



Financial Investment Company **MOLDOVA SA**

Half year report according to:	Law 297/2004, NSC Regulations no. 1/2006 and 15/2004 and BSE Code
Date of report:	Jun 30, 2009
Name of issuing company:	Financial Investment Company Moldova S.A.
Company head office:	Bacau, Pictor Aman street no. 94 C, Bacau County
Telephone/Fax no.:	0234/576740 fax 0234/570062; 0234/570101
Web/e-mail:	www.sifm.ro , sifm@sifm.ro
Fiscal registration code:	RO 2816642
Serial Number in the Trade Registry:	J04/2400/92
NSC Registry No.:	PJR09SIIR/040001/14.12.2005
Subscribed and paid-in registered capital:	51.908.958,8 lei
Regulated market trading issued securities:	BVB

FIC MOLDOVA BOARD OF DIRECTORS' ACTIVITY REPORT FOR THE 1ST HALF OF 2009

FACTS ABOUT THE COMPANY

- * The title of the company is Moldova Financial Investment Company SA, it has the legal form of a joint stock company; it operates according to the articles of incorporation, of Law no. 31/1990 R amended by Law no. 441 / 2006, Law no. 297 / 2004 and NSC regulations. The company is the successor of the Private Ownership Fund II – Moldova, reorganized and transformed according to the provisions of Law no. 133/1996 and Law no. 164/1999;
- * The subscribed and paid-in registered capital is 51.908.958,8 RON, divided into 519.089.588 shares with a par value of 0,1 RON;
- * The shares are listed on the Bucharest Stock Exchange in the 1st tier, beginning Nov 1, 1999;
- * The record of shares and shareholders is maintained according to legal specifications, by Central Depository (S.C. Depozitarul Central S.A.)
- * Asset depository services are performed by Romanian Development Bank (BRD) – Groupe Societe Generale S.A. Bucharest – depository contract approved by NSC in Approval no. 113/14.12.2005.
- * The company's financial auditor is Deloitte Audit LLC București.

Financial Investment Company Moldova S.A. is registered at:

- * Bacau Chamber of Commerce, Industry and Agriculture – J04/2400/92;
- * National Securities Commission – Decision no. 1902 / Aug. 30, 1999 of permanent authorization;
- * Securities Registry – Registration Certificate no. 418 / Sep 7, 1999;
- * National Securities Commission– Decision no. 1841 / Jun 16, 2005 authorizing the Board of Directors membership.
- * National Securities Commission– Decision no. 3368 / Dec 14, 2005 authorizing modification of the Articles of Incorporation comprised in the Additional Act authenticated under no. 531 / Oct 14, 2005;
- * National Securities Commission - Attestation no. 257 / Dec 14, 2005 – registration of FIC Moldova in NSC Registry at no. PJR09SIIR / 040001;

* National Securities Commission - Attestation no. 258 / Dec 14, 2005 – inclusion of FIC Moldova in the Association of Collective Investment Organizations (Association of Collective Investment Organizations) category with a diversified investment policy.

* National Securities Commission – Approval no. 22 / May 14, 2009 authorizing the modification of the Board of Directors membership of FIC Moldova SA;

* National Securities Commission – Approval no. 28 / Jun 11, 2009 authorizing the modification of the leadership of FIC Moldova SA.

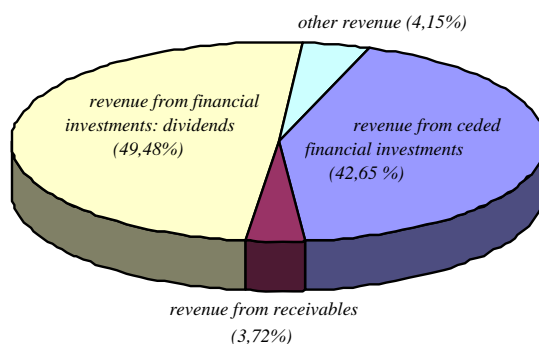
I. GENERAL OBJECTIVES, SPECIFIC INDICATORS

The main economic and financial results at the conclusion of the first half of 2009, compared to the revenue and expense budget and to the objectives set forth in the 2009 activity program, are:

(RON)

Indicators / Objectives	Realized as of June 30, 2008	Realized as of June 30, 2009	Set forth in 2009 REB	% realized of REB
Net profit	70.597.777	89.386.458	50.175.517	178.15%
Gross profit	73.660.277	93.128.306	50.815.517	183.27%
Total revenue	99.836.865	148.719.064	80.016.993	185.86%
Total expense	26.176.588	55.590.758	29.201.476	190.37%

Financial revenue represents 97,84% of total revenue as of June 30, 2009 and has the following structure:

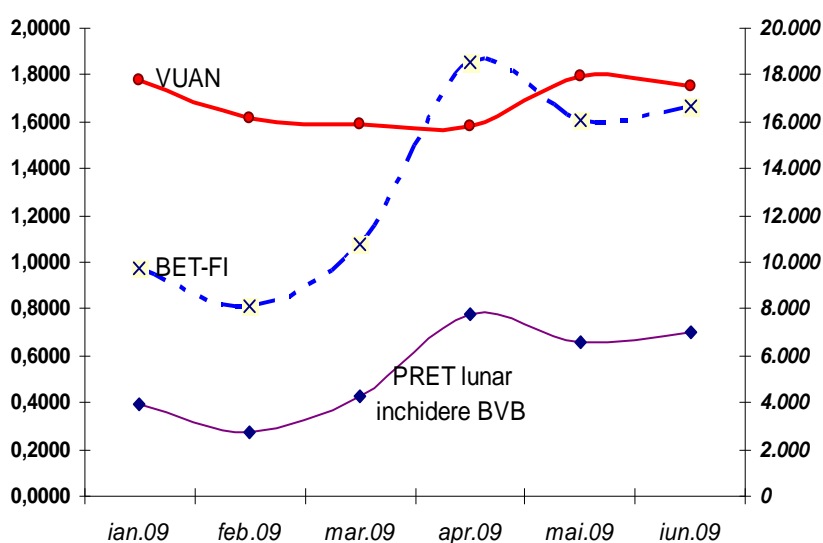


This balance of revenue generated by assets held as well as assets ceded arises from the balanced and effectively structured portfolio.

In summary, the indicators attained as of Jun 30, 2009, compared to the provisions of the revenue and expense budget and to the activity program for 2009 are:

Indicators/ Objectives	Realized as of June 30, 2008	Realized as of June 30, 2009	Provided in REB 2009	(RON)
				Realized of REB as of Jun 30, 2009
Profit from disinvestment	23.850.597	37.750.312	20.000.000	188,75%
Revenue from ceded financial investments	34.507.164	62.062.988	30.000.000	206,88%
Expenses with ceded financial investments	10.656.567	24.312.676	10.000.000	243,13%
Revenue from financial investments (dividends)	46.212.524	71.995.293	40.000.000	179,99%

The book value of shares at the conclusion of the first half of 2009 was 910.147.291 RON, 4.78% lower than the value at the end of the previous year. The book value as of Jun 30, 2009 is 1.7534 RON, while the BVS on Dec 31, 2008 was 1,8413 RON.



In the first six months of 2009, the monthly closing price had a positive evolution, from 0,3920 RON / share on Jan 31, 2009 to 0,7050 RON / share as of June 30, 2009. The opening price of 2009 for the FIC2 security, of 0,5400 RON / share was exceeded during the second quarter of 2009, recording a growth of over 76% in the period under analysis.

II. ACHIEVEMENT OF OBJECTIVES IN THE ACTIVITY PLAN

While pursuing the aim of building a successful company, the management of the Financial Investment Company FIC Moldova faced significant changes in: the economic environment, the Company's own operational framework and shareholder expectations.

The management's primary concerns consist of drafting and implementing a strategy for managing the effects of the financial crisis, the diversification of risk, in the circumstances having led to the depreciation of assets and of the historic portfolio (taken over from the former Private Property Fund – FPP).

To the end of ensuring a dynamic balance between objectives and resources, the management of the Financial Investment Company Moldova proposes programs of action, from an operational as well as an organizational perspective, as follows:

- Operational
 - constituting an investment committee with the participation of specialists in all of FIC Moldova's fields of activity, in order to identify new opportunities and investment instruments;
 - increasing the volume of transactions by exploiting the opportunities offered by the capital and monetary market;
 - constituting a budget in which the operational expenses category is managed with a view to reducing them, compared to the previous fiscal years as well as to the 2009 forecast.

- Organizational – drafting and implementing a new organizational structure, based on increasing the efficiency of the degree of operational accomplishment of the objectives undertaken.

II.1. ACHIEVEMENT OF FINANCIAL OBJECTIVES IN THE 1ST HALF OF 2009

II.1.1. MANAGEMENT OF INVESTMENTS IN THE FIC Moldova SA PORTFOLIO

Between Jan 1, 2009 and Jun 30, 2009, share portfolio and other investments management objectives were pursued, as set forth in the FIC Moldova activity program.

◆ Share portfolio management

FIC Moldova continued the portfolio reconfiguration and optimization policy in view of increasing its profitability, aiming at increasing the value of participations in profitable companies or in companies with advantageous trading opportunities and decreasing participations in companies in difficult economic and financial situations or without perspective.

