CURRENT REPORT

Current report accordingly:	CNVM Regulation 1/2006
Report date:	31.08.2016
Name of the issuing entity:	**Societatea de Investiţii Financiare MUNTENIA SA**
Registered office:	Bucureşti, Splaiul Unirii nr. 16, Bucureşti, sector 4
Phone/fax number:	021/387.32.10 0372.074.109
Sole Registration Code:	3168735
Order number in the Trade Register:	J40/27499/1992
Subscribed and paid-up share capital:	80.703.651,5 lei
Regulated market on which issued securities are traded	Bucharest Stock Exchange

Important event:

The Resolutions of the Shareholders General Ordinary Meeting of S.I.F. MUNTENIA S.A. held on 31 August 2016

The Shareholders General Ordinary Meeting of S.I.F. MUNTENIA S.A., a company headquartered in 16, Splaiul Unirii, District 4, Bucharest, registered with the Trade Registry Office under number J40/27499/1992, Sole Registration Code 3168735, with a subscribed and paid up share capital of 80,703,651.5 RON, registered in the FSA Registry with no. PJR09SIIR/400005/15.06.2006, as convened according to the law by publishing in the Official Journal Part IV no. 2756 from July 28, 2016, in the "Bursa" newspaper no. 144 from July 28, 2016, on the company website and on the Bucharest Stock Exchange platform, held on the second convening at August 31, 2016, attended by shareholders (in person/ correspondence) helding a number of 166.449.683 shares, representing 20,6248% of the share capital and of the total voting rights, adopted the following resolutions:

Resolution no. 1

It is approved the annual consolidated financial statements of SIF Muntenia S.A. related to 2015 financial exercise according to the reports presented by the Administrator SAI Muntenia Invest S.A. and the financial auditor KPMG Audit S.R.L.

166.449.683 votes in favor, representing 100% of the total number of 166.449.683 votes expressed, 0 votes against and 0 votes abstain.

Resolution no. 2

It is approved the date of 16.09.2016 as the *record date*, as defined by provisions of art. 238 paragraph 1 of Law no. 297/2004.

166.449.683 votes in favor, representing 100% of the total number of 166.449.683 votes expressed, 0 votes against and 0 votes abstain.

Resolution no. 3

It is approved the date of 15.09.2016 as the *ex date*, as defined by provisions of NSC Regulation no. 6/2009.

166.449.683 votes in favor, representing 100% of the total number of 166.449.683 votes expressed, 0 votes against and 0 votes abstain.

SIF MUNTENIA SA
by Administrator
SAI MUNTENIA INVEST SA

Gabriela GRIGORE
General Manager

Internal Control
Claudia Jianu
Registry no. PFR13RCCI/400091
Date 30.08.2016

SOCIETATEA DE INVESTITII FINANCIARE MUNTENIA S.A.

ADMINISTRATOR'S CONSOLIDATED REPORT FOR THE 2015 FINANCIAL EXERCISE

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Company Name	**Societatea de Investiții Financiare Muntenia S.A.**
Headquarters	16, Splaiul Unirii, Bucharest, sector 4
Sole Registration Code	3168735
Trade Registry Registration Number	J40/27499/1992
Subscribed and paid share capital	80,703,652 lei
Outstanding shares	807,036,515
Characteristics of the shares	Common, nominative, indivisible, dematerialized
Face value	0.1 lei
Regulated Market on which the securities issued are traded	Bucharest Stock Exchange, Premium Tier, SIF4 symbol
Main object of activity	Openly attracting financial resources from natural/legal persons with a purpose to investing them according to the legislation in force related to the capital market and to the NSC Regulations. NACE Code 6499 - Other financial service activities, except insurance and pension funding n.e.c
Shareholding structure	100% private
Free capitalization	100%
Depository and custodian services	BRD Groupe Societe Generale
Shares and shareholders registry	Depozitarul Central S.A.
Financial auditor	KPMG Audit S.R.L.
Contact	Romania, Bucharest, 16 Splaiul Unirii, 040035 Tel: +4021-3873210; +4021- 3873208 Fax: +4021-3873265; +4021-3873209 www.sifmuntenia.ro e-mail: relatii@sifmuntenia.ro; sai@munteniainvest.ro

1 GENERAL INFORMATION

SIF Muntenia is a legal Romanian person, established as a joint stock company with full privately owned capital. The operation of the company is regulated both by ordinary and special Romanian legislation, applicable to financial investment companies, and by its establishment deed.

SIF Muntenia was established as a joint stock company in November 1996 by restructuring and transformation of Muntenia IV Private Ownership Fund, pursuant to Law no. 133/1996 for the transformation of Private Ownership Funds into financial investments companies.

SIF Muntenia S.A. is a collective investment scheme operating in Romania under Law no. 31/1990 and Law no. 297/2004 on the capital market and Law no. 74/2015 on alternative investment fund managers.

SIF Muntenia SA was classified on the basis of legal provisions in the category of Other Undertakings for Collective Investment (UCI) renamed by Law no. 74/2015 as "alternative investment fund".

Since its establishment until now, SIF Muntenia has not been subject to merger or splitting.

During 2015 there was no significant reorganization of SIF Muntenia's activity.

SIF Muntenia has such a structure of supervision and control which, at present, is less used by companies listed on the Bucharest Stock Exchange. Thus, shareholders oversee the management company's activity during the interval between the general meetings through the Shareholders Representatives Council and the management of SIF Muntenia is performed by an investment management company, SAI Muntenia Invest SA.

SIF Muntenia's main fields of activities are:

- Administration and management of its own securities portfolio;
- Investment in securities in accordance with regulations in force;
- mobilizing financial resources available from individuals and legal entities and their placement in securities.

According to national classification of economic activities NACE Rev. 2 the activities performed by SIF Muntenia are of class 6499 "Other financial service activities, except insurance and pension funding".

According to legal stipulations in force, SIF Muntenia prepares two sets of financial statements:

1. Separate Financial Statements, prepared in accordance with **Financial Supervision Authority Rule no. 39/2015** (hereinafter called in the tables R39, and in text Rule 39) approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the FSA from financial instruments and investments Sector. Separate financial statements for 2015 were presented and approved in the SGM of SIF Muntenia dated 28th April 2016.
2. Consolidated financial statements prepared in accordance with the provisions of Rule 39, within 8 months from the closing of the financial year. The consolidated financial statements for the 2015 financial year comprise SIF Muntenia and its subsidiaries.

In accordance with Regulation no. 1606/2002 of the European Parliament and the EU Council of 19 July 2002 and FSA Rule no.39 / 2015, the Company prepared these consolidated financial statements in accordance with International Financial Reporting Standards adopted by the European Union for the financial year ended 31 December 2015. Consolidated financial statements as of 31 December 2015 and 31 December 2014 can be found on the Company's website www.sifmuntenia.ro.

Consolidated financial statements are accompanied by **Administrator's consolidated administration report**, which analyzes the performance and the development of the activity and the position of the entities included in the consolidation, taken as a whole.

Consolidated financial statements present comparative information on prior periods are presented to be used by the Group, its shareholders and FSA and do not generate changes in shareholders' dividend rights.

SIF Muntenia's Group companies maintain their accounting records in accordance with accounting principles and practices established by the Government of Romania, through the Romanian Accounting Law.

2 ANALYSIS OF THE COMPANY'S ACTIVITY

2.1 PRESENTATION OF THE GROUP

SIF Muntenia S.A. Group is made up of SIF Muntenia and its subsidiaries.

Since 2007, SIF Muntenia Group has prepared and submitted audited consolidated financial statements in accordance with International Financial Reporting Standards adopted by the European Union ("IFRS"). SIF Muntenia is thus the first company of the five financial investment companies present in the Romanian market that has published a set of audited, consolidated financial statements prepared in accordance with IFRS.

2.2 DESCRIPTION OF CORE ACTIVITY

The Group's core activities are:

• Financial investment activity performed by SIF Muntenia.

• Activities of subsidiaries consisting mainly of cereals and seeds trade, lease of commercial premises and offices, poultry, hotel business, wholesale, production of construction materials, production and trade of medicines.

Operations performed by SIF Muntenia during 2015 were within the coordinates mentioned under The Management Program and the Budget of revenues and expenditures approved by the shareholders of SIF Muntenia. Investment policy complied with prudential rules imposed by laws and regulations in force applicable to UCI with a diversified investment policy.

SIF Muntenia portfolio's macrostructure was also within the coordinated mentioned by the Management Program for 2015.

The most important operations, both in terms of value and in terms of impact on portfolio structure, were the ones performed in the shares sub-portfolio.

SIF Muntenia is professionally using financial instruments with significant effects on the valuation of its assets, liabilities, financial position and profit or loss.

2.3 ASSUMPTIONS IN PRESENTING CONSOLIDATED STATEMENTS

The financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Group has adopted a presentation based on liquidity in the consolidated statement of financial position and a statement of expenditure according to their nature in the consolidated statement of profit or loss and other comprehensive income, considering that these methods of presentation provide information that are more relevant than those that would have been presented under other methods permitted by IAS 1.

The consolidated financial statements are prepared using **the fair value** convention for derivative financial instruments, assets and liabilities at fair value through profit or loss, financial assets available for sale, the tangible assets such as lands and buildings, real estate investments and biological assets and agricultural products except those for which fair value can not be reliably determined.

Other financial assets and liabilities and other non-financial assets and liabilities are stated at amortized cost or historical cost.

The accounts of the Company and its subsidiaries are maintained in RON in accordance with Romanian Accounting Regulations ("RAR"). These accounts have been restated to reflect differences in the accounts according to IFRS and RAR. Correspondingly, accounts according to RAR were adjusted, where necessary, to bring the financial statements, in all material respects with IFRS as adopted by the European Union.

Besides the specific consolidation adjustments, the main restatement of financial information presented in financial statements prepared in accordance with Romanian accounting regulations consisted of:

• grouping several items into more comprehensive categories;

• adjustments of elements of assets, liabilities and equity in accordance with IAS 29 "Financial reporting in hyperinflationary economies" because the Romanian economy was a hyperinflationary economy until 31 December 2003;

• fair value adjustments and impairment losses in accordance with IAS 39 "Financial Instruments: Recognition and Measurement";

• adjustments to the situation of profit or loss and other comprehensive income to record dividend income at the moment of declaring and at gross values;

• adjustment of biological assets for their evaluation at fair value less estimated point of sale in accordance with IAS 41 "Agriculture";

• adjustments of real estate investments in order to evaluate them at fair value in accordance with IAS 40 "Real Estate Investments";

• adjustments to assets held for sale in order to evaluate them in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations";

• adjustments for the recognition of assets and liabilities regarding the deferred income tax in accordance with IAS 12 "Income Taxes";

• disclosure requirements under IFRS.

The Group classifies **financial instruments** held in the following categories:

➢ **Financial assets and liabilities at fair value through profit or loss**

This category includes financial assets or financial liabilities held for trading and financial instruments classified at fair value through profit or loss on initial recognition. An asset or financial liability is classified in this category if acquired principally for speculation purpose or if so designated in this category by the Group's management.

➢ **Investments held to maturity**

Investments held to maturity are those non-derivative financial assets with fixed or determinable payments and fixed maturity which the Group has the positive intention and ability to hold to maturity. Investments held to maturity are measured at amortized cost through the effective interest method less impairment losses.

➢ **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Group intends to sell immediately or in the near future.

➢ **Financial assets available for sale**

Financial assets available for sale are those financial assets that are not classified as loans and receivables, investments held to maturity or financial assets at fair value through profit or loss.

2.4 SCOPE OF CONSOLIDATION

Subsidiaries are entities under the control of the group. Control exists when the Group has the power to lead, directly or indirectly, financial and operating policies of an entity so as to obtain benefits from its activities. When assessing control potential voting rights must be taken into account as well, that are exercisable or convertible at that time.

The financial statements of subsidiaries are included in the consolidated financial statements from the moment the group start to exercise control and until its termination. Accounting policies of the subsidiaries have been changed in time, as to align them with those of the group to minimize the necessary adjustments to the financial statements of subsidiaries at consolidation.

All subsidiaries of the Company as of 31 December 2015 and 31 December 2014 are based in Romania. For those, SIF Muntenia's percentage of ownership in the company's capital is no different from the percentage number of votes held.

As of 31.12.2015, SIF Muntenia held position f control in 14 companies. Details about them are presented in the chapter "Subsidiaries presentation".

2.4.1 CHANGES IN CONSOLIDATION SCOPE/ACQUISITION AND SALES OF SUBSIDIARIES

On 31 December 2014, SIF Muntenia group consisted of 13 companies, Biofarm not being included in the consolidation. Analysis of the scope of consolidation led to the conclusion that, although SIF Muntenia held 45.89% of the share capital of Biofarm, given that on 31 December 2014 Biofarm owned 10% of its own shares to which voting rights were suspended under regulations, SIF Muntenia held control.

As a result, during 2015, SAI Muntenia Invest, SIF Muntenia's manager, decided to include Biofarm in the consolidation with effect from 30.06.2014 and restatement of consolidated financial statements concluded on 31.12.2014.

We mention that all presentations made in this report referring to data of 2014 are recalculated and restated considering that Biofarm is part of the group as of 30.06.2014.

3 SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP AS OF 31.12.2015

3.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In LEI	31 December 2015	31 December 2014 Restated
Asset		
Cash and bank deposits	112,445,694	136,569,525
Financial assets at fair value through profit or loss	148,323,668	311,156,522
Financial assets available for sale	523,252,066	317,861,548
Loans and receivables	120,617,610	120,082,014
Inventory	42,293,629	41,171,287
Real estate investments	164,657,571	170,227,729
Intangible assets	88,347,823	102,262,418
Tangible assets	330,824,481	348,805,119
Other assets	30,288,431	41,356,705
Total assets	**1,561,050,973**	**1,589,492,867**
Liabilities		
Dividends and reserves distributed to be paid	131,860,658	134,056,970
Commercial liabilities and other liabilities	82,771,280	116,276,511
Loans	22,740,932	19,995,497
Liabilities on deffered income tax	39,512,283	39,480,132
Total liabilities	**276,885,153**	**309,809,110**
Equity		
Company Shareholders equity		
Share capital	80,703,652	80,703,652
Hyperinflation effect - IAS 29	803,294,017	803,294,017
Own shares	-	(7,174)
Reserves from revaluation of financial assets available for sale	138,643,321	140,174,362
Reserves from revaluation of tangible assets	137,186,361	141,231,543
Cummulative loss	(81,293,416)	(96,596,400)
	1,078,533,935	1,068,800,000
Interests without control	205,631,885	210,883,757
Total equity	**1,284,165,820**	**1,279,683,757**
Total liabilities and equity	**1,561,050,973**	**1,589,492,867**

The difference between total assets of the consolidated financial statements of the group and SIF Muntenia's individual financial statements is 45%, representing the cumulative effect of consolidations of subsidiaries' assets with those of SIF Muntenia and recording specific adjustments to the consolidated financial statements of eliminating transactions and outstanding balances in the group.

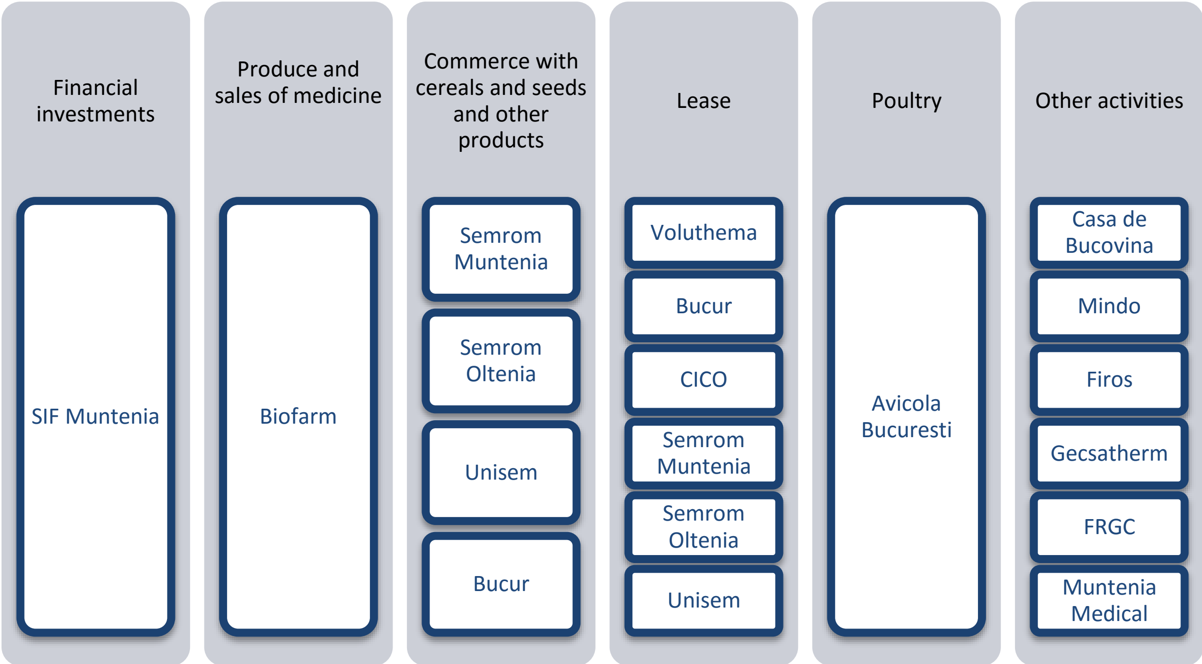
3.2 CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF COMPREHENSIVE RESULT

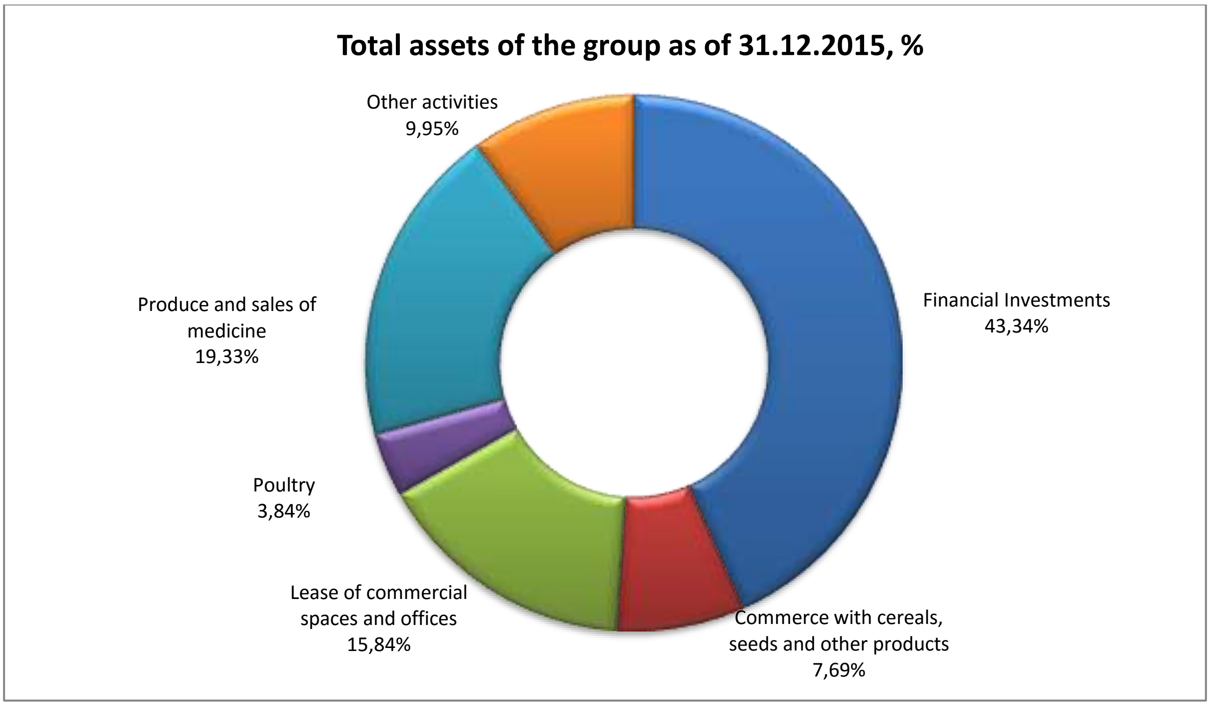
In LEI	**2015**	**2014 Restated**
Operating revenues	457,526,190	468,701,007
Other revenues and gains	7,494,026	53,034,515
Changes in inventories and capitalized production	(7,028,444)	(5,339,443)
Operating expenses	(359,416,893)	(283,453,632)
Loss from depreciation of assets	(22,682,295)	(13,681,046)
Other expenses	1,045,851	(19,407,949)
Operating Profit	**76,938,435**	**199,853,452**
Financing expenses	(1,285,543)	(1,711,653)
Profit before tax	**75,652,892**	**198,141,799**
Income tax	(31,409,134)	(21,873,410)
Net Profit	**44,243,758**	**176,268,389**
Other elements of comprehensive result		
Elements which are or can be transferred to profit or loss		
Net increase in the fair value of financial assets available for sale, net of deferred tax	28,335,345	68,823,927
Decrease of reserve due to the sale of financial assets available for sale	(30,040,608)	(202,950,211)
Items that can not be reclassified to profit or loss		
Changes of reserve from revaluation of tangible assets	348,056	4,645,021
Total other elements of comprehensive result	**(1,357,207)**	**(129,481,263)**
Total comprehensive result	**42,886,551**	**46,787,126**

3.3 REPORT ON SEGMENTS OF ACTIVITY

A segment is a distinct component of the Group's operational activities involved in generating income and expenditure including revenue and expense arising from the interaction with other components of the Group.

The Group comprises the following main segments of activity:





In LEI	Financial investments	Commerce with cereals and seeds and other products	Lease of commercial spaces and offices	Poultry	Produce and sales of medicines	Other activities	Consolidated
31 December 2015							
Assets							
Assets on segments	675,271,990	119,770,192	246,823,553	59,830,878	301,212,812	155,078,314	1,557,987,739
Investment in affiliates	-	-	-	-	-	-	-
Not allocated assets	-	-	-	-	-	-	3,063,235
Total assets							**1,561,050,974**
Liabilities							
Liabilities on segments	152,744,209	10,450,900	10,023,202	2,127,135	34,761,991	44,036,784	254,144,221
Not allocated liabilities	-	14,452,421	-	499,485	-	7,789,026	22,740,932
Total liabilities							**276,885,153**

In LEI	Financial investments	Commerce with cereals and seeds and other products	Lease of commercial spaces and offices	Poultry	Produce and sales of medicines	Other activities	Deductions	Consolidated
31 December 2015								
Revenues								
External revenues	103,350,899	74,634,355	31,825,985	38,469,440	151,650,266	65,089,271	-	465,020,216
Revenues among segments	-	358,133	209,675	-	-	12,856,015	(13,423,823)	-
Total revenues	**103,350,899**	**74,992,488**	**32,035,660**	**38,469,440**	**151,650,266**	**77,945,286**	**(13,423,823)**	**465,020,216**
Result								
Result on segments	74,554,620	(996,064)	(724,746)	2,195,499	4,197,223	4,465,390	(9,966,153)	73,725,768
Interest revenues	1,088,718	41,289	575,858	10,002	781,308	761,455	(45,964)	3,212,666
Operating profit	**75,643,338**	**(954,775)**	**(148,888)**	**2,205,501**	**4,978,531**	**5,226,845**	**(10,012,117)**	**76,938,435**
Financng expenses	-	(716,854)	-	(20,378)	(519)	(593,756)	45,964	(1,285,543)
Profit before tax	**75,643,338**	**(1,671,629)**	**(148,888)**	**2,185,123**	**4,978,012**	**4,633,089**	**(9,966,153)**	**75,652,892**
Income tax	(11,787,601)	(1,894,013)	(1,125,956)	(300,419)	(4,522,980)	(1,406,219)	(10,371,946)	(31,409,134)
Net profit	**63,855,737**	**(3,565,642)**	**(1,274,844)**	**1,884,704**	**455,032**	**3,226,871**	**(20,338,099)**	**44,243,758**

3.4 USE OF FINANCIAL INSTRUMENTS

Financial assets at fair value through profit or loss

In LEI	2015	2014 Restated
Financial assets held for trading - shares	11,972,863	176,741,273
Financial assets held for trading – structured products	55,263,607	51,854,247
Financial assets designated at fair value through profit or loss – fund units	81,087,198	82,561,002
Total	148,323,668	311,156,522

As of 31 December 2015 and 31 December 2014 financial assets at fair value through profit or loss are represented by shares issued by companies listed on the Bucharest Stock Exchange, listed structured products, fund units.

Financial assets available for sale

In LEI	2015	2014 Restated
Shares evaluated at fair value	355,904,881	177,984,722
Fund units evaluated at fair value	52,774,388	53,652,280
Total financial assets available for sale – measured at fair value	408,679,269	231,637,002
Shares evaluated at cost	114,572,797	86,224,546
Total	**523,252,066**	**317,861,548**

Details are presented in Note 17 "Financial assets and liabilities" at the consolidated financial statements

Revenues from investments

In LEI	2015	2014 Restated
Dividend income	10,201,311	14,354,638
Lease income	18,839,240	10,013,287
Interest income related to deposits and current bank accounts	2,966,271	4,356,563
Interest income related to loans and liabilities	209,298	215,132
Interest income related to investments held till maturity	37,097	0
Income from re-invoicing of utilities related to real estate investments	90,222	126,475
Total	**32,343,439**	**29,066,095**

Dividend income is recorded at gross value,

Net profit from financial instruments

In LEI	2015	2014 Restated
Net profit from sale of financial assets available for sale	35,646,889	218,393,519
Net profit from revaluation of financial assets held for trading – shares	49,018,625	4,962,542
Net profit / (net loss) from revaluation of financial assets held for trading - structured products	2,002,000	-20,090,493
(Net loss) from revaluation of financial assets designated at fair value through profit or loss – fund units	-4,530,410	-6,961,445
Total	**82,137,104**	**196,304,123**

Historical cost of financial assets available for sale evaluated at cost at the time of sale was 2,449,716 lei (2014: 24,174,329 lei) and the profit on sale was 4,773,139 lei (2014: loss of 14,182,984 lei),

Historical cost of financial assets available for sale evaluated at fair value at the time of sale was 91,363,056 lei (2014: 295 232 962 lei) and the profit on sale was 30,873,750 lei (2014: 232 576 503 lei),

4 PRESENTATION OF SUBSIDIARIES

We note that:

- *General data on SIF Muntenia's subsidiaries are presented in Annex 1*
- *Data on the management of SIF Muntenia's subsidiaries (BOD, general managers) as of 31.12.2015 are presented in Annex 2*
- *The tables presenting each subsidiary set forth in this chapter, the values of equity, revenue and profits are the ones from the financial statements prepared as of 31.12.2015 and approved during the SGOA by each subsidiary according to the accounting rules applicable to each of them (RAR, IFRS), and the percentage held by SIF Muntenia in the subsidiary is the direct investment.*

FIROS S.A. BUCURESTI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	99.14%	99.69%
Listing market and symbol	necotata	necotata
Equity lei	33,815,990	39,508,582
Total revenues lei	38,091,731	39,820,236
Net result lei	358,430	1,314,063
Average numer of employees	58	57

The Company was established under Government Decision No 1200 of 12 November 1990 on the establishment of joint stock companies in the industry, having as main activity the manufacture of glass yarns and fabrics.

The company was restuctured by SIF Muntenia, the majority shareholder, the new field of activity is production and sale of construction materials (main activity is NACE 2364-manufacture of mortar).

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

The Company has no branches.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

According to the SGEM Decision dated 3 April 2015, the share capital was increased by 4,478,530 lei, by SIF Muntenia's contribution.

AVICOLA S.A. BUCURESTI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	99.4645%	99.3968%
Listing market and symbol	RASDAQ - AVBW	BVB- AERO-AVBW
Equity lei	57,792,516	54,514,278
Total revenues lei	47,446,013	54,779,759
Net result lei	330,949	377,465
Average numer of employees	170	161

The company Avicola Bucuresti S.A. comes from state enterprise ***CENTRALA PENTRU PRODUCŢIA AVICOLĂ BUCUREŞTI***, company which was established in 1991 by reorganizing the former state enterprises according to Law 15/1990, legal basis for the establishment of the company: GO 1250/1990

Production activity in 2015 was conducted on the following directions:

• Breeding light breeds of hens,

• Production of hen eggs for consumption,

• The production of compound feed.

The activity takes place in 3 branches: Codlea, Mihailesti, Butimanu.

The company had activities in research and development (two projects in progress in 2015)

- "**Using pulsed cold atmospheric plasmas to destroy microorganisms on the surface of eggs destined to consumption, to increase food security**" (ETAP) project coordinated by the National Institute for Laser, Plasma and Radiation - INFLPR Magurele.
- "**Obtaining consumption eggs with low cholesterol,new product on the Romanian market**" project within the program National Plan for Research Development and Innovation II, DPST, consortium with Avicola Bucuresti (coordinator), National Institute of Research – Development for Biology and Animal Nutrition (I.B.N.A. Baloteşti).

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

The share capital was reduced during 2014, in two stages, and the capital reduction was completed and registered at the Trade Register in 2015.

Subsequent event

At the report's date, the BoD is made up of:

Petrescu Claudiu (President), Iancu Liliana, Iliuță Remus

MINDO SA DOROHOI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	98.02%	98.02%
Listing market and symbol	RASDAQ - MINO	BVB- AERO-MINO
Equity lei	12,583,808	9,991,517
Total revenues lei	31,245,980	26,908,586
Net result lei	118,968	-2,482,476
Average numer of employees	64	64

Since 1967, Mindo was active in the mining industry (quartz sand and flint balls), exploiting initially Miorcani deposit and then Hudeşti, Botosani County.

The company MINDO S.A. Dorohoi was founded by Government Decree no. 1361 of 29 December 1990 on the establishment of joint stock companies in the industry.

