



Financial Investment Company MOLDOVA SA

Quarterly report according to: Law 297/2004, NSC Regulations no. 1/2006 and 15/2004 and BSE Code

Date of report: Mar 31, 2008

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: 51908958.8 RON

Regulated market trading issued securities: BVB (Bucharest Stock Exchange)

FIC MOLDOVA BOARD OF DIRECTORS' ACTIVITY REPORT FOR THE 1ST QUARTER OF 2008

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 at 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 – 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 2008 Activity Program approved by the shareholders during the Ordinary General Meeting of Shareholders of Apr 24, 2008 was drafted based on the directives of the "FIC Moldova development strategy for 2007-2009" and on the decisions of the Board of Directors and provides the following levels for performance indicators:

1. NET PROFIT ²⁰⁰⁸ = 75.000.004 RON

According to the directives of the Development Strategy, the annual increase in net profit was set as +12% compared to that provided for the previous year (respectively from 43.904.000 RON to 49.172.480 RON). In relation to this target, the Board of Directors of FIC Moldova submitted for the approval of the OGMS 2008 a Revenue and Expense Budget that exceeds the increase provided for the 2007-2009 strategy. Thus, according to the OGMS decision of Apr 24, 2008, the gross profit target for 2008 is 85.326.451 RON, respectively a net profit of 75.000.004 RON.

The net profit of **11.839.901 RON** realized as of Mar 31, 2008 exceeds by 64% (63,92%) the result attained at the end of the corresponding period of the previous year (net profit on Mar 31, 2007 = 7.222.930 RON). At the conclusion of the 1st quarter of 2008 the profit forecasted for 2008 was 15,79% attained.

2. Book Value of Shares ²⁰⁰⁸ = 4,1642 RON

The annual increase provided for the BVS indicator was set as +20% compared to the value for the previous year (BVS_{31.12.2007}=3,4702 RON).

The book value of shares attained as of March 31, 2008 is **2,9492 RON / share**.

As previously specified, the FIC Moldova profitability has a positive evolution, recording increasing levels of profit. Nevertheless, the profit attained as well as the solid financial perspective of all economic and financial indicators have not compensated for the stock market effect for the year 2008, an effect with a strong influence on the BVS indicator. In the context of the financial crisis on the main global markets having grown to “contaminate” even real economies, the value proposed for the BVS indicator for the end of the current year may be subject to adjustments, correlated to the evolutions of the main domestic stock market indicators: BET, BET-C and BET-FI.

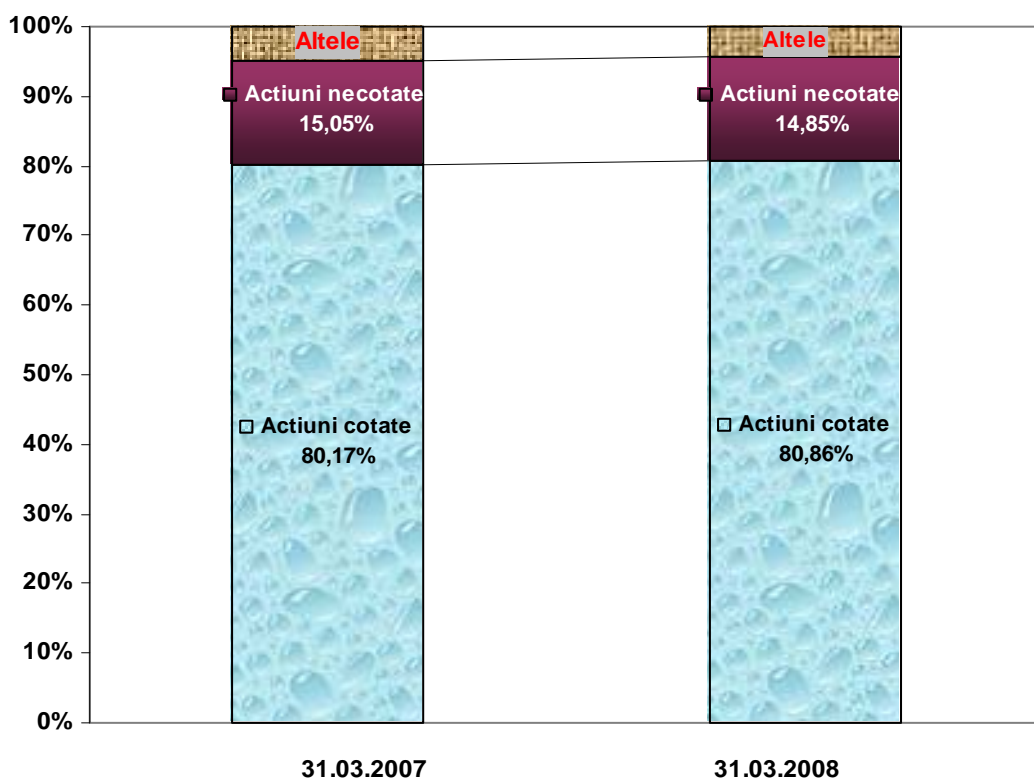
Thus, even if the BVS indicator recorded a decreasing trend in the first quarter of this year, it maintains well over the adjustments in the BSE stock market indices. In this context, it is apparent that due to the consistent implementation of the policy of continuous reconfiguration and optimization of the financial asset portfolio, the BVS recorded as of March 31, 2008 less than half of the actual depreciation of BET-FI, remaining after three months of downward general trend above the decreases recorded by stock market indicators even after the first month of trading in 2008, as follows:

