



QUARTERLY REPORT

1ST JULY – 30TH SEPTEMBER 2017

Report prepared in accordance with Law no. 297/2004, Law no. 24/2017, NSC Regulation no. 1/2006 and 15/2004, BSE Code and FSA Norme no. 39/2015

by **Societatea de Administrare a Investițiilor Muntenia Invest S.A.**

Reporting date: 30.09.2017

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
LEI Code	2549007DHG4WLBMAAO98
FSA Registry number	PJR09SIIR/400005
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 issued securities are traded	Bucharest Stock Exchange, Main segment, 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. CAEN 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.
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REPORT PREPARED BY SOCIETATEA DE ADMINISTRARE A INVESTITIILOR MUNTENIA INVEST S.A.



Authorised by NSC Decision no. D6924/17.07.1997
 Reauthorised by NSC Decision no. 110/13.01.2004
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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 articles of incorporation.

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 institution operating in Romania in accordance with the provisions of Law no. 31/1990 and Law no. 297/2004 regarding the capital market and Law no. 74/2015 on Alternative Investment Fund Managers, G.E.O. no. 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for amending and completing Law no. 297/2004 on the capital market, F.S.A Regulation no. 9/2014 regarding the authorization and functioning of investment management companies, UCITS and the depositary of UCITS, FSA Regulation no. 10/2015 on the management of alternative investment funds, NSC Regulation no. 1/2006 on issuers and transactions with securities.

SIF Muntenia is registered in the FSA Register dedicated to instruments and financial investments under the Investment companies of alternative or closed type section (other investments funds which are established by the Articles of Incorporation and issue a limited number of shares and are traded on a market).

During the third quarter of 2017 there were no significant reorganizations of SIF Muntenia's activity. There were no changes to the constitutive act.

SIF Muntenia has not registered any subsidiaries or branches, but prepares consolidated financial statements according to IFRS, where controlled companies are consolidated under subsidiaries.

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

SIF Muntenia's **main areas of activity** are:

- administration and management of its securities portfolio;
- performing investment in securities in accordance with regulations in force;
- gathering available financial resources from individuals and legal entities and their investment in securities.

Acquisitions and disposals of assets conducted by SIF Muntenia during Q3 of 2017 relate to transactions of sale and purchase of securities. Details of these transactions are set out below in this Report.

Considerations on the macroeconomic environment, developments in some industrial sectors, the capital market and the financial market are presented in the body of the report in sections where they may be relevant. Subsequent events were presented in the body of the report, accompanied by the note "subsequent event".

2 ACTIVITY ANALYSIS

The overall management objective is to maintain SIF Muntenia as a diversified balanced fund, combining a balanced growth of the assets with satisfactory income at a medium risk.

Prioritary strategic objectives for 2017 are:

- Continue the portfolio restructuring process and its effective management so as to ensure long-term sustainable growth.
- Continue the investment process, focusing on investment in Romania and listed shares.

2.1 SUMMARY

ASSET EVOLUTION RON	Q3 2016	2016	Q3 2017
CERTIFIED TOTAL ASSETS	1,221,514,353	1,277,694,783	1,453,685,601
NET ASSET VALUE (NAV)	1,116,883,726	1,173,709,073	1,361,947,841
NET ASSET VALUE PER SHARE (NAV PER SHARE)	1.3839	1.4543	1.6876

SIF Muntenia reported a total value of the certified asset increased by 13.8% in the first 9 months of 2017 and an increase of 19% annually. NAV and NAV per SHARE increased by 16% in 2017 (21.9% year on year). Details in the TOTAL ASSETS AND NET ASSETS chapter.

DIVIDENDS-RON	2014	2015	2016
GROSS DIVIDEND PER SHARE	0.0715	0.045	0.04

In Q3 2017 the distribution of dividends for the financial years 2014 and 2015 continued and in September the distribution of the dividends for the financial year 2016 began. Gross dividends of 16.47 mn RON were distributed in the first nine months of 2017, out of which 14,99 mn RON in Q3 2017. Details in SIF MUNTENIA SHARES. SHAREHOLDERS RELATIONS/DIVIDENDS chapter.

SHARES RON	Q3 2016	2016	Q3 2017
CLOSING PRICE AT THE END OF PERIOD	0.630	0.656	0.928
MARKET CAPITALIZATION	508,433,004	529,415,954	748,929,886
NET ASSET DISCOUNT	54.5%	54.9%	45.0%

The trading value of SIF Muntenia shares increased by 16.58% in Q3 2017, 41.46% in 2017 from the beginning of the year and 47.3% in the last year. The net assets discount decreased from 54.5% to 45%. Liquidity of SIF4 shares remained at low value - the total trading value of SIF Muntenia shares on BSE in Q3 2017 was 21.8 mn RON, trading shares representing 2.97% of the number of issued shares. Details in the TRADING OF SHARES ISSUED BY SIF MUNTENIA chapter.

ACCOUNTING ASSETS AND LIABILITIES - RON	Q3 2016	2016	Q3 2017
TOTAL ACCOUNTING ASSETS	1,125,410,508	1,128,432,308	1,259,060,949
EQUITY	1,020,779,881	1,024,446,598	1,167,049,782
TOTAL LIABILITIES	104,630,627	103,985,710	92,011,167

Total accounting assets at 30.09.2017 increased by 11.6% against the end of 2016, and equity increased by 13.9%, amid a 11.5% decrease of liabilities. Details in the FINANCIAL ACCOUNTING STATEMENT chapter.

INCOME AND EXPENSES-RON	Q3 2016	2016	Q3 2017
TOTAL INCOME	117,392,318	121,071,320	74,613,873
TOTAL EXPENSES	45,418,897	67,799,540	32,409,898
GROSS PROFIT	71,973,422	55,282,504	42,203,975
NET PROFIT	66,590,057	50,386,184	39,172,284

Total revenues to Q3 2017 represent 71.4% of revenue for the corresponding period of 2016, amid a decrease in the sales of shares. Total expenses also decreased, accounting for 71.4% of the corresponding expenses during 2016 period. The main factors that contributed to the profit recorded in the first 9 months of 2017 were the net gain from revaluation of financial assets and dividend income received. Details in the FINANCIAL ACCOUNTING STATEMENT chapter.

The gross profit as of 30.09.2017 of 42.2 million RON represents 98.1% of the gross profit proposed to be achieved in 2017 according to the Revenue and Expenses Budget.

PERFORMANCE INDICATORS	Q3 2016	2016	Q3 2017
Net Profit/FSA net asset	5.96%	4.29%	2.88%
ROE= Net Profit/Equity	6.52%	4.92%	3.36%
ROA= Net Profit/Total accounting assets	5.92%	4.47%	3.11%

2.2 TOTAL ASSETS AND NET ASSETS

CERTIFIED TOTAL ASSET represents the total asset value calculated according to NSC / FSA regulations and certified by the depository. The amount is calculated on the last business day of the reporting period.

