

2005 1st Quarter Report

Contents

| | |
|---|---------------|
| I. General presentation | page 1 |
| I.1 Data of identification | |
| I.2 General objectives, specific indicators | |
| II. Fulfillment of activity program objectives | page 3 |
| II.1 2005 1st Quarter financial results | |
| II.1.1 Share portfolio management | |
| II.1.1.a. Share portfolio restructuring | |
| II.1.1.b. Investment – disinvestment activity | |
| II.1.2. Financial Results | |
| II.1.3. Compliance with the legal requirements regarding the holding limits allowed | |
| II.2 2005 1st Quarter non - financial results | |
| II.2.1 Status of litigations | |
| II.2.2. Corporate governance principles observance in relation to shareholders and capital market institutions | |
| II.2.3 Internal audit | |
| III. Major events | page 9 |
| IV. Annexes | |
| Annex IV.1 Share portfolio as of March 31st 2005 | |
| Annex IV.2 Companies in process of liquidation / reorganization | |
| Annex IV.3 Assets and liabilities as of March 31st 2005 (CNVM Regulation 9/96) | |
| IV.3.1 Securities – shares | |
| IV.3.2 Securities – bonds | |
| Annex IV.4 Net assets as of March 31st 2005 | |

2005 FIRST QUARTER REPORT OF SIF MOLDOVA'S BOARD OF DIRECTORS

This report was approved in the Board of Directors' meeting of April 15, 2005.

I. General presentation

I.1 Data of identification

“Societatea de Investitii Financiare Moldova” SA (Financial Investment Company Moldova) is legally incorporated as a joint stock company; it operates on the grounds of its articles of incorporation, of Law 31/1990R, Law 164/1999, Law 297/2004 and of Comisia Nationala a Valoriilor Mobiliare - CNVM (the National Securities Commission) regulations. SIF Moldova is the successor of “Fondul Proprietatii Private II Moldova” (Private Ownership Fund II Moldova), reorganized and transformed according to Law 133/1996.

The registered capital, subscribed and paid-up, is 519.089.588 th ROL, made up of 519.089.588 shares of 1.000 ROL nominal value.

Shares are traded at Bursa de Valori Bucuresti – BVB (the Bucharest Stock Exchange), 1st tier, as from November 1st, 1999.

Shares and shareholders registers are held by Regisco SA Bucharest, authorized by CNVM as an independent registry company. According to Law 31/1990R, art.175, modified by art. 78 of Law 161/2003, mentions were communicated to the Trade Register Office, by means of Mention Recording Certificate no. 21700 / 09.12.2003.

Banca Romana de Dezvoltare – Groupe Societe Generale SA Bucuresti provides the depository services of the assets, as company authorized to this purpose by CNVM.

Societatea de Investitii Financiare Moldova SA is registered with:

- The Chamber of Commerce, Industry and Agriculture Bacau – unique registration code 2816642, fiscal attribute R.
- The National Securities Commission – Decision no. 1902 / 30.08.1999 of permanent authorization.
- Securities Register Office – Registration certificate no. 418 / 07.09.1999
- The National Securities Commission – Decision no. 3112 / 11.09.2003 regarding changes in the Board of Directors.

I.2 General objectives, specific indicators

The main objective of SIF Moldova's activity programme is to maximize its own shares value. This aim fulfillment has a direct component, by achieving the indices set through the budget of income and expenses and an indirect component, which consists of the company performance reflected by market indices (share price and liquidity, net asset value per share, etc.).