DATE	BVS (RON/shr)	difference from Dec 31, 2007				
		BVS %	BET %	BET C %	BET FI %	ROTX %
31.12.2007	3,4702					
31.01.2008	3,2374	- 6,71 %	-23,72%	-22,47%	-22,43%	-23,67%
29.02.2008	3,1050	-10,52 %	-24,24%	-21,95%	-23,04%	-24,26%
31.03.2008	2,9492	-15,01 %	-29,57%	-25,51%	-32,99%	-27,87%

The evolution of the structure of asset items in the FIC Moldova portfolio calculated in accordance with the provisions of NSC Regulation no. 15/2004 as of Mar 31, 2008, compared to the corresponding period of the previous year presents as follows:

ASSET ITEMS, calculated in accordance with NSC Regulation no. 15/2004:	March 31 2007	March 31 2008	March 31 2007	March 31 2008
	(RON)		(%)	
Listed stock	1.234.406.146	1.256.880.103	80,17%	80,86%
Unlisted stock	231.791.740	230.740.388	15,05%	14,85%
Bank deposits	52.576.609	34.661.772	3,42%	2,23%
Municipal bonds	1.232.229	895.999	0,08%	0,06%
OPCVM securities; AOPC	4.363.832	3.837.268	0,28%	0,25%
Other asset items	15.400.237	27.287.932	1,00%	1,75%
TOTAL ASSETS	1.539.770.793	1.554.303.461	100,00%	100,00%

Analyzing the structure of significant assets comprised in the portfolio as of March 31, 2008, compared to the situation on March 31, 2007, a slight increase is found in the listed stock assets and a slight decrease is found in unlisted stock assets, realizing an optimization of the investment profile by decreasing the risk.



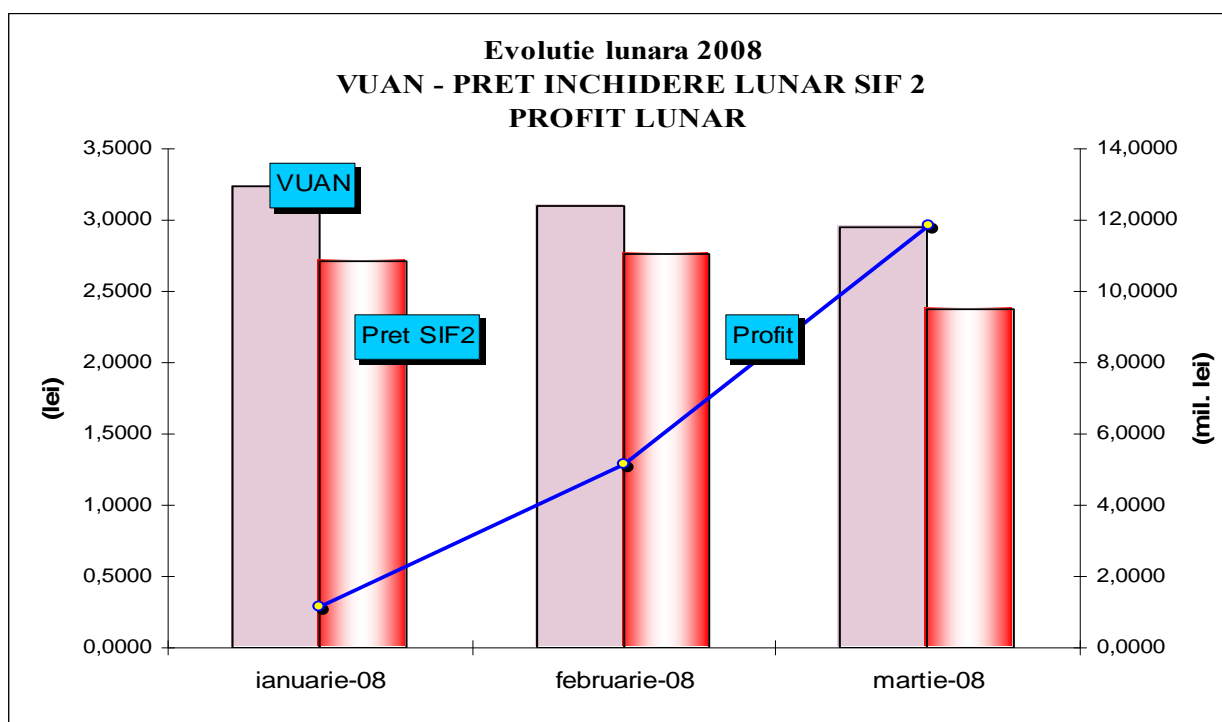
The assets included in the “other asset items” category had the following evolution in the period under analysis:

- The weight of bank deposits in the total assets decreased from 3,42% on Mar 31, 2007 to 2,23% on Mar 31, 2008.
- OPCVM and AOPC titles decreased slightly;

- bonds constitute a very small share of the assets; their slight decrease remains inconsequential to the total assets.

Regarding the net assets evolution compared to the end of 2007, a consecutive monthly decrease is recorded, with 14,44% for the 1st quarter of 2008. The price erosion in the period was greater (-31,60%) compared to that of the BVS.

The monthly evolution of the book value of shares and of the FIC2 securities closing price, compared to the profit indicator trend, is presented in the following graph:



Compared to the book value of shares, FIC2 securities were traded at the end of the analyzed period at a price lower by 19,30%.

3. INVESTMENTS²⁰⁰⁸ = 70.000.000 RON, the level of investments in shares and other financial products from the previous year was maintained; investments that ensure profitabilities superior to monetary products, conditioned by the market evolution and according to the compliance with the investment policy imposed through regulations. The source of liquidities for the support of the investment program was provided from revenue from sales, related to the investments in issuers in the initial portfolio and the newly created portfolio, component that will increase its weight in the general holding structure.