NET ASSET VALUE (NAV) is the net asset value calculated according to NSC / FSA regulations and certified by the depository = Total certified assets - liabilities

NET ASSET VALUE PER SHARE (NAV per SHARE) calculated according to NSC / FSA regulations and certified by the depository = NAV/number of SIF Muntenia shares.

Monthly net asset values were published to inform shareholders at www.sifmuntenia.ro and reported according to the legal provisions to the FSA - Financial and Securities Services Department and Bucharest Stock Exchange (BSE), no later than 15 calendar days as of the end of the reporting month.

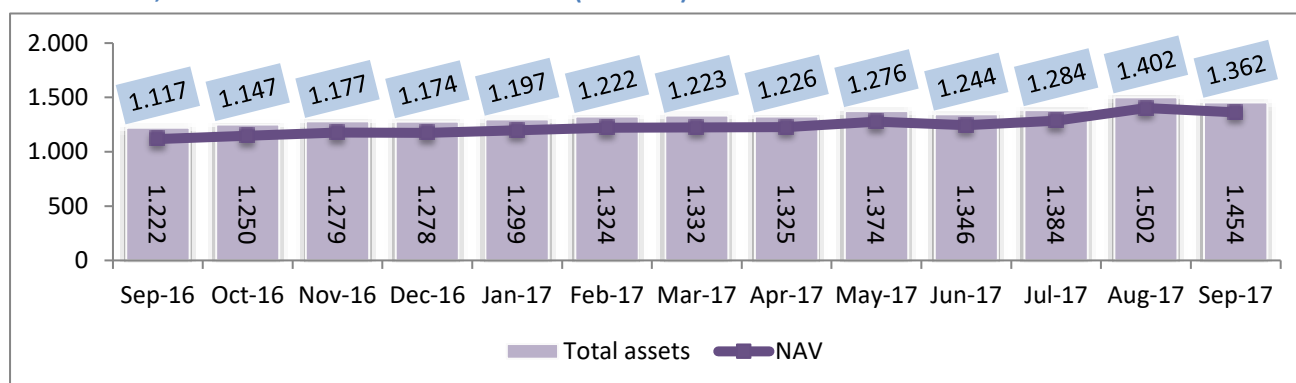
The values of Total Assets, Net Assets and Liabilities for the Period were calculated in accordance with Regulation no. 9/2014 issued by the FSA, using accounting elements related to IFRS financial statements, and then certified by SIF Muntenia's assets depository company, Banca Română pentru Dezvoltare (BRD) – GSG.

For the Total Assets, Net Assets and Liabilities as at 31.12.2016, the amounts **recalculated** after the completion of the report prepared by the financial auditor of SIF MUNTENIA are used in this report.

In RON	Q3 2016	2016	Q3 2017
TOTAL CERTIFIED ASSET	1,221,514,353	1,277,694,783	1,453,685,601
TOTAL LIABILITIES	104,630,627	103,985,710	91,737,760
NET ASSET	1,116,883,726	1,173,709,073	1,361,947,841
NAV per SHARE	1.3839	1.4543	1.6876

NBR euro exchange rate	4.523	4.5411	4.5991
TOTAL CERTIFIED ASSET expressed in euro	274,355,806	281,362,398	316,080,451
NET ASSET expressed in euro	250,855,451	258,463,604	296,133,557

TOTAL ASSET, NET ASSETS DURING THE LAST YEAR (MN RON)

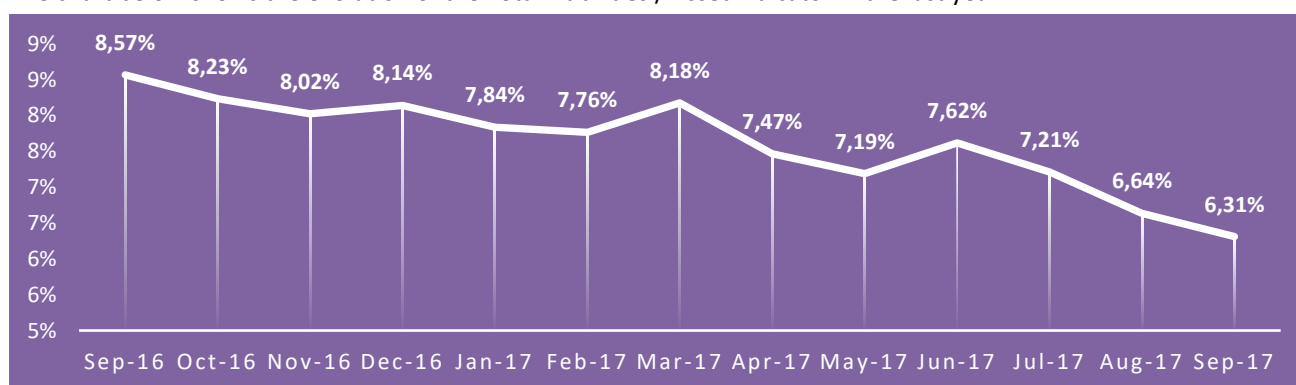


Total debts decreased by 11.97 mn RON compared to the beginning of the year, due to:

- In April 2017, the following debt-related operations were carried out:
 - A decrease of 42.06 mn RON according to the decision no. 4 of SIF Muntenia SGOM as of 27 April 2017, prescribing the dividends and the amounts that have not been claimed within three years from the date of their exigibility.
 - An increase of 32.28 mn RON according to the decision no. 2 of the same SGM session, whereby the distribution of dividends from the profit of 2016 was decided, and consequently the debt to SIF Muntenia shareholders related to the dividends to be paid was established.
- In September 2017 the distribution of the dividends related to the financial year 2016 was started, 14.84 mn lei being distributed.

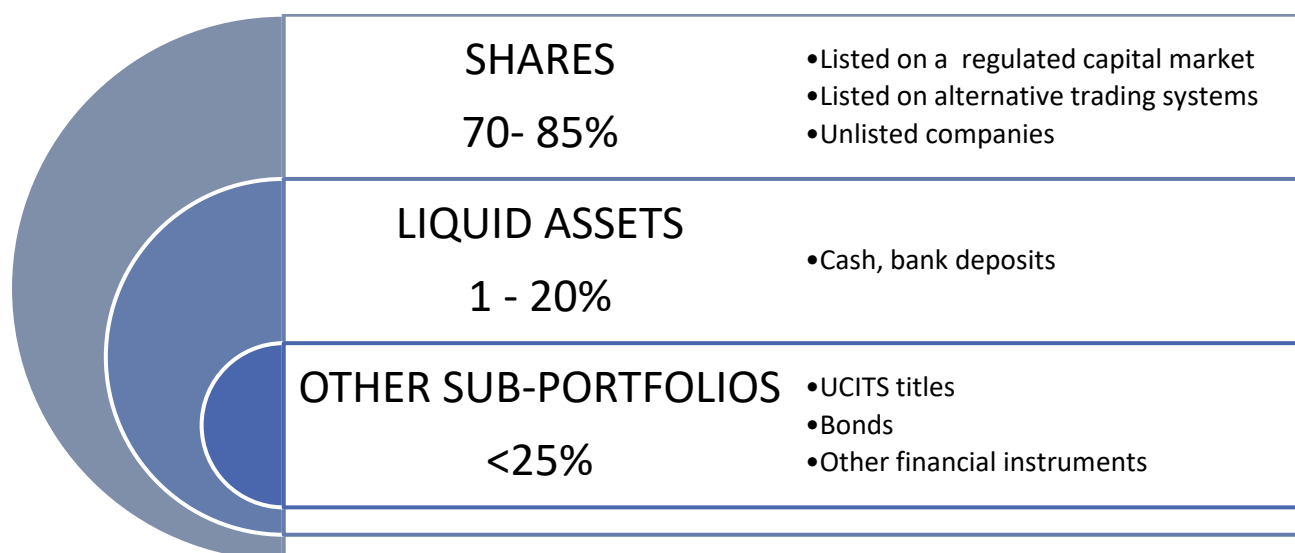
Debt with payment of dividends decreased from 82.19 mn RON to 56.64 mn RON in the first nine months of 2017.

