SIF BANAT-CRIȘANA SA

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2015

prepared in accordance with Rule no. 39/2015 approving the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector

SIF BANAT – CRIȘANA SA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CONTENTS	**PAGE**

This version of our report is a translation from the original, which was prepared in Romanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

SIF BANAT – CRIŞANA SA

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015
(all amounts are presented in lei)

	Note	Year ended as at 31 December 2015	Year ended as at 31 December 2014
Revenue	8	456,515,972	448,341,114
Cost of sales of goods	9	(420,387,755)	(411,253,614)
Net gains from investment property	10	13,700,343	24,990,447
Net gains from financial assets	11	52,311,655	140,794,999
Other gains/losses – net	12	23,228,074	3,524,557
Operating profit		125,368,289	206,397,503
Finance income	13	11,819,463	9,331,087
Finance cost	13	(17,766,834)	(13,982,569)
Finance cost – net	13	(5,947,371)	(4,651,482)
Share of net profit of associates	31	8,238,336	285,389
Profit before income tax		127,659,254	202,031,420
Income tax expense	14	(25,447,359)	(14,882,397)
Profit for the period		102,211,895	187,149,023
Profit from continuing operations		103,429,434	187,149,023
Profit from discontinued operation	34	(1,217,539)	-
Profit for the period		102,211,895	187,149,023
Profit is attributable to:			
Owners		96,076,297	178,371,738
Non-controlling interests		6,135,598	8,777,285
Profit for the period		102,211,895	187,149,023
Earnings per share for profit			
Basic earnings per share		0.18	0.33
Diluted earnings per share		0.18	0.33
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Changes in the fair value of available-for-sale financial assets			
Net amount transferred to profit and loss		(28,395,882)	(129,566,844)
Net change in fair value		223,058,516	(21,679,478)
Items that will not be reclassified to profit and loss			
• Gain on revaluation of land and buildings		6,522,613	1,641,369
Other comprehensive income for the period		201,185,247	(149,604,953)
Total comprehensive income for the period		303,397,142	37,544,070

The consolidated financial statements were approved by the Board of Directors on July 29, 2016, reviewed and approved in final form at the meeting dated August, 12 2016 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi Chairman, General Director	Octavian Avrămoiu Vice-Chairman-Deputy General Director	Ştefan Doba Economic Director

SIF BANAT – CRIŞANA SA

CONSOLIDATE STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2015
(all amounts are presented in lei)

	Note	31 December 2015	31 December 2014	1 January 2014
ASSETS				
Cash and cash equivalents	15	210,074,170	140,039,103	162,282,725
Financial assets at fair value through profit and loss	16	449	132,318,525	18,810,969
Trade receivables	19	87,841,167	140,637,923	64,621,670
Inventories	20	54,396,288	53,931,093	49,924,911
Assets held for sale	34	27,104,429	-	-
Available-for-sale financial assets	17	1,170,248,459	816,736,381	1,016,728,099
Held-to-maturity investments	18	34,498,231	50,844,602	51,837,732
Investment properties	21	201,656,057	202,710,369	157,823,292
Property, plant and equipment	22	531,502,435	483,969,058	483,168,556
Other assets		14,043,239	4,098,025	15,621,643
Total assets		2,331,364,924	2,025,285,079	2,020,819,597
LIABILITIES				
Trade payables	23	103,820,845	101,712,794	70,328,409
Dividends	24	20,850,806	13,126,579	23,322,090
Deferred tax liabilities	25	148,822,379	106,357,052	147,823,022
Loans	26	111,566,492	114,733,697	131,847,026
Investments grants	27	44,379,488	44,372,329	48,295,885
Provisions for employee benefits and other		8,319,445	9,114,640	6,530,961
Total liabilities		437,759,455	389,417,091	428,147,393
EQUITY				
Share capital	28	54,884,930	54,884,930	54,884,930
IAS 29 on share capital	28	684,298,992	684,298,992	684,298,992
Reserves from applying Law 133/1996	28	145,486,088	145,486,088	145,486,088
IAS 29 on reserves from applying Law 133/1996	28	1,960,189,603	1,960,189,603	1,960,189,603
IAS 29 on Retain earnings	28	(2,644,488,595)	(2,644,488,595)	(2,644,488,595)
Other reserves		(28,497,230)	(22,229,576)	-
Retained earnings		1,083,672,824	1,024,105,975	822,340,493
Reserves on revaluation of land and buildings		8,163,983	1,641,369	-
Legal reserves		13,860,975	12,347,732	10,976,986
Reserves in the fair value of available-for-sale financial assets		535,217,113	340,554,479	491,800,801
		1,812,788,683	1,556,790,997	1,525,489,298
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 consolidated financial statements were approved by the Board of Directors on July 29, 2016, reviewed and approved in final form at the meeting dated August, 12 2016 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi	Octavian Avrămoiu	Ştefan Doba
Chairman, General Director	Vice-Chairman, Deputy General Director	Economic Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015
(all amounts are presented in lei)

2014	Share capital	Legal reserves	Reserves from applying Law 133/1996	Reserves in the fair value of available-for-sale financial assets	Other reserves	Reserves on revaluation of land and buildings	Retained earnings	IAS 29 effect	Total	Non-controlling interest	Total equity
	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)
Balance as at 1 January 2014	739,183,921	10,976,986	2,105,675,691	491,800,801	-	-	822,340,493	(2,644,488,595)	1,525,489,297	67,182,906	1,592,672,204
Profit for the period	-	-	-	-	-	-	178,371,739	-	178,371,739	8,777,285	187,149,024
Other comprehensive income											
Gain on revaluation of land and buildings of associates	-	-	-	-	-	843,688	-	-	843,688	-	843,688
Changes in revaluation of land and buildings	-	-	-	-	-	797,681	-	-	797,681	-	797,681
Reserves of the fair value of available-for-sale financial assets transferred to profit and loss	-	-	-	(129,566,844)	-	-	-	-	(129,566,844)	-	(129,566,844)
Changes in reserves in the fair value of available-for-sale financial assets (Net of deferred tax)	-	-	-	(21,679,478)	-	-	-	-	(21,679,478)	-	(21,679,478)
Total comprehensive income for the period	-	-	-	(151,246,322)	-	1,641,369	178,371,739	-	29,874,312	8,777,285	37,544,072

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015
(all amounts are presented in lei)

	Share capital	Legal reserves	Reserves from applying Law 133/1996	Reserves in the fair value of available-for-sale financial assets	Other reserves	Reserves on revaluation of land and buildings	Retained earnings	IAS 29 effect	Total	Non-controlling interest	Total equity
	(LEI)	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**
Correction of errors	-	-	-	-			(6,928,942)		(6,928,942)	-	(6,928,942)
Dividends write off	-	-	-	-	-	-	10,008,516	-	10,008,516	-	10,008,516
Increase/Decrease in subsidiaries	-	-	-	-	-	-	(5,463,790)		(5,463,790)	(6,688,008)	(12,151,798)
Changes in reserve related to subsidiaries	-	1,370,746	-	-	(22,229,576)	-	20,858,830	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	4,919,129	-	4,919,129	9,804,809	14,723,938
Total transactions with shareholders recognized in equity	-	1,370,746	-	-	(22,229,576)	-	23,393,743	-	2,534,913	3,116,801	11,115,504
Balance as at 31 December 2014	739,183,921	12,347,732	2,105,675,691	340,554,479	(22,229,576)	1,641,369	1,024,105,976	(2,644,488,595)	1,556,790,997	79,076,992	1,635,867,988

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015
(all amounts are presented in lei)

2015	**Share capital**	**Legal reserves**	**Reserves from applying Law 133/1996**	**Reserves in the fair value of available-for-sale financial assets**	**Other reserves**	**Reserves on revaluation of land and buildings**	**Retained earnings**	**IAS 29 effect**	**Total**	**Non-controlling interest**	**Total equity**
	(LEI)	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**	**(LEI)**
Balance at 1 January 2015	739,183,921	12,347,732	2,105,675,691	340,554,479	(22,229,576)	1,641,369	1,024,105,976	(2,644,488,595)	1,556,790,997	79,076,992	1,635,867,988
Profit for the period	-	-	-	-	-	-	96,076,292	-	-	6,135,598	102,211,890
Other movements											
Increase/ Decrease in reserves from revaluation of property plant and equipment of associates	-	-	-	-	-	195,378	-	-	195,378	-	195,378
Changes in revaluation of land and buildings	-	-	-	-	-	6,327,235	-	-	6,327,235	-	6,327,235
Reserves of the fair value of available-for-sale financial assets transferred to Profit and Loss	-	-	-	(28,395,882)	-	-	-	-	(28,395,882	-	(28,395,882)
Changes in reserves in the fair value of available-for-sale financial assets (Net of deferred tax)	-	-	-	223,058,516	-	-	-	-	223,058,516	-	209,587,244
Total comprehensive income for the period	**-**	**-**	**-**	194,662,634	-	6,522,613	96,076,292	-	297,261,539	6,135,598	303,397,137
Dividends for payment for the year 2014	-	-	-	-	-	-	(54,884,927)	-	(54,884,927)	-	(54,884,927)
Dividends write off	-	-	-	-	-	-	12,892,850	-	12,892,850	-	12,892,850
Increase/Decrease in subsidiaries	-	-	-	-	-	-	-	-	-	(4,395,804)	4,395,804
Changes in reserves of subsidiaries	-	1,513,243	-	-	(6,267,654)	-	5,482,636	-	728,225	-	728,225

SIF BANAT – CRIŞANA SA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015
(all amounts are presented in lei)

	Share capital	Legal reserves	Reserves from applying Law 133/1996	Reserves in the fair value of available-for-sale financial assets	Other reserves	Reserves on revaluation of land and buildings	Retained earnings	IAS 29 effect	Total	Non-controlling interest	Total equity
	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)	(LEI)
Total transactions with shareholders recognized in equity	-	1,513,243	-	-	(6,267,654)	-	(36,509,441)	-	(41,263852)	(4,395,804)	(45,659,656)
Balance as at 31 December 2015	739,183,921	13,860,975	2,105,675,691	535,217,113	(28,497,230)	8,163,983	1,083,672,826	(2,644,488,595)	1,812,788,684	80,816,786	1,893,605,469

The consolidated financial statements were approved by the Board of Directors on July 29, 2016, reviewed and approved in final form at the meeting dated August, 12 2016 and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman, General Director

Octavian Avrămoiu
Vice-Chairman, Deputy General Director

Ştefan Doba
Economic Director

	Year ended as at 31 December 2015	Year ended as at 31 December 2014
Cash flows from operating activities		
Net profit for the period	102,211,895	187,149,023
Adjustments for:		
Depreciation and impairment of property, plant and equipment and intangible assets (Note 9)	41,630,758	41,518,139
(Gain)/Losses on disposal of property plant and equipment	(3,511,957)	(33,351,410)
(Gain)/Losses from revaluation of investment property (Note 10)	(13,700,343)	(24,990,447)
Expenditure related to adjustments for impairment	14,034,833	11,269,732
Net profit from sale of assets (Note 11)	(55,329,674)	(157,272,258)
(Net gains)/ Net losses from financial assets at fair value through profit or loss	672,551	4,201,220
(Net gains)/ Net losses from disposal / acquisition subsidiary	(1,014,994)	8,035,930
Share of results of associates	(8,238,336)	(285,399)
Income from dividends (Note 8)	(14,961,770)	(10,882,704)
Interest income	(7,354,932)	(7,748,269)
Interest expenses (Note 13)	4,660,036	4,906,601
Income tax (Note 14)	25,447,359	14,882,397
Operating cash flows before working capital changes	**84,545,426**	**37,432,555**
Working capital changes		
Decrease/(increase) in trade and other receivables	(19,092,834)	(127,036,492)
Decrease/(increase) in inventories	(465,195)	(5,264,738)
Increase/(decrease) in trade and other payables	3,451,451	14,602,675
Income tax paid	(19,875,279)	(7,076,306)
Interest paid	(569,973)	(885,838)
Net cash from operating activities	**47,993,596**	**(88,228,144)**
Net cash from investing activities		
Interest received	6,904,166	7,263,444
Payments for acquisition of property, plant and equipment	(42,025,915)	(59,908,041)
Payments for acquisition of shares (Note 17)	(31,209,803)	(59,928,063)
Proceeds from sales of shares	73,114,113	230,270,597
(Placements) / Proceeds from deposits greater than three months	(102,691,033)	15,857,359

	Year ended as at 31 December 2015	Year ended as at 31 December 2014
Proceeds (Payments)-net from sales of financial assets at fair value through profit or loss	18,369,463	(116,601,250)
Proceeds (Payments) for acquisition of held-to-maturity investments	16,016,606	1,012,845
Proceeds from sales of property plant and equipment	1,983,981	18,558,772
Proceeds from dividends	15,862,790	8,234,603
Proceeds / Payments from associates	7,483,212	(12,551,122)
Acquisition of interests in subsidiaries	(6,657,600)	-
Proceeds / Payments from investments in other securities	312,218	(1,148,815)
Net cash from investing activities	(42,537,802)	31,060,329
Cash flows from financing activities		
Repayment of borrowings	(7,257,268)	(21,134,092)
Dividends paid to the Company's shareholders	(30,944,403)	(204,211)
Net cash from financing activities	(38,201,671)	(21,338,303)
Net increase/ (decrease) in cash and cash equivalents	**(32,745,876)**	**(78,506,118)**
Cash and cash equivalents at the beginning of the year	**83,776,607**	**162,282,725**
Cash and cash equivalents at the end of the year	**51,030,731**	**83,776,607**

Cash and cash equivalents include:

	31 December 2015	31 December 2014
Cash in hand	507,447	441,223
Current accounts in banks	24,867,783	26,800,513
Bank deposits with original maturity less than 3 months	14,493,438	56,429,426
Other values	11,162,063	105,445
Cash and cash equivalents	**51,030,731**	**83,776,607**

CONSOLIDATED ACCOUNTING POLICIES

1. REPORTING ENTITY

The Financial Investment Company Banat–Crişana SA („the Company") was established according to Law no. 133/1996 through the reorganization and transformation of the Private Property Fund Banat-Crişana and it is a trading joint-stock company operating according to Law 31/1990 and to Law no. 297/2004.

The registered office of SIF Banat–Crişana is situated in Arad, Calea Victoriei, nr. 35 A, judeţul Arad, cod 310158, phone: 0257.234.167, Fax: 0257.250.165. The registration number of the Trade Register Office is: J02/1898/1992, and the Sole Tax Registration Code is: 2761040
The business object of the Company is:

- Making financial investments in order to maximize the value of equity according to the regulations in force;
- Managing the investment portfolio and exercising all rights related to the invested instruments;
- Other auxiliary and adjacent activities, according to the regulations in force.

The shares of the Company are listed in the Stock Exchange of Bucharest, starting with November 1st 1999 and are traded on the regulated market within the Premium category, having the indicative SIF1.
The depository company of the Company is BRD Groupe Société Générale starting with 01/29/2014, before that date it was ING Bank NV Amsterdam Bucharest branch office, and the register services rendering company is Depozitarul Central SA of Bucharest.

The consolidated financial statements of the Company issued for year 2015 comprise the Company, its subsidiaries and associates („the Group"). The subsidiaries and the associates are presented at Note 3.

The activity developed by the Group is segmented on four main activities, respectively: financial, industry, agriculture, trade, restaurants and hotel activity.

The company took into account, as alternative situation, the exemption of S.I.F. from the issue of the consolidated financial statements, taking into account the provisions of IFRS 10 „*Consolidated financial statements"* (in force as at 01/01/2014) regarding the investment entities, the obligations of a parent company and the definition of the notion investment entities.

Paragraph 27 of IFRS disposes that, "*A parent 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."*

Being that the Company does not measure and evaluate the performance of substantially all of its investments on a fair value basis, it does not fulfill the conditions necessary to be considered investment entity and this way, it cannot apply the exception supplied by IFRS 10.

CONSOLIDATED ACCOUNTING POLICIES

2. BASIS OF PREPARATION

a) Declaration of conformity

The consolidated financial statements were prepared in accordance with Rule no. 39/2015 approving the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector (the "Rule").

These are the first Group's consolidated financial statements according with IFRS adopted by the European Union, as transposed by Rule 39/2015. The transition date of the Group to IFRS is January 1st 2014. The description of the exceptions and adjustments between the stand alone financial statements (statutory/IFRS) of the Companies and subsidiaries and the consolidated financial statements IFRS are described at Note 35.

The bookkeeping of the Company and of the subsidiaries is kept in lei.

As not all subsidiaries apply IFRS as accounting basis, the statements issued according to the Romanian Accounting Regulations ("RAR") are reconsidered to emphasize the differences between the accounts compliant with RAR and those compliant with IFRS. Consequently, the statements compliant with RAR are adjusted, as the case may be, in order to harmonize these financial statements, in all significant aspects, with the requirements of IFRS adopted by the European Union by the Regulations 1606/2002 of the European Parliament and of the Council of the European Union in July 2002 and those of the FSA Regulations no. 39/2015.

Besides the specific consolidation adjustments, the main readjustment of the financial information presented in the financial statements issued according to RAR and IFRS adopted by the European Union are:

- Grouping more items in wider categories;
- Adjustments of the assets, liabilities and equity, according to IAS 29 - „Financial Reporting in Hyperinflationary Economies" because the Romanian economy has been a hyperinflationary economy until 31 December 2003;
- Fair value adjustments and for the depreciation of the value of financial assets, according to IAS 39 - „Financial Instruments: Recognition and Measurement";
- Adjustments in the consolidated statement of the global result to register the income from dividends on the declaration date and at their gross value;
- Adjustments for the recognition of the liabilities and receivables regarding the deferred profit tax, according to IAS 12 „Profit tax";
- Adjustments of real estate investments to measure them at their fair value, according to the provisions of IAS 40 "Real estate investments"; and
- Presentation requirements according to IFRS.

2. BASIS OF PREPARATION (CONTINUED)

b) Presentation of consolidated financial statements

The Group has adopted a liquidity based presentation within the consolidated statement of the financial position and a presentation of the income and expenses depending on their nature within the consolidated statement of the global result, considering that these presentation methods supply reliable and more relevant information than that information that would have been presented based on other methods allowed by IAS 1 „Presentation of Financial Statements".

c) Basis of evaluation

The consolidated financial statements are issued based on the fair value convention for the financial assets and liabilities at the fair value through the profit and loss and the available-for-sale financial assets, the tangible assets such as the lands and buildings, real estate investments, except for those ones for which the fair value cannot be established reliably.

Other financial assets and liabilities, as well as the non-financial assets and liabilities are presented at amortized cost, reevaluated value or historical cost.

The methods used for the evaluation of the fair value are presented at Note 4.

d) Going concern

The accompanying financial statements have been prepared based on the going concern principle, which assumes that SIF and the trading companies within its portfolio will be able to dispose of assets and to fulfill the obligations during the operational activity.

e) Measurement currency

The Group management considers that the functional currency, as defined by IAS 21 „The Effects of Changes in Foreign Exchange Rates", is the Romanian leu (RON or lei). The consolidated financial statements are presented in lei, rounded to the closest leu, the currency that the Group management chose as presentation currency.

Use of estimates and judgments

The preparation of consolidated financial statements in accordance with Rule no. 39/2015 approving the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector supposes the use by the Group management of estimates, judgments and hypotheses affecting the application of the accounting policies as well as the reported value of the assets, liabilities, income and expenses. The estimates and hypotheses associated to these judgments are based on the historical experience as well as on other factors considered reasonable within the context of these estimates. The results of these estimates form the basis of judgments related to the carrying amounts of the assets and liabilities that cannot be obtained from other sources of information. The results obtained can be different from the value of estimates.

2. BASIS OF PREPARATION (CONTINUED)

The estimates and hypothesis are reviewed periodically. The review of the accounting estimates is recognized during the period in which the estimation is reviewed, if the review affects only that period or the period in which the estimate is reviewed and the future periods if the review affects both the current period and the future periods.
The judgments carried-out by the Group management in applying IFRS that have a significant aspect on the consolidated financial statements as well as the estimates involving a significant risk of a material adjustment during the future year are presented at Note 6.

f) Modifications of the accounting policies

The accounting policies adopted are applied consequently for all periods presented within these consolidated financial statements.

3. BASIS OF CONSOLIDATION

a) Subsidiaries and associates

The subsidiaries are entities under the Company control. The control exists when the Company is exposed or has rights on the variable profitability based on its participation in the entity in which it invested and has the capacity to influence that income through its authority over the invested entity. On the control evaluation date, the potential or convertible voting rights exercised on the respective date are taken into account.

The financial statements of the subsidiaries are included in the consolidated financial statements as of the date when it begins exercising the control until its termination. The accounting policies of the subsidiaries were amended in order to harmonize them with the Group's policies.

The list of investments in subsidiaries as at 12/31/2015, 12/31/2014 and 01/01/2014 is the following:

				Percentage held (%)
No.	**Company name**	**01/01/2014**	**12/31/2014**	**12/31/2015**
1	SIF Imobiliare PLC Nicosia *	99,99	99,99	99,99
2	SAI Muntenia Invest SA Bucureşti	50,00	74,98	99,96
3	Napomar SA Cluj Napoca	99,43	99,43	99,43
4	SIF Hoteluri SA Oradea	97,08	98,66	99,00
5	Azuga Turism SA Bucureşti	98,94	98,98	98,94
6	Silvana SA Cehu Silvaniei	96,28	96,28	96,28
7	Iamu SA Blaj	76,70	76,70	76,70
8	Central SA Cluj	7,50	74,98	99,96
9	Vrancart SA Adjud **	74,72	74,72	74,72
10	Somaplast SA Bistriţa	70,75	70,75	70,75
11	Beta Transport SA Cluj-Napoca	99,76	99,76	0
12	Hotel Meseşul 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 Timişoara	99,99	99,99	0
16	Ario SA Bistriţa ***	93,64	93,64	93,64

3. BASIS OF CONSOLIDATION (CONTINUED)

* The list of investments of the entity SIF Imobiliare PLC Nicosia as at 12/31/2015, 12/31/2014 and 01/01/2014 is the following:

		Percentage held (%)		
No.	**Company name**	**01/01/2014**		
1	Comalim SA Arad	91,17	91,17	91,17
2	SIFI BH Est SA Bucuresti	92,12	92,12	92,12
3	SIFI Cluj Retail SA	89,45	89,45	89,45
4	SIFI CJ Logistic SA	84,74	84,74	84,74
5	SIFI CJ Agro SA	86,28	86,28	86,28
6	SIFI CJ Storage SA	87,39	87,39	87,39
7	SIFI CS Retail SA	57,57	57,57	57,57
8	Uniteh SA	50,19	50,19	50,19
9	Agrorent SA	99,42	99,42	99,42
10	Administrare Imobiliare SA	98,90	98,90	98,90
11	SIFI BH IND Vest SA	98,95	98,95	98,95
12	Bistrita Cluj SA	91,98	91,98	91,98
13	SIFI CJ Office SA	98,83	98,83	98,83
14	Central Petrosani SA	99,98	99,98	99,98
15	Cora SA	90,99	90,99	90,99
16	SIFI Baia Mare SA	92,59	92,59	92,59
17	SIFI Sighet SA	72,28	72,28	72,28
18	Urban SA	80,45	80,45	80,45
19	SIFI TM Agro SA	-	50,00	50,00
20	SIFI B One SA	-	99,90	99,90
21	SIFI BH Retail SA	-	99,90	99,90

** Vrancart SA Adjud owns as at 31 December 2015 a 100% shareholding in the company Giant Prodimpex SRL.

*** Ario SA Bistriţa is incurring the bankruptcy procedure, so that the voting rights held by SIF1 do not grant it the authority over the entity in which it invested and this way, it is excluded from the consolidation perimeter.

b) Associates

The associates are those entities in which the Company can exercise a significant influence, but not the control over the financial and operational policies.

- The companies in which SIF1 holds between 20-50%, over which it exercises a significant influence and that enter the consolidation field are Biofarm and Gaz Vest.

		Percentage held (%)		
No.	**Company name**	**01/01/2014**	**12/31/2014**	**12/31/2015**
1	Gaz Vest SA Arad	25,82	25,82	25,82
2	Biofarm SA Bucureşti	21,30	19,53	22,06

SIF Banat has representatives in the Board of directors of the two entities Biofarm and Gaz Vest and participates in the issue of their policies. According to IFRS (IAS 28, paragraph 6), SIF1 exercises significant influence over these two entities and will enter the consolidation perimeter.

3. BASIS OF CONSOLIDATION (CONTINUED)

In order to apply the derogation from the equity method according to article 18 of IAS 28 „Investments in Associates and Joint Ventures", respectively to evaluate the associates over which it has significant influence at the fair value through profit of loss, SIF1 must consolidate similarly the respective investments in its stand alone financial statements (according to article 11 of the international standard IAS 27 „Separate financial statements").
According to the Stand Alone Financial Statements of SIF1, prepared according to the „Rule 39/2015 approving the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector", the two associate companies over which SIF1 are has significant influence are evaluated at the fair value through other items of the global result. Therefore, SIF1 cannot apply the aforementioned derogation to account for the associates with significant influence, evaluating the 2 companies in order to consolidate according to the equity method.

- The companies in which SIF1 holds between 20-50%, over which it does not exercise a significant influence and that do not enter the consolidation field are divided as follows:
  - Companies in course of liquidation, insolvency, bankruptcy, etc.

