



BURSA DE VALORI BUCUREȘTI

February 10, 2015, Bucharest

PRELIMINARY REPORT

as of December 31, 2014

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Annexes


The preliminary Balance sheet and the Profit and loss account as of December 31, 2014, prepared according to the Accounting Rules in compliance with Directive IV of the European Economic Community applicable for authorized entities, supervised and monitored by Financial Supervisory Authority (FSA).


DISCLAIMER


This English language report is a convenience translation of the Romanian language "Preliminary Report as of December 31, 2014". The Romanian version of the report is the official document.

WITH ALMOST RON 12 MN IN PRELIMINARY NET PROFIT FOR 2014, UP 25% Y-O-Y, BVB IS MATERIALISING GROWTH EXPECTATIONS


 The Bucharest Stock Exchange (BVB) remained focused on market reform and made significant progress in removing the obstacles impeding the creation of modern capital markets in Romania. The last quarter brought new evidence of this commitment as BVB took decisive steps in lowering market costs, modernizing the capital market infrastructure, enhancing liquidity created by market makers and addressing visibility and corporate governance issues. The *8 Barriers* project reached a new historical milestone as amendments to existing legislation were passed by the Government towards the end of the year, offering solutions to issues referring to investors' corporate rights, dividend payment procedures and primary market offerings.


 Efforts to streamline investors' access to the capital market, to improve visibility, transparency and ultimately liquidity, materialized in growing interest in the local market, which brought more investors and pushed turnover higher.

 BVB ended 2014 with a preliminary net profit¹ of RON 11.9 mn or RON 1.55/share, 25% more than in 2013 and 20% above the figure projected for the full year. The net margin also improved compared to 2013, at 44.3%. During 2014, BVB returned almost RON 9 mn to its shareholders in the form of dividends from the previous years' net profits, which added to the 5% price appreciation since the beginning of the year.

 Preliminary sales revenues² for 2014 reached RON 26.9 mn, up by 11% on the previous year, triggered mainly by intensified trading but also by higher revenues from issuer fees, IT services and participant fees. As costs increased at a much lower rate, the operating profit reached RON 11.1 mn, a significant 37% above the 2013 figure.

 The value of trades with equities on all markets reached RON 13.2 bn, up 14.1% y-o-y, while for the regulated equities market alone the growth rate stood at 15.2%.

 The main market index BET ended the year with a 9.1% advance, while its total return version BET-TR was by far the best performing in the region with a 14.5% return.

 As for the last quarter performance, BVB reported sales revenues of almost RON 8 mn. The operating profit for the quarter was RON 2.3 mn, while the preliminary net profit of RON 2.6 mn, while earnings per share were RON 0.33.

¹ The financial data are currently being audited and represent the individual results of the Bucharest Stock Exchange, prepared up according to the Romanian Accounting Standards (RAS); the financial indicators are expressed in million RON and are rounded off to the nearest integer, resulting in small reconciliation differences.

² BVB's sales revenues consist mainly from fees charged for trades with all listed instruments, fees for listing of companies and instruments, and revenues from data vending services provided to various users.

FINANCIAL HIGHLIGHTS

Indicators		4Q.2014	3Q.2014	Change	4Q.2013	Change	2014	2013	Change
Individual profit and loss account									
Net sales	RON mn	7.99	5.79	38%	10.65	-25%	26.87	24.29	11%
Operating profit	RON mn	2.30	2.94	-22%	4.53	-49%	11.13	8.13	37%
Financial profit	RON mn	0.75	1.45	-49%	0.29	158%	3.02	2.90	4%
Net profit	RON mn	2.57	3.69	-31%	4.02	-36%	11.90	9.48	25%
Earnings per share	RON	0.33	0.48	-31%	0.52	-36%	1.55	1.24	25%
Individual balance sheet (end of period)									
Shareholders' equity	RON mn	100.68	98.11	3%	97.82	3%	100.68	97.82	3%
Total assets	RON mn	106.48	103.84	3%	104.39	2%	106.48	104.39	2%
Ratios									
Operating margin	%	29%	51%	-	43%	-	41%	33%	-
Net margin	%	32%	64%	-	38%	-	44%	39%	-
Return on equity	%	3%	4%	-	4%	-	12%	10%	-
Market statistics (including DEAL trades and public offers)									
Turnover for shares, rights and units	RON mn	2,960	3,031	-2%	5,027	-41%	13,234	11,602	14%
Turnover for bonds and government securities	RON mn	88	13	577%	281	-69%	956	1,396	-32%
Turnover for shares, rights, units, bonds and government securities	RON mn	3,048	3,044	0%	5,308	-43%	14,189	12,998	9%
Average daily turnover for shares, rights, units, bonds and government securities	RON mn	50.0	46.8	7%	85.6	-42%	56.8	51.8	10%
BVB share statistics									
Opening price (closing price of the previous day)	RON	30.30	28.77	5%	24.50	24%	32.50	20.00	63%
High (intraday price)	RON	34.44	29.81	16%	32.50	6%	34.44	32.50	6%
Low (intraday price)	RON	27.70	25.00	11%	24.10	15%	24.70	17.00	45%
Closing price (end of period)	RON	33.97	29.81	14%	32.50	5%	33.97	32.50	5%
Trading value, including DEAL trades	RON mn	28.93	10.3	181%	21.50	35%	64.30	66.53	-3%
Average daily turnover, including DEAL trades	RON mn	0.47	0.17	181%	0.35	37%	0.26	0.27	-4%

COMPANY INFORMATION

Legal entity	BURSA DE VALORI BUCUREȘTI SA
Main activity	Administration of financial markets
CAEN code	6611
Sole Registration Code	17777754
Trade Register no	J40/12328/2005
Address	34-36 Carol I Blvd., floors 13-14, District 2, Bucharest
Symbol	BVB
ISIN	ROBVBAACNOR0

The Bucharest Stock Exchange (BVB) was established based on the Decision of the National Securities Commission (NSC) no. 20/1995. BVB was created as a public non-profit institution and in 2005 it became a joint stock company. The shares of the Bucharest Stock Exchange were admitted on BVB's spot regulated market on June 8, 2010. The Company's main activity is the administration of financial markets. BVB is the largest market operator in Romania.