Following the devolution of glass industry in Romania, for which Mindo was a major supplier of sand quartz, the company had to expand the business, focusing on the construction materials market by developing a division of dry mortars and adhesives under the brand MINDOPLAST®. In 2012 the investment "Production of expanded polystyrene" was completed.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

The Company has no branches.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

CI-CO SA BUCURESTI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	97,3419 %	92.1578 %
Listing market and symbol	RASDAQ- CICO	BVB- AERO-CICO
Equity lei	40,458,063	48,064,127
Total revenues lei	9,969,326	10,396,439
Net result lei	261,735	1,496,172
Average numer of employees	59	48

The company was established under OG 1353/1990, taking over in 1990 the activity of the juices manufacturer CI-CO. In 2015 the activity performed by the company has as main object lease and operation of own or leased real estate.

"Obor Central Halls", the main asset of the company, are included in the list of historical monuments in Bucharest.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

CI-CO has no branches, only a working point in Bucharest, 23 Maltopol St., sector 1, where no activity is carried

The share capital was increased in 2015 by 6.115.375 lei, following the SGEM as of 15.01.2015

Subsequent event

The company was re-introduced to trading on Bucharest Stock Excange starting with 19.04.2016.

In February 2016 the holding of SIF Muntenia reached 97.3419% of CI-CO share capital following completion of the registration of the share capital increase.

At the date of this report, the composition of the BoD is:

Pavel Avramoiu – President, Stoicescu Silviu Daniel, Scripcariu Corneliu Cătălin

SEMROM MUNTENIA S.A. BUCURESTI	**31.12.2014**	**31.12.2015**
% held by SIF Muntenia from company's share capital	89.4210%	90.6815%
Listing market and symbol	RASDAQ - SEOM	BVB- AERO- SEOM
Equity lei	92,057,321	89,825,777
Total revenues lei	44,864,881	35,581,918
Net result lei	1,206,728	-6,255,489
Average numer of employees	289	281

The company Semrom Muntenia S.A. is the successor of SEMROM SA Bucuresti, which, through restructuring and in accordance with ASAL program and the SGM decision as of 21.10.1997 was divided into five companies by geographic area.

The core activity consists in contracting, production, processing and marketing of cereal seeds and fodder crops.

Under contracts, Semrom Muntenia multiplies, conditions, treats and sells seed of the following species: corn, sunflower, wheat, barley, canola, peas, oats, soybeans, alfalfa, mustard and other species of seeds. It also sells chemicals fertilizers, pesticides and herbicides.

Supply of services to agricultural producers consist in the acquisition, receipt, processing, purification and packaging of seeds and storage.

Semrom Muntenia operates eleven branches called Agrosem Complexes (Braila, Buzau, Calarasi, Constanta, Dambovita, Giurgiu, Slobozia, Prahova, Tecuci, Tulcea, Urziceni) and five workstations (Vadeni, Medgidia, Ciulniţa, Feteşti, Ograda).

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015

There were no significant mergers or reorganizations in 2015.

Subsequent event

At the report's date, the BoD is made up of:

Iuliana Cernat (President –general director), Ilie Marius Gabriel, Roşu Gabriela

SEMROM OLTENIA SA CRAIOVA	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	89.50%	88.50%
Listing market and symbol	RASDAQ - SEOL	BVB- AERO- SEOL
Equity lei	16,075,247	16,222,035
Total revenues lei	8,582,234	12,620,567
Net result lei	-2,695,405	146,788
Average numer of employees	88	74

Semrom Oltenia S.A. was established in 1998 by the splitting of SEMROM S.A, Bucureşti in five companies by geographic area.

The main object of activity of Semrom Oltenia S.A. is the production, processing and marketing of seed of grain crops and forage, but the appearance on the market of seed of a large number of merchants imposed diversification of the company's objects of activity, ie taking and valorization of fertilizers and pesticides, conditioning services for various manufacturers of seeds, storage rental, etc. the main activity being the cultivation of cereals (except rice), leguminous crops and oil seeds plants.

It has eight units in Oltenia, called working points, as follows:

1. Working point Argeş, headquartered in Piteşti
2. Working point Dolj, headquartered in Boureni;
3. Working point Gorj, headquartered in Tg, Cărbuneşti
4. Working point Mehedinţi, headquartered in Şimian
5. Working point Olt, headquartered in Caracal
6. Working point Telorman, headquartered in Alexandria
7. Working point Vîlcea, headquartered in Dragasani
8. Working point Ferma Păvăloi, Bărăşti, jud Olt,

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

UNISEM SA BUCURESTI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	76.91%	76.91%
Listing market and symbol	RASDAQ -UNISEM	BVB-AERO UNISEM
Equity lei	33,966,523	30,933,502
Total revenues lei	9,254,210	8,549,097
Net result lei	-2,573,420	-2,095,571
Average numer of employees	113	74

The company Unisem S.A. was established under Government Decision 1273 as of 8.12.1990 by transformation into commercial company, according to Law 15/1990, of the Enterprise for Developing Vegetable Seeds and Seedlings in Bucharest.

The company is engaged in the fields of agricultural production, trade and services for agriculture, specializing in the production, handling and marketing wholesale and retail of vegetable seeds, legumes food, flowers, fodder and potato.

The company is organized in three Regional Centers: Ilfov, Neamt, Salaj and operates stores-commerce retail, warehouse-commerce and wholesale and one packaging and storage unit.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

Subsequent event

At the report's date, the BoD is made up of:

Robert Rosu (President, general director) Daniel Silviu Stoicescu, Mircea Constantin

VOLUTHEMA PROPERTY DEVELOPER SA BUCURESTI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	69.11%	69.11%
Listing market and symbol	unlisted	unlisted
Equity lei	46,733,629	46,652,440
Total revenues lei	3,549,495	3,434,625
Net result lei	327,506	74,250
Average numer of employees	21	20

Voluthema Property Developer was founded in 2008 by acquiring real estate assets held by SIF Muntenia and Avicola Bucuresti. Therefore, as of 31.12.2015, Avicola Bucuresti, part of SIF Muntenia group, holds 30.89% of the capital of Voluthema Property Developer SA.

By the SGM dated 18.11.2015 there was decided the amendment of the articles of incorporation, namely the modification of the main field and main object of activity from "real estate development (promotion)" to "Renting and operating of own real estate". The exclusive activity carried out by Voluthema Property Developer in 2015 was the rental of office space in the asset called Muntenia Business Center, located in Bucharest, 16 Splaiul Unirii St.

By the SGM dated 18.11.2015 there was decided the amendment of the articles of incorporation namely the modification of the main field and main object of activity from "real estate development (promotion)" NACE code 4110 to "Renting and operating of own real estate" NACE code 6820.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

The company does not have any branches.

BUCUR SA BUCURESTI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	67.9778%	67.9778%
Listing market and symbol	RASDAQ- BUCV	BVB- AERO-BUCV
Equity lei	107,018,731	107,278,402
Total revenues lei	18,252,279	27,223,365
Net result lei	-2,354,206	258,520
Average numer of employees	62	52

Bucur company was founded in 1990 under the provisions of OG 1040/1990, by transforming I.C.R.A Bucuresti. The company's object of activity is the wholesale and retail with food commodities and manufactured goods, having as business partners both in Bucharest and in the country and services (rent, handling, storage) for producers and importers of goods.

The company operates in the following secondary locations:

• Calarasi Branch located in Oltenita city

• 8 working points - Militari warehouse, Industriilor warehouse, Rahova warehouse, Vișinilor grocery store, Pantelimon Road, Liviu Rebreanu, Romancierilor and Ion Mihalache

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

Subsequnt event

At the report's date, the BoD is made up of:

Corneliu Catalin Scripcaru (President), Vasilica Uță, Emilia Iulia Blîndu

FONDUL ROMAN DE GARANTARE A CREDITELOR PENTRU INTREPRINZATORII PRIVATI - IFN S.A.	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	53.5967%	53.5967%
Listing market and symbol	*unlisted*	*unlisted*
Equity lei	26,734,406	27,727,773
Total revenues lei	3,497,435	3,255,396
Net result lei	484,346	509,021
Average numer of employees	12	12

FRGC is a financial institution established as a joint stock company, with 100% Romanian private capital, that has as main activity other lending activities (NACE code 6492) consisting of "undertaking commitments to guarantee loans and other products and banking services contracted by Romanian entrepreneurs, individuals or legal entities, with private and / or majority private capital".

It is the first guarantee fund created in Romania, its creation taking place in 1993 on the recommendation of the World Bank.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

BIOFARM S.A. BUCURESTI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	45.89%	50.98%
Listing market and symbol	BVB- BIO	BVB-BIO
Equity lei	168,798,966	182,130,615
Total revenues lei	146,572,112	152,866,496
Net result lei	26,559,852	27,226,492
Average numer of employees	380	394

The company Biofarm SA was founded by GD 1224 as of 23.11.1990.

Biofarm's main object of activity is the production and marketing of medicinal products, NACE code 2120 "manufacturing of pharmaceutical products".

Biofarm SA Bucharest is one of the first Romanian producers of medicines and dietary supplements, with a portfolio of over 200 products.

During 2015, Biofarm has maintained along with the market trend and maintained its position among the top 10 Romanian manufacturers in terms of sales in the business units achieving a market share of 3.80% as reported by Cegedim Romania of total units sold to patients on the Romanian pharmaceutical market.

On 31.12.2015 the company had the following working points:

- Bucharest, 42-44 Iancu de Hunedoara Bvd, sector 1,
- Bucharest, 202-226 Gura Badicului St, finished goods distribution warehouse
- Cluj-Napoca, 206 Traian Vuia St, finished goods distribution warehouse
- Craiova, 120 A Decebal Bvd., finished goods distribution warehouse
- Arad, 1 Câmpul Linistii, finished goods distribution warehouse,
- Constanta, 1 Interioara St., finished goods distribution warehouse,
- Iasi , 78 Aurel Vlaicu St., finished goods distribution warehouse,

RESEARCH AND DEVELOPMENT

During 2015, 15 new formulas have been developed, medicines and dietary supplements.

Authorization to market 4 new products were obtained.

Regarding export activity, 46 registration certificates were obtained for products under Biofarm portfolio, of which 8 for medicines and 38 for dietary supplements.

On 31.12.2015, Biofarm has submitted for approval / renewal of authorization from the National Medicines Agency for 25 files of medicines.

Following the capital reduction operated in 2015, SIF Muntenia ownership percentage has increased from 45.89% to 50.984%. The share capital decrease was achieved through the cancellation of the shares repurchased by the company in 2014.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

CASA DE BUCOVINA CLUB DE MUNTE S.A. GURA HUMORULUI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	66.8702%	66.8702%
Listing market and symbol	BVB- BCM	BVB- BCM
Equity lei	36,576,793	35,098,685
Total revenues lei	6,337,950	7,374,955
Net result lei	620,507	518,751
Average numer of employees	65	71

The company Casa de Bucovina Club de Munte SA was established in March 1998 as a joint stock company with private capital, with 6 founding shareholders, Romanian legal persons.

Casa de Bucovina - Club de Munte has as object of activity the provision of hotel services, food services and entertainment, the sale of package tours, organization of conferences and events for local or foreign companies, etc.

The main asset of the company is a four-star hotel put in use in 2002, affiliated to the international chain Best Western, located in Gura Humorului, Suceava County.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

The company does not have any branches.

Subsequent event

At the report's date, the BoD is made up of:

Florica Trandafir (President) Ion Romică Tămaș (Vice-President, general director) Liana Marin, Dumitru Florin Chiribucă, Mircea Constantin

GECSATHERM SA TÂRNĂVENI	31.12.2014	31.12.2015
% held by SIF Muntenia from company's share capital	50.00%	50.00%
Listing market and symbol	unlisted	unlisted
Equity lei	20,203,612	20,430,987
Total revenues lei	11,259,861	13,901,378
Net result lei	68,030	227,375
Average numer of employees	40	37

Gecsatherm is an investment of SIF Muntenia SA together with Gecsat SA Târnăveni, which started in 2007 and the production started in 2009,

The company's main activity is the production of glass mineral wool used for thermal and acoustic insulation especially attics, exterior walls, floors, wall insulation of internal partition drywall, for steel buildings and industrial equipment. Mineral wool is a complement production of Gecsat SA Târnăveni.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

The company does not have any branches.

MUNTENIA MEDICAL COMPETENCES SA PITEȘTI	31.12.2014	31.12.2015
Company under insolvency process		
% held by SIF Muntenia from company's share capital	98.94%	98.94%
Listing market and symbol	unlisted	unlisted
Equity lei	5,775,142	4,028,395
Total revenues lei	22,762,204	10,431,111
Net result lei	-2,715,315	-1,746,747
Average numer of employees	96	108

At 31.12.2015, SIF Muntenia held 98.94% of the share capital of MUNTENIA COMPETENCES MEDICAL SA PITEŞTI with business activities in the specialized healthcare. The company is in insolvency.

By the conclusion of the session dated 21.05.2014 pronounced in file no 290/1259/2014 by the Arges Court, the court ordered the opening of the insolvency proceedings with the Judicial Administrator General SMDA Insolvency SPRL. SIF Muntenia filed a claim for 3,620,235,62 EURO, the equivalent in lei of the amount of 16,053,210,80 lei, representing the value of bonds purchased in October 2008, unpaid interest and penalties. The receivable is guaranteed. The debtor filed a Reorganization Plan on 11.12.2015, subsequently approved by the general Assembly of shareholders and the Meeting of creditors.

Subsequent event

By ruling 308 / 09.03.2016 the bankruptcy judge invalidated the reorganization plan and rules the bankruptcy of the debtor company. The debtor and SIF Muntenia appealed against that judgment. There was also requested the suspension of the sentence until the resolution of the appeal, request admitted by Pitesti Court of Appeal in file no 327/46/2016. By rule dated 24.03.2016, bankruptcy adjourned the trial until the appeal is judged.

The Company had no research and development activities.

The Company had no operations of acquisitions of own shares.

SIF Muntenia did not carry out transactions with the company's shares in 2015.

There were no significant mergers or reorganizations in 2015.

The company does not have any branches.

5 INTERNAL CONTROL AND RISK MANAGEMENT

Internal control

Considering the obligation of SAI Muntenia Invest to establish, implement and maintain adequate policies and procedures to identify any risk of failure of SAI Muntenia INVEST to comply with its obligations under the provisions of the Capital Market Law and regulations, and risks associated and to adopt appropriate measures and procedures to minimize those risks, taking into account the nature, size and complexity of its business and the nature and range of services and activities, SAI Muntenia INVEST establishes and maintains a permanent and operational internal control position which runs independently and has the following responsibilities.

i. regularly monitor and evaluate the effectiveness and proper way of implementing the measures and procedures set by the SAI Muntenia INVEST as well as measures ordered to resolve any cases of default of SAI Muntenia INVEST;

ii. to advise and assist the relevant responsible persons for carrying out services and activities to meet the requirements imposed to SAI Muntenia INVEST according to the Capital Market Law and regulations.

Internal control department reports to the Board of Directors and ensures the compliance of SAI Muntenia Invest and its employees with laws, regulations, instructions and procedures of the capital market and the rules and internal procedures of SAI Muntenia INVEST.

The representative of the internal control department is subject to FSA authorization and is registered in the public register of the FSA.

Internal Audit

Within the management company, persons will be appointed and maintained for ensuring the position of internal auditor both for the company's own activity and for the managed entities (such as SIF Muntenia). The internal audit function is separate and independent from other functions and activities that can be outsourced on a contractual basis. For SIF Muntenia, the internal audit function is outsourced, being exercised by the company Audit Consult Group SRL.

The internal auditor has the following responsibilities:

a) establishing, implementing and maintaining an audit plan to assess and examine the effectiveness and adequacy of systems, internal controls and administrator's procedures;
b) verifying the compliance with work rules and procedures approved by the Board of Directors of SAI Muntenia INVEST.
c) preparation, according to contractual terms, written reports on the themes specified in the internal audit plan, submitted to the Board of Directors of MI
d) issue recommendations based on the result of activities carried out in accordance with paragraph a);
e) verify the compliance with the recommendations provided in paragraph c);

Audit Committee (which is established under the Board of Directors of MI) monitors and evaluates the way in which the internal auditor complies with contractual stipulations. The Audit Committee shall inform the Board of any deficiencies noted in executing the internal audit contract.

In 2015, the internal audit activity for SIF Muntenia was conducted in compliance with the internal audit plan established in accordance with the objectives and peculiarities of the company's activity as approved by the Board of Directors.

Risk management.

Risk Management Department is hierarchically subordinated to the General Director and has the following duties and responsibilities:

a. identify and assess significant risks related to SAI Muntenia Invest and to each entity managed by SAI MUNTENIA INVEST (such as SIF Muntenia);

b. monitor significant risks related to SAI Muntenia Invest and to each entity managed by SAI Muntenia INVEST;

c. measure significant risks influence on the risk profile agreed for each portfolio of the managed entity;

d. develops and implements risk management policies and procedures (identification, assessment, monitoring and control) for all entities managed by SAI Muntenia INVEST;

5.1 SIGNIFICANT RISKS MANAGEMENT

Investment activity exposes the Group to a variety of risks associated with financial instruments owned and financial markets in which it operates.

General risk management strategy aims to maximize Group profit compared to the level of risk to which it is exposed and minimize any potential adverse variations on the financial performance of the Group.

The Group uses a variety of policies and procedures for the management and evaluation of the types of risk to which it is exposed. These policies and procedures are set out below under the section dedicated to each type of risk.

Risk policy principles that are included in SAI Muntenia Invest SA's Rules and Internal Procedures in 2015 applicable to individual risks of SIF Muntenia were:

- Risk-taking is not a purpose. Risk taking by SAI Muntenia Invest is measured in relation to potential yields. In a risk-oriented policy yields, SAI Muntenia Invest takes risks only to the extent that expected appropriate return corresponds to that level of risk.
- Aiming at a prudential risk-based management, SAI Muntenia Invest performs operations whose risk profile is acceptable.
- SAI MUNTENIA INVEST ensures the existance of neccessary processes and systems to ensure efficiency and effectiveness of operations, adequate control of risks, doing business in a prudent manner, an appropriate degree of internal and external information, and compliance with internal and external regulations
- In order to determine the risks that may affect the activity of SAI Muntenia INVEST, significant activities will be identified as well as the risks associated with these activities and the ratio between risk and profit.
- In accordance with the risk profile of SIF Muntenia, SAI Muntenia Invest identifies a number of applicable risks which can be treated/reduced using a number of techniques, tools and measures that are found in specific procedures.

The strategy and significant risk management policies are implemented at all levels of activity of SAI Muntenia Invest generally through internal Rules and procedures and through Significant risk management procedures in particular.

5.2 SIGNIFICANT RISKS FOR THE GROUP

Operational risk. Operational risk events are situations which, due to internal or external factors under or out of the company's control, can generate loss. The management company pursues operational risk separately for SIF Muntenia, classifying them in an approach of Basel II. In 2015 there were not reported operational risk events in relation to SIF Muntenia.

For the subsidiaries, defined policies for operational risk management took into consideration each type of event that can generate significant risks and ways of their manifestations, to eliminate or reduce financial or reputation losses.

Market risk is the risk of a loss or the failure to achieve expected profit as a result of fluctuations in prices, interest rates and exchange rates of currencies.

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

(I) Price risk

(Ii) Interest rate risk

(Iii) Foreign Currency risk

(i) Price risk

The Group is exposed to risk associated with variation in the price of financial assets at fair value through profit or loss and financial assets available for sale: 61% of the total shares with active market held by the Group on 31 December 2015 (31 December 2014: 53%) accounted for investments in companies that were part of the BET index of the Bucharest Stock Exchange, index weighted with market capitalization, designed to reflect the overall trend of prices for the ten most liquid stocks traded on Bucharest Stock Exchange.

A positive variation of 10% in the price of the financial assets at fair value through profit or loss would lead to an increase in profit before tax of the Group of 14,832,367 lei (31 December 2014: 31,115,652 lei), a negative variation of 10% having a net equal impact of the opposite sign.

A positive variation of 10% in prices of th financial assets available for sale would lead to an increase in equity of the Group with 46,867,927 lei (31 December 2014: 23,163,700 lei), a negative variation of 10% having a net equal impact of the opposite sign.

The Group holds shares in companies operating in various sectors, such as:

In LEI	31 December 2015	%	31 December 2014	%
Financial, banking and insurance	334,016,562	69%	263,119,091	58%
Real estate, renting and other services	40,281,839	8%	46,987,757	8%
Wholesale, retail, tourism and restaurants	18,462,394	4%	18,165,027	3%
Building materials industry	12,844,879	3%	13,372,260	2%
Agriculture, livestock, fishing	500	0%	124,130	0%
Metallic construction and metal products	40,259,505	8%	39,284,809	2%
Pharmaceutical and medical industry	943,171	0%	1,037,134	0%
Chemical and petrochemical industry	4,344,208	1%	2,867,662	17%
Energy industry	13,638,737	3%	37,691,519	6%
Others	17,658,745	4%	18,301,151	4%
TOTAL	**482,450,541**	**100%**	**440,950,541**	**100%**

(ii) Interest rate risk

The Group faces the interest rate risk due to the exposure to adverse movements in interest rates. Changes in market interest rates directly affects revenues and expenses for financial assets and financial liabilities bearing floating interest rates and the market value of the fixed interest ones (for example, bonds).

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

The impact on the Group's net profit of a change of +/- 1.00% of the interest rate related to interest-bearing assets and liabilities denominated in other currencies in conjunction with a change of +/- 5.00% of the interest rate related to assets and interest-bearing liabilities den,ominated in lei is of - / + 701,378 lei (31 December 2014: - / + 532,142 lei).

(iii) Foreign currency risk

Foreign currency risk is the risk of loss or failure to achieve estimated profit as a result of adverse movements in exchange rates. The Group is exposed to fluctuations in currency exchange rates, and does not have a formalized policy for currency hedging. Most financial assets and liabilities of the Group are expressed in national currency. Other currencies in which operations are done are EUR and USD.

The net impact on Group's profit of +/- 15% exchange rate RON / EUR together with a change of +/- 15% change in the exchange rate RON / USD on 31 December 2015, all other variables held constant, is of - / + 4,343,560 lei (31 December 2014: - / + 4,621,030 lei).

Credit risk

Credit risk is the risk of loss or failure to achieve estimated profits due to failure of a counterparty to fulfil its financial obligations. The Group is exposed to credit risk due to investments in bonds issued by municipalities or companies, to current accounts and bank deposits and other receivables.

As of 31 December 2015 the subsidiary Biofarm SA received promissory notes from customers amounting to 38.946.746 lei (31 December 2014: 20.576.707 lei).

As of 31 December 2015 and 31 December 2014, the Group did not hold additional collateral as quarantee and other improvements in the credit rating.

The Group's maximum exposure to credit risk at 31 December 2015 and 31 December 2014 is reflected in the following tablep:

In LEI	31 December 2015	31 December 2014
Current accounts	31,326,720	27,182,858
Bank deposits	80.481,290	108,402,209
Bonds	7.465,822	7,457,479
Trade receivables	143.761,392	122,629,202
Other receivables	21,496,369	23,509,676
Financial guarantees granted	26,390,695	22,761,843
Adjustment for impairment of loans and receivables	(52,105,973)	-33,514,343
Impairment of financial guarantees	(739,555)	-1,153,981
Total	**258,076,760**	**277,274,943**

Liqudity risk

Liquidity risk is the risk of loss or failure to achieve estimated profits resulting from failure to meet payment obligations at any time in the short term, without this entailing excessive costs or losses that may be incurred by the group.

Group's assets and liabilities structure was analyzed on the basis of the period from the date of consolidated statement of financial position to the contractual maturity date for the years ended December 31, 2015 and December 31, 2014

In LEI	Book value	Below 3 months	Between 3 and 12 months	More than 1 year	No pre-established maturity
Financial assets					
Cash and bank deposits	112,445,694	92,763,086	19,447,331	0	235,277
Financial assets at fair value through profit or loss	148,323,668	0	0	0	148,323,668
Financial assets available for sale	523,252,066	0	0	0	523,252,066
Loans and receivables	120,617,610	117,578,583	0	3,039,027	0
Other assets	0	0	0	0	0
Total financial assets	**904,639,038**	**210,341,669**	**19,447,331**	**3,039,027**	**671,811,011**
Financial liabilities					
Dividend Payment	131,860,658	131,860,658	0	0	0
Loans	22,740,932	11,347,598	7,624,352	3,768,983	0
Other financial liabilities *	72,054,064	71,796,328	68,696	189,040	0
Total financial liabilities	**226,655,654**	**215,004,584**	**7,693,048**	**3,958,022**	**0**

Taxation risk

Romanian fiscal legislation requires detailed and complex rules which undergone several changes in recent years. Interpretation of the text and the practical implementation of tax laws may vary with the risk that certain transactions be interpreted differently by the tax authorities as compared to Group's treatment. In terms of corporation tax for the financial year 2015, there is a risk of different interpretation by the tax authorities of the fiscal rules applied as determined by IFRS accounting regulations.

Romanian Government has a number of agencies authorized to conduct audits (controls) of companies operating in Romania, these controls are similar to tax audits in other countries, and may extend not only to tax matters but to other legal and regulatory aspects that are of interest to the these agencies. The Group may be subject to tax audits on the extent of issuing new tax regulations.

Economic environment risk

The Group's management can not predict all the effects of the crisis that will have an impact on the financial sector in Romania, nor their potential impact on these financial statements. The Management believes that it has adopted measures necessary for sustainability and development of the Group under the current market conditions.

Environmental risk related to biological assets

The Group operates farming of poultry activity, activity with an impact on the environment, for which it has sought environmental authorization. The Group obtained environmental permits for secondary office of Avicola S.A. Mihăileşti. The Group filed applications for the environmental permit for secondary offices of Avicola S.A. in Butimanu and Codlea.

Risk related to supply and demand fluctuations

The Group is exposed to price fluctuation risk and volume of sales of biological asset. Where possible, this risk is reduced by aligning the number of flocks with the existing demand.

6 GOUP'S ISSUED SECURITIES MARKET

6.1 SIF MUNTENIA'S ISSUED SECURITIES MARKET

SIF Muntenia's subscribed and paid share capital of is 80,703,651.5 lei, divided into 807,036,515 common shares with a nominal value of 0.1000 RON / share.

Main characteristics of SIF Muntenia's shares

All shares are ordinary shares, with a nominal value of 0.1 lei / share,
There were no changes in the number of shares issued in 2015. Until 31.12.2015 the company has not approved any repurchase program and has not made acquisitions of own shares.
SIF Muntenia has not issued bonds and / or other debt securities, with no obligation of this nature. Financing the entire activity is achieved only through own funds.
Shares issued by SIF Muntenia are listed on the Bucharest Stock Exchange, the premium category, in accordance with the provisions of BSE Decision No. 200/1999 and traded on the market starting with 01.11.1999.
SIF Muntenia shares and shareholder's records are kept by the Central Depository S.A. Bucharest, company authorized by NSC / FSA.

TRADING OF SHARES ISSUED BY SIF MUNTENIA SA

SIF Muntenia shares are registered in the FSA Register with the symbol PJR09SIIR / 400005, have the ISIN indicator ROSIFDACNOR6, are traded on the Bucharest Stock Exchange with the symbol SIF4 and on Bloomberg information system has the indicator BBG000BMN7T6.
SIF Muntenia shares are included in the **BET-FI,** own index of the BSE. BET-FI is the first sectorial index released by BSE reflecting the evolution of the financial investment companies (SIFs) and other similar institutions (Property Fund).

6.2 SUBSIDIARIES ISSUED SECURITIES MARKET

Among the 14 subsidiaries included in the consolidated report:

- Two subsidiaries are listed on the Bucharest Stock Exchange - Biofarm and Casa de Bucovina Club de Munte
- Five subsidiaries do not have the shares lised on a regulated securities market or an alternative trading system
- Seven subsidiaries that were listed on RASDAQ were transferred during 2015 to AERO, the alternative trading system of the BSE

7 GROUP MANAGEMENT

7.1 SAI MUNTENIA INVEST, ADMINISTRATOR

Description of the core activity

The Investment Management Company Muntenia Invest SA was founded in 1997, in compliance with Government Ordinance No. 24/1993, approved by Law no. 83/1994 and NSC Regulation 9/1996.

SAI Muntenia Invest SA's main activity is provision of specific services on the management of undertakings for collective investment in transferable securities (UCITS) and the management of other collective investment undertakings (UCI), in compliance with Law no. 297/2004 and secondary legislation developed by NSC. The company is registered with the Trade register under number J40 / 3307/1997 and has the unique registration code 9415761 and is authorized as an investment management company by NSC Decision No. 6924/1997, reauthorized by Decision 110/2004.

SAI Muntenia Invest SA is registered in the NSC Register under No. PJR05SAIR / 400006

According to SIF Muntenia SA's establishment deed as approved by the General Shareholders Assembly decision since 1997, SAI Muntenia Invest SA concluded a administration contract with SIF Muntenia SA.

During 01.01.2015 – 31.12.2015 SAI Muntenia INVEST was employed as administrator of SIF Muntenia in accordance with the administration contract and SIF Muntenia's Programme for 2015, approved by SGM dated 30 April 2015.

There are no family agreements or understandings that SAI Muntenia Invest was appointed administrator of SIF Muntenia.

Participation of the administrator in the company's share capital - SAI Muntenia Invest does not own shares in SIF Muntenia or its subsidiaries.

For transparency in shareholders relationship we further present details on the management company's management.

