companies in which SIF Banat-Crișana held stakes between 90% and 99.99%.

With the completion of the merger it was intended the establishment of an integrated management system to improve the financial performance of the acquired units and creating more value for the shareholders. Not least, this merger provided the shareholders of the merged companies the advantage of having marketable shares, listed on Bucharest Stock Exchange.

Following the merger, SIF Hoteluri became the owner of 6 hotels with 2, 3 and 5-stars classification, providing touristic, public food, catering and event planning services, as well as recreational and body maintenance services.

The most important asset of the Company's portfolio is still *DoubleTree by Hilton* hotel in Oradea (147 rooms, two restaurants, five meeting / discussions / conferences / events rooms, EforeaSpa), inaugurated in September 2012, offering tourist services at the highest level.

The results for the year 2015 were influenced to some extent by the takeover process within the merger, concluded 75 days prior to the closing of the financial year.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	82.6	110.6	133.9%
Equity	64.4	92.4	143.5%
Operating Income	11.7	12.1	103.4%
Net Profit/Loss	0.0	(16.1)	-

AZUGA TURISM SA BUCHAREST

Stake held by SIF Banat-Crişana as at 31.12.2015: 98.94%

The company Azuga Turism SA is part of SIF Banat-Crişana's portfolio of closed unlisted companies, operating in the field of tourism services.

The company has as assets a three-star hotel, an entertainment centre, a sports field, the facility of cableway transportation - gondolas, ski lifts, baby ski, center for renting sports equipment, public food services units, all assets located in the city Azuga, in the upper valley of Prahova touristic area.

The facility of cableway transportation with gondolas, the most valuable asset of the company, has a transport capacity of 1,200 persons per hour, on a length of 2 km, covering a difference in height of 600 m and serves the two ski slopes Sorica and Cazacu. The city of Azuga entered in the winter tourism circuit starting with this equipment entering into service.

The Hotel "Azuga Ski&Bike Resort", with an accommodation capacity of 60 beds, ranked as a three-star hotel, is located at the bottom of the ski slopes, offering guests accommodation, food and leisure. For the high quality services offered to customers, the hotel was honoured by Booking.com with the award of excellence "Award Guest Review 2015".

Located in a mountainous tourist area, the company operates mainly in two seasons - winter and summer - which induces large periodic fluctuations cash inflows. To counteract the less productive periods in terms of tourism, in 2015 the company has had an active participation in national programs RNDR/POSDRU on organizing training courses and staff training, especially for those in rural or disadvantaged areas.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	46.8	43.4	92.7
Equity	44.0	43.2	98.2
Operating Income	3.4	3.4	100
Net Profit/Loss	(1.1)	(0.2)	18.2

SILVANA SA CEHU SILVANIEI

Stake held by SIF Banat-Crişana as at 31.12.2015: 96.28%

The company was founded in 1977 under the name Întreprinderea de tricotaje (Knitwear factory) Cehu Silvaniei. In 1991, it transformed into a joint stock company under the name SILVANA SA, and since 1997 SIF Banat-Crişana is the majority shareholder.

Silvana SA is listed on BVB, ATS segment – AeRo standard (symbol SIVX).

The business of the company is the manufacture of knitted and crocheted clothing items.

Silvana SA has constantly invested in recent years in equipment in order to increase its capacity and to maintain a high quality level. All investments were made from own sources.

Over 95% of the company's annual production is exported (to England, Ireland, Germany).

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	12.7	11.9	93.7
Equity	10.4	10.7	102.9
Operating Income	19.1	21.0	109.9
Net Profit/Loss	0.8	1.1	137.5

IAMU SA BLAJ

Stake held by SIF Banat-Crişana as at 31.12.2015: 76.69%

The company IAMU SA Blaj was founded in 1972 as Întreprinderea de Accesorii pentru Maşini-Unelte (Factory of Accessories for Machine Tools) in 1990 and transformed into SC IAMU SA. SIF Banat-Crişana became majority shareholder in 2001.

IAMU SA is listed on BVB, ATS segment - AeRo standard (symbol - IAMU).

The business of the company is the manufacture and supply of precision engineering products ranging from accessories, equipment and components parts for machine tools and components for linear technique.

During 2009-2015 the company was almost entirely modernized, reaching advanced technological standards today and aiming to become a European leader in the field of linear mini-technique.

Starting 2008, the company has implemented a new tracking system production, IPS, based on lean management and the principle of 'just in time'. The company has a stable market, both domestic and foreign, developing a partnership of over 19 years with Bosch-Rexroth Mechatronics company. IAMU obtained "preferential supplier status" for companies in the Robert Bosch GmbH concern.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	69.1	67.0	96.9
Equity	34.8	41.4	118.9
Operating Income	76.0	75.8	99.7
Net Profit/Loss	4.7	6.0	127.6

VRANCART SA ADJUD

Stake held by SIF Banat-Crişana as at 31.12.2015: 74.72%

Vrancart SA (market symbol VNC) is listed on the Bucharest Stock Exchange since July 15, 2005, currently being traded in the Main segment, Standard category.

The main activity of Vrancart is the production and sale of papers for the production of corrugated cardboard in various assortments, corrugated cardboard, packages made of corrugated cardboard (boxes) of different sizes, embossed and printed, toiled and various hygienic-sanitary papers.

The large investments made in the recent years have led to a steady increase in turnover and the company's profitability.

Significant in company's activity during 2015 were the acquisition of a stake of 100% in Giant Prodimpex SRL Ungheni, processor of apparel cardboard, aiming to increase the conversion rate of the manufactured cardboard; the increase of approximately 20% of production capacity for paper and cardboard and the growth of recycling paper capacity, reaching 20 centres nationwide.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	220.0	242.9	110.4
Equity	127.3	142.9	112.2
Operating Income	197.4	211.1	106.9
Net Profit/Loss	18.9	17.9	94.7

SOMPLAST SA NĂSĂUD

Stake held by SIF Banat-Crişana as at 31.12.2015: 70.75%

The company was founded in 1978 under the name Întreprinderea de Prelucrare Mase Plastice Năsăud (Plastic Processing Factory) and in 1991 turned into joint stock company Somplast SA. In 2001 SIF Banat-Crişana became the majority shareholder following a share capital increase.

Somplast SA is listed on BVB ATS segment - Standard Aero (symbol-SOPL).

The main activity of the company is the processing of plastics polypropylene and polyethylene of low and high density (injected, blown, pipes, foils and flexible packaging).

Somplast SA produces plastic parts, its products can be divided into three broad categories: polythene foils and products made from foil, pipes for the transportation and distribution of water and gas, blown and injected products. Somplast SA is authorized recycler for polyethylene and polypropylene products.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	23.4	24.9	106.4
Equity	13.5	13.1	97.0
Operating Income	32.6	32.6	100
Net Profit/Loss	0.1	0.3	300.0

CENTRAL SA CLUJ-NAPOCA

Stake held by SIF Banat-Crişana as at 31.12.2015: 63.51%

The company was founded in 1991, on the structure of the department store in Cluj-Napoca. SIF Banat-Crişana became the majority shareholder in July 2014.

