



**FIC MOLDOVA S.A.**

**FINANCIAL STATEMENTS  
AS OF MARCH 31, 2008**

**DRAFTED IN COMPLIANCE WITH  
ACCOUNTING LAW NO. 82 / 1991 – REPUBLISHED,  
NATIONAL SECURITIES COMMISSION ORDER NO. 75 / 2005**

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**FIC MOLDOVA**  
**BALANCE SHEET**  
**AS OF MARCH 31, 2008**  
(all amounts are in RON, unless otherwise specified)

	Row	Balance	
		January 1, 2008	March 31, 2008
A	B	1	2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1. Constitution expenses (acc. 201 - 2801)	01	-	-
2. Development expenses (acc. 203 - 2803 - 2903)	02	-	-
3. Grants, patents, licenses, trademarks, similar rights and values and other intangible assets (acc. 205 + 208 - 2805 - 2808 - 2905 - 2908)	03	63.097	44.935
4. Goodwill fund (acc. 2071 - 2807 - 2907)	04	-	-
5. Advances and pending intangible assets (acc. 233 + 234 - 2933)	05	-	-
TOTAL: (row 01 to 05)	06	63.097	44.935
II. TANGIBLE ASSETS			
1 Land and buildings (acc. 211 + 212 - 2811 - 2812 - 2911 - 2912)	07	18.602.307	18.470.455
2. Equipment (acc. 213 - 2813 - 2913)	08	781.757	700.869
3. Furniture and fixture (acc. 214 - 2814 - 2914)	09	127.992	119.670
4. Advances and pending tangible assets (acc. 231 + 232 - 2931)	10	-	-
TOTAL: (row 07 to 10)	11	19.512.056	19.290.994
III FINANCIAL ASSETS			
1. Shares held in affiliated entities (t. 261 - 2961)	12	-	-
2. Loans granted to affiliated entities (acc. 2671 + 2672 -2965)	13	-	-
3. Securities in the form of investments (acc. 263 - 2963)	14	-	-
4. Loans granted to entities in which the company is an investor (acc. 2675 + 2676 - 2967)	15	-	-
5. Securities and other financial instruments as assets (acc. 262 + 264 + 265+ 266 - 2696 - 2962 - 2964)	16	397.415.727	400.409.422
6. Other claims (acc. 2673 + 2674 + 2678 + 2679 - 2966 -2969)	17	244.081	244.993
TOTAL: (row 12 to 17)	18	397.659.808	400.654.415
TOTAL NON-CURRENT ASSETS (row 06 + 11 + 18)	19	417.234.961	419.990.344

Notes on pages 19 to 50 are an integral part of this report.

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**BALANCE SHEET**  
**AS OF MARCH 31, 2008**  
(all amounts are in RON, unless otherwise specified)

	Row	Balance	
		January 1, 2008	March 31, 2008
A	B	1	2
<b>B. CURRENT ASSETS</b>			
<b>I. INVENTORY</b>			
1. Consumables (acc. 302 + 303 +/- 308 + 351 -392 -395)	20	22.331	23.742
2. Work in progress (acc. 332 - 394)	21	-	-
3. Advances for inventory purchase (acc. 4091)	22	1.553	11.323
TOTAL: (row 20 to 22)	23	23.884	35.065
<b>II. RECEIVABLES (Amounts to be received in more than one year have to be presented separately for each item.)</b>			
1. Notes receivable (acc. 2675* + 2676*+2678*+2679* – 2966* – 2969* + 4092 + 411 + 413 + 418 – 491)	24	35.455.334	34.715.329
2. Receivables from companies in the group (acc. 4511 + 4518 - 4951)	25	-	-
3. Receivables from participation interest (acc. 4521 + 4528 - 4952)	26	-	-
4. Other Receivables (acc. 425 + 4282 + 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482 + 4582 + 461 + 473 - 496 + 5187)	27	4.701.597	6.455.243
5. . Receivables from subscribed and unpaid capital (acc. 456 - 4953)	28	-	-
TOTAL: (row 24 to 28)	29	40.156.931	41.170.572
<b>III. SHORT TERM FINANCIAL INVESTMENT</b>			
1. Shares held in affiliated entities (acc. 501 - 591)	30	-	-
3. Other short term financial investments (acc. 5031 + 5032 + 505 + 5061 + 5062 + 5071 + 5072 + 5081 + 5082 + 5088 + 5089 - 593 - 595 - 596 - 597 - 598 + 5113 + 5114)	31	1.070.514	912.319
TOTAL: (row 30 to 31)	32	1.070.514	912.319
<b>IV. CASH AND BANK ACCOUNTS (acc. 5112 + 5121 + 5122 + 5123 + 5124 + + 5125 + 5311 + 5314 + 5321 + 5322 + 5323 + 5328 + 5411 + 5412 + 542)</b>	33	2.760.539	1.020.514
TOTAL CURRENT ASSETS (row 23 + 29 + 32 + 33)	34	44.011.868	43.138.470
<b>C. PREPAID EXPENSES (acc. 471)</b>	35	72.039	136.134