Board of Directors as of 31.12.2015

Name and surname	Quality/ position held	Authorized by
Dănuț Florin Buzatu, Economist	Vice-President of the Board of Directors	NSC Decision no. 1104/04.12.2012
Florica Trandafir, Economist	Member of the Board of Directors	NSC Decision no. 2872/24.10.2005
Sorin Florian Boldi, Lawyer	Non executive independent member of the Board of Directors, Member of the Audit Committee	FSA Decision no. A/45/28,06,2013
Daniel Silviu Stoicescu, Lawyer	Non executive independent member of the Board of Directors, Member of the Audit Committee	FSA Decision no. 244/20,11,2015

General Director Gabriela Grigore

Subsequent event

At the preparation date of this report, SAI Muntenia Invest's BoD is made up of: Florica Trandafir- President, Daniel Silviu Stoicescu, Sorin Florian Boldi,

Information on the management structure of SAI Muntenia Invest SA, namely the composition of the board of directors, the audit committee and the effective management and the members' CVs are available on the website of SIF Muntenia www.sifmuntenia.ro and on the website of the administrator, SAI Muntenia Invest SA, www.munteniainvest.ro,

7.2 AFFILIATES UNDER SPECIAL RELATIONSHIPS

During its activity, SIF Muntenia identified the following parts under special relationships:

- **S.A.I. Muntenia Invest S.A. – Company's administrator**

SIF Muntenia operates under an administration contract signed with the Investment Management Company Muntenia Invest S. A. The majority shareholder of the Investment Management Company Muntenia Invest S.A. is SIF Banat-Crisana, holding 99.96% of the capital social as of 31 December 2015 (31 December 2014: 74.98%). The Board of Directors of SIF Banat Crisana S,.A. may change the Board of Directors of SAI Muntenia Invest S.A., Company's administrator.

- **Group subsidiaries**

The percentate of voting rights resulted according to direct **and indirect** holdings:

Company denomination	Percentage of voting rights as of 31 December 2015	Percentage of voting rights as 31 December 2014
Avicola Bucureşti S.A.	99,40%	99,46%
Bucur S.A.	67.98%	67.98%
Casa de Bucovina - Club de Munte S.A.	68.94%	68.94%
CI-CO S.A.	97.34%	92.16%
Firos S.A.	99.69%	99.14%
FRGC IFN S.A.	53.60%	53.60%
Gecsatherm	50.00%	50.00%
Mindo S.A.	98.02%	98.02%
Muntenia Medical Competences SA	98.94%	98.94%
Semrom Muntenia S.A.	90.68%	89.42%
Semrom Oltenia S.A.	88.50%	88.50%
Unisem S.A.	76.97%	76.97%
Voluthema Property Developer S.A.	99.81%	99.83%
Biofarm S.A.	50.98%	45.89%

- **Key management personnel**

31 December 2015

- BoD Members of SAI Muntenia Invest S.A.: Dănuţ Florin Buzatu, Florica Trandafir, Sorin Florian Boldi, Daniel-Silviu Stoicescu;
- Shareholders Representatives Council Members

Transactions entered into by the Company with parties having special relations were conducted in the normal course of business, the Group did not receive and did not give guarantees in favor of any party under special relations.

8 ITEMS OF BUSINESS PERSPECTIVE

2016 will mark the beginning of the active transition of SIF Muntenia from the classification and regulation of the UCI (another CIU) to AIF (AIFM), according to AIFMD directive.

Following the analysis made by SIF Muntenia's administrator, we can draw the following items which will be applicable for SIF Muntenia after completing the process of adapting to AIFMD legislation:

• SIF Muntenia will turn into an AIF established on the basis of its establishment deed, managed by SAI Muntenia Invest as AIFM (alternative investment fund manager).

• SIFs will be AIFs headquarterd in the European Union that use leverage or not (AIF funds raised through additional borrowing against the equity to increase the value of financial instruments in which it invests). **SIF Muntenia's Administrator expresses its intention not to actively use leverage in the future in managing SIF Muntenia**.

• SIFs will turn into AIFs whose shares are distributed to retail investors inclusively (by listing on the BSE, and free trading of shares, anyone can become a shareholder SIF).

Action directions for 2016

1. Given the low yields of fixed income instruments, SIF Muntenia's investments will be directed towards acquisition of shares. There will be a prudent investment process based especially on fundamental analysis of issuers subject to possible investment.
2. Create investment sources through the exit of companies that usually do not pay dividends or have exhausted their growth potential.
3. Continuing the diversification of the shares sub-portfolio, capable of providing a predictable level of dividends distributed to SIF Muntenia. Among the sectors with potential performance, we can mention the energy sector, utilities, automotive and pharmaceutical industries.
4. Particular attention will be paid to the relationship with the companies in which SIF Muntenia has majority ownership of share capital. To improve corporate governance, management contracts with their board members will be signed, stipulating the objectives pursued in 2016. At the same time, to achieve these goals special attention will be paid to promoting individuals with proper training in the boards of directors and executive management.

9 CONSOLIDATED NON FINANCIAL STATEMENT

FSA Rule article 29 paragraph 3 provides that, notwithstanding the provisions of paragraph (2), entities that are are mother - companies of a large group which, at the balance sheet date on a consolidated basis, exceeds the criteria of having an average number of 500 employees during the financial year, include the consolidated nonfinancial management statement containing, insofar as they are necessary for understanding the development, performance and position of the group and the impact of its work, information on at least the environmental, social and personnel, human rights, fighting corruption and of bribery, including:

a) a brief description of the business model of the group;

b) a description of the policies adopted by the Group in connection with these matters, including due diligence procedures applied;

c) the results of those policies;

d) the principal risks related to these issues arising from the Group's operations, including, where relevant and proportionate, business relationships, products or services that could have a negative impact on the areas concerned and how the group manages those risks;

e) indicators - non-financial key performance indicators relevant to the specific activity of the entity.

If at the group level, policies regarding one or more of these issues are not implemented, consolidated non-financial statement provides clear explanations and incentives.

Since the adoption of Directive 2013/34 / EC[1] on the annual consolidated financial statements and related reports of certain types of companies, groups are defined as "a mother company and its subsidiaries". What determines whether an entity is a subsidiary of a mother company is the notion of "control", Recital 31 of the Directive details the specific circumstances in which control is deemed to be exercised.

Although the relationship between an investment fund in general (and a financial investment company in particular) and its companies in the portfolio is fundamentally different from that which exists in an enterprise group or conglomerate, these structures fall within the definition of 'group' as currently defined by EU law.

Investment funds that invest in selected companies holding a majority or minority stake in these companies and, legally, they can be group enterprises. However, in practice:

(i) these portfolio companies will operate independently from each other and from the mother company (eg the fund itself);

(ii) financing structure of the portfolio companies will generally be independent of each other

From a perspective of a fund or investment fund manager, its business purpose will be to invest funds only to benefit from the appreciation of invested capital or investment income or both. This is very different from seeking to obtain benefits from the operational activities of the portfolio companies in which it has invested.

9.1 BUSINESS MODEL OF THE GROUP

The group formed by SIF Muntenia and its subsidiaries operate under the laws in force governing the financial investment companies.

The business model of SIF Muntenia group is closer to the group / financial holding company, in which the mother company deals only with the management and control of shareholdings. There should be emphasized here that by its nature, the publicly owned company SIF Muntenia is, moreover, subject to national and European special regulations, it is supervised by the FSA, and investments and financial instruments in which it invests are subject to additional limitations as compared to a "generalist" holding.

[1] to be transposed into national legislation by 6 December 2016 and the implementation of the Directive will become mandatory for the financial year beginning 1 January 2017 or during the calendar year 2017

9.2 DUE DILLIGENCE PROCEDURES APPLIED

During 2015, there were no particular formalized due diligence procedures, aspects of due diligence being followed for various activities as they reflect the normal practice in the field, in the spirit of Art. 803 of the Civil Code.

After the registration of the AIFM (procedure for approval by FSA is pending at the date of this document) SAI Muntenia Invest will follow in the management of SIF Muntenia as well the provisions of article 18 and 19 of EC Delegated Regulation 231/2013 on policies and written procedures on due diligence and will implement effective measures to ensure that investment decisions taken on behalf of AIF are executed in accordance with the objectives, investment strategy and, where appropriate, risk limits of FIA.

9.3 CORPORATE GOVERNANCE

9.3.1 CORPORATE GOVERNANCE OF SIF MUNTENIA

The Administrator of SIF Muntenia believes that compliance with the Corporate Governance Code of the Bucharest Stock Exchange ensures the accuracy and transparency of decision making process of the company and allows equal access for all shareholders to relevant information as a means for SIF Muntenia to remain competitive in a world increasingly affected by accelerated changes.

The Administrator SIF Muntenia has decided to accede **to the extent possible**[2], the rules and principles of corporate governance of the Code of Corporate Governance of BSE since the annual report for the financial year 2010, presenting in the annual reports and the "Comply or Explain" Declaration the compliance with the principles of the Code and its regulations.

Details of compliance with the principles and recommendations of the corporate governance code of BSE are included in **the statement of compliance with the Corporate Governance Code**, in the Annex to the 2015 Individual Annual Report of SIF Muntenia.

SAI Muntenia Invest presents **two** reports of the administrator for SIF Muntenia, the administrator's report and the administrator's consolidated report.

9.3.2 CORPORATE GOVERNANCE OF SIF MUNTENIA HOLDINGS

An efficient government of shareholdings involves by the administrator SIF Muntenia:

• The exercise of rights conferred by law or the memorandum, by the securities held;

• Active participation in strategic decisions of the company, in accordance with the legal provisions in force;

• Participation in the selection and appointment of issuers' management and follow-up and evaluation of its performance. The management approach will be based on decentralization, accountability and transparency, in an environment where there are a core set of shared values, clearly defined objectives for each activity and a comprehensive infrastructure for guiding and monitoring progress and achievements;

• Exercise proper control over the management of companies for verification of managerial accountability;

• Responsibility of the management companies to support business interests, pursuant to the common growth strategy;

• Establish criteria for monitoring and regular reporting by the Board of Directors and executive management of the economic and financial performance and outstanding issues raised in the activity of companies;

• Ensuring consistency between the dynamics of each company's management characteristics and the changes in its environment;

[2] Corporate governance code was prepared for "standard" companies - quoted UCI managed by SAI (asset management companies) as SIF Muntenia or Fondul Proprietatea have certain peculiarities in operation and can not apply adlitteram certain provisions.

• Setting an increased dynamism of each company's activities to facilitate superior economic performance;

• Involvement in the effective operation and development of relations and harmonization of interests of the shareholders of each company;

9.3.3 CORPORATE GOVERNANCE OF SUBSIDIARIES LISTED ON REGULATED CAPITAL MARKETS

Subsidiaries listed on the Bucharest Stock Exchange, regulated market, joined the Corporate Governance Code of the Bucharest Stock Exchange and made available to stakeholders through the "comply or explain" statements information on the status of compliance with this Code.

Subsequent event

At the beginning of 2016, following

- The modification of the BSE Corporate Governance Code
- The emergence of corporate governance principles for companies listed on AERO

Listed subsidiaries have provided to the stakeholders, as annexes to the annual reports for 2015, statements on the status of compliance with applicable corporate governance codes.

9.4 COMPANY'S SOCIAL RESPONSIBILITY, SOCIAL, ENVIRONMENTAL, DIVERSITY ISSUES

SIF Muntenia permanently carries out activities related to corporate social responsibility, each year supporting directly or through specialized foundations / associations disadvantaged persons in the community where it operates. The Company contributes to supporting scientific, cultural, sports, medical, educational environmental actions, national or regional events.

SAI Muntenia Invest has decided that, in the management of the portfolio of **SIF Muntenia NOT to invest in the production of alcohol, tobacco, weapons, gambling,** even if these branches have substantial profit, risks and social problems involved are large, and we express by this decision as well, **corporate social responsibility.**

SIF Muntenia group does not have a policy or procedure on integrated governance regarding the environment and social environment, but covers relevant issues in this field in various corporate documents applicable to each company, covering specific aspects of their activity.

Subsidiaries from certain sectors recognized by national legislation a**s being at risk on the social and environmental environment** are concerned about the risks to the environment and the social environment and the means of theor mitigation.

Social issues pursued by subsidiaries

The fundamental (central) SOCIAL objective comprises forming market organizational culture in the subsidiaries, through:

• working conditions of employees;

• remuneration;

• system of labor motivation and rewards;

• means of assessing and measuring stations, the workload;

• information and control systems and means of correction;

• how to entrench customer relationships through quality, durability, flexibility, the price of products and services;

• readiness for change; desire for accountability, willingness to clarify counterproductive situations;

• full and effective use of working time, interweaving personal interests with the interests of the company,

Once the registration with FSA of SAI Muntenia Invest as AIFM is complete there will be pursued to observe the provisions of Article 27 to 30 of Directive 61/2011, taken in the Romanian legislation by Law 74/2015 Article 26-27 which sets out specific obligations when taking control over a company, respectively informing employees about the future intentions of the unlisted company activity and possible consequences on employment, including any material change as established by the regulations of FSA on employment conditions.

During 2015 financial year there was no **formalized diversity policy** applied on the administration and management bodies of the entity on issues such as, for example: age, gender or education and professional experience.

SIF MUNTENIA SA through its Administrator SAI MUNTENIA INVEST SA	3B EXPERT AUDIT SRL
President of the Board of Directors Florica Trandafir	Administrator Adriana Anişoara Badiu

10 ANNEX 1, GENERAL DATA ON SUBSIDIARIES

Denomination	Address	CITY	Fiscal Code	Trade Registry Number	Number of shares issued	Number of SIF shares	Face value of shares lei
FIROS S,A BUCURESTI	BD TIMISOARA 100	BUCURESTI	434492	J40/14598/91	2,824,460	2,815,576	2,5
AVICOLA SA BUCURESTI	SPLAIUL UNIRII, NR, 16, SECTOR 4, BUCURE	BUCURESTI	1551768	J40/12/1991	8,029,531	7,981,093	2,5
MUNTENIA MEDICAL COMPETENCES SA	PICTOR NICOLAE GRIGORESCU, NR, 2A	PITESTI	23553484	J03/668/2008	427,678	423,146	100
MINDO SA DOROHOI	STR,HERTA 45	DOROHOI	622003	J07/125/91	115,541,564	113,252,009	0,1
CI-CO SA BUCURESTI	ALEEA CAMPUL MOSILOR 5	BUCURESTI	167	J40/472/1991	259,837	239,460	2,5
SEMROM MUNTENIA SA BUCURESTI	STR ARISTIDE PASCAL 28-30	BUCURESTI	351290	J40/895/1991	13,509,092	12,250,246	2,5
SEMROM OLTENIA SA CRAIOVA	EUGENIU CARADA 7	CRAIOVA	10610146	J16/556/1998	11,164,256	9,879,418	0,1
UNISEM SA BUCURESTI	STR MIHAIL EMINESCU 57	BUCURESTI	302	J40/14/1990	78,926,129	60,701,527	0,1
VOLUTHEMA PROPERTY DEVELOPER SA	SPLAIUL UNIRII 16, CAM 508	BUCURESTI	23207014	J40/1945/2008	4,639,986	3,206,721	10
BUCUR SA BUCURESTI	STR, VISINILOR 25, SECTOR 2	BUCURESTI	1584234	J40/392/1991	83,275,594	56,608,888	0,1
CASA DE BUCOVINA-CLUB DE MUNTE S,A,	PIATA REPUBLICII NR,18	GURA HUMORULUI	10376500	JJ33/718/1998	167,339,600	111,900,276	0,1
FONDUL ROMAN DE GARANTARE A CREDITELOR PENTRU INTREPRINZATORII PRIVATI - IFN S,A,	STR, MATASARI NR, 46	BUCURESTI	3682077	J40/7657/1993	16,065,609	8,610,644	1
BIOFARM SA BUCURESTI	STR LOGOFATUL TAUTU 99	BUCURESTI	341563	J40/199/1991	985,375,350	502,379,066	0,1
GECSATHERM SA	STR ARMATEI 82	TIRNAVENI	22409260	J26/1628/2007	196,372	98,186	100

11 ANNEX 2, MANAGEMENT OF SUBSIDIARIES

Denomination	Board of Directors as of 31.12.2015	General Director
FIROS S,A BUCURESTI	Bogdan Alexandru Dragoi-President; Ioana Mihaela Petrescu, Florica TRANDAFIR	Daniel Pop
AVICOLA SA BUCURESTI	Adina Viscopoleanu President, Liliana Iancu, Terez Zarug,	Terez Zarug
MUNTENIA MEDICAL COMPETENCES SA	Judicial Administrator SMDA Insolvency SPRL Special Administrator Filimon Gabriel	
MINDO SA DOROHOI	Tiberiu Stratan – President Marius-Gabriel Ilie, Alexe Valentina	Serban Dragos Cazanisteanu
CI-CO SA BUCURESTI	Pavel Avramoiu - President Stoicescu Silviu Daniel- Vice - President Cina Constanta Member	Pavel Avramoiu
SEMROM MUNTENIA SA BUCURESTI	Sima Ilie President, Ilie Marius Gabriel, Roşu Gabriela	Ilie Sima
SEMROM OLTENIA SA CRAIOVA	Dănuţ Florin Buzatu President, Corneliu Dia, Daniela Topor	Laurentiu Parghel
UNISEM SA BUCURESTI	Stoicescu Daniel Silviu; Buzatu Florin Danut – Permanent Administrators and Rosu Bogdan Nicolae Temporar Administrator until 20.04.2016.	Laibar Alexandru
VOLUTHEMA PROPERTY DEVELOPER SA	Tatiana Leahu – Sole Administrator	Tatiana Leahu
BUCUR SA BUCURESTI	Banica Octavian – President, Plumb Niculina, Uta Vasilica	Tianu Diana Alexandra Elena
CASA DE BUCOVINA-CLUB DE MUNTE S,A,	Mircea Constantin – President, Viorel Munteanu – Vice - President, Liana Marin, Josefina Olar, Nicoleta Chialda	Ion Romica Tamas
FONDUL ROMAN DE GARANTARE A CREDITELOR PENTRU INTREPRINZATORII PRIVATI - IFN S,A,	Sorin COCLITU President, Olivia ȘTEFĂNESCU, Diana VEREȘ	Sorin Coclitu
BIOFARM SA BUCURESTI	Dănuț VASILE – President, Andrei HREBENCIUC, Dragoș George BÎLTEANU, Najib EL LAKIS, Bogdan Alexandru DRĂGOI	Dănuț VASILE
GECSATHERM SA	SC Vetroconsulting SRL represented permanently by Mr. Marginean Alin Cristian (President) , Stratan Tiberiu, S,C, Conlisa SRL by permanent representative Mr. Marginean Ciprian	Marginean Alin Cristian

KPMG

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Independent Auditors' Report
(free translation[1])

To the shareholders of
SIF Muntenia S.A.

Report on the Consolidated Financial Statements

1 We have audited the accompanying consolidated financial statements of SIF Muntenia S.A. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2 Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Financial Supervisory Authority Norm no. 39/2015 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

[1] TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version, and refers to the Romanian version of the financial statements which were subject to our audit.

Fiscal registration code RO12997279
Trade Registry no.J40/4439/2000
Share Capital 2,000 RON

Auditors' responsibility

3 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6 In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2015 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Financial Supervisory Authority Norm no. 39/2015 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector.

Emphasis of Matter

7 Without qualifying our opinion, we draw attention to Note 33 to the consolidated financial statements, which describes the Company corrected retrospectively the error of not consolidating in the consolidated financial statements as at and for the year ended 31 December 2014 the financial statements of the subsidiary Biofarm S.A., in which the Company obtained control starting 5 May 2014. Consequently, corresponding figures in the accompanying consolidated financial statements were restated.

KPMG

Other Matters

8 This independent auditors' report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for the report on consolidated financial statements and the report on the consolidated administrator's report or for the opinion we have formed.

Report on consolidated Administrator's Report

The Administrator is responsible for the preparation and presentation of the consolidated Administrator's Report in accordance with the Financial Supervisory Authority Norm no. 39/2015, articles 29-30, of the accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector and for such internal control as Administrator determines is necessary to enable the preparation and presentation of consolidated Administrator's Report that is free from material misstatement, whether due to fraud or error.

The consolidated Administrator's Report presented from page 1 to 23 is not part of the consolidated financial statements.

Our opinion on the consolidated financial statements does not refer to the consolidated Administrator's Report.

In connection with our audit of the consolidated financial statements as at and for the year ended 31 December 2015, we have read the consolidated Administrator's Report attached to the consolidated financial statements presented from page 1 to 23 and based on this we report that:

a) in the consolidated Administrator's Report we have not identified information which is not in accordance, in all material respects, with the information presented in the accompanying consolidated financial statements;

b) the consolidated Administrator's Report identified above includes, in all material respects, the information required by Financial Supervisory Authority Norm no. 39/2015, articles 29-30, of the accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector;

c) the consolidated Administrator's Report identified above includes, in all material respects, the information required by Financial Supervisory Authority Norm no.

39/2015, article 29 (3), of the accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector.

In addition, based on our knowledge and understanding of the entity and its environment acquired during our audit of the consolidated financial statements as at and for the year ended 31 December 2015, we have not identified historical financial information included in the consolidated Administrator's Report that contains a material error.

The consolidated Administrator's Report includes financial forecasts based on assumptions regarding potential future events or future actions of the management and also includes other operational data. Financial forecasts and/or operational data are not included within the scope of the audit of the consolidated financial statements and as a result our report does not refer to such information included in the consolidated Administrator's Report.

For and on behalf of KPMG Audit S.R.L:

Grecu Tudor-Alexandru

Refer to the original signed Romanian version

registered with the Chamber of Financial Auditors of Romania under no. 2368/22.01.2008

Refer to the original signed Romanian version

registered with the Chamber of Financial Auditors of Romania under no. 9/2001

Bucharest, 8 August 2016

SIF Muntenia S.A.

Consolidated Financial Statements

as of 31 December 2015

Prepared in accordance with Rule no. 39/2015 approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the FSA of the Investment and Financial Instruments Sector

Cuprins

Consolidated profit or loss and other comprehensive income

for the year ended 31 December 2015

In LEI	*Note*	2015	2014 Restated *)
Operating revenues	*9*	457,526,190	468,701,007
Other revenues and gains	*10*	7,494,026	53,034,515
Changes in inventories and capitalized production	*11*	(7,028,444)	(5,339,443)
Operating expenses	*12*	(359,416,893)	(283,453,632)
Loss from depreciation of assets	*13*	(22,682,295)	(13,681,046)
Other expenses	*14*	1,045,851	(19,407,949)
Operating Profit		**76,938,435**	**199,853,452**
Financing expenses		(1,285,543)	(1,711,653)
Profit before tax		**75,652,892**	**198,141,799**
Income tax	*15*	(31,409,134)	(21,873,410)
Net Profit		**44,243,758**	**176,268,389**
Other elements of comprehensive result			
Elements which are or can be transferred to profit or loss			
Net increase in the fair value of financial assets available for sale, net of deferred tax		28,335,345	68,823,927
Decrease of reserve due to the sale of financial assets available for sale		(30,040,608)	(202,950,211)
Items that can not be reclassified to profit or loss			
Chnages of reserve from revaluation of tangible assets		348,056	4,645,021
Total other elements of comprehensive result		**(1,357,207)**	**(129,481,263)**
Total comprehensive result		**42,886,551**	**46,787,126**

*) See Note 33

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated profit or loss and other comprehensive income (continued)

for the year ended 31 December 2015

In LEI	*Notă*	2015	2014 Retratat *)
Net profit related to			
Company's shareholders		42,381,320	171,046,102
Interests without control		1,862,438	5,222,287
		44,243,758	**176,268,389**
Comprehensive result related to			
Company's shareholders		41,990,608	42,741,319
Interests without control		895,943	4,045,807
		42,886,551	**46,787,126**
Eranings per share			
Basic	*29*	0.05	0.21
Diluted	*29*	0.05	0.21

*) Vezi Nota 33

The consolidated financial statements were approved by the Board of Directors of SAI Muntenia Invest S.A., Administrator of SIF Muntenia S.A:

ADMINISTRATOR,
SAI MUNTENIA INVEST S.A.
Florica TRANDAFIR
BoD President - Director

PREPARED BY,
3B EXPERT AUDIT S.R.L.
Authorised legal person, CECCAR member
Registration number with the professional body A000158/26.01.2000
Adriana – Anişoara BADIU, Administrator

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of financial position

as of 31 December 2015

In LEI	***Note***	**31 December 2015**	**31 December 2014 Restated *)**
Asset			
Cash and bank deposits	*16*	112,445,694	136,569,525
Financial assets at fair value through profit or loss	*17a*	148,323,668	311,156,522
Financial assets available for sale	*17b*	523,252,066	317,861,548
Loans and receivables	*17c*	120,617,610	120,082,014
Inventories	*18*	42,293,629	41,171,287
Real estate investments	*20*	164,657,571	170,227,729
Intangible assets	*21*	88,347,823	102,262,418
Tangible assets	*22*	330,824,481	348,805,119
Other assets	*23*	30,288,431	41,356,705
Total assets		**1,561,050,973**	**1,589,492,867**
Liabilities			
Dividends and reserves distributed to be paid	*24*	131,860,658	134,056,970
Commercial liabilities and other liabilities	*25*	82,771,280	116,276,511
Loans	*26*	22,740,932	19,995,497
Liabilities on deffered income tax	*27*	39,512,283	39,480,132
Total liabilities		**276,885,153**	**309,809,110**

*) See note 33

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of financial position (continued)

as of 31 December 2015

In LEI	*Note*	31 December 2015	31 December 2014 Restated *)
Equity			
Company Shareholders equity			
Share capital	*28a*	80,703,652	80,703,652
Hiperinflation effect - IAS 29	*28a*	803,294,017	803,294,017
Own shares	*28b*	-	(7,174)
Reserves from revaluation of financial assets available for sale	*28d*	138,643,321	140,174,362
Reserves from revaluation of tangible assets		137,186,361	141,231,543
Cummulative loss	*28a*	(81,293,416)	(96,596,400)
		1,078,533,935	**1,068,800,000**
Interests without control		205,631,885	210,883,757
Total equity		**1,284,165,820**	**1,279,683,757**
Total liabilities and equity		**1,561,050,973**	**1,589,492,867**

*) See Note 33

The consolidated financial statements were approved by the Board of Directors of SAI Muntenia Invest S.A., Administrator of SIF Muntenia S.A:

ADMINISTRATOR,
SAI MUNTENIA INVEST S.A.
Florica TRANDAFIR
BoD President - Director

PREPARED BY,
3B EXPERT AUDIT S.R.L.
Authorised legal person, CECCAR member
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Adriana – Anişoara BADIU, Administrator

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2014

	Equity attributable to Company's shareholders							
In LEI	**Share capital**	**Own shares**	**Reserves from revaluation of financial instruments available for sale**	**Reserves from revaluation of tangible assets**	**Cumulative loss**	**Total equity attributable to shareholders of the Company**	**Interests without control**	**Total**
Balance as of 1 January 2014	**883.997.669**	**-**	**274.300.646**	**138.536.235**	**(289.887.455)**	**1.006.947.095**	**77.867.336**	**1.084.814.431**
Comprehensive result								
Profit of the exercise (restated*)					**171.046.102**	**171.046.102**	**5.222.287**	**176.268.389**
Other elements of comprehensive result								
Revaluation to fair value of financial assets available for sale, net of deferred tax (restated *)			68.823.927			68.823.927		68.823.927
Reserve decrease due to the sale of financial assets available for sale			(202.950.211)			(202.950.211)		(202.950.211)
Surplus (loss) from revaluation of tangible assets				5.821.501		5.821.501	(1.176.480)	4.645.021
Total other elements of comprehensive income (restated *)	**-**	**-**	**(134.126.284)**	**5.821.501**	**-**	**(128.304.783)**	**(1.176.480)**	**(129.481.263)**
Total comprehensive result (restated *)	**-**	**-**	**(134.126.284)**	**5.821.501**	**171.046.102**	**42.741.319**	**4.045.807**	**46.787.126**

*) See Note 33

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (continued)

for the year ended 31 December 2014

			Equity attributable to Company's shareholders					
In LEI	**Share capital**	**Own shares**	**Reserves from revaluation of financial instruments available for sale**	**Reserves from revaluation of tangible assets**	**Cumulative loss**	**Total equity attributable to shareholders of the Company**	**Interests without control**	**Total**
Transfers								
Transfer of revaluation reserves due to the sale of tangible assets	-	-	-	(3,126,193)	3,126,193	-	-	-
Total transfers	**-**	**-**	**-**	**(3,126,193)**	**3,126,193**	**-**	**-**	**-**
Transactions with shareholders recognized directly in equity								
Purchase / sale of own shares		(7,174)				(7,174)		(7,174)
Dividends prescribed by law					12,804,306	12,804,306		12,804,306
Dividends declared							(437,323)	(437,323)
Reserves distributed to shareholders								
Acquisition of subsidiary (restated *)						-	149,291,492	149,291,492
Disposal of subsidiaries								
Losing control of subsidiaries					4,902,436	4,902,436	(7,794,205)	(2,891,769)
Increasing participation in subsidiaries								
Decreased shareholding in subsidiaries without loss of control					1,412,018	1,412,018	(12,089,350)	(10,677,332)
The capital contribution of minority interest in subsidiaries								
Total transactions with shareholders recognized directly in equity (restated *)	**-**	**(7,174)**	**-**	**-**	**19,118,760**	**19,111,586**	**128,970,614**	**148,082,200**
Balance as of 31 December 2014 (restated *)	**883,997,669**	**(7,174)**	**140,174,362**	**141,231,543**	**(96,596,400)**	**1,068,800,000**	**210,883,757**	**1,279,683,757**

*) See Note 33

MANAGER,
SAI MUNTENIA INVEST S.A.
Florica TRANDAFIR
BoD President - Director

PREPARED BY,
3B EXPERT AUDIT S.R.L.
Authorised legal person, CECCAR member
Registration number with the professional body A000158/26.01.2000
Adriana – Anișoara BADIU, Administrator

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (continued)

for the year ended 31 December 2015

	Equity attributable to Company's shareholders							
In LEI	**Share capital**	**Own shares**	**Reserves from revaluation of financial instruments available for sale**	**Reserves from revaluation of tangible assets**	**Cumulative loss**	**Total equity attributable to shareholders of the Company**	**Interests without control**	**Total**
Balance as of 1 January 2015 (restated*)	**883,997,669**	**(7,174)**	**140,174,362**	**141,231,543**	**(96,596,400)**	**1,068,800,000**	**210,883,757**	**1,279,683,757**
Coprehensive result								
Profit for the financial exercise					**42,381,320**	**42,381,320**	**1,862,438**	**44,243,758**
Other elements of comprehensive result								
Revaluation to fair value of financial assets available for sale, net of deferred tax			28,509,567			28,509,567	(174,222)	28,335,345
Reserve decrease due to the sale of financial assets available for sale			(30,040,608)			(30,040,608)		(30,040,608)
Surplus (loss) from revaluation of tangible assets				1,140,329		1,140,329	(792,273)	348,056
Total other elements of comprehensive result	-	-	**(1,531,041)**	***1,140,329***	-	**(390,712)**	**(966,495)**	**(1,357,207)**