Investments made in the 1st quarter of 2008 are worth **11.351.014 RON** (representing about 16% of the annual objective). This value consists of:

- 2.299.023 RON representing primary investments, namely subscriptions in capital increases;
- 8.825.639 RON representing secondary investments on the capital market;
- 226.352 RON representing investments in derivative financial instruments.

II. ACHIEVEMENT OF OBJECTIVES IN THE ACTIVITY PLAN

II.1. ACHIEVEMENT OF FINANCIAL OBJECTIVES

II.1.1. SHARE PORTFOLIO MANAGEMENT

II. 1.1.a. Share portfolio restructuring

Between Jan 1, 2008 and Mar 31, 2008, share portfolio management objectives were pursued, as set forth in the FIC Moldova activity program for first quarter of 2008.

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.

These objectives were realized by:

The modification of participations by carrying out legal operations of increasing / decreasing the registered capital or of writing off, as follows:

- **the increase in registered capital** in 4 companies from reserves, 53.096,80 RON in nominal value (Albalact, Bursa Monetara Financiara si de Marfuri, Nexal Grup, Agroindustriala Consul);
- **write-off** of 2 companies in which the liquidation procedure was finalized in compliance with Law 85 / 2006, resulting in the elimination from the portfolio of participations held, 169.522,50 RON in nominal value (ex. Agribas, Indforest);

The modification of FIC Moldova participations following transactions finalized by the transfer of property rights (sales / acquisitions) or direct investments (primary investments), as follows:

- **sales** – the sale of participations (full or partial) in 19 companies, 2.633.393,36 RON in nominal value was recorded (ex. Banca Transilvania, Vinicola Averesti 2000, Transelectrica Bucuresti, SSIF Broker, Condmag Brasov);
- **acquisitions** – involving stock in 19 companies, 914.373,00 RON in nominal value (ex. Transelectrica Bucuresti, Petrom Bucuresti, Transgaz Medias, Banca Transilvania, Artego Tg. Jiu, Albalact Alba Iulia);
- **direct investment** (primary investment) – in 6 companies, 484.434,50 RON in nominal value (ex. Favil, Albalact, SSIF Broker, Transgaz-din drepturi de alocare, Prospectiuni).

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 investments 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, 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.

Evolution of the portfolio according to nominal value and the number of the companies in which shares are held

Restructuring operations throughout the year led to a decrease of the number of companies in the portfolio, therefore on Mar 31, 2008 the portfolio comprises:

Shares totalling 313.390.502,16 RON in nominal value, in 262 companies. Of these, 87 companies, in which FIC Moldova holds shares 41.651.187,10 RON in nominal value, representing 13,29% of the total shares at nominal value, are in various stages of liquidation or judicial reorganization.

Securities issued by Association of Collective Investment Organizations (AOPC) / Organizations for Collective Investment in Securities (OPCVM)

- 3.120 securities of The Businesspersons' Fund ("Fondul Oamenilor de Afaceri") 8.468 RON in nominal value and 11.096 RON in market value;
- 200.000 titles of BT MAXIM, 2.000.000 RON in nominal value and 2.518.000 RON in market value;
- 100 securities of BT INVEST 1, 1.000.000 RON in nominal value and 1.308.172 RON in market value.

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

Evolution of the portfolio according to trading market

In the Jan 1, 2008 – Mar 31, 2008, 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			
	Thousand RON		%		Thousand RON		%	
	01.01.08	31.03.08	01.01.08	31.03.08	01.01.08	31.03.08	01.01.08	31.03.08
Securities								
Traded stock, Of which:	176.081	175.991	55,95	56,16	1.513.023	1.240.370	85,80	83,38
Companies listed at BSE	95.227	94.556	30,25	30,17	1.312.711	1.064.910	74,44	71,58
Unlisted companies, traded through the BSE system	11.698	11.698	3,72	3,73	12.600	11.194	0,72	0,75
Comp. listed in BVB- BER*	21.462	21.692	6,81	6,92	80.208	64.065	4,55	4,31
Comp. listed in BVB- BER – extra stock market*	47.694	48.045	15,17	15,34	107.504	100.201	6,09	6,74
Untraded stock, Of which:	138.660	137.400	44,05	43,84	250.348	247.250	14,20	16,62
Closed companies	124.496	123.632	39,55	39,45	233.721	230.740	13,25	15,51
Listed, not traded companies	119	120	0,04	0,04	1	1	0,00	0,00
Listed, not traded in last 90 days companies	14.045	13.648	4,46	4,35	16.626	16.509	0,95	1,11
Total	314.741	313.391	100,00	100,00	1.763.371	1.487.620	100,00	100,00

An increase in the value and share of the investments in stock traded on the BSE is recorded, together with a decrease in unlisted stock.

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

Thus, the value is calculated applying the provisions of art. 202 of NSC Regulation 15 / 2004:

"(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 a n 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." (quoted from NSC Regulation no. 15 / 2004)

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	
	01.01.08	31.03.08	01.01.08	31.03.08	01.01.08	31.03.08	01.01.08	31.03.08	01.01.08	31.03.08
Banking, insurance*	9	10	135.719	134.483	43,12	42,91	1.317.394	1.108.081	74,71	74,49
Machinery manufacture	24	24	53.689	53.689	17,06	17,13	108.824	88.570	6,17	5,95
Textiles & Garments	43	43	24.886	25.129	7,91	8,02	70.942	71.073	4,02	4,78
Agriculture	60	58	19.212	18.662	6,10	5,95	9.865	11.720	0,56	0,79
Chemicals	9	8	15.806	15.806	5,02	5,04	4.013	3.670	0,23	0,25
Metallurgy	8	7	17640	17.637	5,60	5,63	55.877	38.795	3,17	2,61
Commerce, restaurants	19	20	8.577	8.578	2,73	2,74	31.006	27.848	1,76	1,87
Food industry	19	19	4.292	4.512	1,36	1,44	7.262	6.997	0,41	0,47
Others	73	73	34.920	34.895	11,10	11,14	158.188	130.866	8,97	8,79
Total	264	262	314.741	313.391	100,00	100,00	1.763.371	1.487.620	100,00	100,00

*The increase in the number of companies in the banking sector is due to the entry of Erste Bank in the portfolio; the shares acquired in the latter do not influence the nominal value, only the market value. Regarding the nominal value of participations held, the banking / insurance sector is slightly decreasing, from 43,12% in 2007 to 42,91% on 31.03. 2008.