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**BALANCE SHEET**  
**AS OF MARCH 31, 2008**  
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A	Row B	Balance	
		January 1, 2008 1	March 31, 2008 2
<b>D. CURRENT LIABILITIES</b>			
1. Loans from bonds issues (acc. 1614 + 1615 + 1617 + 1618 + 1681 - 169)	36	-	-
2. Notes payable (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	37	-	-
3. Precollected revenue (acc. 419)	38	-	70.980
4. Accounts payable (acc. 401 + 404 + 408)	39	455.655	165.153
5. Commercial papers payable (acc. 403 + 405)	40	-	-
6. Liabilities to companies in the group (acc. 1661 + 1685 + 2691 + 4511 + 4518)	41	-	-
7. Liabilities involving participation interest (acc. 1662 + 1686 + 2692 + 2693 + 4521 + 4528)	42	-	-
8. Other liabilities, including taxes payable and social security liabilities (acc. 1623 + 1626 + 167 + 1687 + 2698 + 421 + 423 + 424 + 426 + 427 + 4281 + 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481 + 4551 + 4558 + 456 + 457 + 4581 + 462 + 473 + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	43	23.331.654	21.351.084
TOTAL: (row 36 to 43)	44	23.787.309	21.587.217
<b>E. CURRENT ASSETS LESS NET CURRENT LIABILITIES (row 34 + 35 - 44 - 60.2)</b>	45	20.285.356	21.661.850
<b>F. TOTAL ASSETS LESS CURRENT LIABILITIES (row 19 + 45 - 60.1)</b>	46	437.520.317	441.652.194
<b>G. NON-CURRENT LIABILITIES</b>			
1. Loans from bonds issues (acc. 1614 + 1615 + 1617 + 1618 + 1681 - 169)	47	-	-
2. Long term loans (acc. 1621 + 1622 + 1624 + 1625 + 1627 + 1682 + 5191 + 5192 + 5198)	48	-	-
3. Precollected revenue (acc. 419)	49	-	-
4. Trade debt (acc. 401 + 404 + 408)	50	-	-
5. Commercial papers payable (acc. 403 + 405)	51	-	-
6. Liabilities to institutions or companies in the group (acc. 1661 + 1685 + 2691 + 4511 + 4518)	52	-	-

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	Row	Balance	
		January 1, 2008	March 31, 2008
A	B	1	2
7. Liabilities involving participation interest (acc. 1662 + 1686 + 2692 + 2693 +4521+4528)	<b>53</b>	-	-
8. Other liabilities, including tax debt and social security debt (acc. 1623 + 1626 + 167 + 1687 + 2698 + 421 + 423 + 424 + 426 + 427 + 4281 + 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481 + 4551 + 4558 + 456 + 457 + 4581 + 462 + 473 + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	<b>54</b>	-	-
<b>TOTAL: (row 47 to 54)</b>	<b>55</b>	-	-
<b>H. PROVISIONS</b>			
1. Provisions for pensions and similar obligations (acc.1515)	<b>56</b>	-	-
2. Provisions for taxes (acc. 1516)	<b>57</b>	36.355.161	36.355.161
3. Other provisions (acc.1511+1512+1513+1514+1518)	<b>58</b>	12.612.155	6.618.195
<b>TOTAL PROVISIONS: (row 56 +57 + 58)</b>	<b>59</b>	48.967.316	42.973.356
<b>I. PRECOLLECTED REVENUE (row60.1+60.2) of which:</b>	<b>60</b>	11.242	25.537
1. Subsidies for investments (acc. 131)	<b>60.1</b>	-	-
2. Precollected revenue (acc. 472)	<b>60.2</b>	11.242	25.537
<b>J. EQUITY AND RESERVES</b>			
<b>I. EQUITY (row 62 to 63) of which:</b>	<b>61</b>	51.908.959	51.908.959
1. Subscribed and unpaid capital (acc. 1011)	<b>62</b>	-	-
2. Subscribed and paid capital (acc. 1012)	<b>63</b>	51.908.959	51.908.959
<b>II. SHARE PREMIUM (acc. 104)</b>	<b>64</b>	-	-
<b>III. REVALUATION RESERVES (acc. 105)</b>			
Balance C	<b>65</b>	15.541.203	15.541.203
Balance D	<b>66</b>	-	-
<b>IV. RESERVES (row 68 to 73 -74)</b>	<b>67</b>	255.638.137	253.924.073
1. Legal reserves (acc. 1061)	<b>68</b>	10.381.792	10.381.792
2. Statutory or contractual reserves (acc. 1063)	<b>69</b>	-	-
3. reserves constituted from free shares/notes (acc. 1065*)	<b>70</b>	101.685.269	99.971.205
4. reserves from fair value evaluation (acc.1066)	<b>71</b>	-	-

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A	Row	Balance	
		January 1, 2008	March 31, 2008
	B	1	2
5. reserves representing surplus from revaluation reserves (acc.1067)	72	1.997.417	1.997.417
6. other reserves (acc.1068)	73	141.573.659	141.573.659
7. treasury shares (acc.109)	74	-	-
<b>V. REPORTED RESULT (acc. 117)</b>			
Balance C	75	-	65.464.702
Balance D	76	52.726	-
<b>VI. RESULT OF FISCAL YEAR (acc. 121)</b>			
Balance C	77	65.573.287	11.839.901
Balance D	78	-	-
Profit appropriation (acc. 129)	79	55.859	-
<b>TOTAL EQUITY (row 61 + 64 + 65 - 66 + 67 + 75 - 76 + 77 - 78 - 79)</b>	<b>80</b>	<b>388.553.001</b>	<b>398.678.838</b>

\_\_\_\_\_  
**President**  
Sorin Mihail Turtoescu

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**Financial Manager**  
Liana Marin