*) See Note 33

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity (continued)

for the year ended 31 December 2015

	Equity attributable to Company's shareholders							
În LEI	**Share capital**	**Own shares**	**Reserves from revaluation of financial instruments available for sale**	**Reserves from revaluation of tangible assets**	**Cumulative loss**	**Total equity attributable to shareholders of the Company**	**Interests without control**	**Total**
Transfers								
Transfer of revaluation reserves due to the sale of tangible assets	-	-	-	(5,185,511)	5,185,511	-	-	-
Total transfers	**-**	**-**	**-**	**(5,185,511)**	**5,185,511**	**-**	**-**	**-**
Transactions with shareholders recognized directly in equity								
Purchase / sale of own shares		7,174				7,174		7,174
Dividends prescribed by law					25,666,678	25,666,678		25,666,678
Dividends declared					(57,703,111)	(57,703,111)	(7,476,789)	(65,179,900)
Reserves distributed to shareholders								
Acquisition of subsidiary (restated *)								-
Disposal of subsidiaries								
Losing control of subsidiaries								-
Increasing participation in subsidiaries					(227,414)	(227,414)	1,328,974	1,101,560
Decreased shareholding in subsidiaries without loss of control								-
The capital contribution of minority interest in subsidiaries								-
Total transactions with shareholders recognized directly in equity (restated *)	**-**	**7,174**	**-**	**-**	**(32,263,847)**	**(32,256,673)**	**(6,147,815)**	**(38,404,488)**
Balance as of 31 December 2015	**883,997,669**	**-**	**138,643,321**	**137,186,361**	**(81,293,416)**	**1,078,533,935**	**205,631,885**	**1,284,165,820**

*) See Note 33

MANAGER,
SAI MUNTENIA INVEST S.A.
Florica TRANDAFIR
BoD President - Director

PREPARED BY,
3B EXPERT AUDIT S.R.L.
Authorised legal person, CECCAR member
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Adriana – Anişoara BADIU, Administrator

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2015

In LEI	*Note*	2015	2014 Restated *)
Operating activities			
Profit before tax		**75,652,892**	**198,141,799**
Adjustments:			
Dividend income	*9b*	(10,201,311)	(14,354,638)
Interest income	*9b*	(3,175,569)	(4,571,695)
(Net Gain) / Loss Net revaluation of financial assets at fair value through profit or loss	*9c*	(46,490,215)	22,089,396
(Net Gain) exchange rate gains	*10*	(609,014)	(549,862)
(Net Gain) / Loss on sale of net tangible assets and investment property	*10*	(2,081,503)	375,234
Expenses related to depreciation and amortization and impairment of property	*12*	56,746,575	28,463,430
Impairment losses on financial assets available for sale	*13*	5,788,179	8,270,479
Impairment losses on other assets	*13*	16,894,116	5,410,567
Net loss / (net gain) on revaluation of investment property to fair value	*14*	4,909,360	(4,556,945)
(Income) / Expenses for provisions for risks and charges	*14*	(24,504,449)	13,625,039
The share of associates' profit	*14*	-	-
Interest expense		1,285,543	1,711,653
Net gain from disposal of subsidiaries		-	-
Changes in fair value of biological assets	*14*	(8,727,242)	(8,480,397)
Other non-cash income and expenses		(6,120,793)	(2,278,375)
Losing control of subsidiaries **)		-	(2,891,769)
Net gain from obtaining control of subsidiaries ***)		-	(45,131,505)

*) See Note 33

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows (continued)

for the year ended 31 December 2015

In LEI	***Note***	**2015**	**2014 Restated *)**
Changes in assets and liabilities related to operating activities			
Changes in financial assets at fair value through profit or loss		(69,591,922)	(202,517,113)
Changes in financial assets available for sale		48,091,236	161,171,631
Changes in bank deposits		(23,479,230)	(35,392,822)
Changes in loans and receivables		1,213,929	(108,981,748)
Changes in inventories		26,251	(17,676,112)
Changes in biological assets		5,352,270	5,743,482
Changes in trade payables and other liabilities		(13,103,808)	33,607,202
Dividends received		9,217,717	14,100,475
Interest received		3,699,458	5,051,159
Income tax paid		(5,377,481)	(54,899,352)
Net cash used in operating activities		**15,414,989**	**(4,520,788)**

*) See Note 33

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows (continued)

for the year ended 31 December 2015

In LEI	***Note***	**2015**	**2014 Restated *)**
Investing activities			
Payments for purchases of tangible assets		(28,211,027)	(29,580,503)
Proceeds from sale of property and investment property		4,354,132	17,722,579
Net cash used in investing activities		**(23,856,895)**	**(11,857,924)**
Financing activities			
Dividends paid		(37,023,677)	(12,632,949)
(Acquisition) of own shares		-	(34,030,993)
Long-term borrowing		-	1,784,237
Repayments of long-term loans		(4,104,677)	(2,944,907)
Interest paid		(1,243,208)	(465,138)
Payments related to finance leases		(2,618,781)	(2,064,386)
Changing the short-term loans		5,862,955	4,155,024
Equity of minority interest in subsidiaries		-	-
Net cash used in financing activities		**(39,127,388)**	**(46,199,112)**
Net decrease in cash and cash equivalents		**(47,569,295)**	**(62,577,825)**
Cash and cash equivalents at January 1		86,092,327	148,670,152
Cash and cash equivalents at 31 December		**38,523,032**	**86,092,327**

*) See Note 33

ADMINISTRATOR,	PREPARED BY,
SAI MUNTENIA INVEST S.A.	3B EXPERT AUDIT S.R.L.
Florica TRANDAFIR	Authorised legal person, CECCAR member
BoD President - Director	Registration number with the professional body A000158/26.01.2000
	Adriana – Anişoara BADIU, Administrator

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows (continued)

for the year ended 31 December 2015

**) In 2014, the Group has lost control of the subsidiary Transchim S.A. Fair value of assets and liabilities released from the consolidation perimeter were the following:

Cash	473,829
Loans and receivables	2,367,936
Stocuri	62,447
Tangible and intangible assets	11,907,430
Other assets	42,431
Trade payables and other payables	(17,664,970)
Net assets	(2,810,897)
Value at the date of loss of control	(2,891,769)
Plus removed cash of the subsidiary Transchim S.A.	473,829
The value at the date of loss of control without cash removed	(2,417,940)

***) As of 31 December 2014, the Group has obtained control of the subsidiary CI-CO S.A. Fair value of assets and liabilities released from the consolidation perimeter were the following:

Cash	21,734,133
Loans and receivables	644,077
Inventory	3,809
Real estate investments	33,971,748
Tangible and intangible assets	117,161
Other assets	14,970
Trade payables and other payables	(7,522,864)
Net assets	48,963,034
Value at the date that control	45,131,505
Minus cash acquired of CI-CO S.A. subsidiary	(21,734,133)
The value at the date of control without cash acquired	23,397,372

In 2014, the Group obtained control over the subsidiary BIOFARM S.A. Fair value of assets and liabilities assumed were the following:

Cash	63,027,809
Loans and receivables	59,826,081
Inventory	20,165,350
Real estate investments	10,589,990
Tangible and intangible assets	167,810,224
Other assets	8,534,548
Trade payables and other payables	(28,621,099)
Net assets	301,332,903
Value at the date that control	165,522,220
Minus cash acquired of BIOFARM S.A. subsidiary	(63,027,809)
The value at the date of control without cash acquired	102,494,411

The explanatory notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows (continued)

for the year ended 31 December 2015

Analysis of cash and cash equivalents

In LEI	***Note***	**31 December 2015**	**31 December 2014 Restated *)**
Cash in hand	*16*	217,546	236,572
Current accounts in banks	*16*	31,326,720	27,182,858
Bank deposits with maturity less than 3 months	*16*	6,978,766	58,672,897
Cash and cash equivalents		**38,523,032**	**86,092,327**

*) See Note 33

The explanatory notes form an integral part of the consolidated financial statements.

Notes to consolidated financial statements

For the year ended 31 December 2015

1. Reporting entity

SIF Muntenia S.A. (the "Company") is an undertaking for collective investments established in 1996 which operates in Romania in accordance with Law 31/1990 and Law 297/2004 on the capital market.

The Company is headquartered in 16, Splaiul Unirii, Sector 4, Bucharest, Romania.

According to its statute, the main fields of activity of the Company are:

- administration and management of its own securities portfolio;
- investments in securities according to regulations in force;
- undertakings of financial resources available from natural or legal persons and their investmenst in securities.

The company operates under an administration contract concluded with Societatea de Administrare a Investiţiilor Muntenia – Invest S.A.

The Company's shares are listed on the Bucharest Stock Exchange, Category I, symbol SIF 4, starting with 1 November 1999.

S.C. Depozitarul Central S.A. Bucureşti keeps evidence of shares and shareholders, according to law.

BRD - Société Générale S.A. – Company authorised by the FSA offers depositary and custodian services for the Company’s assets.

The consolidated financial statements of the Company for the year ended 31 December 2015 comprise the Company and its subsidiaries (the "Group").

The core activities of the Group are represented by financial investments activity performed by the Company and the activities of the subsidiaries consisting mainly of trade in grains and seeds, renting of commercial premises and offices, poultry, hotel business, manufacture of fiber glass, wholesale, production of construction materials, bakery, production and trade of drugs etc.

KPMG Audit SRL performed the audit for the consolidated financial statements for 2015 financial exercise. The auditor has exclusively provided financial audit services. The financial auditor’s fee for the year ended 31 December 2015 is 478,822 lei.

2. Basis of preparation

(a) Declaration of compliance

The financial statements have been prepared in accordance with FSA Rule no.39/28 December 2015 approving the Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the FSA, Sector of Investment and Financial Instruments (" FSA Rule no. 39/2015 ").

Consolidated financial statements as of 31 December 2015 and 31 December 2014 can be found on the Company’s website www.sifmuntenia.ro.

2. Basis of preparation (continued)

(a) Declaration of compliance (continued)

31 December 2015 is the transition date to IFRS as an accounting basis, date on which, by restatement, operations determined by the transition from Regulation 4/2011 approved by NSC Order No. 13/2011 regarding accounting regulations compliant with fourth Directive to the European Economic Community to Accounting Regulations according to International Financial Reporting Standards, were performed and accounted.

Since fiscal year 2012, the subsidiaries of Bucovina Casa S.A. and Biofarm S.A. are required to apply IFRS accounting basis, having a unique set of financial statements prepared in accordance with IFRS.

The accounts of subsidiaries are maintained in RON in accordance with Romanian Accounting Standards ("RAS"), less subsidiaries Casa de Bucovina S.A. and Biofarm S.A.. These accounts have been restated to reflect differences in the accounts according to IFRS and RAS. Correspondingly, according to RAS, accounts were adjusted, where necessary, to harmonize the financial statements with IFRS, in all material respects, as adopted by the European Union.

Besides the specific consolidation adjustments, the main restatement of financial information presented in financial statements prepared in accordance with Romanian Accounting Standards consisted of:

- grouping several items into more comprehensive categories;
- adjustments to items of assets, liabilities and equity in accordance with IAS 29 "Financial reporting in hyperinflationary economies" because the Romanian economy was a hyperinflationary economy until 31 December 2003
- Fair value adjustments and impairment losses in accordance with IAS 39 "Financial Instruments: Recognition and Measurement";
- adjustments to the situation of profit or loss and other comprehensive income items in order to record the dividend income at the moment of declaration of at gross values;
- adjustment of biological assets for their evaluation at fair value less estimated point of sale costs in accordance with IAS 41 "Agriculture";
- adjustments of real estate investment for their evaluation at fair value in accordance with IAS 40 "Real Estate Investment";
- adjustments to non-current assets held for sale, to assess them in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations";
- adjustments for the recognition of assets and liabilities related to deferred income tax in accordance with IAS 12 "Income Taxes";
- disclosure requirements under IFRS.

(b) Presentation of financial statements

Consolidated financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Group has adopted a presentation based on liquidity in the consolidated statement of financial position and a presentation of income and expenditure according to their nature in the consolidated statement of profit or loss and other comprehensive result, considering that these methods of presentation provide information that is reliable and more relevant than those that would have been presented under other methods permitted by IAS 1.

2. Basis of preparation (continued)

(c) Basis of evaluation

Consolidated financial statements are prepared using the fair value of derivatives, financial assets and liabilities at fair value through profit or loss, financial assets available for sale, tangible assets such as lands and buildings, real estate investments and biological assets and agricultural products except those for which the fair value can not be determined reliably.

Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost or historical cost.

The methods used for measuring the fair value are presented in Note 4.

(d) Functional and presentation currency

The Group's management considers that the functional currency, as defined by the IAS 21 "Effects of exchange rate variation", is the Romanian leu (RON or lei). Consolidated financial statements are presented in RON, rounded to the nearest leu, which the Group’s management has chosen as presentation currency.

(e) Use of estimates and judgments

Preparation of consolidated financial statements in accordance with IFRS as adopted by the European Union involves the management’s use of estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Judgments and assumptions associated with these estimates are based on historical experience and on other factors deemed reasonable in light of these estimates. The results of these estimates form the basis for judgments related to accounting values of assets and liabilities that can not be obtained from other sources of information. The results obtained can differ from these estimates.

Judgments and the assumptions underlying them are regularly reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period in which the estimate is revised and future periods if the revision influences both the current period and future periods.

Judgments made by management in applying IFRS that have a significant effect on the financial statements and estimates that involve a significant risk of a material adjustment in the next year are disclosed in Note 4,5 and 6.

3. Basis of consolidation
(a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to lead, directly or indirectly, financial and operating policies of an entity so as to obtain benefits from its activities. When assessing control, one must be tak into account potential voting rights that are exercisable or convertible at that time.

The financial statements of subsidiaries are included in the consolidated financial statements from the moment they start to exercise control and until its termination. Group accounting policies of subsidiaries have been changed so that to be aligned with those of the Group.

The list of investments in subsidiaries at 31 December 2015 and 31 December 2014 is presented in Note 31.

(b) Associated entities

Associated entities are those companies in which the Group may exercise a significant influence, but not control over financial and operating policies.

The consolidated financial statements include the Group's share of associates' results based on the equity method from the date on which the Group began to exercise significant influence until the date that significant influence ceases.

Participations in which the Group holds between 20% and 50% of the voting rights but over which it does not exercise significant influence are classified as financial assets available for sale.

Associated entities are accounted for using the equity method and are initially recognized at cost. Group's investment includes goodwill identified on acquisition less any accumulated impairment losses. The consolidated financial statements include the Group's share of income and expenses and equity movements of associates' equity, after adjustments to align the accounting policies with those of the Group, since the date when significant influence begins until the significant influence ceases. When the Group's share of losses exceeds its interest in the entity accounted for using the equity method, the carrying amount of that interest (including any long-term investments) is reduced to zero and recognition of further losses is discontinued unless the Group has an obligation or made payments on behalf of the investee.

As of 31 December 2015 and 31 December 2014 no investments in associates were identified.

(c) Transactions eliminated at consolidation

Settlements and transactions within the Group, as well as unrealized gains arising from intragroup transactions, are eliminated in the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated within the limits of the Group's participation percentage. Unrealised gains arising from transactions with an associate are eliminated in return for investment in the associate. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there are no indications of impairment.

4. Significant accounting policies

Significant accounting policies set out below have been applied consistently to all periods presented in these financial statements. Accounting policies have been applied consistently to all entities of the Group.

(a) Transactions in foreign currency

Transactions denominated in foreign currencies are recorded in lei at the official exchange rate at the settlement date of transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statements date are translated into the functional currency at the exchange rate of the day. Gains or losses resulting from the settlement thereof and the conversion using the exchange rate at year-end of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss except for those that were recognized in equity as a result of registration in accordance with hedge accounting.

Translation differences on non-monetary items such as holdings at fair value through profit or loss are presented as gains or losses from fair value. Translation differences on non-monetary items such as financial instruments classified as available for sale are included in the reserve from the change in fair value of these financial instruments.

The exchange rates of major foreign currencies were:

Currency	**31 decembrie 2015**	**31 decembrie 2014**	**Variation**
Euro (EUR)	1: LEU 4,5245	1: LEU 4,4821	+ 0,95%
American Dolar (USD)	1: LEU 4,1477	1: LEU 3,6868	+ 12,50%

(b) Accounting the hyperinflation effect

In accordance with IAS 29 and IAS 21, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy should be presented in the current measuring unit at the date of preparation of consolidated statement of financial position (non-monetary items are restated using a general price index as of the date of purchase or contribution).

Under IAS 29, an economy is considered hyperinflationary if, among other factors, the cumulative inflation rate over a period of three years exceeds 100%.

Continued decline in inflation and other factors related to the characteristics of the economic environment in Romania indicate that the economy whose functional currency was adopted by the Group ceased to be hyperinflationary with effect over financial periods starting 1 January 2004. Therefore, provisions of IAS 29 were adopted in preparing the consolidated financial statements until 31 December 2003.

Thus, the values expressed in the current measuring unit at 31 December 2003 are treated as the basis for the carrying amounts in the consolidated financial statements and do not represent appraised values, replacement cost, or any other measure of the current value of assets or the prices at which transactions would take place at this time.

4. Significant accounting policies (continued)

(b) Accounting the hyperinflation effect (continued)

To the purpose of the consolidated financial statements as of 31 December 2015, the Group adjusted the following non-cash items expressed in the current measuring unit at 31 December 2003:

- Share capital (see Note 28a);
- Financial assets available for sale for which no active market exists;
- Tangible assets acquired until 31 December 2003.

(c) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position include: cash, current accounts and deposits with banks (including blocked deposits and interest earned on cash deposits).

The cash flow statement has considered as cash and cash equivalents: cash, current accounts and deposits with an original maturity of less than 90 days (excluding blocked deposits).

(d) Financial assets and liabilities

(i) Classification

The Group classifies financial instruments held in the following categories:

Financial assets and liabilities at fair value through profit or loss

This category includes financial assets or financial liabilities held for trading and financial instruments classified at fair value through profit or loss on initial recognition. An asset or financial liability is classified in this category if acquired principally for the speculative purpose or has been designated in this category by the management.

Investments held to maturity

Investments held to maturity are those non-derivative financial assets with fixed or determinable payments and fixed maturity which the Group has the positive intention and ability to hold to maturity. Investments held to maturity are measured at amortized cost through the effective interest method less impairment losses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell immediately or in the near future.

F*inancial assets available for sale*

Financial assets available for sale are those financial assets that are not classified as loans and receivables, held to maturity or financial assets at fair value through profit or loss.

4. Significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

(ii) Recognition

Assets and liabilities are recognized on the date on which the Group becomes party to the contractual terms of the respective instrument. Financial assets and liabilities are measured at initial recognition at fair value plus transaction costs directly attributable, except for financial assets at fair value through profit or loss and equity investments whose fair value can not be reliably determined and they are initially recognized at cost.

(iii) Compensations

Financial assets and liabilities are offset and the net result is presented in the consolidated statement of financial position only when there is a legal right to compensation if their intention is to settle on a net basis, or if it is intended simultaneously the achievement of the asset and settlement of the liabilities. Revenues and expenses are presented net only when permitted by the accounting standards, or for the profit and loss resulted from a group of similar transactions such as the trading activity of the Group.

(iv) Evaluation

Evaluation at amortized cost

The amortized cost of a financial asset or liability is the amount at which that asset or financial liability is measured after initial recognition, less principal payments, plus or minus the accumulated depreciation to date using the effective interest method, less reductions related to impairment losses.

Evaluation at fair value

Since 1 January 2013, following the application of IFRS 13 "Fair value measurement", the fair value is the price that would be received to sell an asset or paid to settle a liability in a transaction carried out under normal conditions between participants on the main market at the valuation date or if no principal market, on the most advantageous market to which the Group has access to that date.

The Gropu measures the fair value of a financial instrument using quoted prices in an active market for that instrument. A financial instrument has an active market if for that instrument quoted prices are available quickly and regularly. The category of financial instruments quoted in an active market includes all those instruments admitted to trading on a stock exchange and frequently presents at least 30 transactions during the 30 trading days prior to the evaluation. The market price used to determine fair value is the closing market price on the last trading day before the valuation date.

In the absence of price quotations in an active market, the Group uses valuation techniques based on the analysis of discounted cash flows and other valuation methods commonly used by market participants, making full use of market information, relying as little as possible on company-specific information. The Group uses valuation techniques that maximize the use of observable data and minimizes the use of unobservable inputs.

The value resulting by using a valuation model is adjusted based on a number of factors, due to the fact that assessment techniques do not reliably reflect all the factors considered by market participants when a transaction is performed. Adjustments are recorded to reflect the risk models, differences between quotations for sale and purchase, liquidity risks, and other factors.

4. Significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

(iv) Evaluation (continued)

Financial assets available for sale for which no active market exists and where it is not possible to determine reliably a fair value, given that the company does not have access to information that would facilitate the application of an alternative valuation technique are evaluated at cost and periodically tested for impairment. The Group recognizes transfers between levels at the fair value at the end of the reporting period in which they occurred.

(v) Identification and evaluation of impairment

Financial assets measured at amortized cost

On conclusion of each consolidated statement of financial position, the Group examines whether there is any indication that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired if and only if there is objective evidence of impairment arising as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and loss event or events have an impact on future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that there has been an impairment loss on financial assetsheld to maturity registered at amortized cost, the loss is measured as the difference between the asset's book value and the present value of future cash flows using the effective interest rate of the financial asset at initial moment.

If a loan, receivable or held-to-maturity investment has a variable interest rate, the discount rate for measuring any loss of impairment is the current variable interest rate specified in the contract. The book value of the asset is reduced through use of an allowance account for impairment. Impairment expense is recognized in profit or loss.

If in a time following an event occurring after the impairment reduces recognition of the impairment loss, previously recognized impairment loss is reversed through the use of an allowance account for impairment. Reducing impairment loss is recognized in profit or loss.

Financial assets available for sale

In the case of financial assets available for sale, when a decline in the fair value of a financial asset available for sale was recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in equity will resume in equity accounts and recognized in the profit or loss and other comprehensive income even though the financial asset has not been derecognised.

The value of the cumulative loss that is resumed from equity items in profit or loss will be the difference between the acquisition cost (net of principal repayments and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

Impairment losses recognized in profit or loss related to certain equity instrument classified as available for sale can not be reversed in profit or loss. If, in a subsequent period, the fair value of an impaired equity increases, the recovery is recognized directly in other comprehensive income.

4. Significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

(v) Identification and evaluation of impairment (continued)

If there is objective evidence of an impairment loss on an unlisted participation which is not presented at fair value as fair value can not be reliably measured, or on a derivative asset that is linked to or to be settled by such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of future cash flows using current internal market rate of return for a similar financial asset. These impairment losses are not reversed in profit or loss.

To determine whether an asset is impaired, the Group considers loss-generating relevant events, such as significant long-term decline in fair value below cost; market conditions and industry, to the extent that they influence the recoverable amount of the asset; financial conditions and near-term prospects of the issuer, including any specific adverse events that may influence the operations of the issuer, the issuer recent losses, qualified independent auditor's report on the most recent financial statements of the issuer, etc.

Given the inherent limitations of the methodologies applied and the significant uncertainty of assets of international and local markets, the Group estimates may be revised significantly following the date of approval of the financial statements

(vi) Derecogntion

The Group derecognises a financial asset when the rights to receive cash flows of that financial asset expire or when the Group has transferred the rights to receive the contractual cash flows related to that financial asset in a transaction in which it transferred substantially all the risks and rewards of ownership.

Any interest in transferred financial assets held by the Group or created for the Group is recognized as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations have been completed or when contractual obligations are canceled or expires.

The Group derecognises a financial asset when transferring between categories of the financial assets available for sale at the end of the reporting period, when there is no active market or where it is not possible to determine reliably a fair value when the financial asset market it becomes active.

(vii) Reclassification of financial assets

The reclassification of a financial asset outside the category of the 'financial assets held for trading" is allowed only in rare circumstances.

Transfer from the category "financial assets available for sale" under "assets held to maturity" (for debt instruments) is possible if there is a change of intent and/or capacity or the period of contamination passed. The fair value of the asset at the date of transfer becomes its new cost or amortized cost, as applicable. If, after the change in intention or ability, it is no longer appropriate the classification of an asset as "held to maturity", it should be reclassified as "held for sale" and will be remeasured at fair value.

The Company reclassified financial assets only if there was a change in the business model for managing those financial instruments. The Company estimates that such changes are rare. The changes are determined by management as a result of changes in foreign and domestic operations that are significant for the Company.

4. Significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

(vii) Reclassification of financial assets

The business model for managing financial assets determines whether their cash flows are recovered by collecting the contractual cash flows, by the sale of the financial assets or both.

(e) Other financial assets and liabilities

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

(f) Assets classified as held for sale

Assets classified as held for sale are measured at the lowest value between the book value and fair value less costs to sell.

Fixed assets and groups to dispose are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is considered fulfilled only when the sale is probable and is expected to be completed in no more than one year from the date of classification, and the assets are available for immediate sale as they present at that moment.

The exchange of assets is considered to be a sale to the purpose of classification as held for sale only if that exchange has economic substance.

(g) Inventory

Inventories are assets held for sale in the ordinary course of business, assets under production, to be sold in the ordinary course of business, or assets in the form of raw materials and other supplies, to be used in the production or provision of services.

Inventories are valued at the lowest value between the cost and net realizable value. The cost of inventories includes all acquisition and processing costs and other costs incurred in bringing inventories to the form and place in which they are at present. Net realizable value is the estimated selling price that could be obtained in the ordinary course of business, less estimated costs of completion and the estimated costs for completion of the sale. The cost of inventories that are not normally interchangeable and of goods and services produced and intended for separate commands is determined by specific identification of individual costs. For fungible stocks, the cost is determined using formulas "first in, first out" (FIFO).

(h) Real estate investments

Real estate nvestment are properties (land, buildings or parts of a building) held by the Group for rental purposes or for increasing their value, or both, rather than for:

- To be used in the production or supply of goods or services or for administrative purposes; or

- To be sold in the ordinary course of business.

Certain properties include a portion that is held for rental purposes or for increasing the value and another portion that is held for the production of goods, provision of services or for administrative purposes.

4. Significant accounting policies (continued)

(h) Real estate investments (continued)

If these parts could be sold separately (or leased out separately under a finance lease contract), they are separately accounted for. If the parts can not be sold separately, the property is treated as investment property only if the part used for the production of goods, provision of services or for administrative purposes is insignificant.

(i) Recognition

Real estate investment is recognized as an asset if, and only if:

- The Group is possible to generate future economic benefits associated with the asset;
- The cost of the asset can be determined reliably.

(ii) Assessment

Initial evaluation

Real estate investment is initially measured at cost, including transaction costs. The cost of a purchased real estate investment comprises its purchase price plus any directly attributable expenditure (for example, professional fees for legal services, property transfer taxes and other costs of trading).

Subsequent measurement

The Group's accounting policy on subsequent evaluation of investment property is based on the fair value model. This policy is applied uniformly to all real estate investment.

Evaluation of the fair value of real estate investment is performed by evaluators, members of the National Association of Evaluators of Romania (ANEVAR). The fair value is based on market price quotations adjusted, if necessary, due to differences in the nature, location or conditions of that asset. If such information is not available, alternative valuation methods are used such as recent price quotes in less active markets or projections of the updated value of net operating income. These assessments are reviewed regularly by the Group's management.

Gains or losses from change in fair value of real estate investments are recognized in profit or loss in the period they occur.

The fair value of the real estate investment reflects market conditions at the date of the consolidated statement of financial position.

(iii) Transfers

Transfers to or from real estate investments are made when, and only when, there is a change in use of that asset. To transfer a real estate investment at fair value in tangible assets category, the default cost of the asset in its subsequent accounting purposes will be its fair value at the date of change in use.

(iv) Derecognition

The book value of a real estate investment is derecognized on disposal or when the investment is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising on the disposal or sale of a real estate investment are recognized in profit or loss when it is scrapped or sold.

4. Significant accounting policies (continued)

(i) Biological assets and agricultural products

Biological assets are evaluated at initial recognition and as of any date of the consolidated statement of financial position at fair value less estimated point of sale costs. The fair value of biological assets is based on their current condition and location.

Point of sale costs include commissions to brokers and dealers, levies by regulatory bodies and commodities exchanges, transfer taxes and customs. Point of sale costs exclude transport and other costs necessary to bring the assets on the market.

Gains and losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and the change in fair value less estimated point of sale costs, are included in profit or loss in the period they occur.

Agricultural products harvested are measured at fair value less estimated point of sale costs at the time of harvest.

(j) Intangible assets

Goodwill acquired in the context of business combinations is recognized as an asset at the acquisition date and is calculated as the difference between the cost of the business combination and the Group's share of net fair value of assets, liabilities and contingent liabilities acquired. Goodwill is subsequently measured at cost less any accumulated impairment losses.

The other categories of intangible assets acquired by the Group are stated at cost, less accumulated depreciation and accumulated impairment losses.

Internally developed intangible assets are recorded at capitalized cost, minus accumulated depreciation and accumulated impairment losses.

Subsequent expenditure on intangible assets is capitalized only when it contributes to increasing the future economic benefits arising from the use of such assets. All other costs are recognized in profit or loss when realized.

Depreciation is recognized in profit or loss straight-line throughout the lifetime of the asset from the date on which it is placed in service. Intangible assets (excluding goodwill) are amortized using the straight-line method over the period between 1 and 3 years.

(k) Tangible assets

(i) Recognition and evaluation

Tangible assets are initially recognized as an asset at cost. The cost of an item of tangible assets, comprises the purchase price, including non-recoverable taxes, after deducting any commercial discounts and any costs directly attributable to bringing the asset to the location and condition necessary for it to be used for the purpose intended by the management, such as staff costs arising directly from the construction or acquisition of the assets, the costs of site preparation, initial delivery and handling costs, installation and assembly costs, professional fees.