The chart below shows the evolution of the Total Liabilities / Asset indicator in the last year.



2.3 ASSET ALLOCATION

The portfolio of SIF Muntenia has remained within the applicable legal limits, within the limits defined by the diversified balanced fund target portfolio of SIF Muntenia approved by the SIF Muntenia Management Program for 2017 presented in the figure below.



The main sub-portfolios that compose SIF Muntenia portfolio are presented below, in value and as a percentage of the total certified asset.

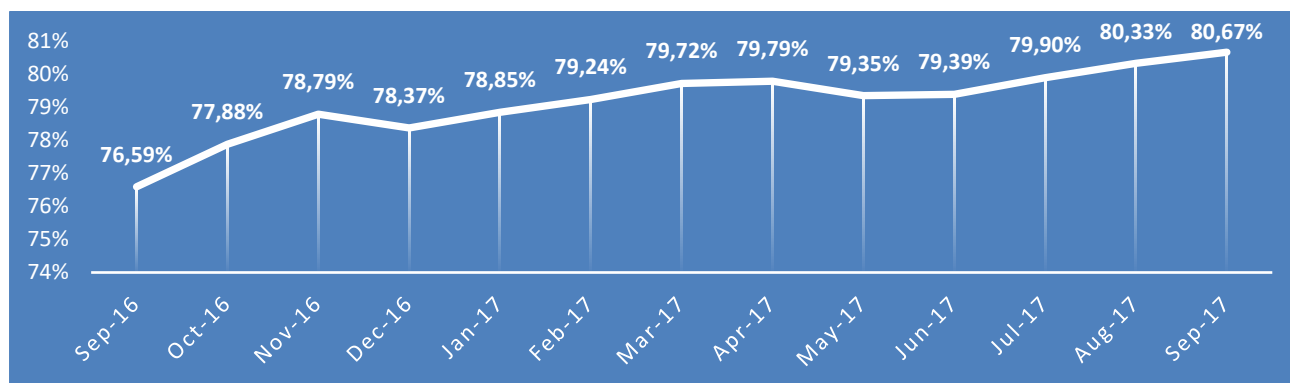
In RON	Q3 2016	2016	Q3 2017
Listed shares	759,020,129	824,298,718	1,001,626,122
Unlisted shares	176,581,161	177,076,756	171,021,020
Listed bonds	44,818,125	46,765,179	78,328,320
Unlisted bonds	1,124,527	1,164,294	1,161,211
Other financial instruments	21,252,000	21,812,000	0
Cash available	3,811,548	4,486,444	11,375,305
Bank deposits	85,099,873	76,618,412	16,515,565
UCITS participation titles	119,185,084	117,187,359	163,872,060
Other assets	10,621,907	8,285,622	9,785,998
TOTAL ASSETS	1,221,514,353	1,277,694,783	1,453,685,601

In % of total certified assets	30-Sep-16	31-Dec-16	29-Sep-17
Listed shares	62.1%	64.5%	68.9%
Unlisted shares	14.5%	13.9%	11.8%
Listed bonds	3.7%	3.7%	5.4%
Unlisted bonds	0.1%	0.1%	0.1%
Other financial instruments	1.7%	1.7%	0.0%
Cash available	0.3%	0.4%	0.8%
Bank deposits	7.0%	6.0%	1.1%
UCITS participation titles	9.8%	9.2%	11.3%
Other assets	0.9%	0.6%	0.7%

The detailed statement of investments of SIF Muntenia on 30 September 2017, prepared in accordance with Annex 17 of Regulation no. 15/2004, is attached to this report.

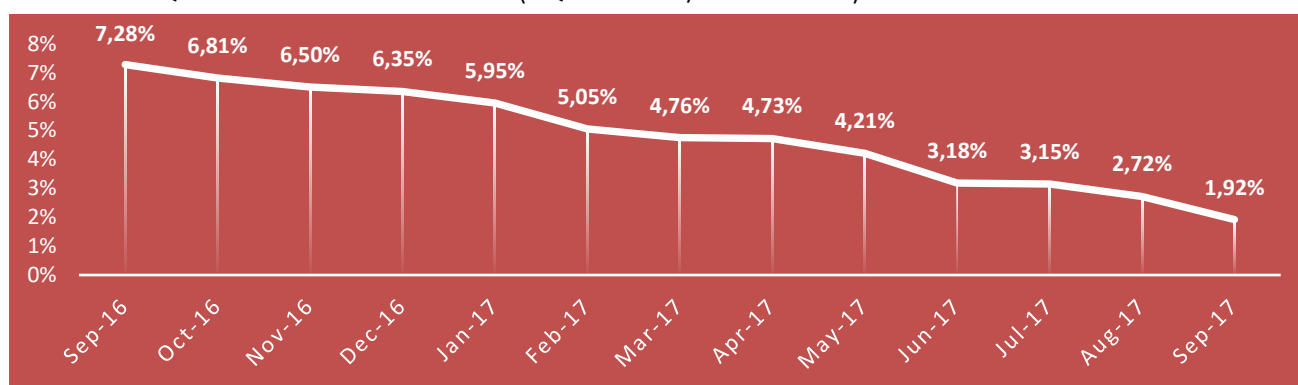
The main developments in the structure of the portfolio in Q3 2017 were the percentage and value growth of the listed shares sub-portfolio, both due to the increase of the stock prices on the BSE and due to the investments in quoted shares (details in the Shares Sub-Portfolio chapter).

The chart below shows the evolution of the proportion of the total assets of SIF Muntenia which is represented by shares in the last year. In the Shares Sub-Portfolio chapter there are presented details regarding the composition of this sub-portfolio and the evolution during the reporting period.