The Bucharest Stock Exchange operates several markets:

- a spot regulated market where financial instruments such as shares and rights (issued by international and Romanian entities), debt instruments (corporate, municipality and government bonds issued by Romanian entities and international corporate bonds), UCITs (shares and fund units), structured products, tradable UCITS (ETFs) are traded;
- an alternative trading system (ATS), where foreign stocks listed on other markets and securities issued by Romanian companies not qualified for the regulated market are traded;
- RASDAQ market where shares and rights issued by Romanian entities are traded, most of them coming from the mass privatization program. According to the Law no. 151/2014, which entered into force in October 2014 and was followed at the beginning of December 2014 by FSA's Regulation no. 17/2014, companies currently listed on Rasdaq market must choose between a transfer to a regulated market, migration to an alternative trading system or delisting from the exchange. Rasdaq market would cease operating in 12 months from the law's enforcement, i.e. in October 2015.

BVB's operating revenues are generated mainly from the trading of all the listed financial instruments, from fees charged to issuers for the admittance and maintenance to the trading system, as well as from data vending to various users.

BVB was included in several indices: FTSE Mondo Visione Exchanges Index, on November 9, 2010, BET Index, on March 21, 2011, Dow Jones Global Exchanges Index, on June 17, 2011, ROTX Index on September 19, 2011 and since July 3, 2012, BVB is also part of BET-BK.

MAIN EVENTS DURING THE LAST QUARTER OF 2014

1 October – Lower trading fees became effective for trades executed on the Regulated Market, Rasdaq market, ATS and the Unlisted market, in a move to support trading activity and contribute to the development of the local capital market. Lower fees apply to shares, fund units, rights, ETFs, structured products, bonds and government securities, but do not apply to Deal markets. Thus, the fee for trading shares on the Regular and Odd Lot segments fell to 0.04% for the buy side and 0.1% for the sell side of the trade. For bonds, the fee was cut to 0.01% for both the buyer and the seller.

On the same day, further **measures to stimulate market makers' activity** were implemented. These measures implied discounts to be provided to new entrants in the program for a 6-month period, while for existing market makers BVB applied an additional incentives package, called the Revenue Sharing Scheme. The latter implied incentives which are directly linked with the percentage of the market maker's activity in the total traded value for a particular issuer in the main market. In addition, the list of shares for which market making services can be offered was extended to all constituents of BET Plus index.

6 October – Two major infrastructure projects of the Romanian capital market, the **separation of the trading and post-trading systems** and the **transition to the T+2 settlement cycle**, were completed successfully, as changes to *BVB Rulebook – Market Operator* were enforced. The systems segregation is aimed at facilitating the efficient trading activity of market participants, the use of global accounts in a similar manner as in most developed European markets and the automation of post-trade operations. Operational risks of custodian agents are also significantly reduced. In addition, the reduction of the settlement cycle from 3 days to 2 days also contributes to increased efficiency and reduced post-trade risks, as a result of lower counterparty risk and higher rate of capital reinvestment.

15 October – IFB Finwest became a **market maker for Ropharma** shares. At the end of 2014, IFB Finwest was a market maker for 2 listed companies, i.e. Ropharma and the Bucharest Stock Exchange.

22 October – BVB held in London the first of a series of events dedicated to institutional investors based in the British capital city, branded "**Romanian Capital Market – Up the Ladder to Emerging Market**". The conference was hosted by the European Bank for Reconstruction and Development (EBRD) and was supported by Bloomberg as well.

On the same day and also in London, BVB and the Embassy of Romania to the United Kingdom of Great Britain and Northern Ireland organized for the first time an interactive workshop for Romanian professionals who work in London's financial industry. The stage of development and the perspectives of the Romanian capital market were presented to 29 professionals from 15 financial institutions, 3 top universities and one professional association.

These events will be organized on a quarterly basis and are aimed at increasing awareness among institutionals regarding the recent developments undertaken by BVB along with other market institutions towards developing the market infrastructure.

24 October – The **Law no. 151/2014**, on the clarification of the legal status of the shares traded on Rasdaq market or on the unlisted securities market, entered into force. The Law was followed at the beginning of December by FSA's Regulation no. 17 which set out the rules according to which Rasdaq-listed companies would be transferred to a regulated market or an ATS.

30 October – The second edition of the virtual trading competition **BVB Invest Quest (BVB IQ)** was launched. The current edition was organized together with four brokerage companies as partners (BCR, IFB Finwest, SSIF Broker and Tradeville). BVB IQ included a campaign of 23 seminars and workshops in Bucharest and 11 other cities, as well as 3 webinars, focused on capital market investments and stock exchange mechanisms. In total, more than 1,700 people attended the seminars campaign. The virtual trading competition started on 24 November 2014 after a 2-week training session and ended on 30 January 2015.

3 November – BVB announced that FSA approved **amendments to BVB Rulebook – Market Operator** regarding the new segmentation of the Regulated Market and other measures for increasing the visibility and liquidity of listed shares. According to the new market segmentation, tiers 1, 2 and 3 for shares were replaced in 2015 by Premium and Standard tiers. In order to be admitted to the Premium tier, an issuer should have a free float of at least EUR 40 mn, while the maintenance or upgrade from Standard are conditioned by the level of trading activity and the existence of a market maker for the company's shares.

The new Rulebook also states that issuers can and are encouraged to submit press releases / current reports during the trading session, and that financial instruments will be no longer suspended from trading during the general shareholders meetings – these changes became effective on 10 November. New provisions were introduced in the area of corporate governance, which would become effective at a later date as set by BVB's CEO, after the approval of the new Code of Corporate Governance.

6 November – Wood & Company became a **market maker for Electrica** shares. At the end of 2014, Wood & Co. was a market maker for 7 listed companies, i.e. Fondul Proprietatea, BRD-Groupe Societe Generale, Romgaz, OMV Petrom, Transgaz, Banca Transilvania and Electrica.

2 December – BVB made another step towards developed market infrastructure, by **eliminating the Odd Lot market**. Thus, orders on the Regular market can now involve any number of shares (any volume), allowing for increased flexibility, efficiency, lower cost and faster reaction to changing market situations.

2-3 December – BVB participated to **Wood's Winter in Prague – Emerging Europe Conference**, meeting and discussing with investors interested in the CEE region and emerging markets. During the 2 days events, BVB had a group presentation focused on the Romanian capital market reform and its goal of becoming an emerging market and participated to 1-on-1 meetings with institutional investors representing more than EUR 10 bn in assets under management.