**FIC MOLDOVA**  
**INCOME STATEMENT**  
**AS OF MARCH 31, 2008**  
(all amounts are in RON, unless otherwise specified)

Item	Row	March 31, 2007	March 31, 2008
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
<b>A. REVENUE FROM OPERATIONS</b>			
<b>TOTAL (row 02 to 11)</b>	<b>01</b>	<b>14.260.056</b>	<b>28.789.018</b>
Revenue from financial assets (acc. 761)	<b>02</b>	23.666	-
Revenue from short term financial investments (acc. 762)	<b>03</b>	-	-
Revenue from receivables as assets (acc. 763)	<b>04</b>	-	-
Revenue from ceded financial investments ( acc. 758* + 764)	<b>05</b>	12.249.687	14.173.133
Revenue from services performed (acc.704)	<b>06</b>	-	-
Revenue from provisions, reactivated claims and various receivables (acc. 754 + 781 + 786)	<b>07</b>	352.359	13.387.750
Revenue from exchange rate changes (acc. 765)	<b>08</b>	83.414	-
Revenue from interest (acc.766)	<b>09</b>	1.145.092	808.329
Revenue from non-current assets production (acc. 721 + 722)	<b>10</b>	-	-
Other revenue from operations (acc.768 + 706 + 708 + 767)	<b>11</b>	405.838	419.806
<b>B. EXPENSES WITH OPERATIONS</b>			
<b>TOTAL (row 13 to 20)</b>	<b>12</b>	<b>5.801.504</b>	<b>15.799.821</b>
Losses related to claims resulting from investments (acc. 663)	<b>13</b>	-	-
Expenses related to ceded financial investments (acc. 658* + 664)	<b>14</b>	3.338.595	4.590.620
Expenses with exchange rate differences (acc. 665)	<b>15</b>	616	-
Expenses related to interest (acc. 666)	<b>16</b>	-	-
Expenses with commissions and fees (acc. 622)	<b>17</b>	327.203	542.270
Expenses with banking and similar services (acc. 627)	<b>18</b>	6.364	7.923
Depreciations, provisions, losses from claims and various receivables (acc. 654 + 681 + 686)	<b>19</b>	173.026	303.414

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<b>Item</b>	<b>Row</b>	<b>March 31, 2007</b>	<b>March 31, 2008</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
Other expenses with operations (row 21 + 22 + 23 + 26 + 27)	<b>20</b>	1.955.700	10.355.594
a. Expenses with materials (acc. 602 + 603 + 604)	<b>21</b>	181.915	173.900
b. Expenses with electricity and water (acc. 605)	<b>22</b>	44.636	56.179
c. Expenses with staff, of which: (row 24 + 25)	<b>23</b>	1.518.769	2.405.555
c1. Salaries (acc. 621 + 641 + 642)	<b>24</b>	1.171.182	1.875.339
c2. Expenses related to insurance and social security (acc. 645)	<b>25</b>	347.587	530.216
d. Expenses related to external services (acc. 611 + 612 + 613 + 614 + 623 + 624 + 625 + 626 + 628 + 658** + 667 + 668)	<b>26</b>	142.489	7.591.724
e. Expenses with other taxes and similar payments (acc. 635)	<b>27</b>	67.891	128.236
<b>C. OPERATIONAL RESULT</b>			
-profit (row 01-12)	<b>28</b>	8.458.552	12.989.197
-loss (row 12-01)	<b>29</b>		
<b>D. GAINS</b> (acc.771)	<b>30</b>	-	-
<b>E. LOSSES</b> (acc.671)	<b>31</b>	-	-
<b>F. RESULT</b>			
-profit (row 30-31)	<b>32</b>	-	-
-loss (row31-30)	<b>33</b>		
<b>TOTAL REVENUE (row 01 + 30)</b>	<b>34</b>	14.260.056	28.789.018
<b>TOTAL EXPENSE</b> (row 12 + 31)	<b>35</b>	5.801.504	15.799.821
<b>G. GROSS MARGIN</b>			
- profit (row 34 - 35)	<b>36</b>	8.458.552	12.989.197
- loss (row 35 - 34)	<b>37</b>	-	-
<b>21. PROFIT TAX</b>			
- tax expense (acc. 691)	<b>38</b>	1.235.614	1.149.296
22. Other tax expense (acc. 698)	<b>39</b>	-	-

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**INCOME STATEMENT**  
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<b>Item</b>	<b>Row</b>	<b>March 31, 2007</b>	<b>March 31, 2008</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
<b>H. NET INCOME</b>			
- profit (row 36 - 38 - 39)	40	7.222.938	11.839.901
- loss (row 37 + 38 + 39 ) or (row 38 + 39 -36)	41	-	-

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**President**

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**Financial Manager**

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**FIC MOLDOVA**  
**INFORMATIVE DATA – MARCH 31, 2008**

<b>I. DATA REGARDING THE NET INCOME</b>	<b>Row</b>	<b>NO. OF UNITS</b>	<b>AMOUNTS</b>
Units recording profit	01	1	11.839.901
Units recording loss	02	0	0

<b>II. DATA CONCERNING OVERDUE PAYMENTS</b>	<b>Row</b>	<b>TOTAL (col.2+3)</b>	<b>OF WHICH:</b>	
			<b>FOR CURRENT ACTIVITY</b>	<b>FOR INVESTMENT ACTIVITY</b>
		<b>1</b>	<b>2</b>	<b>3</b>
Overdue payments - total(row 04 + 08 + 14 to 18 + 22). of which :	03	18.643.651	18.643.651	-
Suppliers - total(row 05 to 07). of which :	04	-	-	-
- over 30 days	05	-	-	-
- over 90 days	06	-	-	-
- over 1 year	07	-	-	-
Payments due to social security - total ( row 09 to 13), of which :	08	-	-	-
- contributions to state social security by employers, employees and others	09	-	-	-
- contributions to health insurance funds	10	-	-	-
- contributions to additional pensions	11	-	-	-
- contributions to unemployment fund	12	-	-	-
- other social security liabilities	13	-	-	-
Overdue liabilities to special funds and other funds	14	-	-	-
Liabilities to other creditors	15	18.643.651	18.643.651	-
Overdue taxes to state budget	16	-	-	-
Overdue taxes to local budgets	17	-	-	-
Overdue bank loans - total ( row 19 to 21), of which:	18	-	-	-
- due in 30 days	19	-	-	-
- due in 90 days	20	-	-	-
- due in 1 year	21	-	-	-
Overdue interest	22	-	-	-

<b>III. AVERAGE NO. OF EMPLOYEES</b>	<b>Row</b>	<b>March 31, 2007</b>	<b>March 31, 2008</b>
Average no. of employees	23	108	88

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**INFORMATIVE DATA – MARCH 31, 2008**

<b>IV. PAYMENT OF INTEREST AND DUES</b>	<b>Row</b>	<b>AMOUNTS</b>
Gross revenue from interest paid by Romanian juridical pers. to non-resident natural pers. from EU member states, of which:	24	-
- taxes due to state budget	25	-
Gross revenue from interest paid by Romanian juridical pers. to associated non-resident juridical pers. from EU member states, of which:	26	-
- taxes due to state budget	27	-
Revenue from dues paid by Romanian juridical pers. to associated non-resident pers. from EU member states, of which:	28	-
- taxes due to state budget	29	-