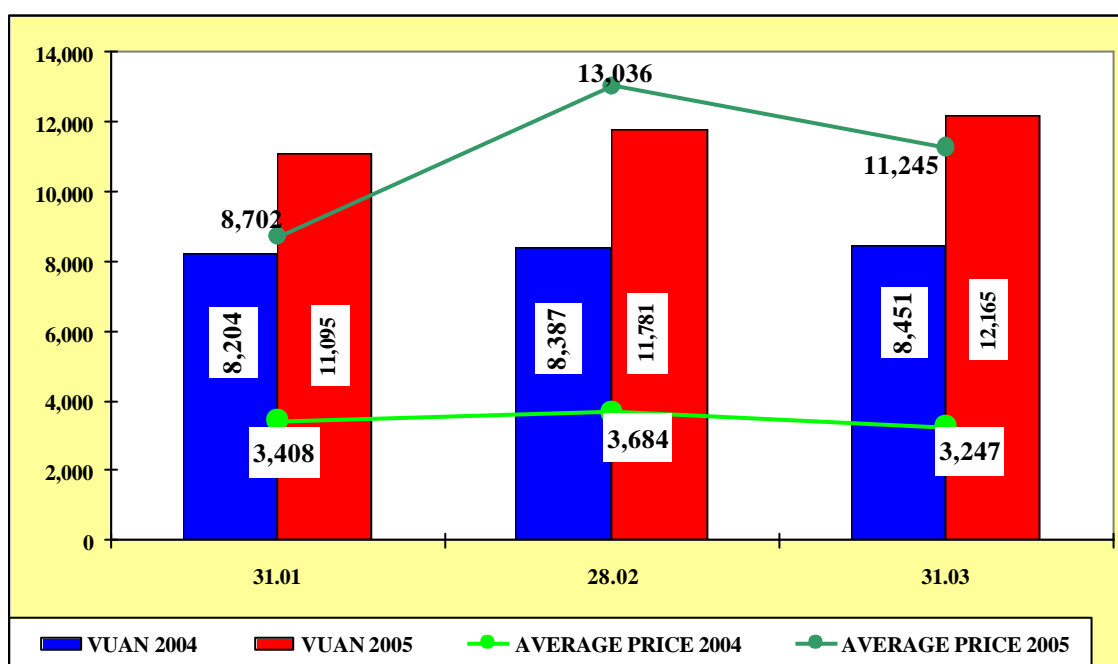
The Board of Directors envisages the growth of the company assets management indices, as well as a prudent dividend policy, meant to strike a balance between an optimal ongoing

activity, satisfying shareholders' expectations and observing the corporate governance principles.

Indices used by the company to analyze the fulfillment of the above mentioned objectives are the following:

1. Unitary Net Asset Value (ROL/share) – VUAN – rose by 9,64%, as a result of a monthly growth during Q1.

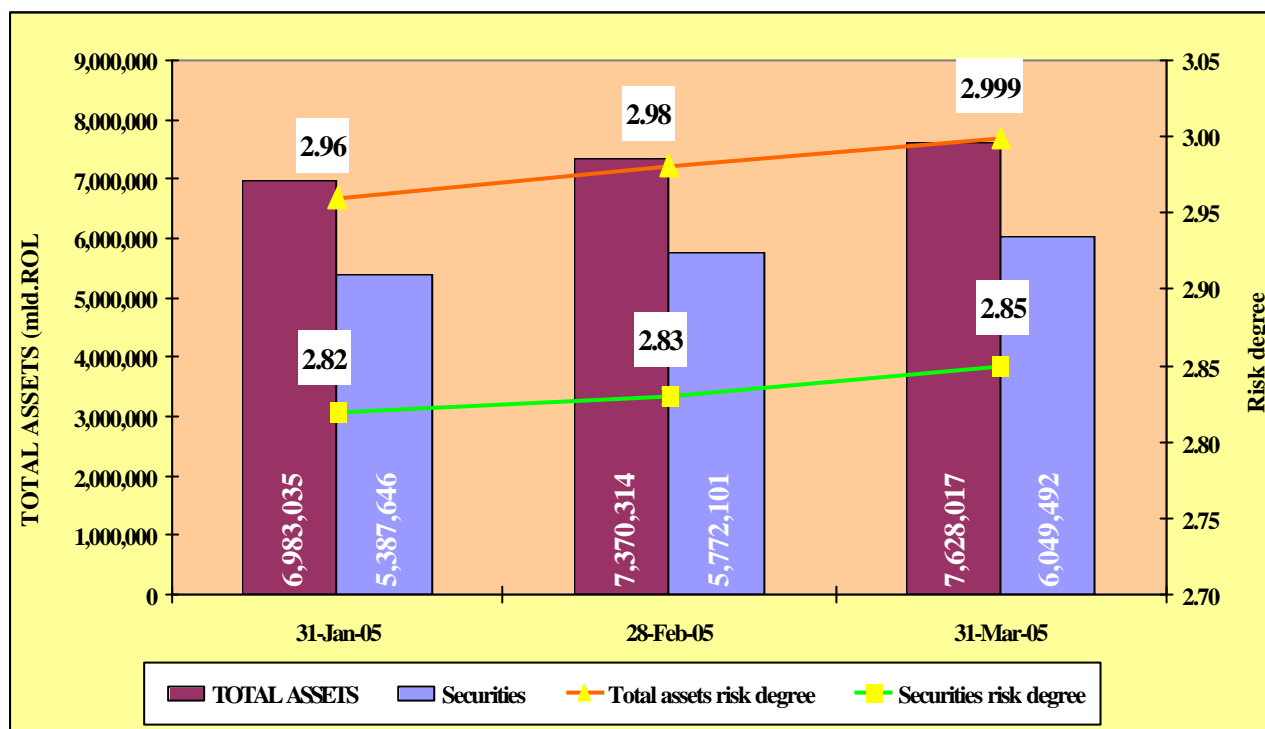
| INDEX | 2004 | | | 2005 | | |
|----------------------------------|--------|--------|--------|--------|--------|--------|
| | Jan 31 | Feb 28 | Mar 31 | Jan 31 | Feb 28 | Mar 31 |
| VUAN (ROL/share) | 8.204 | 8.387 | 8.451 | 11.095 | 11.781 | 12.165 |
| average price (ROL/share) | 3.408 | 3.684 | 3.247 | 8.702 | 13.036 | 11.245 |
| VUAN / average price | 2,41 | 2,28 | 2,60 | 1,27 | 0,90 | 1,08 |