8 December – BVB extended the **trading program for the bond market** until 18:00, thus aligning the trading hours with those for shares, rights and fund units markets.

Starting 8 December, 4 new foreign companies were added to **the international equities segment** of the alternative trading system operated by BVB, i.e. Commerzbank AG, Continental AG, Deutsche Lufthansa AG and Deutsche Post AG. All shares have Tradeville as market maker.

10 December – FSA approved the regulations concerning BVB's alternative trading system. **AeRO, the new market dedicated to small and medium sized enterprises**, will start operating during the first part of 2015. Eligible companies will need an anticipated market capitalization of at least EUR 250,000, as well as a free float of at least 10% or minimum 30 shareholders. With AeRO, the role of Authorized Advisor is introduced – an entity that will assist the entrepreneur in the pre-listing period, during the listing process and beyond, for reporting purposes (financial reports, current reports, general shareholders' meetings, etc.). The current international equities segment will continue to exist, as will the bond segment.

During the last part of the year, several events/conferences/workshops were organized and/or attended by BVB in Bucharest and throughout the country, where the AeRO project was presented to entrepreneurs as a solution to accessing and diversifying financing opportunities.

15 December – BVB launched its **new website** – a more user-friendly www.bvb.ro, with a contemporary design and enhanced content for companies, entrepreneurs and investors. The new website brings more intuitive navigation and introduces new features, rich trading and statistics content, along with better accessibility of key information on various financial instruments listed at BVB and on products and services offered.

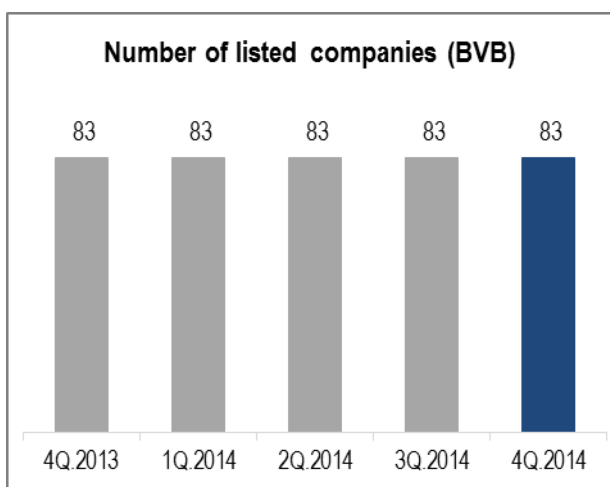
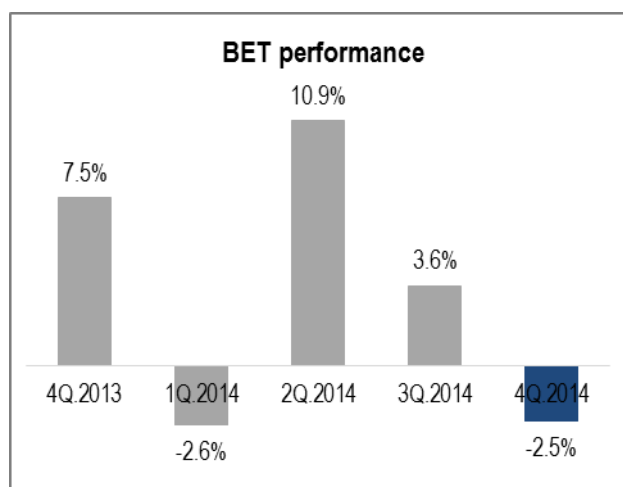
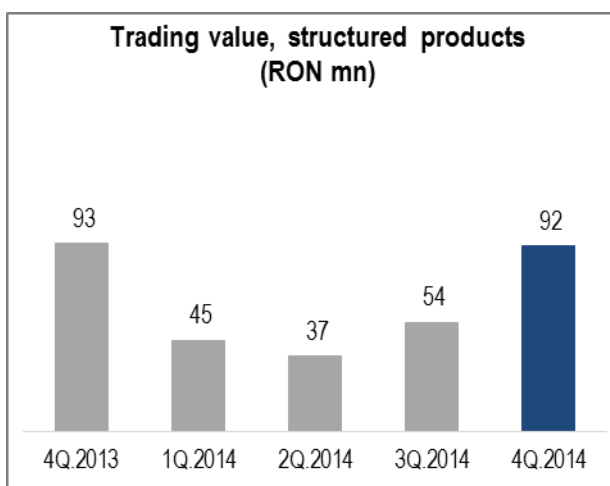
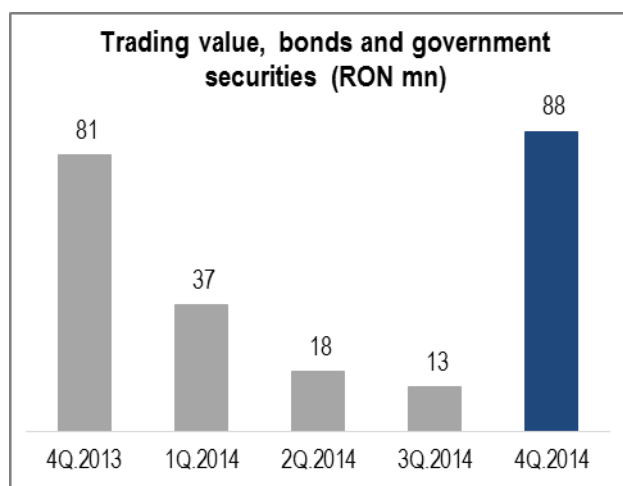
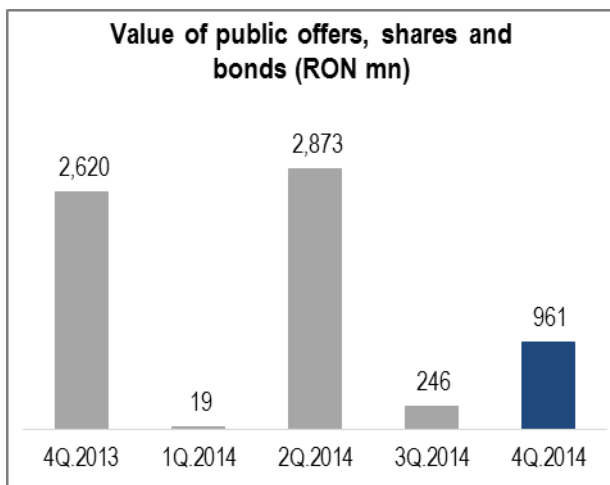
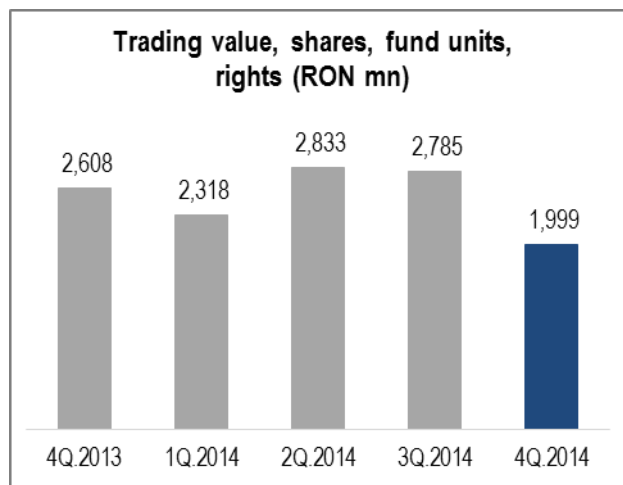
17 December – BVB introduces **new tools for investors and intermediaries**, i.e. new orders (cross orders, Fill And Kill/Fill Or Kill), new order validity terms related to various market stages, as well as an enhanced Trading at Last model in which trades can be executed even in cases where for a particular share there is no price set in the Auction phase.