<b>V. LIABILITIES DEFERRED ACCORDING TO PROVISIONS OF .ART.3(4) OF GOVT. EMERGENCY ORDNANCE 37/2004 REGARDING MEASURES TO DECREASE OVERDUE DEBTS, REPORTED IN EXTRA BALANCE SHEET ACCOUNTS</b>	<b>Row</b>	<b>AMOUNTS</b>
Deferred liabilities towards budgets	30	-
Deferred trade liabilities	31	-

<b>VI. FOOD STAMPS</b>	<b>Row</b>	<b>AMOUNTS</b>
Cost of food stamps given to employees	32	25.077

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**STATEMENT OF CHANGES IN EQUITY**  
**AS OF MARCH 31, 2008**  
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Owners' Equity Item	Balance on Jan 1, 2008	Increases		Decreases		Balance on March 31, 2008
		Total, of which	By transfer	Total, of which	By transfer	
Subscribed capital	51.908.959	-	-	-	-	51.908.959
Revaluation reserves	15.541.203	-	-	-	-	15.541.203
Legal reserves	10.381.792	-	-	-	-	10.381.792
Reserves representing surplus from revaluation reserves	1.997.417	-	-	-	-	1.997.417
Other reserves	141.573.659	169.523	-	169.523	-	141.573.659
Reserves from securities obtained free of charge	101.685.269	53.097	-	1.767.161	-	99.971.205
Reported result representing unappropriated profit or uncovered loss	Balance C	-	65.517.427	65.517.427	-	65.517.427
	Balance D	52.726	-	-	-	52.726
Reported result from compliance with accounting regulations of European Economic Communities 4th Directive	Balance C	-	-	-	-	-
	Balance D	-	-	-	-	-
Result of fiscal year	Balance C	65.573.287	11.839.901	-	65.573.287	11.839.901
	Balance D	-	-	-	-	-
Profit appropriation	Balance C	55.859	55.859	55.859	-	-
	Balance D	-	-	-	-	-
<b>Total Owners' Equity</b>	<b>388.553.001</b>	<b>77.635.807</b>	<b>65.573.286</b>	<b>67.509.971</b>	<b>65.573.287</b>	<b>398.678.837</b>

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**STATEMENT OF CHANGES IN EQUITY**  
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**Information on the statement of changes in equity:**

***Owners' equity was influenced in the first quarter of 2008 by :***

**1. Increases of 77.635.807 RON, consisting of:**

• other reserves	169.523
• cancellation of negative adjustments recorded in equity accounts	169.523
• net profit realized in the Jan 1, – Mar 31, 2008 period	11.839.901
• reserves arising from securities received free of charge	53.097
• reserves from securities received free of charge	53.097
• registration of unappropriated profit from the 2007 fiscal year	65.517.427
• accounting operations for the closing of the appropriated profit from the 2007 fiscal year for legal reserves	55.859

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**STATEMENT OF CHANGES IN EQUITY**  
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**2. Decreases of 67.509.971 RON, consisting of:**

• other reserves	169.523
• write-off from the Commercial Registry of companies in the primary portfolio	169.523
• updating of reserves arising from securities received free of charge	1.767.161
• sale of free shares turned into revenue of the period	1.767.161
• appropriation of 2007 profit, for unappropriated profit, whose destination will be decided in GMS 2008	65.573.287

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**STATEMENT OF CHANGES IN EQUITY**  
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**DIRECT METHOD**

ITEM / PERIOD	JANUARY - MARCH 2007	JANUARY - MARCH 2008
<b>1. Cash at beginning of period (a+b)</b>	<b>61.344.938</b>	<b>38.276.158</b>
<b>a. Current accounts</b>	3.245.281	2.759.890
<b>b. Financial investments - DEPOSITS</b>	58.099.657	35.516.268
<b>A. Operations (2-3)</b>	<b>(3.304.932)</b>	<b>(4.285.906)</b>
<b>2. Cash inflows</b>	<b>462.499</b>	<b>619.923</b>
- rent + utilities	358.731	527.999
- various debtors, restitution of advances	19.024	22.853
- inflows from sale of merchandise	35.595	36.811
- amounts pending discount	21.800	-
- amounts pending resolution	1	1.884
- restitution of taxes	255	-
- suppliers	-	298
- other inflows	24.800	28.045
- receipt of material pledges	2.293	2.033
<b>3. Cash outflows</b>	<b>3.767.431</b>	<b>4.905.828</b>
-Expenses with employees + collaborators / material pledges	1.511.124	2.387.200
-suppliers	915.377	1.190.577
-profit tax	1.052.837	1.051.278
-local taxes	67.790	105.971
-VAT	48.576	79.519
-discount advances	54.041	39.253
-banking commissions	6.358	7.923
-wares supply	11.612	36.470
- restitution of pledges	64.102	-
- amounts pending discount	23.697	253
- amounts pending resolution	-	1.884
- other payments	3.000	500
- exchange rate variations	616	-
- sponsorships	8.300	5.000
<b>B. Activitatea de investitii(4-5)</b>	<b>(1.493.437)</b>	<b>3.388.940</b>
<b>4. Intrari de numerar</b>	<b>9.723.905</b>	<b>9.725.540</b>
- deposit interest	961.141	702.520
- checking account interest	146.208	73.503
- government securities interest	-	34.368
- bonds interest + coupon	173.600	171.713
- receipt from sale of shares	1.993.783	1.489.823
- receipt from BSE transactions	6.058.488	7.159.529
- dividends from portfolio companies	390.686	94.085
<b>5. Cash outflow</b>	<b>11.217.341</b>	<b>6.336.600</b>
-acquisitions of fixed assets	27.790	134.456
- acquisitions of securities by capital increases	1.313.723	1.128.980
- acquisitions of securities through BSE	9.875.829	5.073.165
<b>C. Financing activity (6-7)</b>	<b>(2.054.066)</b>	<b>(1.580.357)</b>
<b>6. Cash inflow</b>	<b>4.254</b>	<b>362</b>
- return of dividends	4.254	362
<b>7. Cash outflow</b>	<b>2.058.321</b>	<b>1.580.719</b>

Notes on pages 19 to 50 are an integral part of this report.