Evolution of the share portfolio at nominal value

As of Jun 30, 2009, FIC Moldova holds investments in companies totalling 312.298.230 RON and 24.412 EUR (holding in Erste). In the Jan 1 – Jun 30, 2009 period, the nominal value of the FIC Moldova portfolio recorded a decrease in absolute value amounting to 32.072.970 RON, representing 9.3% of the nominal value of the portfolio as of Jan 1, 2009.

The value effects on the portfolio, categorized by cause, are presented in the following table:

- RON -

Nominal value of the portfolio as of Jan 1, 2009		344.371.200
1.	Increase in registered capital in companies by including reserves	117.970
2.	Acquisitions (capital market operations)	186.192
3.	Participation in the increase in registered capital in cash	1.141.989
	Total increase	1.445.989
4.	Sales	-32.043.854
5.	Write-off from the portfolio (finalization of liquidations)	-1.475.105
	Total decreases	- 33.518.959
	Change in nominal value of the portfolio	-32.072.970
Nominal value of the portfolio as of Jun 30, 2009		312.298.230

➤ **Factors having led to the increase in nominal value of the portfolio:**

1) Increase in registered capital in one company, from internal reserves available registered in the accounting records of issuers, 117.970 RON, in nominal value, represent 8,1 % of the total increase. This operation was recorded in Artrom Slatina.

2) Consolidation and / or increase in investment in companies that are profitable or have the potential for growth, by:

- **acquisitions** – involving stock in 9 companies, 186.192 RON in nominal value, representing 12.9% of the total increase. Shares were acquired in: Transgaz, BRD, Petrom, Rompetrol Rafinare, Mobam, etc.;

- **direct investment** (primary investment) – by participating in the increase in registered capital in 1 company (Chimcomplex – issuer in which a subscription was made during 2008 and the investment was registered in 2009) and participation in the incorporation of a new company (Sibex Depository), 1.141.827 RON in total nominal value, representing 79% of the total increase.

➤ **Factors having led to the decrease in nominal value of the portfolio:**

1) Sales of shares - the sale of participations (full or partial) in 24 issuers, 32.043.854 RON in nominal value was recorded, representing 95.6% of the total decreases. The sale of shares represents one of the important directions in the portfolio restructuring strategy, also generating the most important source of revenue and profit, the sales having a high rate of return (sale price to acquisition cost ratio). It is worth mentioning the sale of the full package in 10 issuers, among which: Bancpost Bucuresti, STX RO Offshore Braila, Romania Leasing IFN Bucuresti, Prodvinalco Galati, Comcereal Suceava, etc. Concomitantly, 14 issuers were subject to partial sales, among which BRD, Rompetrol Refinery, Petrom, Transilana Ghimbav, etc.;

2) write-off of 6 companies in which the liquidation procedure was finalized in compliance with Law 85 / 2006, resulting in the elimination from the portfolio of participations held, 1.475.105,50 RON in nominal value, representing 4.4% of the total decrease. Examples: Sircovtex Siret, Prodagro Zorleni, Avicola Botosani, etc.;

Evolution of the portfolio according to the number of investments

Restructuring operations throughout the first quarter led to a decrease of the number of investments in the companies in the portfolio, therefore as of Jun 30, 2009 the portfolio comprised 230 companies, compared to 243 companies on Jan 1, 2009. It is worth mentioning that 80 companies in the portfolio were as of Jun 30, 2009 in various stages of insolvency, reorganization or judicial liquidation procedures. The total nominal value of the packages held by FIC Moldova in these companies was 54.955.865 RON, representing 17,6% of the total investments at nominal value.

Evolution of the share portfolio according to trading market

In the Jan 1, 2009 – Jun 30, 2009 period, portfolio reconfiguration and optimization led to the following structure according to the trading market:

Portfolio structure	Total nominal value of the package				Total market value* of the package			
	Jan 1, 2009		Jun 30, 2009		Jan 1, 2009		Jun 30, 2009	
	Thousand RON	%	Thousand RON	%	Thousand RON	%	Thousand RON	%
Traded stock, of which:	145.834	42,35	174.919	56,01	437.319	49,01	419.734	55,63
Listed on the BSE (REGS)	79.619	23,12	119.238	38,18	360.508	40,41	365.704	48,47
Listed in BVB-BER (RGSB)	25.790	7,49	20.076	6,43	27.858	3,12	22.269	2,95
Unlisted, traded through the BSE system (UNLS)	11.695	3,40	11.682	3,74	8.915	1,00	10.499	1,39
Listed in BVB-BER – extra stock market (XMBS)	28.730	8,34	23.924	7,66	39.301	4,40	20.293	2,69
Listed in foreign stock market (RGSI)	-	-	-	-	737	0,08	969	0,13
Untraded stock, Of which:	198.537	57,65	137.379	43,99	454.902	50,99	334.838	44,37
Closed companies	130.446	37,88	109.275	34,99	370.081	41,48	313.701	41,57
Listed, not traded companies	0	0,00	0	0,00	0	0,00	0	0,00
Listed, not traded in last 90 days companies	68.091	19,77	28.104	9,00	84.821	9,51	21.137	2,80
Total	344.371	100,00	312.298	100,00	892.221	100,00	754.572	100,00

** Market value is determined according to NSC Regulation no. 15/2004 with subsequent additions:*

Art. 202 “(2) The evaluation of securities and monetary market instruments admitted or traded on a regulated market in Romania, in a member or non-member state and recorded in the accounting of an ACIO incorporated by Articles of Incorporation as financial assets or current assets is done using:

a) the average weighted price method calculated for the last 90 days in the case of securities and monetary market instruments traded in the specified timeframe;

b) the average weighted price calculated from the date of an event involving a change in the par value of the share, the distribution of free shares or in other such circumstances influencing the market value of securities or monetary market instruments mentioned in letter a), if the event occurred in the period specified in letter a);

c) the procedure set forth in paragraph (3) for securities not traded in the timeframe specified in letter a);

(3) The evaluation of shares not admitted for trading in a regulated market in Romania, held by an Association of Collective Investment Organizations (AOPC) incorporated by Articles of Incorporation, for an issuer, is based on the value of the owner's equity of the issuer as reported in the latter's latest financial report, transmitted to the Public Finances Ministry (M.F.P.). In the case of credit institutions, the calculation is based on the value of the owner's equity as stated in the reports sent to the National Bank of Romania (B.N.R.).

The calculation method is as follows:

a) for holdings of an ACIO incorporated by Articles of Incorporation representing over 50% of the issuer's registered capital, by applying the respective share held by the ACIO to the issuer's Owners' Equity;

b) for holdings of an ACIO incorporated by Articles of Incorporation representing between 33 - 50% of the issuer's registered capital, by applying 85% of the value obtained from the application of the respective share of the issuer's registered capital held by the ACIO to the issuer's Owners' Equity;

c) for holdings of an ACIO incorporated by Articles of Incorporation representing between 5 - 33% of the issuer's registered capital, by applying 75% of the value obtained from the application of the respective share of the issuer's registered capital held by the ACIO to the issuer's Owners' Equity;

d) for holdings of an ACIO incorporated by Articles of Incorporation representing under 5% of the issuer's registered capital, by applying 50% of the value obtained from the application of the respective share of the issuer's registered capital held by the ACIO to the issuer's Owners' Equity.

(4) The shares of companies undergoing judicial reorganization or liquidation are included in the net assets of ACIO established by Articles of Incorporation with a null value, up to the conclusion of the procedure.

(5) The shares of companies in the ACIO portfolio established by Articles of Incorporation with negative values of the owner's equity are included in the calculation of the net assets with a null value.

(6) In the case of shares held by ACIO established by Articles of Incorporation in credit institutions of insurance, insurance-reinsurance or reinsurance companies, the value recorded in the ACIO assets is the value calculated by applying the weight held by the ACIO in the registered capital of the issuer to the owner's equity of the issuer, irrespective of the weight of the specified holding.”

An increase in the share of the investments in stock traded on the BSE compared to Jan 1, 2009 is recorded in nominal value as well as in market value, as a consequence of acquisitions made. Concomitantly, a decrease is recorded in the weight of closed companies in the portfolio nominal value, determined mainly by the sale of Bancpost.

Structure and evolution of the portfolio by field of activity

The structure of the portfolio by field of activity according to nominal value and calculated value of investments presents as follows:

Field	Company No.		Nom. val. (thousand RON)		% of nominal value		Market value (thousand RON)		% of market value	
	Jan 1, 09	Jun 30, 2009	Jan 1, 09	Jun 30, 2009	Jan 1, 09	Jun 30, 2009	Jan 1, 09	Jun 30, 2009	Jan 1, 09	Jun 30, 2009
Banking, insurance*	9	8	151.594	126.777	44,02	40,59	702.749	576.302	78,76	76,38
Machinery manufacture	21	18	52.735	46.940	15,31	15,03	35.598	30.371	3,99	4,02
Textiles & Garments	37	36	24.279	23.494	7,05	7,52	33.608	19.977	3,77	2,65
Agriculture	51	45	17.565	16.537	5,10	5,30	8.193	8.139	0,92	1,08
Chemicals	7	7	15.682	16.212	4,55	5,19	670	2.812	0,08	0,37
Metallurgy	6	7	15.742	15.743	4,57	5,04	10.690	9.158	1,20	1,21
Commerce, restaurants	18	18	8.893	8.893	2,58	2,85	17.992	22.419	2,02	2,97
Food industry	17	16	4.281	4.264	1,26	1,37	3.653	3.863	0,4	0,51
Others	77	75	53.600	53.438	15,56	17,11	79.067	81.531	8,86	10,81
Total	243	230	344.371	312.298	100,00	100,00	892.221	754.572	100,00	100,00

- in the case of Erste Bank, the shares acquired in it are not reflected in the nominal value, only in the market value.