The object of activity is retail trade in non-specialized stores. Since 2015, the largest share in company's turnover is the activity of rental of commercial spaces.

The company owns a single asset, Magazinul Central (Central Department Store), located in the central area of Cluj-Napoca. The store has a built area of 18,686 sqm, of which 1,126 square meters underground parking, and a useful floor area of 15,571 sqm.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	39.7	37.9	95.5
Equity	26.8	27.3	101.8
Operating Income	8.5	5.2	61.2
Net Profit/Loss	(1.1)	0.5	-

GAZ VEST SA ARAD

Stake held by SIF Banat-Crişana as at 31.12.2015: 25.82%

The company was founded in 2000 with private capital, with the following shareholders: Comera Arad with a stake of 62.22%, EIP NV Amsterdam NV with 36.37%, other shareholders 1.11%. SIF Banat-Crişana became shareholder in 2002 with an investment of RON 9,789,300 and subsequently participated in a capital increase with RON 717,500.

The main activity of the company is the distribution and supply of natural gas in areas from the West side of Romania, in the counties Arad, Timiş, Bihor, Satu Mare and Gorj, rural areas and small towns. In addition to the main business, the company also provides other services and works related to gas distribution and supply (design, commissioning, verification).

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	67.5	70.6	104.6
Equity	53.1	55.6	104.7
Operating Income	39.0	40.8	104.6
Net Profit/Loss	6.5	8.6	132.3

BIOFARM SA BUCUREŞTI

Stake held by SIF Banat-Crişana as at 31.12.2015: 22.06%

Company founded in 1921, Biofarm is one of the first medicines and dietary supplements manufacturers in Romania, having a competitive portfolio, of over 200 products, covering 61 therapeutic areas.

Biofarm, ticker BIO, is listed on BVB since November 19, 1996, currently traded in Main segment, Premium category.

The company had a continuous advance of turnover, recording +42.7% over the past three years, and an increase of +33.3% profit in this period. With a stable position on the Romanian pharmaceutical market, Biofarm aims at improving its position in the international arena. Biofarm is currently present in 12 countries.

IFRS indicators:

<i>(RON million)</i>	2014	2015	2015/2014 (%)
Total Assets	208.5	216.9	104.0
Equity	168.8	182.1	107.8
Operating Income	128.9	149.3	115.8
Net Profit/Loss	26.5	27.2	102.6

PRESENTATION ON SEGMENT

The activity performed by the Group is segmented on the following main activities: financial, industry, commerce - restaurants - hospitality.

The financial activity includes the business of three companies in the group: SIF Banat-Crișana SA, SAI Muntenia and ISF Imobiliare Plc. (2014: 3).

The industry activity includes the business of 5 companies in the group: Vrancart SA, Napomar SA, IAMU SA, Somplast SA and Silvana SA (2014: 5), having as main activity the manufacture of machinery and machine tools for metal processing, manufacture of plates and profiles of plastic, paper and corrugated cardboard, and the manufacture of knitted garments.

The activity of commerce, restaurants and hospitality includes the business of three companies in the group: SIF Hoteluri SA, Azuga Turism SA and Central SA (2014: 8).

The activity of agriculture refers to the activity of a company: SIFI TM Agro.

The main financial indicators, namely total assets, liabilities, equity, operating income, financing expense, profit before tax and net profit are presented in the reporting on segment in *Note 30 of consolidated financial statements*, annexed.

Transactions between business segments are conducted under normal market conditions, and assets and liabilities on segment include both items directly attributable to those segments and items that can be allocated using a reasonable basis.

3. ANALYSIS OF 2015 FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (extract from the accompanying consolidated financial statements)

	Year ended on December 31, 2015	Year ended on December 31, 2014
Revenue	456,515,972	448,341,114
Operational expenses	(420,387,755)	(411,253,614)
Gain / Loss from investment property	13,700,343	24,990,447
Gain / Loss from financial assets	52,311,655	140,794,999
Other gains / Losses net	23,228,074	(3,524,557)
Operating profit	125,368,289	206,397,503
Finance income	11,819,463	9,331,087
Finance expenses	(17,766,834)	(13,982,569)
Finance costs – net	(5,947,371)	(4,651,482)
Share of loss/profit of associates	8,238,336	285,389
Profit / (loss) before tax	127,659,254	202,031,420
Income tax expenses	(25,447,359)	(14,882,397)
Profit / (Loss) for the year	102,211,895	187,149,023
Profit is attributable to		
Parent company	96,076,297	178,371,738
Non-controlling interests	6,135,598	8,777,285
Earnings per share from continuing and discontinued operations allocated to shareholders in year		
Basic earnings per share	0.18	0.33
Diluted earnings per share	0.18	0.33
Other comprehensive income		
Net amount transferred to profit or loss	(28,395,882)	(129,566,844)
Net change in fair value	223,058,516	(21,679,478)
Change of revaluation reserve tangible assets	6,522,613	1,641,369
Other comprehensive income	201,185,247	(149,604,953)
Total comprehensive income for the period	303,397,142	37,544,070

Consolidated profit or loss and other comprehensive income, on the main components, is as follows:

Revenues mainly include revenues from sales, service, rentals, interest, dividends, and rose by 1.8% as compared to 2014. The revenue having weight on total operating revenues are revenues from sales of finished products, respectively 77,9% in 2015 (2014: 77%). Most items of income rose over the previous year, or remain at the same level, less income from services rendered that decreased as compared to the previous year. Dividend income, with an increase of 37.5% as compared to 2014, are recorded on a gross basis.

Operational expenses, having as items with significant weight expenses with salaries and related contributions, with goods, raw materials, rose by 2.2% as compared to 2014 due to the increased spending on wages, energy and raw materials. The effect of this increase is mitigated by cost savings from the expense positions on goods, services, consumables.

Gain from investment property and financial assets declined by 60.2% yoy, due to the unfavourable evolution of the earnings from investment property and achieving a lower volume of gains from financial assets.

The gain on financial assets includes the gain from exchange differences, net profit from the sale of assets, net gain or loss of assets at fair value through profit and loss and expense adjustments for impairment. The gain on financial assets in 2015 was mainly from net profit from the sale of assets. The decrease as compared to 2014 is explained by a lower volume of sales of securities from the portfolio. The component of net income from financial assets at fair value through profit or loss include the performance of speculative investment sold capitalized during 2015 and the net result of the impairment of financial instruments recognized in the income statement.

Expenses on impairment of assets include provisions made for depreciation of fixed assets set up for the depreciation of current assets respectively the adjustments recognized on the expenses for shares for which it was established the depreciation (prolonged reduction in fair value below the acquisition cost, adverse and lengthy changes within the industry)

Operating profit decreased by 39.2% mainly due to the decrease in gains from financial assets.

Profit for the year 2015 declined as compared to the previous year as a result of achieving a lower volume of gains from financial assets.

Other comprehensive income includes all developments relating to patrimony, transactions that have resulted in changes in equity, not recorded in profit or loss. Thus, in this position is reflected the strong positive variation (up to RON 223 mn yoy) in fair value of financial instruments classified as available for sale.

Total comprehensive income for the period recorded an increase of RON 264.8 mn as a result of the growth in "**Other comprehensive income**".