22 December – BVB announced the start of **consultations on the new BVB Corporate Governance Code** with listed companies and relevant organizations representing investors. In a joint project together with EBRD, BVB reshaped the existing Code, in force since 2008, taking into consideration the relevant international standards, the changes of incident legal frameworks in Romania and EU, the experience gained following the implementation of the first Code, and also the new aspirations of the society in general and of the parties directly covered by responsibilities and management of business. A restrained form of the new Code will become effective for AeRO listed companies, at the time of launching the new market.

23 December – The Government issued the **Emergency Ordinance no. 90/2014**, amending and supplementing the Capital Markets Law 297/2004. The GEO was published in the Official Gazette on December 30, 2014 and entered into force on January 9, 2015. The ordinance brought several changes to existing legislation which were meant to simplify and clarify the voting procedure in the general shareholders meetings, to consolidate the creation of a centralized dividend payment system, to improve the public offers mechanisms and listing regime, as well as to change the ownership threshold for market operators and quorum requirements for the extraordinary general shareholders meetings for market operators.

During the **last quarter of the year**, 31 new series of turbo certificates issued by Erste Bank and 5 new issues of certificates issued by SSIF Broker (3 turbo certificates and 2 capital protection certificates) started trading on BVB's Structured Products segment. These instruments have indices, stocks, commodities and foreign exchange rates as underlying assets.

BVB's OPERATING ACTIVITY³



³ Source: BVB. The traded value is presented based on a "single counted" basis, includes DEAL trades and excludes public offers

ANALYSIS OF FINANCIAL RESULTS

The financial results as of December 31, 2014, have been prepared according to the Romanian Accounting Standards (RAS) and in compliance with the rules and regulations of the Financial Supervisory Authority. The financial results are preliminary and changes may occur. The audit procedures are currently in progress.

Activity results for the last quarter of 2014

The worldwide macroeconomic picture continued to show a heating US economy, with more than 3% GDP real growth rates for the past quarters, and a stagnant European Union, fighting to send inflation away from the 5-year lows and to revive the economy. Investors remained preoccupied with the US future monetary policy decisions, after the end of the unprecedented expansionary policies of the past few years, as with the BCE's quantitative easing measures and the massive acquisitions of sovereign bonds planned for the beginning of 2015.

The sharp decline in oil prices determined by oversupply added new flavor for international markets, which witnessed increasing risk-perception and volatility, and hurt economies and currencies of oil-exporting countries. While some positive effects are expected for internal consumption and production factors prices of importing countries (including Romania), the Eurozone faces an even higher risk of deflation.

International financial markets went through ups and downs during the quarter, on concerns about global economic growth, the health of emerging markets, geopolitical tensions and plunging oil prices. While US indices managed a comeback and hit record highs just before the end of the year, other major developed market indices closed the quarter in the red.

As for Romania, the local capital market gradually correlated with the global trend, but after losing ground during the first part of the quarter it managed register a positive annual return for its main market index BET.

With regard to liquidity, the stock market turnover reached RON 2 bn, attributable to a lower trading activity in November, when part of the trading with Fondul Proprietatea (FP) shares migrated to the public offers area, where FP was running its buy-back program. If the public offers segment is also accounted for, the total stock market turnover was approximately RON 3 bn, a minor 2% decline compared to the previous quarter. In y-o-y terms, the high base effect due to rich number of deals performed in 4Q 2013 led to a 41% decline in total trading activity.

The average daily turnover for the regular stock market reached RON 32 mn for the quarter, 23% below the previous quarter, but still above the figure registered in 2013.

Three deals were executed during the quarter on the public offers market, the most significant being the tender bid launched by Fondul Proprietatea to buy its own shares, as part of the fund's buy-back program. The tender bid reached RON 832.5 mn and was finalized in December. Other less significant deals were the accelerated book building (ABB) for Conpet, worth of approximately RON 100 mn, and the takeover bid for Retrasib, worth of RON 23 mn.