Also, a slight decrease of the weight in the market value of the banking / insurance sector is recorded, from 74,71% to 74,49%.

The top 10 companies in the portfolio classified by the market value of the FIC Moldova share as of Mar 31, 2008 are presented in the following table:

Company	City	Field of Activity	Market value of FIC share on 31.12.2007 (thousand RON)	Market value of FIC share on 31.03.2008 (thousand RON)
BRD GSG	Bucuresti	Banking	885.899	721.160
BCR	Bucuresti	Banking	180.498	177.276
BANCA TRANSILVANIA	Cluj	Banking	219.205	177.050
BIOFARM	Bucuresti	Pharmaceuticals	67.348	50.689
PETROM	Bucuresti	Services related to oil extraction	43.751	36.432
TESATORIILE REUNITE	Bucuresti	Textiles	38.334	34.375
MECANICA CEHLAU	Piatra Neamt	Machinery manufacture	47.596	33.153
BANCPOST	Bucuresti	Banking	26.986	27.543
ARCELORMITTAL TUBULAR PRODUCTS ROMAN	Roman	Metallurgy	38.524	24.901
AEROSTAR	Bacau	Machinery manufacture	21.999	18.234

The decrease in market value of all issuers listed in BSE is recorded (in the context of decreases recorded in the latest period, in volume as well as trading prices in the majority of issuers), as well as the slight increase of the Bancpost value, as calculated according to NSC Regulation no. 15 / 2004. It is worth noting that in two of the issuers (Mecanica Ceahlau, Tesatoriile Reunite), FIC Moldova is a majority shareholder.

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

Specification	01.01.2008		31.03.2008	
Insignificant shares: % SIF < 10%				
Number of companies	121		124	
Nominal value (thousand RON) / percentage	181.555	57,70	187.860	59,95
Significant shares: 10% ≤ % FIC < 33%				
Number of companies	115		110	
Nominal value (thousand RON) / percentage	102.930	32,70	95.275	30,40
Control shares: 33 % ≤ % SIF < 50 %				
Number of companies	18		18	
Nominal value (thousand RON) / percentage	11.297	3,58	11.297	3,60
Majority shares: % SIF ≥ 50 %				
Number of companies	10		10	
Nominal value (thousand RON) / percentage	18.959	6,02	18.959	6,05
Total shares:				
Number of companies	264		262	
Nominal value (thousand RON) / percentage	314.741	100,00	313.391	100,00

An increase in value and numbers is noted in investments in which FIC Moldova holds a share lower than 10% and a corresponding decrease of the category in which the FIC Moldova investment is between 10-33%.

II.1.1.b. Investing-disinvesting activity

The persistence of turbulence in the international financial markets has determined, by contamination, a descending trend of the quotations of securities listed in BSE, context in which FIC Moldova chose, based on fundamental analysis, to constantly (and cautiously) accumulate securities, concomitantly with continuing disinvestment programs for securities ensuring attractive profitabilities. To the difficulties generated by the descending trend of the quotations and liquidities, the restriction imposed to FICs to not invest in FIC shares was added.

Investing in shares – on the primary market

In the first quarter of 2008, direct investments were made by participating in the increase of registered capital of 11 issuers in the portfolio, 1.744.440 RON in nominal value, at an issuing price of 2.299.023,23 RON (including participating in IPO Casa de Bucovina and Contor Arad).

Related to the investments carried out during 2007, investments were recorded 470.159,50 RON in nominal value, at a price of 605.464,95 RON (ex: Albalact, Favil) and investments are pending registration in the following 2.699.615,70 RON in nominal value, at an equal price (ex: Ceramica Iasi, Transtec, Imotrust).

Investing in shares - on the secondary market

In the first quarter of 2008, acquisition operations were targeted at the shares of 19 issuers in which 8.825.639 RON were invested (an amount approximately 34% less than the corresponding period of 2007 – in accordance with the prudent attitude imposed by the evolution of the capital market).

Investment in derivative financial instruments

In the context of the portfolio diversification policy as well as in order to exploit opportunities, transactions were made on the derivatives market (BMFMS), generating a profit of 98.952 RON as of the end of the quarter (compared to 78.000 RON in the 1st quarter of 2007).

Disinvesting activity on the secondary market

Share packages of 21 issuers were subject to disinvesting operations during the 1st quarter of 2008, leading to revenue being recorded amounting to 14.073.625 RON (increasing by 18,3% compared to the 1st quarter of 2007) - with an associated profit of 9.483.560 RON (increasing by 9,5% compared to corresponding period of the previous year).

The objectives set forth for the year 2008 amount to 107.670.000 RON for the revenue resulted from the sale of securities, respectively a profit of 82.000.000 RON. The degree of attainment of these objectives, in the difficult market conditions manifested in the 1st quarter of 2008, is approximately 13% in the revenue category, respectively approximately 11,5% in the profit category.