2. Risk degree of assets and securities

The risk degree of assets remained below 3, placing the company in the medium risk category.

| | Jan 31, 2005 | Feb 28, 2005 | Mar 31, 2005 |
|--|--------------|--------------|--------------|
| TOTAL ASSETS (mld.ROL) | 6.983.035 | 7.370.314 | 7.628.017 |
| Investments in securities (mld.ROL) | 5.387.646 | 5.772.101 | 6.049.492 |
| Risk degree of total assets | 2,96 | 2,98 | 2,99 |
| Risk degree of securities | 2,82 | 2,83 | 2,85 |



3. Market indices of SIF Moldova shares

Enjoying high liquidity, the market value of SIF Moldova tripled, as compared to the same period of the previous year.

| | Q1 2004 | Q1 2005 |
|-----------------------------|-------------|---------------|
| Number of shares traded | 81.757.500 | 132.629.500 |
| Total value (th ROL) | 283.136.075 | 1.489.140.700 |
| Average price (ROL / share) | 3.372 | 11.228 |

II. Fulfillment of activity programme objectives

II.1 2005 1st Quarter financial results

II.1.1 Share portfolio management

II.1.1.a. Share portfolio restructuring

Portfolio has been restructured by:

a) Changes in equity participations subsequent to legal operations of modifying the registered capital, or write-offs, as follows:

- registered capital increase, from reserves, in two companies, totalling 9,77 mld.ROL, nominal value
- write-off of three companies, in which liquidation procedure was finalized on the grounds of Law 64 / 1995, worth 0,90 mld.ROL, nominal value
- split-up of a company, resulting in five new portfolio companies.

b) Sales, acquisitions and direct investments, as follows:

- total or partial sales of participations in 14 companies, worth 37,5 mld.ROL, nominal value
- acquisition of shares of 19 companies, worth 27,5 mld.ROL

- direct investments in 5 companies, worth 9,2 mld.ROL, in order to preserve the equity participation percentage.

II.1.1.a.1 Portfolio evolution, at nominal value

At the end of Q1 2005, the share portfolio contains 351 companies, worth 2.622 mld.ROL nominal value. 83 of them, worth 451 mld.ROL, representing 17,2% of the total nominal value, are in various stages of judiciary administrative liquidation or judiciary reorganization.

In Q1 2005, 7 companies started judiciary reorganization, another 2 moved from administrative reorganization or liquidation to judiciary liquidation and 3 companies were written-off from the Trade Register Office.

II.1.1.a.2 Share portfolio structure

Portfolio restructuring continued to aim at increasing participation in profitable companies, or in companies with trading potential, and at diminishing participation in companies in difficult financial situation, or lacking perspective. Operations carried out accordingly led to the following structure:

| Portfolio structure | Total nominal value | | | | Total market value* | | | |
|--|---------------------|-----------------|---------------|---------------|---------------------|-----------------|---------------|---------------|
| | billion ROL | | % | | billion ROL | | % | |
| | Dec31/04 | Mar31/05 | Dec31/04 | Mar31/05 | Dec31/04 | Mar31/05 | Dec31/04 | Mar31/05 |
| Securities | | | | | | | | |
| Traded shares, of which: | 1.382,15 | 1.367,96 | 52,88 | 52,17 | 3.053,56 | 4.200,43 | 62,86 | 69,43 |
| Listed at BVB (BSE) | 343,64 | 331,84 | 13,15 | 12,66 | 2.355,80 | 3.357,98 | 48,49 | 55,51 |
| Unlisted, traded at BVB (BSE) | 122,35 | 122,41 | 4,68 | 4,67 | 80,25 | 66,12 | 1,65 | 1,09 |
| Listed at RASDAQ | 916,16 | 913,71 | 35,05 | 34,85 | 617,51 | 776,33 | 12,71 | 12,83 |
| Shares not traded, of which: | 1.231,92 | 1.254,22 | 47,12 | 47,83 | 1.804,29 | 1.849,29 | 37,14 | 30,57 |
| Closed companies | 866,93 | 881,28 | 33,16 | 33,61 | 1.716,50 | 1.722,71 | 35,33 | 28,48 |
| Listed, not traded | 119,16 | 118,82 | 4,56 | 4,53 | 11,17 | 112,96 | 0,23 | 0,22 |
| Listed, not traded during the latest 12 months | 245,83 | 254,12 | 9,4 | 9,69 | 76,62 | 13,39 | 1,58 | 1,87 |
| Total | 2.614,07 | 2.622,18 | 100,00 | 100,00 | 4.857,85 | 6.049,49 | 100,00 | 100,00 |

* Market value is determined according to CNVM Instruction no. 4 / 1999.

Portfolio structure by size of the companies' registered capital:

| | Mar 31 / 04 | | Dec 31 / 04 | | Mar 31 / 05 | |
|--|----------------|----------|----------------|----------|----------------|----------|
| | Number | % | Number | % | Number | % |
| No. of companies, of which: | 370 | 100,00 | 353 | 100,00 | 351 | 100,00 |
| small / medium-sized (registered capital < 18 mld.ROL) | 242 | 65,40 | 224 | 63,45 | 217 | 61,82 |
| large companies (registered capital > 18 mld.ROL) | 128 | 34,60 | 129 | 36,55 | 134 | 38,18 |
| | mld.ROL | % | mld.ROL | % | mld.ROL | % |
| Shares nominal value, of which: | 2.657,91 | 100,00 | 2.614,07 | 100,00 | 2.622,18 | 100,00 |
| small / medium-sized (registered capital < 18 mld.ROL) | 287,56 | 10,82 | 266,28 | 10,18 | 253,76 | 9,68 |
| large companies (registered capital > 18 mld.ROL) | 2.370,35 | 89,18 | 2.347,79 | 89,82 | 2.368,42 | 90,32 |

Portfolio structure by size of participation in the component companies:

| | Mar 31 / 04 | | Dec 31 / 04 | | Mar 31 / 05 | |
|--------------------------------------|-------------|--------|-------------|--------|-------------|--------|
| Insignificant participations: | | | | | | |
| Number of companies | 127 | | 132 | | 140 | |
| Nominal value (mld.ROL) / weight (%) | 1.146,59 | 43,14 | 1.240,81 | 47,47 | 1.253,13 | 47,49 |
| Significant participations: | | | | | | |
| Number of companies | 184 | | 171 | | 163 | |
| Nominal value (mld.ROL) / weight (%) | 1.110,91 | 41,80 | 1.058,94 | 40,51 | 1.068,54 | 40,75 |
| Control participations: | | | | | | |
| Number of companies | 34 | | 28 | | 26 | |
| Nominal value (mld.ROL) / weight (%) | 238,14 | 8,96 | 153,74 | 5,88 | 139,92 | 5,34 |
| Majority participations: | | | | | | |
| Number of companies | 25 | | 22 | | 22 | |
| Nominal value (mld.ROL) / weight (%) | 162,26 | 6,10 | 160,59 | 6,14 | 160,59 | 6,12 |
| Total participations: | | | | | | |
| Number of companies | 370 | | 353 | | 351 | |
| Nominal value (mld.ROL) / weight (%) | 2.657,91 | 100,00 | 2.614,08 | 100,00 | 2.622,18 | 100,00 |