3.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(extract from the accompanying consolidated financial statements)

	December 31, 2015	December 31, 2014	January 1, 2014
Assets			
Cash and cash equivalents	210,074,170	140,039,103	162,282,725
Financial assets at fair value through profit and loss	449	132,318,525	18,810,969
Trade receivables	87,841,167	140,637,923	64,621,670
Stocks	54,396,288	53,931,093	49,924,911
Assets held for trade	27,104,429	-	-
Financial assets available for sale	1,170,248,459	816,736,381	1,016,728,099
Investments held to maturity	34,498,231	50,844,602	51,837,732
Assets held for trade	27,104,429	-	-
Investment property	201,656,057	202,710,369	157,823,292
Tangible assets	531,502,435	483,969,066	483,168,556
Other assets	14,043,235	4,098,025	15,621,638
Total assets	2,331,364,924	2,025,285,079	2,020,819,592
Liabilities			
Trade payables	103,820,845	101,712,794	70,328,409
Dividends to be paid	20,850,806	13,126,579	23,322,090
Deferred income tax liabilities	148,822,379	106,357,052	147,823,022
Loans	111,566,492	114,733,697	131,847,026
Investment subsidies	44,379,488	44,372,329	48,295,885
Provisions for pensions and similar obligations	8,319,445	9,114,640	6,530,961
Total liabilities	437,759,455	389,417,091	428,147,393
Equity			
Statutory share capital	54,884,929	54,884,930	54,884,928
The effect of applying IAS 29 on share capital	684,298,992	684,298,992	684,298,992
Reserves set-up under Law no. 133/1996	145,486,088	145,486,088	145,486,088
The effect of applying IAS 29 on the reserve constituted under Law no. 133/1996	1,960,189,603	1,960,189,603	1,960,189,603
The effect of applying IAS 29 to items of capital over retained earnings	(2,644,488,595)	(2,644,488,595)	(2,644,488,595)
Other reserves	(28,497,230)	(22,229,576)	-
Accumulated profit	1,083,672,824	1,024,105,975	822,340,493
Reserves from revaluation of tangible assets	8,163,983	1,641,369	-
Legal reserves	13,860,975	12,347,732	10,976,986
Reserves from revaluation of financial assets available for sale	535,217,113	340,554,479	491,800,801
Non-controlling interests	80,816,786	79,076,991	67,182,906
Total equity	1,893,605,469	1,635,867,988	1,592,672,204

The value of **total assets** as at December 31, 2015 increased by 15% as compared to December 31, 2014, mainly due to rise by 43% of the value of financial assets available for sale, while the value of trade receivables diminished by 37.6% as the operating income rose. The financial assets available for sale have the most significant weight in the total assets, respectively 50.2%, followed by tangible assets, with a weight of 22.8%.

Value of financial assets available for sale is higher as compared to the previous year due to rise of stakes held in banks and the reclassification in 2015 in this category of the most of the holdings in the financial assets at fair value through profit and loss (operation which explains the significant reduction of these holdings at the end of 2015).

Fixed assets held for trade include the value of assets reclassified by SIF Imobiliare from investment property as a result of company's intent to sale them in the near future.

Total liabilities as at December 31, 2015 amounted to RON 437.7 million, mainly include trade payables and deferred tax liabilities. The volume of **liabilities** rose by 12.4% as compared to 2014, increase mainly contained in deferred tax liability (39.9%) due to the increase of the value of financial assets available for sale, while the volume of other liabilities (loans, provisions for pensions) have slightly decreased over the previous year.

Equity grew by 15.7% as compared to December 31, 2014, mainly due to the increase of reserves from the revaluation of tangible assets, with the financial assets available for sale with 56.9% and of profit by 5.8%.

6. RISK MANAGEMENT

By the nature of its business activity, the Group is exposed to various risks, associated with the industry in which it operates. The main types of risks the Group is exposed to are: market risk (interest rate risk, currency risk, price risk); credit risk; liquidity risk; taxation risk; economic environment risk; operational risk.

Risk management is considering the maximization of Group's profit relating to the level of risk it is exposed.

The Group uses of a range of policies and procedures for the management and evaluation of the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as price of shares, interest rates and foreign exchange rates will affect the Group's income or the value of financial instruments it holds. Market risk of the equity instruments is the risk that the value of such an instrument will fluctuate due to changes in market prices, whether caused by factors particular for the issuer or factors impacting all instruments traded on the market.

Market risk of the equity instruments arise mainly from shares available for sale. Entities in which the Company holds shares operate in various industries.

The objective of market risk management is to manage and control the exposures on market risks within adequate limits, while optimizing the profitability.

The Group's strategy for managing market risk is led by its investment objective, and market risk is managed pursuant to the practiced policies and procedures.

Further information on Market risk are presented in *Note 5(a) of the Consolidated Financial Statements*, attached.

The Group is exposed to the following categories of market risk:

(i) Price risk

Price risk is the risk of loss from both in balance sheet positions as well as off the balance sheet, caused by movements of asset prices.

The Company is exposed to the risk that the fair value of financial instruments it holds fluctuates due to changes in market prices, whether caused by factors specific to the issuer itself or factors impacting all instruments traded on the market.

The Boards of Directors monitor the implementation of market risk management, and internal procedures require that, when price risks are not consistent with the investment policy and principles of the Group, the portfolio needs to be rebalanced.

In the recent years, due to the global financial crisis, Romania was impacted by the price risk through the decline in the price of shares.

(ii) Interest rate risk

Interest rate risk is the risk that revenues or expenses, or the value of assets or liabilities of the Group to fluctuate due to changes in interest rates on the market.

Regarding financial instruments bearing interest: the risk of interest rate consists of the risk of fluctuation recorded in the value of a financial instrument due to changes in interest rates and of the risk of differences between maturity of financial assets bearing interest and the debt bearing interest. However, the risk of interest rate may also impact the value of assets bearing fixed interest rates (e.g. bonds) so that an increase in the market interest rate will diminish the value of future cash flows generated by them and might lead to their price reduction, if it generates an increase of investors' preference to invest their funds in bank deposits or other instruments whose interest grew, and vice versa - a reduction in the market interest rate may increase the price of shares and bonds and will lead to an increase of the fair value of future cash flows.

Regarding the Group's financial instruments bearing interest, the policy is to invest in financial instruments generally on short-term, no more than 12 months, thus considerably reducing both the risk of fluctuation and the risk of differences in maturity. As for the assets bearing fixed interest or marketable assets, the Group is exposed to the risk that the fair value of future cash flows related to financial instruments will fluctuate as a result of changes in market interest rates. However, most financial assets of the Group are in stable currencies whose interest rates are unlikely to vary significantly.

Thus, the Group will be subject to a limited exposure on fair value rate risk or future cash flows due to fluctuations in the prevailing levels of market interest rates.

The Group does not use derivative financial instruments to protect against fluctuations of interest rate.

(iii) Currency risk

Currency risk is the risk of loss or failure to achieve the estimated profit as a result of unfavourable exchange rate fluctuations. The Group invests in financial instruments and performs transactions which are denominated in currencies other than its functional currency, thus being exposed to risks that the exchange rate of the national currency in relation to another currency to adversely affect the fair value or future cash flows for the portion of those financial assets and liabilities denominated in other currencies.