Portfolio liquidity, defined as the ratio of liquidity plus bank deposits and total assets, fell within the limits required by prudent liquidity risk management and within SIF Muntenia's target portfolio. Details can be found in OTHER SUB-PORTFOLIOS chapter.

PORTFOLIO LIQUIDITY DURING THE LAST YEAR (LIQUID ASSETS/TOTAL ASSETS)

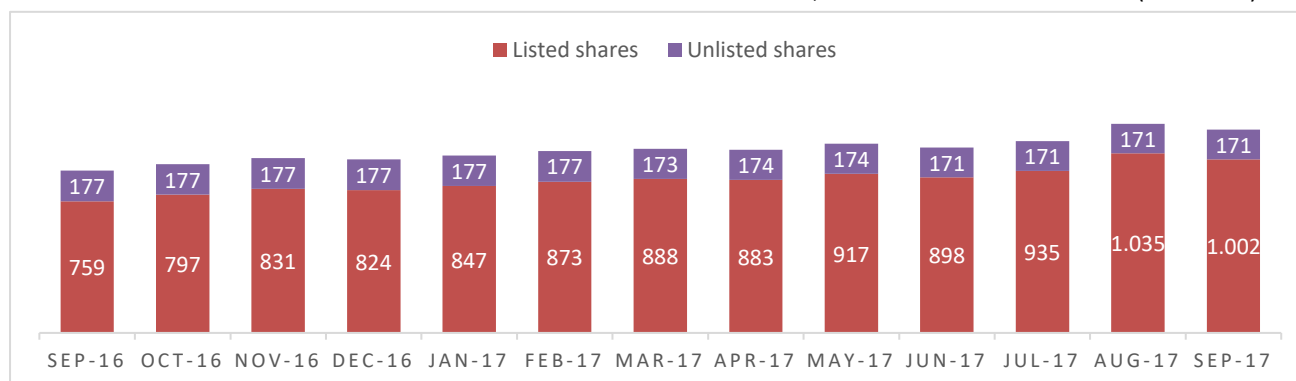


2.4 SHARES SUB-PORTFOLIO

Participations in shares, especially those listed on organized markets and alternative trading systems, remained the most important in SIF Muntenia portfolio, both in value and revenues.

The management of this sub-portfolio aimed at achieving the objectives set out in the Strategic Management Program approved for 2017.

The contribution of the shares sub-portfolio to the total asset increased over the past year, with an increase in quoted shares and a decrease of contributions and net asset value of listed shares, as shown in the chart below (million lei).



EVOLUTION OF SHARES SUB-PORTFOLIO ON ITS MAIN COMPONENTS

in RON	Q3 2016	2016	Q3 2017
Listed shares	759,020,129	824,298,718	1,001,626,122
- listed on the BSE	490,841,076	508,533,869	620,141,415
- listed on a foreign market/EU member state	486,024	0	0
- listed on SIBEX *	661,806	0	
- listed on the ATS (SIBEX+AERO) *	179,790,962	167,186,015	283,422,535
- listed and never traded	10,670,051	10,670,051	0
- listed and not traded during the last 30 days	76,570,209	137,908,782	98,062,172
Unlisted shares – closed companies	176,581,161	177,076,756	171,021,020
Total	935,601,290	1,001,375,474	1,172,647,142

* As at Q3 2017 there were no companies listed on SIBEX or on ATS Sibex.

As presented in the semi-annual report, SIF Muntenia is a shareholder in all entities that are directly or indirectly affected by the merger between BSE and SIBEX, with the holding participation in their share capital before the start of the merger process indicated in brackets - Bucharest Stock Exchange (4.32%), SIBEX Sibiu Stock Exchange (4.95%), Central Depository (4%) Sibex Depository (5.44%). Issuers quoted on the ATS market organized by SIBEX in the portfolio of SIF Muntenia: ICERP SA Ploiești (SIF Muntenia: 46.11%) and ARO Palace SA Brașov (SIF Muntenia: 10.37%) completed the transfer to BSE ATS– AERO.

Subsequent event. On 04.10.2017 the FSA authorized the requirements of the market operators Bucharest Stock Exchange and SIBEX – Sibiu Stock Exchange S.A. related to the merger by absorption between the two companies.

In Q3 2017, the trading activity in the sub-portfolio of shares was centered on acquisitions - thus, shares listed on organized markets of 16.2 million lei were purchased (at Banca Transilvania, SIF Oltenia, OMV PETROM SA, CONPET SA PLOIESTI, SNGN ROMGAZ -SA Mediaș).

The proceeds from the sale of listed shares amounted to 0.255 mn RON (the historical stake in ROMBETON SA București was sold in full).

896,235 shares were received following the share capital increase by increasing for free the number of shares in Teraplast S.A. Bistrita.

Dividends amounting to RON 19.3 mn were received from companies in the portfolio.

2.4.1 COMPANIES WITH MORE THAN 1% OF TOTAL ASSETS AS AT 30.09.2017

SIF Muntenia 2017 Administration Program

"Continue to reduce the atomisation degree of the portfolio (more significant holdings of about 10% of the total assets each) but with the possibility to exceed this limit in the case of emerging investment opportunities"

On 30 September 2016, the number of participations in shares exceeding 1% of SIF Muntenia's total assets was 15, with a value of 708.53 million RON, and a share in the total asset of 58%.

At the end of 2016, the number of participations in shares that exceeded 1% of the total assets of SIF Muntenia was 15, with a net asset value of RON 765.44 mn, and the share in their total assets increased to 59.91 %.

On 30 September 2017, for a total of 16 participations exceeding 1% of the total assets of SIF Muntenia with a total net asset value of RON 946.05 mn, the share in the total assets they represented was 65.08 %.

TOTAL PARTICIPATIONS AS AT Q3 2017

No. crt.	Denomination	NAV mn RON	% in TA of SIF Muntenia
1	BANCA TRANSILVANIA	228.89	15.75
2	BIOFARM SA BUCURESTI	155.74	10.71
3	CI-CO SA BUCURESTI	97.46	6.70
4	SIF BANAT-CRISANA	64.50	4.44
5	METAV SA BUCURESTI	61.57	4.24
6	AVICOLA SA BUCURESTI	54.35	3.74
7	BRD - GROUPE SOCIETE GENERALE	42.42	2.92
8	ROMAERO SA BUCURESTI	41.66	2.87
9	FIROS S.A BUCURESTI	40.30	2.77
10	SIF OLTENIA	37.20	2.56
11	S.N.G.N. ROMGAZ-S.A. MEDIAS	28.42	1.95
12	VOLUTHEMA PROPERTY DEVELOPER SA	28.10	1.93
13	UNIREA SHOPPING CENTER SA BUCURESTI	19.96	1.37
14	BUCUR SA BUCURESTI	15.85	1.09
15	FONDUL ROMAN DE GARANTARE A CREDITELOR PENTRU INTREPRINZATORII PRIVATI - IFN S.A.	14.93	1.03
16	SEMROM OLTENIA SA CRAIOVA	14.69	1.01
TOTAL		946.05	65.08