Profit and loss account (RON mn)	4Q 2014	3Q 2014	Change 4Q 2014 vs 3Q 2014	4Q 2013	Change 4Q 2014 vs 4Q 2013
Operating revenues, of which:	8.49	6.19	37.2%	10.66	-20.4%
Sales revenues	7.99	5.79	37.9%	10.65	-25.0%
Operating expenses, of which:	6.19	3.24	90.8%	6.13	1.0%
Personnel expenses	3.71	1.75	111.6%	3.28	13.2%
Operating profit	2.30	2.94	-21.8%	4.53	-49.2%
Financial profit	0.75	1.45	-48.6%	0.29	157.7%
Pre-tax profit	3.05	4.39	-30.7%	4.82	-36.8%
Net profit	2.57	3.69	-30.5%	4.02	-36.2%
Earnings per share (RON)	0.33	0.48	-30.5%	0.52	-36.2%

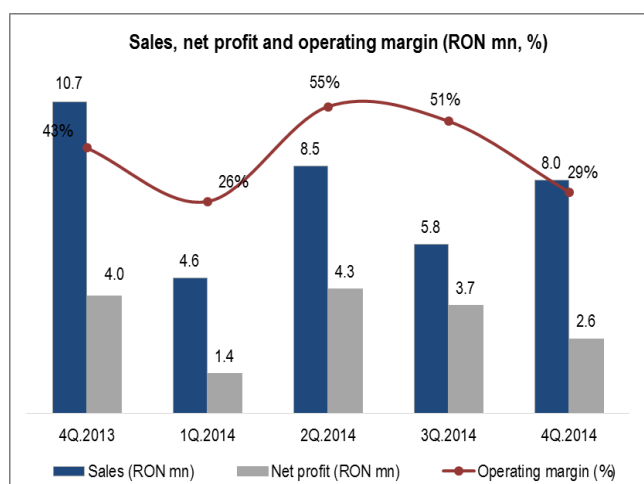
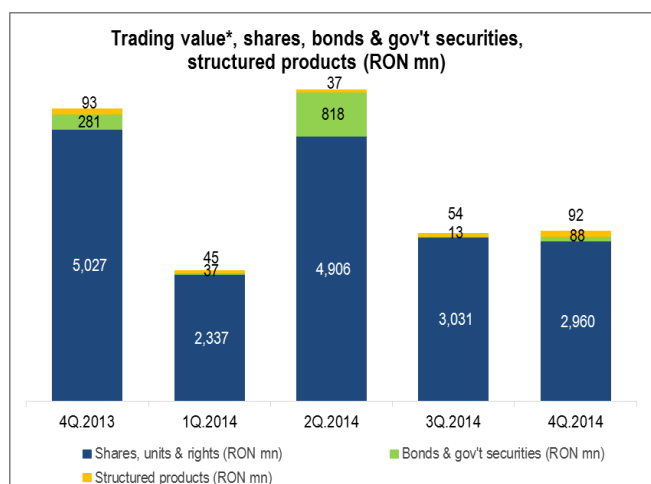
Trading with fixed-income instruments (bonds and government securities) had best quarter for the year and rose to RON 88 mn, up 9% y-o-y (excluding public offers) and almost 7 times above the figure reported for 3Q 2014.

The structured products turnover reached RON 92 mn, up by 70% compared to the previous quarter.

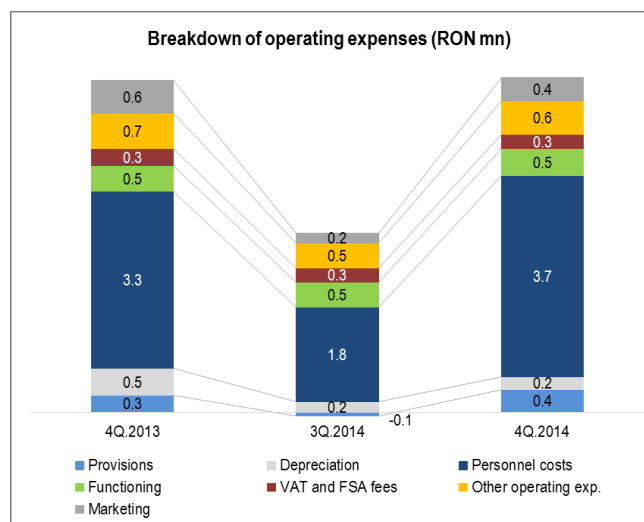
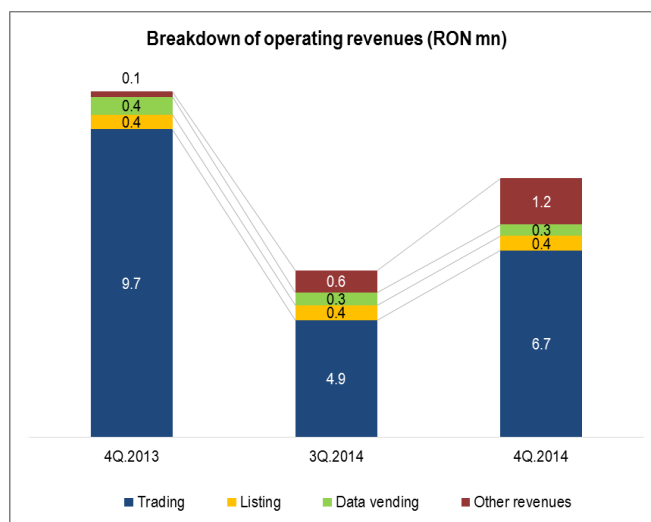
A significant development for the analyzed period was BVB's new pricing policy effective as of October 1, which introduced lower trading fees for regular trading of shares, bonds, structured products and other instruments. The positive effect for the market was the strong reduction of Deal trades as percentage of total trading value, mostly visible in the regular stock market where Deal trades decreased from an average of 45% of total turnover (over the first 9 months of 2014) to 18% in 4Q 2014.

BVB's **trading revenues** for the quarter reached RON 6.68 mn, 35% above the previous quarter, but 31% below the year-ago period, which had concentrated most of the the major deals of 2013.

Admission and maintenance fees charged to issuers registered a minor 2% decline in q-o-q terms, to RON 0.36 mn, and edged up 1% y-o-y, as maintenance fees were paid for the first time by issuers listed in 4Q 2013 (Nuclearelectrica, Romgaz), while issuers of structured products paid listing and maintenance fees for new issues according to the reorganized fee schedule introduced at the beginning of the year.



* The trading value includes Deal trades and public offers



Revenues from IT services increased 4-fold compared to both periods of reference, to RON 0.46 mn, as BVB registered revenues from the in-house development of software solutions and other one-off IT services to the Central Depository, related to the separation of the trading system from post-trading.

Revenues from participant fees went up mainly due to the registration of fees from a new brokerage company which applied for BVB membership.