Tangible assets are classified by the Group in the following asset classes of the same nature and with a similar use:

- Land;
- Construction;
- Equipment and other fixed assets

4. Significant accounting policies (continued)

(k) Tangible assets (continued)

(i) Recognition and evaluation (continued)

Land and buildings are stated at the revalued amount, representing the fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluation of land and buildings is carried out by evaluators, members of ANEVAR. The fair value is based on market price quotations adjusted, if necessary, due to differences in the nature, location or conditions of that asset. If such information is not available, alternative valuation methods are used such as recent price quotes in less active markets or projections of the updated value of net operating income. The frequency of revaluations is dictated by market dynamics of the land and buildings held by the Group.

The other categories of tangible assets are stated at cost, less accumulated amortization and the impairment loss (see accounting policy Note 4 (l).

Expenditure on maintenance and repairs of tangible assets are recorded in profit or loss when incurred, while significant improvements to tangible assets, which increase the value or duration of their life, or which increase their capacity to generate economic benefits are capitalized.

(ii) Depreciation

Depreciation is calculated using the straight line method over the estimated useful life of the assets as follows:

Constructions	20-50 years
Equipment, technical installations and machinery	3-20 years
Means of transport	3-6 years
Furniture and other tangible assets	3-15 years

Depreciation methods, useful life durations and estimated residual values are reviewed by the Group's management at each reporting date.

Land is not depreciated.

(iii) Sale / scrapping of tangible assets

Tangible assets that are scrapped or sold are removed from the consolidated statement of financial position together with the corresponding accumulated depreciation. Any profit or loss resulting from such operations are included in current profit or loss.

4. Significant accounting policies (continued)

(l) Impairment of assets other than financial

The book value of the Group's assets that are not financial in nature, other than deferred tax assets, are reviewed at each reporting date to identify the existence of indications of impairment. If such indication exists, the recoverable amount of those assets is estimated. An impairment loss is recognized when the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount of the asset or cash-generating unit. A cash-generating unit is the smallest identifiable group that generates cash and which is independent from other assets and other groups of assets. Impairment losses are recognized in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greatest between its value in use and its fair value less costs to sell the asset or units. In assessing value in use, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the asset.

Impairment losses recognized in prior periods are evaluated at each reporting date to determine whether they decreased or no longer exists. The impairment loss shall be resumed if was a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only if the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(m) Investment subsidies

Investment subsidies are recognized in the consolidated statement of financial position at the amount originally granted when there is sufficient certainty that they will be received and that the Group will comply with the conditions imposed on granting subsidies. Group received investment subsidies for the purchase of tangible assets. They are presented in the consolidated statement of financial position as liabilities and are recognized in profit or loss through straight line, the lifetimes of their related assets.

(n) Share capital

Ordinary shares are recognized in share capital.

(o) Provisions for risks and expenses

Provisions are recognized in the consolidated statement of financial position when the Group has a liability related to a past event and it is likely that in the future be required consumption of economic resources to extinguish this obligation and can make a reasonable estimate of the obligation. To determine the provision, future cash flows are discounted using a pre-tax discount rate that reflects current market conditions and risks specific to the liability.

(p) Income from sale of goods and services

Revenues from sale of goods and services are recorded net of commercial discounts, VAT and other charges related to turnover.

Revenue from the sale of goods is recognized in profit or loss when the significant risks and rewards of ownership of goods are transferred to the purchaser, which happens most often upon their delivery.

Revenue from services is recognized in profit or loss depending on their stage of completion.

4. Significant accounting policies (continued)

(q) Interest income

Income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly updates the expected cash receipts and payments in the future during the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the asset or financial liability.

(r) Dividend income

Dividend income is recognized in profit or loss on the date on which right to receive the income is established.

If dividends received in the form of shares as an alternative to cash, the dividend income is recognized at the level of cash that would have been received in correspondence with an increasing participation therein. The Group does not record dividend income from shares received free of charge when they are distributed proportionally to all shareholders.

Dividend income is recorded on a gross basis including dividend tax, which is recognized as current income tax expense.

(s) Rental income

The rental income generated by the tangible assets leased by the Group as operating leases are recognized in profit or loss linearly throughout the contract.

(t) Employees benefits

(i) Short term benefits

Obligations with short-term benefits granted to employees are not updated and are recognized in the statement of profit or loss and other comprehensive income as the services are provided.

Short-term employee benefits include salaries, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are rendered. It recognizes a provision for the amounts expected to be paid in cash awards in the short term or schemes for staff participation in profit, if the Group currently has a legal or constructive obligation to pay those amounts as a result of past services rendered by employees and if the obligation can be estimated reliably.

(ii) Defined contribution plans

The Group makes payments on behalf of their employees to the Romanian State pension fund, health insurance and unemployment fund, in the normal course of business.

All Group employees are members and also have a legal obligation to contribute (through social contributions) to the Romanian State pension fund (a State defined contribution plan). All relevant contributions are recognized in profit or loss when incurred. The Group has no further obligations.

The Group is not engaged in any independent pension scheme and consequently, has no other obligations in this regard. The Group is not engaged in any other post retirement benefit system. The Group has no obligation to provide further services to current or former employees.

4. Significant accounting policies (continued)

(t) Employees benefits (continued)

(iii) Long-term employee benefits

The Group's net obligation in respect of services related to long-term benefits is the amount of future benefit that employees have earned in return for services rendered by them in the current and prior periods. The Group has no obligation to grant benefits to employees at retirement date.

(u) Borrowing costs

Since 1 January 2009, the Group capitalizes borrowing costs for eligible assets under the revised IAS 23 Borrowing Costs (2009).

(v) Income tax

Tax on profit for the period comprises current tax and deferred tax. Current income tax includes income tax from dividends recognized at gross value.

Profit tax is recognized in profit or loss and other comprehensive income or in equity if the tax is related to capital items.

Current tax is the expected tax payable on the profit realized in the current period, using tax rates applied on consolidated statement of financial position date and all adjustments related to prior periods.

Deferred tax is provided using the balance sheet method for temporary differences arising between the tax base for calculating the tax for the assets and liabilities and their carrying amount used for reporting consolidated financial statements.

Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities arising from transactions that are not business combinations and that affects neither the accounting profit or the tax differences arising on investments in subsidiaries, provided that they are not resumed in the near future. Deferred tax is calculated using tax rates expected to apply to temporary differences in their replay according to the laws in force at the reporting date. Assets and liabilities deferred tax are offset only if a legally enforceable right to offset debts and claims exists and if they are related to the current tax collected by the same taxation authority on the same entity subject to taxation or for different tax authorities, but they want to achieve settlement of claims and current tax liabilities using the net base or related assets and liabilities will be realized simultaneously. Deferred tax asset is recognized only to the extent that it is probable that future profits can be used to cover the tax loss. The claim is reviewed at each financial year and is reduced to the extent that the related tax benefit is unlikely to be realized. Additional taxes that arise from the distribution of dividends are recognized at the same time as the obligation to pay dividends.

For the financial year ended 31 December 2015 and 31 December 2014, the income tax rate was 16%. The tax rate related to taxable dividend income for the year ended 31 December 2015 and 31 December 2014 was 16%.

4. Significant accounting policies (continued)

(w) Earnings per share

The Group discloses basic and diluted earnings per share for ordinary shares. Basic earnings per share is determined by dividing profit or loss attributable to ordinary equity holders of the Group to the weighted average number of ordinary shares outstanding over the reporting period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with dilution effects arising from potential ordinary shares.

(x) Dividends to be distributed

Dividends are treated as an appropriation of profit in the period in which they were declared and approved by the General Meeting of Shareholders. Since the financial year ended 31 December 2015, the profit available for distribution of profits of the Company is recorded in the financial statements prepared in accordance with FSA Rule no.39/2015. Dividends not collected for three years after expiry of the prescription period are recorded directly in equity and are treated as contributions from shareholders, according to the General Shareholders Meeting decision.

(y) Payment of lease

Operating lease payments are recognized in profit or loss on a straight line basis over the lease term. Leasing facilities received are recognized as an integral part of the total lease expense on the lease. Expense for operating leases is recognized as a component of operating expenses.
Minimum lease payments under finance leases are divided proportionally between interest expense and reduction of the lease loability. Lease interest expense is allocated to each period of the lease so as to produce a constant interest rate for the remaining leasing liability. Contingent lease payments are recognized by revising the minimum lease payments for the remaining period of the lease when the lease adjustment is confirmed.

(z) Financial guarantees

Financial guarantees are contracts by which the Group assumes a commitment to make specific payments to the holder of the financial guarantee for the loss which the holder suffers if a specific borrower fails to make due payments in accordance with the terms of an instrument of debt.

Related liability to a financial guarantee is recognized initially at fair value, and it is amortized over the life of the financial guarantee. Related liability to financial guarantees is subsequently measured at the higher value between the amortized amount and the present value of payments (when payment has become probable).

Details on financial guarantees issued by the Group in favor of third parties on 31 December 2015 or 31 December 2014 are presented in Note 30.

Notes to consolidated financial statements

For the year ended 31 December 2015

4. Significant accounting policies (continued)

(aa) Segment reporting

A segment is a distinct component of the Group's operational activities involved in generating income and expenditure including revenue and expense arising from the interaction with other components of the Group. The results of an operating segment are regularly reviewed, deciding on what resources will be allocated to them and assessing its performance. Information on segment operating results reported to decision makers include both the costs directly attributable to the segment activity and those that can be reasonably allocated to it. Costs that can not be allocated by segment are primarily management related costs and receivables / debt on income tax. Capital expenditure of the segment is the total costs of the acquisition of tangible and intangible assets other than goodwill.

(bb) Standards and new interpretations that are not yet in force

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2015 and have not been applied in preparing these financial statements:

A. Standards that have been adopted by the European Union

a) Annual adjustments of IFRS (2010-2012 and 2011-2013 cycles, most of them effective for annual periods from 1 February 2015)

The amendments introduce 11 changes to 9 standards. The amendments that could have an impact on the Group are presentedbelow :

- IFRS 8 – Segment Reporting: The amendments introduce disclosure requirements of judgments made in order to submit aggregated reporting segments.
- IFRS 13 - Measurement at fair value: the amendment clarifies that short-term debts and claims that have no interest attached can be presented in fair value note at the amount invoiced if the discount effect is not significant;
- IAS 16 and IAS 38 - clarifies the way of restatement the accumulated depreciation at the time of revaluation;
- IAS 24 - extend the definition of related parties
- IFRS 7 - Financial Instruments Presentation: the amendments clarify continuing involvement in a transferred asset.

b) Amendments to IAS 1 (effective for periods beginning on or after 1 January 2016)

- The definition of materiality has been modified to clarify its applicability on the financial statements as a whole and on each disclosure requirement within a standard. Also, amendments were introduced in the financial statements and notes in order to clarify that entities have flexibility as to the disclosure of accounting policies in the notes.

- The group does not consider that these amendments will have a significant effect on the l financial statements.

c) Amendments to IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortization (effective for periods beginning on or after 1 January 2016)

The amendments prohibit amortization based on revenue for tangible assets and place restrictions on the applicability of this method for intangible assets.

The group does not consider that these amendments will have a significant effect on the financial statements as it does not apply to individual income-based depreciation.

4. Significant accounting policies (continued)

Standards and new interpretations that are not yet in force (continued)

A. Standards that have been adopted by the European Union (continued)

d) Amendments to IAS 27 (effective for periods beginning on or after 1 January 2016)

The amendments allow an entity to measure subsidiaries, affiliates and joint ventures in the financial statements using the equity method.

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

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

a) IFRS 9 Financial Instruments (effective date: annual periods beginning with 1 January 2018)

This standard replaces the provisions of IAS 39 "Financial Instruments: Recognition and Measurement" on classification and measurement of financial assets, with the exception of aspects relating to hedge accounting in respect of which entities may choose to apply the old provisions of IAS 39 or to apply IFRS 9.

Financial assets will be classified using one of two methods of evaluation: amortized cost and fair value. A financial asset can be measured at amortized cost only if the following conditions are met: the assets are held within a business model of the company whose objective is managing for performance contracting and cash flows at specified dates according to contractual terms to be represented only by the principal and interest. Gains or losses on subsequent changes in the value of assets measured at fair value are recognized in profit or loss except for investments in equity instruments that are not held for trading, for which the standard allows the recognition of initial measurement at fair value with recognition of changes subsequent value in the overall result. The loss nodel encountered in IAS 39 is replaced with the expected loss model. However, the disclosure requirements are substantial.

The group is in the process of assessing the possible effects that IFRS 9 may have on the financial statements.

b) IFRS 15 – Revenue from contracts with customers (effective for periods beginning on or after 1 January 2017)

The standard issued on 28 May 2014 replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC - 31. The standard is applicable to contracts with clients other than insurance, financial instruments, leasing. It prescribes a single model for analysis of customer contracts and two approaches for revenue recognition - at a certain point in time or during the duration of the contract, depending on the time of fulfillment the obligation under the contract.

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

5. Significant risk management

Investment activity exposes the Group to a variety of risks associated with financial instruments owned and financial markets in which it operates. The main risks to which the Group is exposed are:

• market risk (price risk, interest rate risk and currency risk);

• liquidity risk;

• credit risk;

• Taxation risk;

• risk related to economic environment;

• operational risk.

General risk management strategy aims to maximize Group's profit compared to the level of risk to which it is exposed and minimize any potential adverse variations on the financial performance of the Group.

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

(a) Market risk

Market risk is the risk of a loss or the failure to achieve expected profit as a result of fluctuations in prices, interest rates and exchange rates of currencies.

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

(i) Price risk

The Group is exposed to the risk associated with variation in the price of financial assets at fair value through profit or loss and financial assets available for sale: 61% of the total shares with active market held by the Group on 31 December 2015 (31 December 2014: 53%) accounted for investments in companies that were part of the BET Index of the Bucharest Stock Exchange, (BET is a market capitalization weighted index designed to reflect the trend of prices of the most liquid ten shares traded on the Bucharest Stock Exchange).

The Board of Directors of SAI Muntenia Invest S.A. fulfills its role of monitoring the risk management framework also by approving the limits trading market on the Romanian capital market for speculative purposes.

Through its activity, the Group achieved an increased share and value of traded equity sub-portfolio, while reducing the share of the sub-portfolio of unquoted shares.

A positive variation of 10% in the price of financial assets at fair value through profit or loss would lead to an increase in profit before tax of the Group of 14,832,367 lei (31 December 2014: 31,115,652 lei), a negative variation 10 % having an equal net impact and of opposite sign.

A positive variation of 10% in prices of the financial assets available for sale would lead to an increase in the Group's equity 46,867,927 lei (31 December 2014: 23,163,700 million lei), a negative variation of 10% with an equal net impact and of opposite sign.

5. Significant risk management (continued)

(a) Market risk

The Group holds shares in companies operating in various sectors, such as:

In LEI	31 December 2015	%	31 December 2014	%
Financial, banking and insurance	334,016,562	69%	263,119,091	58%
Real estate, renting and other services	40,281,839	8%	46,987,757	8%
Wholesale, retail, tourism and restaurants	18,462,394	4%	18,165,027	3%
Building materials industry	12,844,879	3%	13,372,260	2%
Agriculture, livestock, fishing	500	0%	124,130	0%
Metallic construction and metal products	40,259,505	8%	39,284,809	2%
Pharmaceutical and medical industry	943,171	0%	1,037,134	0%
Chemical and petrochemical industry	4,344,208	1%	2,867,662	17%
Energy industry	13,638,737	3%	37,691,519	6%
Others	17,658,745	4%	18,301,151	4%
TOTAL (Note 17)	**482,450,541**	**100%**	**440,950,541**	**100%**

As can be seen from the above table, on 31 December 2015 the Group had shares mainly in companies active in banking and insurance, accounting for 69% of the total portfolio, higher from a share of 58% recorded 31 December 2014.

Fund units held by the Group are exposed to price risk, them having in turn investments with different degrees of risk (bank deposits, bonds, other fixed income instruments, equities, derivatives etc.) - see note 32.

Structured products held by the Group are also exposed to price risk and in the amount of 55,263,607 lei (31 December 2014: 51,854,247 lei), through the underlying assets - see Note 17.

(ii) Interest rate risk

The Group faces interest rate risk through exposure to adverse movements in interest rates. Changing market interest rates directly affects income and expenses related to financial assets and liabilities that bear floating interest rates and the market value of the fixed interest bearing assets (for example, the bonds).

On 31 December 2015 and 31 December 2014, most of the assets and liabilities of the Group are not interest bearing. As a result, the Group is not significantly affected by interest rate fluctuations risk. Cash and cash equivalents are generally invested in short-term interest rates in local banks.

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

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For the year ended 31 December 2015

5. Significant risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The table below shows the Group's exposure to interest rate risk.

In LEI	**Book value**	**Below 3 months**	**Bwteen 3-12 months**	**Between 1-5 years**	**More than 5 years**	**No interst**
31 December 2015						
Financial assets						
Cash and deposits with banks	**112,445,694**	38,811,006	73,417,142	-	-	217,546
Financial assets at fair value through profit or loss	**148,323,668**	-	-	-	-	148,323,668
Financial assets available for sale	**523,252,066**	-	-	-	-	523,252,066
Loans and receivables	**120,617,610**	33,551	-	-	3,039,027	117,545,032
Total financial assets	**904,639,038**	**38,844,557**	**73,417,142**	**-**	**3,039,027**	**789,338,312**
Financial liabilities						
Dividend Payment	**131,860,658**	-	-	-	-	131,860,658
Loans	**22,740,932**	16,634,476	2,899,192	-	-	3,207,264
Other financial liabilities *	**72,054,064**	23,730	68,696	189,040	-	71,772,599
Total financial liabilities	**226,655,654**	**16,658,206**	**2,967,888**	**189,040**	**-**	**206,840,521**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies**.**

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For the year ended 31 December 2015

5. Significant risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

In LEI	**Book value**	**Below 3 months**	**Bwteen 3-12 months**	**Between 1-5 years**	**More than 5 years**	**No interst**
31 December 2014						
Financial assets						
Cash and deposits with banks	**136,569,525**	97,052,316	39,280,637	-	-	236,572
Financial assets at fair value through profit or loss	**311,156,522**	-	-	-	-	311,156,522
Financial assets available for sale	**317,861,548**	-	-	-	-	317,861,548
Loans and receivables	**120,082,014**	34,588	-	-	3,029,585	117,017,841
Total active financiare	**885,669,609**	**97,086,904**	**39,280,637**	**-**	**3,029,585**	**746,272,483**
Financial liabilities						
Dividend Payment	**134,056,970**	-	-	-	-	134,056,970
Loans	**19,995,497**	7,332,554	10,086,457	-	-	2,576,486
Other financial liabilities *	**80,938,388**	267,575	691,203	1,046,571	-	78,933,039
Total financial liabilities	**234,990,855**	**7,600,129**	**10,777,660**	**1,046,571**	**-**	**215,566,495**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies.

5. Significant risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Group net profit impact of a change of +/- 1.00% interest rate related to floating interest-bearing assets and liabilities denominated in other currencies in conjunction with a change of +/- 5.00% interest rate related to floating interest-bearing assets and liabilities denominated in lei is of - / + 701,378 lei (31 December 2014: - / + 532,142 lei).

(iii) Currency risk is the risk of loss or failure to achieve estimated profit as a result of unfavorable exchange rate fluctuations. The Group is exposed to fluctuations in currency exchange rates, and has not a formalized a policy of currency hedging. Most of the Group's financial assets and liabilities are denominated in local currency, other currencies in which operations are performed are EUR and USD.

Assets and liabilities denominated in LEI and foreign currencies on 31 December 2015 and 31 December 2014 are presented in the following tables.

31 December 2015	**Book value**	**LEI**	**USD**	**EUR**
Financial assets				
Cash and deposits with banks	**112,445,694**	109,671,916	55,349	2,718,429
Financial assets at fair value through profit or loss	**148,323,668**	148,323,668	-	34,529,607
Financial assets available for sale	**523,252,066**	519,437,844	-	3,814,222
Loans and receivables	**120,617,610**	112,901,262	5,766,824	1,949,524
Other financial assets	**-**	-	-	-
Total financial assets	**904,639,038**	**890,334,690**	**5,822,173**	**43,011,782**
Financial liabilities				
Dividend Payment	**131,860,658**	131,860,658	-	-
Loans	**22,740,932**	19,887,571	-	2,853,361
Other financial liabilities *	**72,054,064**	62,748,314	3,053,487	6,252,263
Total financial liabilities	**226,655,654**	**214,496,542**	**3,053,487**	**9,105,625**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies.

5. Significant risk management (continued)
(a) Market risk (continued)

(iii) Currency risk (continued)

31 December 2014 (Restated)	Book value	LEI	USD	EUR
Financial assets				
Cash and deposits with banks	**136,569,525**	135,165,949	75,554	1,328,022
Financial assets at fair value through profit or loss	**311,156,522**	311,156,522	-	34,046,247
Financial assets available for sale	**317,861,548**	311,774,856	-	6,086,692
Loans and receivables	**120,082,014**	113,672,313	4,515,524	1,894,177
Other financial assets	**-**	-	-	-
Total financial assets	**885,669,609**	**871,769,640**	**4,591,078**	**43,355,138**
Financial liabilities				
Dividend Payment	**134,056,970**	132,702,194	-	-
Loans	**19,995,497**	14,312,360	-	5,683,137
Other financial liabilities *	**80,938,388**	73,148,006	1,299,223	6,491,159
Total financial liabilities	**234,990,855**	**220,162,561**	**1,299,223**	**12,174,295**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies.

The net impact on Group profit of +/- 15% change in the exchange rate of RON / EUR, in conjunction with a change of +/- 15% exchange rate of RON / USD on 31 December 2015, all other variables held constant, is of - / + 4,343,560 lei (31 December 2014: - / + 4,621,030 lei).

(b) Credit risk

Credit risk is the risk of loss or failure to achieve estimated profits due to failure of a counterparty to fulfil its financial obligations. The Group is exposed to credit risk due to investments in bonds issued by municipalities or companies, current accounts and bank deposits and other receivables.

5. Significant risk management (continued)

(b) Credit risk (continued)

As of 31 December 2015 Biofarm S.A. subsidiary received promissory notes from customers, amounting to 38,946,746 lei (31 December 2014: 20,576,707 lei).

As of 31 December 2015 and 31 December 2014 the Group had no additional guarantees as insurance and any other improvements in the credit rating.

The Group's maximum exposure to credit risk at 31 December 2015 and 31 December 2014 is reflected in the following table:

In LEI	**31 December 2015**	**31 December 2014**
Current accounts	31,326,720	27,182,858
Bank deposits	80,481,290	108,402,209
Bonds	7,465,822	7,457,479
Trade receivables	143,761,392	122,629,202
Other receivables	21,496,369	23,509,676
Financial guarantees granted	26,390,695	22,761,843
Adjustment for impairment of loans and receivables	(52,105,973)	(33,514,343)
Impairment of financial guarantees	(739,555)	(1,153,981)
Total	**258,076,760**	**277,274,943**

The Group monitors the exposure to credit risk of balance sheet items by analyzing their age, as reflected in the table below.

5. Significant risk management (continued)

(b) Credit risk (continued)

In LEI	Receivables	Bonds	Treasury bonds	Cash and cash equivalents
31 December 2015				
Adjusted individually				
Significant risk	47,790,721	4,315,252		
Gross value	**47,790,721**	**4,315,252**	**-**	**-**
Adjustment for impairment of loans and receivables	(47,790,721)	(4,315,252)		
Net value	**-**	**-**	**-**	**-**
Outstanding, unadjusted				
Between 1 - 30 days old	92,088,828			
Between 31-60 days old	9,168,214			
Between 61-90 days old	6,420,656			
Between91-180 days old	11,534,885			
Between 181-365 days old	2,647,320			
More than 365 days old	1,048,425			
Gross value	**122,908,328**	**-**	**-**	**-**
Adjustment for impairment of loans and receivables	-	-	-	-
Net value	**122,908,328**	**-**	**-**	**-**
Current, unadjusted				
Without significant risk	(5,441,288)	3,150,570	-	111,808,010
Gross value	**(5,441,288)**	**3,150,570**	**-**	**111,808,010**
Adjustment for impairment of loans and receivables	-	-	-	-
Net value	**(5,441,288)**	**3,150,570**	**-**	**111,808,010**
Total gross value	**165,257,761**	**7,465,822**	**-**	**111,808,010**
Total net value	**117,467,040**	**3,150,570**	**-**	**111,808,010**

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5. Significant risk management (continued)

(b) Credit risk (continued)

In LEI	Receivables	Bonds	Treasury bonds	Cash and cash equivalents
31 December 2014 (Restated)				
Adjusted individually				
Significant risk	29,199,091	4,315,252		
Gross value	**29,199,091**	**4,315,252**	**-**	**-**
Adjustment for impairment of loans and receivables	(29,199,091)	(4,315,252)		
Net value	**-**	**-**	**-**	**-**
Outstanding, unadjusted				
Between 1 - 30 days old	86,535,303			
Between 31-60 days old	10,184,932			
Between 61-90 days old	6,868,713			
Between91-180 days old	6,540,364			
Between 181-365 days old	4,422,591			
More than 365 days old	2,521,124			
Gross value	**117,073,027**	**-**	**-**	**-**
Adjustment for impairment of loans and receivables	**-**	**-**	**-**	**-**
Net value	**117,073,027**	**-**	**-**	**-**
Current, unadjusted				
Without significant risk	(133,240)	3,142,227	-	135,585,067
Gross value	**(133,240)**	**3,142,227**	**-**	**135,585,067**
Adjustment for impairment of loans and receivables	-	-	-	-
Net value	**(133,240)**	**3,142,227**	**-**	**135,585,067**
Total gross value	**146,138,878**	**7,457,479**	**-**	**135,585,067**
Total net value	**116,939,787**	**3,142,227**	**-**	**135,585,067**

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5. Significant risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk of loss or failure to achieve estimated profits resulting from failure to meet payment obligations at any time in the short term, without this entailing excessive costs or losses that may be incurred by the Group.

Group's assets and liabilities structure was analyzed on the basis of the period remained from the date of the consolidated statement of financial position to the contractual maturity for the years ended 31 December 2015 and 31 December 2014, thus:

In LEI	**Book value**	**Below 3 months**	**Between 3 and 12 months**	**More than 1 year**	**Without default maturity**
31 December 2015					
Financial assets					
Cash and deposits with banks	**112,445,694**	92,524,072	19,447,331	-	474,291
Financial assets at fair value through profit or loss	**148,323,668**	-	-	-	148,323,668
Financial assets available for sale	**523,252,066**	-	-	-	523,252,066
Loans and receivables	**120,617,610**	117,578,583	-	3,039,027	-
Other assets	**-**	-	-	-	-
Total financial assets	**904,639,038**	**210,102,655**	**19,447,331**	**3,039,027**	**672,050,025**
Financial liabilities					
Dividend Payment	**131,860,658**	131,860,658	-	-	-
Loans	**22,740,932**	11,347,598	7,624,352	3,768,983	-
Other financial liabilities *	**72,054,064**	71,796,328	68,696	189,040	-
Total financial liabilities	**226,655,654**	**215,004,584**	**7,693,048**	**3,958,022**	**-**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies.

5. Significant risk management (continued)

(c) Liquidity risk (continued)

In LEI	Book value	Below 3 months	Between 3 and 12 months	More than 1 year	Without default maturity
31 December 2014 (Restated)					
Financial assets					
Cash and deposits with banks	**136,569,525**	121,319,772	15,069,444	-	180,309
Financial assets at fair value through profit or loss	**311,156,522**	-	-	-	448,764,033
Financial assets available for sale	**317,861,548**	-	-	-	320,970,413
Loans and receivables	**120,082,014**	117,052,429	-	3,029,585	-
Other assets	**-**	-	-	-	-
Total financial assets	**885,669,609**	**238,372,201**	**15,069,444**	**3,029,585**	**769,914,755**
Financial liabilities					
Dividend Payment	**134,056,970**	132,702,194	-	-	-
Loans	**19,995,497**	10,514,993	3,214,125	6,266,379	-
Other financial liabilities *	**80,938,388**	79,200,614	691,203	1,046,571	-
Total financial liabilities	**234,990,855**	**222,417,801**	**3,905,328**	**7,312,950**	**-**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies.

d) Taxation risk

Romanian tax legislation provides detailed and complex rules which have undergone several changes in recent years. Interpretation of the text and the practical implementation of tax laws may vary, existing the risk that certain transactions be interpreted differently by the tax authorities as compared to the Group’s treatment.

In terms of income tax related to the 2015 financial year there is a risk of different interpretation by the tax authorities of the fiscal rules applied, determined by the IFRS accounting regulations.

Romanian Government has a number of agencies authorized to conduct audits (controls) of companies operating in Romania. These controls are similar to tax audits in other countries, and may extend not only to tax matters but as well as to other legal and regulatory issues of interest to these agencies. The group is likely to be subject to tax audits on the extent of issuing new tax regulations.

Tax legislation in Romania include the "market value", according to which 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 affiliates over ceilings set by law are required to file annual preparation of transfer pricing transactions since 2016).

5. Significant risk management (continued)

d) Taxation risk (continued)

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

Notwithstanding the existence of the file, in addition to the contents of the file documenting transfer pricing, tax authorities may interpret transactions and circumstances differently than the management and, therefore, may impose additional tax liabilities resulting from transfer pricing adjustments (embodied in revenue increases, deductible expenses, increasing the tax base

The current context is one in which the tax authorities focuses on making adjustments in transfer pricing matters, these adjustments are most often significant even if those transactions were documented. The 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 can not be estimated reliably and it may be material to the financial position and / or the group operations.

(e) Economic environment risk

The Group's management can not predict all the effects the crisis will have an impact on the financial sector in Romania, nor their potential impact on these financial statements. The Management believes that it has adopted necessary measures for the sustainability and development of the Group under current market conditions.

