



Financial Investment Company Moldova S.A.

Semestrial report according to: Law 297/2004, NSC Regulations no. 1/2006 and 15/2004
Date of report: Mar 31, 2006
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
Unique registration code at the
Trade Registry Office: 2816642
Serial Number in the Trade Registry: J04/2400/92
NSC Registry No.: PJR09SIIR/040001/14.12.2005
Subscribed and paid-in capital: 51908958.8 RON
Regulated market trading
Issued securities: BVB (Bucharest Stock Exchange)

ACTIVITY REPORT OF THE BOARD OF DIRECTORS OF FIC MOLDOVA FOR THE 1ST QUARTER OF 2006

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, Law no. 164/1999, 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;
- * 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 at the Bucharest Stock Exchange in the 1st tier, beginning Nov 01 1999;
- * The record of shares and shareholders is maintained according to legal specifications, by Regisco SA Bucharest – company authorized by the NSC as an independent registry company. According to Law no. 31/1990 R – art. 175, modified by art.78 of Law no. 161/2003, fillings were submitted to the Trade Registry Office with the Filling Registration Certificate no. 21700/12.9.2003;
- * 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/Dec 14, 2005.

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

- * Bacau Chamber of Commerce, Industry and Agriculture – unique registration code 2816642, fiscal attribute R;
- * 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 regarding the Board of Directors membership modification.
- * 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 – Approval no. 113/ Dec 14, 2005 approving actual leadership;

* 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.

I. GENERAL OBJECTIVES, SPECIFIC INDICATORS

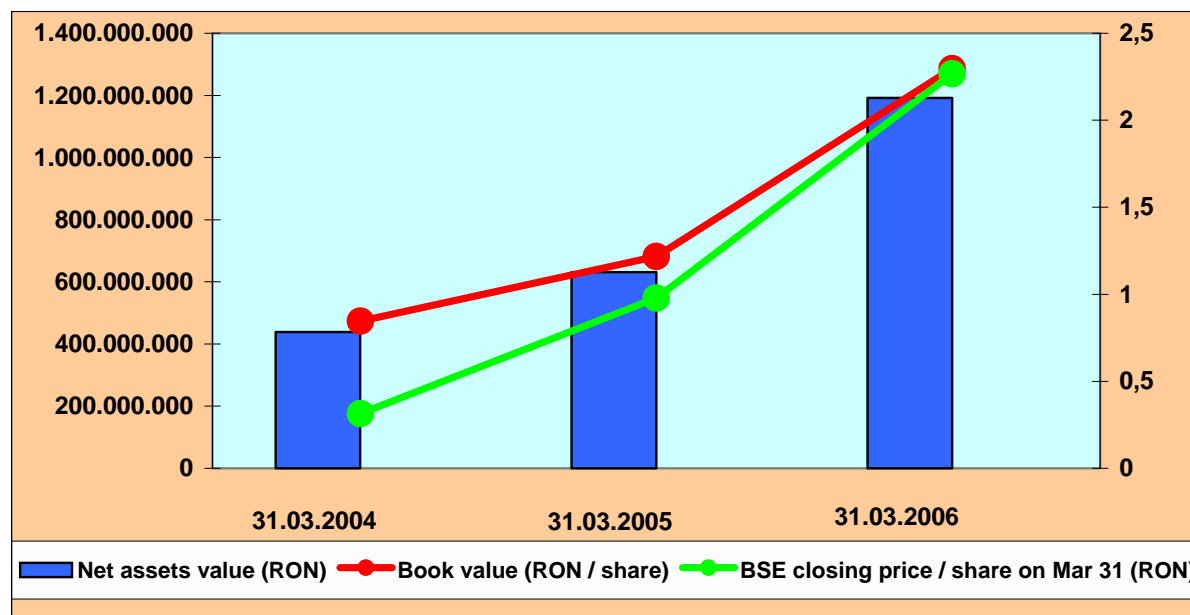
The main objective of the company’s activity plan for 2006, approved by the General Meeting of Shareholders, is to maximize the value of its shares. The fulfillment of this objective has a direct component, consisting of the realization of parameters set forth in the Revenue and Expense Budget and an indirect component, consisting of the reflection of company performance in market indicators (price and liquidity of shares, book value of shares, etc.).

The Board of Directors is aiming to increase the assets management indices, a prudent management of dividend policy to ensure a balance between the continuation of activity in optimum conditions and the satisfaction of shareholder expectations and compliance with corporate governance principles.

The realization of the aforementioned objectives and the measurement of company performance are reflected in indicators specific to FICs, some of which are presented below.

Book value of shares, determined according to NSC Instructions, recorded values according to the monthly structure of assets managed by FIC Moldova, achieving a significant increase in value throughout the three trimesters and a 171,78% appreciation during the three quarters analyzed (2004 – 2006).

Item name	Mar 31, 2004	Mar 31, 2005	Mar 31, 2006
Net assets value (RON)	438.685.333	631.490.666	1.192.225.865
Book value (RON / share)	0,8451	1,2165	2,2968
BSE closing price / share on Mar 31 (RON)	0,3155	0,9787	2,2662
Book value / closing price	2,68	1,24	1,01
Net profit	5.402.767	4.943.859	3.753.907
Net profit / net assets (%)	1,23	0,78	0,31



The result recorded in the course of two years was a 8,2 times growth of the average trading price, approaching and even exceeding the book value, based on the increase in financial performance of the company.