Portfolio structure by economic sector:

| ECONOMIC SECTOR | 31.12.2004 | | | | 31.03.2005 | | | |
|------------------------|--------------|---------------|--|---------------|--------------|---------------|--|---------------|
| | No. of comp. | % | Participations nominal value (mld.ROL) | % | No. of comp. | % | Participations nominal value (mld.ROL) | % |
| Banks, Insurance | 11 | 3,12 | 856,11 | 32,75 | 11 | 3,13 | 874,40 | 33,35 |
| Machinery construction | 27 | 7,65 | 424,91 | 16,25 | 27 | 7,69 | 430,13 | 16,40 |
| Textile & Garments | 62 | 17,56 | 308,21 | 11,79 | 67 | 19,09 | 311,02 | 11,86 |
| Chemical industry | 12 | 3,40 | 331,06 | 12,66 | 13 | 3,70 | 300,40 | 11,46 |
| Agriculture | 82 | 23,23 | 233,73 | 8,94 | 79 | 22,51 | 225,40 | 8,60 |
| Metallurgy | 10 | 2,83 | 208,95 | 7,99 | 10 | 2,85 | 209,08 | 7,97 |
| Food & Beverage | 26 | 7,37 | 79,49 | 3,04 | 26 | 7,41 | 81,27 | 3,10 |
| Commerce, restaurants | 40 | 11,33 | 63,64 | 2,43 | 38 | 10,83 | 64,69 | 2,46 |
| Other | 83 | 23,51 | 107,97 | 4,13 | 80 | 22,79 | 125,77 | 4,80 |
| TOTAL | 353 | 100,00 | 2.614,07 | 100,00 | 351 | 100,00 | 2.622,18 | 100,00 |

II.1.1.b. Investment – disinvestment activity

II.1.1.b.1 Investment activity

In the secondary market, the objective of building-up a portfolio formed of liquid shares, with growth potential, was achieved by continuing / initiating acquisition programmes aimed at issuers listed on the regulated markets, active in diverse economic sectors. Such programmes focused on 19 issuers, with a total purchase amount of 151,6 mld.ROL, significantly more than in the first quarter of 2004, when investments totalled only 8,3 mld.ROL in 9 issuers.

The following primary investments were made in the first quarter:

- 0,49 mld.ROL in 2 listed companies, at nominal value;
- 20,02 mld.ROL in 3 closed companies, totalling 8,73 mld.ROL nominal value.

In the first quarter of 2005, SIF Moldova made the following subscriptions:

- 51,56 mld.ROL in 3 listed companies, totalling 49,67 mld.ROL nominal value;
- 0,34 mld.ROL in a closed company.

These investments shall be registered when the capital increase procedures are ended.

II.1.1.b.2 Disinvestment activity

Stock of 14 issuers (of which 5 closed companies) was object of disinvestment operations in the first quarter. Sales totalled 33,7 mld.ROL, twice as much as Q1 proceeds a year ago (16,6 mld.ROL). Related costs were 17 mld.ROL, higher than 2004 Q1 costs of 7,4 mld.ROL.

II.1.2. Financial Results

Profit and loss account, as of March 31st, 2005

th ROL

| | No. row | | |
|--|-----------|-------------------|--------------------|
| | | Q1 2004 | Q1 2005 |
| A | B | 1 | 2 |
| A. A. INCOME FROM CURRENT ACTIVITY – TOTAL (rows 02 to 11) | 01 | 96.622.849 | 142.510.407 |
| 1 Income from financial investments | 02 | 2.725 | 26.293 |
| 3 Income from receivables | 04 | 72.198.186 | 49.015.705 |
| 4 Income from yielded financial investments | 05 | 16.685.900 | 33.705.412 |
| 6 Income from provisions, reactivated receivables and various debtors | 07 | 1.731.827 | 32.388.112 |
| 7 Income from exchange rate differences | 08 | 47.443 | 4.207.542 |
| 8 Income from interest | 09 | 2.040.826 | 919.067 |
| 9 Income from production | 10 | 0 | - |
| 10 Other income from current activity | 11 | 3.915.942 | 22.248.276 |
| B. B. EXPENSES FROM CURRENT ACTIVITY – TOTAL (rows 13 to 20) | 12 | 26.244.834 | 84.926.604 |
| 12 Expenses related to yielded financial investments | 14 | 7.525.838 | 17.073.343 |
| 13 Expenses from exchange rate differences | 15 | 1.336 | 5.300.717 |
| 15 Expenses related to commissions and fees | 17 | 1.406.100 | 2.197.340 |
| 16 Expenses with banking and equivalent services | 18 | 74.692 | 63.069 |
| 17 Amortization, provisions, losses from receivables and various debtors | 19 | 1.572.221 | 20.768.345 |
| 18 Other expenses from current activity | 20 | 15.664.647 | 39.523.790 |
| a. Costs of materials | 21 | 2.048.079 | 2.742.036 |
| b. Costs of power and water | 22 | 412.092 | 349.377 |
| c. Costs of personnel, of which: | 23 | 11.005.557 | 13.185.344 |
| C1. Salaries | 24 | 8.276.725 | 9.828.066 |
| C2. Social and insurance expenses | 25 | 2.728.832 | 3.357.278 |
| d. Costs of services | 26 | 1.635.642 | 22.862.621 |
| e. Costs of other taxes and equivalent payments | 27 | 563.277 | 384.412 |
| C. CURRENT RESULT | | | |
| profit (rows 01 – 12) | 28 | 70.378.015 | 57.583.803 |
| loss (rows 12 – 01) | 29 | | |
| 19 TOTAL INCOME (rows 01 + 30) | 34 | 96.622.849 | 142.510.407 |
| 20 TOTAL EXPENSES (rows 12 + 31) | 35 | 26.244.834 | 84.926.604 |
| G. GROSS RESULT | | | |
| profit (rows 34 – 35) | 36 | 70.378.015 | 57.583.803 |
| loss (rows 35 – 34) | 37 | | |
| 21 PROFIT TAX | | | |
| expenses with the current profit tax (acc. 6911) | 38 | 16.399.748 | 8.199.111 |