(f) Operational risk

Operational risk is the risk of incurring losses or failing to achieve estimated profits due to internal factors such as inappropriate conduct of internal activities, the existence of a personal or systems failure or due to external factors such as economic conditions, changes in the capital market, technological progress. Operational risk is inherent in all Group activities.
Policies for operational risk management took into consideration each type of event that can generate significant risks and ways of their manifestations, to eliminate or reduce losses of financial or reputational nature.

5. Significant risk management (continued)

(g) Capital adequacy

Management's policy regarding capital adequacy focuses on maintaining a sound capital base in order to support the ongoing development of the Group and fulfilling investment objectives.

The Group's equity includes share capital, different types of reserves and accumulated loss. Equity totaled 1,284,165,820 RON as of 31 December 2015 (31 December 2014: 1,279,683,757 RON).

The Group or the Company are not subject to statutory capital adequacy requirements.

6. Significant accounting estimates and judgments

Key sources of estimation uncertainty

Determining the fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques described in the accounting policy 4 (d) (*iv*). For financial instruments rarely traded and for which there is no price transparency, fair value is less objective and is determined using various levels of estimates related to the degree of liquidity, the concentration, uncertainty of market factors, assumptions of price and other risks affecting that financial instrument. See also "Valuation of financial instruments" below.

Impairment of loans and receivables

Assets carried at amortized cost are evaluated for impairment in accordance with accounting policies described in note 4 (d) (*v*).

Assessment for impairment of receivables is made on an individual level and are based on management's best estimate of the present value of cash flows expected to be received. To estimate these flows, management makes estimates regarding certain financial situation of the counterparty. Each depreciated asset is individually analysed. Adjustments accuracy depends on the estimate of future cash flows for specific counterparties.

Significant accounting judgments on applying the Company's accounting policies include:

Valuation of financial instruments

The accounting policies on fair value measurement are presented in note 4 (d) (*iv*).

The Group uses the following hierarchy for fair value valuation methods:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes items that are not based on observable and for which unobservable input parameters can have a significant effect on the assessment of the instrument. This category includes instruments that are valued based on quoted prices for similar instruments but which are subject to adjustments based largely on unobservable data or estimates to reflect the difference between the two instruments.

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or the prices quoted by brokers. For all other financial instruments, the Group determines fair value by using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which observable market prices exist and other valuation techniques. Assumptions and data used in valuation techniques include rates of interest without risk and reference rates, credit gaps and other premiums used in estimating discount rates, yields on bonds and equity, exchange rates, equity price indices, volatility and predicted correlations. The purpose of valuation techniques is to determine the fair value of financial instruments which reflect the price at the reporting date, price would be determined by participants under objective market conditions.

The Group uses recognized valuation models to determine the fair value of simple financial instruments that use only observable market data and require very few estimates and analysis from the management (eg instruments that are valued based on quoted prices for similar instruments and for which no adjustments are needed based on unobservable data or estimates to reflect the difference between the two instruments). Prices and observable input parameters in the model are usually available on the market for equity instruments. Their availability reduces the need for analysis from the management and uncertainty associated with determining fair value. The availability of observable market prices and inputs varies depending on products and markets and is subject to changes arising from specific events and general conditions in the financial markets.

For the shares that do not have a quoted market price in an active market, the Group uses valuation models which are usually derived from known models of evaluation. Some or all significant data input into these models may not be observable in the market and are derived from market prices or estimated based on assumptions. Valuation models requiring unobservable inputs require a greater degree of analysis and estimation by management to determine fair value. Management's analysis and estimates affect, in particular, the selection of a suitable evaluation to determine future cash flows of a financial instrument, to determine the probability of default by the counterparty and payments in advance and selecting appropriate discount rates.

Given the inherent limitations of the methodologies applied and the significant uncertainty of assets of international and local markets, the Group estimates may be revised significantly following the date of approval of the financial statements.

Fair value hierarchy

The table below analyzes financial instruments carried at fair value depending on the valuation method. Levels of fair value based on inputs in the valuation model have been defined in Note 6, *Valuation of financial instruments*.

Fair value hierarchy (continued)

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2015				
Financial assets at fair value through profit or loss	35,029,700	-	113,293,968	148,323,668
Financial assets available for sale at fair value (Note 17 b)	388,809,740	-	19,869,529	408,679,269
	423,839,440	**-**	**133,163,497**	**557,002,937**

In LEI	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2014 (Restated)				
Financial assets at fair value through profit or loss	197,086,071	-	114,070,451	311,156,522
Financial assets available for sale at fair value (Note 17 b)	210,816,701	-	20,820,301	231,637,002
	407,902,771			**542,793,524**

For the year ending 31 December 2015, the Group presented financial assets at fair value through profit or loss on Level 3 of fair value hierarchy instruments held in structured products amounting to 55,263,607 lei (31 December 2014: 51,854,247 lei) and closed fund units amounting to 58,030,361 lei (31 December 2014: 62,216,204 lei). Details of key assumptions used to determine fair value are presented in Note 17 (a).

For the year ending 31 December 2015 the Group presented financial assets available for sale at fair value in Level 3 of the fair value hierarchy closed fund units amounting to 19,869,529 lei (31 December 2014: 20,820,301 lei)
Although the Group believes its estimates of fair value as appropriate, other methods or assumptions could result in different values of fair value.

6. Significant accounting estimates and judgments (continued)

Fair value hierarchy (continued)

Reconciliation of fair value valuations classified in Level 3 of the fair value hierarchy

În LEI	**Financial assets at fair value through profit or loss**	**Financial assets available for sale at fair value**
31 December 2013	-	-
Transfers to level 3	-	20,820,301
Transfers from level 3	-	-
Gains or losses for the period included in profit or loss	-	-
Period gains or losses included in other comprehensive result	-	-
Acquisitions, equity infusion	114,070,451	-
31 December 2014 (Restated)	**114,070,451**	**20,820,301**
Transfers to level 3	-	-
Transfers from level 3	-	-
Gains or losses for the period included in profit or loss	(776,483)	-
Period gains or losses included in other comprehensive result	-	(950,772)
Acquisitions, equity infusion	-	-
31 December 2015	**113,293,968**	**19,869,529**

Details of the classification of financial assets and liabilities of the Company are presented in Note 17 (d).

The fair values of financial instruments that are not presented at fair value equal their carrying amounts and are Level 3 values.

In the valuation model for financial assets available for sale – fund units, a positive change in fair value of 10% leads to an increase in equity, net of tax, with 1,669,040 lei on 31 December 2015 (31 December 2014: 1,748,905 lei), a 10% adverse change having an equal net impact and of opposite sign.

In the valuation model for financial assets at fair value through profit or loss - units and structured products, a positive change in fair value of 10% leads to an increase in profit after tax of 9,516,693 lei at 31 December 2015 (31 December 2014: 9,581,918 lei), a 10% adverse change having an equal net impact and of opposite sign.

6. Significant accounting estimates and judgments (continued)

Classification of financial assets and liabilities

Group's accounting policies provide the basis for assets and liabilities to be classified, at the initial moment, in various accounting categories. For the classification of assets and liabilities at fair value through profit or loss, the Group has determined to have been met one or more criteria set out in note 4 (d) (i).

Revaluation of tangible assets and real estate investment properties

The group accounts the real estate investments at fair value, changes in fair value being recognized in the consolidated profit or loss and other comprehensive income. Land and buildings are subject to revaluation and changes in fair value are recognized in other comprehensive income. The group appointed expert appraisers to determine the fair value at 31 December 2015. The evaluator used the direct capitalization method and relative comparisons method, the principles and techniques of assessment contained in the International Valuation Standards.

The definition of control

According to the Group's accounting policies, control is the power to govern financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. However, the Group believes that it has not control over an entity which meets the following conditions:

• The entity is bankrupt and the creditors' meeting are not controlled by the Group;

• The entity has negative net assets and the Group's residual interest in it is insignificant.

If an entity previously controlled by the Group, meets these criteria, date of loss of control is deemed to be the date of commencement of bankruptcy proceedings.

7. Operating segments

The Group comprises the following main business segments:
- Financial investments
- Trade of cereals, grains and other products;
- Rental of commercial premises and offices;
- Poultry;
- Production and sale of drugs.

Other activities include hotel operations, glass fiber manufacture, wholesale, production of construction materials, bakery etc.

7. Operating segments (continued)

In LEI	**Financial investments**	**Trade of grains seeds and other products**	**Lease of commercial spaces and offices**	**Poultry**	**Production and trade of medicines**	**Other activities**	**Removals**	**Consolidated**
2015								
Revenues								
Third party revenues	103,350,899	74,634,355	31,825,985	38,469,440	151,650,266	65,089,271	-	465,020,216
Revenues amoung segments	-	358,133	209,675	-	-	12,856,015	(13,423,823)	-
Total revenues	**103,350,899**	**74,992,488**	**32,035,660**	**38,469,440**	**151,650,266**	**77,945,286**	**(13,423,823)**	**465,020,216**
Result								
Result on segments	74,554,620	(996,064)	(724,746)	2,195,499	4,197,223	4,465,390	(9,966,153)	73,725,768
Interest revenues	1,088,718	41,289	575,858	10,002	781,308	761,455	(45,964)	3,212,666
Input / Output from the consolidation perimeter	-	-	-	-	-	-	-	-
Operating profit	**75,643,338**	**(954,775)**	**(148,888)**	**2,205,501**	**4,978,531**	**5,226,845**	**(10,012,117)**	**76,938,435**
Financing expenses	-	(716,854)	-	(20,378)	(519)	(593,756)	45,964	(1,285,543)
Profit before taxes	**75,643,338**	**(1,671,629)**	**(148,888)**	**2,185,123**	**4,978,012**	**4,633,089**	**(9,966,153)**	**75,652,892**
Income tax	(11,787,601)	(1,894,013)	(1,125,956)	(300,419)	(4,522,980)	(1,406,219)	(10,371,946)	(31,409,134)
Net profit	**63,855,737**	**(3,565,642)**	**(1,274,844)**	**1,884,704**	**455,032**	**3,226,871**	**(20,338,099)**	**44,243,758**

7. Operating segments (continued)

In LEI	Financial investments	Trade of grains seeds and other products	Lease of commercial spaces and offices	Poultry	Production and trade of medicines	Other activities	Consolidated
31 December 2015							
Assets							
Assets on segments	675,271,990	119,770,192	246,823,553	59,830,878	301,212,812	155,078,313	1,557,987,738
Investments in subsidiaries	-	-	-	-	-	-	-
Unallocated assets	-	-	-	-	-	-	3,063,235
Total assets							**1,561,050,973**
Liabilities							
Liabilities on segments	152,744,209	10,450,900	10,023,202	2,127,135	34,761,991	44,036,784	254,144,221
Unallocated liabilities	-	14,452,421	-	499,485	-	7,789,026	22,740,932
Total liabilities							**276,885,153**
Other information							
Equity expenses	2,999	1,208,846	844,810	192,739	22,459,160	3,988,278	28,696,832
Depreciation of tangible and intangible assets	65,958	5,313,996	1,669,938	2,233,011	23,867,470	6,355,873	39,506,245
Impairment losses on tangible assets recognized in profit or loss	-	(77,191)	413,801	-	9,431,299	7,472,421	17,240,329
Other non cash expenses/ (revenues)	(2,185,980)	(6,441,739)	10,826,679	836,531	(11,505,839)	14,392,147	5,921,800

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For the year ended 31 December 2015

7. Operating segments (continued)

In LEI	Financial investments	Trade of grains seeds and other products	Lease of commercial spaces and offices	Poultry	Production and trade of medicines	Other activities	Removals	Consolidated
2014 (Restated)								
Revenues								
Third party revenues	205,155,721	80,167,265	6,403,119	31,596,647	77,317,592	121,095,177	-	521,735,522
Revenues amoung segments	648,900	409,940	255,832	-	-	16,732,024	(18,046,696)	-
Total revenues	**205,804,621**	**80,577,205**	**6,658,951**	**31,596,647**	**77,317,592**	**137,827,201**	**(18,046,696)**	**521,735,522**
Result								
Result on segments	157,546,429	(4,893,936)	(986,210)	(1,676,120)	11,021,393	(20,546,067)	8,955,998	149,421,487
Interest revenues	2,567,100	118,634	66,707	106,861	753,533	973,936	(230,208)	4,356,563
Input / Output from the consolidation perimeter	-	-	-	-	-	48,023,274	-	48,023,274
Operating profit	**160,113,529**	**(4,775,302)**	**(919,503)**	**(1,569,259)**	**11,774,926**	**26,503,271**	**8,725,790**	**199,853,452**
Financing expenses	-	(779,336)	-	-	(532)	(1,161,993)	230,208	(1,711,653)
Profit before taxes	**160,113,529**	**(5,554,638)**	**(919,503)**	**(1,569,259)**	**11,774,394**	**25,341,278**	**8,955,998**	**198,141,799**
Income tax	(32,724,580)	1,880,285	(323,411)	(157,972)	49,133	(1,550,416)	10,953,551	(21,873,410)
Net profit	**127,388,949**	**(3,674,353)**	**(1,242,914)**	**(1,727,231)**	**11,823,527**	**23,790,862**	**19,909,549**	**176,268,389**

Notes to consolidated financial statements

For the year ended 31 December 2015

7. Operating segments (continued)

In LEI	**Financial investments**	**Trade of grains seeds and other products**	**Lease of commercial spaces and offices**	**Poultry**	**Production and trade of medicines**	**Other activities**	**Consolidated**
31 December 2014 (Restated)							
Assets							
Assets on segments	687,920,485	127,291,746	188,750,211	78,417,282	328,566,044	174,532,962	1,585,478,729
Investments in subsidiaries	-	-	-	-	-	-	-
Unallocated assets	-	-	-	-	-	-	4,014,138
Total assets							**1,589,492,867**
Liabilities							
Liabilities on segments	153,063,101	28,033,842	18,037,548	2,816,067	38,442,598	49,420,457	289,813,613
Unallocated liabilities	-	-	10,965,771	-	-	9,029,726	19,995,497
Total liabilities							**309,809,110**
Other information							
Equity expenses	379,519	7,321,160	1,839,908	521,711	207,028,895	5,990,898	223,082,091
Depreciation of tangible and intangible assets	39,604	5,202,939	1,301,239	3,131,605	3,250,271	7,512,754	20,438,413
Impairment losses on tangible assets recognized in profit or loss	-	118,562	(1,386,632)	-	150,217	(3,343,907)	(4,461,760)
Other non cash expenses/ (revenues)	(54,656,765)	718,344	(1,196,646)	(31,769)	10,788,383	(12,358,052)	(56,736,506)

8. Acquisition and disposal of subsidiaries

(a) Acquisition of subsidiaries

During 2015 no subsidiaries were purchased.

In May 2014 the Group obtained control of the subsidiary Biofarm S.A. based in Str.Logofătul Tăutu no. 99 Bucharest sector 3 registered with the Trade Registry under number J40/199/1991, unique registration code 341563 with main object of activity the production and marketing of medicinal products for humans CAEN code 2120; the percentage of voting rights obtained was of 51.7302%. The date of obtaining control was 5 May 2014.

Previously to obtaining control, SIF Muntenia S.A. held a stake of 32.9813% (361,099,130 shares) of the share capital of Biofarm S.A.. Acquisition by which SIF Muntenia S.A. came to be in control is the acquisition of the 18.7489% stake, for which the amount of 62,608,968 lei (205,275,304 shares) was paid. According to IFRS 3 "Business Combinations", such a transaction is classified as a business combination achieved in stages, called phases purchase.

Goodwill arising from the acquisition, amounting to 9,642,107 lei was determined by the amount paid for the acquisition of control (in the amount of 62,608,968 lei) plus the non-controlling shareholdings (amounting to 145,452,789 lei) plus previous holdings of SIF Muntenia SA at fair value (amounting to 102,913,252 lei) minus the fair value of the net asset of Biofarm S.A. (amounting to 301,332,903 lei).

The non-controlling shareholdings are determined proportionally from the fair value of the net asset (48.2698%).

SIF Muntenia S.A's previous holdings at fair value were determined by multiplying the price of Biofarm shares on 5 May 2014 respectively 0.2850 RON/share with the number of shares held by SIF Muntenia S.A. prior to obtaining control. Revaluation loss recognized as a result of participation in the fair value is 5,215,000 lei, and affected the line "operating income" (Note 9 c) of the Consolidated statement of profit or loss and other comprehensive income.

Subject to the application of IFRS 3, identified new intangible assets (trademarks and customer lists amounting to 90,365,139 lei) meet the criteria for recognition of an intangible asset, as they enable the Company to record higher sales due to the awareness of our brand and effects of the medicines demonstrated over time and operate on a contractual basis.

The fair values of acquired assets and assumed liabilities were as follows

Cash	63,027,809
Loans and receivables	59,826,081
Inventory	20,165,350
Real estate investments	10,589,990
Tangible and intangible assets	167,810,224
Other assets	8,534,548
Trade payables and other payables	(28,621,099)
Net assets	**301,332,903**
Value at the date of control	**165,522,220**

Receivables acquired amounting to 59,826,081 lei comprise mainly trade receivables in the amount of 41,142,464 lei, of which adjusted for impairment 1,280,250 lei, debts to the state budget amounting to 3,469,041 lei, sundry debtors amounting to 12,692,149 lei. The fair values of these receivables does not differ from their carrying amounts.

The profit gained from Biofarm S.A. from the date of purchase until the end of the financial year amounted to 11,823,567 lei.

8. Acquisition and disposal of subsidiaries (continued)

(a) Acquisition of subsidiaries (continuared)

In September 2014 the Group obtained control of the subsidiary CI-CO S.A. based in Aleea Campul Moşilor No.5, sector 2, Bucharest, registered with the Trade Registry under number J40/472/1991, unique registration code 167 with main object of activity Renting and operating of own or leased real estate NACE code 6820; the percentage of voting rights of 92.16% is obtained. On 31 December 2013, SIF Muntenia S.A. held a stake of 92.16% in CI-CO S.A., without having the power to manage the financial and operational subsidiary to obtain economic benefits. Therefore, the investment in CI-CO SA was recognized at the date of acquisition of control as a financial asset available for sale, with a fair value of zero. The group acquired control by winning a court action by which SIF Muntenia S.A. obtained the right to convene a General Meeting of Shareholders which revoked existing Board of Directors of the subsidiary and has appointed a new Board of Directors. For consolidation purposes, the CI-CO SA acquisition date was approximated as 31 December 2014, due to the fact that CI-CO SA had no significant operations between September and December 2014. At 31 December 2014 CI-CO subsidiary registered assets amounting to 56,485,898 lei and liabilities amounting to 7,522,864 lei. Thus, it recorded a negative goodwill, recognized on income in the amount of 45,131,506 lei, presented in consolidated profit or loss and other comprehensive income line "Other income and gains" (Note 10). The minority interest recognized amount after obtaining control is 3,839,312 lei, representing 7.84% of the net assets of the subsidiary.

(b) Disposal of subsidiaries

During 2015 the Group has not lost control of any of its subsidiaries previously considered within the scope of consolidation.

During 2014 the Group has lost control of the subsidiary Transchim S.A., previously considered within the scope of consolidation.

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For the year ended 31 December 2015

9.Operating revenues

In LEI	**2015**	**2014 Restated**
Revenue from sale of goods and services (a)	343,045,647	243,330,789
Investment income (b)	32,343,439	29,066,095
Net gains from financial instruments (c)	82,137,104	196,304,123
Total	**457,526,190**	**468,701,007**

(a) Revenue from sale of goods and services

In LEI	**2015**	**2014 Retratat**
Sale of goods	70,031,112	68,301,780
Sale of production	237,795,999	140,059,162
Services	32,541,638	32,715,373
Operating grants	2,676,898	2,254,474
Total	**343,045,647**	**243,330,789**

(b) Revenues from investments

In LEI	**2015**	**2014 Restated**
Dividend income	10,201,311	14,354,638
Rental income	18,839,240	10,013,287
Interest income on deposits and current accounts	2,966,271	4,356,563
Interest income on loans and receivables	209,298	215,132
Interest income on investments held to maturity	37,097	-
Income fromm re-invoicing utilities related to real estate investments	90,222	126,475
Total	**32,343,439**	**29,066,095**

Dividend income is recorded on a gross basis. Tax rates on dividends for the financial year ended 31 December 2015 were 16% and zero (2014: 16% and zero).

The rental income is generated by leases of real estate space. These relate mainly to buildings owned by the Group and classified on 31 December 2015 and 31 December 2014 as real estate investment (see Note 20).

Notes to consolidated financial statements

For the year ended 31 December 2015

9. Operating revenues (continued)

(c) Net gains related to financial instruments

In LEI	**2015**	**2014 Restated**
Net gain from sale of financial assets available for sale *(i)*	35.646.889	218.393.519
Net gain from revaluation of financial assets held for trading - shares	49.018.625	4.962.542
Net gain / (net loss) from revaluation of financial assets held for trading - structured products	2.002.000	(20.090.493)
(Net loss) from revaluation of financial assets designated at fair value through profit or loss - units	(4.530.410)	(6.961.445)
Total	**82.137.104**	**196.304.123**

(i) Historical cost of financial assets available for sale valuated at cost at the time of sale was 2,449,716 lei (2014: 24,174,329 lei) and the gain on sale was 4,773,139 lei (2014: loss 14,182,984 lei).

Historical cost of financial assets available for sale at fair value at the time of sale was 91,363,056 lei (2014: 295,232,962 lei) and the gain on sale was 30,873,750 lei (2014: 232,576,503 lei).

10. Other revenues and gains

In LEI	**2015**	**2014 Restated**
Net gain / (net loss) from sale of property, plant and equipment and investment property	2.081.503	(375.234)
Other operating income *	4.803.509	52.859.887
Net exchange rate gains	609.014	549.862
Total	**7.494.026**	**53.034.515**

* 2014 includes income due to loss of control over the subsidiary Transchim S.A. amounting to 2,891,769 lei and negative goodwill determined at the date of obtaining control over the subsidiary CI-CO S.A. recorded as a gain in the amount of 45,131,505 lei.

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For the year ended 31 December 2015

11. Changes in inventory and capitalized production

In LEI	**2015**	**2014 Restated**
Changes in inventories	(7.529.587)	(6.055.456)
Capitalized production	501.143	716.013
Total	**(7.028.444)**	**(5.339.443)**

12. Operating expenses

In LEI	**2015**	**2014 Restated**
Expenditure on raw materials and commodities (a)	165.502.978	127.648.646
Expenditure on external services (b)	74.051.144	77.934.253
Expenditure on salaries and other personnel expenses	63.116.196	49.407.303
Depreciation and amortization and impairment of property (Note 21, 22)	56.746.575	28.463.430
Total	**359.416.893**	**283.453.632**

(a) Expenses with raw materials, materials and commodities

In LEI	**2015**	**2014 Restated**
Raw materials	110.548.700	83.647.914
Commodities	54.954.278	44.000.732
Total	**165.502.978**	**127.648.646**

(c) Expenses with third parties

In LEI	**2015**	**2014 Restated**
Management fees	17.400.000	27.477.536
Transport	3.836.444	3.397.635
Other fees	2.876.000	5.217.533
Maintenance and repairs	2.400.796	1.685.017
Communications expenses	1.051.913	807.775
Protocol, advertising and publicity	22.133.666	15.370.186
Trading costs	488.295	5.035.333
Banking services	411.010	426.493
Custody fees	252.317	321.057
Other services	23.200.703	18.195.688
Total	**74.051.144**	**77.934.253**

13. Loss from impairment of assets

In LEI	**2015**	**2014 Restated**
Loss from impairment of financial assets available for sale	5.788.179	8.270.479
Loss from impairment of other assets	16.894.116	5.410.567
Total	**22.682.295**	**13.681.046**

14. Other expenses

In LEI	**2015**	**2014 Restated**
Net loss / (net gain) on revaluation at fair value of investment properties (Note 20)	4.909.360	(4.556.945)
Expenditure on utilities	13.442.354	10.504.016
Other taxes and fees	5.273.739	4.423.013
Rent expenses	1.727.258	1.854.884
Shareholders Representatives Committee's members remuneration expense	1.421.727	1.263.938
Changes in fair value of biological assets (Note 23 (i))	(8.727.242)	(8.480.397)
(Reversal) / losses on provisions for risks and liabilities	(24.504.449)	13.625.039
Other operating expenses	5.411.402	774.401
Total	**(1.045.851)**	**19.407.949**

15. Income tax

In LEI	**2015**	**2014 Restated**
Current income tax	30.243.338	29.555.352
Income from deferred tax	1.165.796	(7.681.942)
Total	**31.409.134**	**21.873.410**

Reconciliation of profit before tax to income tax expense in profit or loss:

In LEI	**2015**	**2014 Restated**
Proft before taxes	75,652,892	198,141,799
Tax under statutory tax rate of 16%	**12,104,463**	**31,702,688**
Income tax effect on:		
The dividends tax rates	1,257,329	1,853,676
Amounts relating to incomes	17,149,264	837,084
Amounts relating to expenses	(5,341,343)	(13,938,176)
Deductions	(3,192,522)	(2,643,844)
Nondeductible expenses	19,632,415	19,779,183
Taxable income	(10,891,892)	(10,985,208)
Other reversals of temporary differences	1,165,796	(7,681,942)
Sponsorship amounts within legal limits	(610,978)	(296,423)
Derecognized tax losses	136,602	3,246,372
Income tax	**31,409,134**	**21,873,410**

Starting with 2015 financial year, in determining taxable profit of the Company's, revenues and expenses are taken into consderation according to IFRS accounting regulations net of non-taxable income and deductible expenses are added according to the Fiscal Code.

When calculating the profit tax, there is also included in taxable revenue category, along with dividend income, the income from sale / transfer of shares and liquidation proceeds, no matter if the legal entities where shareholdings are owned are legal Romanian or foreign entities, from states with which Romania has concluded double taxation agreements (including outside the EU). This income is taxable if certain conditions are met (if on the date of sale / assignment of shares or commencement of liquidation operation date, the minimum period of one year of uninterrupted holding of an interest of at least 10% will expire). Given that the economic benefits associated with financial assets available for sale that meet the conditions stipulated in the Tax Code are not taxable, according to IAS 12, the tax basis of the assets is equal to the accounting basis and therefore were resumed on expense with deferred tax liabilities previously recognized for temporary differences arising from adjustments for impairment.

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16. Cash and deposits with banks

In LEI	**31 decembrie 2015**	**31 December 2014 Restated**
Cash in hand	217.546	236.572
Current accounts in banks	31.326.720	27.182.858
Bank deposits with original maturity less than 3 months	6.978.766	58.672.897
Bank deposits with original maturity more than 3 months and less than one year	73.028.233	49.549.003

Blocked deposits	474.291	180.309
Claims attached	420.138	747.886
Total cash and deposits with banks	**112.445.694**	**136.569.525**

Current accounts and bank deposits, other than those locked, are permanently available to the Group and are not restricted.

17. Financial assets and liabilities

(a) Financial assets at fair value through profit or loss

In LEI	**31 December 2015**	**31 December 2014 Restated**
Financial assets held for trading - shares *(i)*	11.972.863	176.741.273
Financial assets held for trading - structured products *(ii)*	55.263.607	51.854.247
AFinancial assets designated at fair value through profit or loss - units (iii)	81.087.198	82.561.002
Total	**148.323.668**	**311.156.522**

(i) As of 31 December 2015 and 31 December 2014 financial assets at fair value through profit or loss are represented by shares issued by companies listed on the Bucharest Stock Exchange.

On 1 December 2015 the Group reclassified from financial assets held for trading - shares in financial assets available for sale, valuated at fair value, a number of five companies (Banca Transilvania SA, SN Nuclearelectrica SA, SSIF Broker SA, SIF Banat-Crisana SA, SIF Oltenia SA) at a fair value of 221,490,474 lei. On 31 December 2015, their value is of 229,322,351 lei. The amount recognized in other comprehensive income related to these instruments is of 7,831,877 lei.

Banca Transilvania S.A. completed on 31 December 2015 the merger with Volksbank Romania S.A. and the impact of this action will be felt over a period of at least 3 years. The probability of increasing the shares quotation on a medium and long term and a possible change of dividend policy leads to a change in strategy of keeping this initial shareholding for a period of minimum 3 years.

The company SNN Nuclearelectrica S.A. is part of the energy sector, which is in a phase of modernization and expansion, that is why from the analyzes the conclusion was that it is capitalized within at least 3 years.

SSIF Broker is in the process of diversifying its core business and trying to enter the insurance market, in parallel with the issuance of new capital protected products which are a viable alternative to bank deposits. Under these conditions, the company’s income is expected to grow, which can increase the market price of such issuer. Hence, capitalization of the investment within a period of 3-5 years can lead to profit for the Company.

17. Financial assets and liabilities (continued)

(a) Financial assets at fair value through profit or loss (continued)

If for SIF Banat-Crisana S.A. and SIF Oltenia S.A., dividend policy and the probability of increasing the quotations on a medium and long term lead to a change in the initial strategy of keeping those holdings for a period of 3-5 years, especially given that banks offer low interest rates on bank deposits.

(ii) During 2015, the Group invested 28 million units at a cost of 24,164,000 lei, structured financial instruments issued by Merrill Lynch International & CO C, instruments aiming the share price of SIF Moldova S.A. (SIF 2) for a period of one year. Merrill Lynch International & Co. CV is a company specialized in issuing warrants and financial instruments as well as in the distribution of fund units managed by Merrill Lynch International. The company operates as a subsidiary of Merrill Lynch Holdings Inc. Cayman. Owning financial instruments presented above do not carry voting stakes for the investor SIF Moldova S.A. The purchase of this type of investment instrument is in pursuit of SIF Muntenia S.A. portfolio diversification.

At 31 December 2015, the Group has assessed these securities using a valuation model which considers the closing quotation published by Bloomberg (0.78 lei / unit) and an adjustment factor which mainly addresses market liquidity risk of the underlying asset and its effect on the quotation of securities by their issuer.

The aforementioned adjustment factor diminished the fair value of these structured products with 1,106,000 lei related to net loss from revaluation of financial assets at fair value through profit or loss.