In the context of an increased liquidity , an increase in the value of the stock market capitalization of FIC Moldova was recorded.

Volume of FIC Moldova shares traded	1st QUARTER 2004	1st QUARTER 2005	1st QUARTER 2006
Number of shares traded	81.757.500	132.529.500	127.943.000
Total value (RON)	28.313.608	148.914.070	315.440.245
Average price (RON / share)	0,3372	1,1228	2,4655

II. ACHIEVEMENT OF OBJECTIVES IN THE ACTIVITY PLAN

II.1. ACHIEVEMENT OF FINANCIAL OBJECTIVES

II.1.1. PORTFOLIO MANAGEMENT

II.1.1.a. Portfolio restructuring

Between Jan 1, 2006 and Mar 31, 2006, share portfolio management objectives were pursued, as set forth in the FIC Moldova activity program for the year 2006.

FIC Moldova continued the portfolio restructuring 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.

Portfolio restructuring was carried out by:

a) Modifying the participation by legal operations of increasing / decreasing the share capital or writing off. The modifications in this direction were:

- **increasing the share capital** in 3 companies, totaling 89.034,50 RON in nominal value;
- **decreasing the share capital** in 2 companies, totaling 138,16 RON in nominal value;
- **write-off** of 3 companies in which the liquidation procedure according to Law 64 / 1995 was finalized, resulting in the elimination from the portfolio of participations held, 636.885,5 RON in nominal value.
- **fusion** of 2 companies, resulting in the elimination from the portfolio of participations held, 209.378,9 RON in nominal value, and inclusion of new participations, 25.697,5 RON in nominal value.

b) The modification of FIC Moldova participations following transactions finalized by the transfer of property rights (sales / acquisitions), direct investment or withdrawal from association, as follows:

- **sales** – the sale of participations (full or partial) in 13 companies, 3.549.532,6 RON in nominal value;
- **acquisitions** – involving stock in 23 companies, 1.794.234,50 RON in nominal value;
- **direct investment** (primary placement) – in 2 companies, 6.814.674,54 RON in nominal value, for preserving the percentage held.

II.1.1.a.1 Evolution of the portfolio at nominal value

Restructuring operations throughout the year led to a decrease of the number of companies in the portfolio, therefore on Mar 31, 2006 the portfolio comprises 320 companies, in which shares totaling 294.234.842,39 RON in nominal value are held. Of these, 87 companies in which FIC Moldova holds shares worth 53.809.488,70 RON in nominal value, representing 18,29% of total participations at nominal value, are undergoing various stages of administrative / judicial liquidation or judicial reorganization.

The detailed status of investments according to Regulation no. 15 / 2004 – annex 17 of NSC is presented in **Annex IV.1.**

II.1.1.a.2. Portfolio structure

In the Jan 1, 2006 – Mar 31, 2006 period, portfolio restructuring led to the following structure according to the type of shares (listed / unlisted):

Portfolio structure	Total nominal value of the package				Total market value* of the package			
	Thousand RON		%		Thousand RON		%	
	31.12.05	31.03.06	31.12.05	31.03.06	31.12.05	31.03.06	31.12.05	31.03.06
Securities								
Traded stock, Of which:	131.786	129.798	45,46	44,12	708.291	917.948	75,79	79,73
Companies listed at BSE	58.207	58.637	20,08	19,93	637.246	843.333	68,19	73,25
Unlisted companies, traded through the BSE system	12.629	12.728	4,36	4,33	7.263	11.289	0,78	0,98
Companies listed at RASDAQ	60.950	58.433	21,02	19,86	63.782	63.325	6,82	5,50
Untraded stock, Of which:	158.121	164.437	54,54	55,88	226.236	233.388	24,21	20,27
Closed companies	87.928	89.962	30,33	30,57	190.282	202.581	20,36	17,60
Listed, untraded companies	10.822	10.822	3,73	3,68	318	317	0,03	0,03
Listed, untraded in last 12 mo./90 days companies	59.371	63.653	20,48	21,63	35.636	30.490	3,82	2,64
Total	289.907	294.235	100,00	100,00	934.527	1.151.336	100,00	100,00

*Market value is determined according to NSC Instruction no. 15/2004

Portfolio structure according to size of participation in comprised companies is, on Mar 31, 2006, compared to Dec 31, 2005 and the corresponding period of the previous year, as follows:

Specification	31.12.2005		31.03.2006	
Insignificant participations:				
Number of companies	135		134	
Nominal value (thousand RON) / percentage	151.575	52,28	150.834	51,26
Significant participations: 10% ≤ % FIC < 33%				
Number of companies	148		146	
Nominal value (thousand RON) / percentage	105.760	36,48	113.167	38,46
Control participations: 33% ≤ % FIC < 50%				
Number of companies	22		22	
Nominal value (thousand RON) / percentage	13.414	4,63	13.414	4,56
Majority participations: % FIC ≥ 50%				
Number of companies	21		18	
Nominal value (thousand RON) / percentage	19.158	6,61	16.820	5,72
Total participations:				
Number of companies	326		320	
Nominal value (thousand RON) / percentage	289.907	100,00	294.235	100,00