		Percentage held (%)			
Nr.	**Company name**	**01/01/2014**	**12/31/2014**	**12/31/2015**	**Status**
1	Aradeanca SA Arad	39,16	39,16	39,16	Insolvency
2	Mobila Uşi SA Bacău	32,45	32,45	32,45	Liquidation
3	Elbac SA Bacău	32,45	32,45	32,45	Liquidation
4	Agroproduct SA Reşiţa	30,00	30,00	30,00	Reorganization
5	Agroindustriala Nădlac	29,03	29,03	30,00	Dissolution
6	Uzina Ardealul Alba Iulia	29,51	29,51	29,51	Liquidation
7	Commixt SA Ocna Mureş	28,97	28,97	28,97	Liquidation
8	Mobimet SA Haţeg	28,87	28,87	28,87	Liquidation
9	Metalurgica SA Marghita	28,41	28,41	28,41	Bankruptcy
10	Sunprod Galda de Jos	27,09	27,09	27,09	Liquidation
11	Mebis SA Bistriţa	26,78	26,78	26,78	Insolvency
12	Exfor SA Bucureşti	24,23	24,23	24,23	Liquidation
13	Agroindustriala SA Gu	23,62	23,62	23,62	Liquidation
14	Agrotransport SA Reşiţa	23,46	23,46	23,46	Reorganization
15	Agroindustriala Socgat Gataia	22,65	22,65	22,65	Dissolution
16	Mopal SA Bistriţa	21,89	21,89	21,89	Reorganization
17	Molidul SA Suceava	21,63	21,63	21,63	Reorganization
18	Transilvania Aiud	30,00	30,00	20,19	Liquidation
19	Metalurgica SA	20,01	20,01	20,01	Reorganization
20	Criscom SA Chişineu Criş	30,00	30,00	0	Liquidation
21	Remat Marghita	29,39	29,39	0	Liquidation

3. BASIS OF CONSOLIDATION (CONTINUED)

In accordance with IFRS (IAS 28, paragraph 9), an entity loses significant influence over an investee when it loses the power to participate in the financial and operating policy decisions of that investee. It could occur, for example, when an associate becomes subject to the control of a government, court, administrator or regulator.
As the associates in the table above are in bankruptcy / insolvency / dissolution it can be concluded that SIF1 lost significant influence over the investee entities and so they are excluded from the scope of consolidation.

- Companies over which it exercises significant influence

		Percentage held (%)		
Nr.	**Company name**	**01/01/2014**	**12/31/2014**	**12/31/2015**
1	Nord Construcţii SA Carei	44,31	44,31	44,31
2	Comar SA Baia Mare	34,94	34,94	34,94
3	Atlascard SA Deva	31,36	31,36	31,36
4	Petrocart	30,18	30,18	30,18
5	Forestiera SA Tîrgovişte	25,75	25,75	25,75
6	Mobicom SA Satu Mare	24,11	24,11	24,11
7	Agromec Gataia	23,91	23,91	23,91
8	CTCE SA Alba Iulia	23,24	23,24	23,24
9	Comat Alba	20,67	20,67	20,67
10	Comat Caraş Severin	20,41	20,41	20,41
11	Hidrotim	18,05	30,51	0
12	Mobipet SA Petroşani	28,87	28,87	0

Since the criteria mentioned in IAS 28 ("Criteria significant influence") - paragraph 6 are not met, it can be concluded that SIF1 does not have significant influence over the associates in the table above, which are excluded from the scope of consolidation.

c) Transactions removed at consolidation

The settlements and the transactions within the Group, as well as the profit not realized resulted from transactions within the Group, are removed wholly from the consolidated financial statements.

The accounting policies presented below have been applied coherently for all periods presented within these consolidated financial statements. The accounting policies have been applied coherently by all the Group entities.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Transactions in foreign currency

The operations expressed in foreign currency are registered in lei at the official exchange rate on the settlement date of the transactions. The monetary assets and liabilities registered in foreign currency on the preparation date of the consolidate statement of the financial position are converted in the functional currency at the exchange rate of the respective day. The earnings or the losses of the monetary items are represented by the difference between the amortized cost expressed in the functional currency at the beginning of the reporting period, adjusted with the actual interest and the payments of the period, and the amortized costs in foreign currency converted in the functional currency at the closing exchange rate of the period.

The non-monetary assets and liabilities denominated in foreign currency that are measured at the fair value are translated in the functional currency at the exchange rate on the date when the fair value was determined.

The earnings or the losses from settlement are recognized in the profit and loss statement, except for the cases in which the differences of the exchange rate result from the conversion of the financial instruments classified as available for sale that are included in the reserve resulting from the modification of the fair value of these financial instruments and from the cases in which the differences of exchange rate result from the conversion of financial instruments classified at the fair value through profit and loss that are presented as being earnings or losses from the fair value.

The exchange rates of the main foreign currencies were:

Currency	Spot rate 31 December 2015	Spot rate 31 December 2014
EUR	4.5245	4.4821
USD	4.1477	3.6868

b) Accounting of the hyperinflation effect

According to IAS 29 („Financial Reporting in Hyperinflationary Economies”) the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented according to the purchase power terms of the currency on the issuing date of the consolidated statement of the financial position, that is the non-monetary items are reconsidered by applying the general price index on the acquisition or contribution date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

According to IAS 29, an economy is considered as being hyperinflationary if, besides other factors, the cumulated inflation rate on a three-year period exceeds 100%.

The continuous decrease of the inflation rate and other factors related to the characteristics of the economic environment of Romania indicates the fact that the economy whose functional currency was adopted by the Group ceased to be hyperinflationary, with effect over the financial periods starting with January 1st 2004. Therefore, the provisions of IAS 29 were adopted for the issue of the consolidated financial statements until December 31st 2003.

Thus, the values expressed in the current measurement unit as at December 31st 2003 are treated as base for the carrying amounts reported in the consolidated financial statements and do not represent evaluated values, replacement cost, or any other measurement of the current value of the assets or of the prices at which the transactions would take place at this moment.

In order to issue the consolidated financial statements as at December 31st 2015, the Group adjusted the following elements to be expressed in the current measurement unit as at December 31st 2003:

- The share capital and the reserve elements (See note 28);
- The available-for-sale financial assets evaluated at cost, for which there is no active market and for which it is not possible to determine the fair value under a reliable manner (See note 4 d));

c) Cash and cash equivalents

The cash comprised the cash on hand and cash at bank and the short-term bank deposits.
The cash equivalents are short-term and very liquid financial investments that are slightly convertible in cash and are referred to a non significant risk for modifying the value.
When issuing the consolidated statement of the treasury flows, the following were considered cash and cash equivalents: the effective cash, the current accounts at banks and the deposits having an initial due date smaller than 90 days.

d) Financial assets and liabilities

(i) Classification

The Group classifies the financial instruments held into the following categories:

Financial assets or liabilities evaluated at the fair value through the profit and loss account

This category includes financial assets or financial liabilities held for trading, derivative instruments, structured instruments and financial instruments set at a fair value through the profit or loss account upon the initial recognition. A financial asset or liability is classified within this category if it was acquired mainly as speculative purpose or if it was set within this category by the Group management.
The structured derivative financial instruments are classified as being held for trading if they do not represent instruments used for the hedge accounting.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments held to maturity

The investments held to maturity represent those non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the firm intent and the possibility to keep them to maturity, other than:

- those that the Group, upon the initial recognition, sets as being evaluated at the fair value through profit or loss;
- those that the Group sets as being available for sale; and
- those corresponding to the definition of loans and receivables.

The Group must not classify any financial asset as being kept to maturity if during the current exercise or during the last two previous exercises, it sold or it reclassified before the maturity a calculated value in the total value of this category of investments, other than those from sales or reclassifications that:

- are so close to the maturity or the anticipated reimbursement date of the financial asset (for example, at less than three months before the due date) so that the modifications of the interest market rate do not have a significant effect over the fair value of the financial asset;
- take place once the entity has collected the greatest part of the initial value of the financial asset by scheduled payments or anticipated payments; or
- can be assigned to an isolated event that goes beyond the entity's control field, is not repetitive and could not be anticipated reasonably by the entity.

The investments held to maturity are measured at amortized cost by the effective interest method minus impairment losses.

Loans and receivables

Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments other than:

- those that the Group intends to sell immediately or in the near term (that must be classified as being held for trading) and those that the entity, upon the initial recognition, sets as being at the fair value through profit or loss;
- those that the Group, upon the initial recognition, sets as being available for sale; or
- those for which the holder might not recover substantially the entire initial investment, from other cause than the loan deterioration (that have to be classified as being available for sale).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Available-for-sale financial assets

The available-for-sale financial assets are those financial assets that are not classified as loans and receivables, investments held to maturity, or financial assets at fair value through profit and loss.
After the initial recognition, the available-for-sale financial assets for which there is an active market are measured at the fair value and the modifications of fair value, other than the impairment losses, as well as the earnings and losses resulted from the variation of the exchange rate corresponding to the available-for-sale monetary items, are recognized directly in the equity. When the asset is derecognized, the earnings or the cumulated loss recognized in equity is transferred to the profit and loss account.

(ii) Recognition

The assets and the liabilities are recognized on the date when the Group becomes contractual part to the conditions of the respective instrument. The financial assets and liabilities are measured upon the initial recognition at the fair value plus the directly assignable trading costs, except for the Financial assets at fair value through profit or loss for which the trading costs are not included in the value of the instrument and of the investments in shares whose fair value could not be determined reliably and are recognized initially at the cost.

(iii) Compensations

The financial assets and liabilities are compensated, and the net result is presented in the statement of the financial position only when there is a legal compensation right and if there is the intent to settle them on a net basis or if it is intended to realize the assets and extinguish the debt simultaneously.

The income and expenses are presented net only when the accounting standards allow it, or for the profit and loss resulted from a group of similar transactions such as those of the Group's trading activity.

(iv) Evaluation

After the initial recognition, the Group must evaluate the financial assets, including the derivative instruments that are established as assets, at their fair value, without any deduction for the transaction costs that might be borne from the sale or other assignment, the following categories of financial assets are excepted:

a) Loans and receivables - evaluated at the amortized cost through the effective interest method;
b) Investments held to maturity – evaluated at the amortized cost through the effective interest method; and
c) Investments in equity that have not a market price listed on an active market and whose fair value cannot be evaluated reliably and derivative instruments that have as support assets such equity instruments – evaluated at cost.

All financial assets, excepting those evaluated at the fair value through profit or loss, are tested periodically for the value depreciation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

After the initial recognition, the Group must evaluate all financial liabilities at amortized cost according to the effective interest method, except for the financial liabilities evaluated at the fair value through profit or loss, respectively of the financial liabilities that appear when the transfer of a financial asset does not fulfill the conditions for derecognition and is accounted for using the continuous involvement approach.

Evaluation at amortized cost

The amortized cost of a financial asset or of a financial liability is the value at which the financial asset or the financial liability is evaluated after the initial recognition minus the reimbursement of principal, plus or minus the cumulated amortization using the effective interest method for each difference between the initial value and the value at maturity, and minus any discount (direct or by using an adjustment account) for the depreciation or the impossibility to recover.
The effective interest rate represents the rate updating exactly the future payments and receipts in cash during the forecasted life of the financial instrument or, as the case may be, on a shorter term, up to the level of the net carrying amount of the financial asset or of the financial liability. When calculating the effective interest rate, the Group must estimate the cash flows taking into account all contractual conditions of the financial instrument, but must not take into account the future losses from the modification of the loan risk. The calculation includes all commissions and points paid or received by the parties participating in the contract that make integral part of the effective interest rate, the trading costs and all the other premiums and discounts.

Evaluation at fair value

Fair value represents the price that would be received when selling an asset or paid for the extinction of a debt within a transaction developed under normal conditions between the participants in the main market, on the evaluation date, or in the absence of the main market, on the most advantageous market to which the Group has access on that date.
The Group measures the fair value of a financial instrument using the prices listed on an active market for that instrument, using the closing price.
A financial instrument is considered as being listed on an active market when the listed prices are available immediately and regulated from a change, a dealer, a broker, an association in the industry, a service for establishing the prices or a regulation agency, and these prices reflect transactions that occur actually and regularly, developed under objective market conditions.

Within the category of shares listed on an active market we include all those shares admitted for trading at the Stock Exchange or on the alternative market that present frequent transactions (for example: at least 30 within the 30-days interval of trading before the evaluation date. The criterion for establishing the active market must be set so that to ensure a stable shares portfolio evaluated at cost/at the fair value from a reporting period to another one). The market price used to determine the fair value is the closing price of the market on the last trading day before the evaluation date.

The fund units are evaluated based on VUAN, calculated by the fund administrator using the closing quotations for the listed financial instruments. If the Group notices that in order to hold a fund there is no active market, it recurs for evaluation to the public financial statements of the fund holding, respectively to the value of the net asset. According to the net assets, a corrected VUAN is obtained for the evaluation of the fund units in the Group's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the absence of a price quotation on an active market, the Group uses evaluation techniques. The fair value of the financial assets not traded on an active market is determined by authorized evaluators within the evaluation department operating within the Group.

The evaluation techniques include techniques based on the use of observable input, as well as the quoted price of the identical item held by other party as an asset, on a non-active market, and for the assets for which the observable prices are not available, evaluation techniques based on the analysis of the updated cash flows, and other evaluation methods used regularly by the market participants, using at maximum the market information, being based at minimum on the specific company information. The Group uses evaluation techniques that maximize the use of observable data and minimize the use of non observable data.

The values resulted through the use of an evaluation model is adjusted depending on a number of factors, because the evaluation techniques do not reflect reliably all factors taken into account by the market participants when a transaction is celebrated. The adjustments are registered so that to reflect the risk models, the differences between the sale and purchase quotations, the liquidity risks as well as other factors. The Group management considers that these adjustments are necessary to present a faithful measure of the value of the financial instruments held at fair value in the statement of the financial position.

The financial instruments that have no active market and their fair value cannot be determined reliably, they are evaluated at cost and tested periodically for the value depreciation**.**

(v) Identification and evaluation of the value depreciation

For each reporting period, the Group evaluates the measure in which there is any objective proof that a financial asset or a group of financial assets is depreciated.

A financial asset or a group of financial assets is depreciated and impairment losses are incurred only if there is objective evidence of depreciation following one or many events that occurred after the initial recognition of the asset and if that event (or events) triggering losses had an impact over the future estimated treasury flows of the financial assets or of the group of financial assets that can be estimated reliably.

The objective evidence that a financial asset or group of financial assets is impaired comprises observable information about the following events that trigger losses:

(a) the significant financial difficulty of the issuer or of the debtor;

(b) a breach of the contract (eg. breach of the obligation to pay the interest or the principal);

(c) the creditor, due to economic or legal reasons related to the financial difficulties incurred by the debtor, grants to the debtor a concession that the creditor would not have taken into consideration otherwise;

(d) the issuer, the debtor incurs the bankruptcy procedure or it is probable that it will incur the bankruptcy or other form of financial reorganization;

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) the disappearance of an active market for that financial asset because of financial difficulties;

or

(f) observable data showing that there is a quantifiable decrease in the future treasury flows estimated from a group of financial assets from the initial recognition of those assets, although the decrease cannot be identified yet with the individual financial assets of the group, including:

(i) non favorable modifications of the status of the debtor's payments within the group (eg. higher number of postponed payments); or

(ii) national or local economic conditions that are correlated to the non-execution of the obligations regarding the group assets.

(g) information regarding the significant modifications that took place in the technological, market, economic or legal environment where the issuer operates, and indicates that fact that the cost of an investment in the equity instrument might not be recovered. The significant or extended decrease of the fair value of an investment in an equity instrument below its costs also represents an objective depreciation evidence.

If there is any evidence of this type, the Group applies the provisions below to determine the value of any impairment loss, different for:
a) The financial assets accounted for at the amortized cost;
b) The available-for-sale financial assets at fair value or at cost.

Financial assets accounted for at the amortized cost

If there is objective evidence that a loss was incurred from the loans and receivables or investments held to maturity impairment accounted for at the amortized cost, the loss value is evaluated as being the difference between the carrying amount of the asset and the updated value of the future estimated cash flows (excluding the future losses from the loan risk that were not incurred), updated with an initial effective interest rate of the financial asset.

When such a loss from depreciation occurs, the carrying amount of the asset is reduced by using an adjustment account for impairment.

The value of loss from impairment is recognized in the profit or loss.

If, during a subsequent period, the value of the impairment loss decreases, and the decrease can be correlated objectively to an event occurred after the impairment has been recognized, the loss from the impairment recognized before is resumed using an adjustment account for impairment.

The resumption cannot result in a carrying amount of the financial asset higher than the value that would have been the amortized cost if the depreciation had not been recognized, when the impairment loss is resumed.

The resumption value of the impairment loss is recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Available-for-sale financial assets

As regards the available-for-sale financial assets, when a decrease of the fair value of an available-for-sale financial asset was recognized directly in the equity and there is objective evidence that the asset is impaired, the cumulated loss that was recognized directly in the equity will be resumed from the equity accounts and recognized in the statement of income if the financial asset has not been derecognized yet.

The value of the cumulated loss that is resumed from the equity accounts to the statement of income will be the difference between the acquisition cost (net of principal reimbursements and amortization) and the current fair value, minus any impairment loss of that financial assets recognized before in the profit and loss.

The impairment losses of the assets recognized in the profit or loss account of some shares classified as being available for sale cannot be resumed in the profit or loss. If, during a subsequent period, the fair value of an impaired participation increases, the increase of the value will be recognized directly in other elements of the global result.

If there are objective clues related to a loss from the impairment of an unlisted share that is not presented at the fair value because the fair value cannot be measured reliably, or related to a derivative financial asset that is related to will be settled by such an unlisted instrument, the value of the loss from impairment is measured as the difference between the carrying amount of the financial asset and the updated value of the future cash flows using the current domestic profitability rate of the market for a similar financial asset. These impairment losses are not resumed in the profit and loss.

In order to determine whether an asset is impaired, the Group takes into account relevant loss generating events, such as the significant and long-term decrease of the fair value below the cost; the market conditions and the field of activity, if these ones influence the recoverable value of the asset; the financial conditions and the short-term perspectives of the issuer, including any non favorable specific events that may influence the operations developed by the issuer, the recent losses of the issuer, the qualified report of the independent auditor over the most recent financial statements of the issuer etc..

Taken into account the intrinsic limitations of the methodology applied and the significant incertitude of the evaluation of the assets on the international and local markets, the Group estimations can be reviewed significantly after the approval date of the financial statements.

(vi) Derecognition

The Group derecognizes a financial asset when the rights to receive cash flows from that financial asset expires or when the Group transferred the rights to receive the contractual cash flows corresponding to that financial asset in a transaction in which it transferred significantly all risks and benefits of the ownership right.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Any interest in the financial assets transferred retained by the Group or created for the Group is recognized as an asset or liability.

The Group derecognizes a financial debt when all contractual obligations ended or when the contractual obligations are cancelled or expired.

(vii) Reclassifications

The Group:

a) Cannot reclassify a derivative instrument besides the category of instruments evaluated at the fair value through profit or loss while it is held or issued;

b) Cannot reclassify any financial instrument outside the category of instruments evaluated at the fair value through profit or loss if upon the initial recognition it was set by the entity at the fair value through profit or loss; and

c) can, if the financial asset is not held anymore for sale or redemption in the near future (despite the fact that the financial asset might have been acquired or appeared particularly for the sale or redemption in the near future), reclassify that financial asset outside the category of instruments evaluated at the fair value through profit or loss.

The Group should not reclassify any financial instrument in the category of instruments evaluated at the fair value through profit or loss after the initial recognition.

If, following the modification of the intent or capacity, the classification of an investment is not adequate as being kept to maturity, this one must be reclassified as being available for sale and will be reevaluated at the fair value.

Anytime when the sales or the reclassification of a value more than not significant from the investments kept to maturity do not fulfill any of the requirements imposed, all investments kept to maturity remained reclassified as being available for sale and maintained within this classification category for a period of at least 2 years.

If a reliable evaluation of the fair value of a financial asset or of a financial liability becomes available for which such an evaluation has not been available before, the assets or the liabilities must be reevaluated at the fair value, and the difference between the carrying amount and the fair value must be accounted for at equity or in profit and loss.

If, at certain moment, a financial asset or a financial liability must be accounted for at cost or at the amortized cost, and not at the fair value, the fair value of the financial asset or of the financial liability at that date becomes its new cost or amortized cost, as the case may be; this situation might appear:

- Following the modification of the entity's intent or capacity;
- Under the rare situations in which a reliable evaluation of the fair value is not available anymore;

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Any previous earnings or losses from that asset that were recognized at other items of the global result are accounted for as follows:

a) For a financial asset with fixed maturity, the loss or the earnings must be amortized in profit or loss during the useful life of the investment maintained to maturity according to the effective interest method. Any difference between the new amortized cost and the value at maturity must also be amortized during the remained life of the financial asset using the effective interest method, similarly to the amortization or a premium and of a discount. If the financial asset is impaired subsequently, any earnings or loss that was recognized before directly to other elements of the global result is reclassified from the equity in profit or loss;

b) As concerns a financial asset that has no fixed maturity, the earnings or the loss must be recognized in the profit or loss when the financial asset is sold or assigned under any other modality. If the financial asset is impaired subsequently, any earnings or loss that was recognized at other elements of the global results is reclassified from equity to profit or loss.

(viii) Earnings and losses

The earnings or losses resulted from a modification of the fair value of a financial asset or of a financial liability that is not part of a hedge relation against the risks are recognized as follows:

a) The earnings or the losses generated by financial assets or financial liabilities classified as being evaluated at the fair value through profit or loss are recognized in profit or loss;
b) The earnings or the losses generated by an available-to-sale financial asset are recognized at other elements of the global result, except for the impairment losses

When the asset is derecognized, the cumulated losses or earnings recognized before at other elements of the global result are reclassified at equity in profit or loss.

On the impairment or derecognition date of the financial assets and financial liabilities accounted for at amortized cost, as well as by the amortization process, the Group recognizes the earnings or the loss in the profit and loss statement.

As concerns the financial assets recognized using the accounting on the settlement date, no modification of the fair value of the asset to be received during the period between the trading date and the settlement date is not recognized for the assets registered at cost or at amortized cost (except for the impairment losses). For the assets accounted for at the fair value, the modification of the fair value must be recognized on profit or loss or in equity, as the case may be.

e) Other financial assets and liabilities

Other financial assets and liabilities are evaluated at amortized cost using the effective interest method, minus any impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Assets classified as held for sale

These assets are evaluated at the smallest value between the carrying amount and the fair value minus the sale costs.

The non-current assets and the groups meant to assignment are classified as held for sale if their carrying amount is recovered mainly following a sale operation and not following their continuous use. This condition is considered fulfilled only when the sale is probable and is estimated to be completed within more than one year as of the classification date, and the assets are available for immediate sale, as these ones are presented on the respective date.

g) Tangible assets

(i) Recognition and evaluation

The tangible assets recognized as assets are evaluated initially at cost. The cost of a tangible asset item is composed of the purchase price, including the non recoverable taxes, after having deducted any price trade discounts and any costs that might be assigned directly to bringing the asset to the location and provided that this one can be used to the management purpose pursued, such as: expenses with employees resulting directly from the construction or purchase of the asset, the arrangement costs of the layout, the initial delivery and handling costs, the installation and assembling costs, the professional fees.

The tangible assets are classified by the Group into the following classes of assets of the same type and with similar uses:

- Lands and buildings;
- Technical installations and transport means;
- Other equipment, tools and furniture

(ii) Evaluation after recognition

After the recognition as asset, the tangible assets items such as the lands and buildings, whose fair value can be evaluated reliably are accounted for at a reevaluated value, this one being the fair value on the reevaluation date minus any amortization accumulated subsequently and any losses accumulated from impairment. Other tangible assets are measured at cost minus the cumulated amortization and the eventual impairment losses.

The reevaluations are regularly made in order to ensure that the carrying amount does not differ significantly from what would have been determined by using the fair value at the end of the reporting period.
If an item of the tangible assets is reevaluated, then the entire class of tangible assets of which that item makes part is referred to reevaluation.

If the carrying amount of an asset is increased following a reevaluation, the increase is recognized in other items of the global results and cumulated in equity, as reevaluation excess.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Despite it, the increase will be recognized in the profit or loss if this one compensates a decrease from the reevaluation of the same asset recognized before in the profit or loss.

If the carrying amount of an asset is reduced following a reevaluation, this decrease is recognized in the profit or loss.

Despite it, the discount will be recognized in other items of the global result if the reevaluation excess presents a credit balance for that type of asset. The transfers from the reevaluation excess to the result carried-forward are not realized through profit or loss.

(iii) Subsequent costs

The subsequent costs corresponding to the tangible assets are evaluated according to the general recognition criterion of the tangible assets described at chapter (i) Recognition.

The daily maintenance costs („expenditure on maintenance and repairs") corresponding to the tangible assets are not capitalized; they are recognized as costs of the period in which they are incurred. These costs consist mainly in expenditure with work force and consumables and can also include the low value components.

The expenditure on maintenance and repairs of the tangible assets is registered in the statement of income when they appear, and the significant improvements to the tangible assets, that increase their value of the life, or increase significantly the capacity to generate some economic benefits by these ones are capitalized.

(iv) Amortization

Amortization is calculated for the cost of the asset or other value that replaces the cost, minus the residual value. The amortization is recognized on the statement of income using the linear method for the estimated useful life for the tangible assets, as of the date when they are available for use, this modality reflects most faithfully the forecasted modality of consumption of the economic benefits incorporated in the assets.

The estimated useful life for the current period and for the comparative periods are the following:

Constructions	10-50 years
Equipment, technical installations and machinery	3-30 years
Transport means	4-12 years
Furniture and other tangible assets	3-20 years

The amortization methods, the estimated useful life as well as the residual values are reviewed by the Company management at any reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Sale/scrapping of tangible assets

The carrying amount of a tangible asset item is derecognized (removed from the statement of the financial position) when assigning or when no future economic benefit is expected from its use or assignment.
The tangible assets scrapped or sold are removed from the balance sheet together with the corresponding cumulated amortization. Any profit or loss resulted from such an operation is included in the current profit or loss account.