During 2014, the Group invested in bonds issued by OPUS Chartered issuance SA with a maturity of two years and an acquisition cost of 51,095,940 lei, equivalent of 11,400,000 Euro for a total of 1,140 units. The purchase of such securities in the investment policy is part of SIF Muntenia S.A. diversification of the investment portfolio. The titles follow the evolution price of a basket of shares of SIF Moldova S.A. (a quota of 9.18%) and SIF Oltenia S.A. (a quota of 90.82%), giving the holder the right to dividend, but without conferring voting rights for the investors in SIF 2 and SIF5. OPUS Chartered issuance SA is a public limited liability registered in Luxembourg as securitization unregulated company, the transaction dealer being represented by Morgan Stanley International Plc.

On 31 December 2015, the Group has assessed these securities using a valuation model which considers the quotation closing price published by Bloomberg (88.426 Euro / certificate) and an adjustment factor which mainly addressed the risk of market liquidity of the underlying and effect its quotation on securities by their issuer.
Adjustment factor determined previously mentioned decrease in fair value of these financial instruments patterning 17,049,693 lei (31 December 2014: 17,049,693 lei) on account of net loss from revaluation of financial assets at fair value through profit or loss.

(iii) Fund units issued by closed-end investment fund Active Dinamic, Active Plus, Multicapital Invest, Omnitrend, Star Value, STK Emergent have a balance value at 31 December 2015 of 58,030,361 lei (31 December 2014: 82,033,587 lei) and units issued by trusts Next Star, Star Focus have a balance value in the balance 20,500,275 lei (31 December 2014: 527,415 lei).

Based on the regulations issued by the FSA, the fund units are valued based on net asset value, calculated by the fund manager using closing quotes for financial instruments. If the group notes that for the holdings of a fund there is not an active market, the assessment calls for public information on fund holdings (financial statements, audit reports, public portfolio structure, etc.) and the net asset value. Based on net asset obtain a corrected NAV adjustments deemed necessary at the net asset value after analyzing public information mentioned above.

17. Financial assets and liabilities (continued)

(a) Financial assets at fair value through profit or loss (continued)

Above adjustments have resulted in diminishing fair value of these fund units with 9,647,667 lei for Omnitrend on account of net loss from revaluation of financial assets at fair value through profit or loss (31 December 2014: for Omnitrend: 7,067,412 lei and Active Plus: 2,281,489 lei).

(b) Financial assets available for sale

In LEI	**31 December 2015**	**31 December 2014 Restated**
Shares at fair value *(i)*	355,904,881	177,984,722
Fund units at fair value *(iii)*	52,774,388	53,652,280
Total financial assets available for sale - measured at fair value	408,679,269	231,637,002
Shares at cost *(ii)*	114,572,797	86,224,546
Total	**523,252,066**	**317,861,548**

(i) The fair value valuation of the shares was done by multiplying the number of shares at balance sheet date to the closing price on the last trading day of the reporting period or by obtaining the assessment reports carried out by independent evaluators. On 31 December 2015 the category shares at fair value mainly includes the value of shares held in BRD - Groupe Societe Generale, Banca Transilvania SA, SIF Banat-Crisana SA, SIF Oltenia SA, (31 December 2014: BRD - Groupe Societe Generale SA, Banca Transilvania SA, Transelectrica SA)

(ii) On 31 December 2015 the value of shares valued at cost of 114,572,797 lei (31 December 2014: 86,224,545 lei) is determined by their cost amounting to 358,949,512 lei (31 December 2014: 324,897,421 lei) decreased by impairment adjustments in the amount of 244,376,914 lei (31 December 2014: 238,672,876 lei). There were adjustments for impairment in 2015 financial year amounting to 5,938,223 lei (2014: 14,372,157 lei).

(iii) On 31 December 2015 the Group holds fund units at fair value of which: to trusts (Certinvest Bonds, Certinvest Prudent, Certinvest Dynamic, BRD Bonds, Star Next Star Focus, Raiffeisen Confort, Raiffeisen Confort EURO Napoca, Transylvania, STK Europe, Prosper Invest, Erste Balanced, Erste Equity, NN (L) International Romanian Bond) amounting to 31,211,355 lei and closed funds (Certinvest Properties RO, BT Invest 1, BET-FI Index Invest, Multicapital Invest, Omnihedge, STK Emergent and Fondul de Acțiuni Privat Transilvania) amounting to 22,591,953 lei.

In Note 32 Fund units there are presented details on investment fund managers, their objectives, structure of the portfolio to the latest available date.

Based on the regulations issued by the FSA, the fund units are valued based on net asset value, calculated by the fund manager using closing quotes for financial instruments. If the group notes that for the holdings of a fund there is not an active market, the assessment calls for public information on fund holdings (financial statements, audit reports, portfolio structure, etc.) and the net asset value. Based on net asset obtain a corrected NAV adjustments deemed necessary at the net asset value after analyzing public information mentioned above.

Provisions for impairment in value on 31 December 2015 in the amount of 1,028,920 lei (31 December 2014: 1,178,964 lei) are recognized mainly for STK Europe, Omnihedge and Certinvest Properties RO.

17. Financial assets and liabilities (continued)

(b) Financial assets available for sale (continued)

The movement of financial assets available for sale in the years ended 31 December 2015 and 31 December 2014 is presented in the table below.

In LEI	**Shares at fair value**	**Shares at cost**	**Fund units**	**Total**
31 December 2013	**443,006,313**	**100,599,246**	**54,141,711**	**597,747,270**
Net change during the period (i)	(347,522,190)	1,750,713	(59,987)	(345,831,464)
Transfer between categories (ii)	(2,693,744)	2,693,744	-	-
Impairment losses	11,727,642	(18,819,157)	(1,178,964)	(8,270,479)
Changes in fair value	73,466,701	-	749,520	74,216,221
31 December 2014 (Restated)	**177,984,722**	**86,224,546**	**53,652,280**	**317,861,548**
Net change during the period (i)	(40,310,354)	(677,175)	3,281,706	(37,705,823)
Transfer between categories (ii)	(34,963,648)	34,963,648	-	0
Reclassification (iii)	221,490,474			221,490,474
Impairment losses	-	(5,938,223)	150,044	(5,788,179)
Changes in fair value	31,703,687	-	(4,309,642)	27,394,045
31 December 2015	**355,904,881**	**114,572,797**	**52,774,388**	**523,252,066**

17. Financial assets and liabilities (continued)

(b) Financial assets available for sale (continued)

(i) Inputs of shares during 2015 represents purchases of shares on a regulated market such as Banca Transilvania S.A.

The outputs of shares during the year 2015 is: sales of securities in the portfolio such as: BRD Group Societe General S.A., CNTEE Transelectrica S.A., Cemacon S.A., Banca Transilvania S.A. Primcom S.A, de-registration of companies such as Romfor S.A., Foraje Sonde S.A., Ciprom S.A. Ploieşti, Unirea SA Târgu-Jiu S.A., withdrawals from companies such as Indcom S.A., Stela S.A., Titan Echipamente Nucleare S.A., Medimfarm S.A

Inputs of shares in 2014 are: participation in the share capital increase to existing portfolio companies, such as Cemacon S.A., Banca Transilvania S.A., purchases of shares on a regulated market such as OMV Petrom SA.

The outputs of shares during 2014 are: sales of securities in the portfolio such as: BRD Group Societe General S.A., Erste Group Bank AG, OMV Petrom S.A., Transgaz S.A., Turbomecanica S.A., Cemacon S.A., Stela S.A., Primcom S.A., Celpi S.A., Camexip S.A., Lafarge Agregate Betoane S.A, de-registration of companies such as Sepra SA, IRA SA, Ges SA and reductions of share capital to Primcom S.A., Cemacon S.A., Agro-Industrial Mogoşoaia S.A..

Inputs of shares in 2014 are: participation in the share capital increase to existing portfolio companies, such as Cemacon S.A., Banca Transilvania S.A., purchases of shares on a regulated market such as OMV Petrom SA.

The outputs of shares during 2014 are: sales of securities in the portfolio such as: BRD Group Societe General SA, Erste Group Bank AG, OMV Petrom, Transgaz SA, Turbomecanica SA, Cemacon SA, Stela SA, Primcom SA, CELP SA, Camexip SA, Lafarge Agregate Concrete SA, de-registration of companies such as Sepra SA, IRA SA, Ges SA and reductions in capital to Primcom S.A., Cemacon S.A., Agro-Industrial Mogoşoaia S.A .

(ii) During the years ended as of 31 December 2014 and 31 December 2015 the market of certain shares held by the Company became active, so it was possible to determine their fair value. Also, the market shares of certain shares held by the Company became inactive, so fair value can no longer be reliably determined.

17. Financial assets and liabilities (continued)

(c) Loans and receivables

As of 31 December 2015 and 31 December 2014 the Group had the following loans and receivables:

In LEI	31 December 2015	31 December 2014 Restated
Trade receivables	143,761,392	122,629,202
Corporate bonds - RON	6,337,867	6,270,919
Corporate bonds - EUR	1,127,955	1,186,560
Municipal bonds - RON	-	-
Other receivables	21,496,369	23,509,676
Minus adjustments for impairment of loans and receivables	(52,105,973)	(33,514,343)
Total	**120,617,610**	**120,082,014**

Adjustments for impairment of loans and receivables as of 31 December 2015 comprise the adjustments recorded by the Company for bonds held in the portfolio amounting to 4,315,252 lei (31 December 2014: 4,315,252 lei) and adjustments registered by subsidiaries for customers and sundry debtors amounting to 47,790,721 lei (31 December 2014: 29,199,091 lei).

Movement of adjustments for impairment is presented in the table below:

1 January 2014	**22,836,953**
Setting adjustments for impairment of loans and receivables	10,677,390
31 December 2014 (restated)	**33,514,343**
Setting adjustments for impairment of loans and receivables	18,591,630
31 December 2015	**52,105,973**

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17. Financial assets and liabilities (continued))

(d) Accounting classifications and fair values

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

In LEI	**Tradable**	**Designated at fair value**	**Available for sale**	**Cost or amortized cost**	**Total book value**	**Fair value**
31 December 2015						
Cash and deposits with banks	-	-	-	112,445,694	**112,445,694**	**112,445,694**
Financial assets at fair value through profit or loss	67,236,470	81,087,198	-	-	**148,323,668**	**148,323,668**
Financial assets available for sale	-	-	408,679,269	114,572,797	**523,252,066**	**523,252,066**
Loans and receivables	-	-	-	120,617,610	**120,617,610**	**120,617,610**
Total financial assets	**67,236,470**	**81,087,198**	**408,679,269**	**347,636,101**	**904,639,038**	**904,639,038**
Dividend payment	-	-	-	(131,860,658)	**(131,860,658)**	**(131,860,658)**
Other financial liabilities*	-	-	-	(72,054,064)	**(72,054,064)**	**(72,054,064)**
Loans	-	-	-	(22,740,932)	**(22,740,932)**	**(22,740,932)**
Total financial liabilities	-	-	-	**(226,655,654)**	**(226,655,654)**	**(226,655,654)**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies.

To estimate the fair value of financial assets and liabilities measured at cost or amortized cost, the Group used the following estimates and made the following significant judgments: for elements such as cash and cash equivalents, other financial assets and liabilities that are issued or held for a very short-term loans as well as loans and receivables that generally do not bear interest or bear fixed interest, the Group approximating their fair value with their cost.

17. Financial assets and liabilities (continued))

(d) Accounting classifications and fair values (continued)

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

In LEI	Tradable	Designated at fair value	Available for sale	Cost or amortized cost	Total book value	Fair value
31 December 2014 (Restated)						
Cash and deposits with banks	-	-	-	136,569,525	**136,569,525**	**136,569,525**
Financial assets at fair value through profit or loss	228,595,520	82,561,002	-	-	**311,156,522**	**311,156,522**
Financial assets available for sale	-	-	231,637,002	86,224,546	**317,861,548**	**317,861,548**
Loans and receivables	-	-	-	120,082,014	**120,082,014**	**120,082,014**
Total financial assets	**228,595,520**	**82,561,002**	**231,637,002**	**342,876,085**	**885,669,609**	**885,669,609**
Dividend payment	-	-	-	(134,056,970)	**(134,056,970)**	**(134,056,970)**
Other financial liabilities*	-	-	-	(80,938,388)	**(80,938,388)**	**(80,938,388)**
Loans	-	-	-	(19,995,497)	**(19,995,497)**	**(19,995,497)**
Total financial liabilities	**-**	**-**	**-**	**(234,990,855)**	**(234,990,855)**	**(234,990,855)**

* Other financial liabilities include trade payables and other payables, less advances received from customers in advance earnings, provisions for risks and charges and investment subsidies.

To estimate the fair value of financial assets and liabilities measured at cost or amortized cost, the Group used the following estimates and made the following significant judgments: for elements such as cash and cash equivalents, other financial assets and liabilities that are issued or held for a very short-term loans as well as loans and receivables that generally do not bear interest or bear fixed interest, the Group approximating their fair value with their cost.

18. Inventory

In LEI	31 December 2015	31 December 2014 Restated
Goods in stock	13,979,132	11,442,812
Raw materials and packaging	15,799,375	15,814,962
Finished goods and work in progress	12,515,122	13,913,513
Total	**42,293,629**	**41,171,287**

During 2015, an appreciation of inventories in the amount of 1,148,593 lei was recognized as income.

In 2014, an appreciation of inventories in the amount of 437,625 lei was recognized as income.

19. Investments in associates

On 31 December 2015 the Group does not hold investments in associates.

On 31 December 2014 the Group owned 347,664 shares of SIN S.A., representing 25.68% of the share capital. Considering the composition of the Board of Directors, the fact that 62.37% of SIN's shares are held by a single shareholder and the quorum for decisions in the general meeting of shareholders, the Group does not have significant influence on SIN S.A.

20. Real estate investments

Reconciliation of book value of the real estate investments

In LEI	31 December 2015	31 December 2014 Restated
Balance as of 1 January	**170,227,729**	**121,388,751**
Acquisitions *	-	44,561,738
Transfer from tangible assets (Note 22)	-	300,333
Transfer to tangible assets	-	-
Sales	(660,798)	(580,038)
Changes in fair value	(4,909,360)	4,556,945
Balance as of 31 December	**164,657,571**	**170,227,729**

Real estate investment include land and buildings held to be rented to third parties.

* The purchases of real estate investment in 2014 is represented by buildings and land owned by CI-CO S.A. amounting to 33,971,748 lei, located in Maltopol St. No.23 and Aleea Câmpul Moşilor No.5, Bucharest and land owned by Biofarm S.A. amounting to 10,447,011 lei gained through the acquisition of control of the subsidiary.

20. Real estate investments (continued)

As of 31 December 2015 and 2014, the Group does not have real estate investments acquired through financial leasing.

During 2015, rental income from real estate investments amounted to 15,699,358 lei (2014: 7,843,739 lei). Direct operating expenses of real estate investments that generated rental income during 2015 were in the amount of 408.343 lei (2014: 172,042 lei).

Measurement of fair value

On 31 December 2015 the Group's real estate investments were evaluated by external evaluators, independent, authorized by the National Association of Certified Appraisers in Romania ("ANEVAR").

Fair value hierarchy

Based on inputs used in the valuation technique, the fair value of real estate investments was classified in Level 3 of the fair value hierarchy.

Evaluation Techniques

The following table presents the valuation techniques used to determine fair value real estate investments classified in Level 3 of the fair value hierarchy.

Evaluation Techniques	Inputs	The link between input and fair value measurement
The evaluation model considers that the present value of net cash flows to be generated by the property takes into account the growth rate of the lease, unoccupied periods, occupancy, costs incentive for leasing such as periods of free rent and other costs that are not paid by tenants. Expected net cash flows are discounted using discount rates based on risk. Among other factors, estimating the discount rate considers the quality of a building and its location (first vs. second), the quality conditions of the tenant. It has direct capitalization method applied in order to estimate the value of income producing properties, given that, in general, such properties are usually rented on a long term with few changes in the level of rent.	Comparable values for similar buildings, where corrections were applied, depending on the type of property, location and intrinsic elements. The expected growth of the rental market; Unoccupied period until a new lease; Occupancy (average 85%); The discount rates adjusted for risk.	The estimated fair value would increase (decrease) if: The expected growth rate of the rental market was higher (lower); Unoccupied period until a new lease was shorter (higher); The occupancy rate was higher (lower); Risk-adjusted discount rate was lower (higher).

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21. Intangible assets

In LEI	Goodwill	Other intangible assets	Trademarks and other rights	Total
Cost				
At 1 January 2014	-	2,240,871	-	**2,240,871**
Acquisitions	9,642,107	3,406,688	90,365,139	**103,413,934**
Outputs	-	(320,349)	-	**(320,349)**
La 31 decembrie 2014 (restated)	**9,642,107**	**5,327,210**	**90,365,139**	**105,334,456**
Acquisitions	-	709,295	-	**709,295**
Sales	-	(429,913)	-	**(429,913)**
At 31 December 2015	**9,642,107**	**5,606,592**	**90,365,139**	**105,613,838**

In LEI	Goodwill	Other intangible assets	Trademarks and other rights	Total
Accumulated depreciation and impairment losses				
At 1 January 2014	-	1,289,304	-	**1,289,304**
Depreciation expense	-	434,308	-	**434,308**
Entry in the consolidation perimeter		1,372,612	-	**1,372,612**
Outputs	-	(176,286)	-	**(176,286)**
Impairment losses	-	152,100	-	**152,100**
La 31 decembrie 2014 (restated)	**-**	**3,072,038**	**-**	**3,072,038**
Depreciation expense	-	661,865	13,554,771	**14,216,636**
outputs	-	(22,659)	-	**(22,659)**
Impairment losses	-	-	-	-
At 31 December 2015	**-**	**3,711,244**	**13,554,771**	**17,266,015**
Net book value				
La 31 decembrie 2014 (restated)	**9,642,107**	**2,255,172**	**90,365,139**	**102,262,418**
At 31 December 2015	**9,642,107**	**1,895,348**	**76,810,368**	**88,347,823**

Goodwill acquired in a business combination with Biofarm S.A. through acquisition in stages, amounting to 9,642,107 lei represents a payment made by SIF Muntenia S.A. in anticipation of future economic benefits from assets that can not be individually identified and recognized separately (Note 8 a).

The Group conducted impairment tests for cash-generating units (goodwill, trademarks and other rights) where no impairment indicators were identified. Impairment tests were conducted by an independent value using valuation models compliant to the ANEVAR - EVS Evaluation Standards applicable from 1 July 2015.

Goodwill impairment test involved comparing the recoverable amount of the cash-generating unit "Biofarm" with the carrying amount of the cash generating unit that includes goodwill purchase.
This test showed that the recoverable amount of the cash-generating unit "Biofarm" as of 31 December 2015 was worth 315,319,734 lei and the carrying value amounting to 210,185,608 lei. Analysis of the results shows that the recoverable amount is higher than the net book value, the process resulting in no goodwill impairment.

21. Intangible assets (continued)

For impairment testing of trademarks and customer lists was estimated the fair value less costs to sell.
The method used by the assessor to assess trademark is royalty savings method, because the reliability of the method is high, based on prevailing market rates of royalty for similar intangible assets. Aplying this method, the fair value of trademarks at 31 December 2015 was 69,233,931 lei and selling costs were worth 1,384,679 lei, resulting that there is no impairment of trademarks.

To evaluate the customers list, theevaluation method used by the assessor is surplus multi- period of economic benefits resulting from the fair value of customer lists. At 31 December 2015 the customer list was worth 53,426,618 lei and selling costs were worth 1,068,532 lei, resulting that there is no impairment to customers.

22. Tangible assets

In LEI	Land	Constructions	Equipment and other fixed assets	Tangible assets in progress	Total
Cost or revaluated value					
At 1 January 2014	119,610,612	114,790,568	142,977,057	7,962,631	**385,340,868**
Inputs	5,492,684	21,306,132	71,155,615	21,713,726	**119,668,157**
Revaluations	(593,977)	10,495,675	12,306,297	-	**22,207,995**
Transfers to real estate investments	-	-	(650,562)	-	**(650,562)**
Transfers from tangible assets in progress	-	2,053,754	3,056,015	(5,109,769)	-
Outputs	(6,932,508)	(12,559,104)	(37,673,328)	(2,020,079)	**(59,185,019)**
At 31 December 2014 (restated)	**117,576,811**	**136,087,025**	**191,171,094**	**22,546,509**	**467,381,439**
Inputs	71,774	458,745	1,597,660	25,859,358	**27,987,537**
Revaluations	(1,556,478)	(9,947,657)	-	-	**(11,504,135)**
Transfers to real estate investments	-	-	-	-	-
Transfers from tangible assets in progress	179,113	2,168,181	4,421,946	(6,769,240)	-
Outputs	(1,269,021)	(4,449,605)	(4,150,451)	-	**(9,869,077)**
At 31 December 2015	**115,002,199**	**124,316,689**	**193,040,249**	**41,636,627**	**473,995,764**

The value of tangible assets in progress, amounting to 25,859,358 lei consist primarily of the investment of the subsidiary Biofarm S.A. for a new medicine factory.

22. Tangible assets (continued)

In LEI	**Land**	**Buildings**	**Equipment and other fixed assets**	**Tangible assets in progress**	**Total**
Accumulated depreciation and impairment losses					
At 1 January 2014	**4,534,973**	**8,875,692**	**75,463,927**	**269,475**	**89,144,067**
Depreciation expense	31,256	7,397,667	12,575,183	-	**20,004,106**
Revaluations	-	(784,931)	-	-	**(784,931)**
Transfers to real estate investments	-	-	(350,229)	-	**(350,229)**
Inputs in the consolidation perimeter	-	1,850,109	38,340,313	-	**40,190,422**
Outputs	(25,646)	(2,928,999)	(22,058,610)	-	**(25,013,255)**
Depreciation losses	-	(4,506,306)	(248,788)	141,234	**(4,613,860)**
At 31 December 2014 (restated)	**4,540,583**	**9,903,232**	**103,721,796**	**410,709**	**118,576,320**
Depreciation expense	45,743	7,247,094	17,723,717	-	**25,016,554**
Revaluations	-	(1,172,776)	-	-	**(1,172,776)**
Transfers to real estate investments	-	-	-	-	-
Outputs	-	(3,980,680)	(3,023,260)	-	**(7,003,940)**
Depreciation losses	-	4,507,654	3,331,679	(84,208)	**7,755,125**
At 31 December 2015	**4,586,326**	**16,504,524**	**121,753,932**	**326,501**	**143,171,283**
Net book value					
At 31 December 2014 (restated)	**113,036,228**	**126,183,793**	**87,449,297**	**22,135,800**	**348,805,119**
At 31 December 2015	**110,415,873**	**107,812,165**	**71,286,317**	**41,310,126**	**330,824,481**

22. Tangible assets (continued)

By obtaining control over the subsidiary Biofarm S.A. on 31 December 2014, the Group acquired tangible assets amounting to a net value of 84,049,011 lei.

By obtaining control over the subsidiary CI-CO S.A. on 31 December 2014, the Group acquired tangible assets amounting to a net value of 116,613 lei.

By losing control over the subsidiary Transchim S.A. in 2014, the Group recognized exits of tangible assets amounting to a net value of 11,905,699 lei.

Impairment losses recognized in profit or loss were classified in depreciation charges and impairment of property.

The carrying value of tangible assets mortgaged or pledged as collateral under loan agreements entered into by Group entities or trade payables on 31 December 2015 amounts to 16,481,979 lei (31 December 2014: 27,851,407 lei).

Revaluations of land and buildings at 31 December 2015 or 31 December 2014 were carried out by independent assessors using the following methods:

• market comparison method for land;

• income method, with an average capitalization rate of 11%, combined with the cost method, in th case of constructions.

23. Other assets

In LEI	**31 December 2015**	**31 December 2014 Restated**
Advances to suppliers	8,859,401	6,157,628
Biological assets (ii)	13,227,676	9,829,622
Current income tax receivables (i)	-	17,223,394
Receivables on deferred tax (see note 27)	3,063,235	4,014,138
Subsidies received	242,710	2,168,983
VAT to be recovered	3,213,322	1,962,940
Investments held to maturity	1,682,087	-
Total	**30,288,431**	**41,356,705**

(i) In 2014 current income tax due amounted to 29,209,229 lei, transferred tax for the current year amounted to 46,432,623 lei, as of 31 December 2014 resulting in a debt related to current income tax of 17,223,394 lei

23. Other assets (continued)

(ii) The situation of biological assets at 31 December 2015 and 31 December 2014 is presented in the tables below:

In LEI

Biological assets as of 1 January 2014	**7,078,040**
Increases through acquisitions	543,058
Reductions through sales	(6,328,767)
Changes in fair value of biological assets	8,495,064
Net effect births / mortality	42,227
Balance as of 31 December 2014	**9,829,622**
Of which: Current	-
Long term	9,829,622
Biological assets as of 1 January 2015	**9,829,622**
Increases through acquisitions	2,506,995
Reductions through sales	(8,091,241)
Changes in fair value of biological assets	8,750,324
Net effect births / mortality	231,976
Balance as of 31 December 2015	**13,227,676**
Of which: Current	-
Long term	13,227,676

Biological assets of the Group at 31 December 2015 and 31 December 2014 primarily include flocks owned by Avicola Bucuresti S.A. On 31 December 2015 there were approximately 454,487 pieces (31 December 2014: 290,848). During the years 2015 and 2014, manufacturing activity was conducted in the following areas: selection of light breeds, reproduction of light breeds, the production of chickens for egg consumption, and combined feed.

The Group is exposed to the following risks incidental to bird breeding activity:

Environmental risk

The Group operates the farming activity with environmental impact, which called for an environmental permit. The group obtained environmental permits for secondary office of Avicola S.A. in Mihăileşti. For secondary offices Avicola S.A. in Butimanu and Codlea the Group filed applications for the environmental permit.

Risk related to fluctuating supply and demand

The Group is exposed to price risk and volume of sales of biological assets. Where possible, this risk is reduced by aligning the number of flocks to the existing demand.

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24. Dividends and distributed reserves payment

In LEI	**31 December 2015**	**31 December 2014 Restated**
Dividend payment for 2010	-	25,666,678
Dividend payment for 2011	25,322,711	25,476,845
Reserves distributed to shareholders as decided by SGOA as of 7 July 2012	38,085,107	38,326,203
Dividend payment for 2012	42,407,107	43,153,555
Dividend payment for 2013	70,599	78,913
Dividend payment for 2014	25,975,134	1,354,776
Total payment of dividends distributed reserves	**131,860,658**	**134,056,970**

For the dividends not collected within 3 years from the date of the declaration, the General Meeting of Shareholders approved their conversion to equity (retained earnings)

25. Trade payables and other payables

In LEI	**31 December 2015**	**31 December 2014 Restated**
Debts to suppliers	51,875,285	65,076,797
Payables to staff	2,459,684	2,356,753
Salary payables	1,751,178	2,312,491
Other taxes	4,315,749	141,756
Advances received from customers	995,258	750,002
Income in advance	1,604,460	1,569,401
Income tax	6,223,683	-
VAT to be paid	1,071,401	2,493,130
Financial leasing (a)	281,465	2,005,349
Provisions for risks and expenses (b)	6,504,067	30,948,392
Investment subsidies (c)	1,613,431	2,070,328
Other liabilities	4,075,619	6,552,112
Total	**82,771,280**	**116,276,511**
of which with maturity in more than 1 year:		
Financiar Leasing	189,040	1,046,571

Other taxes as of 31 December 2014 relate primarily to tax related to the dividend payment in the amount of 3,554,859 lei.

25. Trade payables and other payables (continued)

(a) Financial Leasing

In LEI	Net present value of future minimum payments	Interest	Future minimum payments
Financial leasing at 31 December 2015			
Less than one year	92,425	13,927	106,352
Bewteen one and five years	189,040	13,647	202,687
More than five years	-	-	-
Total	**281,465**	**27,574**	**309,039**

In LEI	Net present value of future minimum payments	Interest	Future minimum payments
Financial leasing at 31 December 2014			
Less than one year	958,778	95,896	1,054,674
Bewteen one and five years	1,046,571	40,809	1,087,380
More than five years	-	-	-
Total	**2,005,349**	**136,706**	**2,142,054**

By losing control over the subsidiary Transchim S.A. in 2014, the Group recognized debt decrease from finance leases amounting to 3,242,767 lei.

During the financial year 2014 the subsidiary Muntenia Medical Competences S.A terminated the contract for novation with BT Leasing Transilvania for equipment worth net 12,593,395 lei.

(b) Provisions for liabilities and expenses

At 31 December 2015 and 31 December 2014, the Group conducted an analysis to identify the need for making provisions for various risks and expenses based on estimates to date on the costs required to settle current obligations in future financial years. Given all the information held by the Group, in consultation with its lawyers, the management estimates that the litigation provision is sufficient at 31 December 2015 and 31 December 2014.

25. Trade payables and other payables (continued)

(b) Provisions for liabilities and expenses (continued)

In LEI	31 December 2015	31 December 2014 Restated
PProvisions for disputes with the authorities and other tax	-	-
Provisions for litigation	3,044,570	27,161,991
Provisions for guarantees granted	739,555	1,153,981
Other provisions	2,719,942	2,632,420
Total	**6,504,067**	**30,948,392**

The provisions for litigation mainly relate to disputes involving Group companies. On 31 December 2015, the provision for litigation amounting to 3,044,570 lei are mainly for the dispute related to the subsidiary CI-CO S.A. with Piscicola Murghiol related to the equivalent of not using the storage in amounting to 1,868,670 lei.

As of 31 December 2014, the provision for litigation in the amount of 27,161,991 are mainly for litigation involving Bucur S.A. on the ownership of land in the amount of 10,539,361 lei, dispute won irrevocably in 2015, BT Leasing dispute with the subsidiary Muntenia Medical Competences S.A. representing damages worth 13,603,802 lei, that obligation being no longer required under The Reorganization Plan if the filed appeal will be accepted and dispute of the subsidiary CI-CO S.A. with Piscicola Murghiol Murghiol related to the equivalent of not using the storage in amounting to 1,868,670 lei.

Provisions for granted guaranteesrepresent risk provisions constituted by the Romanian Credit Guarantee Fund for Private Entrepreneurs for the bail portfolio.