The FIC Moldova portfolio structure according to field of activity of comprised companies is, compared to Dec 31, 2005, as follows:

SECTOR	31.12.2005				31.03.2006			
	No. S.C.	%	Nominal value of participations (thousand RON)	%	No. S.C.	%	Nominal value of participations (thousand RON)	%
BANKING, INSURANCE	10	3,05	105.285	36,32	10	3,13	107.251	36,45
MACHINERY MANUFACTURE	27	8,23	49.309	17,01	27	8,44	53.768	18,27
TEXTILES & GARMENTS	62	18,90	30.602	10,56	59	18,44	30.212	10,27
CHEMICALS	12	3,66	28.692	9,90	11	3,44	28.689	9,75
AGRICULTURE	79	24,09	22.971	7,92	78	24,38	22.741	7,73
METALLURGY	10	3,05	20.948	7,23	9	2,81	18.997	6,46
FOOD INDUSTRY	25	7,62	7.994	2,76	24	7,50	7.869	2,67
COMMERCE, RESTAURANTS	31	9,45	5.567	1,92	30	9,38	5.491	1,87
OTHERS	70	21,95	18.538	6,38	72	22,48	19.217	6,53
TOTAL	326	100,00	289.907	100,00	320	100,00	294.235	100,00

II.1.1.a.3. Administration of participations held

FIC Moldova continued to improve its portfolio administration and monitoring activity, to the aim of increasing the value and profitability of participations held in companies. Measures taken to this purpose involved as a priority the implication through General Meetings 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, European corporate management principles were promoted, together with equitable treatment of shareholders and business ethics, in order to impose correct management conduct and practices, to ensure the development of the company, attainment of profit and the protection of FIC Moldova interests in the companies in which it holds insignificant, significant or control positions, in order to stop disloyal practices of decapitalization by majority shareholders, abusive revocation of board of directors members proposed by FIC Moldova, modification of articles of incorporation to the purpose of delegating certain attributions of the GMS towards BD, restraining the right to trade shares, etc.

II.1.1.b. Investing-disinvesting activity

II.1.1.b.1 Investing activity

Investing activity - shares – on the primary market

In the Jan 1, 2006 – Mar 31, 2006 period direct investments were made by participating in the increase of registered capital of 2 issuers in the portfolio, in order to preserve the percentage held. Share investments totalling 6.814.674,54 RON in nominal value were recorded, at a price of RON, as follows:

- one listed company, in which shares 4.500.000 RON in nominal value were subscribed at an equal price.

- one unlisted company, in which the sum of 14.659.605,42 RON was subscribed for shares 2.314.674,54 RON in nominal value

Investing activity - shares – on the secondary market

Aiming at the consolidation of positions held in issuers in the portfolio, as well as building a portfolio of liquid securities with growth potential, FIC Moldova initiated / continued acquisition programs centered on issuers listed on regulated markets. Programs were targeted at 23 issuers, with a total acquisition value of 9,31 mil. RON (excluding trading commissions), less than the sum invested in the 1st quarter of 2005 – 15,16 mil. RON, in the context of events having a detrimental influence on the evolution of the stock market and imposing a prudent investment behaviour.

Investments in other financial instruments

The stockmarkets recent evolution, as well as the need to develop the activities towards portfolio diversification, made us initiate operations in:

- Derivative financial products market (BMFMS) – appropriated amount: 0,15 mil. RON
- Investment funds market - appropriated amount: 2,29 mil. RON.

Investments in securities issued by AOPC/OPCVM

On March 31 2006, FIC Moldova held 3.120 shares in “Fondul Oamenilor de Afaceri”, totalling 8.467,90 RON face value, 14.775,07 RON market value respectively.

II.1.1.b.2 Disinvestments in the secondary market

Share packages of 15 issuers (3 of closed-end type, of which 2 with the ownership right transfer in the second quarter) were subject to disinvestment operations during the first quarter of 2006. Revenue from these sales amounted to 8,90 mil RON, higher than the corresponding income of Q1 2005, of 3,37 mil RON, while related costs (calculated considering the historic cost and excluding transaction fees) totalled 4,93 mil RON (1,70 mil RON in Q1 2005).

II.1.2. PRESENTATION OF THE ECONOMIC AND FINANCIAL STATUS

Financial statements are based on Accounting Regulations harmonized with the European Economic Community 4th Directive, applicable to institutions authorized, regulated and supervised by the National Securities Commission.

Financial statements are drawn up in RON.

Financial statements for Mar 31, 2006 are not accompanied by an independent external auditor's report, according to the usual practices regarding the frequency of such reporting.