Leasing
The tangible assets also include the assets held based on a financial leasing contract. As SIF and the trading companies in the portfolio enjoy of the risks and advantages corresponding to the property right, the assets must be capitalized at the smallest value between the updated value of the minimum leasing payments and their fair value. The amortization policy of the assets under leasing will be coherent to that one applicable to the amortizable assets held under property. If there is no reasonable modality the certitude that the property right is obtained until the end of the leasing contract, the assets will be amortized wholly within the shortest term between the term of the leasing contract and the useful life.
A debt equivalent to the capitalized amount is recognized concomitantly and the future leasing payments are divided into financing expenses of leasing and principal (reduction of the outstanding debt).
All leasing contracts that are not classified as financial leasing are treated as operational leasing and the corresponding payments are included in the expenses of the period.

Financial leasing

Lease is classified as financial leasing when, according to the leasing terms, the risks and benefits of the property are transferred to the lessee. All the other leasing forms are classified as operational leasing.
The assets held following the financial leasing are identified as the company assets at their fair value at the beginning of the leasing period or, if smaller, at the updated value of the minimum leasing payments. The liabilities corresponding to that one who supplies the goods for leasing are included in the balance sheet as financial leasing obligations. The payments of the leasing installments are divided into financing leasing expenses and reduction of the leasing debt in order to obtain a constant periodic rate of the interest at the balance of the debt remained for each period. The financing interests are registered as loss or profit, except for the situation in which they can be assigned directly to long-term assets, when these ones are capitalized according to the general policy of the company related to the loan costs.

The leasing installments are divided between the capital components and the interest so that the interest corresponding to the payment is registered in the statement of income during the leasing and represents a constant percent of the reimbursement balance of the payment capital. The capital part reduces the amount payable to the lessor.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operational leasing

The leasing in which an important part of risks and benefits obtained following the property is retained by the lessor is classified as operational premises. The leasing payments in case of operational leasing will be recognized in the statement of income as linear expenses during the leasing contract.

h) Intangible assets

The intangible assets are evaluated initially at cost. After the initial recognition, an intangible asset is accounted for at cost minus the cumulated amortization and any losses from cumulated impairment.

Goodwill

Goodwill represents the value with which the cost of an acquisition exceeds the fair value of the net identifiable assets at the date of acquisition held in SIF in the companies within the portfolio in which it holds more than 50% of the acquired titles. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill corresponding to the acquisition of an associate is included in the investments in associates and is tested in order to identify the impairment as part of the total balance. Goodwill recognized separately is tested every year in order to identify depreciation and is registered at cost minus losses from cumulated impairment. The impairment losses corresponding to the goodwill are not resumed. The earnings or the loss from the sale of an entity includes the carrying amount of the goodwill corresponding to the entity sold.

Goodwill is assigned to the cash generating units in order to identify impairment. The assignation is realized by the cash generating units or by the groups of such units estimated to enjoy of the combination of enterprises following which the goodwill appeared.

Trademarks and licenses

The trademarks and the licenses acquired are presented at historical cost. The trademarks and the licenses have a determined useful life, being registered at cost minus cumulated amortization. Amortization is calculated using the straight-line method in order to assign costs regarding the trademarks and licenses during the estimated useful life (up to 20 years).

Computer programs

The licenses acquired for the computer programs are capitalized based on costs registered for the acquisition and installation of the respective program. These costs are amortized during the useful life (maximum five years).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The costs with the development and maintenance of the computer programs are recognized as an expense, when they are incurred. The costs that are associated directly to a sole or identifiable product and are probable to generate economic benefits exceeding the cost, for a period higher than one year, are recognized as intangible assets. The direct costs include expenses with the personnel of the development team and an adequate part of the administration expenses.

The costs for the development of computer programs recognized as assets are amortized during the useful life (without exceeding five years).

(i) Subsequent expenses

The subsequent expenses are capitalized only when they increase the value of future economic benefits incorporated in the assets to whom they are meant. All the other expenses, including the expenses for the impairment of goodwill and domestically generated marks, are recognized in the statement of income when they are incurred.

(ii) Amortization of intangible assets

Amortization is calculated for the cost of assets or another value substituting the cost, minus the residual value. Amortization is recognized in the statement of income using the straight-line method for the estimated useful life for intangible assets, as of the date when they are available for use, this modality reflects the forecasted modality to consume the economic benefits incorporated in the assets.

The useful life estimated for the current period and for comparative periods are the following:

Computer programs	1-3 years
Other intangible assets	1- 5 years

The amortization methods, the useful life and the residual values are reviewed at every year-end and are adjusted under a corresponding manner.

i) Real estate investments

A real estate investment is a real estate property (land, building or part of building) held by the Group rather to derive income from leasing or to increase the share capital or both of them, than to be used to produce or supply goods or services or to administrative purposes or to be sold during the normal development of the activity.

(i) Recognition

A real estate investment must be recognized as asset if, and only if there is the probability that the future economic benefits associated to real estate investment correspond to the Group and the cost of the real estate investment can be evaluated under a reliable manner.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Evaluation

Evaluation at recognition

A real estate investment must be evaluated initially at cost, including the trading costs. The cost of a real estate investment bought includes the purchase price of this one plus any directly attributable expenses (for example, professional fees to render legal services, taxes for the transfer of the ownership right and other trading costs).

Evaluation after recognition

Fair value based model

After the initial recognition, all real estate investments are evaluated at their fair value, except for the situations in which the fair value cannot be determined reliably on a going concern principle.

Under exceptional situations in which, upon the first time acquisition of a real estate investment, there is clear evidence that the fair value of the real estate investment cannot be determined reliably on a going concern basis, the Group evaluates that real estate investment using the cost model. It is supposed that the residual value of the real estate investment equals to zero. All the other real estate investments are evaluated at the fair value. If the Group evaluated previously a real estate investment at the fair value, then it will continue the evaluation of that real estate investment at the fair value until the assignment moment.

The earnings or the losses resulted following the modification of the fair value of the real estate investments are recognized in the profit or loss of the period in which they are incurred.

The fair value of the real estate investments must reflect the market conditions at the end of the reporting period.

(iii) Transfers

The transfers into and from the real estate investments category must be made when and only when there is a modification of use, emphasized by:

(a) Inception of use by the Group – for the transfers from the real estate investments category to the tangible assets category used by the Group;

(b) Inception of the arrangement process for the sale perspective – for transfers from the real estate investment category to the inventories category, held for sale.

(c) End of use by the Group– for the transfers from the tangible assets used by the Group to the real estate investments category;

(d) Beginning of an operational leasing with another party – for the transfers from the inventory category to the real estate investment category.

For the transfer of a real estate investment accounted for at the fair value in the category of real estate investments used by the holder or of the inventories, the supposed cost of the property to account for it must be its fair value as of the modification date of the use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) Derecognition

The carrying amount of a real estate investment is derecognized (removed from the consolidated statement of the financial position) on the assignment date or when the investment is definitively withdrawn from the use and the apparition of future economic benefits is not forecasted anymore from its assignment.

The earnings or the losses generated from the scrapping or the assignment of a real estate investment must be recognized in the profit or loss during the scrapping or assigning period.

j) Inventories

Inventories are assets held to be sold within the normal development of business, assets in course of production, to be sold within the normal development of business, or assets as raw materials, materials and other consumables, to be used in the production process or to render services.

The inventories are evaluated at the smaller value between the cost and the net realizable value. The inventories cost comprises all costs corresponding to the acquisition and processing, as well as other costs incurred to bring the inventories to the current status and place. The net realizable value is the estimated sale price, that would be obtained within the normal development of the activity, less the estimated costs to complete the goods and the estimated costs to make the sale. The costs of inventories that are not normally fungible and of the goods and services produced for and meant to some different orders is determined through the specific identification of individual costs. For the fungible inventories, the cost is determined with the help of the formula "first in, first out" (FIFO). For Napomar and SIF Imobiliare companies, the discharge from administration method used was „Weighted Average Cost" (WAC). As the value of the inventories of these subsidiaries is immaterial, an adjustment to harmonize with the group policy was not considered necessary.

The inventories such as the inventory objects must be reclassified as non-current assets according to IFRS and amortized during the estimated life. As their value at the group level is immaterial, the realization of an adjustment was not considered to be necessary.

The inventories such as the finished products are recognized at the standard cost.

k) Depreciation of assets other than the financial ones

The carrying amount of the Group assets that are not financial, other than the assets such as the deferred taxes is reviewed every reporting date in order to identify the existence of the impairment indexes. If there are such indexes, the recoverable value of the respective assets is estimated.

A loss from depreciation is recognized when the carrying amount of the asset or of the cash generating unit exceeds the recoverable value of the asset or of the cash generating unit. A cash generating unit is the smallest identifiable group that generates cash and is independent from other assets and other groups of assets. The impairment losses are recognized in the statement of income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The recoverable value of an asset or of a cash generating unit is the maximum between the use value and the fair value less the costs for the sale of that asset or unit. In order to determine the net usage value, the future cash flows are updated using an update rate before taxation that reflects the current market conditions and the risks specific to the respective asset.

The losses from depreciation during the previous periods are evaluated every reporting date in order to determine if they are reduced or do not exist anymore. The impairment loss is resumed if a change occurred in the estimations used to determine the recovery value. The impairment loss is resumed only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of amortization and impairment, if the impairment loss would not have been recognized.
The non-financial assets, other than the goodwill, that were affected by impairment are reviewed for the eventual resumption of impairment every reporting date.

l) Subsidies for investments

The subsidies for investments are recognized in the consolidated statement of the financial position at the initial value granted, when there is sufficient certitude that they will be received and that the Group will comply with the conditions imposed when is granted the subsidies. The group received subsidies for investments to acquire tangible assets. These ones are presented in the consolidated statement of the financial position as debts and are recognized in the profit and loss according to the straight-line method, during the life of the assets corresponding to them.

m) Share capital

The ordinary shares are recognized in the share capital. The incremental costs assignable to the issue of shares are deducted from the capital, net of taxation effects.

n) Provisions for risks and expenses

The provisions are recognized in the consolidated statement of the financial position when a past event related obligation arises for the Group and it is probable that in the future it is necessary to consume some economic resources that extinguish this obligation and a reasonable estimation of the value can be made. In order to determine the provision, the future cash flows are updated using an update rate before taxation that reflects the current market conditions and the specific risks of the respective debt.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Income from the sale of goods and rendering of services

The income from the sale of goods and the rendering of services is registered net of the trading reductions, the value added tax and other taxes related to the turnover.

The income from the sale of goods is recognized when all the conditions below are fulfilled:

- The risks and significant advantages resulting from the property over the goods were transferred to buyer;
- The Group does not manage anymore the goods sold at the level at which it would have made it if it held them under its property and does not hold the actual control over them;
- The size of the income can be evaluated reliably;
- It is probable that the economic benefits associated to the transaction be generated to the Group; and
- The transaction costs can be evaluated reliably.

The income corresponding to a contract involving the rendering of services is recognized when they can be estimated reliably and provided that the contract is executed. The result of a transaction can be estimated reliably when all conditions below are fulfilled:

- The value of income can be estimated reliably
- It is probable that the economic benefits associated to transaction be generated to the entity
- The status of execution of the transaction on the closing date of the balance can be evaluated reliably; and
- The costs incurred during the transaction and the completion costs of the transaction can be evaluated reliably.

p) Income and expenses with interests

The income and the expenses with interests are recognized in the consolidated statement of the profit or loss and of other items of the global result through the effective interest method. The interest rate represents the rate that updates exactly the payments and receipts in cash forecasted in the future during the expected life of the financial asset or liability (or, as the case may be, on a shorter period) at the carrying amount of the financial asset or liability.

q) Income from dividends

The dividends for an equity instrument available for sale are recognized in the profit or loss when the right of the entity to receive the payment is established.

As concerns the dividends received as shares as an alternative to the cash payment, the income from dividends is recognized at the level of the cash that would have been received, in correspondence with the increase of the corresponding participation. The Group does not register income from the dividends corresponding to the shares received free of charge when these ones are distributed prorate to all shareholders.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The income from the dividends is registered at the gross value including the dividends tax, that is recognized as a current expense with the profit tax.

r) Income from lease

The income from lease is generated by the real estate investments rented by the Group as operational leasing contracts and is recognized in the linear profit or loss during the entire contract term.

s) Recognition of expenses

The expenses are emphasized when they are made, and their recognition in the profit and loss is realized according to the exercise independence principle.

The exploitation expenses are recognized in the profit and loss during the period in which they were carried-out.

The expenses with bank commissions are registered when they are incurred.

The expenses with transactions are recognized at the same time with the income from these operations, on the settlement date for listed titles, respectively on the receipt date of the last installment if the unlisted titles are sold in installments.

On the entry date, the cost of titles is represented by the acquisition cost, and on the balance date, the acquisition cost is adjusted with the value resulted following the evaluation of titles.

The expenses with commissions, quotas and taxes are recognized when they are incurred.

The salary expenses and the corresponding contributions are recognized when they are incurred, according to the exercise independence principle

t) Employees' benefits

(i) Short-term benefits

The obligations with the short-term benefits granted to employees are not updated and are recognized in the statement of global result while the corresponding service is rendered.

The short-term benefits of the employees include salaries, premiums and contributions to social security. The short-term benefits of the employees are recognized as expense when the services are rendered. It is recognized a provision for the amounts expected to be paid as short-term cash premium or participation schemes of the personnel in profit given the fact that the Group has at present a legal or implicit obligation to pay those amounts as a result of the past services rendered by the employees and if the respective obligation can be estimated reliably.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Determined contribution plans

The Group makes payments on behalf of its own employees to the pension system of the Romanian state, the health insurance and the unemployment fund, during the development of the normal activity. The Group also retains and pays to the private pension fund, the amounts with which the employees were enrolled in a facultative pension plan.

All Group employees are members and also have the legal obligations to contribute (by means of social security) to the pension system of the Romanian State (a State determined contribution plan). All the corresponding contributions are recognized in the statement of income of the period when they are incurred. The Group has no other supplementary obligations.

The Group is not committed in any independent pension system and, therefore, it has no other obligation in that sense. The Group has not the obligation to render subsequent services to the ex or actual employees.

(iii) Long-term employees' benefits

The net obligation of the Group as concerns the benefits corresponding to the long-term services is represented by the value of future benefits that the employees earned in exchange of the services rendered by these ones during the current period and previous periods. Within the group, depending on the regulations of the collective employment contract in force, the retiring people for the age limit can enjoy of a subsidy at the level of five net average salaries per Group.
The net obligation of the Group as concerns the long-term benefits determined based on the collective employment contract is estimated using the projected unit credit method and is recognized on the profit and loss statement on the commitment accounting principle. The excess or deficit resulted from the modification of the update rate and from other actuarial hypothesis is recognized as income or expense during the working period of the employees participating in this plan.

u) Borrowing costs

The Group capitalizes the borrowing costs for the eligible assets according to IAS 23 ”Borrowing cost”, reviewed.

v) Profit tax

The profit tax corresponding to the exercise comprises the current tax and the deferred tax. The current profit tax includes the income on dividends income recognized at the gross value. The profit tax is recognized in the profit or loss or in other items of the global result if the tax corresponds to the capital items.

The current tax is the payable tax corresponding to the profit realized during the current period, determined based on the percentages applied on the balance sheet date and on all adjustments corresponding to the previous periods.

The deferred tax is determined using the balance sheet method for those temporary methods appearing between the tax calculation basis of the tax for assets and liabilities and their carrying amount used for reporting in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The deferred tax is not recognized for the following temporary differences: initial recognition of the goodwill, initial recognition of the assets and liabilities resulted from transactions that are not joint ventures and that do not affect the accounting profit or the tax profit resulted from the investments in subsidiaries, provided that these ones are not resumed in the near future. The deferred tax is calculated based on the taxation percentages expected to be applicable to the temporary differences when resuming them, based on the legislation in force on the reporting date or on the legislation issued on the reporting date and that will come in force subsequently.

The receivable regarding the deferred tax is recognized only if it is probable to obtain a taxable profit in the future after the compensation with the tax loss of the previous years and with the profit tax to recover. The receivable regarding the deferred tax is reduced if the corresponding tax benefit is improbable to be realized.
The additional taxes that appear from the distribution of dividends are recognized at the same date with the payment obligation of the dividends.
The receivables and the debts regarding the deferred tax calculated are presented at the net value in the Group consolidated financial statements.
The receivables and the debts regarding the deferred tax are compensated if there is a legal right to compensate the receivables and debts regarding the current tax referring to the taxes collected by the same tax authority, from the same taxable entity, or by different tax entities, that intend to compensate the receivables and debts regarding the current tax on a net basis or the assets and liabilities regarding their tax will be realized simultaneously.

As at 31 December 2015 and 31 December 2014 the profit tax amounted to 16%.

w) Share result

The group presents the basic and diluted share result for the ordinary shares. The basic share result is determined by distributing the profit or the loss assignable to the ordinary shareholders of the Group to the weighted average number of ordinary shares corresponding to the reporting period. The diluted share result is determined by adjusting the profit or the loss attributable to the ordinary shareholders and to the weighted average number of ordinary shares with the dilution effects generated by the potential ordinary shares.

x) Dividends

Dividends are treated as a profit distribution during the period in which they were declared and approved by the General Meeting of Shareholders. The profit available for distribution is the profit of the year registered in the stand alone financial statements issued according to the International Financing Reporting Standards adopted by the European Union.

y) Segments reporting

A segment is a different component that supplies certain products or services (activity segment) or supplies products and services within certain geographical environment (geographical segment) and that is referred to risks and benefits different from those of the other segments. The management considers the real estate activities of some subsidiaries as financial activity and was therefore these activities were included in the segment of financial activity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z) New standards and interpretations that are not in force yet

Some new standards, amendments and interpretations of the standards are not in force yet for the year ended as at 31 December 2015 and were not applied for the issue of these financial statements:

A. Standards adopted by the European Union

a) Amendments to IAs 19 (issued in November 2013 and applicable in EU for the periods starting with 1 February 2015)

The amendments refer to the possibility of the companies to recognize the contribution of the employees as a discount of the cost of service during the period in which the service is achieved, to the detriment of assigning the contribution to the periods of service if the value of the salary contributions is independent from the number of year of the service.

Annual modifications of IFRS (cycles 2010-2012 and 2011-2013, most of them applicable to the annual periods starting with February 1st 2015)

b) Amendments that introduce 11 modifications over 9 standards. The amendments that might have impact over the Group activity are presented below (applicable in EU for the periods starting with 1 February 2015):

- IFRS 2 clarifies the definition of “exercising condition” and defines the “performance conditions” and the “service conditions”. The modifications apply to the payment transactions in equity for which the assigning date is after July 1st 2014.
- IFRS 3 was amended to clarify: 1) the obligation to pay a contingent contribution that fulfills the definition of financial instrument is recognized as a financial liability or equity, based on the definition of IAS 32 and 2) all contingent obligations that are not classified as capital item, both financial and non financial, are measured at the fair value on the date of each reporting with the modifications recognized in the statement of income. The modifications are applicable to the combinations of enterprises realized after July 2014.
- IFRS 8 – Segment reporting: the amendments introduce the presentation requirements of the judgments realized in order to present aggregates of the reporting segments;
- IFRS 13 – Measurement at fair value: the amendments clarify the fact that the short-term liabilities and receivables that have no attached interest can be presented in the note of fair values – at the value invoiced, if the discount effect is not a significant one;
- IAS 16 and IAS 38 – clarify the modality to treat the cumulated amortization on the reevaluation moment;
- IAS 24 – extends the definition of subsidiaries
- IFRS 7 – Presentation of financial instruments: the amendments clarify the continuous involvement in a transferred asset.

c) Amendments to IFRS 11 (issued on May 6th 2014 and applicable for the periods starting with January 2016) add recommendations regarding the accounting of interest acquisitions in a participation operation that represents a transaction.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Amendments to IAS 1 (in force for the periods starting with or after January 1st 2016)

The definition of materiality was modified to clarify its probability over the financial statements in their entirety and over each presentation requirement within a standard. Amendments were brought as regards the order of notes of the financial statements and clarification of the fact that the entities have flexibility as concerns the presentation of accounting policies in explanatory notes.

The group does not consider that these amendments will have a significant effect over the consolidated financial statements.

e) Amendments to IAS 16 and IAS 38 – Clarification of the acceptable impairment and amortization methods (in force for the periods starting with or after January 1st 2016)

The amendments forbid the income based amortization for the tangible assets and introduce restrictions over the applicability of this method for intangible assets.

The Group does not consider that these amendments will have a significant effect over the consolidated financial statements because they do not apply the income based amortization.

f) Amendments to IAS 16 and IAS 41 (issued on June 30th 2014 and applicable for the periods starting with January 2016)

Modifications related to the reporting corresponding to the productive locations, such as the wineries, plastic tree and oil palms, that have to be recognized similarly to the tangible assets, because their exploitation is similar to the production ones. Therefore, the modifications are comprised in the standard IAS 16, instead of IAS 41. The guidelines regarding the production realized by these productive locations will remain in IAS 41.

g) Amendments to IAS 27 (in force for the periods starting with or after January 1st 2016)

The amendments allow an entity to evaluate the subsidiaries, the associates and the joint ventures in the stand alone financial statements using the equity method.

The group does not consider that these amendments will have a significant effect over the consolidated financial statements.

h) Annual amendments to the IFRS standards of 2014 (issued on September 25th, 2014 and applicable for the periods starting with January 2016) for:

IFRS 5 clarifies the fact that the modifications regarding the emphasis (reclassified from "held for distribution" to "held for sale" and inverse) do not represent a modification of the distribution plan and must not be accounted for this way.

IFRS 7 adds recommendations to help the management to determine if the trading conditions of a financial asset that was transferred represent a continuous involvement, from the point of view of its presentation according to IFRS 7. The amendments also specify that the presentations according to IFRS 7 are not mandatory for the provisional periods, unless they are requested in IAS 34.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IAs 19 clarifies the fact that as concerns the post-retirement obligations, the decisions related to the update phase, existent for a market for bonds or which are the state titles that must be used, should be based on the currency in which these bonds are expressed and not the country in which they appear. IAS 34 will ask a circular verification between the information of the provisional financial statements and the "information submitted in other parts of the provisional report".

B. Standards that have not been adopted yet by the European Union

a) IFRS 9 Financial Instruments (date of coming into force: annual periods starting with January 1st 2018)

This standard replaces the provisions of IAS 39 „Financial instruments: recognition and evaluation" regarding the classification and evaluation of financial assets, except for the aspects related to the hedge accounting, related to which the entities will be able to choose among applying the old provisions of IAS 39 or applying the IFRS 9.

The financial assets will be classified using one of the two evaluation methods: at amortized cost and at the fair value. A financial asset can be evaluated at the amortized cost only if the following two conditions are fulfilled: the assets should be held within a business model of the company whose goal is the management based on contractual output and cash flows at the dates specified according to the contractual terms should be represented only by principal and interest.

The subsequent earnings or losses from the modifications of value of the assets measured at the fair value are recognized in the profit or loss, except for the investments in capital instruments that are not held for trading, for which the standard allows at the initial recognition measured at the fair value with the recognition of the subsequent modifications of value in the global result. The model of the loss occurred in IAS 39 is replaced with the model of the expected loss. At the same time, the presentation requirements are substantial.

The Group is in course of evaluation of the possible effects that the application of IFRS 9 could have on the financial statements.

b) IFRS 15 – Income from contracts with clients (in force for the periods starting with or after January 1st 2017)

The standard issued on May 28th 2014 replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC – 31. The standard is applicable to the contracts with clients, other than the insurance ones, financial instruments, leasing. The standard prescribes a sole analysis model of the contracts with clients and two income recognition approaches – at certain moment or during the contract, depending on the moment of fulfillment of the obligation of the contract.

The Group does not consider that these amendments will have a significant effect over the stand alone financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) IFRS 16, "Leasing contracts" disposes the principles for the recognition, evaluation, presentation and presentation of the leasing contracts. All contracts that have as result the obtaining by the lessee of the right to use an asset at the beginning of the contract, and the payments are made during time, obtaining financing, are considered leasing contracts. Therefore, IFRS 16 removes the classification of the leasing contracts as either operational leasing contracts or financial leasing contracts according to IAS 17 and, in exchange, introduces one accounting model for the lessee. The lessee must recognize: (a) the assets and the liabilities for all the leasing contracts with a term higher than 12 months, except for the case in which the support asset has small values; and (b) the registration of expenses with the amortization of the leasing assets separately from the interest corresponding to the leasing debt in the statement of income. IFRS 16 keeps the accounting requirements of IAS 17. Therefore the Lessee continues to classify the leasing contracts as operational leasing or financial leasing contracts, accounting for these two types of contracts in a different way. The standard comes into force for annual periods that start on the date or after the date January 1st 2019 and its application is allowed earlier. The company evaluates the impact of IFRS 16. The standard has not been approved yet by the EU.

d) Amendments to IAS 7 (issued on January 29th 2016 and applicable for the periods starting with January 2017) Standard IAS 7 amended will ask the presentation of a reconciliation of the movements corresponding to the debts resulted from the financing activity.

5 SIGNIFICANT RISK MANAGEMENT

According to the business object, the Group is exposed to various types of risks associated to the field of activity in which they act. The main types of risks to which the Group is exposed are:

- Market risk (risk of interest rate, foreign currency risk and price risk);
- Credit risk;
- Liquidity risk;
- Taxation risk;
- Business environment risk;
- Operational risk.

The administration of the risks takes into account the maximization of the Group profit related to the risk level to which it is exposed.
The Group uses a variety of policies and procedures for managing and evaluating the types of risk to which it is exposed. These policies and procedures are presented within the sub-chapter dedicated to each type of risk.

(a) Market risk

The market risk is the risk that the changes in the market prices, as well as the prices of the shares, the interest rates and the exchange rates affect the Group income or the value of the financial instruments held. The market risk of the equity represents the risk that the value of such an instrument fluctuates following the modifications of the market prices, either because of some factors specific to the issuer activity or of some factors affecting all instruments traded on the market.

The market risk of the equity instruments results mainly from the available shares for sale. The entities in which the Group holds shares operate in various industries.