The Company carried out transactions for the reporting period both in Romanian currency (RON) and foreign currency. The Romanian currency fluctuated compared to foreign currencies, EUR, USD, GBP and HUF.

The utilised financial instruments enable the value preservation of monetary assets held in RON, by making investments and collecting interest based on the maturity period.

(b) Credit risk

Credit risk is the risk that one of the parties to a financial instrument fails in fulfilling an obligation or a financial commitment it entered in relationship with the Group, thus causing the Group to record a financial loss.

The Group is exposed to credit risk due to the investments in bonds issued by companies or Romanian State, in current accounts and bank deposits, and other receivables.

The leadership of the Group closely and constantly monitors the exposure to credit risk so as not to suffer losses due to credit concentration in a particular sector or industry.

Further information on Credit risk are presented in Note 5(b) of the *Consolidated Financial Statements*, attached.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting obligations arising from short term financial liabilities, that are settled by payment in cash or other financial means, or that such obligations are settled in a manner unfavourable for the Group.

The Group monitors the evolution of liquidity to be able to fulfil its obligations on the date on

which they become due, and permanently analyse the assets and liabilities, based on the remaining period until the contractual maturities.

Further information on Liquidity risk are presented in Note 5(c) of the *Consolidated Financial Statements*, attached.

(d) Tax risk

Starting January 1, 2007, following Romania's accession to the European Union, the Group had to comply with EU regulations, and therefore prepared for the implementation of changes brought by the European legislation. The Group has implemented these changes, but the method of implementation remains open to fiscal controls for 5 years.

Interpretation of texts and the practical implementation of new tax regulations may vary and it is likely, in some cases, that the tax authorities and the Group have different views.

In terms of corporation tax for the financial year 2015 there is a risk of a different interpretation by the tax authorities for the accounting treatments that determined the transition to IFRS as accounting basis.

Moreover, the Romanian Government has a number of agencies authorized to audit (control) companies operating in Romania. These controls are similar to tax audits in other countries, and may cover not only fiscal issues, but other legal and regulatory issues of interest to these agencies. The Company may be subject to fiscal controls as new tax regulations are being issued.

(e) Economic environment risk

The process of adjusting the values based on risk occurred on the international financial markets during the recent years has severely impacted their performance, Romanian financial market included, leading to an increased uncertainty about future economic progress.

The effects of the international financial crisis were also felt by the Romanian financial market mainly as: significant rise of non-performing loans in the domestic banking system, making more difficult the access to funding both for population and companies, banks aiming more towards financing the state authorities through purchases of government bonds rather than financing the economic growth or consumption, the depreciation of national currency, the drop of prices in the real estate, the negative evolution of macroeconomic indicators (inflation, budget deficit, current account deficit, decrease of foreign direct investment, increase of unemployment rate etc.).

The leadership of the Group cannot foresee all the effects of the crisis impacting the financial sector in Romania, but considers that has adopted in 2015 the necessary measures for the sustainability and the development of the Group given the current conditions on the financial market, by monitoring cash flows and adjusting the investment policies.

The avoidance of risks and the mitigation of their effects are provided by the Group through an investment policy that complies with prudential rules imposed by laws and applicable regulations.

The Group has adopted risk management policies by which an active management is performed, specific procedures being applied for the identification, assessment, measurement and control of risks, apt to provide reasonable guarantee regarding the objectives of the Company, a constant balance between risk and expected profit being sought.

The risk management process aims at: (i) identifying and assessing the significant risk that might severely impact the fulfilment of the investment objective and developing activities to counter the identified risks, (ii) adapting the risk management policies to the financial progress of the capital market, monitoring the performance and improving the risk management procedures, (iii) reviewing investment decisions in relation to the evolution of the capital market, (iv) compliance with current legislation.

(f) Operational risk

Operational risk represents the risk of direct or indirect loss resulting from deficiencies or weaknesses in procedures, personnel, the Group's internal systems or from external events that can have an impact on its operations. Operational risks arise from all activities of the Company.

The objective of the Group is to manage operational risk in such way that limits the financial loss, or damages to its reputation and to achieve the investment objective of generating returns for investors.

The primary responsibility for the implementation and development of control over the operational risk lies with the Board of Directors of entities within the Group. This responsibility is supported by the development of general standards of operational risk management, including controls and processes to service providers and service arrangements with providers of services.

(g) Capital adequacy

The policy adopted by Group's leadership regarding capital adequacy focuses on maintaining a solid capital base, in order to support the ongoing development of the Group and attaining the investment objectives.

Group's equity includes share capital, different types of reserves and retained earnings. Equity totalled RON 1,893,605,469 as at December 31, 2015 (RON 1,635,867,988 as at December 31, 2014).

7. CORPORATE GOVERNANCE

SIF Banat-Crișana is committed to maintaining and developing the best practices of corporate governance, to ensure an efficient decision making process, leading to the long-term viability of the business, achieving the objectives of the company and creating sustainable value for all stakeholders (shareholders, management, employees, partners and authorities). These goals are also pursued by the companies controlled by SIF Banat-Crișana, supporting the introduction of best practice corporate governance, modern management techniques, and by promoting efficient management team in these companies.

The status of compliance with the principles and recommendations of new Corporate Governance Code issued by the Bucharest Stock Exchange on September 2015, is published on Company's website, www.sif1.ro, and is part of the Annual report of the Board of Directors for the year 2015 submitted to the Ordinary General Meeting of Shareholders held on April 26, 2016.

Administration and management of SIF Banat-Crișana

Pursuant to Company bylaws, SIF Banat-Crișana is administrated under a unitary system, capable to ensure an efficient operation of the Company, in accordance with the objectives of good corporate governance and the protection of the shareholder's legitimate interests.

SIF Banat-Crișana is administered by the Board of Directors (i.e. administrators) comprised of seven members, elected by the ordinary general meeting of shareholders for a mandate of four years, with the possibility of being re-elected. The members of the Board must cumulatively meet the general conditions stipulated by Law no. 31/1990 regarding the companies, completed with the criteria established by Law no. 297/2004 regarding the capital market, and the regulations issued by the Financial Supervision Authority (FSA), are authorized in this function by FSA following their election by the general meeting of shareholders.

Changes in the composition of the Board of Directors during 2015

During January 1, 2015 – March 3, 2015, the Company was administrated by a Board of Directors (administrators) comprising only three members, the other four seats were vacant. The administrators in office at that time were Mr. Stefan Dumitru – Vice-Chairman of the Board, Mr. Valentin Chiser - member, and Mr. Ion Stancu - member, all of whom elected by the General Meeting of Shareholders held on April 24, 2013 for a term of office of four years, and endorsed by FSA by Endorsement no. A/8/27.06.2013.

The Ordinary General Meeting of Shareholders held on March 3, 2015 elected Mr. Bogdan-Alexandru Drăgoi as administrator of SIF Banat-Crișana, with a term of office valid until the expiry of the term of office of the current administrators (24.04.2017). The change in the composition of the Board of Directors by the election of Mr. Bogdan-Alexandru Drăgoi was endorsed FSA by Endorsement no. 115/09.04.2015.