Balance Sheet on Mar 31, 2006

- RON -

	Row No.	Balance	
		31.12.2005	31.03.2006
A	B	1	2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
3. Grants, patents, licences, trademarks, similar rights and values and other intangible assets	03	96.376	87.136
5. Advances and pending intangible assets	05	138.103	138.103
TOTAL: (row 01 to 05)	06	234.479	225.239
II. TANGIBLE ASSETS			
1. Land and buildings	07	8.801.686	8.729.279
2. Equipment	08	487.948	438.149
3. Furniture and fixture	09	159.953	159.412
TOTAL: (row 07 to 10)	11	9.449.587	9.326.840
III. FINANCIAL ASSETS			
5. Securities as assets	16	933.868.797	959.138.889
6. Other claims	17	120.463	121.463
TOTAL: (row 12 to 17)	18	933.989.260	959.260.352
NON-CURRENT ASSETS – TOTAL (row 06 + 11 + 18)	19	943.673.326	968.812.431
B. CURRENT ASSETS			
I. INVENTORY			
1. Consumables	20	18.040	23.074
TOTAL: (row 20 to 22)	23	18.040	23.074
II. RECEIVABLES (Amounts to be cashed in after more than a year are to be listed individually.)			
1. Trade receivables*	24	105.283.804	101.539.285
4. Other receivables	27	19.449.074	671.269
TOTAL: (row 24 to 28)	29	124.732.878	102.210.554
III. SHORT TERM FINANCIAL INVESTMENTS			
3. Other short term financial investments	31	5.624.145	4.620.381
TOTAL: (row 30 to 31)	32	5.624.145	4.620.381
IV. CASH AND BANK ACCOUNTS	33	73.806	122.549

CURRENT ASSETS - TOTAL (row 23 + 29 + 32 + 33)	34	130.448.869	106.976.558
C. PREPAID EXPENSES (acct. 471)	35	48.654	45.593
D. CURRENT LIABILITIES			
A	B	1	2
4. Accounts payable	39	248.435	81.995
5. Commercial papers payable	40	13.531.361	13.531.361
8. Other liabilities, including taxes payable and social security liabilities	43	17.939.474	16.961.700
TOTAL: (row 36 to 43)	44	31.719.270	30.575.056
E. CURRENT ASSETS LESS NET CURRENT LIABILITIES (row 34 + 35 - 44 - 60.2)	45	97.048.359	74.837.020
F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 19 + 45 - 60.1)	46	1.040.721.685	1.043.649.451
G. NON-CURRENT LIABILITIES		-	-
5. Commercial papers payable	51	9.217.735	9.217.735
TOTAL: (row 47 to 54)	55	9.217.735	9.217.735
H. PROVISIONS			
2. Provisions for taxes	57	136.236.560	135.963.325
3. Other provisions	58	38.620.278	38.620.278
TOTAL PROVISIONS: (row 56 +57 + 58)	59	174.856.838	174.583.603
I. DEFERRED REVENUE (row 60.1+60.2) of which:	60	-	-
2. Precollected revenue	60.2	1.729.894	1.610.075
J. EQUITY AND RESERVES			
I. EQUITY (row 62 to 63) of which:	61	51.908.959	51.908.959
- Subscribed and paid capital	63	51.908.959	51.908.959
III. REEVALUATION RESERVES			
Balance C	65	6.235.347	6.235.109
IV. RESERVES (row 68 to 73 -74)	67	725.094.569	724.754.109
1. Legal reserves	68	9.300.275	9.512.481
3. Reserves constituted from free shares/notes	70	87.559.073	87.384.267
4. Reserves from fair value evaluation	71	488.839.285	489.098.053
5. Reserves representing surplus from reevaluation reserves	72	1.986.012	1.986.269
6. Other reserves	73	137.409.924	136.773.039
V. REPORTED RESULT			
Sold C	75	73.408.236	73.408.236
VI. REZULTATUL EXERCITIULUI FINANCIAR			
Balance C	77	48.585.106	3.753.907
Profit appropriation	79	48.585.106	212.207
TOTAL EQUITY (row 61+64+65-66+67+75-76+ 77-78-79)	80	856.647.111	859.848.113

Income statement on Mar 31, 2006

- RON -

ITEM NAME	Row no.	31.03.2005	31.03.2006
A	B	1	2
A. REVENUE FROM OPERATIONS TOTAL (row 02 to 11)	01	14.251.041	10.875.434
1. Revenue from financial assets	02	2.629	-
3. Revenue from financial instruments	04	4.901.571	1.808.304
4. Revenue from ceded financial investments	05	3.370.541	7.821.962
6. Revenue from provisions, reactivated claims and various debtors	07	3.238.811	182.675
7. Revenue from exchange rate variations	08	420.754	-
8. Revenue from interest	09	91.907	67.539
10. Other revenue from operations	11	2.224.828	994.954
B. EXPENSES WITH OPERATIONS TOTAL (row 13 to 20)	12	8.492.661	6.631.304
12. Expenses with ceded financial investments	14	1.707.334	4.208.984
13. Expenses with exchange rate variations	15	530.072	99
15. Expenses with commissions and fees	17	219.734	249.511
16. Expenses with banking and similar services	18	6.307	8.610
17. Depreciations, provisions, losses from receivables and miscellaneous receivables	19	2.076.835	146.429
18. Other expenses with operations	20	3.952.379	2.017.671
a. Expenses with materials	21	274.204	195.278
b. Expenses related to electricity and water	22	34.938	53.016
c. Expenses with staff, of which: (row 24+25)	23	1.318.534	1.566.195
c1. Salaries	24	982.806	1.189.931
c2. Expenses related to social security	25	335.728	376.264
d. Expenses related to external services	26	2.286.262	161.990
e. Expenses with other taxes and similar payments	27	38.441	41.192
C. OPERATIONAL RESULT			
- profit (row 01 - 12)	28	5.758.380	4.244.130
19. TOTAL REVENUE (row 01 + 30)	34	14.251.041	10.875.434
20. TOTAL EXPENSE (row 12 + 31)	35	8.492.661	6.631.304
G. GROSS MARGIN			
- profit (row 34 - 35)	36	5.758.380	4.244.130
21. PROFIT TAX			
- profit tax expense	38	814.520	490.223
H. NET INCOME			
- profit (row 36 - 38 - 39)	40	4.943.860	3.753.907