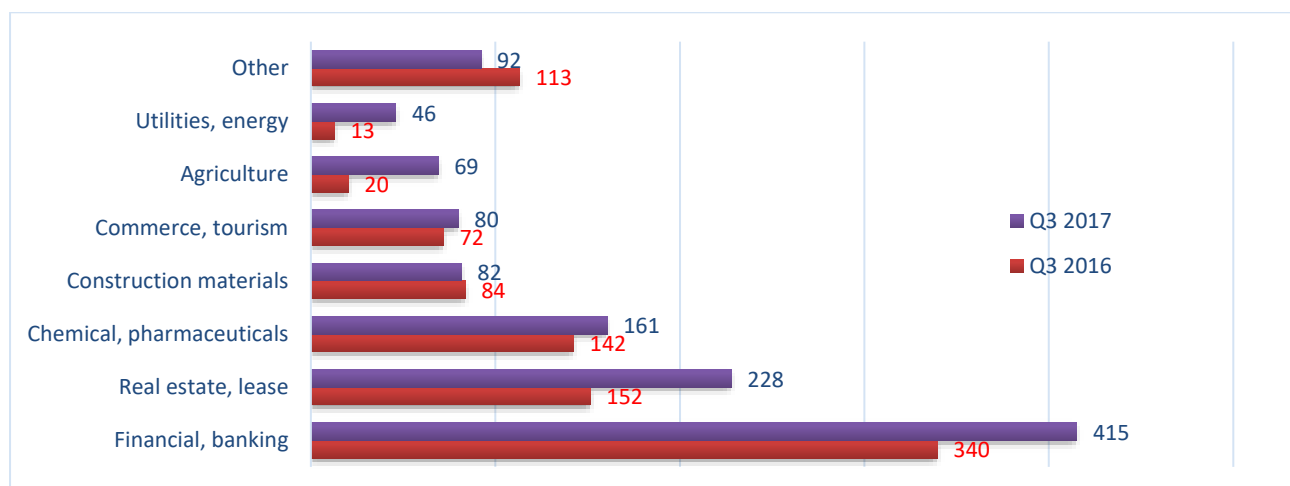
2.4.2 ALLOCATION OF SECTORS OF ACTIVITY

SIF Muntenia 2017 Administration Program:

"Increase holdings in issuers operating in high performance economic sectors at this time. Among the sectors of activity with current potential in the economic / business cycle, we can mention the banking, energy and utilities sector, the pharmaceutical industry."

MAIN SECTORS OF ACTIVITY WHERE SIF MUNTENIA HAS HOLDINGS IN SHARES

(Q3 2017 compared with Q3 2016, asset values, million RON)



Shares in companies operating in the financial banking sector still held the largest share in SIF Muntenia's total assets. There were no significant changes in the quota of the business sectors.

FINANCIAL BANKING SECTOR

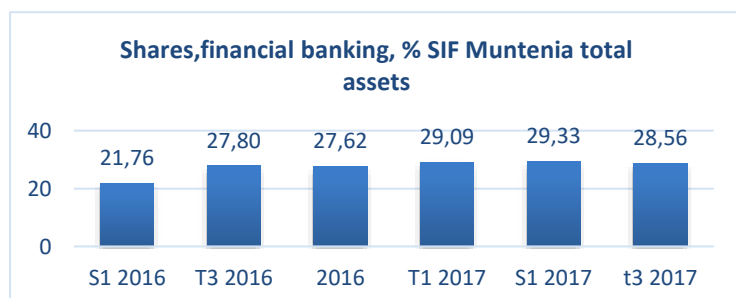


Banking companies have confirmed their high performance expectations in 2017. Banks supervised by the NBR are well capitalized. The risk of international contagion, the NPL rate has decreased.

Increasing population indebtedness can have important negative effects on both the financial system and future economic growth.

Real monetary conditions were highly adjustable also in the third quarter. By the end of the interval, interest rates on the interbank money market showed a pronounced growth trend, approaching the monetary policy rate, in the context of the significant upward revision of inflation expectations.

A significant holding on Banca Transilvania was maintained and increased in Q3 2017 due to its high yield and growth potential, which can be reflected in the market value of the share.



486,651 SIF Oltenia shares were also purchased, for dividend revenues.

BANCA TRANSILVANIA S.A. CLUJ	30.09.2016	31.12.2016	30.09.2017
NAV mn RON	198.52	200.20	228.89
% SIF Muntenia total assets	16.25	15.67	15.75
% held by SIF Muntenia in the share capital of the company	2.30	2.3022	2.3749

Banca Transilvania (TLV) is a systemic bank in Romania, whose activity is supervised by the National Bank of Romania. Banca Transilvania is one of the three largest banks in Romania, according to assets.

In Q2 2017, Transilvania Bank's net profit is 496.06 million RON (around 109 million EURO), up 8.2% over the same period of the previous year. The bank's assets reached 53.24 billion lei (11.7 billion euros), up 2.8% from the level recorded in December 2016.

The company is listed on the Bucharest Stock Exchange, the premium category, with the symbol TLV, being a very liquid issuer.

The Bank has as a strategy expansion to the market, both through acquisitions and organic growth. During the Q3 2017, negotiations continued on Bancpost¹ acquisition, and the bank's estimate for the completion of this transaction is October 2017.

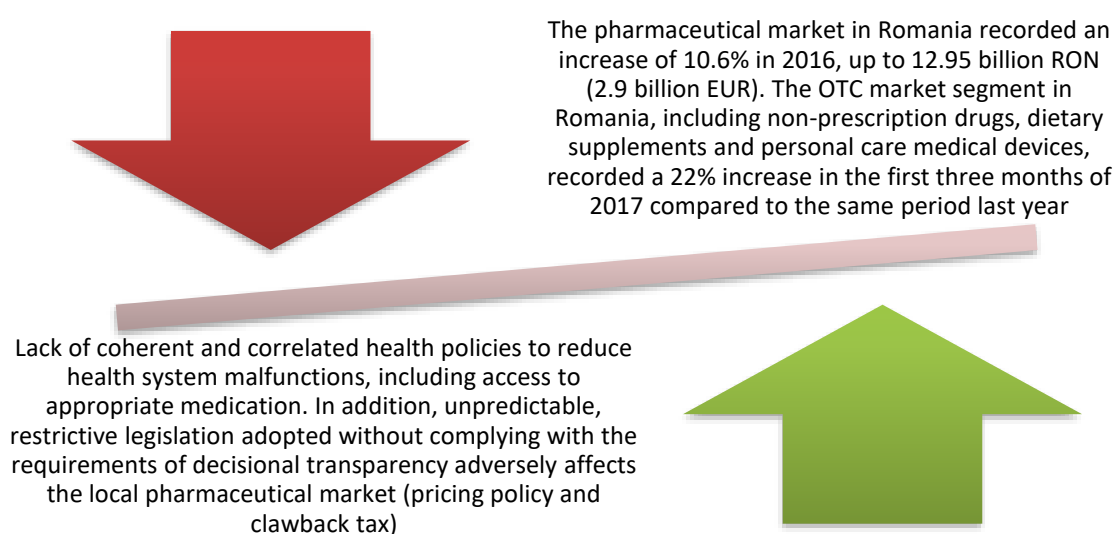
In August the bank's share capital increase was implemented by incorporating the reserves made up of the net profit of 2016 in accordance with the SGEA decision dated 26.04.2017 of the issuer Banca Transilvania. SIF Muntenia received 16,391,007 shares. In addition, 2,772,911 shares were purchased through market transactions (7.5 million RON). The net dividend received by SIF Muntenia from TLV in Q3 2017 amounted to 4.9 mn RON.