A numeric, value and percentage decrease is noted in the banking sector, as a consequence of the sale of the investment in Bancpost Bucuresti, of the descending market trend and of the circumstances of the environment of banking companies.

The top 10 companies in the portfolio classified by the market value of the FIC Moldova share as of Jun 30, 2009 are presented in the following table:

- Thousand RON -

Company	City	Field of Activity	Market value of the investment	
			Jan 1, 2009	Jun 30, 2009
BCR	Bucuresti	Banking	299.775	280.982
BRD GSG	Bucuresti	Banking	288.393	243.978
BANCA TRANSILVANIA	Cluj	Banking	66.468	45.349
PETROM	Bucuresti	Oil extraction, processing	18.996	19.422
BIOFARM	Bucuresti	Pharmaceuticals	11.734	18.786
SNTGN TRANSGAZ	Medias	Pipeline transport	7.596	10.078
MECANICA CEHLAU	Piatra- Neamt	Agricultural machinery manufacture	13.143	8.681
TRANSELECTRICA	Bucuresti	Transportation of electrical power	9.861	8.610
RULMENTI	Barlad	Machinery manufacture	6.717	8.266
AEROSTAR	Bacau	Machinery manufacture	6.912	7.045

Structure and evolution of the portfolio by the weight of share held in the issuer registered capital

FIC Moldova investments according to % held in the registered capital of issuers in the portfolio	Jan 1, 2009			Jun 30, 2009		
	No.	Nominal value	%	No.	Nominal value	%
		- Thousand RON -			- Thousand RON -	
Insignificant shares: % SIF < 10%	123	220.487	64,03	118	190.136	60,88
Significant shares: 10% ≤ % FIC < 33%	95	91.924	26,69	89	90.449	28,96
Control shares: 33 % ≤ % SIF < 50 %	17	11.682	3,39	15	11.436	3,67
Majority shares: % SIF ≥ 50 %	8	20.279	5,89	8	20.277	6,49
Total shares:	243	344.371	100,00	230	312.298	100,00

A decrease in value is noted in investments in all categories as well as the numeric decrease of investments in which FIC Moldova holds a share lower than 50%. The number of companies in which FIC Moldova holds a majority share has remained constant and there is a slight value decrease.

Portfolio monitoring

FIC Moldova continued to improve its portfolio administration and monitoring activity, to the aim of increasing the value and profitability of investments held in companies. Measures taken to this purpose involved as a priority the implication through General Assemblies of Shareholders and Boards of Directors in companies in which FIC Moldova holds majority or control positions, as well as in those in which capital investments were made, in order to impose effective management policies to ensure development of the company and attainment of profit, or crisis policies to ensure the recovery of the company.

At the same time, active involvement in programs for their development was pursued, by supporting financing programs from its own sources or by participating in registered capital increases, by the implementation of corporate governance principles, by increasing the degree of collaboration with the main shareholders in order to carry out common actions to the aim of maximizing profit and listing the company in superior categories of the Bucharest Stock Exchange / BSE (BVB), etc.

Profitability of companies in the portfolio for the 2008 fiscal year

- Total number of companies in the portfolio as of Jun 30, 2009 – **230**
- Number of companies having recorded profit in 2008 – **115**
- Number of companies having recorded losses in 2008 – **29**
- Number of companies undergoing liquidation / reorganization / insolvency – **83**
- Number of companies with no information regarding the financial status – **3**

Dividends due for the 2008 fiscal year

- Number of companies where FIC Moldova is a shareholder and that will distribute dividends for 2008 – **43**
- Total dividends due from companies in the portfolio for the 2008 fiscal year: **72 mil. RON**

◆ Other Securities in the portfolio as of Jun 30, 2009

Securities of AOPC/OPCVM:

- 3.120 securities of The Businesspersons' Fund ("Fondul Oamenilor de Afaceri") 8.468 RON in nominal value and 5.502 RON in market value;
- 200.000 titles of BT MAXIM, 2.000.000 RON in nominal value and 1.088.000 RON in market value;

- 100 securities of BT INVEST 1, 1.000.000 RON in nominal value and 757.481 RON in market value.

Bonds:

- 14.000 municipal bonds with a 518.000 RON acquisition value and a 352.364 RON total value;
- 2.598 corporate bonds with a 694.122 RON acquisition value and a 696.139 RON total value.

The detailed status of investments according to Regulation 15 / 2004 annex 17 issued by the NSC is presented in annex IV.2 to the present report.

◆ **Investing – disinvesting activity**

In accordance with the strategic objectives set forth by FIC Moldova for the year 2009, the investment policy was characterized by prudence and flexibility, in a dynamic process to adapt the asset management activity to the evolution of markets and financial products as well as of economic sectors and issuers.

The domestic macroeconomic evolution reveals the fact that the economy is continuing to decline, the current account deficit is being abruptly adjusted, crediting is deficient, overdue credits are increasing and the end of these processes is difficult to anticipate.

This evolution has generated a high level of risk aversion, which led to prudent approaches regarding share investments on the domestic stock market – market that by the small size and sometimes very low liquidity creates additional difficulty in carrying out trading programs.

As a consequence, trading operations were focused on sales of securities and implicitly on the accumulation of liquidities that would support resuming the investment process, at a significant level, when the uncertainty regarding future evolutions will be reduced.

Investing activity

Investments carried out in the 1st half of 2009 are part of the prudential policy of the 2009 activity program and of the economic context.

The structure of these investments is as follows:

	(RON)
Status of investments in the 1st half of 2009	170.762.825
1. Investments on the spot and maturity market	3.214.709
A. in securities:	3.001.022
▪ shares, of which:	2.304.883
- acquisition of securities by capital increases (2 issuers)	608.233
- acquisitions on the capital market (9 issuers)	1.696.650
▪ corporate bonds	696.139
B. in derivative financial instruments	213.687
2. investments in monetary instruments:	167.548.116
▪ bank deposits, of which:	149.170.286
in EUR, equivalent to RON	40.639.005
▪ government securities	18.377.830

From the total of 170.672.825 RON invested in the first six months of 2009, 98,12% represent investments in monetary assets. Investments in securities were mainly in shares – 78,60%, the rest being in corporate bonds and derivative instruments.

Disinvesting activity

In compliance with the strategy regarding the optimization of the structure of FIC Moldova assets (according to market circumstances), increasing the weight of liquidities, the trading activity carried out in the 1st half of 2009 was focused on sales of securities.

These operations were targeted at a number of 24 issuers (of which 18 listed) and generated revenue amounting to 62.536.661 RON, with an associated profit amounting to 38.129.901 RON. Compared to the associated period of 2008 we note an increase in revenue of 82% and in profit of 60% from these operations.

II.1.2. PRESENTATION OF THE ECONOMIC AND FINANCIAL STATUS

The financial statements were drafted and presented in compliance with Accounting Regulations harmonized with European Economic Community 4th Directive applicable to institutions regulated and supervised by the National Securities Commission („NSC” / „CNVM”), approved by NSC President Order no. 75 / Dec 16, 2005 with subsequent modifications and updates, approved by NSC President’s Order no. 11 / Mar 11, 2009.

These financial statements have been revised by Deloitte Audit SRL Bucuresti.

Accounting principles, policies and methods on which 2008 financial statements are based are explained in the Notes to the Financial Statements – annexed (Note 6).

Financial statements are drawn up in RON.