Status of FIC Moldova assets and liabilities according to NSC Regulation no. 15 / 2004

- RON-

		31.03.2005	31.03.2006
1.	NON-CURRENT ASSETS OF WHICH :	195.888.390,00	247.969.214,00
1.1.	Intangible assets	216.963,00	225.239,00
1.2.	Tangible assets	10.394.652,00	9.326.840,00
1.3.	Financial assets, of which :	185.276.775,00	238.417.135,00
1.3.1	Listed stock	12.635.720,00	30.807.800,00
1.3.1.1	Listed and never traded stock	1.339.360,00	317.777,00
1.3.1.2	Stock listed and not traded in the last 90 days	11.296.360,00	30.490.023,00
1.3.2	Unlisted (closed) stock	172.270.506,00	202.580.532,00
1.3.6	Municipal bonds	232.031,00	306.021,00
1.3.7	Corporate bonds		1.186.335,00
1.3.9	OPCVM and / or AOPC titles		3.414.984,00
1.3.10	Other financial assets	138.518,00	121.463,00
2.	CURRENT ASSETS OF WHICH :	566.866.733,00	1.020.875.113,00
2.1	Inventory	24.194,00	23.074,00
2.2	Receivables, of which commercial papers	6.196.865,00	758.706,00
2.3	Cash	1.352.083,00	163.564,00
2.4	Short-term financial investments, of which :	421.765.041,00	919.606.992,00
2.4.1	Listed stock, of which :	413.431.285,00	906.658.335,00
2.4.1.1	Listed at BSE	335.798.307,00	843.333.449,00
2.4.1.2	Listed at RASDAQ	77.632.978,00	63.324.886,00
2.4.2	Unlisted stock (unlisted but traded at BSE)	6.611.675,00	11.288.984,00
2.4.3	Municipal bonds	1.722.081,00	1.659.673,00
2.6	Government bonds	108.964.713,00	2.269.712,00
2.7	Bank deposits	1.333.304,00	66.789.656,00
2.8	Deposit certificates	27.208.270,00	31.255.172,00
2.9	Other current assets	22.263,00	8.237,00
3.	DERIVATIVE FINANCIAL INSTRUMENTS	0,00	10.420,00
4.	PREPAID EXPENSES	34.634,00	45.593,00
5.	TOTAL ASSETS	762.789.757,00	1.268.900.340,00
6.	TOTAL LIABILITIES, of which :	93.922.114,00	39.792.791,00
6.4	Accounts payable	48.320,00	81.995,00
6.5	Commercial papers payable	15.181.086,00	22.749.096,00
6.8	Other liabilities	78.692.708,00	16.961.700,00
7.	PROVISIONS FOR RISKS AND EXPENSES	37.376.979,00	174.583.603,00
8.	DEFERRED REVENUE, of which :	548.915,00	528.247,00
8.2	Precollected revenue	548.915,00	528.247,00
9.	EQUITY, of which :	630.236.001,00	859.848.113,00
9.1	Share Capital	51.908.959,00	51.908.959,00
9.3	Reevaluation reserves	7.298.161,00	6.235.109,00
9.4	Reserves	504.497.206,00	724.754.109,00
9.5	Reported result	61.713.662,00	73.408.236,00
9.6	Result of fiscal year	4.943.860,00	3.753.907,00
9.7	Profit appropriation	125.847,00	212.207,00
10.	TOTAL LIABILITIES	762.084.009,00	1.074.752.754,00
11.	EXTRABALANCE LIABILITIES	37.376.979,00	36.353.437,00
11.1	Liabilities granted	37.376.979,00	36.353.437,00

12.	NET ASSETS	631.490.664,00	1.192.225.865,00
13	NUMBER OF SHARES ISSUED	519.089.588	519.089.588
14	BOOK VALUE OF SHARES	1,2165	2,2968
15	NO. OF COMPANIES IN THE PORTFOLIO, of which :	351	320
15.1	Companies admitted for trading on a regulated market	182	167
15.2	Companies admitted for trading on an alternate trading system	6	5
15.3	Companies admitted for trading (closed)	163	148