**FIC MOLDOVA**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS OF MARCH 31, 2008**  
(all amounts are in RON, unless otherwise specified)

- shareholder dividends	2.058.321	1.580.719
<b>TOTAL CASH FLOW (A+B+C)</b>	<b>(6.852.435)</b>	<b>(2.477.322)</b>
<b>CASH AT END OF PERIOD</b>	<b>54.492.502</b>	<b>35.798.836</b>
<b>a. cash office - RON</b>	4.094	3.644
<b>b. banks – RON</b>	2.340.954	1.013.433
<b>c. banks - foreign currency</b>	9	8
<b>d. deposits</b>	52.147.445	34.552.020
<b>e. deposit pledges</b>	-	229.730

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**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2008**  
(all amounts are in RON, unless otherwise specified)

**1. NON-CURRENT ASSETS**

**GROSS VALUE**

<u>Intangible non-current assets</u>	January 1, 2008	Increase	Decrease	March 31, 2008
Intangible non-current assets	278.683	-	-	278.683
Pending intangible non-current assets	24.521	-	-	24.521
<b>Total</b>	<b>303.204</b>			<b>303.204</b>
<b><u>Tangible non-current assets</u></b>				
Land	3.986.220	-	-	3.986.220
Buildings	14.668.470	-	-	14.668.470
Equipment	1.250.507	60.972	-	1.311.479
Vehicles	680.828	-	-	680.828
Other non-current assets	267.966	2.782		270.748
<b>Total</b>	<b>20.853.991</b>	<b>63.754</b>	-	<b>20.917.745</b>

Tangible non-current assets – the land and buildings category, were revaluated as of December 31, 2007, by determining and recording fair values, by an independent evaluator

<u>Financial non-current assets</u>	January 1, 2008	Increase	Decrease	March 31, 2008
Securities as investments	461.111.778	10.426.145	7.601.973	463.935.950
Other receivables	244.082	4.793	3.882	244.993
<b>Total</b>	<b>461.355.860</b>	<b>10.430.938</b>	<b>7.605.855</b>	<b>464.180.943</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>482.513.055</b>	<b>10.494.692</b>	<b>7.605.855</b>	<b>485.401.892</b>

**VALUE ADJUSTMENTS (DEPRECIATION AND AMORTIZATION OR DEVALUATION ADJUSTMENTS)**

<u>Intangible non-current assets</u>	January 1, 2008	Depreciation in fiscal year	Discounts or updates	March 31, 2008
Intangible non-current assets	215.586	18.162	-	233.748
Pending intangible non-current assets	24.521	-		24.521
<b>Total</b>	<b>240.107</b>	<b>18.162</b>	-	<b>258.269</b>

**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2008**  
(all amounts are in RON, unless otherwise specified)

**1. NON-CURRENT ASSETS (continued)**

<u>Tangible non-current assets</u>	<u>January 1, 2008</u>	<u>Depreciation in fiscal year</u>	<u>Discounts or updates</u>	<u>March 31, 2008</u>
Land	24.432	-	-	24.432
Buildings	27.951	132.288	436	159.803
Equipment	888.057	44.298	-	932.355
Vehicles	261.521	97.562	-	359.083
Other non-current assets	139.974	11.104	-	151.078
<b>Total</b>	<b>1.341.935</b>	<b>285.252</b>	<b>436</b>	<b>1.626.751</b>
<u>Financial non-current assets</u>	<u>January 1, 2008</u>	<u>Depreciation in fiscal year</u>	<u>Discounts or updates</u>	<u>March 31, 2008</u>
Securities as investments	63.696.051	-	169.523	63.526.528
<b>Total</b>	<b>63.696.051</b>	<b>-</b>	<b>169.523</b>	<b>63.526.528</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>65.278.093</b>	<b>303.414</b>	<b>169.959</b>	<b>65.411.548</b>

**NET ACCOUNTING VALUE OF NON-CURRENT ASSETS AS OF March 31, 2008**

	<u>Gross value</u>	<u>Depreciation</u>	<u>Devaluation adjustments</u>	<u>Net accounting value</u>
Intangible non-current assets	303.204	233.748	24.521	44.935
Tangible non-current assets	20.917.745	1.575.462	51.289	19.290.994
Financial assets	464.180.943	-	63.526.528	400.654.415
<b>Total</b>	<b>485.401.892</b>	<b>1.809.210</b>	<b>63.602.338</b>	<b>419.990.344</b>

**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2008**  
(all amounts are in RON, unless otherwise specified)

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**1. NON-CURRENT ASSETS (continued)**

**Increases in non-current assets worth 10.494.692 RON, derive from:**

<b>Tangible non-current assets</b>	
• acquisitions of tangible assets	63.754
<b>Financial non-current assets</b>	
• acquisitions of securities	10.426.145
• acquisitions of materials and pledges	4.793
<b>Total</b>	<u><b>10.494.692</b></u>

**Decreases in non-current assets worth 7.605.855 RON, derive from:**

<b>Financial non-current assets</b>	
• transfer of securities from the portfolio	7.601.973
• recovery of pledges	3.882
<b>Total</b>	<u><b>7.605.855</b></u>

**Depreciation calculated and reflected corresponding to groups of non-current assets amounting to 303.414 RON consists of:**

<b>Intangible non-current assets</b>	
• depreciation	18.162
<b>Tangible non-current assets</b>	
• depreciation	285.252
<b>Total</b>	<u><b>303.414</b></u>