The financial status is reflected in the balance sheet:

A	Ro w no.	Balance January 1, 2009	Balance June 30, 2009
B	1	2	3
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1. Constitution expenses	01	-	-
2. Development expenses	02	-	-
3. Grants, patents, licenses, trademarks, similar rights and values and other intangible assets	03	23.611	13.180
4. Goodwill fund	04	-	-
5. Advances and pending intangible assets	05	97.334	257.449
TOTAL: (row 01 to 05)	06	120.945	270.629
II. TANGIBLE ASSETS			
1. Land and buildings	07	18.074.899	17.812.729
2. Equipment	08	364.007	593.403
3. Other equipment, furniture and fixture	09	85.663	63.420
4. Advances and pending tangible assets	10	553	-
TOTAL: (row 07 to 10)	11	18.525.122	18.469.552
III. FINANCIAL ASSETS			
1. Shares held in affiliated entities	12	17.503.107	17.501.639
2. Loans granted to affiliated entities	13	-	-
3. Securities in the form of investments	14	15.068.348	10.466.632
4. Loans granted to entities in which the company is an investor	15	-	-
5. Securities and other financial instruments as assets	16	288.589.765	255.223.525
6. Other claims	17	262.238	308.542
TOTAL: (row 12 to 17)	18	321.423.458	283.500.338
NON-CURRENT ASSETS – TOTAL (row 06 + 11 + 18)	19	340.069.525	302.240.519

B. CURRENT ASSETS**I. INVENTORY**

1. Consumables	20	24.884	24.675
2. Work in progress	21	-	-
3. Advances for purchase of inventories	22	2.677	5.905
TOTAL: (row 20 to 22)	23	27.561	30.580

II. RECEIVABLES (Amounts to be received in more than one year have to be presented separately for each item.)

1. Trade receivables	24	42.288.268	168.327.194
2. Receivables from companies in the group	25	-	-
3. Receivables from participation interest	26	-	-
4. Other receivables	27	18.274.044	2.978.988
5. Receivables from subscribed and unpaid capital	28	-	-
TOTAL: (row 24 to 28)	29	60.562.312	171.306.182

III. SHORT TERM FINANCIAL INVESTMENTS

1. Shares held in affiliated entities	30	-	-
3. Other short term financial investments	31	776.581	1.315.897
TOTAL: (row 30 to 31)	32	776.581	1.315.897

IV. CASH AND BANK ACCOUNTS

TOTAL: (row 30 to 31)	33	860.357	963.494
CURRENT ASSETS - TOTAL (rd. 23 + 29 + 32 + 33)	34	62.226.811	173.616.153

C. PREPAID EXPENSES

	35	58.686	99.825
--	-----------	---------------	---------------

D. CURRENT LIABILITIES

1. Loans from bonds issues	36	-	-
2. Notes payable	37	-	-
3. Precollected revenue	38	-	-
4. Accounts payable	39	310.396	40.393
5. Commercial papers payable	40	-	-
6. Liabilities to companies in the group	41	-	-

7. Liabilities involving participation interest	42	-	-
8. Other liabilities, including taxes payable and social security liabilities	43	18.941.952	38.479.303
TOTAL: (row 36 to 43)	44	19.252.348	38.519.696
E. CURRENT ASSETS LESS NET CURRENT LIABILITIES (row 34 + 35 - 44 - 60.2)	45	43.022.357	134.687.431
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rd. 19 + 45 - 60.1)	46	383.091.882	436.927.950
G. NON-CURRENT LIABILITIES			
1. Loans from bonds issues	47	-	-
2. Long term loans	48	-	-
3. Precollected revenue	49	-	-
4. Trade debt	50	-	-
5. Commercial papers payable	51	-	-
6. Liabilities to institutions or companies in the group	52	-	-
7. Liabilities involving participation interest	53	-	-
8. Other liabilities, including tax debt and social security debt	54	-	-
TOTAL: (row 47 to 54)	55	-	-
H. PROVISIONS			
1. Provisions for pensions and similar obligations	56	-	-
2. Provisions for taxes	57	40.515.264	37.111.204
3. Other provisions	58	1.916.993	-
TOTAL PROVISIONS: (row 56 +57 + 58)	59	42.432.257	37.111.204
I. PRECOLLECTED REVENUE (row60.1+60.2) of which:	60	10.792	508.851
1. Subsidies for investments	60.1	-	-
2. Precollected revenue	60.2	10.792	508.851
J. EQUITY AND RESERVES			
I. EQUITY (row 62 to 63) of which:	61	51.908.959	51.908.959
1. Subscribed and unpaid capital	62	-	-
2. Subscribed and paid capital	63	51.908.959	51.908.959

II. SHARE PREMIUM			
	64	-	-
III. REVALUATION RESERVES			
Balance C	65	15.122.842	15.134.639
Balance D	66	-	-
IV. RESERVES (row 68 – 69 + 70 + 71 + 72 + 73 + 74 -75)	67	179.695.166	219.776.342
1. Legal reserves	68	10.381.792	10.381.792
2. reserves constituted from devaluation adjustments of financial investments			
Balance D	69	143.630.350	139.081.482
3. Statutory or contractual reserves	70	-	-
4. reserves constituted from free shares/notes	71	122.035.392	104.198.525
5. reserves from fair value evaluation	72	-	-
6. reserves representing surplus from revaluation reserves	73	2.416.261	3.642.294
7. other reserves	74	188.492.071	241.858.841
8. treasury shares	75	-	-
V. REPORTED RESULT			
Balance C	76	-	23.607.297
Balance D	77	-	-
VI. RESULT OF FISCAL YEAR			
Balance C	78	93.932.658	89.389.509
Balance D	79	-	-
Profit appropriation	80	-	-
TOTAL EQUITY (rd.61 +64 +65- 66 + 67 + 76 - 77 + 78– 79 - 80)	81	340.659.625	399.816.746

In the 1st half of 2009, from the **total assets worth** 475.447.646 RON, recorded at historical cost, the weight of **financial non-current assets** (mainly securities of companies in the portfolio) represents 59,63 %. The value of investments is recorded at historical cost, less cumulated adjustments for losses as of the date of the 2008 balance sheet and record a 11,82% decrease compared to the beginning of the fiscal year.

	<u>January 1, 2009</u>	<u>June 30, 2009</u>	<u>± %</u>
• Investments in companies	321.161.220	283.191.796	(11,82)
• Other financial instruments	262.238	308.542	17,66
Total	<u>321.423.458</u>	<u>283.500.338</u>	<u>(11,80)</u>

Current assets represent 36,52 % of the total assets and consist 96,95 % of trade receivables, including monetary investments as short term bank deposits and short term government securities, including the interest due, calculated up to June 30, 2009.

Cash and liquidities represent 35,51 % of total assets and consist of:

	<u>January 1, 2009</u>	<u>June 30, 2009</u>	<u>± %</u>
• Cash and bank accounts	858.631	962.343	12,08
• Other assets	1.726	1.151	(33,31)
• Bank deposits	40.389.101	149.170.286	269,33
• Deposits for material pledges	244.975	300.779	22,78
• Government securities	1.291.759	18.377.830	1.322,70
TOTAL	<u>42.786.192</u>	<u>168.812.389</u>	<u>294,55</u>

The company's current liabilities as of Sep 30, 2008 amount to 475.447.646 RON, of which:

	<u>January 1, 2008</u>	<u>June 30, 2008</u>	<u>± %</u>
• Non-current liabilities	19.252.348	38.519.696	100,08
• Provisions for risks and expenses	42.433.257	37.111.204	(12,54)
• Owners' equity	340.659.625	399.816.746	17,37
• Total	<u>402.344.230</u>	<u>475.447.646</u>	<u>18,17</u>

The company's liabilities as of Sep 30, 2009 represent 8,10 % of the total liabilities and owners' equity and have the following structure:

	<u>Balance on January 1, 2009</u>	<u>Balance on June 30, 2009</u>	<u>Maturity</u>		
			<u>Under 1 yr.</u>	<u>1-5 yrs.</u>	<u>Over 5 yrs.</u>
	<u>1=2+3+4</u>		<u>2</u>	<u>3</u>	<u>4</u>
Trade payables	310.396	40.393	40.393	-	-
Commercial papers payable	-	-	-	-	-
Other liabilities	18.941.952	38.479.303	38.479.303	-	-
TOTAL, of which:	<u>19.252.348</u>	<u>38.519.696</u>	<u>38.519.696</u>	-	-
• Suppliers	310.396	40.393	40.393	-	-
• Liabilities to government and special funds	1.119.358	3.837.005	3.837.005	-	-
• Dividends payable	17.095.964	33.912.951	33.912.951	-	-
• Various payables	98.093	56.141	56.141	-	-
• Other liabilities to staff	383.100	360.856	360.856	-	-

and social insurance

• Material pledges directors + managers	245.437	301.283	301.283	-	-
• Guarantees for good execution	-	11.067	11.067	-	-

For the listed liabilities no guarantees were made or mortgages granted. FIC has no outstanding loans.

Provisions constituted for risks and expenses represent 7,81 % of the total liabilities and owners' equity and include:

Name of provision	Balance on January 1, 2009	Transfers		Balance on June 30, 2009
		incoming	outgoing	
	1	2	3	4=1+2-3
Provisions for taxes	40.515.264	-	3.404.060	37.111.204
Other provisions	1.916.993	-	1.916.993	-
TOTAL	42.432.257	-	5.321.053	37.111.204

Owners' equity increased in the 1st half of 2009 by 17, 37 %.

The company's financial performance is reflected in the income statement.