Subsequent event

On 10 October 2017, Fitch Ratings reaffirmed the Long-term Issuer Default Rating² (IDR) for Banca Transilvania's (BT) long-term funding to 'BB', with a stable outlook and VR rating to 'bb'.

CHEMISTRY, PHARMACEUTICAL PRODUCTS

SIF Muntenia's main exposure to this sector is its participation in Biofarm SA Bucharest, where SIF Muntenia is a major shareholder.



¹ http://www.bvb.ro/infocont/infocont17/TLV_20170915092241_Raport-curent-15-septembrie-2017-ro.pdf

² <http://www.bvb.ro/FinancialInstruments/SelectedData/NewsItem/TLV-Rating-Fitch-2017/135D9>

BIOFARM S.A. BUCURESTI	30.09.2016	31.12.2016	30.09.2017
NAV mn RON	136.65	135.64	155.74
% SIF Muntenia total assets	11.19	10.616	10.71
% held by SIF Muntenia in the share capital of the company	50.98%	50.98%	50.98%

Biofarm SA București is one of the first Romanian producers of medicines and food supplements, having a portfolio of over 200 products. During 2016 Biofarm retained its position among the top 10 Romanian producers in terms of sales in commercial units, achieving a market share reported by Cegedim Romania of 3.6% of the total units sold to patients by the Romanian pharmaceutical market.

Biofarm Bucuresti achieved sales revenue of 82.38 million RON in the first half of 2017, up 19.06%, as compared to 69.19 million RON reported in H1 2016. In the same reporting period, net profit increased with 35.63%, to 20.63 million RON, from 15.21 million RON. In the first semester of 2017, investments worth RON 8.4 million were made by the company to increase production capacities and technical levels.

The net dividend received by SIF Muntenia from Biofarm in Q3 2017 amounted to 8.54 mn RON.

On 30 August 2017, the Ministry of Public Finance (MFP) published a draft law on the establishment of the Sovereign Development and Investment Fund (FSDI) in public debate. The State's shareholding in Biofarm, a stake of 1.1619% of the company's share capital, will be contributed in kind to the initial share capital of the FSDI.

ENERGY, UTILITIES

Romania currently has the most diversified energy mix in the region, both in conventional markets through the exploitation of national primary resources and in the green (especially wind) energy sector.

Companies listed in this sector, with a high share of activity in conventional markets, have provided high return dividends. Despite the internal and external uncertainties that were reflected in the capital market in general and in the quotation prices for energy companies in particular, the average daily trading value remained high for companies in the sector.

The Energy Strategy of Romania launched for consultation at the end of the last year has five fundamental objectives: energy security, competitive energy markets, a competitive economy base, clean energy and energy sector sustainability, modernization of the energy governance system and vulnerable consumer protection and reduction of energy poverty. According to this document, natural gas could become the main fuel in 2030 for domestic energy production, with a 45% share, followed by nuclear energy, and the necessary investments in the Romanian energy sector would amount to 1.5-2 billion euro per year.

A number of changes to the regulations applicable to companies in the sector are announced in the next period. SAI Muntenia Invest follows this process and will take the necessary measures to increase the quality of SIF Muntenia's shareholdings in this sector.

In Q3 2017 shares were acquired at CONPET SA PLOIESTI (10,000), OMV PETROM SA (10,150,000), S.N.G.N. ROMGAZ-S.A. Medias (131,800) in a total amount of 7.96 million RON.

2.5 OTHER SUB-PORTFOLIOS

Bank deposits

Amounts held in bank deposits were kept at low levels, sized to cover dividend payments, investments in other financial instruments and operating expenses.

Bank interest rates remained at fairly low levels in Q3 2017. End-of-period interest rate increase was too low on passive interest rates to motivate change in investment policies. (At the beginning of September, ROBOR at 3 months was 0.92% versus 0.87% at the beginning of this year. Growth accelerated in September after several months of stability).

Bonds

Unlisted bonds sub-portfolio has grown as a result of investing EUR 6.39 million in a financial instrument similar to the one already existing in this sub-portfolio, issued by OPUS Chartered Issuance Luxembourg.

Coupons totaling EUR 335,740.59 for bonds issued by Banca Transilvania, OPUS bonds purchased in 2016 and OPUS bonds purchased in August 2017 were received.

Fund units

The fund units sub-portfolio continued the restructuring process. Thus, in July 2017, fund units were redeemed at FDI Transilvania, FDI Napoca, FII Omnihedge, BT Invest1, for which RON 12,99 mn were collected and fund units were purchased at FII Optim Invest of 9,99 million lei, and in September the fund units were redeemed at FDI Napoca and FDI Transilvania for a total amount of RON 3.38 mn.

Other financial instruments

The structured financial instrument of warrant type issued by Merrill Lynch Intl included in the sub-portfolio "Other financial instruments" has matured. As a result, SIF Muntenia no longer owns such financial instruments on 31 August 2017.

Due to the IFRS recording of this type of financial instrument, the value appreciation was included in the "Net gain from revaluation of financial assets at fair value through profit or loss" in the Separate statement of comprehensive income and in the execution of the Revenue and Expense Budget.

	In LEI
Final/maturity value/ la maturitate	27,441,400
Value as at 31.12.2016	20,721,400
Appreciation (gain) warrant	6,720,000

3 SIF MUNTENIA SHARES. SHAREHOLDERS RELATIONS

The subscribed and paid-up share capital is of 80,703,651.5 RON, divided into 807,036,515 common shares with a nominal value of 0.1000 RON / share.

All shares are ordinary, with a nominal value of 0.1 RON / share.

The shares are issued in dematerialized form and are evidenced by the registration in the shareholder register, managed by DEPOZITARUL CENTRAL S.S.A. București, a company authorized by the FSA.

There were no changes in the rights of the holders of securities issued by SIF Muntenia during the analyzed period.

There were no changes in the rights of the holders of securities issued by SIF Muntenia during the analyzed period. SIF Muntenia had on 30 September 2017 5,956,645 shareholders, both natural and legal persons.