**Discounts or updates of depreciations and adjustments for depreciation of 169.959 RON consist of:**

<b>Tangible non-current assets</b>	
• provision updates for tangible and intangible non-current assets	436
<b>Financial non-current assets</b>	
• cancellation of value adjustments, corresponding to securities	169.523
<b>Total</b>	<u><b>169.959</b></u>

**STATUS OF NON-CURRENT ASSETS AT NET VALUE**

• Net value of intangible assets	44.935
• Net value of tangible assets	19.290.994
• Net value of financial assets	400.654.415

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**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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(all amounts are in RON, unless otherwise specified)

**2. PROVISIONS**

Name of provision	Balance on January 1, 2008	Transfers		Balance on March 31, 2008
		Incoming	outgoing	
	1	2	3	4=1+2-3
Provisions for taxes	36.355.161	-	-	36.355.161
Other provisions	12.612.155	-	5.993.960	6.618.195
Adjustments for receivable devaluation (note 5.a)	752.945	-	-	752.945
Adjustments for debtors devaluation (note 5.a)	35.360.965	-	7.388.771	27.972.194
Adjustments for materials devaluation	523	-	-	523
Adjustments for tangible non-current assets depreciation (note 1)	76.245	-	436	75.809
Adjustments for shares devaluation	-	-	-	-
Adjustments for financial non-current assets devaluation (note 11)	63.696.051	-	169.523	63.526.528
<b>TOTAL</b>	<b>148.854.045</b>	<b>-</b>	<b>13.552.690</b>	<b>135.301.355</b>

• <b>Adjustments for receivable devaluation on March 31, 2008</b>	<b>752.945</b>
•litigations for unpaid dividends	124.028
•bad debts	889
•various	628.028
• <b>Adjustments for receivables depreciation on March 31, 2008</b>	<b>27.972.194</b>
•provisions for debtors from money orders	27.827.580
•unreceived dividends with irrevocable decisions	118.835
•various rents with irrevocable decisions	25.779
• <b>Other provisions from:</b>	<b>6.618.195</b>
•provisions for debts associated with promissory notes	1.790.444
•benefit participation	4.827.751
• of which: - directors	1.056.015
- employees	3.520.052
- company contribution to FNUASS	251.684

**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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**2. PROVISIONS (continued)**

**The cancellation of adjustments for devaluation and of provisions** amounting to 13.352.690 RON, influenced revenue and owner's equity accounts thus:

	<b>Revenue</b>	<b>Owner's Equity</b>
• other provisions	5.993.960	-
• adjustments for clients devaluation	7.388.771	-
• adjustments for amortization of tangible non-current assets	436	-
• adjustments for devaluation of financial non-current assets	-	169.523
<b>TOTAL</b>	<b>13.383.167</b>	<b>169.523</b>

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**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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**3. PROFIT APPROPRIATION**

For the profit attained in the 1st quarter of 2008, amounting to 11.839.901 RON, no appropriation was recorded.

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**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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(all amounts are in RON, unless otherwise specified)

**4. ANALYSIS OF OPERATIONS RESULT**

<b>INDICATORS</b>	<b>Row</b>	<b>March 31, 2007</b>	<b>March 31, 2008</b>
Revenue from financial assets (acc. 761)	<b>01</b>	23.666	-
Revenue from short term investments (acc. 762)	<b>02</b>	-	-
Revenue from financial instruments (acc. 763)	<b>03</b>	-	-
Revenue from ceded financial investments (acc. 764)	<b>04</b>	12.249.687	14.173.133
Revenue from services performed (acc. 704)	<b>05</b>	-	-
Revenue from reactivated claims and various receivables (acc. 754)	<b>06</b>	-	4.584
Revenue from provisions (acc. 781+786)	<b>07</b>	352.359	13.383.166
Revenue from exchange rate differences (acc. 765)	<b>08</b>	83.414	-
Revenue from interest (acc. 766)	<b>09</b>	1.145.092	808.329
Revenue from non-current assets production, tangible, intangible (acc.721+722)	<b>10</b>	-	-
Other revenue from operations (row 12 to 18)	<b>11</b>	405.838	419.805
- from research and studies (acc. 705)	<b>12</b>	-	-
- from dues and rent (acc. 706)	<b>13</b>	250.283	355.843
- from other various activities (acc. 708)	<b>14</b>	14.777	18.999
- from subsidies (acc. 741)	<b>15</b>	-	-
- from other revenue (acc. 758**)	<b>16</b>	61.873	44.496
- from discounts (acc. 767)	<b>17</b>	112	467
- from other financial revenue (acc. 768)	<b>18</b>	78.793	-
<b>Revenue from operations (row 01 to 11)</b>	<b>19</b>	<b>14.260.056</b>	<b>28.789.018</b>
Expenses related to ceded financial investments (acc.658 + 664)	<b>21</b>	3.338.595	4.590.620
Expenses with exchange rate changes (acc.665)	<b>22</b>	616	-
Expenses with interest (acc.666)	<b>23</b>	-	-
Expenses with commissions and fees (acc.622)	<b>24</b>	327.203	542.270
Expenses with banking and similar services (acc.627)	<b>25</b>	6.364	7.923
Losses from receivables and various debtors (acc.654)	<b>26</b>	16.381	-
Expenses with provisions and depreciation (acc.681+686)	<b>27</b>	156.645	303.414
Other expenses with operations (row 29+30+31+34+47)	<b>28</b>	1.955.700	10.355.594
- with materials (acc.602+603+604)	<b>29</b>	181.915	173.900
- with electricity and water (acc.605)	<b>30</b>	44.636	56.179
- with staff (row 32+33)	<b>31</b>	1.518.769	2.405.555
- salaries (ct.621+641+642)	<b>32</b>	1.171.182	1.875.339