Realization of the Revenue and Expense Budget on Mar 31, 2006

- RON

		Forecasted 2006	Forecasted March 2006	Realized March 2006	Percenta ge realized period	Percenta ge realized year
		1	2	3	4=3/2	5=3/1
A.	Total revenue	93,550,000.00	16,822,500.00	10,875,434.27	65%	12%
B.	Financial revenue	92,070,000.00	16,092,500.00	9,875,037.82	61%	11%
	<input type="checkbox"/> Revenue from investments (dividends)	30,000,000.00	0.00	0.00		0%
	<input type="checkbox"/> Revenue from claims (bank interest + bonds)	4,000,000.00	1,950,000.00	1,875,842.71	96%	47%
	<input type="checkbox"/> Revenue from ceded financial investments	56,570,000.00	14,142,500.00	7,952,223.07	56%	14%
	<input type="checkbox"/> Revenue from exchange rate variations	0.00	0.00	0.00		
	<input type="checkbox"/> Revenue from provisions	0.00	0.00	0.00		
	<input type="checkbox"/> Other financial revenue	1,500,000.00	0.00	46,972.04		3%
C.	Revenue from operations	1,480,000.00	730,000.00	1,000,396.45	137%	68%
	<input type="checkbox"/> Revenue from services performed	0.00	0.00	0.00		
	<input type="checkbox"/> Revenue from rent and associated activities	800,000.00	200,000.00	219,707.16	110%	27%
	<input type="checkbox"/> Revenue from provisions	0.00	0.00	182,674.88		
	<input type="checkbox"/> Other revenue from current activity	680,000.00	530,000.00	598,014.41	113%	88%
D.	Total expenses	51,500,000.00	11,844,105.21	6,631,304.26	56%	13%
E.	Financial expenses	36,500,000.00	9,125,000.00	4,245,084.41	47%	12%
	<input type="checkbox"/> Expenses with ceded financial investments	29,500,000.00	7,375,000.00	4,208,984.16	57%	14%
	<input type="checkbox"/> Expenses with commissions and fees	1,000,000.00	250,000.00	25,859.62	10%	3%
	<input type="checkbox"/> Expenses with exchange rate variations	0.00	0.00	99.19		
	<input type="checkbox"/> Expenses with banking and similar services	50,000.00	12,500.00	8,610.04	69%	17%
	<input type="checkbox"/> Other expenses	5,950,000.00	1,487,500.00	1,531.40	0%	0%
F.	Expenses with operations	15,000,000.00	2,719,105.21	2,386,219.85	88%	16%
G.	Gross margin	42,050,000.00	4,978,394.79	4,244,130.01	85%	10%
H.	Taxable profit	12,050,000.00	4,729,475.79	3,117,017.10	66%	26%
I.	Profit tax	2,850,000.00	738,254.59	490,222.74	66%	17%
J.	Net profit	39,200,000.00	4,240,140.20	3,753,907.27	89%	10%

Financial ratios, as of March 31, 2006
(National Securities Commission Regulation no. 1/2006 –annex 30 B)

1. Quick ratio = **current assets / current debts**

$$\text{March 31 2006 : } 106.976.558 / 30.575.056 = 3,50$$

2. Trade receivables turnover in the first quarter :

$$= \text{average trade receivables} / \text{turnover} \times 365$$

$$= [(124.732.878 + 102.210.554) / 2] / 10.875.434 * 90 = 93 \text{ days}$$

3. Non-current assets turnover = **turnover / non-current assets**

$$= 10.875.434 / 986.812.431 = 0,01 \text{ times}$$

II.1.3. COMPLIANCE WITH LEGAL REGULATIONS REGARDING OWNERSHIP LIMITATIONS

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

Portfolio exposure on Mar 31, 2006, 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, which 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 and Bancpost, according to the provisions of art.275 para (2))	22.009.778	1,735	
Closed bonds (municipal and corporative)	1.492.356	0,118	
Deposit certificates	31.255.172	2,463	
TOTAL	54.757.306	4,315	< sau = 20%

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

Holdings of TLV shares exceed the 10% threshold (138.436.509 RON / 1.268.900.340 RON = 10,910 %).

The weight of TLV bonds is not calculated, as they are not accepted for trading.

On March 31, 2006 there were two companies which did not comply with item b) provisions:

- TLV
- BRD

for which provisions of the next paragraph are applicable:

“ The 10% limit may be exceeded, provided that the weight of VM total value and of the monetary market instruments registered or traded on the Stock Exchange for issuers which exceed 10%, does not exceed 80% of the total assets”.

Totalling TLV and BRD holdings, the amount does not exceed 80 % of the total assets **(138.436.509 RON + 624.712.120 lei / 1.268.900.340 lei = 60,143 %).**

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

Group name	Asset value (RON)	Weight in total assets (%)	Limit imposed
GRUPUL BT , of which:			
TLV shares	138.436.509	10,910	
TLV bonds	1.186.335	0,093	
BT Maxim and BT Invest 1 shares	3.400.209	0,268	
GROUP TOTAL	143.023.053	11,271	< or = 50%

The total holding in BT group does not exceed the limit imposed.

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

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

On March 31 2006 the weight thereof was 0,013% (163.564 RON / 1.268.900.340 RON), much below the limit allowed.

f) The weight of bank deposits with the same bank may not exceed 30% of the total assets.

Total holdings in bank deposits amounts to 5,264 % of the total assets (66.789.656 RON / 1.268.900.340 RON).

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

The value of the derivative financial instruments = 10.420 RON < net asset value = 1.268.900.340 lei.

h) The weight of total participation in AOPC may not exceed 50% of the total assets.