The goal of administering the market risk is to control and to manage the exposures to the market risk within acceptable parameters, provided that the output is optimized.
The Group strategy for the management of the market risk is managed by the investment goal, and the market risk is administered according to the policies and procedures practiced.

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

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

(i) Price risk

The price risk is the risk of incurring losses both from the balance entries and from the extra-balance entries, because of the evolutions of the assets prices.

The Group is exposed to the risk that the fair value of the financial instruments held fluctuates following the changes in the market prices, either it is caused by factors specific to the activity of the issuer or factors that affect all instruments traded on the market.
The board of directors follow-up the modality to achieve the market risk management, and the internal procedures dispose that, when the price risks do not comply with the Group investment procedures and principles it must be proceeded to rebalance the portfolio.

During the latest years, following the worldwide financial crisis, Romania was also affected by the price risk through the impairment of the shares quotations.

A positive variation of 10% of the price of the Financial assets at fair value through profit and loss (Level 1) would lead to an increase of the profit after taxation, with 38 lei (31 December 2014: 11,114,756 lei, 01 January 2014: 1,580,121 lei), a negative variation of 10% having a net equal and contrary impact.
A positive variation of 10% of the prices of the available financial assets for sale evaluated at their fair value would result in an increase of equity, net of the profit tax, with 90,712,163 lei (31 December 2014: 60,151,418 lei, 01 January 2014: 75,547,833 lei), a negative variation of 10% having a net equal and contrary impact.

The Group holds shares in companies that operate in various fields of activity, as follows:

Industry	2015	%	2014	%	2013	%
Agriculture, forestry and fishing	896,310	-	896,310	0%	896,310	-
Wholesale and retail, repair of motor vehicles	7,934,783	1	7,967,439	1%	7,945,422	1
Constructions	1,217,304	-	1,217,303	-	1,525,530	-
Hotels and restaurants	2,135,824	-	1,797,524	-	1,685,324	-
Extraction industry	49,433,082	4	14,741,866	2	17,695,126	2
Processing industry	97,833,143	9	93,933,407	12	104,008,745	10
Financial intermediations and insurance	930,776,847	83	624,965,681	81	860,387,181	85
Real estate investment	-	-	-	-	114,120	-
Production and supply of electricity, gas, water	17,962,690	2	12,107,255	2	10,843,127	1
Transport and storage	16,750,049	1	12,559,055	2	7,537,784	1
Other activities	3,218,314	-	4,985,714	1	4,089,434	-
Total	1,128,158,344	100	775,171,554	100	1,016,728,100	100

As you can notice from the table above, as at 31 December 2015 the Group held mainly shares in companies that activate in the financial- banking and insurance field, with a weight of 83% of the total portfolio, increasing compared to the weight of 81% registered as at 31 December 2014 and decreasing compared to the weight of 85% registered as at 01 January 2014.

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

As at 31 December 2014 and 31 December 2015 the Group holds fund units in the Closed Investment Funds Active Plus and Omnitrend. The Group is exposed to the price risk through the investments made with a different degree of risk by these Investment Funds.

As at 31 December 2014, the Group was exposed to the price risk also through the holding of a number of derivative / structured financial instruments that included mainly the acquisitions made during year 2014 by SIF4 PNOTE and minilong SIF 4 certificates, instruments issued by Royal Bank of Scotland plc (RBS) with support assets SIF4 shares. During year 2015 these financial instruments were sold.

(ii) Interest rate risk

The interest rate risk represents the risk that the income or expenses, or the value of the Group assets or liabilities fluctuate following the variation of the interest rates on the market.

As concerns the interest bearing financial instruments: the interest rate risk is composed of the fluctuation risk registered in the value of certain financial instruments following the variation of the interest rates and from the risk of the differences between the due date of the interest bearing financial assets and the interest bearing liabilities. But the interest rate risk can also influence the value of the interest bearing assets (for example: bonds), so that an increase of the interest rate on the market will determine the reduction of the future cash flows and can result in the reduction of their price, if they determine the increase of the investor's preference to place their funds in banking deposits or other instruments whose interest increased, and vice-versa – a reduction of the interest rate on the market can determine the increase of the price of shares and bonds and will determine an increase of the fair value of the future cash flows.
The Group does not use derivative financial instruments to protect against the interest rate fluctuations.

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

The following tables present the exposure of the Group to the interest rate risk:

31 December 2015 *In LEI*	**Net value as at 31 December**	**Less than 3 months**	**3-12 months**	**1 - 5 years**	**More than de 5 years**	**Without interest risk**
Financial assets						
Cash and cash equivalents	210,074,170	59,855,731	130,837,613	775,952	-	18,604,875
Financial assets at fair value through profit and loss	449	-	-	-	-	449
Available-for-sale financial assets	1,170,248,459	-	-	-	1,691,670	1.168.556.789
Investments held to maturity	34,498,231	-	6,137,934	26,950,000	-	1,410,297
Other assets	152,618,066	62,589,565	1,591,853	-	-	88,436,648
TOTAL	1,567,439,375	122,445,296	138,567,400	27,725,952	1,691,670	1,277,009,058
Financial liabilities						
Loans	111,566,492	22,533,761	27,847,168	57,942,257	3,004,839	238,468
Dividends payable	20,850,806	-	-	-	-	20,850,806
Other liabilities	156,519,778	66,871,246	1,531,312	2,015,778	1,179,437	84,922,005
TOTAL	288,937,076	89,405,007	29,378,480	59,958,034	4,184,276	106,011,279

The available-for-sale financial assets also include the fund units acquired from the Investment Funds Omnitrend and Active Plus.
As at 31 December 2015 the total assets of the Closed Investment Fund Active Plus was mainly represented by shares traded in SIFs 77% and by other real estate values admitted for trading on a market of another member state 23%, respectively structured products Merrill Lynch Intl&CO having as support the SIF2 shares.
As at 31 December 2015 the assets of the Closed Investment Fund Omnitrend were mainly represented by traded shares held in SIF Moldova – 38.4% and shares and bonds traded at the official quota of an exchange stock of a member state 59.3% (Transeastern Power Trust).

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

31 December 2014 *In LEI*	Net value as at 31 December	Less than 3 months	3-12 months	1 - 5 years	More than 5 years	Without interest risk
Financial assets						
Cash and cash equivalents	140,039,103	98,627,567	35,116,383	768,680	-	5,526,472
Financial assets at fair value through profit and loss	132,318,525	-	-	-	-	132,318,525
Available-for-sale financial assets	816,736,381	-	-	-	-	816,736,381
Investments held to maturity	50,844,602	-	22,154,540	26,950,000	-	1,740,062
Other assets	198,878,401	62,790,880	4,640,349	3,024,698	-	128,422,474
TOTAL	1,338,817,012	161,418,448	61,911,272	30,743,378	-	1,084,743,914
Financial liabilities						
Loans	114,733,697	8,706,562	34,906,802	65,805,764	4,798,277	516,291
Dividends payable	13,126,579	-	-	-	-	13,126,579
Other liabilities	155,199,763	61,669,974	3,662,980	1,703,467	-	88,163,341
TOTAL	283,060,039	70,376,536	38,569,783	67,509,231	4,798,277	101,806,212

The available-for-sale financial assets also include the fund units acquired from the Investment Funds Omnitrend and Active Plus.

As at 31 December 2014 the total assets of the Closed Investment Fund Active Plus was mainly represented by shares traded in SIFs 65.9% and by other real estate values admitted for trading on a market of another member state 33.32%, respectively structured products (Royal Bank of Scotland NV 10.623% and Merrill Lynch Intl&CO 22.7%).
As at 31 December 2014 the assets of the Closed Investment Omnitrend were mainly represented by traded shares held in SIF Moldova – 35.37% and shares and bonds traded at the official quota of an exchange stock of a member state 63.61% (Transeastern Power Trust).

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

01 January 2014 *In LEI*	**Net value as at 31 December**	**Less than 3 months**	**3-12 months**	**1 - 5 years**	**More than 5 years**	**Without interest risk**
Financial assets						
Cash and cash equivalents	162,282,725	82,919,711	71,415,741	769,126	-	7,178,147
Financial assets at fair value through profit and loss	18,810,969	-	-	-	-	18,810,969
Available-for-sale financial assets	1,016,728,099	-	-	-	-	1,016,728,099
Investments held to maturity	51,837,732	-	999,983	43,033,450	6,083,952	1,720,347
Other assets	130,285,641	52,610,806	4,098,922	2,150,649	-	71,425,264
TOTAL	1,379,945,166	135,530,517	76,514,646	45,953,225	6,083,952	1,115,862,826
Financial liabilities						
Loans	131,847,026	13,186,432	53,225,586	65,435,008	-	-
Dividends payable	23,322,090	-	-	-	-	23,322,090
Other liabilities	125,155,255	58,803,277	4,927,449	5,677,256	2,003,705	53,743,568
TOTAL	280.324.371	71,989,709	58,153,035	71,112,264	2,003,705	77,065,658

As at 01 January 2014, the Group did not hold fund units.

The impact over the net profit of the Group of a modification of ± 1.00% of the interest rate corresponding to the interest bearing assets and liabilities amounts to ±3,470,813 lei (31 December 2014: ±2,882,825 lei, 01 January 2014: ±6,255,974 lei).

(iii) Currency risk

The currency risk is the risk of registering some losses or nor achieving the profit estimated following the non favorable fluctuations of the exchange rate. The Group invests in financial instruments and incurs transactions that are denominated in foreign currency, other than the functional currency, so that, it is exposed to the risks that the exchange rate of the national currency related to other foreign currency has adverse effects over the fair value or future cash flows of that part of the financial assets and liabilities denominated in another foreign currency.
The Group carried-out transactions during the reporting periods both in the Romanian currency (Leul), and in foreign currency. The Romanian currency fluctuated compared to the foreign currencies, EURO, USD, GBP and HUF.

The financial instruments used give the possibility to keep the value of the monetary assets held in lei, realizing investments and cashing the interests depending on the due date.

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

31 December 2015

In LEI	Net value as at 31 December 2015	RON	EUR (equivalent in lei)	USD (equivalent in lei)	GBP (equivalent in lei)	HUF (equivalent in lei)
Financial assets						
Cash and cash equivalents	210,074,170	193,448,950	15,805,698	511,817	307,413	292
Financial assets at fair value through profit and loss	449	449	-	-	-	-
Available-for-sale financial assets	1,170,248,459	827,640,097	342,608,362	-	-	-
Investments held to maturity	34,498,231	28,177,722	6,320,509	-	-	-
Other assets	152,618,066	152,618,066	-	-	-	-
TOTAL	1,567,439,375	1,201,885,284	364,734,569	511,817	307,413	292
Financial liabilities						
Loans	111,566,492	46,541,193	65,025,299	-	-	-
Dividends payable	20,850,806	20,850,806	-	-	-	-
Other liabilities	156,519,778	156,519,778	-	-	-	-
TOTAL	288,937,076	223,911,777	65,025,299	-	-	-
Net financial assets	1,278,502,299	977,973,507	299,709,270	511,817	307,413	292

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

As at 31 December 2014 and 31 December 2015 the Group holds fund units at the Closed Investment Funds Active Plus and Omnitrend. The Group is exposed to the foreign currency risk through the investments made by these Investment Funds.

31 December 2014

In LEI	Net value as at 31 December 2014	RON	EUR (equivalent in lei)	USD (equivalent in lei)	GBP (equivalent in lei)	HUF (equivalent in lei)
Financial assets						
Cash and cash equivalents	140,039,103	119,552,295	20,351,684	36,537	98,587	-
Financial assets at fair value through profit and loss	132,318,525	132,318,525	-	-	-	-
Available-for-sale financial assets	816,736,381	563,600,201	253,136,180	-	-	-
Investments held to maturity	50,844,602	28,177,722	22,666,880	-	-	-
Other assets	198,878,401	198,878,401	-	-	-	-
TOTAL	1.338.817.012	1,042,527,144	296,154,744	36,537	98,587	-
Financial liabilities						
Loans	114,733,697	32,805,040	81,928,657	-	-	-
Dividends payable	13,126,579	13,126,579	-	-	-	-
Other liabilities	155,199,763	155,199,763	-	-	-	-
TOTAL	283,060,039	201,131,382	81,928,657	-	-	-
Net financial assets	1,055,756,973	841,395,762	214,226,088	36,537	98,587	-

As at 31 December 2014 the Group held SIF 4 minilong certificates (included in the financial assets category at fair value through the profit and loss) at an acquisition value amounting to 6,901,104 lei (1,540,666 euro), with a price adjustment amounting to 6,483,932 lei. Taking into account the evolution of the exchange rate in year 2014, that one estimated for year 2015, as well as the forecasted date for their sale during quarter I 2015, the Group considers that it is not exposed to the currency risk as concerns the derivative/structured instruments.

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

During year 2015 the SIF 4 minilong certificates were sold.

01 January 2014

In LEI **Financial assets**	**Net value as at 01 January 2014**	**RON**	**EUR (equivalent in lei)**	**USD (equivalent in lei)**	**GBP (equivalent in lei)**	**HUF (equivalent in lei)**
Cash and cash equivalents	162,282,725	121,185,517	39,892,317	268,120	936,772	-
Financial assets at fair value through profit and loss	18,810,969	18,810,969	-	-	-	-
Available-for-sale financial assets	1,016,728,099	603,566,608	413,161,491	-	-	-
Investments held to maturity	51,837,732	229,156,985	22,680,747	-	-	-
Other assets	130,285,641	130,285,641	-	-	-	-
TOTAL	1,379,945,166	903,005,720	475,734,555	268,120	936,772	-
Financial liabilities						
Loans	131,847,026	31,998,386	99,848,640	-	-	-
Dividends payable	23,322,090	23,322,090	-	-	-	-
Other liabilities	125,155,255	125,155,255	-	-	-	-
TOTAL	280,324,371	180,475,731	99,848,640	-	-	-
Net financial assets	1,099,620,795	722,529,988	375,885,916	268,120	936,772	-

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

The net impact over the Group profit of a modification of ± 15% of the exchange rate RON/ EUR, RON/USD, RON/GBP and RON/HUF all the other variables remaining constant, amounts to ±45,079,319 lei (31 December 2014: ±32,154,182 lei, 01 January 2014: ±56,563,621 lei).

(b) Credit risk

The credit risk is the risk that a counterparty of a financial instrument fails to fulfill an obligation or a financial commitment in which it entered a relation with the Group, resulting a loss for the Group.

The Group is exposed to the credit risk following the investments realized in bonds issued by trading companies or the Romanian State, the current accounts and the bank deposits and other receivables.
The Group management follows-up closely and constantly the exposure to the credit risk so that it does not incur losses following the concentration of the credit in certain sector or field of activity.
As at 31 December 2015, 31 December 2014 and 01 January 2014 the Group registered outstanding financial assets, but which are not impaired.

The maximum exposure to the credit risk of the Group amounts to 316,680,844 as at 31 December 2015 (31 December 2014: 326,894,781 lei and as at 01 January 2014: 273,362,912 lei) and can be analyzed as follows:

Exposure from the current accounts and bank deposits (exclusive the attached interest)

	31 December 2015	31 December 2014	01 January 2014
BRD - Groupe Société Générale	3,534,490	1,344,232	1,738,573
Banca Comerciala Romana	3,437,326	4,810,828	3,551,527
Unicredit Tiriac Bank	4,910,442	3,561,112	14,961,911
Banca Transilvania	15,914,159	6,769,343	6,388,903
TREASURY	119,351	117,125	57,026
Intesa Sanpaolo Romania	52,599	37,781,053	116,196,663
Raiffeisen Bank Romania	2,987,124	2,460,060	1,670,141
Volksbank Bank	217	978,802	5,398,024
Garanti Bank	1,643,775	1,672,821	516
Credit Europe Bank	1,406,725	121,916	581,130
Banca Comerciala Carpatica	835	175	52,997
Alpha Bank Romania	9,649,385	6,178,046	3,832
Piraeus Bank Romania	48,780,554	2,080,240	300,746
Banca Feroviara	5,807,383	46,124,051	1,948,030
Marfin Bank	9,247,276	7,142,556	2,901
Libra bank	5,040,967	5	43
Bancpost Romania	45,055,917	13,700,646	308,216
CEC Bank	329,827	803,882	402,881
Veneto Banca	39,434,717	2,304,597	8,190
ING Bank	28,415	(3,526)	1,391,242
Other banks	70,691	992,187	6,556,691
TOTAL (note 15)	197,452,175	138,940,148	161,520,181

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

Investments held to maturity	31 December 2015	31 December 2014	01 January 2014
Bonds issued by the European Investment Bank	-	-	1,045,141
Bonds issued by the Ministry of Public Finance	-	16,398,252	16,407,764
Bonds Industrial Energy (Romenergo)	28,177,722	28,177,722	28,111,844
Bonds issued by Transilvania bank	6,320,509	6,268,628	6,272,983
TOTAL (note 18)	34,498,231	50,844,602	51,837,732

Trade receivables	31 December 2015	31 December 2014	01 January 2014
Trade receivables	71,234,896	85,452,708	69,540,360
Provisions for the impairment of trade receivables	(14,490,734)	(13,175,876)	(11,699,825)
TOTAL (note 19)	56,744,162	72,276,832	57,840,535

Various debtors	31 December 2015	31 December 2014	01 January 2014
Various debtors (Note 19)	33,488,905	70,715,505	3,220,401
Provisions for the impairment of various debtors (Note 19)	(5,502,629)	(5,882,306)	(1,055,937)
TOTAL	27,986,276	64,833,199	2,164,464
Total exposure to the credit risk	316,680,844	326,894,781	273,362,912

As at 31 December 2015 the Group considers impaired the value of receivables (within the trade receivables and various debtors) amounting to 19,993,363 lei (31 December 2014: 19,058,182 lei, 01 January 2014: 12,755,762 lei).
The Group has outstanding receivables, but these ones are not impaired as at 31 December 2015 amounting to 11,929,264 lei (31 December 2014: 13,256,709 lei, 01 January 2014: 12,034,916 lei).

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with short-term financial liabilities, that are extinguished by the cash payment or by other financial means, or such obligations should be extinguished under a non favorable manner for the Group.

The Groups follows the evolution of the liquidity level in order to be able to pay the obligations on the date when these ones become due and analyzes permanently the assets and liabilities, depending on the period remaining until the contractual due dates.
The structure of the assets and liabilities was analyzed based on the period remaining as of the balance sheet date until the contractual date of the due date, both as at 31 December 2015 and as at 31 December 2014 and 01 January 2014, as follows:

31 December 2015	Carrying amount	Less than 3 months	Between 3 and 12 months	More than 1 year	Without pre-established maturity
Financial assets					
Cash and cash equivalents	210,074,170	60,317,037	130,837,613	775,952	18,143,569
Financial assets at fair value through profit and loss	449	-	-	-	449
Available-for-sale financial assets	1,170,248,459	6,518	-	-	1,170,241,941
Investments held to maturity	34,498,231	-	-	34,498,231	-
Other assets	152,618,066	151,026,213	1,591,853	-	-
Total financial assets	1,567,439,375	211,349,768	132,429,466	35,274,183	1,188,385,958
Financial liabilities					
Loans	111,566,492	18,326,127	32,170,781	61,069,584	-
Dividends payable	20,850,806	20,850,806	-	-	-
Other liabilities	156,519,778	57,206,310	2,819,920	2,132,200	94,361,348
Total financial liabilities	288,937,076	96,383,243	34,990,701	63,201,784	94,361,348
Liquidity surplus	1,278,502,299	114,966,525	97,438,764	(27,927,601)	1,102,144,367

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

31 December 2014	Carrying amount	Less than 3 months	Between 3 and 12 months	More than 1 year	Without pre-established maturity
Financial assets					
Cash and cash equivalents	140,039,103	98,538,267	35,116,383	768,680	5,615,772
Financial assets at fair value through profit and loss	132,318,525	-	-	-	132,318,525
Available-for-sale financial assets	816,736,381	-	-	-	816,736,381
Investments held to maturity	50,844,602	-	16,398,252	34,446,350	-
Other assets	198,878,401	112,603,013	4,640,349	3,024,698	78,610,341
Total financial assets	1,338,817,012	211,141,281	56,154,984	38,239,728	1,033,281,019
Financial liabilities					
Loans	114,733,697	8,836,770	34,906,802	70,990,124	-
Dividends payable	13,126,579	13,126,579	-	-	-
Other liabilities	155,199,763	101,670,674	6,012,152	1,703,467	45,813,469
Total financial liabilities	283,060,039	123,634,023	40,918,955	72,693,592	45,813,469
Liquidity surplus	1,055,756,973	87,507,257	15,236,029	(34,453,863)	987,467,550

In LEI

01 January 2014	Carrying amount	Less than 3 months	Between 3 and 12 months	More than 1 year	Without pre-established maturity
Financial assets					
Cash and cash equivalents	162,282,725	84,379,423	71,415,741	769,126	5,718,435
Financial assets at fair value through profit and loss	18,810,969	-	-	-	18,810,969
Available-for-sale financial assets	1,016,728,099	-	-	-	1,016,728,099
Investments held to maturity	51,837,732	-	1,045,141	50,792,591	-
Other assets	130,285,641	94,116,087	4,098,921	2,150,649	29,919,983
Total financial assets	1,379,945,166	178,495,511	76,559,804	53,712,366	1,071,177,485
Financial liabilities					
Loans	131,847,026	15,540,681	53,225,586	63,080,760	-
Dividends payable	23,322,090	23,322,090	-	-	-
Other liabilities	125,155,255	111,201,163	6,273,131	7,680,961	-
Total financial liabilities	280,324,371	150,063,934	59,498,717	70,761,721	-
Liquidity surplus	1.099.620.795	28,431,577	17.061.087	(17.049.355)	1.071.177.485

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

(d) Taxation risk

Starting with January 1st 2007, following the adhesion of Romania to the European Union, the Group has to fulfill the regulations of the European Union, and therefore it prepared for the application of the changes brought by the European legislation. The Group implemented these changes, but the implementation modality remains open to the tax audit during 5 years.
The interpretation of the texts and the practical implementation of the procedures of the new applicable tax regulations, could vary and there is the risk that under certain situations the tax authorities should adopt a different position from that of the Group.

From the profit tax point of view corresponding to the financial exercise 2015 there is the risk of different interpretation by the tax organisms of the accounting treatment determined by the transition to IFRS as accounting basis.

Furthermore, the Government of Romania holds a number of agencies authorized to carry-out the audit (control) of the companies operating within the territory of Romania. These controls are similar to the tax audits of other countries, and can cover only tax aspects, and other legal and regulatory aspects that present an interest for those agencies. It is possible that the Group be subject to the tax inspection while new tax regulations are issued.

Tax legislation in Romania includes the principle of "market value", according to which the related party transactions should be carried at market value, respecting the principles of transfer pricing. Local taxpayers carrying out transactions with related parties must prepare and make available to the tax authorities in Romania, at their written request, the file documenting transfer pricing, within the period granted by the authorities (taxpayers who conduct transactions with related parties over the limits set by law are required to prepare annually the transfer pricing transactions file beginning with the transactions of the year 2016).

Failure to present the transfer pricing documentation file or presenting an incomplete file may result in the application of penalties for non-compliance.

But regardless of the existence of the file, in addition to the contents of the file documenting transfer pricing, tax authorities may interpret transactions and circumstances different from the interpretation of the management and, therefore, may impose additional tax liabilities resulting from transfer pricing adjustments (materialized in revenue increases, deductible expenses decreases, thus increasing the tax base for income tax purposes).

The current context is one in which the tax authorities focuses on making adjustments in relation to transfer pricing, these adjustments being often significant even if those transactions were documented. The Company's management believes that it will not suffer losses in case of a tax audit for verification of transfer pricing. However, the impact of different interpretations of the tax authorities cannot be estimated reliably. It may be material to the financial position and / or the Company's operations.

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

(e) Risk corresponding to the economic environment

The adjustment process of the values depending on the risk that has taken place on the international financial markets during the latest years affected their performance seriously, including the financial market of Romania, resulting in an increased incertitude related to the future economic evolution.

The effects of the international financial crises were also felt on the Romanian financial market particularly as: the significant increase of the volume of non performing loans in the autochthonous bank system, the hardening of the access to financing both for the population and for the economic agents, banks' orientation rather to the financing of authorities, through the acquisition of state titles rather than the financing of the economic development or of the consumption, the impairment of the national currency, the decrease of the prices at the real estate assets, the negative evolution of the macroeconomic indicators (inflation, budgetary deficit, current account deficit, decrease of the direct foreign investments, decrease of the unemployment rate etc.)

The Group cannot forecast all effects of the crisis with impact over the financial sector of Romania, but it considers that in 2015 it adopted the necessary measures to sustain and to develop the Group under the current conditions on the financial market, through the follow-up of the cash flows and harmonization of the investment policies.

Avoiding the risks, reducing their effects is ensured by the group according to an investment policy that fulfills the prudential rules imposed by the legal provisions and the applicable regulations in force.

The Group has adopted risk management policies according to which an active management is realized, applying specific risk identification, evaluation, measurement and control procedures, that should offer the reasonable assurance as concerns the fulfillment of the group goals, aiming a constant balance between risk and the expected profit.

The risk management process aims: (i) identifying and evaluating the significant risks with major impact in achieving the investment goal and the development of the activities that should counteract the risk identified; (ii) adapting the risk management policies to the financial evolutions of the capital market, following the performance and improving the risk management procedures; (iii) reviewing the investment decisions correlated to the evolution of the capital market and the monetary market; (iv) fulfilling the legislation in force.

The significant solvability problems of certain countries in the Euro area also continued during 2015, what resulted in speculations regarding the long-term sustainability of the Euro area. The deep recession in some counties, the worldwide consequences of the tax austerity programs and of other governmental actions, as well as the preoccupations related to the viability of the financial institutions in certain countries resulted in an increase of the state titles volatility, that has reached worrying levels during the latest year.