Item name	Row no.	June 30, 2008	June 30, 2009
A	B	1	2
A. REVENUE FROM OPERATIONS			
TOTAL (row 02 to 11)	01	99.836.865	148.852.761
1. Revenue from financial investments	02	46.212.524	71.995.293
2. Revenue from short term financial investments	03	-	-
3. Revenue from receivables as assets	04	-	-
4. Revenue from ceded financial investments	05	34.507.164	62.193.633
5. Revenue from services performed	06	-	-
6. Revenue from provisions, reactivated claims and various receivables	07	16.202.165	7.625.050
7. Revenue from exchange rate changes	08	11.825	325.236
8. Revenue from interest	09	1.878.743	5.421.636
9. Revenue from non-current assets production	10	-	-
10. Other revenue from operations	11	1.024.444	1.291.913

B. EXPENSES WITH OPERATIONS

TOTAL (row 13 to 20)	12	26.176.588	55.721.404
1. Losses related to claims resulting from investments	13	-	-
2. Expenses related to ceded financial investments	14	10.656.567	24.312.676
3. Expenses with exchange rate differences	15	433.698	475.856
4. Expenses related to interest	16	-	-
5. Expenses with commissions and fees	17	1.101.523	829.456
6. Expenses with banking and similar services	18	15.587	23.360
7. Depreciations, provisions, losses from claims and various receivables	19	7.993.928	22.702.978
8. Other expenses with operations (row 21+22+23 + 26 + 27)	20	5.975.285	7.377.078
a. Expenses with materials	21	312.667	195.148
b. Expenses with electricity and water	22	99.054	98.927
c. Expenses with staff, of which:	23	4.964.047	6.508.075
c1. Salaries	24	3.873.040	5.438.922
c2. Expenses related to insurance and social security	25	1.091.007	1.069.153
d. Expenses related to external services	26	463.509	418.639
e. Expenses with other taxes and similar payments	27	136.008	156.289
C. OPERATIONAL RESULT			
-profit (row 01-12)	28	73.660.277	93.131.357
-loss (row 12-01)	29	-	-
D. GAINS	30	-	-
E. LOSSES	31	-	-
F. RESULT			
-profit (row 30-31)	32	-	-
-loss (row 31-30)	33	-	-
TOTAL REVENUE (row 01 + 30)	34	99.836.865	148.852.761
TOTAL EXPENSE (row 12 + 31)	35	26.176.588	55.721.404
G. GROSS MARGIN			

- profit (row 34 - 35)	36	73.660.277	93.131.357
- loss (row 35 - 34)	37	-	-
21. PROFIT TAX			
- tax expense	38	3.062.500	3.741.848
- Other tax expense	39	-	-
H. RESULT OF FISCAL YEAR			
- profit (row 36 - 38 - 39)	40	70.597.777	89.389.509
- loss (row 37 + 38 + 39) or (row 38 + 39 -36)	41	-	-

The structure of revenue and expenses in the 1st half of 2009, compared to the structure of revenue and expenses in corresponding period of 2008, presents as follows:

REVENUE	1st half of 2008	1st half of 2009
• financial non-current assets	46,29 %	48,37 %
• ceded financial investments	34,56 %	41,78 %
• revenue from interest	1,88 %	3,64 %
• provisions, reactivated claims	16,23 %	5,12 %
• other revenue	1,04 %	1,09 %
TOTAL	100,00 %	100,00 %
EXPENSES	1st half of 2008	1st half of 2009
• ceded financial investments	40,71 %	43,63%
• exchange rate variations	1,66 %	0,85%
• commissions and fees	4,20 %	1,49%
• depreciations, provisions	30,54 %	40,74%
• expenses with staff	18,96 %	11,68%
• other expenses	3,93%	1,61%
TOTAL	100,00%	100,00%

As seen in the data presented for the 1st half of 2009, the largest weight in the total revenue is held by revenue from financial assets - dividends - 48,37 % and revenue from ceded financial investments – 41,78 %.

In the 1st half of 2009, the largest weight in the total expenses is held by expenses with ceded financial investments – 43,63 %, expenses with depreciations and provisions – 40,74 %, expenses with staff - 11,68 %..

In order to attain the comparability of data, it must be specified that in the 1st half of 2009, unlike the 1st half of 2008, costs are incurred associated to the participation of directors and employees in the benefit plans. If revenues are influenced by the cancellation of the provision and the conversion into a certain expense (1.918.648) RON, the structure of revenues and expenses – compared, presents as follows:

REVENUE	1st half of 2008	1st half of 2009
• financial non-current assets	46,29%	48,99%
• ceded financial investments	34,56%	42,33%
• revenue from interest	1,88%	3,69%
• provisions, reactivated claims	16,23%	3,88%
• other revenue	1,07%	1,11%
TOTAL	100,00%	100,00%

EXPENSES	1st half of 2008	1st half of 2009
• ceded financial investments	40,71%	45,18%
• exchange rate variations	1,66%	0,88%
• commissions and fees	4,20%	1,54%
• depreciations, provisions	30,54%	42,20%
• expenses with staff	18,96%	8,53%
• other expenses	3,93%	1,67%
TOTAL	100,00%	100,00%

The weight of total expenses in total revenue realized presents as follows:

- 1st half of 2008 26,22 %
- 1st half of 2009 37,43 %

Net sales realized by FIC Moldova from the securities trading activity amount to **37. 880.957 RON**.

Gross total revenue realized amounts to **148.852.761 RON**.

Expense items recorded exceeding 20% of net sales are:

- Depreciations, provisions, losses from receivables and various debtors which comprise the following:

	1st half of 2008	1st half of 2009
• depreciations	601.811	456.025
• provisions	-	-
• losses from receivables and various debtors	7.392.117	22.246.953
TOTAL	7.993.928	22.702.978

Losses from receivables and various debtors recorded in the 1st half of 2009 consist 98,98% of adjustments for devaluation of SARA receivables (foreclosed amounts for PPF promissory notes, for which FIC Moldova obtained a cancellation ruling).

Dividends declared by FIC Moldova for the 2008 fiscal year amounted to 23.359.032 **RON**.

CASH FLOW STATEMENT

ITEM / PERIOD	JANUARY - JUNE 2008	JANUARY - JUNE 2009
----------------------	--------------------------------	--------------------------------

1. Cash at beginning of period (a+b)	38.276.158	42.784.466
a. Current accounts	2.759.890	858.632
b. Financial investments	35.516.268	41.925.834
A. Operations (2-3)	(8.745.554)	(8.207.374)
2. Cash inflows	2.045.462	1.661.401
3. Cash outflows	10.791.016	9.868.775
B. Investment activity (4-5)	34.704.401	134.420.670
4. Cash inflow	67.302.079	137.233.566
5. Cash outflow	32.597.678	2.812.896
C. Financing activity (6-7)	(10.690.684)	(186.524)
6. Cash inflow	2.513	2.963
7. Cash outflow	10.693.197	189.487
TOTAL CASH FLOW (A+B+C)	15.268.163	126.026.772
CASH AT END OF PERIOD	53.544.321	168.811.238
a. cash office - RON	3.394	2.229
b. banks – RON	1.032.739	959.119
c. banks - foreign currency	6.468	995
d. deposits	46.312.833	149.170.286
e. deposit pledges	233.955	300.779
f. government securities	5.954.932	18.377.830

II.1.3. RISK MANAGEMENT

II.1.3.a. Description of the Company's exposure to risk

By nature of its activities, FIC Moldova is exposed to various risks, among which there are the exchange rate risk, the economic environment risk, the interest risk, the credit risk, the liquidity risk and the tax risk. The management aims at reducing the potentially adverse effects, associated to these risk factors, on the financial performance of the company.

Price Risk

FIC is exposed to the price risk, being vulnerable to the value of securities fluctuating as a result of changing market prices.

Exchange rate risk

Most of the Company's financial assets and liabilities are expressed in the domestic currency, therefore the exchange rate fluctuations do not affect operations significantly. Exposure to the exchange rate fluctuations is mainly caused by the debts and receivables generated by the promissory notes denominated in US dollars and Euros.

Economic environment risk

The Romanian economy continues to present specific emerging economy features and as a result of the recent fluctuations on the world capital and credit markets, notwithstanding the effectiveness of the stabilization policies adopted by the Romanian government, economic uncertainty characterizes the future development of markets and the associated demand for goods and services. There is a possibility that the company's assets will not be recoverable at accounting value in the normal conduct of activity.

Interest rate risk

Most of the Company's financial assets and liabilities do not bear interest, therefore the market

interest rate fluctuations do not significantly affect FIC Moldova's operations. The surplus of cash or equivalents available is invested in short term investment securities with maturity of up to 1 or 6 months.

Credit risk

FIC can be exposed to the credit risk related to financial instruments, generated by the possible failure of a third party to pay its liabilities to the Company.

Liquidity risk

FIC Moldova's financial instruments may include investments in shares which are not traded on an organized market, and subsequently may have a low liquidity. Therefore, the Company can encounter difficulties if it decides to rapidly liquidate investments in such instruments at a value close to the one determined based on the calculation model for the financial companies net asset value, provided in Regulation 15 / 2004 issued by the National Securities Commission (CNVM) in order to fulfill own liquidity requirements.

Tax related risk

The Romanian fiscal system is subject to various interpretations and permanent changes, which may be retroactive. In certain situations, the fiscal authorities may adopt a position which differs from FIC Moldova's position and may calculate certain fiscal raises and penalties.

Fiscal legislation in Romania, as well as the fiscal measures enforcement, change frequently and are subject to interpretations, sometimes different, of various authorities. The Government of Romania subordinates a number of agencies authorized to control both Romanian and foreign entities operating in Romania. These controls are to a high extent similar to those effected in many other countries, but they may extend over legal or regulation areas in which the Romanian authorities may be interested. Furthermore, these authorities seem to be less submitted to strict regulations, and the companies under control seem to be less protected than usual in other countries.

Statements regarding taxes can be subjected to control and review over a period of five years, in general, after their submission. In compliance with the legal regulations in force in Romania, periods subject to control may be later additionally reviewed.

The Company's management considers that it recorded correct values in the accounts related to taxes and other debts to the state, although there is a risk that the authorities have a different view on these issues.