II.1.2. PRESENTATION OF THE ECONOMIC AND FINANCIAL STATUS

Financial statements were drafted and presented according to Accounting Law no. 82 / 1991 republished and National Securities Commission Order no. 75 / 2005.

These statements are not audited. The reporting currency is the RON.

The financial status is reflected in the balance sheet items.

BALANCE SHEET
as of March 31, 2008

	Row no.	Balance	
		January 1, 2008	March 31, 2008
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	63.097	44.935
TOTAL: (row 01 to 05)	06	63.097	44.935
II. TANGIBLE ASSETS			
1. Land and buildings	07	18.602.307	18.470.455
2. Equipment	08	781.757	700.869
3. Other equipment, furniture and fixture	09	127.992	119.670
TOTAL: (row 07 to 10)	11	19.512.056	19.290.994
III. FINANCIAL ASSETS			
5. Securities and other financial instruments as assets	16	397.415.727	400.409.422
6. Other claims	17	244.081	244.993
TOTAL: (row 12 to 17)	18	397.659.808	400.654.415
NON-CURRENT ASSETS – TOTAL (row 06 + 11 + 18)	19	417.234.961	419.990.344
B. CURRENT ASSETS			
I. INVENTORY			
1. Consumables	20	22.331	23.742
3. Advances for purchase of inventories	22	1.553	11.323
TOTAL: (row 20 to 22)	23	23.884	35.065
II. RECEIVABLES (Amounts due to be received after more than one year must be presented separately for each item)			
1. Trade receivables	24	35.455.334	34.715.329
4. Other receivables	27	4.701.597	6.455.243
TOTAL: (row 24 to 28)	29	40.156.931	41.170.572
III. SHORT TERM FINANCIAL INVESTMENTS			
3. Other short term financial investments	31	1.070.514	912.319
TOTAL: (row 30 to 31)	32	1.070.514	912.319
IV. CASH AND BANK ACCOUNTS			
CURRENT ASSETS - TOTAL (rd. 23 + 29 + 32 + 33)	34	44.011.868	43.138.470
C. PREPAID EXPENSES			
D. CURRENT LIABILITIES			
3. Precollected revenue	38	-	70.980
4. Accounts payable	39	455.655	165.153
8. Other liabilities, including taxes payable and social security liabilities	43	23.331.654	21.351.084
TOTAL: (row 36 to 43)	44	23.787.309	21.587.217

	Row no.	Balance	
		January 1, 2008	March 31, 2008
A	B	1	2
E. CURRENT ASSETS LESS NET CURRENT LIABILITIES (row 34 + 35 - 44 - 60.2)	45	20.285.356	21.661.850
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rd. 19 + 45 - 60.1)	46	437.520.317	441.652.194
G. NON-CURRENT LIABILITIES			
TOTAL: (row 47 to 54)	55	-	-
H. PROVISIONS			
2. Provisions for taxes	57	36.355.161	36.355.161
3. Other provisions	58	12.612.155	6.618.195
TOTAL PROVISIONS: (row 56 +57 + 58)	59	48.967.316	42.973.356
I. DEFERRED REVENUE (row 60.1+60.2) of which:	60	11.242	25.537
2. Precollected revenue	60.2	11.242	25.537
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
II. SHARE PREMIUM	64	-	-
III. REVALUATION RESERVES			
Balance C	65	15.541.203	15.541.203
IV. RESERVES (row 68 to 73 -74)	67	255.638.137	253.924.073
1. Legal reserves	68	10.381.792	10.381.792
3. Reserves constituted from free shares/notes	70	101.685.269	99.971.205
5. Reserves representing surplus from revaluation reserves	72	1.997.417	1.997.417
6. Other reserves	73	141.573.659	141.573.659
V. REPORTED RESULT			
Balance C	75	-	65.464.702
Balance D	76	52.726	-
VI. RESULT OF FISCAL YEAR			
Balance C	77	65.573.287	11.839.901
Profit appropriation	79	55.859	-
TOTAL EQUITY (rd. 61 + 64 + 65 - 66 + 67 + 75 - 76 + 77 - 78 - 79)	80	388.553.001	398.678.838

The structure of the financial statement is drafted on the principle of the presentation of long term assets (non-current assets) and short term assets (current assets) as well as current liabilities (due in up to one year).

The distinction between non-current assets and current assets is based on the company's intent to obtain future benefits in a long or a short term.

INCOME STATEMENT
as of March 31 2008

The income statement was drafted based on the matching principle, according to which revenue is the fair value of the received or receivable remunerations and expenses are costs already incurred.

Item name	Row no.	March 31, 2007	March 31, 2008
A	B	1	2
A. REVENUE FROM OPERATIONS			
TOTAL (row 02 to 11)	1	14.260.056	28.789.018
1. Revenue from financial assets	2	23.666	-
2. Revenue from ceded financial investments	5	12.249.687	14.173.133
3. Revenue from provisions, reactivated claims and various debtors	7	352.359	13.387.750
4. Revenue from exchange rate variations	8	83.414	-
5. Revenue from interest	9	1.145.092	808.329
6. Other revenue from operations	11	405.838	419.806
B. EXPENSES WITH OPERATIONS			
TOTAL (row 13 to 20)	12	5.801.504	15.799.821
7. Expenses with ceded financial investments	14	3.338.595	4.590.620
8. Expenses with exchange rate variations	15	616	-
9. Expenses with commissions and fees	17	327.203	542.270
10. Expenses with banking and similar services	18	6.364	7.923
11. Depreciations, provisions, losses from receivables and miscellaneous receivables	19	173.026	303.414
12. Other expenses with operations (row 21 + 22 + 23 + 26 + 27)	20	1.955.700	10.355.594
a. Expenses with materials	21	181.915	173.900
b. Expenses related to electricity and water	22	44.636	56.179
	23		
c. Expenses with staff, of which: (row 24+25)		1.518.769	2.405.555
c1. Salaries	24	1.171.182	1.875.339
c2. Expenses related to social security	25	347.587	530.216
Expenses related to external services	26	142.489	7.591.724
Expenses with other taxes and similar payments	27	67.891	128.236
C. OPERATIONAL RESULT			
- profit (row 01 - 12)	28	8.458.552	12.989.197
	34		
TOTAL REVENUE (row 01+30)		14.260.056	28.789.018
	35		
TOTAL EXPENSE (row 12+31)		5.801.504	15.799.821
G. GROSS MARGIN			
- profit (row 34 - 35)	36	8.458.552	12.989.197
21. PROFIT TAX			
- profit tax expense (acc. 691)	38	1.235.614	1.149.296
H. NET INCOME			
- profit (row 36 - 38 - 39)	40	7.222.938	11.839.901