Most recently, certain actions undertaken by the European Central Banks and the European Commission led to positive results as regards the improvement of the market trust. Despite it, the situation remains fragile.

5. SIGNIFICANT RISK MANAGEMENT (CONTINUED)

(f) Operational risk

The operational risk is the risk of registering direct or indirect losses resulted from lacks or deficiencies of the procedures, personnel, internal systems of the Group or from external events that may have an impact over its operations. The operational risks result from all the Group activities.
The goal of the Group is to manage the operational risk so that to limit the financial losses, not to damage the reputation and to achieve the investment goal to generate benefits for investors. The primary responsibility regarding the implementation and development of the control over the operational risk corresponds to the Board of Directors. This responsibility is supported by the development of the general management standards of operational risk, comprising the controls and processes to the suppliers of services and the service commitments with the services suppliers.

(g) Capitals harmonization

The management policy as concerns the capital harmonization is focused on maintaining a solid capital basis, in order to support the continuous development of the Group and to reach the investment goals.
The equity of the Group includes the share capital, various types of reserves, the reported result and the minority interests. The equity amounted to 1,893,605,469 as at 31 December 2015 (1,635,867,988 lei as at 31 December 2014, 1,592,672,204 lei as at 01 January 2014).

6 ACCOUNTING ESTIMATIONS AND SIGNIFICANT JUDGMENTS

The management discusses the development, selection, presentation and application of the significant accounting policies and estimations. All these are approved within the meetings of the Company Board of Directors.
These presentations complete the information about the financial risk management (see note 5).

Key sources of the estimations incertitude

The significant accounting judgments for applying the accounting policies of the Group include:

Application of the Amendments to IFRS 10 Investment entities

The Group analyzed the possibility to apply IFRS 10 and the Amendments to *IFRS 10, IFRS 12 and IAS 27* (*Investment companies*), the criteria mentioned in the Amendments related to the fulfillment by the Group of the conditions of investment entity. The management conclusion is that, at present, the Group does not fulfill all requirements disposed by IFRS 10 and by the Amendments, such as: *the establishment of a strategy of exit* for substantially all the investments that could be held during an indefinite period of time and *fair value based administration* regarding the holdings in the portfolio companies.

Provisions for the receivables impairment

The assets registered at the amortized cost are evaluated for impairment according to the accounting policies described at notes 4(d)(iv) and 4(d)(v).
The evaluation for the receivables impairment is carried-out at individual level and is based on the best estimation of the management regarding the current value of the cash flows expected to be received. In order to estimate these flows, the management makes certain estimations related to the financial statement of the counterparty. Each impaired asset is analyzed individually. The precision of the provisions depends on the estimation of the future cash flows for the specific counterparties.

Determining the fair value of the financial instruments
The fair value of the financial instruments that are not traded on an active market is determined using the evaluation techniques described in the accounting policy 4(f)(iv). For rarely traded financial instruments and for which there is no transparency of prices, the fair value is less objective and is determined suing various levels of estimations regarding the liquidity degree, the concentration degree, the incertitude of the market factors, hypothesis and other risks affecting the respective financial instrument.

6. ACCOUNTING ESTIMATIONS AND SIGNIFICANT JUDGMENTS (CONTINUED)

The Group uses the following hierarchy of methods to calculate the fair value:

- Level 1: The market price quoted on an active market for an identical instrument.
- Level 2: Evaluation techniques based on observable elements. This category includes evaluated instruments using: the market price quoted on the active markets for similar instruments; prices quoted for similar instruments on the markets considered less active; or other evaluation techniques in which the elements can be observable directly or indirectly from the market statistics.
- Level 3: Evaluation techniques greatly based on non-observable elements. This category includes all instruments for which the evaluation technique includes elements that are not based on observable data and for which the non-observable entry parameters can have a significant effect over the instrument evaluation. This category includes instruments that are evaluated based on the quoted prices for similar instruments but for which adjustments are necessary based greatly on non-observable data or on estimations to reflect the difference between the two instruments.

The fair value of the financial assets and liabilities that are traded on active markets is based on the prices quoted on the market or on the prices quoted by intermediaries. For all the other financial instruments, the Group determines the fair value using evaluation techniques. The evaluation techniques include the current net value and the models of the updated cash flows, the comparison with similar instruments for which there are observable market prices and other evaluation techniques. The hypothesis and the data used in the evaluation techniques include interest rates without risk and reference rates, credit spread and other premiums used to estimate the updated rates, yield of the bonds and capitals, exchange rates, capital price indexes, volatilities and forecasted correlations. The purpose of the evaluation techniques is to determine the fair value that should reflect the price of the financial instruments on the reporting date, price that would be determined under objective conditions by the market participants.

The Group uses recognized evaluation models to determine the fair value of the simple financial instruments that use only observable market data and ask very few estimations from the management (for example instruments that are not evaluated based on the prices quoted for similar instruments for which adjustments based on observable data or on estimations are not necessary to reflect the difference between the two instruments). The observable data and the entry parameters in the model are usually available on the market for capital instruments. Their availability reduces the need of estimations and of analyses from the management and the incertitude associated to determine the fair value. The availability degree of the observable market prices and of the entry data vary depending on the products and markets and is referred to the changes resulting from specific events and from the general conditions of the financial markets.

As concerns the shares that have no market price quoted on an active market, the Group uses the evaluation models that are usually derived from the known evaluation models. Part of or all the significant inputs in these models may not be observable on the market and result from the market prices or are estimated based on hypothesis. The evaluation models needing non-observable entry elements require to a greatest extent a high degree of analysis and estimation from the management to determine the fair value. The analysis and the estimation from the management interfere particularly in selecting the adequate evaluation model, in determining the future cash flows of the financial instrument, in determining the probability of non fulfilling the obligations by the counterparty and the advance payments and in selecting some adequate update rates.

6. ACCOUNTING ESTIMATIONS AND SIGNIFICANT JUDGMENTS (CONTINUED)

As regards the financial instruments for which there is no active market (level 2 and 3), the fair value was determined by the authorized evaluators within the current evaluation Compartment within the Group, using the strategy established by the management of the issuing company and some evaluation techniques that include techniques based on the net updated value, updated cash flows method, comparison method with the similar instruments for which there is an observable market price. The evaluation techniques were used coherently and there is no modification in applying them.

An analysis of the financial instruments recognized at the fair value according to the evaluation method is presented in the table below:

31 December 2015 *In LEI*	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss	449	-	-	449
Available-for-sale financial assets at fair value – shares	1,073,335,385	2,876,225	20,067,313	1,096,278,923
Available-for-sale financial assets at fair value – fund units	-	-	48,661,430	48,661,430
	1,073,335,834	2,876,225	68,728,743	1,144,940,801

31 December 2014 *In LEI*	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss	132,318,525	-	-	132,318,525
Available-for-sale financial assets at fair value – shares	709,516,989	1,964,447	22,412,894	733,894,330
Available-for-sale financial assets at fair value – fund units	-	-	48,136,143	48,136,143
	841,835,516	1,964,447	70,549,037	914,348,998

01 January 2014 *In LEI*	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss	18,810,969	-	-	18,810,969
Available-for-sale financial assets at fair value – shares	959,859,318	2,562,254	17,020,256	979,441,828
Available-for-sale financial assets at fair value – fund units	-	-	-	-
	978,670,287	2,562,254	17,020,256	998,252,797

6. ACCOUNTING ESTIMATIONS AND SIGNIFICANT JUDGMENTS (CONTINUED)

The table below presents the reconciliation from the initial balance to the final balance for the available-for-sale financial assets at fair value, level 3 of the hierarchy of the fair values:

	Available-for-sale assets shares	Available-for-sale assets – fund units
2014		
Balance as at 1 January 2014	17,020,256	-
Transfers from evaluated at cost	-	-
Transfers from level 2 to level 3	-	-
Transfers from tangible assets	-	-
(Earnings) or losses recognized in:	-	-
- the statement of income	-	-
- other items of the global result	5,392,638	(5,063,829)
Adjustment for value loss recognized in the profit and loss		
Acquisitions	-	53,199,972
Acquisition cost of the participations assigned	-	-
Balance as at 31 December 2014	22,412,894	48,136,143
2015		
Balance as at 1 January 2015	22,412,894	48,136,143
Transfers from evaluated at cost	-	-
Transfers from tangible assets	-	-
(Earnings) or losses recognized in:	-	-
- the statement of income	-	-
- other items of the global result	(2,345,581)	525,286
Adjustment for value loss recognized in the profit and loss	-	-
Acquisitions /Entries	-	-
Acquisition cost of the participations assigned	-	-
Balance as at 31 December 2015	20,067,313	48,661,429

6. ACCOUNTING ESTIMATIONS AND SIGNIFICANT JUDGMENTS (CONTINUED)

Although the Group considers its own estimations of the fair value as being adequate, the use of other methods or suppositions could result in different values of the fair value. For the fair values recognized following the use of a significant number of observable inputs (level 3), the change of one or many assumptions in order to make possible the alternative assumptions, would have effects over the global result as follows: a modification of the variables that were considered in determining the price of the shares classified at level 3 (shares that do not have a market price quoted on active market) what would result in its increase with 10% would involve the increase of other items of the global result, net of taxes amounting to 5,773,214 lei (31 December 2014: 5,926,119 lei, 01 January 2014: 1,429,702 lei). Implicitly, a modification of the variables resulting in a decrease of the share price with 10% would have an equal, contrary impact.

Classification of financial assets and liabilities

The Group accounting policies offer the basis so that the assets and liabilities should be classified, at the initial moment, in various accounting categories. In order to classify the assets and liabilities at the fair value through profit and loss, the Group determined that one or more criteria presented at note 4(f)(i) were complied with.

In order to classify the financial assets as being held to maturity, the Group determined that both the positive intention and the capacity to maintain that asset to maturity, required by note 4(d)(i), were complied with.

The details related to the classification of financial assets and liabilities of the Group are presented at note 7.

7 FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below summarizes the carrying amounts and the fair values of the financial assets and liabilities as at 31 December 2015:

	Tradable	Designated at the fair value	Available for sale	Amortized cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	-	210,074,170	210,074,170	210,074,170
Financial assets at fair value through profit and loss	449	-	-	-	449	449
Available-for-sale financial assets	-	-	1,170,248,459	-	1,170,248,459	1,170,248,459
Investments held to maturity	-	-	-	34,498,231	34,498,231	38,083,744
Other financial assets	-	-	-	152,618,066	152,618,066	152,618,066
Total financial assets	449	-	1,170,248,459	397,190,467	1,567,439,375	1,571,024,888
Loans	-	-	-	111,566,492	111,566,492	111,566,492
Dividends payable	-	-	-	20,850,806	20,850,806	20,850,806
Other financial liabilities	-	-	-	156,519,778	156,519,778	156,519,778
Total financial liabilities	-	-	-	288,937,076	288,937,076	288,937,076

In order to estimate the fair value of the financial assets and liabilities measured at amortized cost, the Group used the following estimations and carried-out the following significant judgments:

- For the cash and cash equivalents, other financial assets and liabilities that are issued or held on very short terms and that are generally interest bearing or are fixed interest bearing, the Group approximated the fair value with their cost;
- For the investments held to maturity, the Group used evaluation techniques of the type of the updated cash flows, using the observable inputs on the market (therefore, the evaluation was realized using the techniques at level 3).

7. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Accounting classifications and fair values

The table below summarizes the carrying amounts and the fair values of the financial assets and liabilities as at 31 December 2014:

	Tradable	Designated at the fair value	Available for sale	Amortized cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	-	140,039,103	140,039,103	140,039,103
Financial assets at fair value through profit and loss	132,318,525	-	-	-	132,318,525	132,318,525
Available-for-sale financial assets	-	-	816,736,381	-	816,736,381	816,736,381
Investments held to maturity	-	-	-	50,844,602	50,844,602	56,001,357
Other financial assets	-	-	-	198,878,401	198,878,401	198,878,401
Total financial assets	132,318,525	-	816,736,381	389,762,106	1,338,817,012	1,343,973,767
Loans	-	-	-	114,733,697	114,733,697	114,733,697
Dividends payable	-	-	-	13,126,579	13,126,579	13,126,579
Other financial liabilities	-	-	-	155,199,763	155,199,763	155,199,763
Total financial liabilities	-	-	-	283,060,039	283,060,039	283,060,039

7. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Accounting classifications and fair values

The table below summarizes the carrying amounts and the fair values of the financial assets and liabilities as at 01 January 2014:

	Tradable	Designated at the fair value	Available for sale	Amortized cost	Total carrying amount	Fair value
Cash and cash equivalents	-	-	-	162,282,725	162,282,725	162,282,725
Financial assets at fair value through profit and loss	18,810,969	-	-	-	18,810,969	18,810,969
Available-for-sale financial assets	-	-	1,016,728,099	-	1,016,728,099	1,016,728,099
Investments held to maturity	-	-	-	51,837,732	51,837,732	53,832,327
Other financial assets	-	-	-	130,285,641	130,285,641	130,285,641
Total financial assets	18,810,969	-	1,016,728,099	344,406,098	1,379,945,166	1,381,939,761
Loans	-	-	-	131,847,026	131,847,026	131,847,026
Dividends payable	-	-	-	23,322,090	23,322,090	23,322,090
Other financial liabilities	-	-	-	125,155,255	125,155,255	125,155,255
Total financial liabilities	-	-	-	280,324,371	280,324,371	280,324,371

8 OPERATING INCOME

	2015	2014
Income from the sale of goods	371,166,101	359,720,906
Income from lease	24,192,205	19,149,540
Income from interests corresponding to deposits	3,996,383	4,747,132
Income from dividends	14,961,770	10,882,704
Income from interests corresponding to investments	3,358,549	3,001,137
Income from services rendered	34,489,330	45,924,551
Other income	4,351,634	4,915,144
Total	456,515,972	448,341,114

9 OPERATING EXPENSES

	2015	2014
Expenses with goods	8,192,345	12,122,203
Expenses with amortization	41,630,758	41,518,139
Consumables (fuel, parking, spare parts)	65,536,021	62,832,844
Expenses with maintenance and repairs	4,164,103	2,643,403
Expenses with salaries and other expenses with personnel	114,025,566	101,397,516
Expenses with royalties, premises and rents	2,466,765	2,130,125
Expenses with electricity, heating and water	23,274,002	23,260,212
Expenses with raw materials	101,691,751	101,056,019
Services executed by third parties	40,654,765	43,277,907
	18,751,679	21,015,246
Total	420,387,755	411,253,614

Expenses with salaries and other expenses with personnel are detailed as follows:

	2015	2014
Expenses with salaries	88,512,561	75,600,470
Expenses with social security	20,315,381	20,496,901
Expenses with meal tickets	5,197,624	5,300,145
Total	114,025,566	101,397,516

10 EARNINGS/ LOSS FROM REAL ESTATE INVESTMENTS

	2015	2014
Earnings from real estate investments	33,384,134	28,030,059
Loss from real estate investments	(19,683,791)	(3,039,612)
Net effect of the change of value corresponding to the real estate investments	13,700,343	24,990,447

11 EARNINGS/ LOSS FROM FINANCIAL ASSETS

- Transactions with available-for-sale financial assets

In LEI	2015	2014
Acquisition cost of the available-for-sale financial assets assigned	(25,480,819)	(70,977,496)
Receipts from sale	73,290,865	230,093,845
Other income /(expenses) from assignment (*)	7,519,628	(1,844,091)
Net earnings from the sale of financial assets	55,329,674	157,272,258

- Other net earnings / losses regarding the financial assets

	2015	2014
Expenses with adjustments for the impairment of the available-for-sale financial assets	(2,321,467)	(6,693,321)
Earnings from the financial assets at fair value through profit and loss	11,959,168	1,860,361
Losses of financial assets at fair value through profit and loss	(12,628,838)	(11,635,553)
Net loss from other financial assets	(2,991,137)	(16,468,513)
Total earnings from financial assets	52,311,655	140,794,999

11 EARNINGS/ LOSS FROM FINANCIAL ASSETS (CONTINUED)

(*) In year 2015 Other income from assignment includes:

- the value of the building and land obtained following the withdrawal from Hidrotim SA Timişoara (6.8 mil lei);
- the value of the land acquired following the withdrawal of a quota of Azuga SA (0.7 mil lei).

In year 2014 Other income from assignment includes the difference between the value of the land brought by Hidro Jepi SA to the share capital of Azuga SA company and its contribution value.

12 OTHER NET EARNINGS /LOSSES

	2015	2014
Sale of fixes means:		
– Income	1,983,981	18,558,772
– Expenses	(1,527,976)	(14,792,638)
Impairment of current assets:		
– Reversals	8,705,445	3,795,756
– Amounts established during the period	(2,735,598)	(6,960,148)
Reevaluation effect of the real estate assets:		
– Reversals	4,126	331,161
– Amounts established during the period	(11,273,142)	(932,430)
Modifications of provisions:		
– Reversals	3,275,856	1,762,303
– Amounts established during the period	(8,741,175)	(6,970,789)
Other (losses) / earnings – net	33,536,557	8,732,570
Total	23,228,074	3,524,557

At row Other net (losses) / earnings as at 31 December 2015, amounts of 27,335,675 lei are registered, representing the difference between the recovered value of the receivables guaranteed from the debtors TM Agro (SIF Imobiliare) and the acquisition cost of the receivables assigned from the assignor Lemen Holding Limited.

13 FINANCIAL INCOME AND EXPENSES

	2015	2014
Expenses with interest	4,660,036	4,906,601
Losses from the exchange rate differences	13,078,594	8,968,225
Other financial expenses	28,204	107,743
Financial expenses	17,766,834	13,982,569
Earnings from the exchange rate differences	(11,820,093)	(9,278,645)
Other financial income	630	(52,442)
Financial income	(11,819,463)	(9,331,087)
Net financial expenses	5,947,371	4,651,482

14 PROFIT TAX

	2015	2014
Current profit tax (16%)	16,460,559	33,719,132
Dividends tax (0%, 10%, 16%)	1,998,113	1,762,127
Available-for-sale financial assets	1,878,158	(16,914,428)
Financial assets at fair value through profit and loss	1,557,868	(1,484,609)
Tangible assets /Real estate investment	3,627,704	(1,724,992)
Provisions for risks and expenses and adjustments of receivables and inventories	(75,041)	(474,832)
Total profit tax recognized in the result of the year	25,447,360	14,882,398

14. PROFIT TAX (CONTINUED)

The reconciliation of the profit before tax with the expenses with the profit tax in the statement of income:

	2015	2014
Profit before tax	127,659,254	202,031,420
Tax according to the statutory taxation rate	19,913,668	30,472,482
Dividend tax	1,998,113	1,762,127
Effect on the profit tax of :		
The non-taxable income	(10,015,123)	(2,786,782)
The non-deductible expenses and assimilated items (*)	20,062,699	12,491,946
The deductions	(5,895,292)	(5,574,212)
The items similar to income	3,379,484	2,177,008
The items similar to expenses	(7,193,390)	(10,656)
Tax loss to recover from the previous years	(1,595,232)	(1,615,681)
The amounts representing sponsorship within the legal limits and other deductions	(484,196)	(801,056)
Tax credit	(1,712,061)	(633,917)
Deferred tax	6,988,689	(20,598,861)
Profit tax	18,458,672	35,481,259

(*) Starting with January 1st 2014, the amendments to the Fiscal code come into force, according to which the income from the sale/assignment of the participation titles and income from liquidation are included in the category of non-taxable income for the calculation of the profit tax, together the dividend income, regardless if the legal entities in which participation titles are held are Romanian or foreign legal entities, from states with which Romania has celebrated conventions for avoiding the double taxation (including outside the EU). This income is not taxable if certain conditions are fulfilled (if on the date of sale / assignment of the participation title or on the date of beginning the liquidation operation the minimum period of 1 year is fulfilled regarding the continuous holding of a participation of minimum 10%). Taking into account that the economic benefits related to the available-for-sale financial assets that fulfill the conditions established in the Fiscal Code are not taxable, according to IAS 12, the tax basis of the respective assets is equal to the accounting base and, therefore, the receivables with the previous deferred tax were resumed for expenses recognized for the temporary differences generated by the adjustments for the loss of value.

During the previous years, following the acquisition of ERSTE shares by exchange with BCR shares, according to IFRS accounting system, the earnings were registered in the reported result and a deferred tax corresponding to transaction was established.
The current profit tax also comprises the deferred profit tax corresponding to the sales of ERSTE shares during year 2015. The Group calculates the profit tax resulted following the transaction with ERSTE shares as difference between the sale price and the tax basis of the share. In the absence of a specific tax regulation, the profit tax is calculated both as difference between the sale price and the IFRS cost of the share and registered through the expenses with the profit tax, and as difference between the IFRS cost of the share and the fiscal basis of the ERSTE share, by resuming the tax calculated from the deferred profit tax.

15 CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014	01 January 2014
Cash on hand	507,447	441,223	563,042
Current accounts at banks	24,867,783	26,800,513	19,879,138
Deposits at bank with initial maturity smaller than 3 months	13,540,953	55,877,139	63,876,189
Attached interest corresponding to deposits	952,485	552,287	85,416
Other values	11,162,063	105,445	114,086
Total cash and cash equivalents with maturity smaller than 3 months	51,030,731	83,776,607	84,517,871
Deposits at bank with initial maturity higher than 3 months	159,043,439	56,262,496	77,764,855
Total cash and cash equivalents	210,074,170	140,039,103	162,282,725

The current accounts opened with banks and pledged bank deposits:
The accounts of **SIF Hoteluri** are pledged to Sanpaolo Bank.
Central Cluj holds the real estate mortgage **in favor of a bank** having as object the collateral deposit account opened by SC CENTRAL SA la UNICREDIT:
–as at 01/01/2014 this account amounts to 176,800 EURO;
–as at 12/31/2014 this account amounts to 143,600 EURO;
–as at 12/31/2015 this account amounts to 83,700 EURO.
Azuga established real estate mortgages on the credit balances of the accounts opened with Veneto Banca S.c.p.a and Banca Comercială Feroviară.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31 December 2015	31 December 2014	01 January 2014
Shares	449	124,600,534	18,433,149
Domestic market	449	124,600,534	14,389,854
Foreign market			4,043,295
Structured financial instruments	-	7,717,991	-
Foreign markets	-	7,717,991	-
Fund units – domestic market			377,820
Total	449	132,318,525	18,810,969

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

The evaluation of the shares at the fair value was realized by multiplying the number of shares held on the balance sheet date by the closing price on the last trading day during the reporting period. As we can notice in the table above, the shares are traded on the main market of the Stock of Exchange of Bucharest (BVB) as well as on international stocks of exchange.

In 2015, following the analysis carried-out regarding the strategy of maintaining some titles, the reclassification of the titles held as financial assets at fair value through profit and loss was at the financial assets held for sale was realized. The carrying amount of the reclassified titles amounted to 120,945,958 lei, and the market value on the reclassification moment amounted to 113,276,063 lei, recognizing an adjustment for the loss of value, in the profit and loss account in year 2015, amounting to 7,669,895 lei.

In 2014 shares were acquired mainly from SIF Muntenia 38.7 mil. lei, SIF Moldova 35.3 mil. lei, SIF Oltenia 22.7 mil. lei, SNGN Romgaz 13.4 mil. lei, CNTEE Transelectrica 4.7mil. lei, etc.

The structured financial instruments held in year 2014 mainly include the acquisitions made during year 2014 of SIF4 PNOTE certificates (amounting to 10.1 mil lei) and minilong SIF 4 certificates (amounting to 11.6 mil. lei, out of which they were sold amounting to 4.7 mil. lei until 31 December 2014), instruments issued by Royal Bank of Scotland plc (RBS) with support assets SIF4 shares.

As at 31 December 2014 the adjustments for the loss of value corresponding to other investment titles (structured financial instruments) amounting to 9,307,997 lei include the adjustments corresponding to SIF 4 PNOTE and minilong SIF 4 certificates.

On 02/18/2015, the Group cashed from Royal Bank of Scotland the value of holding in Minilonng, amounting to 913,850 euro, registering a loss of 2,807,692 lei, compared to the acquisition cost, that did not exceed the prudential adjustment of value registered as at 12/31/2014.

On 04/03/2015, the Group cashed from SSIF Swiss Capital the amount of 10,563,572 lei the value of holding the SIF4 Pnote certificates, registering a profit of 438,787 lei compared to the acquisition value, the value adjustment registered as at 12/31/2014 amounting to 2,824,065 lei.

17 FINANCIAL ASSETS AVAILABLE FOR SALE

	2015	2014	2013
Shares evaluated at the fair value	1,096,278,923	733,894,330	979,441,829
Shares evaluated at cost	25,308,106	34,705,908	37,286,270
Fund units evaluated at the fair value	48,661,430	48,136,143	-
Total	1,170,248,459	816,736,381	1,016,728,099

The evaluation of the shares at the fair value was realized by multiplying the number of shares held on the balance sheet date by the closing price on the last trading date during the reporting period or the price determined by other evaluation methods, respectively the evaluations realized by evaluators (see Note 6). As at 31 December 2015, the category of shares evaluated at the fair value includes mainly the value of the shares held in Erste Group Bank AG, Banca Transilvania, BRD - Groupe Societe Generale S.A. (31 December 2014: Erste Group Bank AG, Banca Transilvania, BRD - Groupe Societe Generale S.A., 01 January 2014: Erste Group Bank AG, BRD - Groupe Societe Generale S.A., Banca Transilvania).

The fund units include the acquisition made during 2014 at the Closed Investment Fund Active Plus amounting to 41.2 mil. lei and at the Closed Investment Fund Omnitrend amounting to 12.0 mil lei.

The adjustments established as at 31 December 2015 amounting to 4,682,261 lei (31 December 2014: 5,063,829 lei) were recognized based on the reserves for the fund units held in the Closed Investment Fund Omnitrend.