The Ordinary General Meeting of Shareholders held on April 29, 2015, elected Mr. Octavian Avrămoiu and Mr. Dan Weiler as administrators of the Company, with term of office valid until the expiry of the term of office of the administrators (24.04.2017). The change in the composition of the Board of Directors by the election of Mr. Octavian Avrămoiu and Dan Weiler was endorsed by FSA by Endorsement no. 223/03.07.2015.

On July 14, 2015, SIF Banat-Crișana's Board of Directors decided the following:

- appointed Mr. Ionel-Marian Ciucioi as interim administrator of SIF Banat-Crișana, with the term of office until the general meeting of shareholders, thus completing the number of 7 members for the Board of Directors;

- elected Mr. Bogdan-Alexandru Drăgoi as Chairman of the Board and CEO (General Director) of SIF Banat-Crișana.
- elected Mr. Octavian Avrămoiu as Vice-Chairman of the Board and Deputy General Director of SIF Banat-Crișana.

On September 17, 2015, SIF Banat-Crișana informed the shareholders that by Endorsement no. 312 / 16.09.2015, the Financial Supervisory Authority has approved changes in SIF Banat-Crișana's documents following the changes in the Board of Directors by the appointment of Mr. Ionel-Marian Ciucioi as interim administrator of the company, pursuant to Resolution no. 1/14.07.2015 of the Board of Directors, until the assembly of the Ordinary General Meeting of Shareholders.

As of December 31, 2015 the composition of the Board of Directors was as follows: Mr. Bogdan-Alexandru Drăgoi - Chairman, Mr. Octavian Avrămoiu - Vice-Chairman, Mr. Ștefan Dumitru - Member, Mr. Valentin Chiser - Member, Mr. Ion Stancu - Member, Mr. Dan Weiler - Member, and Mr. Ionel Marian Ciucioi - interim member.

Information on the professional experience of the members of the Board are available on Company's website, www.sif1.ro, in the "Management" section.

During 2015, the Board of Directors of SIF Banat-Crișana met in 23 sessions, pursuant to the statutory provisions, and issued a total of 121 resolutions on the current activity of the company.

For 2015, the monthly individual remuneration for the members of the Board and the general limits of all additional remunerations of administrators and the general limits of the directors' (executive managers) remuneration were approved by the Ordinary General Meeting of Shareholders held on April 29, 2015.

The Audit Committee

The Board of Directors created therein, with an advisory capacity, an Audit Committee comprised, as at December 31, 2015, of three non-executive directors: Mr. Valentin Chiser - Chairman of the Committee, Mr. Ion Stancu - member, Mr. Ștefan Dumitru - member. The members of the Audit Committee have the appropriate experience for the specific duties incumbent as members of the Committee.

The Audit Committee assists the Board in fulfilling its responsibilities in matters of financial reporting, internal control and risk management; supports the Board in monitoring the trustworthiness and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards the Company applied.

During 2015, the Audit Committee met in 9 sessions, dedicated mainly to monitor the process of financial reporting, analysis and selection for financial tenders for financial audit, assessment of efficiency of internal control and risk management system.

The Executive team

The effective management of the Company is performed by Executive Directors appointed by the Board of Directors, in accordance with the Company's bylaws and applicable regulations so that everyday management of the Company to be provided, at all times, by at least two persons.

The Executive Directors must meet the conditions set by the regulations issued by the Financial Supervisory Authority applicable to the Company and are endorsed in this position by the Authority.

Pursuant to Company Law no. 31/1990, the Board of Directors has delegated some of his powers to the CEO (General Director) and the Deputy Director General, within the limits set by the law, Company's bylaws and the resolutions of the Board of Directors, except for the powers reserved

for the general meeting of shareholders or the Board of Directors by the law and / or Company's bylaws.

Changes in the structure of executive management 2015

Between January 1, 2015 - August 19, 2015, the company's executive directors were: Mrs. Gabriela Grigore - Deputy General Director Operations and Mrs. Teodora Sferdian - Deputy General Director Development, endorsed by FSA by Endorsement no. A/28/22.05.2014.

On July 14, 2015, SIF Banat-Crişana' Board of Directors elected Mr. Bogdan-Alexandru Drăgoi as Chairman of the Board and CEO (General Director) of SIF Banat-Crişana and Mr. Octavian Avrămoiu for the position of Vice-Chairman of the Board and Deputy General Director of SIF Banat-Crişana. The Board also approved the delegation of leading powers to the Chairman - CEO, and Vice-Chairman - Deputy General Director, pursuant to Art. 143 of Law no. 31/1990 and also approved the amendment of the Company's organizational chart by instituting four director positions for the effective management of the Company, pursuant to Art. 12 of GEO no. 32/2012.

By Endorsement no. 285/19.08.2015, FSA endorsed the appointment of Mr. Bogdan-Alexandru Drăgoi and Mr. Octavian Avrămoiu for the position of director, pursuant to the Resolution no. 3/14.07.2015 of the Board of Directors of SIF Banat-Crişana.

On November 23, 2015 SIF Banat-Crişana informed the shareholders that as of 24.11.2015, under the joint will of the parties, ceased the employment relationship with the company of Mrs. Gabriela Grigore, who served as deputy general director.

On November 27, 2015, the Board of Directors decided the appointment of Mr. Laurențiu Riviş as Director. By Endorsement no. 75 / 25. 02.2016, FSA endorsed the appointment of Mr. Laurențiu Riviş as Director, pursuant to Resolution no. 3 /27.11.2015 and Resolution no. 8/29.01.2016 of the Board of Directors of SIF Banat-Crişana.

Information on the professional experience of the members of the Executive team are available on Company's website, www.sif1.ro, in the "Management" section.

The participation of administrators and executive directors in the share capital of SIF Banat-Crişana as at December 31, 2015

Name	Position	SIF1 shares held as at December 31, 2015	
		No. of shares	% of share capital
Octavian AVRĂMOIU	Vice-Chairman, Deputy General Director	3,325	0.00061%
Ion STANCU	Non-executive administrator	24,425	0.0045%
Dan Weiler	Non-executive administrator	10,000	0.0018%
Teodora SFERDIAN	Deputy General Director	13,005	0.002%
Laurențiu RIVIȘ	Director	1,500	0.0003%

During 2015, SIF Banat-Crişana has not purchased and has not hold its own shares, at any time.

As at 31.12.2015 none of the subsidiaries and associates held any shares issued by SIF Banat-Crişana.

To the knowledge of the Company, for the administrators and the directors, there are no identified agreements, arrangements or family connections between the respective person and another person for the reason that the respective person has been appointed in this position.

Further information on Corporate Governance for SIF Banat-Crişana can be found in Chapter 3 of the Annual Report of the Board of Directors accompanying the Separate Financial Statements for 2015, available on Company's website, www.sif1.ro in "Investor relations - Financial Results" section.