REALIZATION OF THE REVENUE AND EXPENSE BUDGET
as of March 31, 2008

		Forecasted 2008	Realized Jan-Mar 2008	Percentage realized
		1	2	3=2/1
A.	Total revenue	142.879.594	28.789.018	20%
B.	Financial revenue	137.270.000	20.980.006	15%
	• Revenue from investments (dividends)	28.000.000	-	0%
	• Revenue from claims (bank interest + bonds)	1.500.000	808.329	54%
	• Revenue from ceded financial investments	107.670.000	14.173.133	13%
	• Revenue from provisions	-	5.993.960	-
	• Other financial revenue	100.000	4.584	5%
C.	Revenue from operations	5.609.594	7.809.012	139%
	• Revenue from rent and associated activities	1.000.000	374.842	37%
	• Revenue from provisions **	4.509.594	7.389.206	164%
	• Other revenue from current activity	100.000	44.964	45%
D.	Total expenses	57.553.143	15.799.821	27%
E.	Financial expenses	29.020.000	4.640.528	16%
	• Expenses with ceded financial investments	25.670.000	4.590.620	18%
	• Expenses with commissions and fees	600.000	41.985	7%
	• Expenses with banking and similar services	50.000	7.923	16%
	• Total expenses	2.200.000	-	-
	• Other financial expenses	500.000	-	-
F.	Expenses with operations**	28.533.143	11.159.293	39%
G.	Gross margin	85.326.451	12.989.197	15%
H.	Taxable profit	64.540.296	7.214.350	11%
I.	Profit tax	10.326.447	1.149.296	11%
J.	Net profit	75.000.004	11.839.901	16%

** The expenses with operations are influenced by the amount of 7.388.771 RON, representing receivables not settled through the insolvency procedure.

For these receivables, provisions were constituted in the preceding fiscal years. Their cancellation influenced the revenue with operations by the amount of 7.388.771 RON. The operations had no influence on the net profit.

ECONOMIC AND FINANCIAL INDICES
as of March 31, 2008

• **Liquidity indicators – ratios**

- Current ratio = current assets / current liabilities

March 31 2007	=	62.143.844/27.200.074	=	2,28
March 31 2008	=	43.138.470/21.587.217	=	2,00

- Quick ratio = (current assets - inventory) / current liabilities

March 31 2007	=	(62.143.844 – 34.637)/27.200.074	=	2,28
March 31 2008	=	(43.138.470 – 35.065)/21.587.217	=	2,00

• **Activity indicators – ratios**

- Fixed assets turnover = revenue from operations / fixed assets

March 31 2007	=	14.260.056/341.787.749	=	0,04
March 31 2008	=	28.789.018/419.990.344	=	0,07

- Total assets turnover= revenue from operations / total assets

March 31 2007	=	14.260.056/403.928.593	=	0,03
March 31 2008	=	28.789.018/463.239.411	=	0,06

- Receivables turnover = average receivables balance / turnover x 90

March 31 2007	=	$\frac{(60.655.083 + 56.432.442)/2}{14.260.056}$	x 90 =	369 days
March 31 2008	=	$\frac{(40.156.931+41.170.572)/2}{28.789.018}$	x 90 =	127 days

• **Profitability indicators**

- Profitability of working capital

= profit before payment of interest and profit tax / working capital

March 31 2007	=	8.458.552/315.127.472	=	2,68 %
March 31 2008	=	12.989.197/398.678.838	=	3,26 %

• **Earnings per basic share**

= net profit attributable to common stock / no.of common stock

March 31 2007	=	7.222.938/519.089.588	=	0,0140 RON per share
March 31 2008	=	11.839.901/519.089.588	=	0,0228 RON per share

The current ratio (current assets indicator), respectively the quick ratio (the acid test indicator) express the ratio between current assets and current liabilities, respectively in current assets less inventories.

The profitability of the working capital represents the profit obtained by FIC per unit of resources invested, both by FIC and its creditors. The earnings per share represents the net profit generated by FIC attributable to common shares.

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.

a) 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.

b) Riscul aferent mediului economic

The Romanian economy continues to present specific emerging economy features and there is a significant degree of uncertainty regarding the future political, economic and social environment development.

The Company's management is making efforts to foresee the nature of changes that can occur in the Romanian economic environment and their effect on the financial situation and on the Company's operational and treasury results.

Among the characteristics of the Romanian economy is a currency not entirely convertible outside its borders, a low degree of liquidity of the capital market and wide ranges of variation in the national currency exchange rates.

FIC MOLDOVA does not have a formal policy for covering the economic environment risk.

c) 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 3 or 6 months.

d) 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.

FIC does not have a formal policy to cover the credit risk.

e) Liquidity risk

SIF 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.