17 FINANCIAL ASSETS AVAILABLE FOR SALE (CONTINUED)

The movement of the financial assets available for sale during the financial year ended as at 31 December 2015 is presented in the table below:

	Shares evaluated at the fair value	Shares evaluated at cost	Fund units evaluated at the fair value	Total
01 January 2014	979,447,464	37,280,635	-	1,016,728,099

In LEI	Fair value Shares evaluated at the fair value	Equity Shares evaluated at cost	Fair value Fund units evaluated at the fair value	Total
1 January 2014	979,447,464	37,280,635	-	1,016,728,099
Reclassification 2014	(2,840,018)	2,840,018	-	-
Acquisition 2014	2,554,316	4,173,774	53,199,972	59,928,063
Sales 2014	(222,801,164)	(3,686,996)	-	(226,488,160)
Modifications of associates	6,265,205	-	-	6,265,205
Establishment of adjustment of losses from impairment	(606,996)	(6,083,909)	-	(6,690,905)
Modification of the fair value	(27,942,092)	-	(5,063,829)	(33,005,921)
31 December 2014	734,076,716	34,523,522	48,136,143	816,736,381

In LEI	Fair value Shares evaluated at the fair value	Equity Shares evaluated at cost	Fair value Fund units evaluated at the fair value	Total
1 January 2015	734,076,716	34,523,522	48,136,143	816,736,381
Reclassification from assets evaluated through profit and loss	113,276,062	-	-	113,276,062
Reclassification 2015	5,446,736	(5,446,736)	-	-
Acquisition 2015	31,209,804	-	-	31,209,804
Sales 2015	(56,044,216)	(1,829,980)	-	(57,874,196)
Modifications of associates	755,124	-	-	755,124
Establishment of adjustment of losses from impairment	(376,355)	(1,944,331)	-	(2,320,685)
Modification of the fair value	267,940,684	-	525,285	268,465,970
31 December 2015	1,096,284,555	25,302,475	48,661,429	1,170,248,458

17 FINANCIAL ASSETS AVAILABLE FOR SALE (CONTINUED)

The entries of shares during year 2015, amounting to 31,209,804 lei include mainly the following:
- acquisitions of shares made at the stock exchange amounting to 31.2 mil lei (Romgaz 24.3 mil lei, Electrica 4.7 mil lei, Conpet SA 1.2 mil. lei**,** Biofarm SA 1.0 mil. lei, etc.);

The assignment of total shares amounting to 57,874,194 lei comprises the carrying amount of the participation titles withdrawn from management, mainly as result of the sales of titles (BRD 28.0 mil lei, Erste Group Bank 27.3 mil lei, Transelectrica 0.6 mil lei, etc.) and of the withdrawals from Hidrotim SA company of 1.3 mil lei.

The entries of titles held as financial assets available for sale during year 2014 include mainly acquisitions of fund units amounting to 53.2 mil lei, at the Closed Investment Fund Active Plus amounting to 41.2 mil. lei and at the Closed Investment Fund Omnitrend amounting to 12.0 mil. lei, direct acquisition of shares (including the participation in the increase of the share capital) IFB Finwest SA Arad, Hidrotim SA Timișoara, Petrocart SA, Nord Conforest SA) and acquisitions made at the stock exchange market (Conpet SA, Biofarm SA etc.).

The administrator of Active Plus fund is SAI Swiss Capital, with registered office in București, Bd. Dacia nr. 20, etaj 4, Sector 1 registered with the Trade Register Office attached to the Court of law of Bucharest under no. J40/10183/1998, sole registration code 11070990, authorized by the Securities and Exchange Commission according to Decision no. D4551 dated 10/28/1998, registered in the register of the Securities and Exchange Commission under no. PJR05SAIR/400015 dated 12/14/2004, phone 021.408.42.25, fax 021.408.42.22.

The depositary of Active Plus fund is UniCredit Țiriac Bank S.A., legal entity with registered office in București, Str. Ghețarilor nr. 23-25, sector 1, RO-014106, Romania, registered with the Trade Register Office of Bucharest Municipality under no. J40/7706/1991, having tax identification code RO361536, holder of permit BNR, series B No. 000007 dated 07/01/1994, registered in the register of the Securities and Exchange Commission under no. PJR10DEPR/400011.

The director of Omnitrend is SAI SIRA with registered office in Bucuresti, Strada Finlanda nr. 25, etaj 2, Sector 1 registered with the Trade Register Office attached to the Court of law of Bucharest under no. J40/914/1996, sole registration code 8106253, authorized by the Securities and Exchange Commission according to Decision no. 256 dated 10/19/2004, registered in the register of the Securities and Exchange Commission under no. PJR05SAIR/400008, phone 021.230.00.78, fax 021.230.45.50.

The depositary of Omnitrend fund is Banca Comercială Română S.A., Romanian legal entity with registered office in Bucureşti, B-dul Regina Elisabeta nr. 5, sector 3, registered with the Trade Register Office under no. J40/90/23.01.1991, sole registration code 361757, registered in the register of the Securities and Exchange Commission under no. PJR10/DEPR/400010 dated 05/04/2006.

The exit of titles held as financial assets available for sale during year 2014 amounting to 226.9 mil lei comprises mainly the value of the titles assigned from the portfolio such as: BRD, Erste Group Bank, Fondul Proprietatea SA, Biofarm SA București, Teraplast SA, etc.

18 INVESTMENTS HELD TO MATURITY

In LEI	**31 December 2015**	**31 December 2014**	**01 January 2014**
State titles (i)			
Bonds (ii)	33,087,934	49,104,540	50,117,385
Attached interest corresponding to the state titles and bonds	1,410,297	1,740,062	1,720,347
Total	34,498,231	50,844,602	51,837,732

The bonds in the balance as at 31 December 2015 include:
- corporate bonds issued by Banca Transilvania in EURO, amounting to 6,137,934 lei acquired in May 2013, convertible in shares of Transilvania bank, with due date in May 2020, with a variable annual rate of the interest based on $EURIBOR_{6months}$ + a margin established at 6.25%;
- bonds issued by Romenergo SA București company, amounting to 26,950,000 lei, non-convertible bonds, acquired during June 2013, with due date in June 2017 and an interest of 8% p.a.

As at 31 December 2014 there were state bonds issued by the Ministry of Public Finance denominated in EUR, amounting to 16.1 mil lei, acquired in July 2011, with due date in July 2015 and the interest rate of 4.7%.

19 RECEIVABLES

	31 December 2015	31 December 2014	01 January 2014
Trade receivables	71,234,896	85,452,708	69,540,360
Less: provisions for the impairment of trade receivables	(14,490,734)	(13,175,876)	(11,699,825)
Trade receivables – net	56,744,162	72,276,832	57,840,535
Out of which with related parties	-	231,912	2,244,757
VAT to recover	510,855	721,196	433,569
Tax receivable	-	-	11,106
Advance expenses	1,165,694	1,022,116	-
Other receivables related to personnel	39,269	33,072	1,193,056
Advances to suppliers	21,770	97,479	15,820
Other receivables	29,359,417	66,255,316	2,882,827
Total trade receivables	87,841,167	140,637,923	64,621,670
Less long-term position:			
Loans from related parties	-	-	-
Other receivables	-	-	-
Total long-term position	-	-	-
Total short-term position	87,841,167	140,637,923	64,621,670
Trade receivables not due	45,449,897	59,020,123	45,805,619
Trade receivables due, but not impaired	11,294,265	13,256,709	12,034,917

For all the trade receivables, the carrying amount is closed to their fair value.

As at 31 December 2015, the trade receivables amounting to 14,490,734 LEI (31 December 2014: 13,175,876 LEI, 01 January 2014: 11,699,825 LEI) were depreciated.

As at 31 December 2015, the trade receivables amounting to 11,294,265 LEI (2014: 13,256,709 LEI, 2013: 12,034,917 LEI) were outstanding but not impaired. The analysis of the oldness of these trade receivables is as follows:

	31 December 2015	31 December 2014	01 January 2014
Up to 30 days	8,745,969	10,115,792	10,275,764
Between 30 and 90 days	1,423,488	2,537,220	1,466,525
Between 90 and 180 days	738,312	328,931	153,011
Over 180 days	386,495	274,766	139,616
	11,294,265	13,256,709	12,034,917

General provision was not registered for these receivables.

19 RECEIVABLES (CONTINUED)

The carrying amounts of the trade receivables and other receivables of the Group are denominated in the following currency:

	31 December 2015	31 December 2014	01 January 2014
LEI	46,196,947	60,170,076	49,549,780
EUR	9,453,704	10,513,626	7,137,514
USD	259,040	528,724	316,998
GBP	834,470	1,064,406	836,243
	56,744,162	72,276,832	57,840,535

The details of the various receivables as at 31 December 2015, 31 December 2014 and 01 January 2014 are presented below:

	31 December 2015	31 December 2014	01 January 2014
Various debtors	33,488,905	70,715,505	3,220,401
Other various receivables	1,373,141	1,422,117	718,363
Less: provision for the impairment of other receivables	(5,502,629)	(5,882,306)	(1,055,937)
Total Other Receivables	29,359,417	66,255,316	2,882,827

At row Various Debtors as at 31 December 2015 the Group registered litigious receivables at the purchase price amounting to 26,886,638 lei (31 December 2014: 61,182,010 lei) according to the Litigious Rights Assignment Contract celebrated between TM Agro and Lemen Holding Limited on May 28th 2014 and to the addendum no. 1 dated December 22nd 2014.

The modifications of the provision for impaired receivables were included in "other losses /earnings" in the profit and loss statement.
The maximum exposure to the credit risk on the reporting date is the carrying amount of each class of receivables mentioned above.

The Group has the following real estate guarantees established to guarantee the bank loans:

SIFI Cj Logistic SA

A real estate guarantee is established for the income of 6 lease contracts (premises of Traian Vuia, lessees of the mortgaged buildings) and a value of the monthly rent amounting to 53,000 lei, to guarantee the payment of the real estate loan.

19 RECEIVABLES (CONTINUED)

SIFI BH Retail SA

Movable mortgage contract over the receivables resulted from the trade relations celebrated between SIFI BH Retail SA and its debtors, notifying the assigned debtors.

Central Cluj

The assignment notified and accepted having as object all receivables / receipts with lease title within the current and future lease contracts celebrated for the real estate property of SC CENTRAL

Vrancart

In order to guarantee the loans, the Group established in favor of the banks the following movable real guarantees: over the inventory of finished and semi-finished products, over the balances of the accounts opened at banks, over the receivables rights resulting from current and future contracts over the rights resulted from the insurance policies having as object the goods brought as guarantee.

20 INVENTORIES

	31 December 2015	31 December 2014	01 January 2014
Goods	13,174,622	10,453,411	13,676,414
Inventories at third parties	1,645,751	5,301,401	656,589
Production in course	5,288,690	6,164,181	6,894,564
Finished products	256,990	93,099	749,223
Raw materials and other materials	34,030,235	31,919,001	27,948,121
Total inventories	54,396,288	53,931,093	49,924,911

21 REAL ESTATE INVESTMENTS

The real estate investments held by the Group include mainly the constructions and buildings held by the companies within the portfolio for lease.

Cost (lei)	
Balance as at 1 January 2014	157,823,292
Entries	953,376
Transfer from tangible assets	51,673,621
Exits	(14,929,595)
Effect of the change of the fair value	7,189,675
Balance as at 31 December 2014	202,710,369
Balance as at 1 January 2015	202,710,369
Entries	7,356,865
Transfer from tangible assets	7,457,430
Transfers from available-for-sale assets	(27,104,429)
Exits	(3,329,186)
Effect of the change of the fair value	14,565,007
Balance as at 31 December 2015	201,656,057
Net carrying amounts	
Balance as at 1 January 2014	157,823,292
Balance as at 31 December 2014	202,710,369
Balance as at 31 December 2015	201,656,057

22 TANGIBLE ASSETS

Cost or evaluation (lei)	**Lands and buildings**	**Technical installations and machinery**	**Other installations, plants and furniture**	**Advances and tangible assets in course**	**Total**
Balance as at 1 January 2014	250,371,173	216,510,549	16,701,466	2,179,575	485,762,762
Entries	21,049,794	6,094,679	231,212	19,006,964	46,382,649
Transfers from the assets in course	460,390	10,734,376	218,644	(11,337,421)	75,989
Exits	(541,101)	(3,332,272)	(143,516)	(377,359)	(4,394,247)
Net values taken upon the acquisition of the subsidiary	37,204,759	-	40,314	-	37,245,073
Transfer to real estate investments	(48,138,591)	(827,541)	(88,418)	(2,920,155)	(51,974,705)
Reevaluation	11,921,807	-	-	(504,586)	11,417,221
Update at inflation	-	(286,760)	(207,074)	-	(493,836)
Balance as at 31 December 2014	272,328,227	228,893,031	16,752,629	5,955,318	523,929,203
Balance as at 1 January 2015	272,328,227	228,893,031	16,752,629	5,955,318	523,929,205
Entries	66,277,542	775,952	198,379	34,710,516	101,962,389
Transfers from the assets in course	3,193,419	23,898,854	153,384	(27,197,109)	48,549
Exits	(553,980)	(1,704,810)	(105,657)	(534,266)	(2,898,713)
Net values taken upon the acquisition of the subsidiary	2,015,795	1,420,139	19,980	10,000	3,465,914
Transfer to real estate investments	(7,397,896)	(17,340)	-	-	(7,415,235)
Reevaluation	(10,212,437)	-	-	(1,519,205)	(11,731,642)
Update at inflation	-	(156,338)	-	-	(156,336)
Balance as at 31 December 2015	325,650,674	253,109,489	17,018,715	10,850,016	606,628,893

22 TANGIBLE ASSETS (CONTINUED)

Value adjustments	**Lands and buildings**	**Technical installations and machinery**	**Other installations, plants and furniture**	**Advances and tangible assets in course**	**Total**
Balance as at 1 January 2014	460,202	1,738,381	395,623	-	2,594,206
Expenses with amortization	7,013,806	30,430,599	2,850,069	61,067	40,355,542
Amortization corresponding to exits	1,223,787	(890,970)	(109,636)	(19,513)	203,668
Reclassification of amortization corresponding to the real estate investments	(48,680)	(547,444)	(164,832)	-	(760,956)
Amortization corresponding to reevaluation	(2,169,609)	-	-	-	(2,169,609)
Update at inflation	-	(4,836)	(122,452)	-	(127,288)
Cancellation of amortization retreatment	(135,319)	-	-	-	(135,319)
Balance as at 31 December 2014	6,344,089	30,725,730	2,848,772	41,554	39,960,145
Balance as at 1 January 2015	6,344,089	30,725,730	2,848,772	41,554	39,960,145
Expenses with amortization	7,505,411	31,035,007	2,755,632	42,101	41,338,151
Amortization corresponding to exits	(250,025)	(1,351,386)	(87,435)	-	(1,688,847)
Reclassification of amortization corresponding to the real estate investments	(70,009)	-	-	-	(70,009)
Amortization corresponding to reevaluation	(5,002,975)	-	-	-	(5,002,975)
Return to amortization	524,038	-	-	-	524,038
Update at inflation	-	14,007	5,984	-	19,991
Cancellation of amortization retreatment	49,746	-	-	-	49,746
Balance as at 31 December 2015	9,096,494	60,423,358	5,522,953	83,655	75,126,460

22 TANGIBLE ASSETS (CONTINUED)

	Lands and buildings	Technical installations and machinery	Other installations, plants and furniture	Advances and tangible assets in course	Total
Net carrying amount					
As at 1 January 2014	249,910,971	214,772,168	16,305,843	2,179,575	483,168,556
Balance as at 31 December 2014	265,984,138	198,167,301	13,903,857	5,913,764	483,969,058
Balance as at 31 December 2015	316,554,179	192,686,131	11,495,762	10,766,361	531,502,35

Pledged assets and assets acquired following the obtaining of some subsidies

Napomar
The net value of the pledged assets as at 12/31/2015 amounts to 42,266,580 lei out of which, lands and buildings 14,358,569 lei and plants POS-CCE (subsidies) 27,908,011 lei.
The net value of the pledged assets as at 12/31/2014 amounts to 46,150,300 lei, out of which, lands and buildings 14,470,808 lei, and plants POS-CCE (subsidies) 31,679,492 lei.
The net value of the pledged assets as at 01/01/2014 amounts to 59,507,327 lei, out of which, lands and buildings 24,363,032 lei, and plants POS-CCE (subsidies) 35,144,295 lei.

Azuga Turism
The loan credit no. 280 dated 04/12/2013 with Banca Transilvania was pending development as at 01 January 2014, with mortgages over more tangible assets. During January 2014, it was proceeded to pay the loan to Banca Transilvania and therefore to cancel the guarantees during year 2014.
On 07/30/2014 the Credit line Convention no. 10396 was concluded with Veneto Banca S.c.p.a, Bucharest branch office, amounting to 450,000 lei with due date on 07/29/2015.
According to the real estate mortgage contract no. 45948 dated 07/30/2014 the mortgage was established on the real estate situated in Azuga, Str .Sorica, Nr 4A, registered in the land registry 21234 Azuga, composed of land having a surface of 2,650 sqm, under cadastral number CAD: 341, property of AZUGA TURISM SA, evaluated by an evaluator member of ANEVAR at the value of 307,000 EUR, on 05/17/2014. This Convention was extended with one year until August 2016, under the same conditions.
On 11/17/2014, Azuga Turism celebrated the Loan Contract no. 48/2202 with Banca Comerciala Feroviara –Brasov branch office for a working capital loan amounting to 2,700,000 lei, with a duration of 12 months, but not later than 10/30/2015.

According to the real estate mortgage contract no. 48B/2202 dated 11/17/2014, a land within the built-up area was mortgaged having the surface of 3885 sqm, category of use ”yards, constructions” and the building situated on this surface having 686 sqm, category of use ”administrative and social cultural buildings” in the quota of 110/111, identified at the address: Azuga, Str. Sorica, Nr.3, Jud Prahova, cadastral no. 20629-C1, land registry 20629, Decree no. 63526 dated 10/24/2011 issued by the National Agency for Cadastre and Land Registration – Office for Cadastre and Land Registration of Prahova.
As at 31/12/2015, Azuga Turism did not have any mortgage in favor of Banca Comerciala Feroviara – Brasov branch office, this one was cancelled.

22 TANGIBLE ASSETS (CONTINUED)

SIF Hoteluri

As at 31 December 2015 SIF Hoteluri holds tangible assets pledged (Hotel Doubletree by Hilton Oradea) for the loan contracted with Intesa San Paolo bank to support the hotel activity.
As at 31 December 2014 SIF Hoteluri holds tangible assets pledged with a net carrying amount of 61,147,363 lei for the loan contracted with Intesa San Paolo bank to support the hotel activity.
As at 01 January 2014 SIF Hoteluri holds tangible assets pledged with a net carrying amount of 63,535,371 lei for the loan contracted with Intesa San Paolo and CR Firente banks to support the hotel activity.

IAMU

The assets pledged for the loan contracts in favor of BRD, at the net carrying amount, amount to 28,341,696 lei as at 31 December 2015 (31 December 2014: 25,053,177 lei, 01 January 2014: 29,064,032 lei).
The net carrying amount of the non-current assets acquired following the obtaining of some subsidies amounts to 21,300,036 lei as at 31 December 2015 (31 December 2014 : 24,682,902 lei, 01 January 2014: 28,661,105 lei).

Central Cluj

The first degree mortgage over the real estate property of SC CENTRAL SA.

Vrancart

Part of the tangible assets of Vrancart are mortgaged or pledged in order to guarantee the loans taken from banks. The net carrying amount of these pledged or mortgaged non-current assets amounts to 110,642 thousands lei as at 12/31/2015 (12/31/2014: 103,468 thousands lei, 01/01/2014: 108,902 thousands lei).

The total value (cost) of the property, plant and equipment acquired by governmental subsidies allowed until 31 December 2015 amounts to 81,659,069 lei (12/31/2014: 68,527,368 lei, 01/01/2014: 22,585,664 lei).

Somplast

As at 31 December 2015, Somplast holds property, plant and equipment acquired in financial leasing that have a net carrying amount of 147,891 lei (31 December 2014: 83,553 lei). The assets held in leasing or acquired in installments are encumbered by pledge corresponding to the leasing debts or sale and purchase contracts in installments.
The net carrying amount of other assets pledged in favor of Banca Transilvania S.A. Cluj and DGPFP Bistrita - Nasaud amount to 4,300,578 lei as at 31 December 2015 (31 December 2014: 4,589,102 lei, 01 January 2014: 4,884,277 lei).

SIF Imobiliare

BH Retail company holds a mortgage established over the real estate composed of 41 trading premises, divided, arranged to be rented in favor of the bank to guarantee the loan.
SIFI CJ Logistic company has 5 assets pledged in favor of the bank to guarantee the loans.

22 TANGIBLE ASSETS (CONTINUED)

Assets held in financial leasing

Vrancart

The net carrying amount of the non-current assets acquired by financial leasing amounts to 503 thousands lei as at 12/31/2015 (12/31/2014: 2,283 thousands lei, 01/01/2014: 3,404 thousands lei).

Somplast
As at 31 December 2015, Somplast has registered as financial leasing the property, plant and equipment having a net carrying amount of 147,891 lei.
As at 31 December 2014, Somplast has registered as financial leasing the property, plant and equipment having a net carrying amount of 83,553 lei.

SIF Imobiliare

Administrare Imobiliare company holds a leasing contract for motor vehicle.

23 TRADE LIABILITIES

	31 December 2015	31 December 2014	01 January 2014
Trade liabilities	31,683,672	36,298,985	34,306,646
Amounts owed to subsidiaries	35,908,751	33,963,012	(90,351)
Amounts owed to employees	14,791,445	8,842,331	8,739,563
Advances from clients	2,181,192	1,489,770	1,460,539
Advance income	1,510,975	1,432,563	1,092,653
Debt corresponding to the profit tax	9,449,172	4.837.251	15,875,304
Social security and other taxes	737,446	(662)	1,169,253
VAT payable	1,858,444	1,338,507	25,592
Other liabilities – short-term	5,332,342	12,220,356	2,228,254
Other liabilities – long-term	367,406	1,290,681	5,520,956
Total liabilities	103,820,845	101,712,794	70,328,409

24 DIVIDENDS PAYABLE

In LEI	31 December 2015	31 December 2014	01 January 2014
Dividends payable corresponding to year 2014	20,850,807	-	-
Dividends payable corresponding to year 2011	-	13,126,579	13,269,300
Dividends payable corresponding to year 2010	-	-	10,052,791
Total dividends payable	20,850,807	13,126,579	23,322,091

According to the Decision of the General Meeting of Shareholders, the dividends not taken during three years and for which the right to ask the payment was prescribed is registered in equity at Other reserves.

25 LIABILITIES REGARDING THE DEFERRED PROFIT TAX

The assets and liabilities regarding the deferred tax as at 31 December 2015 are generated by the items detailed in the table below:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through profit and loss	(449)	-	(449)
Available-for-sale financial assets	-	763,821,268	(763,821,268)
Tangible assets and real estate investments	-	166,318,158	(166,318,158)
Total	(449)	930,139,426	(930,139,875)
Tax corresponding to the loss carried forward	-	-	-
Net temporary differences - 16%	-	-	(930,139,875)
Net temporary differences - 10%	-	-	-
Liabilities regarding the deferred profit tax	-	-	(148,822,379)

25 LIABILITIES REGARDING THE DEFERRED PROFIT TAX (CONTINUED)

The liabilities related to the deferred tax as at 31 December 2014 are generated by the items detailed in the table below:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through profit and loss	14,800,054	-	14,800,054
Available-for-sale financial assets	-	530,942,953	(530,942,953)
Tangible assets	-	148,588,676	(148,588,676)
Total	14,800,054	679,531,629	(664,731,575)
Tax corresponding to the loss carried forward	-	-	-
Net temporary differences - 16%	-	-	(664,731,575)
Liabilities regarding the deferred profit tax	-	-	(106,357,052)

The liabilities related to the deferred tax as at 01 January 2014 are generated by the items detailed in the table below:

In LEI	Assets	Liabilities	Net
Financial assets at fair value through profit and loss	457,567	-	457,567
Available-for-sale financial assets	-	802,742,363	(802,742,363)
Tangible assets	-	121,609,091	(121,609,091)
Total	457,567	924,351,455	(923,893,888)
Tax corresponding to the loss carried forward	-	-	-
Net temporary differences - 16%	-	-	(923,893,888)
Liabilities regarding the deferred profit tax	-	-	(147,823,022)

25 LIABILITIES REGARDING THE DEFERRED PROFIT TAX (CONTINUED)

The movements during the years corresponding to the liabilities regarding the deferred tax are presented below:

	Value
Liabilities deferred tax 01 January 2014	(147,823,022)
Tax with impact over the profit and loss	20,598,861
Impact of assets evaluation reserves held for sale	20,868,109
Liabilities deferred tax 31 December 2014	(106,357,052)
Tax with impact over the profit and loss	(6,988,689)
Impact of assets evaluation reserves held for sale	(35,476,638)
Liabilities deferred tax 31 December 2015	(148,822,379)

26 LOANS

	31 December 2015	31 December 2014	01 January 2014
Long-term			
Loans	56,849,626	70,947,401	67,537,706
Financial leasing liabilities	178,867	109,399	303,888
Total long-term loans	57,028,493	71,056,800	67,841,594
Short-term			
Loans	54,353,842	43,140,730	62,498,674
Financial leasing liabilities	184,157	536,167	1,506,760
Total short-term loans	54,537,999	43,676,897	64,005,434
Total loans	111,566,492	114,733,697	131,847,026

The fair value of the loans equals to their carrying amount. The update impact is not significant because all loans are variable interest rates bearing.

26 LOANS (CONTINUED)

The distribution of loans (exclusive the financial leasing liabilities) of the Group on currency is presented as follows:

Currency	**31 December 2015**	**31 December 2014**	**01 January 2014**
EUR	64,662,276	81,283,091	98,037,992
RON	46,541,192	32,805,040	31,998,390
Total	111,203,468	114,088,131	130,036,381

The bank loans and the overdraft are guaranteed with the lands and buildings (Note 22) and the trade receivables (Note 19) of the Group.