Information on the main elements of the internal control systems and risk management

At SIF Banat-Crişana

SIF Banat-Crişana acknowledges its exposure to risks resulting from the daily operations, and from attaining its strategic objectives. The company pursues a proactive risk prevention, by identifying, preventing and limiting them before the generating events take place. At the same time, the Company's leadership is concerned with ensuring specific technical, operational and financial solutions in order to minimize and prevent potential losses.

SIF Banat-Crişana provides a permanent risk management function, which is, hierarchically and functionally, independent from the other functional compartments. The operations of the internal control and risk management systems are described in SIF Banat-Crişana's Internal Regulations, which are subject for the approval of FSA at each revision.

The Board of Directors of SIF Banat-Crişana approves and periodically reviews the risk strategy and the management policy of significant risks. The executive team take the appropriate measures both for the adjustment of the risk infrastructure to the external environment and the risk profile, and as well for the timely and accurate communication within the organization of all aspects related to risk. The responsibility of risk management to which the Company is exposed is the duty of personnel in all business lines and is not limited to the risk management function.

Documented work procedures are implemented in the organization which establish the general framework for the identification, analysis and management of risks in a controlled and efficient manner.

SIF Banat-Crişana sets and permanently and operatively maintains the internal control function, which runs independently of other activities. Internal control activities are performed pursuant to the applicable legislation and regulations issued by FSA and Company's internal rules and procedures. The person who carries the duties of being representative of the Compartment of Internal Control is authorized by FSA and is registered in the FSA Public Registry.

SIF Banat-Crişana sets, and permanently and operatively maintains the internal audit function, which runs independently of other functions and activities, reporting directly to the Board of Directors. The internal audit is conducted periodically in order to provide an independent assessment of the operations carried out, their control and management processes, considering the possible exposure to risk on various business segments (security of assets, compliance with regulations and contracts, integrity of financial and operational information, etc.) makes recommendations to improve the systems, controls and procedures, to provide efficient and effective operations and observes the proposed corrective actions and the attained results.

At the consolidated entities

Subsidiaries and associated entities of SIF Banat-Crişana are exposed to a various risk which are carefully monitored by each company by complying to the policies and procedures approved by their boards of directors. The policies and risk management systems are regularly reviewed to reflect the changes in the regulatory environment, market conditions and activities carried out.

The implemented risk management policies aim to identify and analyse the financial and operational risk the respective company is exposed to, as well as the analysis and correction of risk factors associated to the activity carried out. The companies use a variety of policies and procedures for the management and evaluation of the types of risk to which they are exposed to.

Typically, the major concern for the management of the companies in the group is the empowerment and involvement of the personnel in risk the risk management processes, while complying with applicable law and respecting and maintaining the quality standards and internal working rules. From the reports issued by some companies it is clear that measures to improve the performance of the company are being taken, considering that flaws in the quality of processes and internal controls, and the manner of exploitation by their users could lead to underperformance.

There is increased concern within the group to strengthen the internal control systems and adapt the procedures to the ever-changing requirements of each entity.

Within the group companies listed on the BSE regulated market (SIF Hoteluri, Vrancart, Biofarm) and some on ATS (eg. IAMU SA Blaj) the audit function is operational, periodically auditing the activities of the company in order to provide relevant information on carrying out of these activities, makes recommendations to improve processes, procedures and controls. The internal audit activity is carried out based on annual audit plans approved by the respective board of directors.

8. OTHER INFORMATION

EVENTS OCCURED AFTER THE DATE OF THE BALANCE SHEET

January 2016

- SIF Banat-Crișana assessed the degree of compliance with the new provisions of the Code of Corporate Governance issued by BVB, entered into force on January 4, 2016, presenting the status of compliance with the provisions of the new Code as at December 31, 2015. (*Current report of January 8, 2016*)

February 2016

- SIF Banat-Crișana published on February 15, 2016, preliminary financial results – unaudited - for the year ended December 31, 2015, prepared pursuant to the International Financial Reporting Standards (IFRS) adopted by the European Union, and to the Norm no. 39/2015 issued by the Financial Supervisory Authority (ASF).
- By Endorsement no. 64 of February 18, 2016, FSA has endorsed the changes in the Company's Internal Regulations, following the Resolution no. 2/29.01.2016 of the Board of Directors of SIF Banat-Crișana. (*Current report of February 19, 2016*)
- By Endorsement no. 75/February 25, 2016, the Financial Supervisory Authority has endorsed the changes in Company's management, following the appointment of Mr. Laurențiu Riviș as Director, pursuant to Resolution no. 3/27.11.2015 and Resolution no. 8/29.01.2016 of the Board of Directors of SIF Banat-Crișana. (*Current report of February 26, 2016*)
- By Resolution no. 1/10.02.2016, the EGSM of SIF Imobiliare PLC approved the capital increase with the amount of EUR 3,000,000 from EUR 1,500,000 to EUR 4,500,000 by issuing a number of 3,000,000 new shares with a nominal value of 1 euro
- By Resolution no.1 / 02.01.2016 the OGM of Napomar SA approved the revoking of an administrator and the election of a new administrator
- By Resolution no. 01 / 08.02.2016, the OGM of Central SA approved the election of two administrators on the vacant positions

March 2016

- The Board of Directors of SIF Banat-Crișana convened the OGM and EGM for April 25 (26), 2016 (*Current report of March 14, 2016*)
- SIF Imobiliare PLC by the current report dated 07.03.2016 announces the procedure for subscription of newly issued shares as decided by the EGSM of 10.02.2016
- By Resolution no. 1 / 30.03.2016 the OGM of SIF Hoteluri approved the election of a new Board of Directors
- The OGM of SAI Muntenia Invest SA of March 30, 2016 approved the financial statements as at 31.12.2015, the distribution of dividends, the Income and Expenditure Budget and the Investment plan for 2016

April 2016

- The Agenda of the OGM of SIF Banat-Crișana convened for April 25 (26), 2016 was supplemented at the request of a group of shareholders holding together 5.4% of company's share capital. (*Current reports of April 1 and 5, 2015*)