AOPC name	Asset value (RON)	Weight in total assets (%)	Limit imposed
XFOA shares	14.775	0,001	
BT Invest 1 securities	1.122.209	0,088	
TOTAL AOPC	1.136.984	0,089	< or = 50%

The actual weight does not exceed the limit imposed.

II.2. ACHIEVEMENT OF NON-FINANCIAL OBJECTIVES IN THE 1ST QUARTER OF 2006

II.2.1. STATUS OF LITIGATIONS

New litigations, initiated during the 1st quarter of 2006, in which FIC Moldova is a plaintiff (annex IV.5.1) = 19 new cases, with various objects:

- Litigations involving the repealment of illegal resolutions of General Meeting of Shareholders of portfolio companies = 9 cases (annex IV.5.1, items 1-9);
- Litigations involving claims and recovery of overdue dividends = 7 cases, involving a total of 89.191,62 RON (annex IV.5.1, items 12-18);
- Litigations involving bankruptcy with FIC Moldova as a creditor = 1 case (annex IV.5.1, item 19);
- Litigations with various objects = 2 cases (annex IV.5.1, items 10-11).

Older litigations, finalized during the 1st quarter of 2006 in which FIC Moldova is a plaintiff (annex IV.5.2) = 17 cases, with various objects:

- a. Litigations involving the repealment of illegal resolutions of General Meeting of Shareholders of portfolio companies = 4 cases (annex IV.5.2, items 1-4);
- b. Litigations involving claims and recovery of overdue dividends = 12 cases, involving a total of 23.256,19 RON, of which 21.797,22 RON were recovered (annex IV.5.2, items 5-16);
- c. Litigations with various objects = 1 case (annex IV.5.2, item 17).

Litigations in which FIC Moldova is a defendant, registered no significant developments during the 1st quarter of 2006

FIC Moldova continued action against debtors from promissory notes, debtors against which foreclosure was initiated, targeting the company as well as its administrators or associated people.

Thus, upon request of FIC Moldova SA, bankruptcy procedure of S.C. "C.B. Investitii" S.R.L. Bucuresti was initiated and bankruptcy procedure receivable was declared for S.C. "Max Invest" S.R.L. Bucuresti. The actions pursuing personal patrimonial accountability of the former directors of the bankrupt S.C. Aust Rom S.A. Tusnad Sat and S.C. Pol Handel Impex S.R.L. were finalized (actions promoted in the course of 2005). In these two actions the request was admitted and the defendants were obliged to cover the respective corporate liabilities from their own patrimony.

II.2.2. COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES IN RELATION TO SHAREHOLDERS AND CAPITAL MARKET INSTITUTIONS

FIC Moldova fulfilled all reporting obligations ensuing from legal provisions, as follows:

FIC Moldova SA a indeplinit toate obligatiile de raportare ce au decurs din prevederile legale astfel:

a. In relation to capital market institutions

a.1. Periodic reports towards NSC and BSE

- weekly and monthly reports – status of net assets, status of assets and detailed status of investments, drafted and transmitted to BSE and NSC according to regulations in force;
- Annual report at Dec 31, 2005 – transmitted to NSC and BSE, published in synthesis in the press ("Bursa" newspaper, Apr 11, 2006, available at the company head office and presented for consultation on the company website (www.sifm.ro)).

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

- preparation of the Ordinary General Meeting of Shareholders of Apr 28 / 29, 2006;
- significant transactions – sale of shares of SC Metex SA Tulcea;
- other important aspects communicated: financial calendar; convocation of the Ordinary General Meeting of Shareholders; preliminary financial results

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 through the company website, offering equal treatment to shareholders. All steps were taken to inform shareholders and provide them with documents related to the organization and conduct of the General Meeting of Shareholders of Apr 28 / 29, 2006: press release regarding the convocation of the meeting (Bursa newspaper and Deșteptarea local newspaper of Jan 27, 2006, the Official Gazette part 4, no. 370 / Feb 1, 2006), informative materials related to the agenda (according to Law 31 / 1990R, Law 297 / 2004 and NSC Regulations no. 13 and no. 15 / 2004), etc.

The organization of activity in the head office and field offices allows and ensures the efficient resolution of requests made by shareholders directly or by mail.

Appropriation and payment of dividends towards shareholders was carried out according to decisions adopted by the Ordinary General Meeting of Shareholders of April 23, 2005. At the request of shareholders dividends were paid through the pay office (shareholders – natural persons) and bank transfer (natural and juridical persons).

Status of payments up to **Mar 31, 2006** is as follows:

SHAREHOLDERS	NO. OF SHAREHOLDERS	DIVIDENDS PAID up to Mar 31, 2006 (RON)			
		2002	2003	2004	TOTAL
Juridical persons (transfer)	335	19.318,03	9.258,93	5.160.305,02	5.188.881,98
Natural persons (transfer/pay office)	13.402	286.015,79	402.572,30	8.403.583,18	9.092.171,27
Natural persons (money order)	172.971	83.373,15	254.969,27	10.815.905,44	11.154.247,86
TOTAL	186.708	388.706,97	666.800,50	24.379.793,64	25.435.301,11

II.2.3. INTERNAL AUDITING AND CONTROL ACTIVITY

The internal audit activity in the first quarter of 2006

The internal audit activity is carried out on the basis of the engagement plan agreed in compliance with the company's objectives.