FIC does not have a formal policy to cover the liquidity risk.

f) 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 controlled.

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 31st of March 2008, 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

Portfolio exposure as of Mar 31, 2008, 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 and Bancpost, according to the provisions of art.275 para (2))	25.922.213,82	1,667	
TOTAL	25.922.213,82	1,667	< sau = 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:

As of Mar 31, 2008, holdings of TLV shares exceed the 10% threshold provided, respectively 11,023%. "The 10% 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 Mar 31, 2008, the 10% threshold provided is exceeded in the following holdings:

- o Banca Transilvania Cluj Napoca – 11,391% of total assets
- o BRD Bucuresti – 46,398% 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).

The amount of exceedings taken into consideration (Banca Transilvania Cluj Napoca – 11,391%) comply with the 80% limit allowed .

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	177.050.449,16	11,391	
BT Maxim and BT Invest 1 shares	3.828.172,00	0,246	
GROUP TOTAL	180.876.621,16	11,637	< 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 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.

On Mar 31, 2008 the weight thereof was (1.317.797,99 RON/1.554.303.461,23 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 2,230 % (34.661.772,98 RON/1.554.303.461,23 RON).

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

The value of the derivative financial instruments = 17.776,40 RON < net assets value = 1.530.900.263,23 RON.

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

AOPC name	Asset value (RON)	Weight in total assets (%)	Limit imposed
XFOA shares	11.095,97	0,001	
BT Invest 1 securities	1.308.172,00	0,084	
TOTAL AOPC	1.319.267,97	0,085	< or = 50%

The actual weight does not exceed the limit imposed.

II.2. ACHIEVEMENT OF NON-FINANCIAL OBJECTIVES IN THE 1ST QUARTER OF 2008

II.2.1. STATUS OF LITIGATIONS

In the first quarter of 2008, 210 litigations were recorded with various objects, of which 27 cases were solved and 183 cases remaining in court as of Mar 31, 2008.

Of the 197 litigations recorded in the Jan 1 – Mar 31, 2008 period, in 163 cases FIC Moldova is a plaintiff and in 34 cases as a defendant.

Also during this quarter, 121 legality approvals were granted and 12 files were constituted involving juridical consultancy and assistance for various projects undertaken by the Company or by FIC Moldova departments.

In this period, during judicial procedures, receivables were recovered amounting to 580.181,22 RON in cases involving the recovery of overdue dividends and claims.

I. Litigations in which FIC Moldova is a plaintiff

- total litigations = 163 cases, of which 153 cases are in court in various judicial stages and 10 cases are solved;
- value of litigations in RON = 26.008.495,95 RON, of which:

- the amount of 207.935,10 RON - recovery of overdue dividends;
 - the amount of 20.847.436,99 RON - insolvency procedure;
 - the amount of 4.953.123,86 RON - claims.
- value of litigations in foreign currency 25.783.365,08 USD and 300.000 DEM by category of object, as follows:
- the amount of 5.658.270,85 USD - insolvency procedure;
 - the amount of 3.737.611,44 USD and the amount of 300.000 DEM - 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 Meetings of Shareholders in the FIC Moldova portfolio = 68 cases, of which 60 cases in court in various stages of litigation and 8 finalized during the 1st quarter of 2008 (annex IV.5.1).

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.

2. Litigations involving the recovery of overdue dividends = 6 cases, of which one was finalized during this quarter, 5 cases remaining in court or in the foreclosure phase and pending resolution. (annex IV.5.2).

From the cases in court, three cases were promoted during this quarter, as of Mar 31, 2008 the litigations against S.C. Agroleg S.A. Silistraru, S.C. Mes S.A. Suceava si S.C. Iasitex S.A. Iasi being in the conciliation phase. The lawsuits will be initiated in the immediately following period, depending on the response of the defendant companies to the convocation filed by FIC Moldova. Receivables amounting to 79.363,22 RON were recovered.

3. Litigations involving the insolvency procedure = 29 cases in court (annex IV.5.3).

Cases under the incidence of the Law regarding insolvency procedure involve the bankruptcy of the respective companies, procedure in which FIC Moldova mostly has the quality of a priority creditor. The majority of these litigations are pending resolution in lower court.

4. Litigations involving various monetary claims = 14 cases in court (annex IV.5.4).

The object of these litigations mainly consists of actions for claims initiated by FIC Moldova against persons responsible for bringing the debtor companies into bankruptcy and for which the Company could not recover its claims.

The foreclosure procedure was initiated for natural and juridical persons guaranteeing the banking liabilities of issuers of promissory notes endorsed by FIC Moldova.

Receipts were made during the judicial procedure amounting to 500.818 RON.

5. Litigations with various objects = 10 cases, of which one was solved during this quarter and nine are still in court (annex IV.5.5).

6. Litigations involving draft oppositions and contestations to the foreclosure of promissory notes endorsed by FPP II Moldova = 26 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) based on promissory notes are in the lower court or the appeal phase.

Up to Mar 31, 2008, in 4 cases rulings favourable to FIC Moldova were pronounced, the rulings being appealed against by SARA (annex IV.5.6).

7. Criminal litigations = six cases in court (annex IV.5.7).

II. Litigations in which FIC MOLDOVA is a defendant

- total litigations = 34 cases, of which:
 - 28 cases are in court in various judicial stages;
 - 6 cases were solved.

- value of litigations in court:
 - 52.028,80 RON - claims;
 - 1.940.000 USD - SARA direct actions;
 - 970.000 DEM - SARA direct actions.

Litigations in this category are classified thus:

1. Litigations with various objects and claims files = 24 cases in court in various judicial stages and one case solved (annex IV.5.8).

There are 20 cases involving various objects, referring to requests by third parties to establish the nullity of sale contracts, obligations to do or financial claims.