| | | | | | |
|-----------|---|----|--|------------|------------|
| | income from the deferred profit tax (acc. 791) | 39 | | 71.229 | 236.928 |
| 22 | Expenses with the deferred profit tax (acc. 6912) | 40 | | 21.818 | 183.023 |
| H. | RESULT Q1 2005 | | | | |
| | profit (rows 36 – 38 + 39 - 40) | 41 | | 54.027.678 | 49.438.597 |
| | loss (rows 37 + 38 – 39 + 40) or (rows 38 – 39 + 40 – 36) | 42 | | | |
| I. | RESULT PER SHARE (ROL / share) | | | | |
| | basic | 43 | | 104 | |
| | diluted | 44 | | | |

Execution of the Budget of Income and Expenses, as of March 31st, 2005

th ROL

| | FORECAST 2005 | FORECAST Q1 2005 | ACHIEVED Q1 2005 | PERCENTAGE ACHIEVED |
|-------------------------------------|--------------------|---------------------|---------------------|------------------------|
| | 1 | 2 | 3 | 4 = 3 / 2 |
| A. Total income, of which: | 613.000.000 | 108.250.000 | 142.510.407 | 132% |
| 1. Operational income | 29.000.000 | 20.750.000 | 52.801.113 | 254% |
| I. Income from penalties | 1.000.000 | 250.000 | 226.917 | 91% |
| II. Income from cession of assets | 18.000.000 | 18.000.000 | 17.981.616 | 100% |
| III. Other income | 10.000.000 | 2.500.000 | 2.204.468 | 88% |
| IV. Income from provisions | - | - | 32.388.112 | - |
| 2. Financial income | 584.000.000 | 87.500.000 | 89.709.294 | 103% |
| I. Income from participations | 234.000.000 | - | 26.293 | - |
| II. Income from sales of securities | 200.000.000 | 50.000.000 | 33.705.412 | 67% |
| III. Other, including interest | 150.000.000 | 37.500.000 | 55.977.589 | 149% |
| IV. Income from provisions | - | - | - | - |
| B. Total expenses, of which: | 243.637.136 | 75.254.284 | 84.926.604 | 113% |
| 1. Operational expenses | 133.637.136 | 47.754.284 | 40.569.948 | 85% |
| I. Operational expenses effected | 133.637.136 | 47.754.284 | 40.569.948 | 85% |
| II. Expenses with provisions | - | - | - | - |
| 2. Financial expenses | 110.000.000 | 27.500.000 | 44.356.656 | 161% |
| I. Financial expenses effected | 50.000.000 | 12.500.000 | 8.532.814 | 68% |
| II. Cost of securities sales | 60.000.000 | 15.000.000 | 17.073.343 | 114% |
| III. Expenses with provisions | - | - | 18.750.499 | - |
| C. Gross profit | 369.362.864 | 32.995.716 | 57.583.803 | 175% |
| D. Profit before tax | 128.862.864 | 31.345.930 | 54.416.773 | 174% |
| E. Profit tax | 20.618.058 | 4.815.349 | 8.199.111 | 170% |
| F. Deferred profit tax | - | - | -53.905 | - |
| G. Net profit | 348.744.806 | 28.180.367 | 49.438.597 | 175% |

STATUS OF ASSETS AND LIABILITIES

STATUS OF NET ASSET UNITARY VALUE as of March 31st, 2005 – million ROL

| | latest | year ago | + / - |
|-------------------------|-----------|-----------|-----------|
| Net asset value | 6.314.917 | 4.386.853 | 1.928.054 |
| Net asset unitary value | 12.165 | 8.451 | 3.714 |