**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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<b>INDICATORS</b>	<b><u>Row</u></b>	<b><u>March 31,</u></b> <b><u>2007</u></b>	<b><u>March 31,</u></b> <b><u>2008</u></b>
- insurance and social security (acc.645)	<b>33</b>	347.587	530.216
- external services (row 35 to 46)	<b>34</b>	142.489	7.591.724
- maintenance and repair (acc. 611)	<b>35</b>	13.105	13.647
- dues and rent (acc. 612)	<b>36</b>	2.502	13.526
- insurance premiums (acc. 613)	<b>37</b>	9.166	8.239
- studies and research (acc. 614)	<b>38</b>	-	-
- protocol, advertising (acc. 623)	<b>49</b>	12.188	26.736
- transport of goods and personnel (acc. 624)	<b>40</b>	-	-
- travel, transfers (acc. 625)	<b>41</b>	10.107	12.525
- post and telecommunications (acc.626)	<b>42</b>	50.505	66.064
- other services by third parties (acc.628)	<b>43</b>	34.632	56.594
- other expenses (acc.658)	<b>44</b>	10.284	7.394.393
- expenses involving discounts (acc.667)	<b>45</b>	-	-
- other financial expenses (acc.668)	<b>46</b>	-	-
- expenses with taxes and similar disbursements (acc.635)	<b>47</b>	67.891	128.236
<b>Expenses with operations (row 21 to 28)</b>	<b>48</b>	<b><u>5.801.504</u></b>	<b><u>15.799.821</u></b>
<b>RESULT FROM OPERATIONS (row 19-48)</b>	<b>49</b>	<b><u>8.458.552</u></b>	<b><u>12.989.197</u></b>

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**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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**5. STATUS OF RECEIVABLES AND PAYABLES**

**a). Status of receivables**

RECEIVABLES	Row	Balance on	Balance on	Maturity		Over 5 yrs.
		January 1, 2008	March 31, 2008	Under 1 yr.	1 to 5 yrs.	
		1=2+3+4	1=2+3+4	2	3	4
Gross accounts receivable	01	36.208.279	35.468.274	35.468.274	-	-
Adjustments for accounts receivable devaluation	02	(752.945)	(752.945)	(752.945)	-	-
<b>Net account receivables</b>	<b>03</b>	<b>35.455.334</b>	<b>34.715.329</b>	<b>34.715.329</b>	-	-
<b>Other receivables, net, of which:</b>	<b>04</b>	<b>4.701.597</b>	<b>6.455.243</b>	<b>6.455.243</b>	-	-
• Receivables from transactions with shares	05	102.983	1.741.430	1.741.430	-	-
• Receivables from promissory notes	06	35.216.351	27.827.580	27.827.580	-	-
• Adjustments for receivables depreciation from endorsed promissory notes	07	(35.216.351)	(27.827.580)	(27.827.580)	-	-
• Uncashed dividends	08	23.617	23.303	23.303	-	-
• Receivables from irrevocable court decisions	09	200.674	121.311	121.311	-	-
• Adjustments for dividends devaluation	10	(23.303)	(23.303)	(23.303)	-	-
• Adjustments for depreciation of receivables from court decisions	11	(121.310)	(121.311)	(121.311)	-	-
Receivables for registered capital increase	12	3.699.567	4.377.124	4.377.124	-	-
• Other receivables	13	61.029	78.349	78.349	-	-
• Receivables from shares buy back	14	758.340	258.340	258.340	-	-
<b>TOTAL</b>	<b>15</b>	<b>36.208.279</b>	<b>41.170.572</b>	<b>41.170.572</b>	-	-

Gross accounts receivable include short term bank deposit amounting to 34.552.020 RON (note 12) (Dec 31, 2007: 35.289.949 RON).

**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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(all amounts are in RON, unless otherwise specified)

**5. STATUS OF RECEIVABLES AND PAYABLES (continued)**

**b) Status of payables**

LIABILITIES	Row	Balance on	Balance on	Maturity		
		January 1, 2008	March 31, 2008	Under 1 yr.	1 to 5 yrs.	Over 5 yrs.
		1=2+3+4	1=2+3+4	2	3	4
Accounts payable	01	455.655	165.153	165.153	-	-
Precollected revenue	02	-	70.980	70.980	-	-
Other payables	03	23.331.654	21.351.084	21.351.084	-	-
<b>TOTAL, of which:</b>	<b>04</b>	<b>23.787.309</b>	<b>21.587.217</b>	<b>21.587.217</b>	-	-
• Suppliers	05	455.655	165.153	165.153	-	-
• Precollected revenue	06	-	70.980	70.980	-	-
• Payables towards government and special accounts	07	1.888.936	1.987.744	1.987.744	-	-
• Dividends payable	08	20.224.011	18.643.651	18.643.651	-	-
• Various payables	09	52.419	88.219	88.219	-	-
• Other payables with staff and social security	10	340.924	401.278	401.278	-	-
• Material pledges	11	226.964	230.192	230.192	-	-
• Disbursements due for non-current financial assets	12	598.400	-	-	-	-

For the specified payables no guarantees or mortgages were submitted. FIC Moldova has no outstanding loans.

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**FIC MOLDOVA**  
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(all amounts are in RON, unless otherwise specified)

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS**

**A. Accounting principles**

Evaluation of items in the first quarter of 2008 financial statements is done according to the following accounting principles:

**The going concern principle** – the company will continue normal operations in the foreseeable future without being unable to continue or forced to significantly restrain its activity.

**The consistent methods principle** – the application of the same rules, methods, norms regarding the evaluation and registration in accounting of assets, ensuring comparability of accounting information.

**The prudence principle** – all value adjustments due to asset depreciation were taken into account, as well as all the foreseeable liabilities and potential losses during the current fiscal year or during a previous fiscal year.

**The independent accounting period principle** – the revenue and expenses of the fiscal year were recorded regardless of the date of collection or payment.

**The independent evaluation of asset and liability items** – in order to establish the total value corresponding to balance sheet item the value of each individual asset or liability item was determined separately.

**The noncompensation principle** – asset values were not compensated with liabilities, respectively revenue with expenses.

**The intangibility principle** – the opening balance for each fiscal year corresponds to the closing balance for the previous fiscal year.