Besides the cases mentioned above there are three more, involving real estate in the property of other companies in the FIC Moldova portfolio. In these cases FIC Moldova is called as a guarantor by the companies actually holding the buildings claimed in order to compensate them in case the claim is admitted.

2. Litigations involving direct bill actions = 9 cases, against SARA București, of which 4 cases in the High Court for Cassation and Justice and 5 cases solved.

Except the case regarding S.C. Symbol Electronica S.R.L. Bacau in which SARA prevailed up to this moment, the other cases were ruled in favour of FIC Moldova.

The rejection of the action was done by irrevocable ruling in the case of 5 files, our Company being exonerated from the obligation to pay the amount of 3.140.140,00 USD arising from promissory notes issued by Lynx SRL Iasi, Sercot SRL Bacau, Exotic Com Pt. Neamt, Ray 11 SRL Slanic Moldova and Alionor SRL Bacau.

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

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 (protection by confidential code lists, transfer confirmations, updates), the right to participate in General Meetings 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.

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 2007 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 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 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.

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

- regarding the Ordinary General Meeting of Shareholders of Apr 23 / 24, 2008 – reports regarding the preparation, preliminary financial results, non-audited financial statements and the Board of Directors' Report for the year 2007, convocation, informative materials, decisions, notifications, etc.;

- significant transactions – sale / acquisition / subscription of shares of - SC TARA DE SUS SA Suceava;

- 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.

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.

• All steps were taken to inform shareholders and provide them with documents related to the organization and conduct of the Ordinary and Extraordinary General Meetings of Shareholders of Apr 23 / 24, 2008:

- preliminary financial results (“Bursa” newspaper of 11.02.2008)

- the convocation of the general meetings (“Bursa” newspaper and Deșteptarea local newspaper of Feb 25, 2008, the Official Gazette part 4, no. 1121/26.02.2008);

- the Board of Directors' report for the year 2007, informative materials related to the agenda together with the unaudited financial statements (on Feb 27, 2008) and in the final draft (on Apr 1, 2008), drafted and provided in compliance with the stages set forth in the Convocation (according to Law 31 / 1990R modified by Law 441 / 2006, Law 297 / 2004 and NSC Regulations no. 1 / 2006 and no. 15 / 2004);

- A new possibility was created for shareholders to participate in general meetings by implementing the voting by electronic correspondence system, which enabled the expression and participation of shareholders regardless of the country of residence, language spoken or means of interaction (direct or through intermediaries).

• information regarding the payment of dividends (Bursa newspaper of Jan 15, 2008);

• significant transactions (“Bursa” newspaper of Feb 22, 2008);

• other events.

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

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 towards shareholders was carried out according to decisions adopted by the Ordinary General Meeting of Shareholders of April 28, 2007. At the request of shareholders dividends were paid through the pay office (shareholders – natural persons), bank transfer (natural and juridical persons) and money order.

Status of payments up to **Mar 31, 2008** is as follows:

Payment:	Dividend for 2004		Dividend for 2005		Dividend for 2006	
	<i>(0,0600 RON/share)</i>		<i>(0,0670 RON/share)</i>		<i>(0,0630 RON/share)</i>	
	No. of shareholders	RON	No. of shareholders	RON	No. of shareholders	RON
after the GMS of 2005	187.438	24.452.760,91				
after the GMS of 2006	11.974	581.889,78	121.470	27.707.157,94		
after the GMS of 2007	4.295	188.439,34	7.107	436.925,22	92.667	26.633.756,66
TOTAL paid up to 31.03.2008	203.707	25.223.090,03	128.577	28.144.083,16	92.667	26.633.756,66
Dividend due		31.145.375,28		34.779.003,00		32.702.644,04
% paid		80,99%		80,92%		81,44%

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 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 quarter of 2008, 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 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 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 meeting of the Board of Directors of FIC Moldova of Feb 22, 2008 and sent to NSC with no. 519 of Feb 29, 2008, the activity of the Internal Control Department in the first quarter of 2008 consisted of the following:

1. In the Jan 3, 2008 – Jan 23, 2008 period, compliance with the legal regulations regarding the calculation, reporting and payment of commissions, taxes and other amounts due from FIC to NSC and capital market entities (period under review: Jan 1, 2007 – Dec 31, 2007)

2. In the Feb 25, 2008 – Apr 18, 2008 period, compliance with NSC regulations regarding the FIC Moldova investment policy was carried out. 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. was examined (period under review: Apr 1, 2007 – Mar 31, 2008).

3. Permanent activities of the Internal Control Department :

- a) Dilligences for the avoidance and proposals for the remedy of 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) Testing the effectiveness of the information system and of internal procedures;
- e) Verification and validation of documents and reports transmitted to NSC and capital market entities;
- f) Verification and validation of informative and advertising materials;
- g) Analysis and approval of internal documents comprising operations subjected to the internal control visa;
- h) Highlighting and monitoring the resolution of complaints;
- i) Verification of the effectiveness of the risk control system.

Violations and recommendations were remedied / implemented during current controls.

III. IMPORTANT EVENTS

Important events in the first quarter of 2008 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 to legal regulations in force, as mentioned in chapter II.2.2.

In the 1st quarter of 2008 one significant transaction was undertaken (worth more than \$500.000), namely the sale of shares belonging to SC TARA DE SUS SA Suceava., reported to BSE / NSC in Notice no. 431 / Feb 21, 2008 and communicated by publishing in the Bursa Newspaper of Feb 22, 2008.

**President General Manager,
Sorin Mihail TURTOESCU**

**Financial Manager,
Liana MARIN**

**Internal Control,
Nicolae RADULESCU**