DETAILED STATUS OF INVESTMENTS, as of March 31st, 2005 – million ROL

| | Issuer | Securities | | Interest or dividends related | Term | Value |
|----------------------------|--------------------|------------------|----------------------|-------------------------------|----------|------------------|
| | | % in circulation | owned by SIF Moldova | | | |
| Total securities | | | 7.150.844 | 7.836 | | 7.158.680 |
| Shares | - | | 6.049.492 | - | - | 6.049.492 |
| Bonds | - | | 18.948 | 593 | - | 19.541 |
| Total other securities | - | | 1.082.404 | 7.243 | - | 1.089.647 |
| | B.C.R. | | 565.221 | 5.054 | 1 month | 570.275 |
| | Banca Transilvania | | 169.837 | 882 | 1 month | 170.719 |
| | | | 285.016 | 570 | 2 months | 285.586 |
| | BANCPOST | | 47.340 | 650 | 3 months | 47.990 |
| | | | 9.990 | 67 | 1 month | 10.057 |
| | | | 5.000 | 20 | 2 months | 5.020 |
| Total bank deposits | | - | 13.309 | 24 | - | 13.333 |
| | B.C.R. | | 1.444 | 23 | 1 year | 1.467 |
| | UNICREDIT | | 5.650 | 0 | 1 day | 5.650 |
| | Banca Transilvania | | 6.215 | 1 | 1 day | 6.216 |
| Total other assets | | | | | | 456.005 |
| Total investment tools | - | | 270.500 | 1.583 | - | 272.083 |
| - deposit certificates | B.R.D. | | 270.500 | 1.583 | 1 month | 272.083 |
| - treasury bills | - | | - | - | - | - |
| intangible assets | - | | - | - | - | 2.170 |
| tangible assets | - | | - | - | - | 103.947 |
| other financial assets | - | | - | - | - | 1.505 |
| inventory | - | | - | - | - | 242 |
| receivables | - | | - | - | - | 73.984 |
| cash | - | | - | - | - | 1.505 |
| settlement accounts | - | | - | - | - | 568 |
| Total Assets | | | | | | 7.628.017 |

II.1.3. Compliance with the legal requirements regarding the holding limits allowed

During the first quarter of 2005, the legal provisions regarding investments in equity, according to articles 2 and 3 of CNVM Instruction no. 5 / 2004 and CNVM Approval no. 364 / 2004, were observed.

It is worth pointing out that the investment made in BancPost shares, by exerting the preference right of participation in the registered capital increase, obeyed the above mentioned norms in force.

II.2 2005 1st Quarter non - financial results

II.2.1 Status of litigations

As far as litigations are concerned, in relation to the situation presented in the 2004 Annual Report, a number of changes occurred, as shown below:

SIF Moldova filed new litigations, as claimant, during the first quarter of 2005, as follows:

- 7 litigations aiming at invalidating illegal decisions made by shareholders general meetings of portfolio companies
- 2 litigations aiming at recouping due dividends, adding up to 1.325.024.613 ROL
- 2 litigations regarding portfolio companies bankruptcy and debtors
- 2 litigations consisting of charges against portfolio companies board members
- 2 other litigations.

7 previous litigations, with SIF Moldova as claimant, were finalized during the first quarter of 2005, as follows:

- 1 litigation aiming at invalidating an illegal decision made by a shareholders general meeting of a portfolio company
- 2 litigations aiming at recouping due dividends
- 1 litigation regarding a portfolio company bankruptcy, debtor to SIF Moldova
- 1 litigation consisting of charges against a portfolio company board members
- 2 other litigations.

Litigations in which SIF Moldova is defendant did not evolve significantly during the first quarter of 2005.

II.2.2. Corporate governance principles observance in relation to shareholders and capital market institutions

SIF Moldova SA fulfilled all of its reporting obligations provided by the laws in force, as follows:

a. In relation to the capital market institutions

a.1. Periodic reports to CNVM (National Securities Commission) and BVB (Bucharest Stock Exchange)

- weekly and monthly reports – net asset value and portfolio structure – communicated to BVB
- 2004 Annual report, communicated to CNVM and BVB, short version sent to press (“Bursa” newspaper of April 8th, 2005) and displayed on the company’s website www.sifm.ro.