26 LOANS (CONTINUED)

Bank	Total value of the loan	Loan balance as at 31 December	Loan currency	Interest	Maturity	Year	Entity	Value RON
Banca Transilvania	574,507	1,694,338	EUR	4,50%	H2 2020	2015	SIF Imobiliare	1,694,338
Banca Transilvania	574,507	2,008,193	EUR	4,50%	H2 2020	2014	SIF Imobiliare	2,008,193
Banca Transilvania	574,507	1,972,494	EUR	4,50%	H2 2020	2013	SIF Imobiliare	1,972,494
Veneto Banca	2,000,000 EUR	7,823,615	RON	4,41%	12/02/2022	2015	SIF Imobiliare	7,823,615
Veneto Banca	2,000,000 EUR	8,870,823	RON	4,41%	12/02/2022	2014	SIF Imobiliare	8,870,823
Raiffeisen Bank	1,750,000	652,273	RON	Robor 1M+4,5%	05/25/2019	2015	SIF Imobiliare	652,273
Raiffeisen Bank	1,750,000	843,182	RON	Robor 1M+4,5%	05/25/2019	2014	SIF Imobiliare	843,182
Raiffeisen Bank	1,750,000	1,034,091	RON	Robor 1M+4,5%	05/25/2019	2013	SIF Imobiliare	1,034,091
Banca Comerciala Romana	5,200,000	2,456,820	EUR	Euribor 6 months+3pp	12/18/2020	2015	Napomar	11,115,882
Banca Comerciala Romana	2,700,000	1,932,829	RON	Robor 3M + 2,25pp	12/11/2016	2015	Napomar	1,932,829
Banca Comerciala Romana	5,200,000	2,948,184	EUR	Euribor 6 months +3pp	12/18/2020	2014	Napomar	13,214,056

Bank	Total value of the loan	Loan balance as at 31 December	Loan currency	Interest	Maturity	Year	Entity	Value RON
Banca Comerciala Romana	2,700,000	1,832,749	RON	Robor 3M + 2.25pp	12/12/2015	2014	Napomar	1,832,749
Banca Comerciala Romana	5,200,000	3,439,548	EUR	Euribor 6 months + 2,50pp	12/18/2020	2013	Napomar	15,425,341
Banca Comerciala Romana	2,700,000	2,182,272	RON	Robor 3M + 3pp	12/13/2014	2013	Napomar	2,182,272
Intesa Sanpaolo Romania	4,700,000	2,264,455	EUR	Euribor 3 M + 3.5%	09/15/2021	2015	SIF Hoteluri	10,245,527
Intesa Sanpaolo Romania	4,700,000	2,336,455	EUR	Euribor 3 M + 3%	09/15/2021	2014	SIF Hoteluri	10,472,225
Intesa Sanpaolo Romania	4,700,000	4,285,294	EUR	Euribor 3 M + 3%	09/15/2021	2013	SIF Hoteluri	19,218,258
Intesa Sanpaolo Romania	500,000	458,333	EUR	Euribor 3 M + 3.25%	03/30/2022	2013	SIF Hoteluri	2,055,487
Intesa Sanpaolo Romania	1,200,000	1,122,222	EUR	Euribor 3 M + 3.25%	05/23/2022	2013	SIF Hoteluri	5,032,830
Banca Comerciala Feroviara	2,700,000	-	RON	ROBOR 3 MONTHS+4.8%	10/30/2015	2015	Azuga	-
Veneto Banca	450,000	-	RON	ROBOR 3 MONTHS +3.1%	07/29/2016	2015	Azuga	-
Banca Transilvania	5,270,869	-	RON	9.67%	04/11/2020	2014	Azuga	-
Banca Comerciala Feroviara	2,203,885	2,203,885	RON	ROBOR 3 MONTHS +4,8%	10/30/2015	2014	Azuga	2,203,885
Veneto Banca	450,000	197,664	RON	ROBOR 3 MONTHS +3.1%	07/29/2015	2014	Azuga	197,664
BRD - Groupe Société Générale	2,199,998	-	EUR	EURIBOR 3 M + 2.95%	07/23/2014	2013	Azuga	-
Banca Transilvania	5,270,869	731,247	RON	9.67%	04/11/2020	2013	Azuga	731,247

Bank	**Total value of the loan**	**Loan balance as at 31 December**	**Loan currency**	**Interest**	**Maturity**	**Year**	**Entity**	**Value RON**
BRD - Groupe Société Générale	3,550,000	2,420,695	EUR	1.6% + Eurobor 3M	year 2020. August	2015	Iamu	10,952,435
BRD - Groupe Société Générale	3,550,000	2,889,217	EUR	2.5% + Euribor 3M	year 2020. August	2014	Iamu	12,949,758
BRD - Groupe Société Générale	3,550,000	3,357,738	EUR	3.15 + Eurobor 3M	year 2020. August	2013	Iamu	15,058,449
Unicredit Bank	4,413,471	9,560,738	RON	2.35%+Euribor 1 month	06/30/2017	2015	Central Cluj	9,560,738
Unicredit Bank	4,413,471	10,806,734	RON	2.35%+Euribor 1 month	06/30/2017	2014	Central Cluj	10,806,734
Banca Transilvania	3,600,000	3,505,448	RON	6.00%	I year	2013	Somplast	3,505,448
Banca Transilvania	300,000	300,000	RON	EURIBOR 3 M +3%	3 months	2013	Somplast	300,000
Banca Transilvania	3,600,000	3,291,562	RON	Robor 6m+1.8 pp	1 year	2014	Somplast	3,291,562
Banca Transilvania	300,000	300,000	RON	6M+3	3 months	2014	Somplast	300,000
ING Bank	500,000	442,543	RON	RRF B+2.5	1 year	2014	Somplast	442,543
Banca Transilvania	4,000,000	3,534,616	RON	6m+1.7pp	1 year	2015	Somplast	3,534,616
Banca Transilvania	300,000	300,000	RON	Robor 6 months +3%	3 months	2015	Somplast	300,000
ING Bank	500,000	488,997	RON	RRF B +2.5%	1 year	2015	Somplast	488,997
Banca Transilvania	920,823	920,823	RON	Robor+3%	5 years	2015	Somplast	920,823
Raiffeisen Bank	19,000,000	16,045,541	RON	Robor +1% - 4%	04/30/2016	2015	Vrancart	16,045,541
Unicredit Bank	4,500,000	2,859,792	RON	Robor +1% - 4%	04/15/2016	2015	Vrancart	2,859,792
BRD - Groupe Société Générale	9,000,000	6,749,881	RON	Robor +1% - 4%	00/01/1900	2015	Vrancart	6,749,881
Raiffeisen Bank	8,116,401	1,566,001	RON	Robor +1% - 4%	10/20/2017	2015	Vrancart	1,566,001

Bank	Total value of the loan	Loan balance as at 31 December	Loan currency	Interest	Maturity	Year	Entity	Value RON
Unicredit Bank	3,296,797	10,402,205	EUR	Euribor 1%- 4%	05/31/2020	2015	Vrancart	10,402,205
Unicredit Bank	238,129	587,942	EUR	Euribor 1%- 4%	05/31/2020	2015	Vrancart	587,942
Unicredit Bank	1,200,000	2,047,500	EUR	Euribor 1%- 4%	01/30/2017	2015	Vrancart	2,047,500
Unicredit Bank	1,333,333	2,219,229	EUR	Euribor 1%- 4%	01/30/2017	2015	Vrancart	2,219,229
Unicredit Bank	1,500,000	5,071,082	EUR	Euribor 1%- 4%	02/28/2019	2015	Vrancart	5,071,082
ING Bank	4,300,000	3,199,878	RON	Robor +1% - 4%	09/14/2018	2015	Vrancart	3,199,878
BRD - Groupe Société Générale	917,500	332,863	EUR	Euribor 1%- 4%	06/20/2016	2015	Vrancart	332,863
Raiffeisen Bank	25,000,000	10,472,683	RON	Robor +1% - 4%	04/30/2014	2014	Vrancart	10,472,683
Unicredit Bank	1,600,000	-	EUR	Euribor 1%- 4%	03/15/2014	2014	Vrancart	-
Unicredit Bank	3,300,000	4,482,096	EUR	Euribor 1%- 4%	03/15/2014	2014	Vrancart	4,482,096
Raiffeisen Bank	8,116,401	2,420,401	RON	Robor +1% - 4%	10/20/2017	2014	Vrancart	2,420,401
Unicredit Bank	3,296,797	12,637,869	EUR	Euribor 1%- 4%	05/31/2020	2014	Vrancart	12,637,869
Unicredit Bank	238,129	721,061	EUR	Euribor 1%- 4%	05/31/2020	2014	Vrancart	721,061
Unicredit Bank	1,200,000	3,937,499	EUR	Euribor 1%- 4%	01/30/2017	2014	Vrancart	3,937,499
Unicredit Bank	1,333,333	4,267,748	EUR	Euribor 1%- 4%	01/30/2017	2014	Vrancart	4,267,748
Unicredit Bank	1,500,000	1,616,514	EUR	Euribor 1%- 4%	02/28/2019	2014	Vrancart	1,616,514
ING Bank	4,300,000	3,286,633	EUR	Euribor 1%- 4%	09/14/2018	2014	Vrancart	3,286,633
BRD - Groupe Société Générale	917,500	989,231	EUR	Euribor 1%- 4%	06/20/2016	2014	Vrancart	989,231
Raiffeisen Bank	25,000,000	20,521,663	RON	Robor +1% - 4%	04/30/2014	2013	Vrancart	20,521,663

Bank	**Total value of the loan**	**Loan balance as at 31 December**	**Loan currency**	**Interest**	**Maturity**	**Year**	**Entity**	**Value RON**
Unicredit Bank	1,600,000	4,661,393	EUR	Euribor 1%- 4%	03/15/2014	2013	Vrancart	4,661,393
Unicredit Bank	2,500,000	11,211,746	EUR	Euribor 1%- 4%	03/15/2014	2013	Vrancart	11,211,746
BRD - Groupe Société Générale	2,000,000	5,553,560	EUR	Euribor 1%- 4%	09/25/2014	2013	Vrancart	5,553,560
Raiffeisen Bank	8,116,401	3,274,801	RON	Robor +1% - 4%	10/20/2017	2013	Vrancart	3,274,801
Unicredit Bank	4,821,690	16,050,766	EUR	Euribor 1%- 4%	05/31/2020	2013	Vrancart	16,050,766
BRD - Groupe Société Générale	917,500	1,663,264	EUR	Euribor 1%- 4%	06/20/2016	2013	Vrancart	1,663,264
Banca Comerciala Romana	800,000	-	RON	ROBOR 3M + 1,75%	11/25/2016	2015	Giant	-
Banca Comerciala Romana	399,200	93,445	EUR	EURIBOR 6M+3,5	07/05/2017	2015	Giant	422,792
Banca Comerciala Romana	98,000	6,526	EUR	EURIBOR 6M+3,5	06/02/2016	2015	Giant	29,527
Banca Comerciala Romana		295				2015	Giant	1,335

26 LOANS (CONTINUED)

Liabilities regarding the financial leasing

The leasing liabilities are guaranteed effectively once the rights corresponding to the leased asset correspond to the lessor in case of failure to pay.

	31 December 2015	31 December 2014	01 January 2014
Obligations from financial leasing– gross – minimum leasing payments			
Less than 1 year	187,512	545,367	1,561,721
More than 1 year and not more than 5 years	187,387	115,831	302,672
Future financial expenses corresponding to the financial leasing contracts	(11,876)	(15,633)	(53,744)
Updated value of the obligations from financial leasing	363,023	645,565	1,810,649

The current value of the liabilities from financial leasing is as follows:

	31 December 2015	31 December 2014	01 January 2014
Less than 1 year	184,157	536,167	1,506,760
More than 1 year and up to 5 years	178,866	109,398	303,888
	363,023	645,565	1,810,649

27 SUBSIDIES FOR INVESTMENTS

	31 December 2015	31 December 2014	01 January 2014
Total IAMU subsidies	9,409,235	11,172,212	13,044,173
Total VRANCART subsidies	23,819,810	20,615,304	20,702,569
Total NAPOMAR subsidies	10,898,503	12,325,145	14,281,716
Total SOMPLAST subsidies	251,940	259,668	267,426
Other subsidies			
Total subsidies	44,379,488	44,372,329	48,295,885

Vrancart obtained subsidies for investments from the Ministry of Economy and Research having as object the financing of modernization and development of the technological line for the manufacture of paper and from the Administration for Environment Fund, subsidy consisting in equipment for sludge burning Boiler.

Iamu obtained structural funds based on the contract concluded with the Management Authority regarding the granting of non reimbursable financing for the implementation of the project „Modernization of the production activity at SC Iamu SA Blaj".

Napomar obtained non reimbursable financing from the Ministry of Economy and Commerce and Business Environment for the project Modernization of Napomar SA company through the development of the production capacities and their capabilities.

28 CAPITAL AND RESERVES

(a) Share capital

The share capital according to the Articles of Incorporation of the Group amounts to 54,884,926.80 lei being divided into 548,849,268 shares with a nominal value of 0.1 lei and results from the direct subscriptions realized at the share capital of SIF. Following the transformation in shares of the amounts granted as dividends based on law no. 55/1995 and according to the effect of law 133/1996. As at 31 December 2015, the number of shareholders was 5,774,815 (31 December 2014: 5,785,854. 01 January 2014: 5,798,807).
The shares issued by SIF Banat Crişana are traded at the Stock Exchange of Bucharest in November 1999. The evidence of the shares and shareholders is kept by Depozitarul Central S.A. Bucureşti.
All shares are ordinary, they were subscribed and are paid integrally as at 31 December 2015, as at 31 December 2014 and as at 01 January 2014. All shares have the same voting right and have a nominal value of 0.1 lei/ share. The number of shares authorized to be issued equals to the number of shares issued.

28 CAPITAL AND RESERVES (CONTINUED)

The reconciliation of the share capital according to IFRS conform to the Articles of Incorporation is presented in the table below:

01 January 2014	**Number of shareholders**	**Number of shares**	**Amount (RON)**	**(%)**
Individuals	5,798,480	278,192,708	27,819,271	51
Legal entities	327	270,656,560	27,065,656	49
Total	5,798,807	548,849,268	54,884,927	100

31 December 2014	**Number of shareholders**	**Number of shares**	**Amount (RON)**	**(%)**
Individuals	5,785,567	259,319,485	25,931,949	47
Legal entities	287	289,529,783	28,952,978	53
Total	5,785,854	548,849,268	54,884,927	100

31 December 2015	**Number of shareholders**	**Number of shares**	**Amount (RON)**	**(%)**
Individuals	5,785,567	259,319,485	25,931,949	47
Legal entities	287	289,529,783	28,952,978	53
Total	5,785,854	548,849,268	54,884,927	100

	31 December 2015	**31 December 2014**	**01 January 2014**
Statutory share capital	54,884,930	54,884,930	54,884,930
Effect of applying IAS 29 over the share capital	684,298,992	684,298,992	684,298,992
Share capital reconsidered	739,183,922	739,183,922	739,183,922

28 CAPITAL AND RESERVES (CONTINUED)

(b) Reserves established following the application of Law no. 133/1996

The reserve corresponding to the initial portfolio was established following the application of Law no. 133/1996, as difference between the value of the portfolio brought and the value of the share capital subscribed at SIF. Thus, these reserves are assimilated to a contribution premium and are not used to sell the non-current titles. The reconciliation of the reserve corresponding to the initial portfolio according to IFRS with that one according to the Accounting Regulations applicable until the application date of FSA Rule no. 39/2015 is presented in the table below:

	31 December 2015	31 December 2014	01 January 2014
Reserves established following the application of Law no. 133/1996	145,486,088	145,486,088	145,486,088
Effect of application of IAS 29 over the reserve established following the application of Law no. 133/1996	1,960,189,603	1,960,189,603	1,960,189,603
Reserves established following the application of Law no. 133/1996	2,105,675,691	2,105,675,691	2,105,675,691

The hyperinflation effect over the share capital amounting to 684,298,992 lei and over the reserve established following the application of Law no. 133/1996 amounting to 1,960,189,603 was registered by the reduction of the result reported, resulting in a loss cumulated from the effect of application of IAS 29 over the capital item of 2,644,488,595 lei at the end of each period presented.

(c) Reserves from the reevaluation of the available-for-sale financial assets

This reserve comprises the net cumulated reserves of the fair values of the available-for-sale financial assets as of the classification date in this category until the date when these were derecognized or depreciated.

The reserves from the reevaluation of the available-for-sale financial assets are registered at the net value of the corresponding deferred tax. The value of the deferred tax recognized directly by the reduction of equity is presented at Note 25.

(d) Legal reserves

According to the legal requirements, the Group establishes legal reserves amounting to 5% of the profit registered according to the applicable accounting reserves up to the level of 20% of the share capital according to the Articles of Incorporation. The value of the legal reserve as at 31 December 2015 amounts to 13,860,975 lei (31 December 2014: 12,347,732 lei. 01 January 2014: 10,976,985 lei).

Legal reserves cannot be distributed to shareholders.

(e) Dividends

The Group shareholders approved during year 2015 the distribution of the dividends out of the profit of the financial year 2014 at the level of the amount of 0,1 lei/share, respectively the total amount of 54,884,927 lei (in year 2014, for year 2013 dividends 0, in 2013, for year 2012 dividends 0).

29 SHARE RESULT

The calculation of the basic share result was realized based on the profit assignable to ordinary shareholders and to the weighted average number of ordinary shares:

	2015	2014
Profit from continuous activities assignable to parent companies	96,076,297	178,371,739
Average number of ordinary shares issued (thousands)	548,849,268	548,849,268
Basic share result	0,175	0,324

The diluted share result equals to the basic share result, because the Group did not register potential ordinary shares.

30 SEGMENTS REPORTING

The activity developed by the Group was segmented on four main activities, that is:
- financial;
- industry;
- agriculture;
- trade, restaurants and hotel activity.

The activity of 3 companies was included within the financial activity (2014: 3).

The industry activity includes 5 companies (2014: 5) that have as business object the manufacture of plants and machinery for metals processing, manufacture of plates and plastic material profiles, manufacture of paper and corrugated carton and manufacture by knitting the clothes.

The trade, restaurants and hotel activity includes 3 companies (2014: 8).

The agriculture activity includes 1 company (2014: 1).

Assets	2015	2014
Industry	407,212,516	389,944,910
Trade, hotels, restaurants	192,005,107	207,824,603
Financial activity	2,165,017,888	1,871,750,647
Agriculture	97,050,550	67,529,278
Adjustments corresponding to consolidation	(529,921,136)	(511,764,359)
Total assets according to the consolidated statement of the financial position	2,331,364,924	2,025,285,079

30 SEGMENTS REPORTING (CONTINUED)

Liabilities	**2015**	**2014**
Industry	166,899,858	167,922,019
Trade, hotels, restaurants	29,089,394	34,230,911
Financial activity	199,652,804	146,278,222
Adjustments corresponding to consolidation		
Agriculture	42,117,399	40,985,939
Total liabilities according to the consolidated statement of the financial position	437,759,455	389,417,091

Equity	**2015**	**2014**
Industry	240,312,658	222,022,899
Trade, hotels, restaurants	162,915,707	173,593,692
Financial activity	2,004,539,953	1,756,320,537
Agriculture	15,758,287	(4,304,781)
Adjustments corresponding to consolidation	(529,921,136)	(511,764,359)
Total equity according to the consolidated statement of the financial position	1,893,605,469	1,635,867,988

Operating profit	**2015**	**2014**
Industry	29,353,312	29,688,683
Trade, hotels, restaurants	(15,205,826)	(1,634,689)
Financial activity	85,678,283	176,934,210
Agriculture	25,542,521	(4,054,492)
Total operating profit according to the consolidated statement of the global result	125,368,289	206,397,503

Financing expenses	**2015**	**2014**
Industry	6,987,387	7,074,944
Trade, hotels, restaurants	1,758,555	1,478,667
Financial activity	2.931.912	3.265.469
Agriculture	6.088.980	2.163.489
Total financing expenses according to the consolidated statement of the global result	17.766.834	13.982.569

30 SEGMENTS REPORTING (CONTINUED)

Profit before tax	**2015**	**2014**
Industry	26,713,950	26,524,936
Trade, hotels, restaurants	(16,198,112)	(2,402,913)
Financial activity	93,094,120	176,840,173
Agriculture	24,049,297	(4,394,566)
Total profit before tax according to the consolidated statement of the global result	127,659,254	202,031,420

Net profit	**2015**	**2014**
Industry	23,539,074	23,329,784
Trade, hotels, restaurants	(15,767,644)	(885,864)
Financial activity	74,384,968	163,636,093
Agriculture	20,055,498	(4,394,781)
Total net profit according to the consolidated statement of the global result	102,211,895	187,149,023

31 PRESENTATION OF INTERESTS HELD IN OTHER ENTITIES

(a) List of companies in which SIF holds more than 50% and exercises the control over them

See note 3.

(b) Non-controlling interests – summarized financial information

The summarized financial information for each subsidiary holding non-controlling interests significant for the group is presented below.

The amounts presented for each subsidiary are before removing the balances and transactions between companies.

31 PRESENTATION OF INTERESTS HELD IN OTHER ENTITIES (CONTINUED)

Summarized statement of the financial position

	Central SA Cluj		Vrancart SA Adjud		Iamu SA Blaj		SIF Imobiliare	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 decembrie 2015	31 decembrie 2014
Current assets	1,847,530	2,454,484	76,241,599	66,240,530	22,706,464	24,499,043	52,347,261	88,524,855
Current liabilities	2,341,967	3,358,566	63,839,307	52,924,402	11,289,294	14,181,938	52,408,876	49,847,612
Net current assets	(494,437)	(904,082)	12,402,292	13,316,128	11,417,170	10,317,105	(61,615)	38,677,242
Non-current assets	36,115,014	37,245,073	166,746,361	153,814,828	44,341,454	44,637,488	278,560,588	212,613,008
Long-term liabilities	8,263,765	9,471,142	36,223,747	39,802,434	14,361,641	18,159,071	36,000,524	36,179,448
Net non-current assets	27,851,249	27,773,931	130,522,614	114,012,394	29,979,813	26,478,417	242,560,065	176,433,559
Net assets	27,356,812	26,869,849	142,924,906	127,328,522	41.396.983	36.795.522	242,498,450	215,110,801
Non-controlling interests	9,982,502	9,804,809	35,115,352	30,492,932	9.819.483	8.437.157	19,382,306	16,804,262

Summarized statement of the global result

	Central SA Cluj		Vrancart SA Adjud		Iamu SA Blaj			
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 decembrie 2015	31 decembrie 2014
Operating income	5,234,483	n/a	211,454,988	197,483,804	75,787,589	75,977,893	84,065,814	84,058,249
Net profit	486,962	n/a	18,282,935	18,965,227	5,931,485	4,716,058	57,799,340	57,794,138
Other items of the global result	-	n/a	(207,869)	(121,559)	(111,909)	781,793	(43,841,493)	(43,837,548)
Total global result corresponding to the period	486,962	n/a	18,075,066	18,843,668	5,819,576	5,497,851	13,957,847	13,956,591

31 PRESENTATION OF INTERESTS HELD IN OTHER ENTITIES (CONTINUED)

(c) Modifications of the participations in the equity of a subsidiary, that do not result in the loss of control

See note 3.

(d) Companies in which SIF holds more than 50% and does not exercise the control over them

See note 3.

(e) Associates – summarized financial information

The summarized financial information for each significant associate for the group is presented below.

The amounts presented for each associate are before removing the balances and transactions between companies.

31 PRESENTATION OF INTERESTS HELD IN OTHER ENTITIES (CONTINUED)

Summarized statement of the financial position

	Biofarm SA Bucureşti		Gaz Vest SA Arad	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Current assets				
Cash and cash equivalents	30,331,720	41,776,151	2,013,901	2,651,865
Other current assets	92,530,478	86,792,133	16,505,085	14,776,905
Total current assets	122,862,197	128,568,285	18,518,986	17,428,770
Non-current assets	90,461,898	73,321,847	52,092,474	50,051,387
Current liabilities				
Current financial liabilities (excluding other liabilities and provisions)				
Other current liabilities	30,410,269	30,896,093	6,635,124	6,126,007
Total current liabilities	30,410,269	30,896,093	6,635,124	6,126,007
Long-term liabilities				
Long-term financial liabilities (excluding other liabilities and provisions)	783,208	506,666		
Other long-term liabilities	-	1,688,406	8,339,568	8,285,571
Total long-term liabilities	783,208	2,195,072	8,339,568	8,285,571
Net assets	182,130,618	168,798,966	55,636,768	53,068,579

31 PRESENTATION OF INTERESTS HELD IN OTHER ENTITIES (CONTINUED)

Reconciliation of financial information summarized with the value of interest held in the associate entity

	Biofarm SA Bucureşti		Gaz Vest SA Arad	
	31 December 2015	**31 December 2014**	**31 December 2015**	**31 December 2014**
Net assets as at January 1st	168,798,966	175,887,137	53,068,579	49,284,677
Net profit / loss	27,226,492	26,559,851	8,645,128	6,466,212
Other items of the global result	885,667	-	-	3,267,577
Redemption of equity	-	(33,986,635)	-	-
Prescribed dividends	-	338,614	-	-
Distributed dividends	(14,780,509)	-	(6,076,938)	(5,949,887)
Net assets as at December 31st	182,130,616	168,798,967	55,636,769	53,068,579
Percentage held by SIF (%)	22,06%	19,53%	25,82%	25,82%
Profit/(loss) of the financial year corresponding to associate enterprises	6,006,164	(1,384,177)	2,232,172	1,669,576

Summarized statement of the global result

	Biofarm SA Bucureşti		Gaz Vest SA Arad	
	31 December 2015	**31 December 2014**	**31 December 2015**	**31 December 2014**
Operating income	150,824,119	145,934,613	40,811,610	38,995,868
Financial income	1,331,934	614,039	58,423	129,930
Expenses with impairment and amortization	(6,570,094)	(6,678,822)	(4,358,014)	(3,827,192)
Financial expenses	(1,456,339)	(863,739)	(1,653)	(3,950)
Expenses with profit tax	(4,522,980)	(685,103)	(1,522,969)	(1,319,263)
Profit or loss from continuous activities	27,226,492	26,559,851	8,645,128	6,466,212
Net profit / loss	27,226,492	26,559,851	8,645,128	6,466,212
Other items of the global result	885,667	-	(327,865)	3,267,577
Total global result corresponding to the period	28,112,159	26,559,851	8,317,263	9,733,789
Dividends received from the associate entity	3,256,572	-	1,568,976	1,536,173

32 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Actions in court

The Group makes the object of a number of actions in court resulted during the normal development of the activity. The management considers that these actions will not have a significant effect over the economic results and the consolidated financial position.