The latest check of The Public Finance Ministry covered the period until September 30, 2004. Therefore, SIF Moldova's debts from that date till the 30th of June 2009, may be subject to a later check.

II.1.3.b. Compliance with legal regulations regarding ownership limitations

Compliance with the provisions of art. 188 of National Securities Commission Regulation no. 15/2004

Compliance with legal regulations related to ownership limitations (art. 188 of NSC Regulation no. 15 / 2004)

Portfolio exposure as of Jun 30, 2009, according to the net asset value calculated and certified by the depository, BRD – GSG Bucuresti, was the following:

a) The weight of securities and monetary market instruments not accepted for trading may not exceed 20% of the total assets (closed shares, closed bonds and deposit certificates).

Type of asset	Asset value (RON)	Weight in total assets	Limit imposed
Closed shares (excepting BCR, according to the provisions of art.275 para (2))	32.718.943,46	3,447	
TOTAL	32.718.943,46	3,447	< or = 20%

b) The weight of securities and monetary market instruments registered or traded on the Stock Exchange (issuer level) may not exceed 10% of the total assets:

“The 10% limit may be increased up to a maximum of 40%, on the condition that the total value of the securities and monetary market instruments held by the Company in each of the issuers in which it holds a share of over 40% should not exceed 80% of the value of its assets”.

As of Jun 30, 2009, the 10% threshold provided is exceeded in the BRD Bucuresti holding (25,704 %) of total assets, for which the provisions of the following paragraph apply:

In compliance with article 275 para. 2 of NSC Regulation No. 15 / 2004, BRD-GSG is excluded from the calculation regarding ownership limitations provided in art. 188. letter b).

c) The weight of financial instruments issued by entities belonging to the same group may not exceed 50% of the total assets.

Group name	Asset value (RON)	Weight in total assets (%)	Limit imposed
BT GROUP , of which:			
TLV shares	45.349.162,97	4,778	
BT Maxim and BT Invest 1 shares	1.845.481,00	0,194	
GROUP TOTAL	47.194.643,97	4,972	< or = 50%
II. BCR GROUP , of which:			
BCR shares	280.981.902,16	29,603	
BCR bonds	203.598,27	0,021	
GROUP TOTAL	281.185.500,43	29,624	< or = 50%

The total holding in the BT and BCR groups do not exceed the limits imposed.

d) The weight of derivative financial instruments outside regulated markets may not exceed 20% of the total – not applicable.

e) The weight of current accounts and cash may not exceed 10% of the total assets.

As of Jun 30, 2009 the weight thereof was 0, 112% (1.065.938,80 RON/949.175.836,97 RON).

f) The weight of bank deposits constituted and held in the same bank may not exceed 30% of the total assets.

Total holdings in bank deposits amount to 15,785% (149.830.693,45 RON/949.175.836,97 RON).

g) Total holdings in derivative financial instruments may not exceed the total net asset value.

The value of the derivative financial instruments = 69.717,40 RON < net assets value = 910.147.290,97 RON.

h) The weight of total participations in the Association of Collective Investment Organizations (AOPC) may not exceed 50% of the total assets.

ACIO name	Asset value (RON)	Weight in total assets (%)	Limit imposed
XFOA shares	5.501,81	0,001	
BT Invest 1 securities	757.481,00	0,079	
TOTAL ACIO	762.982,81	0,080	< or = 50%

The limit imposed is not exceeded.

II.2. ACHIEVEMENT OF NON-FINANCIAL OBJECTIVES IN THE 3RD QUARTER OF 2009

II.2.1. STATUS OF LITIGATIONS

In the first half of 2009, 202 litigations were recorded with various objects, of which 50 cases were solved and 152 cases remained in court as of Jun 30, 2009. Of the 202 litigations recorded in the Jan 1 – Jun 30, 2009 period, in 158 cases FIC Moldova was a plaintiff and in 44 cases it was a

defendant. In the first half of 2009 there were 41 new cases in which the company is a defendant or plaintiff.

As of Jun 30, 2009, 31 legality approvals were granted and 23 files were constituted involving juridical consultancy and assistance for various projects undertaken by the Company or by FIC Moldova departments.

As a consequence of diligences undertaken, in the period under analysis, receivables were recovered amounting to 8.638,25 RON and 855.015,37 USD.

I. Litigations in which FIC Moldova is a plaintiff

- total litigations = 158 cases, of which 120 cases are in court in various judicial stages and 38 cases are solved;
- value of litigations in RON = 32.744.687,29 RON, of which:
 - the amount of 11.243.215,20 RON - insolvency procedure;
 - the amount of 21.501.472,09 RON - claims.
- value of litigations in foreign currency = 17.018.906,47 USD by category of object, as follows:
 - the amount of 432.110,68 USD - insolvency procedure;
 - the amount of 199.314,00 USD - claims;
 - the amount of 16.387.482,79 USD - contestations for fulfillment.

Litigations in this category are classified thus:

1. Litigations involving the repealment of illegal resolutions of General Assemblies of Shareholders in the FIC Moldova portfolio = 55 cases, of which 24 cases in court in various stages of litigation and 34 finalized up to Jun 30, 2009 (annex IV. 6.1).

The object of the GMS decisions contested in court mainly consists of increases in registered capital, modifications of articles of incorporation, decreases of registered capital, approval of investments and non-profitable loans for companies and also the withdrawal of companies from trading on the regulated market.

In the first half of 2009, FIC Moldova sold its investments in SC Prodvinalco SA Galati and SC Comcereal SA Suceava, requests to waive trial being filed in this case.

4. Litigations involving various monetary claims = 24 cases in court, 4 solved (annex IV.5.4).

The object of these litigations mainly consists of civil actions for damages to FIC Moldova by various natural or juridical persons among which claims initiated by FIC Moldova against persons responsible for bringing the debtor companies into bankruptcy or the recovery of damages representing judicial expenses borne by FIC as a consequence of litigation against SARA.

2. Litigations involving various monetary claims = 24 cases in court (annex IV. 6.2).

The object of these litigations mainly consists of civil actions for damages to FIC Moldova by various natural or juridical persons among which claims initiated by FIC Moldova against persons responsible for bringing the debtor companies into bankruptcy or the recovery of damages representing judicial expenses borne by FIC as a consequence of litigation against SARA.

Also, these litigations involve foreclosure procedures initiated against natural persons liable for damages to FIC Moldova as well as juridical persons guaranteeing the banking liabilities of issuers of promissory notes endorsed by the former Private Property Fund II Moldova.

As a consequence of efforts undertaken and of judicial procedures initiated, up to Jun 30, 2009, receipts were made amounting to 8.136,25 RON.

Also, in this half year, 7 new litigations were undertaken, of which 4 were solved by the full recovery of the debts representing overdue dividends and 3 are in lower court.

Regarding the new litigations involving SARA Bucuresti, these arise from the fact that as a consequence of an irrevocable ruling, the contestation to fulfillment filed by FIC Moldova regarding the foreclosure of the promissory note issued by SC Digicom SA Bucuresti and SC Avicom SA Oprisenesti.

3. Litigations involving the insolvency procedure = 24 cases in court (annex IV.6.3).

Cases under the incidence of the Law regarding insolvency procedure involve the bankruptcy of companies in the FIC portfolio. In this procedure, FIC Moldova usually has the quality of a priority creditor. The majority of these litigations are pending resolution in lower court. In this period, only one request was filed to declare a receivable in the insolvency file involving the debtor SC Mes SA Suceava, for the amount of 4.776,77 RON, qualified receivable.

Also, during June of this year, SC Cochet SA Sibiu made a partial payment on account of the receivable, amounting to 502 RON, the introductive request of FIC Moldova regarding the initiation of insolvency in this company still being in lower court, having a term on 20.08.2009.

4. 5. Litigations with various objects = 11 cases, of which 6 were solved and 5 are still in court (annex IV. 6.4).

5. Litigations involving draft oppositions and contestations to the foreclosure of promissory notes endorsed by FPP II Moldova = 32 cases.

Litigations involving draft oppositions have no monetary value, the cases involving matters of form of the issuance of the promissory notes.

Most of the litigations involving contestations to the foreclosure by the State Assets Recovery Agency - SARA (AVAS) during 2006 of the FIC Moldova patrimony, based on promissory notes, are in lower court after waiving competence or in the appeal phase.

For 6 promissory notes for which foreclosure was cancelled by the High Court for Cassation and Justice – the commercial section, by final and irrevocable rulings given during 2008, notifications were sent to SARA, requesting the immediate restitution of amounts foreclosed and for which execution forms were irrevocably cancelled.

During this half year, 5 more cases involving disputes for fulfillment received rulings favourable for FIC Moldova, the foreclosure being irrevocably cancelled for promissory notes issued by: SC Aust Rom SA Tusnad Sat, amounting to 470.000 USD; Best SRL Piatra Neamt amounting to 630.000 USD; Max Invest Bucuresti amounting to 800.000 USD; SGI Bucuresti amounting to 655.000 USD and Best Piatra Neamt amounting to 220.000 USD.

Also during this half year, a case involving a draft opposition received a favourable ruling, for the promissory note issued by Avicom Oprisanesti amounting to 300.000 USD, through which the dispute was admitted and the execution forms were cancelled. (annex IV.6.5).