During 4Q 2014, BVB registered RON 0.27 mn worth of **revenues from the in-house development of software**, upgrades to Arena trading system, BVB's website and of other projects that generated new intangible assets.

Operating revenues for the quarter reached RON 8.49 mn, higher by 37.2% compared to 3Q 2014 and 20.4% below the figure registered in the year-ago period.

On the cost side, **operating expenses** were RON 6.19 mn, stable compared to the year-ago period, as the decline of marketing expenses countered the increase in provisions and other operating expenses.

The **operating profit** for the quarter reached RON 2.30 mn, lower in both q-o-q and y-o-y terms.

The **financial profit** was RON 0.75 mn, a strong 2.6 times increase y-o-y and half the figure reported in the previous quarter. The rally of the USD versus the local currency (+5.3%), along with the 1.6% appreciation of the EUR vs. the RON, resulted in unrealized foreign exchange gains of RON 0.83 mn. These positives countered the amortization of costs related to the acquisition of government securities (RON 0.12 mn) and the booking of an adjustment for the investment value in the Bucharest Clearing House (BCH) of RON 0.69 mn, accounting for the further decline in value of BCH's net assets as of December 31, 2014.

BVB ended the last quarter of the year with a **net profit** of RON 2.57 mn, translating into **net earnings per share** of RON 0.33.

Preliminary activity results for 2014

As regards the full year performance, BVB ended 2014 with **trading revenues** of RON 23.13 mn, up by 9% compared to the previous year. The main growth driver was the intense trading activity, much improved compared to the previous year.

Trading values on all BVB's markets including public offers increased by 6.6% y-o-y in 2014 to RON 14.4 bn, while trading on the regulated stock market went up by 15.2% to approximately RON 13 bn (including public offers). The average daily turnover for the regulated stock market excluding public offers increased at a 22% growth rate to RON 38.9 mn (EUR 8.76 mn).

As a reminder, apart from the last quarter's FP buy-back program, other major deals for the year were Electrica IPO, worth a total of EUR 444 mn, the private placements of Romgaz shares (~EUR 100 mn) and Transelectrica shares (~EUR 50 mn), as well as two issues of corporate bonds sold via BVB by Raiffeisen Bank and Garanti Bank, cumulating RON 800 mn.

Almost all categories of operating revenues registered increases compared to the previous year. During 2014, BVB accepted a new member and made steps to acquire another participant to the trading system, which sent revenues from participant fees up more than 3 times, to RON 0.29 mn. Furthermore, listings of new companies since November 2013 increased fees registered for maintenance to trading, while admission fees for newcomers (such as Electrica) and the new schedule of fees paid by issuers of structured products resulted in additional revenues.

The IT development area generated revenues from in-house developed upgrades to the trading system, BVB's website or other IT projects that translated into new intangible assets worth of RON 0.66 mn. In addition, revenues generated by the separation of the trading environment from the post-trading system sent revenues from IT services offered up to RON 0.77 mn for the full year, double in y-o-y terms.

All in all, **operating revenues** reached RON 27.88 mn, up by 14.2% compared to the previous year.

On the costs side, **operating expenses** increased by 2.9% y-o-y to RON 16.75 mn. As a reminder, 2013 expenses included a non-recurring reversal of provision for the land (a revenue of RON 1.02 mn) which if it were not accounted for in the

calculation would turn the above-mentioned 2.9% increase turn into a 3.2% y-o-y decline. Letting the provision revenue aside, depreciation charges increased by 12.6% y-o-y to RON 0.77 mn, determined by investments over the past year.

Personnel expenses were lower compared to the year ago amount, at RON 8.87 mn, while other expenses included in the third-party services costs had a similar trend, partially countering the increases in marketing expenses or functioning and administrative expenses.

Profit and loss account (RON mn)	2014	2013	Change 2014 vs 2013
Operating revenues, of which:	27.88	24.41	14.2%
Sales revenues	26.87	24.29	10.6%
Operating expenses, of which:	16.75	16.28	2.9%
Personnel expenses	8.87	9.12	-2.7%
Operating profit	11.13	8.13	36.9%
Financial profit	3.02	2.90	4.2%
Pre-tax profit	14.15	11.03	28.3%
Net profit	11.90	9.48	25.4%
Earnings per share (RON)	1.55	1.24	25.4%

As a result, the **operating profit** ended at RON 11.13 mn, a significant 36.9% above the figure reported for 2013.

The **financial profit** increased by 4.2% y-o-y to RON 3.02 mn, despite the fact that subsidiaries (i.e. the Central Depository) paid no dividends in 2014 from the 2013 profit, the RON 0.38 mn amortization of costs related to the acquisition of government securities and the adjustment registered in December 2014 for BCH, amounting to RON 0.69 mn. As interest rates declined significantly over the past year, BVB's revenues from investments registered a 3.2% y-o-y decline to RON 2.68 mn. Furthermore, the depreciation of the USD versus the local currency by more than 13%, while the RON/EUR rate remained stable, resulted in net unrealized revenues of RON 1.32 mn from the revaluation of foreign currency-denominated investments, compared to the net cost of RON 0.14 mn registered in 2013.

The **net profit** marked a 25.4% year-on-year increase to RON 11.90 mn in 2014. The net margin for the analyzed period was 44.3%, 5.2 percentage points above 2013.

Financial position as of December 31, 2014

Net assets

At the end of December 2014, BVB's **total assets** were RON 106.48 mn, up 2% compared to the figure reported at the beginning of the year.

Non-current assets increased by 15.4% or RON 9.46 mn since the beginning of the year. The net value of intangible assets increased to RON 1.04 mn, mostly determined by the in-house development of new intangible assets related to IT projects (BVB's website, Arena upgrades) and acquisition of new software. Non-current financial assets reached RON 65.31 mn, the consistent increase versus the beginning of the year being attributable to acquisitions of long-term government bonds in RON and EUR.

Current assets declined to RON 35.37 mn at the end of the reporting period, down 17.2% since the beginning of the year, as BVB gradually turned to investments in longer-term government bonds rather than shorter term deposits, aiming at limiting the adverse effects of the declining interest rate environment. Such actions were also the main cause of the **cash and short term investments** decline, which was also attributable to the payment of dividends of RON 9 mn to BVB's shareholders, from 2013 and previous years' net profits.