The audit plan for 2006 was approved in the Board meeting of February 24, 2006. 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 main objectives of the internal audit are:

- to support the company in identifying and assessing significant risks, thus contributing to the risk management systems improvement;
- to support the company in maintaining an adequate control system, assessing its effectiveness and efficiency and contributing to its permanent improvement.

The internal audit is carried out in the following forms:

- **thorough evaluation of the management and internal control systems, aiming at finding if they work economically, efficiently and effectively, in order to identify deficiencies and formulate recommendations for their correction – system audit;**
- examination of criteria set with a view to implementing the objectives of FIC Moldova SA, in order to identify whether they are correct for the results evaluation and to appreciate whether results conform to the objectives – performance audit;
- examination of actions from the viewpoint of respecting the principles, procedures, legal and regulatory provisions – regularity audit.

The internal audit activity evaluates the risk exposures related to governance, operations si information systems regarding:

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- protection of assets;
- compliance with laws, regulations and contracts.

The operations concerning the liabilities of FIC Moldova SA resulting from the guarantees granted (promissory notes) were subject to the internal audit during the first quarter of 2006.

The internal auditor 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 consider that the activities and operations carried out during the first quarter of 2006, which were subject to the audit, conform to the corporate policies, programmes and management, according to the legal provisions and internal regulations.

Activity of the Internal Control Department for the 1st quarter of 2006

According to art. 62 of Law no. 297 / 2004 regarding the capital market and art. 32 – 36 of NSC Regulation no. 15/2004 regarding the authorization and functioning of Investment Administration Companies, of collective investment organizations and depositories, in the meeting of Jun 24, 2005 the Board of Directors of FIC Moldova decided the organization of the Internal Control Department "specialized in the supervision of compliance by the company and its staff of legislation in force related to the capital market, as well as internal regulations".

According to the provisions of art. 37-41 of NSC Regulation no. 15 / 2004 and Investigations Plan of the Internal Control Department for the year 2006, approved in the FIC Moldova Board of Directors' meeting of Feb 24, 2006 and registered with NSC with number 734 on Mar 3, 2006 the activity of the representative of the Internal Control Department consisted of the following:

1. In the Dec 16, 2005 – Jan 20, 2006 period the control of the calculation and pay of commissions, taxes and other amounts due to NSC and capital market entities was performed thus:

- a) A share of 0,1% of the monthly net assets due to NSC, art. 5 and paragraph 2 of the annex;
- b) Fees charged by NSC for the issuance of individual acts;
- c) Monthly dues for the National Union of the Collective Investment Organizations;
- d) Depository commissions;
- e) Trading commissions;
- f) Commissions and services of BSE;
- g) Commissions for registry services;
- h) Commissions for receipts related to bonds;

The internal control report regarding the calculation and pay of commissions, taxes and other amounts due to NSC and capital market entities was presented and approved in the Board of Directors' meeting of FIC Moldova of Jan 26, 2006.

2. On Feb 27, 2006 compliance with legal provisions regarding the FIC Moldova investment policy was examined.

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) latter b) of Law no. 297 / 2004, as well as in assets mentioned in art. 187 letter a) and b) of the aforementioned regulation.

This report is to be presented in the FIC Moldova Board of Directors' Meeting of Apr 27, 2006.

3. Permanent activities of the Internal Control Department:

- a) Informing FIC Moldova and its employees about the legal regulations applicable to the capital market;
- b) Regularly monitoring and checking the application of legal provisions relevant to the capital market and of internal regulations;
- c) The supervision of complaints resolution;
- d) Analysis and approval of documents and reports sent to NSC and capital market institutions;
- e) Analysis and approval of internal documents comprising operations subjected to the internal control visa;

III. IMPORTANT EVENTS

The realization of a significant transaction involving shares of SC Metex SA Tulcea. Reporting of shares traded to persons involved. Events were reported to capital market institutions and shareholders according to legal regulations in force.

The Ordinary General Meeting of Shareholders of FIC Moldova

The press release regarding the convocation of the Ordinary General Meeting was transmitted to NSC and BSE, published in the Official Gazette part 4, no. 370 / Feb 1, 2006, in the "Bursa" daily and "Deșteptarea" local newspaper of Jan 27, 2006 and posted at the documentation centres and on the www.sifm.ro website.

Informative materials drawn up according to Law 297 / 2004 and NSC Regulations no. 13 and 15 / 2004, related to problems included in the Agenda of the Ordinary General Meeting of Shareholders of Apr 28 / 29, 2006 were made available to shareholders at the head office, FIC Moldova field offices and included on the company website (www.sifm.ro) starting Mar 6, 2006, date predicted in the Convocation; prior to this date, the materials were sent to NSC and BSE.

The items in the agenda were communicated in writing and in electronic format to NSC and BSE, distributed to documentation centred, posted on the website and the synthesis of the 2005 activity report was published in the "Bursa" newspaper of Apr 11, 2006.

**President General Manager,
Sorin Mihail TURTOESCU**

**Financial Manager,
Liana MARIN**