7. Criminal litigations = 4 cases in court according to annex IV. 6.4, of which one in preliminary investigations and 3 in lower court.

II. Litigations in which FIC MOLDOVA is a defendant

- total litigations = 44 cases, of which:
 - 32 cases are in court in various judicial stages;
 - 12 cases were solved.
- value of litigations in court:
 - 52.028,80 RON - claims;

Litigations with various objects and claims files = 32 cases in court in various judicial stages and 12 cases solved (annex IV. 6.6).

The cases with various objects amount to 16 and involve requests by third parties for ascertaining the nullity of sale contracts, obligations to do or various monetary claims. In cases involving claims, FIC Moldova is called as a guarantor by companies having effective possession of claimed buildings in order to reimburse them in case the claim is admitted. So far, these requests have been rejected.

During the 1st half of 2009, 21 new cases were recorded, of which 17 involved the cancellation of decisions of the Ordinary General Assemblies of Shareholders of FIC Moldova on Nov 15, 2008 and on Apr 25, 2009.

II.2.2. RELATIONS WITH SHAREHOLDERS AND CAPITAL MARKET INSTITUTIONS

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

In order to apply OECD principles in the code of management and administration, FIC Moldova, in its relation with shareholders and capital market institutions, focused on:

1. Protecting and ensuring shareholders' rights: property rights, the right to participate in General Assemblies of Shareholders (directly – by convocation, announcements, publishing – or by representation – provision of special proxies, ballots for voting by mail, lists of representatives, information), the right to information (directly, in writing, publishing, on the website) and the right to receive dividends (with or without an express request).
2. Equal treatment of shareholders, irrespective of holding level.
3. Ensuring compliance with obligations to inform and report to the market and capital market institutions (NSC, BSE) and to answer the requests of these institutions.

From the last month of the first quarter of 2009, an extended system for communication is under development, which starting with Aug 1, 2009 will provide shareholders and the public with a module for communication with the FIC Moldova management by e-mail and forum. The issues proposed are of immediate and future importance, for which the observations, proposals and comments of shareholders, investors, visitors etc. are welcome, in order to realize a dialog with existing or possible partners.

Communication obligations are regulated by specific requirements of NSC and BSE – NSC regulations no. 1 / 2006 and no. 15 / 2004, BSE Code, the provisions of Law no. 297 / 2004 regulating the capital market and the 2009 financial reporting schedule.

Relating to the aforementioned legislation, FIC Moldova fulfilled all obligations ensuing from legal provisions, as follows:

a. In relation to capital market institutions

a.1. Periodic reports towards NSC and BSE

- weekly reports – status of net assets, (Annex 16 of NSC Regulation no. 15 / 2004), drafted and transmitted to BSE according to requirements and regulations in force;
- weekly and monthly reports – status of net assets, status of assets and detailed status of investments (Annexes 16 and 17 of NSC Regulation no. 15 / 2004), drafted and transmitted to BSE and NSC according to regulations in force;
- monthly report regarding: status of net assets; status of assets and detailed status of investments (Annexes 16 and 17 of NSC Regulation no. 15 / 2004), drafted and transmitted to BSE and NSC according to requirements and regulations in force
- monthly report regarding holdings exceeding 1% of the registered capital of persons defined in art. 2, para. 1 of NSC Instruction no. 1 / 2007. The statements of persons defined in NSC Instruction no. 1 / 2007 are provided on the FIC Moldova website - www.sifm.ro .
- annual report on Dec 31, 2008 – transmitted to NSC and BSE (according to the financial calendar), posted on the company website (www.sifm.ro) and available in written form, according to the press release regarding the provision to shareholders (the “Bursa” newspaper of Apr 28, 2009), in compliance with Law 297 / 2004 and NSC regulations no. 15 / 2004 and 1 / 2006.
- quarterly report on Mar 31, 2009 transmitted to NSC and BSE (according to the financial calendar), included in the www.sifm.ro website and available in written form, according to the press release regarding the provision to shareholders (the “Bursa” newspaper of May 14, 2009), according to Law 297 / 2004 and NSC Regulations no. 15 / 2004 and 1 / 2006.

a.2. . Continual reports to NSC and continuous reports to BSE

- regarding the Ordinary General Assembly of Shareholders of Apr 24 / 25, 2009 – reports regarding the convocation, informative materials related to the agenda (containing preliminary financial

results, non-audited financial statements and the Board of Directors' Report for the year 2008, non-audited financial statements modified according to NSC Order no. 11 / Mar 11, 2009 and audited financial statements accompanied by the independent auditor's opinion), preparation, decisions, notifications, etc.;

- significant transactions – sale / acquisition of shares of - SC STX RO Offshore SA Braila, SC BANCPOST SA Bucuresti;
- exceedings or decreases under the ownership limits of voting rights provided in art. 116 of NSC Regulation no. 1 / 2006 modified by NSC Regulation no. 31 / 2006;
- notifications of the operations conducted on account of persons initiated according to art. 150 of NSC Regulation no. 1 / 2006;
- other important aspects communicated: financial calendar, payment of dividends, notifications regarding notices / communications / foreclosures / SARA litigations, litigations for the suspension or cancellation of OGAS decisions from Nov 11, 2008 and from Apr 25, 2009.

b. In relations with shareholders

Obligations to inform FIC Moldova shareholders were respected by the issuance of press releases, publishing of reports, information through the electronic system of the capital market and posted on the Company website, offering equal treatment to shareholders.

- organization and conduct of the General Assembly of Shareholders of Apr 24 / 25, 2009:
All steps were taken to inform shareholders and provide them with documents related to the organization and conduct of the Ordinary General Assembly of Shareholders of Apr 24 / 25, 2009:
- the convocation of the Ordinary General Assembly of Shareholders (“Bursa” newspaper of Feb 13, 2009 and Deșteptarea local newspaper of Feb 14, 2009, the NSC Bulletin no. 6 / 2009, the Official Gazette part 4, no. 1039/Feb 16, 2009);
- informative materials related to the agenda accompanied by the Board of Directors' report for the year 2008 together with the preliminary unaudited financial statements (on Feb 12, 2009)
- informative materials related to the agenda accompanied by the Board of Directors' report for the year 2008 together with the unaudited financial statements modified according to NSC Order no. 11 / Mar 11, 2009 (on Mar 18, 2009)
- informative materials related to the agenda in final form, containing the financial statements as of Dec 31, 2008, audited and accompanied by the independent auditor's report (on Mar 31, 2009).
- the informative materials related to the agenda of the Ordinary General Assembly of Shareholders on Apr 24 / 25, 2009 were drafted and provided according to the stages set forth in the convocation (according to according to Law 31 / 1990R modified by Law 441 / 2006, Law 297 / 2004 and NSC Regulations no. 1 / 2006 and no. 15 / 2004);
- A possibility was provided for shareholders to participate in general meetings by implementing the voting by electronic correspondence, which enabled the expression and participation of shareholders regardless of the country of residence, language spoken or means of interaction (direct or through intermediaries).
- the decisions of the Ordinary General Assembly of Shareholders of Apr 25, 2009 (“Bursa” newspaper of Apr 28, 2009, the Official Gazette part 4, no. 2831 / May 14, 2009);
- reports of the Board of Directors : yearly report and the 1st quarterly report of 2009 (shareholders were informed of the publishing of the aforementioned reports through press releases published in the Bursa newspaper of Apr 28, 2009 and May 14, 2009);
- release regarding the approval by NSC of the modification of the membership of the Board of Directors with Approval no. 22 / May 14, 2009 (the ‘Bursa’ newspaper of May 19, 2009);

- significant transactions (press releases published in the “Bursa” newspaper of Feb 9, 2009 and Jun 23, 2009);
- other events (litigations, releases towards shareholders).

All press releases related to the reports are found on the company website www.sifm.ro (modules – reports, notifications, GMS).

Information subject to shareholder information obligations are published on the Company website in Romanian and English language.

The organization of activity at the head office and field offices allows and ensures the operative resolution of requests by shareholders directly or by correspondence.

Appropriation and payment of dividends from the 2007 fiscal year towards shareholders is being carried out according to decisions adopted by the Ordinary General Assembly of Shareholders of April 25, 2009. The FIC Moldova Board of Directors has decided that dividends will be provided through the services of the National Romanian Post Company and through the Romanian Development Bank–Groupe Societe Generale.

Status of amounts paid in the 1st half of 2009 and undergoing payment as of Jun 30, 2009 is as follows:

Payment:		Dividend 2005*	Dividend 2006	Dividend 2007	Dividend 2008
		(0.0670 RON/share)	(0.0630 RON/share)	(0.0500 RON/share)	(0.0450 RON/share)
1	Total dividend payable	34,779,003.00	32,702,644.04	25,954,480.00	23,359,032.00
2	Total paid up to Jun 30, 2009	28,423,483.94	27,171,389.46	20,962,315.98	0.00
3	Of which in the 1 st half of 2009	12,835.38	28,558.69	145,131.85	0.00
4	% paid	81.73%	83.09%	80.77%	0.00%

* the OGAS Decisions from Apr 25, 2009 approved the prescription of the right to request the payment of dividends due and not collected for 3 (three) years from the date of the OGAS of 2006 (amounting to 6.355.519,06 RON – dividends related to the 2005 fiscal year) and to register the corresponding amount in “other reserves”.