Shareholders	Number of shareholders – natural persons	Number of shares held by natural persons	Number of shareholders – legal persons	Number of shares held by legal persons	Total number of shareholders	Total shares held	% of the share capital
Resident	5,954,577	483,982,988	176	279,807,494	5,954,753	763,790,482	94.64
Non-resident	1,875	3,514,167	17	39731866	1,892	43,246,033	5.36
TOTAL	5,956,452	487,497,155	193	319,539,360	5,956,645	807,036,515	100.00

There were no changes in the number of shares issued in Q3 2017. SIF Muntenia did not approve any repurchase program and did not acquire own shares during this period.

SIF Muntenia has not issued bonds and / or other debt securities, and has no obligations of this nature. Funding of the whole activity is done only through own funds.

3.1 TRADING OF SHARES ISSUED BY SIF MUNTENIA

The shares issued by SIF Muntenia are registered at the Bucharest Stock Exchange, the main segment, in the premium category, according to the provisions of BSE Decision no. 200/1999 and are traded on this market starting with 01.11.1999. The ISIN code of SIF Muntenia shares is ROSIFDACNOR6, and the symbol is SIF4.

Other codes of the shares are:

- Bloomberg BBGID - BBG000BMN7T6; symbol SIF4:RO
- Reuters: SIF4.RO
- The LEI code for SIF Muntenia, required as an entity that is involved in financial transactions in accordance with the provisions of Directive 2014/65/EU of the European Parliament and Council on Markets in Financial Instruments (MiFID II), from the operator Bloomberg Finance LP. This is 2549007DHG4WLBMAAO98.

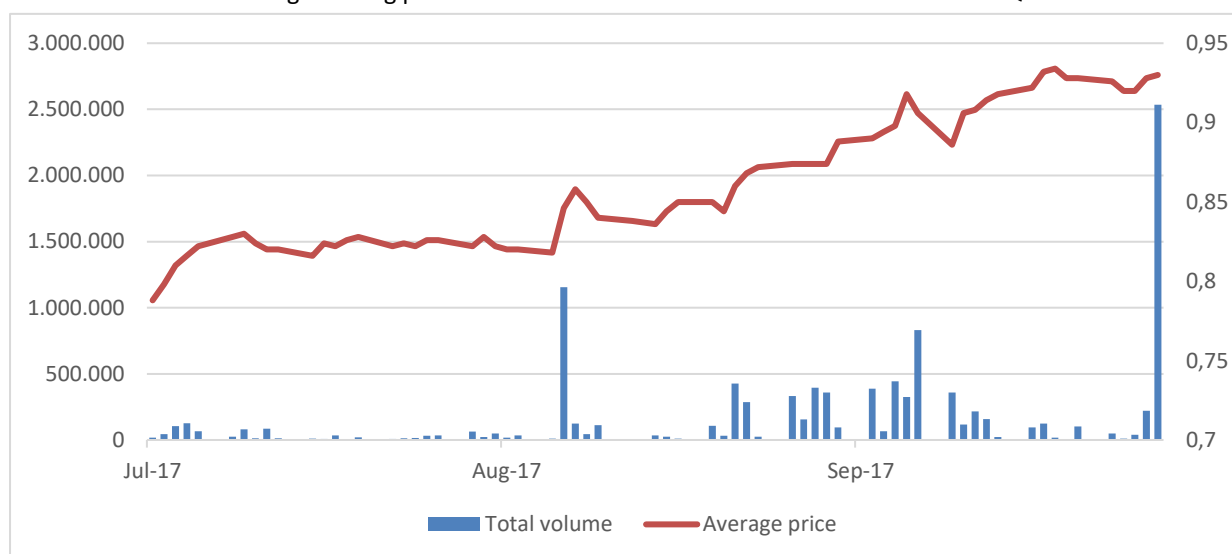
The shares are included in a series of indices calculated by the Bucharest Stock Exchange, namely BET-FI (the index comprising SIF investment funds and Fondul Proprietatea; the quota of SIF4 in the index was 9.95% at the date of the report) and BET-XT-TR, BET-XT, BET-BK indices.

SIF4 share performance

	Q3 2016 *	2016	Q3 2017 *
Closing price, RON	0.630	0.656	0.928
NAV per SHARE, RON	1.3839	1.4543	1.6876
Net Asset Discount, %	54.5%	54.9%	45.0%
Market capitalization, mn RON	508.43	529.42	748.93

* During the period record / payout date for dividend payments was recorded, that is why the share price was influenced by the amount of the dividend that was distributed.

Average trading price and transaction volume of SIF4 shares on REGS in Q3 2017



Trading during 01.07.2017 – 30.09.2017

Number of trading sessions	64
Number of trades	4,313
Number of traded shares	23,944,840
Total value of trades	21,818,872,64
Maximum trading volume:	DEALS - [27.09.2017] 13,141,000.00
Minimum price, RON	REGS - [03.07.2017] 0.7800
Maximum price, RON	- [20.09.2017] 0.9380
Average price, RON	0.9112

3.2 GENERAL SHAREHOLDERS MEETINGS

The main attributions of the shareholders general meetings are presented in SIF Muntenia's Articles of Incorporation, updated, which can be consulted on SIF Muntenia website, www.sifmuntenia.ro, at art. 6. These are supplemented by the legal provisions regarding companies subject to common law, Law 31/1990, and with special provisions in the field of financial investment companies subject to FSA supervision.

SAI Muntenia Invest SA, the administrator of SIF Muntenia, organized the general meeting of shareholders of SIF Muntenia dated 31 August 2017, made available and published in compliance with the legal regulations the convocation of the SGM, the materials subject to approval, the participation and voting procedures, made available to the shareholders the special proxy and voting forms by correspondence and provided all forms of advertising in accordance with the legal provisions for voting results for each item on the agenda and the decisions adopted by the SGA (Bursa, Monitorul Oficial, the company).

SIF Muntenia shareholders have the opportunity to participate in general meetings of shareholders either directly or through special or general proxy representatives, or can vote by correspondence (classic post or e-mail).

On 31 August 2017, the General Meeting of Shareholders took place, in which the consolidated financial statements for the year 2016 were discussed and approved and the appointment of KPMG Audit SRL as financial auditor for a period of 3 years starting with 2017 financial year.

3.3 DIVIDENDS

The policy on the annual distribution of dividends or other benefits to shareholders is presented on the SIF Muntenia website in Corporate Governance section.

The table below shows the distributed dividends for which shareholders may demand payment

Year	Gross dividend per share	Record date	Exdividend date	Payment date
2016	0.0400	12.09.2017	11.09.2017	28.09.2017
2015	0.0450	18.08.2016	17.08.2016	08.09.2016
2014	0.07150	28.08.2015	27.08.2015	31.08.2015

Shareholders entitled to receive distributed dividends from the net profit realized in the financial year 2016 were those registered in the consolidated shareholders' register on 12.09.2017 - the record date according to the decision of the General Meeting of Shareholders of 27.04.2017.