Assets (RON mn)	31.12.2014	01.01.2014	Equity & Liabilities (RON mn)	31.12.2014	01.01.2014
Non-current assets	70.98	61.52	Shareholders' equity	100.68	97.82
Current assets – total, of which:	35.37	42.70	Payables, all due in less than 1 year	4.63	5.54
- cash, bank accounts and other short term financial investments	27.97	37.45			
Prepaid expenses	0.13	0.18	Provisions	0.48	0.37
			Deferred revenues	0.69	0.66
Total assets	106.48	104.39	Total equity & liabilities	106.48	104.39

BVB's **debt** at the end of December 2014, due in less than 1 year, amounted to RON 4.63 mn, 16.4% lower compared to the beginning of the year. The amount included liabilities to BVB's shareholders' (dividends payable), accrued liabilities to the company's management and employees, liabilities to the state budget and the social security budget, not due at the end of the analyzed period.

Shareholders' equity increased by 3% y-o-y to RON 100.68 mn, due to the registration of the full-year profit.

ANNEXES

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Balance sheet as of December 31, 2014

All amounts are indicated in RON, unless otherwise stated

Indicator	Row	Balance as at	
		31.12.2014	01.01.2014
A. NON-CURRENT ASSETS			
Intangible assets			
3. Licenses, other intangible assets (acc. 205+208-2805-2808-2905-2908)	3	1,043,164	70,245
5. Advance payments and intangible non-current assets in progress (acc. 233+234-2933)	5	<u>0</u>	<u>0</u>
Total intangible assets (row 01 to 05)	6	1,043,164	70,245
Tangible assets			
1. Land and constructions (acc. 211+212-2811-2812-2911-2912)	7	3,344,100	3,344,100
2. Equipment and machinery (acc. 214-2814-2914)	8	865,311	808,041
3. Other equipment and furniture (acc. 214-2814-2914)	9	415,972	388,840
4. Advance payments and tangible assets in progress (acc. 231+232-2931)	10	<u>0</u>	<u>0</u>
Total tangible assets (row 07 la 10)	11	4,625,383	4,540,981
Financial assets			
1. Shares held in subsidiaries (acc. 261-2961)	12	25,540,363	26,231,326
5. Investments held as financial assets (acc. 262+264+265+266-2696-2962-2964)	16	1,391,447	1,358,109
6. Other receivables (acc. 2673+2674+2678+2679-2966-2969)	17	38,375,645	29,315,934
Total financial assets (rows 12 to 17)	18	<u>65,307,455</u>	<u>56,905,369</u>
TOTAL NON-CURRENT ASSETS (rows 06+11+18)	19	70,976,002	61,516,595
B. CURRENT ASSETS			
Inventories			
3. Advance payments for purchases of inventories (acc. 4091)	22	<u>6,325</u>	<u>0</u>
Total inventories (row 20 la 22)	23	6,325	0
Receivables			
1. Trade receivables (acc. 2675*+2676*+2678*+2679*-2966*-2969*+4092+411+413+418-491)	24	6,024,307	2,433,141
2. Receivables from affiliates (acc. 4511+4518-4951)	25	0	0
4. Other receivables (acc. 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187)	27	<u>1,371,885</u>	<u>2,812,685</u>
Total receivables (row 24 to 28)	29	7,396,192	5,245,826
Short term financial investments			
2. Other short term financial investments (acc. 5031+5032+505+5061+5062+5071+5072+5081+5082+...+5113+5114)	31	<u>26,879,739</u>	<u>35,119,284</u>
Total short term financial investments (rows 30 to 31)	32	26,879,739	35,119,284
IV. Cash and bank accounts (acc. 5112+5121+5122+5123+5124+5125+5311+5314+5321+5322+5323+...+542)	33	<u>1,089,155</u>	<u>2,331,872</u>
TOTAL CURRENT ASSETS (rows 23+29+32+33)	34	35,371,411	42,696,982
C. PREPAID EXPENSES (acc. 471)	35	134,433	175,058
D. PAYABLES WITHIN ONE YEAR			
3. Advance payments from clients (acc. 419)	38	7,704	107,570
4. Trade payables (acc. 401+404+408)	39	911,384	667,357

Indicator	Row	Balance as at	
		31.12.2014	01.01.2014
8. Other payables, including tax and social security payables (acc. 1623+1626+167+1687+2698+421+423+424+...+5197)	43	<u>3,713,853</u>	<u>4,764,777</u>
Total payables within one year (rows 36 to 43)	44	4,632,941	5,539,704
E. NET CURRENT ASSETS OR NET CURRENT LIABILITIES (rows 34+35-44-60.2)	45	30,178,125	36,670,241
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rows 19+45-60.1)	46	101,154,127	98,186,836
G. PAYABLES WITHIN MORE THAN ONE YEAR			
8. Other payables, including tax and social security payables	54	<u>0</u>	<u>0</u>
Total payables within more than 1 year (row 47 to 54)	55	0	0
H. PROVISIONS			
1. Pension and other similar provisions (acc. 1515)	56	178,746	269,506
2. Other provisions (acc. 1511+1512+1513+1514+1518)	58	<u>300,000</u>	<u>100,000</u>
TOTAL PROVISIONS (rows 56+57+58)	59	478,746	369,506
I. DEFERRED REVENUE (row 60.1+60.2+60.3)	60	694,778	662,095
2. Deferred revenue	60.2	694,778	662,095
J. SHARE CAPITAL AND RESERVES			
Capital (rows 62+63), of which:	61	76,741,980	76,741,980
- paid-in subscribed capital (acc. 1012)	63	76,741,980	76,741,980
Share premium (acc. 104)	64	8	8
Revaluation reserves (acc. 105)			
- Credit balance	65	2,325,080	2,325,080
- Debit balance	66	0	0
Reserves (rows 68 to 73-74)	67	<u>10,419,789</u>	<u>9,712,158</u>
1. Legal reserves (acc. 1061)	68	6,507,834	5,800,353
2. Reserves for bonus shares received (acc. 1065*)	70	2,413,197	2,413,197
3. Reserves representing the surplus from reevaluation reserves (acc. 1067)	72	57,109	57,109
4. Other reserves (acc. 1068)	73	1,441,649	1,441,499
Retained earnings			
Profit – Credit balance	77	0	0
Loss – Debit balance	78	0	0
Result for the year			
Profit (acc. 121) – Credit balance	79	11,896,005	9,484,404
Loss (acc. 121) – Debit balance	80	0	0
Profit distribution (acc. 129)	81	<u>707,481</u>	<u>446,300</u>
TOTAL SHAREHOLDERS' EQUITY (row 61+64+65-66+67+75-76+77-78-79)	82	100,675,381	97,817,330