All information regarding the payment of dividends (decisions, methods of payment, necessary documents, payment data) was published in the press (the Bursa newspaper of Aug 15, 2009) and posted on the company website www.sifm.ro.

II.2.3. INTERNAL AUDITING AND CONTROL ACTIVITY

The internal auditing activity

The internal audit functions in direct subordination to the Board of Directors, exercising a distinct and independent function to the Company’s activities. The internal auditing activity is carried out in the internal auditing department, by persons employed by FIC Moldova.

The internal auditing activity is carried out on the basis of the engagement plan agreed in compliance with the company’s objectives. The plan for the internal auditing activities and the necessary resources are validated by the Auditing Committee and approved by the Board of Directors. Also, significant changes arising are subject to validation and approval.

The auditing plan for 2009 was approved in the meeting of the Board of Directors of Feb 22, 2008.

The internal audit plan was drawn up with a view to covering all the activities and operations during three years and to providing for the audit continuity from the previous period.

The internal auditing activity is carried out based on specific procedures drafted for this purpose.

FIC Moldova's main activities subjected to the internal audit in the 1st half of 2009, according to the internal auditing plans for 2007 and 2008, are concerned with:

- non-current assets;
- the inventory of assets and liabilities, the evaluation of asset and liability items on occasion of the inventory;
- the drafting of yearly financial reports for Dec 31, 2007;
- the drafting of half year financial reports.

The internal audit reports regularly to the Audit Committee and to the Board of Directors about the purpose of the auditing activity, the authority, responsibility and execution according to its plan. The reports include significant risks and control and leadership issues, as well as other issues requested by the Board of Directors.

The internal auditor's opinion, activity results, conclusions, recommendations and proposals, as well as the plan of actions applied in the course of the audit activity, were included in the periodic internal audit report presented to the Board of directors of FIC Moldova. Based on the conclusions and recommendations made by the internal audit, the Board of directors took the necessary measures in order to manage the identified risks.

The internal audit is directly subordinated to the Board of Directors, carrying out a distinct and independent function from the company's activities. The internal auditing activity is carried out within the internal auditing compartment, by persons employed by FIC Moldova .

The internal auditing activity is carried out on the basis of the engagement plan agreed in compliance with the company's objectives. The plan for the internal auditing activities and the necessary resources are validated by the Auditing Committee and approved by the Board of Directors. Also, significant changes arising are subject to validation and approval.

The auditing plan for 2009 was approved in the meeting of the Board of Directors of Jan 29, 2009 and was revised in the meeting of the Board of Directors on May 14, 2009.

The schedule for the internal auditing missions is based on an annually undertaken risk evaluation. Risk-based planning is the basis of the definition of priorities for the internal auditing activity, according to FIC Moldova's objectives.

A plan is drafted for each auditing mission, comprising the area of applicability, the objectives, calendar and allocation of resources.

The planning of each mission takes into consideration:

- the objectives of the activity under revision and the means of controlling it;
- significant risks associated to the activity and the means through which the potential risk impact is kept at an acceptable level;
- the adequacy and effectiveness of activity risk management and control, involving the control framework;
- the opportunities to significantly improve the activity risk management and control systems.

When drafting the mission objectives, the probability of errors, irregularities, inadvertencies and other significant exposures is taken into account.

The internal auditing activity is carried out based on the company's own methodological norms drafted for this purpose.

The internal audit is carried out in the following forms:

- thorough evaluation of the management and internal control systems – system audit;
- evaluation of results regarding the objectives set and examination of the actual impact – performance audit;
- ensuring conformity of procedures and operations with legal norms – regularity audit.

In the 1st half of 2009 the consultancy mission regarding the negotiation of the collective work contract was undertaken and the mission to ensure the organization of financial and accounting activity is underway.

The internal audit reports periodically to the Audit Committee and to the Board of Directors about the purpose of the auditing mission, the authority, the responsibility and the execution according

to plan. Reports include significant risks and aspects of control and leadership, as well as other issues requested by the Board of Directors.

Internal control activity

In compliance with the provisions of art. 37-41 of NSC Regulation no. 15 / 2004 and Investigations Plan of the Internal Control Department for the year 2008, approved in the FIC Moldova Board of Directors' meeting of Feb 12, 2009 and registered with NSC with number 415 on Feb 24, 2009 the activity of the Internal Control Department for the 1st quarter of 2009 consisted of the following:

1. In the Dec 31, 2008 - Jun 30, 2009 period, the following issues were reviewed:

- *compliance with NSC regulations regarding the calculation of FIC Moldova's net assets (the calculation of the monthly net assets and of the weekly net assets);*
- *compliance with the provisions of art. 225 of Law no. 297/2004 and of art. 113, letter(G) para.(r) of NSC Regulation no. 1 / 2006.*
- *compliance with the legal regulations regarding the calculation and payment of commissions, taxes and other amounts due from FIC to NSC and capital market entities , as follows:*
 - a) a) A share of 0,1% of the monthly net assets due to NSC, according to Regulation no. 2 / 2005 regarding NSC revenues, art. 5 and paragraph 2 of the annex;
 - b) Fees charged by NSC for the approval of BD members of FIC Moldova;
 - c) Fees charged by NSC for the approval of closing FIC Moldova field offices;
 - d) Fees charged by NSC for the approval of effective leaders of FIC Moldova;
 - e) Fees charged by NSC for publishing current reports in the NSC Official Bulletin;
 - f) Fees charged by NSC for holding the securities issued by FIC Moldova in the Registry of Securities;
 - g) Monthly dues as a member of the Association of Fund Managers of Romania, former National Union of the Collective Investment Organizations
 - h) Depository. custody, compensation and discount commissions;
 - i) Commissions for services of BSE;
 - j) Commission for the quotation on the stock market of FIC Moldova shares;
 - k) Trading commissions;
 - l) Commissions for registry services;
- *compliance with NSC regulations regarding the FIC Moldova investment policy.*
- *compliance with the provisions of art. 188 of NSC Regulation no. 15 / 2004 regarding FIC Moldova investments in assets listed in art. 101 paragraph (1) and art. 102 para. (1) letter b) of Law no. 297 / 2004, as well as in assets mentioned in art. 187 letter a) and b) of the aforementioned regulation.*
- *compliance by FIC Moldova with legal regulations regarding privileged information (list of persons with access to privileged information; method and deadline for the publication of privileged information).*
- *compliance with legal regulations regarding the evaluation of assets held by FIC Moldova compliance with the provisions of art. 198, 202 para. (1) – (10) and art. 203 of NSC Regulation no. 15 / 2004 regarding the evaluation of assets held by FIC Moldova.*

2. Permanent activities of the Internal Control Department:

- a) Dilligences for preventing and proposals for correcting the situations of non-compliance with laws and regulations in force relevant to the capital market or internal regulations and procedures by FIC Moldova or its employees;
- b) Informing FIC Moldova and its employees about the legal regulations applicable to the capital market;
- c) Monitoring of compliance with prudence regulations;
- d) Examining the effectiveness of the information system and of internal procedures;
- e) Analysis and approval of documents and reports sent to NSC and capital market entities;
- f) Examination and approval of informative and advertising materials;
- g) Analysis and approval of internal documents comprising operations subjected to the internal control visa;

h) Record-keeping and supervising the resolution of complaints;

i) Examining the effectiveness of the risk control system.

Non-conformities and recommendations were remedied / implemented during current controls.

III. IMPORTANT EVENTS

Important events in the first half of 2009 were subject to current / continuous and periodic reports, being brought to the attention of market institutions and shareholders by reports, publication in national newspapers and on the company website www.sifm.ro, in compliance with legal regulations in force, as mentioned in chapter II.2.2.

The events in the first half of 2009 include:

- the appointment as President, respectively Vice-President of Mr. Costel Ceoceca and Claudiu Liviu Doros – approved as actual leaders and managers with NSC Approval no. 51 / May 5, 2009, respectively NSC Approval no. 22 / May 14, 2009 – an event reported to the NSC and BSE, published in the Bursa newspaper of May 25, 2009 and on the Company website – www.sifm.ro.
- the denounce of the services contract no. 11 / Jul 31, 2008 concluded with Mr. Sorin Mihail Turtoescu starting from May 22, 2009 - an event reported to the NSC and BSE, published in the Bursa newspaper of May 25, 2009 and on the Company website – www.sifm.ro. As of the date of the conclusion of the contract, it was reported according to the provisions of art. 225 of Law 297 / 2004.
- significant transactions (amounting to more than 500.000 \$) concluded in the 1st half of 2009, reported to the NSC and BSE and published in the press and on the company website in the Releases / 2009 module were :

	Significant transaction	Transmitted to BSE / NSC	Published in the press in:
1	Sale of shares SC STX RO Offshore Braila SA	264/06.02.2009	Ziarul Bursa 09.02.2009
2	Sale of shares SC BANCPOST SA Bucuresti	1490/22.06.2009	Ziarul Bursa 23.06.2009

**President General Manager,
Costel CEOCEA**

**Financial Manager,
Liana MARIN**

**Internal control,
Nicolae RADULESCU**