a.2. Current reports to CNVM and to BVB

- preparation of the Ordinary and Extraordinary General Meetings of Shareholders of April 22 / 23rd 2005
- significant security transactions: Banca Transilvania SA Cluj, Mecanica Ceahlaul SA Piatra Neamt, Rulmenti SA Birlad
- other important aspects communicated: financial calendar, constitutive act draft, General Meetings of Shareholders convocation; preliminary financial results.

b. In relation to the shareholders

Shareholders informing requirements were fulfilled by means of press releases, reports publishing, information provided through the capital market electronic system and through the company website as well. We took all steps needed to inform shareholders and to make available to them the documents related to the organization and unfolding of the Ordinary and Extraordinary General Meetings of Shareholders of April 22 / 23rd 2005. A press release regarding shareholders meetings convocation was published in the newspaper “Bursa” of February the 9th, 2005, in the Official Gazette, part IV, no. 484 / Feb. 10th, 2005. Documents related to the agenda, and others, were also included, according to CNVM Instruction no. 8 / 1996. Activity organization in the head office and in the representative offices enables an efficient solution to shareholders’ requests, expressed directly or by correspondence.

Dividends were distributed and paid to shareholders in compliance with the decisions made by the Ordinary General Meetings of Shareholders of April 24th, 2004. The following amounts were paid until March 31st, 2005:

| SHAREHOLDERS | No. of shareholders | Dividends paid by March 31 st , 2005 (ROL) | | | |
|---|---------------------|---|----------------------|------------------------|------------------------|
| | | 2001 | 2002 | 2003 | 2004 |
| Legal persons (by transfer) | 191 | 16.602.300 | 418.506.057 | 32.795.678.422 | 33.230.786.779 |
| Natural persons (by transfer or cashier) | 10.349 | 268.558.325 | 2.289.453.927 | 54.489.223.270 | 57.047.235.522 |
| Natural persons (contract with the Post Office) | 210.401 | 555.740.831 | 2.593.491.076 | 108.448.095.294 | 111.597.327.201 |
| TOTAL | 220.941 | 840.901.456 | 5.301.451.060 | 195.732.996.986 | 201.875.349.502 |

II.2.3 Internal audit

Report regarding the internal audit effected in the first quarter of 2005.

The internal audit is carried out on the grounds of the commitment plan adopted in accordance with the company’s objectives.

The audit plan for 2005 was approved in the Board of Directors Meeting of March 25th, 2005. Internal audit planning was based on a risk and risk exposure assessment.

The internal audit plan covered all of the activities and operations carried out during three years, providing continuity from the previous period. The main operations and activities subject to the internal audit during the first quarter of 2005, according to the audit plan, concern:

- decision making regarding securities buying and selling (shares and bonds)
- distribution and payment of dividends due to SIF Moldova’s shareholders for the fiscal year 2002, and of dividends unpaid at the end of 2002, for the previous fiscal years (2001 and 2000)
- SIF Moldova’s share portfolio structure and an evaluation thereof, according to CNVM instructions on computing the financial investment companies net asset value.
- compliance with legal provisions and internal norms regarding the general patrimony inventorying and the accounting registration of its results.

The internal audit appreciates that the activities and operations carried out during the first quarter of 2005, subject to the audit, are in accord with the corporate policies, programmes

and management, and conform to the legal provisions and internal norms. Cases of significant risk taken by Board of Directors' decisions were not found.

III. Major events

The Ordinary and Extraordinary Meetings of SIF Moldova's Shareholders

The press release regarding the summoning of the Ordinary and Extraordinary Meetings of Shareholders (including the draft constitutive act), was communicated to the CNVM and BVB, published in the Official Gazette, part IV, no. 484 / Feb 10th, 2005, in the CNVM Bulletin of January 2005, in "Bursa" newspaper of February 9th, 2005 and posted at all info centers and on the website www.sifm.ro.

Informative documents drawn up according to the CNVM Instruction no. 8 / 1996, regarding the issues contained in the agenda of the Ordinary and Extraordinary Meetings of SIF Moldova's Shareholders were available to shareholders at the head office, at SIF Moldova's representative offices, as well as on the company's website www.sifm.ro, starting March 7th, 2005, as mentioned in the press release; prior to this date, documents were sent to the CNVM and BVB.

The documents related to the agenda were submitted to the CNVM and BVB, distributed at the info centers and posted on the website. The Annual Report of 2004 was published in "Bursa" newspaper of April 8th, 2005.

PRESIDENT – GENERAL MANAGER

ALEXANDRU MATEI

** The 2005 first quarter report and its annexes was sent to the BVB and CNVM, is available at the company head office and on SIF Moldova's website www.sifm.ro.*