Profit and loss account

All amounts are indicated in RON, unless otherwise stated

Indicator	Row	4Q		2014	
		01.10.2014	01.10.2013	01.01.2014	01.01.2013
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
1. Sales revenues	1	7,986,977	10,653,255	26,871,380	24,287,070
3. Production made by the entity for its own use and capitalized	6	272,699	0	659,272	0
4. Other operating revenues (acc. 7417+758)	7	<u>228,803</u>	<u>7,946</u>	<u>348,832</u>	<u>125,303</u>
Operating revenues – TOTAL (rows 01+04-05+06+07)	8	8,488,479	10,661,201	27,879,484	24,412,373
5. Material expenses and other third party expenses (rows 10 to 12)	9	<u>75,159</u>	<u>66,353</u>	<u>292,743</u>	<u>295,968</u>
Consumable materials expenses (acc. 602-7412)	10	28,018	18,332	102,724	93,087
Other material expenses (acc. 603+604)	11	12,562	16,890	46,143	46,721
Other third party expenses (water and energy) (acc. 605-7413)	12	34,579	31,131	143,876	156,160
6. Personnel expenses (rows 14+15)	13	<u>3,710,855</u>	<u>3,277,344</u>	<u>8,869,830</u>	<u>9,119,776</u>
- Base personnel salaries (acc. 641+642-7414)	14	3,324,452	2,833,981	7,379,484	7,341,252
- Social security contributions (acc. 645-7415)	15	386,403	443,363	1,490,346	1,778,524
7a. Adjustments of tangible and intangible assets (rows 17-18)	16	<u>243,047</u>	<u>169,718</u>	<u>766,419</u>	<u>-338,117</u>
a.1) Expenses (acc. 6811+6813)	17	243,047	169,718	766,419	680,903
a. 2) Revenues (acc. 7813+7815)	18	0	0	0	1,019,020
7b. Adjustments of current assets (rows 20-21)	19	<u>0</u>	<u>330,535</u>	<u>0</u>	<u>328,916</u>
b.1) Expenses (acc. 654+6814)	20	0	330,535	0	338,953
b.2) Revenues (acc. 754+7814)	21	0	0	0	10,037
8. Other operating expenses (rows 23 to 25)	22	<u>1,746,485</u>	<u>1,981,134</u>	<u>6,711,177</u>	<u>6,773,568</u>
a) Third party expenses (acc. 611+612+613+614+621+622+623+624+625+626+627+628-7416)	23	1,412,394	1,603,962	5,489,286	5,555,858
b) Other taxes, duties and similar expenses (acc. 635)	24	263,954	313,491	1,129,793	1,148,081
c) Compensation expenses, donations and disposed assets (acc. 658)	25	70,137	63,681	92,098	69,629
d) Adjustments for provisions (rows 27-28)	26	<u>411,380</u>	<u>303,212</u>	<u>109,240</u>	<u>99,940</u>
d.1) Expenses (acc. 6812)	27	478,746	369,506	478,746	369,506
d.2) Revenues (acc. 7812)	28	<u>67,366</u>	<u>66,294</u>	<u>369,506</u>	<u>269,566</u>
Operating expenses – TOTAL (row 09+13+16+19+22+26)	29	6,186,926	6,128,296	16,749,409	16,280,051
Operating result					
- Profit (rows 08-29)	30	2,301,553	4,532,905	11,130,075	8,132,322
- Loss (rows 29-08)	31	0	0	0	0
Financial revenues					
9. Revenues from investments in associates (acc. 7613)	32	0	0	0	0
10. Revenues from other financial investments (acc. 7611+7612)	34	4,705	8,997	56,858	378,664
- of which revenues from affiliates (acc. 7611)	35	0	0	0	355,445
11. Interest earned (acc. 766)	36	661,871	642,789	2,683,190	2,771,091
12. Other financial revenues (acc. 7616+7617+762+763+764+765+767+768)	38	<u>841,426</u>	<u>406,536</u>	<u>2,074,227</u>	<u>2,394,556</u>

Indicator	Row	4Q		2014	
		01.10.2014	01.10.2013	01.01.2014	01.01.2013
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
Financial revenues – TOTAL (rows 32+34+36+38)	39	1,508,002	1,058,322	4,814,275	5,553,311
12. Adjustments of financial assets and of financial investments classified as current assets (row 41-42)	40	<u>754,634</u>	<u>286,060</u>	<u>1,036,571</u>	<u>123,937</u>
Expenses (acc. 686)	41	830,231	430,507	1,223,451	477,884
Revenues (acc. 786)	42	75,597	144,447	186,880	353,947
13. Other financial expenses (acc. 663+664+665+667+668)	45	<u>8,010</u>	<u>482,976</u>	<u>758,156</u>	<u>2,530,681</u>
Financial expenses - TOTAL (row 40+43+45)	46	762,644	769,036	1,794,727	2,654,618
Financial result					
- Profit (row 39-46)	47	745,358	289,286	3,019,548	2,898,693
- Loss (row 46-39)	48	0	0	0	0
14. Current result					
- Profit (row 08+39-29-46)	49	3,046,911	4,822,191	14,149,623	11,031,015
- Loss (row 29+46-08-39)	50	0	0	0	0
Total revenues (row 08+39+51)	55	9,996,481	11,719,523	32,693,759	29,965,684
Total expenses (row 29+46+52)	56	6,949,570	6,897,332	18,544,136	18,934,669
Pre-tax result					
- Profit (row 55-56)	57	3,046,911	4,822,191	14,149,623	11,031,015
- Loss (row 56-55)	58	0	0	0	0
18. Income tax expenses	59	<u>480,845</u>	<u>797,555</u>	<u>2,253,618</u>	<u>1,546,611</u>
Result for the year					
- Profit (row 57-59-60)	61	2,566,066	4,024,636	11,896,005	9,484,404
- Loss (row 58+59+60) or (row 59+60-57)	62	0	0	0	0

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