On 19.09.2017 the dividend payment procedure for the financial year 2016 was made available to the shareholders. Their payment started on 28.09.2017 - the date of payment, according to the decision of the General Meeting of Shareholders of 27.04.2017.

Payment of dividends, in compliance with the relevant legal provisions, is performed by the Central Depository and the paying agent appointed by SIF MUNTENIA SA is Banca Comercială Română SA.

In Q3 2017 dividends were paid to the shareholders of SIF Muntenia amounting to 14,991,641 RON, out of which 14,838,370 lei were paid in September.

3.4 SHAREHOLDERS RELATIONS

Being a listed company on the Bucharest Stock Exchange, SIF Muntenia pursues compliance with the principles and recommendations set out in its Corporate Governance Code. At the same time, the corporate governance system of SIF Muntenia, as an entity supervised by the FSA, aims to comply with the provisions of the FSA Regulation no. 2/2016. The status of compliance with these governance codes was presented to shareholders as an annex to the Annual Report for 2016, which can be consulted on the company's website www.sifmuntenia.ro.

OTHER EVENTS OF INTEREST FOR SHAREHOLDERS IN THE REPORTING PERIOD

CHANGES IN THE MANAGEMENT OF THE ADMINISTRATION COMPANY MUNTENIA INVEST S.A.

On 20.08.2017 the mandate contract for the position of General Manager of Mrs. Gabriela Aurelia Grigore ceased as a result of the expiry of its validity term. Mrs. Florica Trandafir, Corporate Governance Director took over the duties of the General Manager until the appointment of a person in this position by the Board of Directors.

The effective management of SAI MUNTENIA INVEST SA is ensured by Florica Trandafir - Corporate Governance Director and Mr. Mircea Constantin - Strategy Director.

On 20.08.2017 the mandate of administrator of Daniel Silviu Stoicescu ceased. SGOM of SAI MUNTENIA INVEST SA met on 31.07.2017 and decided the election of Mr. Adrian Simionescu as Administrator for a four-year mandate starting on 20.08.2017, the modification of the composition of the Board of Directors being submitted to the approval of the FSA.

4 ACCOUNTING FINANCIAL STATEMENT

This section contains an overview of the main items related to the position and financial performance of SIF Muntenia for the period ended 30.09.2017.

SIF Muntenia prepared the financial reports on 30.09.2017 according to the FSA Norm no. 39/2015 for the approval of Accounting Regulations in accordance with International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector.

Financial reports on 30 September 2017 are not audited or revised.

4.1 INDIVIDUAL STATEMENT OF FINANCIAL POSITION

In RON	30-09-17	31-12-16
Assets		
Cash and current accounts	13,450,135	4,861,588
Bank deposits	16,526,848	76,631,897
Financial assets at fair value through profit or loss	128,239,700	79,279,822
Financial assets available for sale	1,090,672,065	954,163,015
Loans and receivables	8,256,281	8,259,365
Tangible assets	175,400	223,605
Other assets	1,740,520	5,013,016
Total Assets	1,259,060,949	1,128,432,308
Liabilities		
Dividends to be paid	56,642,532	82,193,835
Liabilities related to deferred income tax	25,905,671	13,387,776
Other liabilities	9,462,964	8,404,099
Total Liabilities	92,011,167	103,985,710
Equity		
Share capital	80,703,652	80,703,652
Hyperinflation effect on share capital	803,294,017	803,294,017
Accumulated loss	(62,764,290)	(111,719,355)
Reserves from revaluation of financial assets available for sale	345,816,403	252,168,284
Total Equity	1,167,049,782	1,024,446,598
Total Liabilities and Equity	1,259,060,949	1,128,432,308

4.2 INDIVIDUAL STATEMENT OF PROFIT AND LOSS AND OTHER ITEMS OF COMPREHENSIVE RESULT

In RON	2017 Q3	2016 Q3
INCOME		
Dividend income	26,269,033	60,537,901
Interest income	533,773	728,568
Other operating income	131,927	49,895
INVESTMENT GAINS		
Net gain from foreign exchange rate differences	(158,690)	(822,797)
Net gain from the sale of assets	7,203,715	18,690,816
(Net loss) / Net gain on revaluation of financial assets at fair value through profit or loss	28,925,298	11,883,092
EXPENSES		
Loss from depreciation of assets	(3,735,202)	(953,358)
ADMINISTRATION EXPENSES		
Administration fees	(13,050,000)	(13,050,000)
Expenses with the remuneration of the Shareholders Representatives Council	(981,767)	(930,362)
Other operating expenses	(2,254,697)	(2,151,770)
Profit before tax	42,883,390	73,981,985
Tax on profit	(3,711,106)	(7,391,928)
Net profit of the period	39,172,284	66,590,057
OTHER ITEMS OF COMPREHENSIVE RESULT	93,648,119	3,217,399
Total global result of the period	132,820,403	69,807,456

In the Individual statement of financial position under IFRS, dividend income is recorded at gross value and the related tax is included in the tax on profit.

In the implementation of the BRE that is presented below, dividend income was recorded at a net amount and the current and deferred income tax items do not include taxes on dividends received. Interest income from the BRE also includes coupons totaling EUR 328,200 in respect of OPUS bonds purchased in 2016 and OPUS bonds purchased in August 2017 while in the Individual Statement of Profit or Loss (above) these coupons are recorded to Net gain from revaluation at fair value.

4.3 EXECUTION OF THE BUDGET OF REVENUES AND EXPENSES

	BRE 2017	Achieved 09 2017	R/BRE
1. TOTAL REVENUES	65,800,000	34,967,089	53.1%
1.1. Investment revenues	65,700,000	34,835,162	53.0%
1.1.1 Net revenues from dividends	28,000,000	25,589,618	91.4%
1.1.2 Interest revenues	1,700,000	2,041,829	120.1%
1.1.3 Net revenues from trades	36,000,000	7,203,715	20.0%
1.2 Other revenues	100,000	131,927	131.9%
2. TOTALEXPENSES	22,800,000	16,286,464	71.4%
2.1 Administration expenses	17,400,000	13,050,000	75.0%
2.2 Third party expenses	2,300,000	1,360,505	59.2%
2.3 Portfolio administration expenses	1,200,000	663,069	55.3%
2.4 SRC expenses	1,800,000	1,086,442	60.4%
2.5 Other expenses	100,000	126,448	126.4%
3. NET GAIN FROM REVALUATION OF ASSETS		23,523,350	
4.GROSS PROFIT	43,000,000	42,203,975	98.1%
5. Tax on current and deferred profit		3,031,691	
6. NET PROFIT		39,172,284	

The gross profit resulting from the execution of the BRE on 30.09.2017 is 42.2 million RON, representing 98.1% of the estimated profit for the year 2017.

SIF MUNTENIA SA by its administrator
SAI MUNTENIA INVEST SA
President of the Board of Administrators
Florica Trandafir

3B EXPERT AUDIT SRL

Administrator
Adriana Anișoara Badiu