- The Agenda of the EGM of SIF Banat-Crișana convened for April 25 (26), 2016 was amended considering the FSA Letter no. VPI/3761/04.04.2016, by means of which the authority requests the submission to shareholders of its standpoint concerning a series of amendments to the documents of incorporation of the company, subject for the approval of the EGM. *(Current reports of April 5, 2016)*
- SIF Banat-Crișana informed the shareholders on the FSA Decisions no. 922/20.04.2016 and no. 924/20.04.2016, concerning the restriction of voting rights pursuant to Art. 286¹ par. (1) of Law no. 297/2004 as amended and supplemented, for the shareholders ASF presumed to act in concert. *(Current report of April 21, 2016)*
- The EGM of SIF Banat-Crișana was held on April 25, 2016, at the first call, and the shareholders approved the resolutions submitted by the Board of Directors of the Company on running a program to repurchase its own shares, supplementation of the main object of the company, amendments of the constitutive documents of the company, setting the registration date for May 17, 2016 (ex-date May 16, 2016). *(Current report of April 25, 2016)*
- The annual OGM of SIF Banat-Crișana was held, at the second call, on April 26, 2016, and the shareholders approved the resolutions submitted by the Board of Directors concerning the approval of the financial statements for 2015, appropriation of 2015 profit to retained earnings, discharge from liability of the Board of Directors for the financial year 2015, Budget and Activity Plan for 2016, the monthly remuneration for the members of the Board and the general limits of all additional remunerations for the directors and administrators, election of Mr. Ionel Ciucioi as administrator on the vacant seat, election as auditor financial with a minimum duration of the of three years of the firm PricewaterhouseCoopers Audit SRL, setting the registration date for August 17 (ex-date august 16th). The OGM has not approved the dividend proposal submitted by a group of shareholders. *(Current report of April 26, 2016)*
- SIF Imobiliare PLC by the current report dated 20.04.2016, announced the closing of the subscription period and the results of the subscription of the capital increase operation
- The OGM of SIF Hoteluri held on 28.04.2016 approved the financial statements as at 31.12.2015, the Budget of Revenues and Expenditure and the Investment Plan for 2016
- The OGM of Silvana SA held on 15.04. 2016 approved the financial statements as at 31.12.2015, the Budget of Revenues and Expenditure and the Investment Plan for 2016, and the election of a new member of the Board of Directors
- The OGM of IAMU SA held on 29.04.2016 approved: the financial statements as at 31.12.2015, the distribution of a gross dividend of RON 0.1662/share, Budget of Revenues and Expenditure and the Investment Plan for 2016
- The OGM of Vrancart SA held on 28.04.2016 approved: the financial statements as at 31.12.2015, the distribution of a gross dividend of RON 0.016/share, the Budget of Revenues and Expenditure and the Investment Plan for 2016 and the election of two members of the Board on the vacant positions
- By Resolution no. 2 / 28.04.2016, the EGM of Vrancart SA approved the share capital increase with the amount of RON 17,274,358 by issuing a number of 172,743,580 new shares with a nominal value of RON 0.10/share
- The OGM of Somplast SA held on 19.04.2016 approved the financial statements as at 31.12.2015, the Budget of Revenues and Expenditure and the Investment Plan for 2016

- The OGM of Biofarm SA held on 29.04.2016 approved the financial statements as at 31.12.2015, the distribution of a gross dividend of RON 0.016/share, the Budget of Revenues and Expenditure and the Investment Plan for 2016 and the election of a member of the Board on the vacant position

May 2016

- In the process of implementing the new legal provisions, pursuant to Art. 63 of Law no. 74/2015, SIF Banat-Crişana has revised the provisions of its articles of incorporation, internal procedures to align them with the provisions of Law no. 74/2015 and has taken all necessary measures to comply with the AIFM law. To the same end, the company has filed to the FSA, on May 20, 2016, within the legal deadline, the request and the supporting documentation to be authorized as self-managed AIF, request is still under consideration by the capital market authority.
- By Resolution no. 1/11/05.2016, the OGM of Napomar SA approved the financial statements as at 31.12.2015, the Budget of Revenues and Expenditure and the Investment Plan for 2016
- The OGM of Azuga Turism SA held on 30.05.2016 approved the financial statements as at 31.12.2015, the Budget of Revenues and Expenditure and the Investment Plan for 2016
- SIF Hoteluri informs on the appointment by the Board of Directors of a new general director, by Resolution no. 1/03.05.2016
- By Endorsement no. 64/12.05.2016, the Financial Supervisory Authority endorsed the changes on the composition of the effective management of SAI Muntenia Invest SA
- The EGM of SAI Muntenia Invest SA held on 19.05.2016 approved the change in the composition of the Board of Directors, namely reducing the number of members and the corresponding amendment of the Articles of Association
- The OGM of SAI Muntenia Invest SA held on 19.05.2016 elected the Chairman of the Board of Directors
- The OGM of Central SA held on 18.05.2016 approved the financial statements as at 31.12.2015, the Budget of Revenues and Expenditure and the Investment Plan for 2016
- The OGM of Gaz Vest SA held on 23.05.2016 approved the financial statements as at 31.12.2015, dividend distribution, the Budget of Revenues and Expenditure and the Investment Plan for 2016

June 2016

- By Endorsement no. 98/15.06.2016, the Financial Supervisory Authority endorsed the changes on the composition of the Board of Directors and the amendment of the Articles of Association of SAI Muntenia Invest SA

July 2016

- By current report dated 01.07.2016 and the announcement from 11.07.2016, SIF Imobiliare PLC announced the registration of the capital increase by OEVM (Office for the Evidence of Securities), and respectively by Depozitarul Central
- SIF Banat-Crişana convened the OGM and EGM for 29 (30) August 2016 with the agenda: OGM - approval of the consolidated financial statements prepared under IFRS; EGM - approval of the amendment of the Articles of Incorporation in the sense of reducing the number of the members of the Board from seven (7) to five (5) members, with effect from 24.04.2017. (*Current Report of July 25, 2016*)

- By Decision no. 1499/27.07.2016, the Financial Supervisory Authority approved the document of Public Buy Offer for the shares issued by SIF Banat-Crișana, initiated by SIF Banat-Crișana, the offer having the following characteristics: number of shares subject of the offer is of 27,450, 000, representing 5.0014% of the share capital; nominal value: 0.10 RON / share; purchase price: 1.70 RON / share; Period: 02.08.2016 – 23.08.2016; Intermediary of the offer: Raiffeisen BANK S.A.; Places of subscription: according to information published in the document of public buy offer.
- By Endorsement no. 186/28.07.2016, FSA approved the change in the composition of the Board of Directors of the Company following the election of Mr. Ionel Marian CIUCIOI as administrator, based on Resolution no. 1 of the Ordinary General Meeting of SIF Banat-Crișana's Shareholders held on 26.04.2016. (*Current Report of July 28, 2016*)

ASSESSMENT CONCERNING THE EMPLOYEES

Evolution of the number of employees for SIF Banat-Crişana and the consolidated entities is presented in the table below:

Company name	Average no. of employees	
	2014	2015
SIF Banat-Crişana	49	48
SIF Imobiliare	113	128
Napomar	309	316
Azuga Turism	17	31
SIF Hoteluri	101	108
Silvana	196	198
IAMU	696	724
Vrancart	903	936
Somplast	142	144
SAI Muntenia Invest	50	34
Central Cluj	87	21
Biofarm	380	394
Gaz Vest	78	80
TOTAL	3,121	3,162

There is no trade/labour union within SIF Banat-Crişana, the employees are represented in the negotiation of the collective labour contract by their representatives, elected pursuant to the legal requirements in force. The employment relationships are regulated by the Individual Labour Contracts and by the Collective Labour Contract.

SIF Banat-Crişana encourages the social dialogue, and provides a positive working environment offering equal opportunities to all of its employees.

There were no conflicting aspects throughout 2015 in the relations between management and employees of SIF Banat-Crişana, nor in the companies in the scope of consolidation.

During 2015 there has been no collective layoffs in the case of SIF Banat-Crişana, or the companies in the scope of consolidation.