(c) Investments subsidies

The structure of subsidies on investment companies is as follows:

In LEI	31 December 2015	31 December 2014
Avicola Bucureşti S.A.	1,524,770	1,989,826
Alte societăţi	88,661	80,502
Total	**1,613,431**	**2,070,328**

Investment subsidies received by Avicola Bucuresti S.A. refer to the financing agreement concluded in 2006 by Avicola Bucuresti S.A. with SAPARD Agency for granting non-refundable financial aid to modernize Codlea and Mihăileşti farms. Estimated total value of the modernization is 7,024,000 lei, of which 3,512,000 lei represent the maximum financed granted amount. In 2013 Avicola Bucuresti S.A. received non refundable funding under EAFRD project. As of 31 December 2013 the amount financed was of 1,016,985 lei.

26. Loans

Information on borrowings of the Group companies outstanding at 31 December 2015 are presented in the table below:

Company	Bank	Currency	Interest rate	Final maturity	Balance as of 31 December 2015
Firos	Garanti Bank	EUR	variable	2016	950,145
Firos	Garanti Bank	EUR	variable	2016	1,903,216
Firos	Banca Feroviara	LEI	variable	2016-2020	3,768,983
Semrom Oltenia	Banca Comercială Română	LEI	variable	2016	1,887,102
Semrom Oltenia	Banca Comercială Română	LEI	variable	2016	5,337,602
Semrom Oltenia	Banca Comercială Română	LEI	variable	2016-2020	3,553,564
Avicola	Credite Europe Bank	LEI	variable	2016	283,063
Avicola	Credite Europe Bank	LEI	variable	2016	216,422
Mindo	Credit Agricole	LEI	variable	2016	665,220
Muntenia Medical Competences	Moldir	LEI	variable	2016	501,462
Semrom Muntenia	Idea Bank	LEI	variable	2016	3,674,153
					22,740,932

Information on borrowings of the Group companies outstanding at 31 December 2014 are presented in the table below:

Company	Bank	Currency	Interest rate	Final maturity	Balance as of 31 December 2014
Firos	Garanti Bank	EUR	variable	2015-2019	1,742,829
Firos	Garanti Bank	EUR	variable	2015-2019	305,006
Firos	Garanti Bank	EUR	variable	2015-2019	1,792,840
Firos	Garanti Bank	EUR	variable	2015	802,027
Firos	Banca Feroviara	LEI	variable	2015-2019	3,346,590
Gecsatherm	Banca Comerciala Română	EUR	variable	2015	1,040,434
Semrom Oltenia	Banca Comerciala Română	LEI	variable	2015	1,766,911
Semrom Oltenia	Banca Comerciala Română	LEI	variable	2015	5,745,321
Semrom Oltenia	Banca Comerciala Română	LEI	variable	2014	1,413,448
Semrom Oltenia	Banca Comerciala Română	LEI	variable	2015-2018	2,040,091
					19,995,497

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For the year ended 31 December 2015

27. Receivable and payable on the deferred income tax

Deferred tax assets and liabilities on 31 December 2015 are generated by the elements detailed in the following tables:

In LEI	**Temporary differences**	**Deferred tax income**
31 December 2015		
Payables related to deferred tax income (16%)		
Financial assets available for sale	6,080,294	972,848
Loans and receivables	33,344,719	5,335,155
Inventory	-	-
Real estate investments	-	-
Tangible assets	(21,970,551)	(3,515,289)
Provisions	1,690,755	270,521
Total payables related to deferred tax income (Nota 23)	**19,145,217**	**3,063,235**

In LEI	**Temporary differences**	**Deferred tax income**
31 December 2015		
Payables related to deferred tax income (16%)		
Financial assets at fair value through profit or loss	27,803,363	4,448,538
Financial assets available for sale	(75,667,781)	(12,106,845)
Loans and receivables	36,284,706	5,805,553
Inventory	5,521,069	883,371
Biological assets and agricultural products	(139,575)	(22,332)
Real estate investments	(29,613,638)	(4,738,182)
Tangible assets	(215,213,669)	(34,434,187)
Provisions	4,073,757	651,801
Total payables related to deferred tax income	**(246,951,768)**	**(39,512,283)**
Net liabilities related to deferred tax income		**(36,449,048)**

27. Receivable and payable on the deferred income tax (continued)

Deferred tax assets and liabilities on 31 December 2014 are generated by the elements detailed in the following tables:

In LEI	**Temporary differences**	**Deferred tax income**
31 December 2014 (Restated)		
Payables related to deferred tax income (16%)		
Financial assets available for sale	5,671,112	907,378
Loans and receivables	2,410,332	385,653
Inventory	-	-
Real estate investments	5,813,052	930,088
Tangible assets	(2,581,778)	(413,084)
Provisions	13,775,644	2,204,103
Total payables related to deferred tax income (Nota 23)	**25,088,362**	**4,014,138**

In LEI	**Temporary differences**	**Deferred tax income**
31 December 2014 (Restated)		
Payables related to deferred tax income (16%)		
Financial assets at fair value through profit or loss	30,850,594	4,936,095
Financial assets available for sale	(72,063,206)	(11,530,113)
Loans and receivables	45,155,877	7,224,940
Inventory	6,672,499	1,067,600
Biological assets and agricultural products	(315,455)	(50,473)
Real estate investments	(23,193,890)	(3,711,022)
Tangible assets	(249,917,419)	(39,986,786)
Provisions	16,060,171	2,569,627
Total payables related to deferred tax income	**(246,750,831)**	**(39,480,132)**
Net liabilities related to deferred tax income		**(35,465,994)**

Deferred tax assets not recognized

Certain deferred tax assets have not been recognized because it is not probable that future taxable profit will be recorded that the Group can use to get the benefits.

In 2015 deferred tax assets amounting to 13,398,532 lei related to tax losses were not recognized.

In 2014 deferred tax assets amounting to 13,086,675 lei related to tax losses were not recognized.

27. Receivable and payable on the deferred income tax (continued)

Variation of assets and liabilities related to deferred income tax is as follows:

In LEI	**1 January 2014**	Recognized in profit or loss	Acquired as a result of obtaining control over subsidiary CI-CO S.A.	Acquired as a result of gaining control over the subsidiary Biofarm S.A.	Recognized in other comprehensive income	**31 December 2014 Restated**	Recognized in profit or loss	Recognized in other comprehensive income	**31 December 2015**
Financial assets at fair value through profit or loss	**(398,150)**	5,334,245	-	-	-	**4,936,095**	(487,557)	-	**4,448,538**
Financial assets available for sale	**(43,149,975)**	1,194,078	-	-	31,292,038	**(10,663,859)**	506,396	(1,017,660)	**(11,175,123)**
Loans and receivables	**3,377,554**	1,156,288	682,322	2,438,591	-	**7,654,755**	3,523,490	-	**11,178,245**
Inventory	**1,326,380**	(258,780)	-	-	-	**1,067,600**	(184,230)	-	**883,370**
Biological assets and agricultural	**(22,097)**	(28,376)	-	-	-	**(50,473)**	28,141	-	**(22,332)**
Tangible assets and investment property	**(28,643,529)**	(1,374,844)	(5,424,933)	(4,413,751)	(3,323,749)	**(43,180,806)**	(707,252)	1,200,402	**(42,687,656)**
Provisions	**2,179,120**	2,005,833	298,987	286,754	-	**4,770,694**	(3,844,784)	-	**925,910**
Fiscal loss	-	-	-	-	-	-	-	-	-
	(65,330,698)	**8,028,444**	**(4,443,624)**		**27,968,289**	**(35,465,994)**	**(1,165,796)**	**182,742**	**(36,449,048)**
Receivables related to deferred tax income (Note 23)	**1,416,266**					**4,014,138**			**3,063,235**
Liabilities related to deferred tax income	**(66,746,964)**					**(39,480,132)**			**(39,512,283)**
	(65,330,698)					**(35,465,994)**			**(36,449,048)**

28. Equity and reserves

(a) Equity

Group's shareholders structure as of 31 December 2015 and 31 December 2014 is:

2015	Number of shareholders	Number of shares	Amount (RON)	Percentage (%)
Individuals	5,967,795	496,617,238	49,661,724	62%
Legal bodies	225	310,419,277	31,041,928	38%
Total	**5,968,020**	**807,036,515**	**80,703,652**	**100%**

2014	Number of shareholders	Number of shares	Amount (RON)	Percentage (%)
Individuals	5,978,061	493,366,503	49,336,650	61%
Legal bodies	233	313,670,012	31,367,001	39%
Total	**5,978,294**	**807,036,515**	**80,703,652**	**100%**

All shares are ordinary shares, being subscribed and paid in full on 31 December 2015 and 31 December 2014. All shares have equal voting rights and a nominal value of 0.1 lei / share. The number of shares authorized to be issued is equal to the shares issued. During the years 2015 and 2014 there were no changes in the number of issued shares.

Reconciliation of share capital in accordance with IFRS with the Establishment Deed is presented in the following table:

In LEI	31 December 2015	31 December 2014
Share capital according to Establishment Deed	80,703,652	80,703,652
Hiperinflation effect - IAS 29	803,294,017	803,294,017
Restated share capital	**883,997,669**	**883,997,669**

Hyperinflation effect on shareholders' equity in the amount of 803,294,017 lei was registered by reducing retained earnings, resulting in an accumulated loss as at 31 December 2015 of 81,293,416 lei (31 December 2014: 96,596,400 lei)

(b) Own shares

As of 31 December 2015 Group's subsidiaries did not own shares of SIF Muntenia.

As of 31 December 2014 the subsidiary CI-CO S.A. held a number of 70,700 shares of SIF Muntenia, amounting to 7,784 lei.

28. Equity and reserves (continued)

(c) Legal reserves

According to legal requirements, the Group creates legal reserves in the amount of 5% of gross profit up to the level of 20% of the share capital according to the Establishment Deed. Legal reserves can not be distributed to shareholders. Legal reserves are presented in the consolidated statement of changes in equity along with the accumulated loss and amount to 28,314,946 lei as of 31 December 2015 (31 December 2014: 26,479,268 lei).

(d) Reserves from revaluation of financial assets available for sale

This reserve includes cumulative net changes in the fair value of financial assets available for sale from the date of their classification in this category and to the date they have been derecognized or impaired.

Revaluation reserves of financial assets available for sale are recorded net of related deferred tax. The value of deferred tax recognized directly by diminishing equity is presented in Note 27.

(e) Dividends

During 2015, the Company declared dividends amounting to RON 57,703,111 for the year 2014 respectively 0.0715 lei / share. Subsidiaries Biofarm S.A., Casa de Bucovina S.A. and Firos S.A. distributed dividend from the net profit of 2014 in the amount of 15,432,870 lei of which related to interests without control the amount of 7,476,789 lei. During 2014, the Company has not assigned to dividends the net profit of the financial year 2013. Casa de Bucovina S.A. distributed dividends from the net profit of 2013 in the amount of 1,332,525 lei of which related to interests without control the amount of 437,323 lei.

During 2015 the Group has prescribed dividends amounting to 25,666,678 lei for 2010 (2014: 12,804,306 lei for 2009).

29. Earnings per share

The calculation of basic earnings per share was carried out based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares

In LEI	**31 December 2015**	**31 December 2014**
Profit attributable to ordinary shareholders	42,381,320	171,046,102
Weighted average number of ordinary shares	807,036,515	807,036,515
Basic earnings per share	**0.05**	**0.21**

Diluted earnings per share equals basic earnings per share, as the Group does not record potential ordinary shares.

30. Commitments and contingent liabilities

(a) Litigation

The Group is subject to a number of lawsuits arising in the normal course of business. The Group's management believes, based on consultations with his lawyers, that these actions will not have significant adverse effects on economic performance and financial position of the Group.

(b) Contingencies related to environment

Environmental regulations are under development in Romania and the Group did not record any obligations at 31 December 2015 and 31 December 2014 for any anticipated costs, including legal fees and consulting studies of site, design and implementation of remedial plans concerning environmental elements. The Group's management does not consider the costs associated with any environmental problems as significant.

(c) Transfer pricing

Romanian tax legislation contains rules on transfer pricing between related parties since 2000. The current legislative framework defines the "market value" for transactions between affiliates and the methods 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 affiliates over ceilings set by law are required to file annual preparation of transfer pricing transactions since 2016).

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

Notwithstanding the existence of the file, in addition to the contents of the file documenting transfer pricing, tax authorities may interpret transactions and circumstances different interpretation of management and, therefore, may impose additional tax liabilities resulting from transfer pricing adjustments (embodied in revenue increases, spending cuts deductible, increasing the tax base from income tax)

The current context is one in which the tax authorities focuses on making adjustments in transfer pricing matters, these adjustments are most often significant even if those transactions were documented. The 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 can not be estimated reliably and it may be material to the financial position and / or the group operations.

(d) Contingencies related to guarantees

Guarantee contracts concluded by the Group bears a credit risk off balance sheet. Many of these commitments mature without generating liabilities of the Group. Off-balance sheet exposures do not represent future cash flows. In parallel, partner banks register for loans collaterals represented by mortgages, pledges without dispossession of movable properties and collaterals given by other guarantee funds.

If the loss event occurs and the guarantee is paid, the Group is part of the list of creditors to recover amounts from the borrowers to the extent that they exceed the claim filed by the partner bank. The balance of guarantees granted on 31 December 2015 is 26,390,695 lei (31 December 2014: 22,761,843 lei). Specific provisions are recorded for the risks identified in relation to balance sheet items such as guarantees for loans granted by partner banks.

As of 31 December 2015, the subsidiary Biofarm S.A. did not have an ownership title over the land in use in Logofăt Tăutu Str. This land is not included in the financial statements because the title deeds have not yet been obtained, existing with notifications under Law no.10 / 2001.

31. Transactions and balances with parties having special relations

During its activity, the Group identified the following parts as having special relations with:

S.A.I. Muntenia Invest S.A. – Company's manager

The Company operates under an administration contract signed with the company Societatea de Administrare a Investiţiilor Muntenia Invest S.A. The majority shareholder of Societatea de Administrare a Investiţiilor Muntenia Invest S.A. is SIF Banat-Crisana holding 99.96% of the share capital on 31 December 2015 (31 December 2014: 74.98%). The Board of Directors of SIF Banat Crisana S.A. may change the Board of Directors of SAI Muntenia Invest S.A., Company's administrator.

Group subsidiaries

The percentage of voting rights resulting from the calculation of direct and indirect holdings:

Denomination of the company	**Percentage of voting rights as of 31 December 2015**	**Percentage of voting rights as of 31 December 2014**
Avicola Bucureşti S.A.	99.40%	99.46%
Bucur S.A.	67.98%	67.98%
Casa de Bucovina - Club de Munte S.A.	68.94%	68.94%
CI-CO S.A.	97.34%	92.16%
Firos S.A.	99.69%	99.14%
FRGC IFN S.A.	53.60%	53.60%
Gecsatherm	50.00%	50.00%
Mindo S.A.	98.02%	98.02%
Muntenia Medical Competences SA	98.94%	98.94%
Semrom Muntenia S.A.	90.68%	89.42%
Semrom Oltenia S.A.	88.50%	88.50%
Unisem S.A.	76.97%	76.97%
Voluthema Property Developer S.A.	99.81%	99.83%
Biofarm S.A.	50.98%	45.89%

On 31 December 2014 the subsidiary Transchim S.A. was excluded from the consolidation due to loss of control (the subsidiary went into bankruptcy procedure).

31. Transactions and balances with parties having special relations (continued)

On 31 December 2014, the subsidiary Muntenia Medical Competences S.A. recorded a net asset value, determined as the difference between total assets and its total debts (according to financial information prepared in accordance with the IFRS principles of measurement and presentation) less than half of the subscribed capital, which led to her entry to the general procedure of insolvency. On 6 January 2016 the Reorganization Plan of Muntenia Medical Competences S.A. was approved by the SGA, and on 18 January 2016 by the Assembly of Creditors. Although no creditor has submitted complaints until the deadline for lodging appeals, however, on 02.24.2016 the court took note of the meeting notes made by the creditor Mona SRL requesting invalidation of the reorganization plan. Although a new hearing to defense was requested, this request was rejected. Thus, on 9 March 2016 Arges Special Court issued its judgment no.308 that denied the Reorganization Plan and ordered bankruptcy. Following this ruling, Muntenia Medical Competences S.A., SIF Muntenia S.A. and SMDA Insolvency SPRL asked the Court of Appeal Pitesti suspension of fund settlement set and confirm the reorganization plan. On 24 March 2016 Pitesti Court of Appeal ordered the provisional suspension of the sentence no.308 / 9 March 2016 to resolve the suspension request made in the appeal.

For the subsidiary Semrom Oltenia S.A. the maturity of financing facilities, reducing the value of own funds as a result of financial performance recorded, lead to the need for an additional contribution of own funds to ensure subsidiary’s business continuity.

The ability of these subsidiaries to continue work still depend on the support of shareholders and / or financing.

Group’s associates

On 31 December 2015 and 31 December 2014 the Group does not hold shares in associates.

Key management personnel

31 December 2015

• Board members of S.A.I. Muntenia Invest S.A.: Danut Florin Buzatu, Florica Trandafir, Florian Sorin Boldi, Daniel-Silviu Stoicescu;

• Members of the Board of Shareholders Representatives

31 December 2014

• Board members of S.A.I. Muntenia Invest S.A.: Gheorghe Danut Porumb; Florica Trandafir; Danut Florin Buzatu; Mariana Dinu; Florian Sorin Boldi

• Members of the Board of Shareholders Representatives

The group did not receive and did not give guarantees in favor of any party having special relations with.

31. Transactions and balances with parties having special relations (continued)

(a) Transactions with the Company's managr – SAI Muntenia Invest S.A.

In LEI	**31 December 2015**	**31 December 2014**
Receivables and liabilities		
Liabilities for management fee	(1,450,000)	(11,527,536)
Trade receivables	8,068	-

In LEI	**2015**	**2014**
Revenues and expenses		
Management fees	(17,400,000)	(27,477,536)
Rent income	5,500	-

(b) Transactions with the key management

In LEI	**31 December 2015**	**31 December 2014**
Other transactions		
Remmuneration of Shareholders Representtaives Committees	1,226,842	1,136,512
Remmuneration of BoD members and directors	7,005,195	6,638,173

As of 31 December 2015 the Group registers an average of 1,464 employees (31 December 2014: 1,528).

32. Fund units

Fund units as of 31 December 2015 and 31 December 2014 are:

Financial assets available for sale	**31 December 2015**	**31 December 2014**
FÎI Certinvest Properties RO	2,509,806	2,874,515
FÎI STK Emergent	1,693,504	1,529,446
FÎI BT Invest 1	7,108,417	6,993,538
FDI Transilvania	4,049,746	3,973,453
FDI Napoca	5,262,238	5,221,146
FÎI Multicapital Invest	4,817,115	4,923,585
FÎI Fondul de acțiuni privat Transilvania	867,668	923,749
FÎI Omnihedge	262,417	502,062
FÎI BET-FI Index Invest	5,139,026	5,076,650
FÎI Omnitrend	-	511,168
FDI Raiffeisen Confort EURO	10,829,921	10,609,844
FDI STK Europe	885,985	1,024,980
FDI Certinvest Obligațiuni	459,867	444,116
FDI Certinvest Prudent	352,521	366,292
FDI Certinvest Dinamic	932,130	941,395
FDI BRD Obligațiuni	1,619,667	1,527,015
FDI Star Next	635,204	600,063
FDI Star Focus	701,726	690,684
FDI Raiffeisen Confort	811,129	782,992
FDI Prosper Invest	1,015,193	-
FDI Erste Bond	-	830,766
FDI Erste Balanced	1,610,681	3,578,820
FDI Erste Equity	1,411,270	904,968
FDI NN (L) International Romanian Bond	828,078	-
Total	**53,803,308**	**54,831,244**
Impairment losses (Nota 17.b)	(1,028,920)	(1,178,964)
Financial assets available for sale (Note 17.b)	**52,774,388**	**53,652,280**

Financial assets at fair value through profit or loss	**31 December 2015**	**31 December 2014**
FDI Active Dinamic	19,949,320	19,817,382
FDI Star Next	376,714	355,916
FDI Star Focus	174,241	171,500
FÎI STK Emergent	643,264	580,948
FÎI Multicapital Invest	4,468,142	4,566,899
FÎI Active Plus	33,085,004	34,099,822
FÎI Omnitrend	18,273,227	22,037,667
FÎI Star Value	11,208,392	10,279,770
FDI Raiffeisen RON Flexi	484,732	-
FDI Erste Asset Management	1,598,628	-
FDI Raiffeisen Euro Plus	473,203	-
Total	**90,734,865**	**91,909,903**
Fair value adjustments (Note 17.a)	(9,647,667)	(9,348,901)
Financial assets at fair value through profit or loss (Note 17.a)	**81,087,198**	**82,561,002**

Notes to consolidated financial statements

For the year ended 31 December 2015

32. Fund units (continued)

The objective of the fund, the structure of financial instruments held in portfolio and the net asset value certified by the custodian bank at the latest date for which information is public - 31 December 2015, for each investment fund are as follows.

Fund denomination	**Manager (SAI)**	**Depository**	**Investments**							
			Deposits	Available	Securities	Bonds	UCI/NON UCI participation titles	Dividends/ other rights	Other instruments	VUAN 31.12.2015
FII Cerinvest Properties RO	Certinvest SA	BRD-GSG	0	0.00067	0.03814	0.86192	0.09927	0	0	250,980.6 lei
FII STK Emergent	STK Financia SAl	BRD-GSG	0.1504	0.1703	0.5961	0	0.0426	0.0006	0.0401	105.0 lei
FII BT Invest 1	BT AM	BRD-GSG	0.1214	0.0168	0.8619	0	0	0	0	13,659.3 lei
FII Multicapital Invest	STAR AM	BRD-GSG	0.1452	0	0.8569	0	0	0	-0.002	2,140.9 lei
FII Omnihedge	SIRA SA	BCR	0.99636	0.0004		0	0.00326	0	0	5,632.5 lei
FII Omnitrend	SIRA SA	BCR	0.0031	0	0.908	0.0687	0.0018	0.0183	0	8,239.1 lei
FII Star Value	STAR AM	BCR	0.1766	0.00001	0.827	0.0031	0.0013	0.0009	0	740.6 lei
FII Active Plus	Swiss Capital AM	Unicredit		0.0005	0.9995	0	0	0	0	8,076.5 lei
FII BET-FI Index Invest	Broker SA	BRD-GSG		0.0107	0.8978	0	0.0916	0	0	487.4 lei
FII BET-FI Index Invest	Broker SA	BRD-GSG	3.6%	-	80.4%	-	9.1%	7.4%	-	476.7 lei

32. Fund units (continued)

Fund denomination	Manager (SAI)	Depository	Investments							
			Deposits	Available	Securities	Bonds	UCI/NON UCI participation titles	Dividends/ other rights	Other instruments	VUAN 31.12.2015
FDI Transilvania	Globinvest SA	Bancpost	0.092	0.0178	0.5742	0.2286	0.0872	0	0.0003	40.1 lei
FDI Napoca	Globinvest SA	Bancpost	0.0841	0.0198	0.8033	0	0.0927	0	0	0.4 lei
FDI TehnoGlobinvest	Globinvest SA	Bancpost	0.0196	0.0317	0.9308	0	0	0	0.018	1,154.1 lei
FDI STK Europe	STK Financia SAl	BRD-GSG	0.647	0.0448	0.1384	0	0	0	0.1698	4.4 lei
FDI Certinvest Prudent	Certinvest SA	BRD-GSG	0.15996	0.00014	0.26716	0.47427	0.09722	0.00147	0	10.2 lei
FDI Certinvest Dinamic	Certinvest SA	BCR	0.05061	0.00001	0.63597	0.18679	0.10327	0.02018	0	5.0 lei
FDI Star Next	STAR AM	BRD-GSG	0.3169	0.0001	0.6111	0.0476	0.0225	0.0017	0.0001	5.3 lei
FDI Star Focus	STAR AM	BRD-GSG	0.5321	0.0001	0.2883	0.1502	0.0284	0.0004	0.0006	5.7 lei
FDI Active Dinamic	Swiss Capital AM	Uncredit	0.0296	0.0031	0.977	0	0	0	-0.0097	6.8 lei
FDI Prosper Invest	Broker SA	BRD-GSG	0.2162	0.0204	0.5794	0.0818	0.0887	0	0.0135	10.1 lei

33. The effects of prior period error correction

On 31 December 2014, the Company holds 502,379,066 Biofarm shares representing 45.89% of SC Biofarm S.A. share capital as of 31 December 2014. Given the fact that on 31 December 2014, Biofarm S.A. holds 10% of its own shares to which voting rights are suspended under the laws in force, and taking into account the quorum required for the decisions of the shareholders in general meeting, the Group has control over Biofarm SA. from 5 May 2014. The financial statements for 2014 did not include Biofarm SA in the consolidation. The group has retroactively corrected the error of not include in the consolidated financial statements for the year ended 31 December 2014 financial statements of the subsidiary Biofarm S.A. in which the group was in control from 5 May 2014. Consequently, the comparative information in the accompanying financial statements have been restated.

Correction effects are listed below:

Consolidated profit or loss and other comprehensive income

In LEI	**2014**
Increase in operating income	61,481,154
Increase in other revenues and earnings	173,566
Increase in changes in inventories and capitalized production	(1,653,213)
Increase in operating expenses	(52,139,726)
Impairment losses decrease	11,604,135
Increase of other expenses	(2,458,078)
Increase of financing expenses	(532)
Decrease of income tax	49,133
Increase in net profit for year	**17,056,439**
Other comprehensive result items	
Decrease of fair value reserves of financial assets available for sale, net of deferred tax	(2,248,221)
Total other items of comprehensive result	**(2,248,221)**
Total increase of comprehensive result for the period	**14,808,218**
Increase of net profit related to:	
Company's shareholders	11,696,524
Interests without control	5,359,915
	17,056,439
Increase of comprehensive result related to:	
Company's shareholders	9,448,303
Interests without control	5,359,915
	14,808,218
Increase of earnings per share	
Base	0.01
Diluted	0.01

Notes to consolidated financial statements

For the year ended 31 December 2015

33. The effects of prior period error correction (continued)

Consolidated statement of financial position

In LEI	**31 December 2014**
Asset	
Increase of cash and deposits with banks	42,091,865
Decrease of financial assets at fair value through profit or loss	(137,607,511)
Decrease of financial assets available for sale	(3,108,865)
Increase of loans and receivables	67,605,884
Increase of inventory	18,183,177
Increase of real estate investments	10,589,990
Increase of intangible assets	100,210,668
Increase of tangible assets	84,049,011
Increase of othera ssets	5,835,449
Increase of total assets	**187,849,668**
Liabilities	
Increase of payment of dividends and distributed reserves	1,354,776
Increase intrade payables and other liabilities	35,399,416
Increase in defferred tax liabilities	1,688,406
Increase of total liabilities	**38,442,598**
Equity	
Decrease of revaluation reserve of financial assets available for sale	(2,248,221)
Decrease of cummulative loss	12,931,936
Increase of interests without control	138,723,355
Increase of total equity	**149,407,070**
Increase of total liabilities and equity	**187,849,668**

34. Balance sheet subsequent events

By authorization No.6 / 01.14.2016 the FSA authorized changing the composition of SAI Muntenia Invest S.A. management by the appointment of Ms. Gabriela Grigore as General Director.

On 02.02.2016, the SGOA of SAI Muntenia Invest decided the revocation of Mr Florin Danut Buzatu from the position of member of the BoD of SAI Muntenia Invest S.A.. On 02.03.2016, the Board of SAI Muntenia Invest S.A. approved the revocation of Mr. Florin Danut Buzatu from the position of BoD Vice President and Director, and approved the election of Mrs Florica Trandafir to the position of Vice President of the BoD of SAI Muntenia Invest S.A.. On 19.05.2016 the SGEM of SAI Muntenia Invest S.A. decided to appoint Mrs Florica Trandafir to the position of President of SAI Muntenia Invest S.A. and approved the amendment of the Articles of Association with regard to reducing the number of members of the Board of Directors from 5 to 3 members.

For Avicola S.A. subsidiary at the date of preparation of these financial statements, the Board of Directors consists of Claudiu Petrescu (President), Liliana Iancu, Iliuţă Remus.

The subsidiary CI-CO S.A. was reinstated to trading on the Bucharest Stock Exchange since 19 February 2016. At the date of these financial statements the composition of the Board of Directors is Paul Avrămoiu - President Silviu Stoicescu Daniel, Scripcariu Corneliu Catalin.

At the date of these financial statements, the Board of Directors of the subsidiary Semrom Muntenia S.A., consists of Juliana Cernat (President - CEO), Ilie Marius Gabriel, Gabriela Rosu.

For Unisem S.A. subsidiary at the date of preparation of these financial statements, the Board of Directors consists of Robert Rosu (President - General Director), Daniel Silviu Stoicescu, Mircea Constantin.

At the date of these financial statements, the Board of Directors of the subsidiary Bucur S.A., consists of Scripcaru Corneliu Catalin (President), Vasilica Uta, Emilia Iulia Blindu.

For Casa de Bucovina SA subsidiary, at the date of these financial statements, the Board of Directors consists of Florica Trandafir (President) Ion Romică Tamas (Vice President - General Manager) Liana Marin, Florin Dumitru, Chiribuca Mircea Constantin.

Muntenia Medical Branch Competences S.A. subsidiary, by sentence 308 / 3.09.2016 bankruptcy judge denies the Reorganization Plan and decided the entry into bankruptcy procedure of the debtor company. SIF Muntenia S.A appealed against that judgment. The suspension of the sentence until the resolution of the appeal was also requested, request admitted by the Court of Appeal under file 327 / 46/2016. Until 24 March 2016, the bankruptcy procedure was suspended until the judgement date for the appeal filed.

MANAGER,
SAI MUNTENIA INVEST S.A.
Florica TRANDAFIR
BoD President - Director

PREPARED BY,
3B EXPERT AUDIT S.R.L.
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Registration number with the professional body A000158/26.01.2000
Adriana – Anişoara BADIU, Administrator