



SIF BANAT-CRIȘANA

OPERATIONAL PLAN FOR 2014

The strategic priorities of SIF Banat-Crișana remain focused on the investment process to ensure a prudent portfolio diversification, and higher revenues for the Company. These objectives can be achieved by maintaining a strong financial position, focusing on providing a high level of investment performance, ensuring sustainable growth and efficient organizational structure.

SIF Banat-Crișana will continue the optimization of resource allocation and management in higher efficiency parameters in order to obtain higher returns on invested capital.

Objectives for 2014

The investment policy will have in focus those financial instruments that provide a mix of growth and value, aiming at finding solutions to ensure a constant cash flow, the optimization in terms of financial, administrative and fiscal and trading methods.

The aim is to develop the investment areas by a disciplined process, centred on team based decision making and a thorough research of the market. This goal can be achieved through an active management aiming to generate strong performance by using a robust investment screening process to identify opportunities with high return on medium and long term.

Investment projects in sectors with growth potential and companies with development potential on medium term, high innovation and provide a lower risk / reward ratio are considered. Special attention is being given to opportunities in energy, the examined projects targeting a sector/industry diversification of the portfolio and across asset classes.

A strategic objective for 2014 remains the investments in own real estate projects or through partnerships in acquisitions and real estate development - with the possibility that when the revenues from these real estate projects are to be stabilized, they are to be transferred to SIF IMOBILIARE PLC (SIFI) for an integrated and efficient management along with the other properties.

A priority for the 2014 remains the establishment of an effective management structure of the portfolio companies in the hotel industry. There are two alternatives under analysis for the setting-up of this project. An option is to set-up an investment vehicle similar to SIFI, and the other option is to transform into a holding a company in the hotel industry from the portfolio, where SIF Banat-Crișana has control position.

We have also considered investment opportunities in the private sector or that may occur in case of underperforming companies, but have potential for recovery and growth through a rigorous management. The latter could be taken either directly or by taking nonperforming loans - through specialized vehicles that are majority-owned by SIF Banat-Crișana or in partnership.

In the current condition of deterioration of the profitability indicators in the banking system, the Company pays great attention to mitigate the potential portfolio risks. Thus, the exposure on this sector is to be reduced, one that at the end of 2013 had a significant portfolio weight (of 54%).

Furthermore, the exit opportunities from companies that do not meet the sustainability criteria of the portfolio are keenly analysed.

Endeavouring to enhance shareholder value, SIF Banat-Crișana's management team believes that a repurchase/buy-back program of company's own shares would be beneficial to shareholders. Through this program the company can absorb a limited number of shares in the market, reducing the number of shares outstanding. The program would have a positive effect both by increasing NAV per share, and especially by reducing the discount at which the shares are traded. In this regard, the Company is ready to start a buy-back program, or when the attempts started by the Board of Directors in 2013 will be approved the authorities or when the relevant laws and regulations will be adapted to the realities of today to eliminate existing discrimination and holding an extraordinary general meeting of shareholders will become possible.

Last but not least, a priority will be considered the investments in shares of other investment companies, and investment in other UCITS, in light of market developments and opportunities to arise from investing in quality assets, based on a solid assessment, and potential for growth and generating revenues.

Dragoș George BÎLTEANU

Chairman & CEO