A process of consolidating the activity of SIF Banat-Crişana was carried out during 2015, with the objective to optimize the activities by redesigning business processes, targeting an overall improvement of company's performance. The Board of Directors of SIF Banat-Crişana approved, in the second half of 2015, changes in organization chart of the Company and the appropriate revision of internal regulations and procedures. By Endorsement no. 64 dated February 18, 2016, the Financial Supervisory Authority approved the changes in the Company's internal regulations, as they were approved by Decision no. 2/29.012016 of the Board of Directors.

All the companies in the scope consolidation have organization and operation regulations approved by their Board of Directors, describing their organization, and regulating the functioning of their departments, establishing competencies for each department separately, their tasks and responsibilities.

ASSESSMENT CONCERNING THE ENVIRONMENT

Although the specific activity of SIF Banat-Crișana does not have a negative impact on the environment, the Company is concerned with the use of procedures for proper management of environmental problems in its workflows related to the daily work carried out at the headquarters and the Bucharest branch, efficient use of energy, and protecting the environment.

Environmental aspects for the companies in the scope of consolidation:

- Vrancart SA - Has implemented an integrated quality-environment-health and occupational safety management system, according to ISO 9001/2008; ISO 14001/2004 and OHSAS 18001/2007, certified by the company Lloyd's Register England, Bucharest agent, valid until 2018.

During 2015 the recertification and supervising audits were performed, to verify the implementation and maintenance of each system. The results showed that the management systems operate according to the requirements of the standards chosen as reference model.

The impact of company's business over the environment is constantly monitored through the implementation of Environmental Management System and implicitly by observing the legislation in force and the Integrated Environmental Authorization valid until 2025 and the Water Management Permit valid until 2017.

Vrancart operates in compliance with the environmental permits the company holds.

The general objectives of ISO management systems were included in the policies concerning quality, environment, health and work safety. For the achievement of the overall objectives, specific process objectives were set.

- IAMU S.A. – starting March 2006 has implemented and certified an Environmental Management System (EMS), pursuant to SR EN ISO 14001: 2005 standard, valid until 2017.

In December 2015 a supervising audit took place for the EMS that found no irregularities concerning the environment.

The company holds the Environment Authorisation - valid until 2022 and Water Management Permit - valid until 2018.

Having regard to the new activities carried out starting from 2015 (the tempering process in the linear tape SAFED oven with the in a hydrogen and nitrogen environment, together with the storage tanks of these hazardous materials), which are not included in the Environment Authorisation referred to above, the company has requested and received a revised authorization and for the new activities in January 2016.

IAMU is monitored both by "Romanian Waters" National Administration through the System of Water Management Alba, respectively Basin Administration of Water Mures, as well as by the National Guard of Environment through Commissariat of Alba and permanently cooperates with the Agency for Environmental Protection Alba. The degree of compliance with the legal provisions and other applicable requirements for the organization during the year 2015, calculated according to the valuation matrix established by the company was of 99.73%.

The company was not sanctioned or fined for non-conformances relating to legal provisions concerning the protection of the environment.

For the full compliance with the provisions of the legislation in force concerning the avoidance of pollution of environmental factors such as water, air, soil and, having regard other applicable requirement, the organization has established a program of Environment Management, which is already 95% fulfilled.

The company constantly monitors the pollutant indicators of the waters in accordance with the program in the Water Management Permit.

- SOMPLAST S.A. - has implemented and certified the environmental management system ISO 14001: 2004; the company shall carry out its activity in accordance with the legal provisions, holding an Environment Authorization with validity until 2018.

Company's personnel are properly trained in the temporary storage, grind and re-use of waste results. Twice a year technical checks and measurements of gas emissions from the flare are performed. For the discharged waters duplicate determinations are made upon request. For the organic compounds, determinations in accordance with the provisions of the Environment Authorization are executed. The monitoring of waste is carried out in accordance with the legal provisions on protection of the environment.

- NAPOMAR S.A. - has implemented and certified the environmental management system in accordance with the SR EN ISO 14001-2005 standard, valid until March 2017.

The company holds an authorization to the environment for the pursuit of its business, valid until January 2023, as well as the authorizations for capturing and disposal of waste water (valid until December 2016) and for the welding procedures issued by Bureau Veritas (EN 287-1, EN ISO 96061).

- Silvana SA - has environment authorization for the pursuit of its business in accordance with the CAEN code, valid until January 2019. The company has implemented the environmental management system in accordance with ISO 14001:2005 standard.
- Biofarm SA - has implemented and certified the environmental management system according to ISO 14011:2009.

The activities carried out by the company for the protection of the environment allow its management to identify and monitor the environmental impact of the activities, products or services the company supplies.

The company holds an authorisation for water management valid until March 2017 and an environment authorization in effect until 2020. The impact of the activity of the company on the environmental factors has been within the limits imposed by the environmental authorisations issued.

- GAZ VEST S.A. - has implemented a system of environment management ISO 14001:2004; valid until 2018.
- AZUGA TURISM S.A. - holds an environment authorization for the pursuit of the company's business in accordance with the CAEN code, valid until January 2021.
- SIF HOTELURI S.A. - holds environmental authorizations for all the locations in which its activities are carried out in accordance with the CAED code.
- SAI MUNTENIA S.A. – for its activity does not need special environment authorizations.
- SIF IMOBILIARE Plc - for its activity does not need special environment authorizations.
- CENTRAL S.A. - for its activity does not need special environment authorizations.

BRANCHES OF SUBSIDIARIES

Subsidiary of SIF Banat-Crişana	Stake held in	% holding	
Vrancart SA	Giant Prodimpex SRL	100	
	Comalim SA Arad	91.17	
	Agrorent SA Arad	99.42	
	Administrare Imobiliare SA Bucharest	98.9	
	SIFI BH Est SA Bucharest	89.98	
	SIFI BH Ind Vest SA Bucharest	98.95	
	SIFI Cluj Retail SA Bucharest	89.45	
	Bistrita SA Bucharest	91.98	
	SIFI CJ Logistic SA Bucharest	84.74	
	SIFI CJ Agro SA Bucharest	86.28	
	SIFI CJ Office SA Bucharest	98.83	
	SIF Imobiliare Plc	SIFI CJ Storage SA Bucharest	87.39
		SIFI CS Retail SA Bucharest	57.57
		Central SA Petroşani	99.98
		Cora SA Hunedoara	90.99
		SIFI Baia Mare SA Bucharest	92.59
		SIFI Sighet SA Bucharest	72.58
Uniteh SA Timişoara		50.2	
Urban SA Lugoj		80.45	
SIFI B One SA Bucharest		99.9	
SIFI BH Retail SA Bucharest		99.9	
SIFI TM Agro SA Bucharest	50		

This report is accompanied by the following annex:

ANNEX 1	Consolidated financial statements for the year ended December 31, 2015 prepared pursuant to Norm no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the FSA – Financial Instruments and Investments Sector
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The version prepared in Romanian of the consolidated report of the Board of Directors (which is the official and binding version) was approved by the Board of Directors of SIF Banat-Crişana in the meeting held on July 29, 2016, and then revised and approved in final form in the meeting held on August 12, 2016.

Bogdan-Alexandru DRĂGOI
Chairman and CEO

Octavian AVRĂMOIU
Vice-Chairman - Deputy General Director

Ştefan DOBA
Economic Director