(b) Transfer price

The tax legislation of Romania has comprised regulations regarding the transfer prices between subsidiaries even from year 2000. The current legislative framework defines the "market value" principle for the transactions between subsidiaries, as well as the methods for establishing the transfer prices. Therefore, we expect the tax authorities to begin detailed inspections of the transfer prices. In order to ensure that the tax result and/or the customs value of the imported goods are not distorted by the effect of the prices practiced in relations between the subsidiaries, the Group cannot quantify the result of such an inspection.

(c) Other commitments

As at 31 December 2015, 2014 and 2013, the Group has obtained loans from banks for which the banks asked collateral guarantees represented by mortgages of non-current assets (lands, buildings) and movable guarantees over the receivables, inventories and cash.

33 TRANSACTIONS WITH RELATED PARTIES

The parties are considered related if one of the parties has the capacity to control the other party or to exercise a significant influence over this one in making the financial or functioning decisions.

The Group has identified the following related parties during the development of its activity:

Key management personnel

31 December 2015

- As at 31 December 2015 the Board of directors of SIF BANAT-CRIŞANA SA was formed of 7 members: Bogdan-Alexandru Drăgoi-President, Octavian Avrămoiu-Vice-president, Ștefan Dumitru. Valentin Chiser, Ion Stancu. Dan Weiler and Ionel Marian Ciucioi.
- As at 31 December 2015 the members of the executive management of SIF BANAT-CRIŞANA SA: Bogdan-Alexandru Drăgoi –General Manager. Octavian Avrămoiu – Deputy General Manager. Teodora Sferdian – Deputy General Manager.

31 December 2014

- The members of the Board of directors of SIF BANAT-CRIŞANA SA: Ștefan Dumitru – Vice-president, Valentin Chiser and Ion Stancu.

As at 5 December 2014 the Board of directors took note of the resignation of Mr. Ali H. Lakis from the position of director and as at 9 December 2014 SIF Banat took note of the notification of Mr. Adrian Petreanu regarding the resignation from the position of director.

33 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

As at 11 December 2014 SIF Banat received the following FSA decisions:
- decision no. 1980 dated 12/10/2014 by which the FSA disposes the termination of the applicability of the FSA Permit no. A/8/ dated 06/27/2013 as regards the holding by Mr. Bîlteanu Dragoş-George of the position of director within the company SIF Banat-Crișana
- decision no. 1981 dated 12/10/2014 by which it is denied the request of SIF Banat-Crișana to approve the modification of the structure of the Board of directors, following the election of Mr. El Lakis Najib as director of the company, according to the Resolution no. 1 dated 04/15/2014 of the general ordinary meeting of shareholders SIF Banat-Crișana.

- Members of the executive management of SIF BANAT-CRIŞANA SA: Gabriela Grigore – Deputy General Manager – Operations and Teodora Sferdian – Deputy General Manager – Development.

As at 19 March 2014 the Board of directors took note of the resignation of Mrs. Carmen Dumitrescu from the position of Development Deputy General Manager.

As at 3 April 2014 the Board of directors decided to appoint Mrs. Teodora Sferdian for the position of Development Deputy General Manager.
In December 2014, according to the Decision no. 1980 dated 12/10/2014 FSA disposed the termination of the applicability of the FSA Permit no. A/8/ dated 06/27/2013 as regards the holding by Mr. Bîlteanu Dragoş-George of the position of director within the company SIF Banat-Crișana and therefore of the position of General Manager.

01 January 2014

- Members of the Board of directors of SIF BANAT-CRIŞANA SA: Dragoş-George Bîlteanu - President. Ştefan Dumitru – Vice-president. Valentin Chiser. Ali Lakis. Ion Stancu. Adrian Petreanu. Najib El Lakis.
- Members of the executive management of SIF BANAT-CRIŞANA SA: Dragoș-George Bîlteanu –General Manager. Gabriela Grigore – Deputy General Manager – Operations. Carmen Dumitrescu – Deputy General Manager – Development.

During the financial exercise, transactions have not been carried-out and advances and loans have not been granted to the Group managers and directors, except for the advances for business travels.

During year 2015, the gross amounts paid to the members of the Board of directors and to the Managers amounted 3,120 thousands lei (2014: 1,539 thousands lei).

The Group did not receive and did not grant guarantees in favor of any related party.

33 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The following transactions were developed with related parties:

(a) Sales of products and services

	2015	2014
Sales of goods:	2,428,054	836,340
Sales of services:	17,486,442	27,517,703
Dividends cashed	-	1,600,553
Company withdrawal	7,316,363	-
Total	27,230,859	29,954,596

The sales of services are negotiated with related parties by applying a margin to the production costs, margin ranging from 5% to 10% (2010: from 5% to 10%).

(b) Acquisitions of products and services

	2015	2014
Acquisitions of products:	34,639	533,227
Acquisitions of services:	1,386,302	4,023,126
Total	1,420,941	4,556,353

(c) Balances at the end of the year resulting from the sales /acquisitions of products /services

	31 December 2015	31 December 2014	01 January 2014
Trade receivables from related parties	2,772,237	11,849,407	6,756,094
Debts towards related parties	15,256	315,186	585,354
Increase of the share capital of the related parties	-	1,676,673	-
Loans	-	3,100,000	3, 460,680
Total	2,787,493	16,941,266	10,802,128

33 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The receivables from related parties result mainly from the sale transactions and are due after one month or two months as of the sale date. The receivables are not secured in kind and do not bear interest. Impairment adjustments of the receivables with related parties are not registered.

The debts to the related parties result mainly from the acquisition transactions and are due within one month or two months as of the acquisition date. The debts do not bear interest.

34 NON-CURRENT ASSETS MEANT FOR SALE

Following a previous analysis, the Group decided during year 2015 to put on sale a part of the assets held. Therefore, these ones were reclassified from the category of real estate investments into the category of non-current assets meant for sale.

The assets of the Group meant to assignment that are classified as assets held for sale

Cost (lei)	***Total (Lei)***
Balance as at 1 January 2015	**-**
Transfers from real estate investments	27,104,429
Balance as at 31 December 2015	27,104,429

The aforementioned amount corresponds to the following entities:

Entity	**Lei**
Comalim SA	11,712,401
SIFI CJ Storage SA	1,134,749
Agrorent SA	1,983,129
SIFI CJ Office SA	5,624,800
SIFI CJ Agro SA	44,498
Central Petrosani S.A.	1,384,999
Cora SA	440,551
SIFI Baia Mare SA	240,301
SIFI Sighet SA	409,399
Urban SA	1,415,101
SIFI BH Retail SA	2,714,501
Balance as at 31 December 2015	27,104,429

The non-current assets meant to sale are reported within the segment “Financial activity” at Note 30 “Segments reporting”.

34 NON-CURRENT ASSETS MEANT FOR SALE (CONTINUED)

Discontinued activities

	Year ended as at 31 December 2015	Year ended as at 31 December 2014
Operating income	712,289	-
Operating expenses	(1,413,608)	-
Operating result	(701,319)	-
Expenses with the profit tax corresponding to discontinued activities	(516,220)	-
Loss corresponding to the financial year – from discontinued activities	(1,217,539)	-

35 RETREATMENT EXCEPTIONS AND ADJUSTMENTS FOR CONSOLIDATED REPORTING IN ACCORDANCE WITH RULE 39 (ACCOUNTING REGULATIONS COMPLIANT WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS „IFRS”)

For the preparation of these IFRS consolidated financial statements, the Group chose to apply the following facultative exceptions from the retroactive application:

Adjustments and exceptions for passing to IFRS

1.1 Gaz Vest company (associate entity with significant influence)

The gas distribution networks are treated as tangible assets according to the Order of the Minister of Public Finance 1.802, but according to IFRS these ones would be treated as intangible assets. The impact over profit and loss statement resulted from the amortization of the gas distribution networks was analyzed.
The services concession agreements are treated within the international financial reporting standards by the IFRIC 12 Interpretation (International Standard regarding the “Services Concession Agreements”).
Therefore, at the same time with the application of IFRIC 12, the company must recognize an intangible asset for the right to tax the users of the public service.
To the purpose of statutory reporting, Gaz Vest recognizes this infrastructure as a tangible asset, their value being amortized during the economic term of infrastructure.
According to IFRS, these networks should be recognized as intangible asset ("right of use of this infrastructure"), and will be amortized during the contract.
The amortization term of the intangible asset equals to the duration of the concession contract. As at 1 January 2014, the average duration remained of the contracts was: 41 years.
Thus, the annual amortization of the intangible assets resulted from the Concession contracts would amount to 767,919 lei. The difference between the expense with the amortization of the tangible asset and that of the intangible asset would amount to 1,575,878 lei. The impact over the Group result (that holds 25.82% in Gaz Vest) would be a gain of 406,892 lei.

35 RETREATMENT EXCEPTIONS AND ADJUSTMENTS FOR CONSOLIDATED REPORTING IN ACCORDANCE WITH RULE 39 (ACCOUNTING REGULATIONS

COMPLIANT WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS „IFRS") (CONTINUED)

The impact on the Statement of income SIF Banat following the IFRS retreatment of these gas distribution networks as intangible assets is not significant, therefore it is not necessary to register an adjustment in order to retreat to IFRS.

1.2 Property, plant and equipment

Deemed cost

The subsidiaries within the Group evaluate the buildings and the lands at the reevaluated value, the remainder of the property, plant and equipment (equipment, furniture etc.) being evaluated at cost.
According to IFRS 1 ("First-time Adoption of International Financial Reporting Standards"), paragraphs D5 and D6, on the transition date to IFRS, the company can choose to recognize property, plant and equipment at their reevaluated value and use it as estimated cost. Thus, as at 1 January 2014, the transition date to IFRS, the Group considered the reevaluated value as supposed cost (i.e. buildings and lands) or the cost (i.e. equipment), as the case may be.
As concerns the lands and buildings, the Group considered as supposed cost as at 01 January 2014 the reevaluated value minus the cumulated amortization as at 01 January 2014 (IFRS 1, D6). The value of the reevaluation reserve registered by each subsidiary is adjusted on the transition date. For the reevaluations that took place during the reported years (2013-2015), the effect from reevaluation corresponding to each element of property, plant and equipment was recalculated. As an evaluation policy, the Group adopts the reevaluation method for these non-current assets.
As concerns equipment, the Group, including for Vrancart (that uses the reevaluation method as accounting policy to evaluate the equipment, realizing the last reevaluation as at 01 January 2014), considered as supposed cost estimated as at 01 January 2014, the net carrying amount minus the cumulated amortization (IFRS 1, D5). As an evaluation policy for these non-current assets, the Group adopts the cost method.
The cost of investment held for sale and of real estate investment is also equal to the reevaluated value, and the result from reevaluation registered before is transferred to the result of the corresponding result.

1.3 Property, plant and equipment entered before 1 January 2004, held at cost

According to IAS 29, the assets entered before the hyperinflationary period must be adjusted, in order to present the reliable cost.
The net carrying amount of the property, plant and equipment entered before 01/01/2004 that would have to be inflated amounts to maximum 1.9 millions RON as at 01/01/2014. As their inflated value using the inflation indexes is immaterial, an adjustment in that sense was not registered.

35 RETREATMENT EXCEPTIONS AND ADJUSTMENTS FOR CONSOLIDATED REPORTING IN ACCORDANCE WITH RULE 39 (ACCOUNTING REGULATIONS COMPLIANT WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS „IFRS") (CONTINUED)

1.4 Borrowing cost
The exception from IFRS 1, paragraph D23 disposes that the borrowing costs must not be reconsidered before the transition date.
As the total value of the expenses that could be capitalized during the reporting period (01/01/2014 – 31/12/2015) does not exceed the importance threshold of the Group (approximately 3,000,000 RON), the registration of such adjustment was not considered necessary.

1.5 Real estate investments
Napomar presented in the financial statements of year 2015 the real estate investments according to the Order of the Minister of Finance no. 1802, investments that were treated retroactively for years 2013 and 2014 to the purpose of IFRS reporting. To this purpose, retreatment adjustments have been registered amounting to approximately 1 mil lei in 2014 (2013: approximately 1 mil lei).

2. Adjustments for the consolidation of subsidiaries and associates

2.1 Consolidation of subsidiaries

According to paragraph C4 of IFRS 1, on the transition date (1 January 2014) SIF will register a goodwill corresponding to the investments of subsidiaries the difference between the investment cost on the transition date and the value of assets and liabilities.
The investment cost is represented by the cost on the transition date adjusted with the value of the reserve from investments held for sale (IFRS 1 D17).

2.2 Consolidation of associates
According to paragraph C5 of IFRS 1, the shareholders are consolidated using the equity method, starting from the investment cost on the transition date, the same as for subsidiaries (see Note 3 for further details).

Consolidation of SIF Imobiliare
In July 2013, SIF Imobiliare was established through the re-organization of 18 entities in which SIF Banat held the control. To the consolidation purpose, the value of assets and liabilities was compared to the investment cost in each subsidiary before the reorganization.
As the reorganization cannot be seen as an acquisition of SIF Banat (therefore, the exception of IFRS 3/1 (C5) was not used); the investment cost equals to the supposed cost, respectively the value on the transition date to IFRS for the Group), because the acquisition was realized individually for each company that enters the structure of SIF Imobiliare at present,

35 RETREATMENT EXCEPTIONS AND ADJUSTMENTS FOR CONSOLIDATED REPORTING IN ACCORDANCE WITH RULE 39 (ACCOUNTING REGULATIONS COMPLIANT WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS „IFRS") (CONTINUED)

the existence of a potential goodwill was analyzed at the level of each company that forms SIF Imobiliare (IFRS 1 IG27).
For the consolidation of SIF Imobiliare, respectively the registration of the acquisition of the subsidiary on the consolidation date (1/01/2014), goodwill did not result, but an impact on the Reported Result.

<u>*Consolidation of SIF Hoteluri*</u>

The movements of the Statement of Income corresponding to the 5 Hotels for the period January – October 2015 are below the importance threshold of the Group (approximately 400,000 RON net result, income 6.4 millions RON and expenses 6 millions RON), therefore they were not presented in the consolidated Statement of income, the cumulated result being already incorporated in the Result of SIF Hoteluri.
Consolidation of Central Cluj
As the shares that determined the holding of the control in Central Cluj entity were acquired in July 2014, it was analyzed the possibility to consolidate the statement of income prorate the holding period or removal of the movements for the 5 months from the Group Statement of income.
As the turnover for the 5 months (August – December, period in which Central Cluj has already been the subsidiary of SIF BANAT) is below the importance threshold (income 3.3 millions RON and expenses 4.04 millions RON), it was concluded that on 12/31/2014 the expenses and income corresponding to Central Cluj will not be added in the consolidated financial statements of SIF Banat.
Only the final balances of the balance sheet were presented, and the balance of account 121 was transferred to the Result Carried forward.

36 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

January 2016

- SIF Banat-Crişana evaluated the conformity degree with the new provisions of the Corporate Governance Code of BVB, in force as of 4 January 2016, presenting the status of conformation with the provisions of the new Code as at 31 December 2015. *(Current report – 8 January 2016)*

February 2016

- On February 15th, SIF Banat-Crişana published the non audited preliminary financial results corresponding to the year ended as at 31 December 2015, issued according to the International Financial Reporting Standards (IFRS) adopted by the European Union, as well as to the Rule 39/2015 issued by the Financial Supervisory Authority (FSA).
- According to the Approval no. 64 dated 18 February 2016, FSA approved the modifications interfered in the Internal Regulations of the company, according to the resolution of the Board of Directors no. 2/29 January 2016. *(Current report - 19 February 2016)*
- According to the Approval no. 75/25 February 2016, FSA approved the modification of the structure of the company management, through the appointment of Mr. Riviş Laurenţiu for the position of Manager, according to the Resolution no. 3 dated 11/27/2015 and the Resolution no. 8 dated 01/29/2016 of the Board of directors of SIF Banat-Crişana. *(Current report - 26 February 2016)*
- According to the resolution no. 1 dated 02/10/2016, AGEA SIF Imobiliare PLC approved the increase of the share capital with the amount of 3,000,000 euro from 1,500,000 euro to 4,500,000 euro by the issue of a number of 3,000,000 new shares with a nominal value of 1 euro
- According to the resolution no. 1 dated 02/01/2016 the Ordinary General Meeting of Shareholders of Napomar SA approved the revocation of a director and the election of a new director
- According to the resolution no. 1 dated 02/08/2016 the Ordinary General Meeting of Shareholders of Central SA approved the election of two directors for the vacant positions.

March 2016

- The Board of directors of SIF Banat-Crişana summoned the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders for 25 (26) April 2016. *(Current report – 14 March 2016)*
- SIF Imobiliare PLC, according to the current report on 03/07/2016, announces the subscription procedure of the newly issued shares by SIF Imobiliare according to the resolution of the Extraordinary General Meeting of Shareholders on 02/10/2016
- According to the resolution no. 1 dated 03/30/2016 the Ordinary General Meeting of Shareholders of SIF Hoteluri approves the election of a new Board of directors
- The Ordinary General Meeting of Shareholders of SAI Muntenia Invest SA dated 30 March 2016 approved the financial statements on 31/12/2015, the distribution of dividends, the income and expenses budget and the investment plan for year 2016

36 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)

April 2016

- The order of the day of the Ordinary General Meeting of Shareholders of SIF Banat-Crișana summoned for 25 (26) April 2016 was completed, upon the request of a group of shareholders holding together 5.4% of the share capital. *(Current reports – 1 and 5 April 2016)*
- The order of the day of the Extraordinary General Meeting of Shareholders of SIF Banat-Crișana summoned for 25 (26) April 2016 was completed taking into account the address of FSA no. VPI/3761 dated 04/04/2016, by which the authority requested to present to the shareholders the point of view of the FSA related to some modifications of the articles of incorporation of the company referred to the approval of the Extraordinary General Meeting of Shareholders. *(Current reports dated 5 April 2016)*
- SIF Banat-Crișana informed the shareholders related to the Decisions of FSA no. 922 dated 04/20/2016 and no. 924 dated 04/20/2016, regarding the restriction of the voting rights according to art. 286^1 par. (1) of Law no. 297/2004 with subsequent modifications and amendments for the shareholders presumed by FSA to act under a concerted manner. *(Current reports dated 21 April 2016)*
- The Extraordinary General Meeting of Shareholders SIF Banat-Crișana took place on 25 April 2016, upon the first summoning, and the shareholders approved the resolutions proposed by the board of directors of the company related to the development of a share redemption program, the completion of the main business object of the company, the modification of the articles of incorporation of the company, the establishment of the registration date for 17 May 2016 (eg 16 May 2016). *(Current reports dated 25 April 2016)*
- The Ordinary General Meeting of Shareholders of SIF Banat-Crișana took place, upon the second summoning, on 26 April 2016, the shareholders of the company approved the resolutions proposed by the board of directors of the company related to the approval of the financial statements 2015, the distribution of profit 2015 to the reported result, the discharge from administration of the Board of directors for the financial year 2015, the income and expenses budget and the activity schedule for 2016, the monthly remuneration for the members of the Board of Directors and the general limits of all supplementary remunerations for directors and managers, the election of Mr. Ionel Ciucioi as director on the vacant position, the election as financial auditor with a minimum three-year term of the contract of the company PricewaterhouseCoopers Audit SRL, the establishment of the registration date for August 17th (former date August 16th). The Ordinary General Meeting of Shareholders did not approve the proposal regarding the dividends distribution made by a group of shareholders. *(Current reports dated 26 April 2016)*
- SIF Imobiliare PLC, according to the current report on 04/20/2016, announced the closing of the subscription period and the subscription results of the share capital increase operation
- The Ordinary General Meeting of Shareholders of SIF Hoteluri dated 04/28/2016 approved the financial statements as at 31/12/2015, the income and expenses budget and the investment plan for year 2016
- The Ordinary General Meeting of Shareholders of Silvana SA dated 04/15/2016 approved the financial statements as at 31/12/2015, the income and expenses budget and the investment plan for year 2016 and the election of a new director
- The Ordinary General Meeting of Shareholders of IAMU SA dated 04/29/2016 approved: the financial statements as at 31/12/2015, the distribution of a gross dividend of 0.1662 lei/share, the income and expenses budget and the investment plan for year 2016

36 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)

- The Ordinary General Meeting of Shareholders of Vrancart SA dated 04/28/2016 approved: the financial statements as at 31/12/2015, the distribution of a gross dividend amounting to 0.016 lei/share, the income and expenses budget and the investment plan for year 2016 and the election of two directors on the vacant positions
- According to the resolution no. 2 dated 04/28/2016 the Extraordinary General Meeting of Shareholders of Vrancart SA approved the increase of the share capital with the amount of 17,274,358 lei by the issue of a number of 172,743,580 new shares with a nominal value of 0.10 lei/share
- The Ordinary General Meeting of Shareholders of Somplast SA dated 04/19/2016 approved the financial statements as at 12/31/2015 and the income and expenses budget and the investment plan for year 2016
- The Ordinary General Meeting of Shareholders of Biofarm SA dated 04/29/2016 was approved: the financial statements as at 31/12/2015, the distribution of a gross dividend amounting to 0.016 lei/share, the income and expenses budget and the investment plan for year 2016 and the election of a director on the vacant position.

May 2016

- Within the implementation process of the new legal provisions, pursuant to art. 63 of Law no. 74/2015, SIF Banat-Crișana adapted the provisions of the articles of incorporation, of the internal procedures in order to harmonize them to the provisions of Law no. 74/2015 and took all the necessary measures to comply with the provisions of the law regarding the alternative investment funds administrators. To the same purpose, the company submitted before the Financial Supervisory Authority, on 20 May 2016, within the legal term, the request and the corresponding documentation for the authorization so that the authorization as self-managed alternative investment funds, request that is pending the analysis by the capital market authority.
- According to the resolution no. 1 dated 05/11/2016, the Ordinary General Meeting of Shareholders of Napomar SA approved the financial statements as at 31/12/2015, the income and expenses budget and the investment plan for year 2016
- The Ordinary General Meeting of Shareholders of Azuga Turism SA dated 05/30/2016 approved the financial statements as at 31/12/2015, the income and expenses budget and the investment plan for year 2016
- SIF Hoteluri announces the appointment of a new general manager by the Board of directors, according to the resolution no. 1 dated 05/03/2016
- According to the Permit no. 64 dated 05/12/2016, the Financial Supervisory Authority authorized the modifications interfered in the structure of the effective structure of SAI Muntenia Invest SA
- The Extraordinary General Meeting of Shareholders of SAI Muntenia Invest SA dated 05/19/2016 approved the modification of the structure of the Board of directors, respectively the reduction of the number of members and the corresponding modification of the Articles of Incorporation
- The Ordinary General Meeting of Shareholders of SAI Muntenia Invest SA dated 05/19/2016 chose the President of the Board of Directors
- The Ordinary General Meeting of Shareholders of Central SA dated 05/18/2016 approved the financial statements as at 31/12/2015, the income and expenses budget and the investment plan for year 2016

36 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (CONTINUED)

- The Ordinary General Meeting of Shareholders of Gaz Vest SA dated 05/23/2016 approved the financial statements as at 31/12/2015, the distribution of dividends, the income and expenses budget and the investment plan for year 2016

June 2016

- According to the Permit no. 98 dated 06/15/2016, the Financial Supervisory Authority authorized the modification of the structure of the Board of directors and the modification of the Articles of incorporation of SAI Muntenia Invest SA

July 2016

- According to the current report dated 07/01/2016 and the information dated 07/11/2016, SIF Imobiliare PLC announces the registration of the increase of the share capital by OEVM, respectively by the Central Depositary
- SIF Banat-Crișana summoned the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders for the date 29(30) August 2016 having the following order of the day: the Ordinary General Meeting of Shareholders – approving the consolidated financial statements issued according to IFRS; the Extraordinary General Meeting of Shareholders – approving the modification of the articles of incorporation of the company in the sense to reduce the number of the members of the Board of directors from 7 to 5, starting with 04/24/2017. *(Current reports dated 25 July 2016)*
- According to the Decision no. 1499 dated 07/27/2016, the Financial Supervisory Authority approved the public tender document for the purchase of the shares issued by SIF Banat-Crișana, initiated by SIF Banat-Crișana, tender having the following characteristics: The number of shares that make the object of the tender is 27,450,000, representing 5.0014% of the share capital; Nominal value: 0.10 RON/share; the purchase price is: 1.70 RON/share; development period: 08/02/2016 – 08/23/2016; Intermediary of the tender: Raiffeisen BANK S.A.; Subscription places: according to the information within the tender document.
- According to the Approval no. 186 dated 07/28/2016, FSA approved the modification of the structure of the Board of directors of the company following the election as director (administrator) of Mr. Ionel-Marian CIUCIOI, based on the Resolution no. 1 of the Ordinary General Meeting of Shareholders of SIF Banat-Crișana dated 04/26/2016. (*Current reports dated 28 July 2016)*