**The prevalence of economic over legal principle** – the information presented in the financial statements reflects the economic reality of events and transactions, not only their legal form.

**The materiality principle** – any item that has a significant value is presented individually in financial statements.

**B. Significant accounting policies**

**a) The bases of financial statement drafting**

The financial statements were drafted and presented in compliance to Accounting Law no. 82 / 1991 – republished, Accounting Regulations harmonized with European Economic Community 4th Directive applicable to institutions regulated and supervised by the National Securities Commission („NSC” / „CNVM”), approved by NSC President Order no. 75 / Dec 16, 2005.

Financial statements are drawn up and presented in RON.

Status financial statements were drawn up based on the going concern principle.

Accounting policies were consistently applied by FIC throughout the fiscal year.

**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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(all amounts are in RON, unless otherwise specified)

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continued)**

**b) Functional and presentation currency**

The functional currency of financial statements is the RON. All amounts are expressed in RON.

**c) Bases of consolidation**

The Company drafts a separate set of Consolidated Financial Statements, in compliance with International Financial Reporting Standards.

**d) Foreign currency transactions**

Operations stated in foreign currency are recorded in RON, at the official exchange rate on the date of disbursement. Monetary assets and liabilities expressed in foreign currency as of the balance sheet date are converted in RON at the exchange rate on that date.

The exchange rates of the main foreign currencies at the conclusion of the fiscal year were:

<b>Currency</b>	<b>December 31, 2007</b>	
• Dollar (USD)	1 : LEU	2,4564
• Euro (EUR)	1 : LEU	3,6102

**e) Going concern**

The present financial statements were drafted based on the going concern principle that states that FIC Moldova will continue normal operations in the foreseeable future. In order to evaluate the applicability of this presumption, management is analyzing the predictions regarding future cash receipts.

Based on these analyses, management believes that FIC Moldova will be able to continue operations in the foreseeable future and consequently the application of the going concern principle in the drafting of financial statements is justified.

**f) Financial instruments**

**I. Classification**

Financial instruments held for trading are instruments produced or acquired mainly in order to generate short term profit.

Financial assets created by FIC are loans and receivables created by supplying money to a debtor, other than those initiated in order to sell immediately or shortly. On December 31, 2007, financial assets created by FIC consist of bank deposits.

Investments held to maturity are those financial assets with fixed or determinable payments and fixed due date that FIC firmly intends and is able to keep until maturity.

Financial instruments available for sale, defined as those assets not representing loans and receivables produced by FIC, financial assets held for trading or investments held until maturity. As of December 31, 2007, FIC categorized here all investments, municipal bonds and receivables from third parties not classified in the categories above.

**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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**(all amounts are in RON, unless otherwise specified)**

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continued)**

**II. Recognition**

FIC recognizes financial assets on the date on which they are transferred to FIC (discount date). Increases or decreases recorded on financial assets originating in the modification of participations acquired by registered capital increases / decreases by issuers are recognized in FIC owners' equity.

**iii. Evaluation**

Financial instruments are initially evaluated at cost.

As of March 31, 2008, securities are recognized at their acquisition cost less accumulated adjustments for devaluation. In order to calculate adjustments the following were taken into consideration:

- The market value in the last 90 trading days, for those securities for which a credible market was easily identified;
- A value determined with the aid of generally accepted models and evaluation techniques (Regulation no. 15 / 2004, issued by NSC) for which no credible market could be easily identified.

**IV. Derecognition**

A financial asset is derecognized when the Company loses the contractual rights control regarding the respective asset. FIC Moldova loses this control when it realizes the rights over the benefits specified in the contract, the rights expire, or SIF Moldova gives up the respective rights.

Financial debts are derecognized when the liability specified in the contract is discharged, was cancelled or expired.

Derecognition of sold financial assets is done on the settling date.

Gain or loss realized at the moment of derecognition moment is calculated in relation to the financial asset historic cost and recorded in the income statement.

FIC Moldova uses the weighted average cost method to determine the financial assets cost.

**g) Assets depreciation**

The assets accounting value is reviewed at every end of period in order to determine whether there are losses from depreciation. The financial assets are analyzed on the day of every balance sheet, to see whether there is any objective indication showing that an asset can be depreciated. If any such indication exists, the Company must estimate the recoverable value of the asset.

The value depreciation is recognized if the accounting value of an asset, or of the cash generating unit to which it belongs, is higher than the recoverable value.

Value depreciations are recognized in the income statement, according to the relevant legal provisions and in owner's equity accounts, for securities in the primary portfolio inherited from the former FPP (for which a reserve fund exists).

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continued)**

**h) Interest revenues and expenses**

Interest revenues and expenses are recognized in compliance with the engagement accounting principles.

**i) Profit tax**

The profit tax related to the reporting period consists of the current tax.

The current tax is the tax to be paid for the reporting period's profit, determined on the basis of the percentage applied on the balance sheet day and of all the adjustments related to the previous periods.

**j) Tangible and intangible assets**

Tangible assets are recorded in the accounting documents at their historic cost, less the accrued depreciation. Later, tangible assets were revalued, according to the legal regulations issued to this purpose, taking into account the inflation rate, the usefulness of the goods, their condition and the market price.

The latest revaluation was done on December 31, 2007, by an authorized independent evaluator. This revaluation was done for all "land and buildings" group.

Depreciation is calculated by the linear method during the life time estimated for each item from the non – current assets category, as follows:

<u>Asset</u>	<u>Years</u>
Buildings	40
Equipment	2 - 12
Vehicles	4 - 8
Other non-current assets	4- 12

Land is not subject to depreciation.

The purchase cost contains: the purchase price, non – recoverable taxes, transport expenses and other accessory expenses necessary for setting in operation or for entering under administration.

Maintenance and repair of the assets are recorded as expenses when they occur, and the improvements made are capitalized. Improvements are capitalized if they expand the asset life time or if they significantly increase their capacity to generate economic benefits.

Non – current assets in process are not subject to depreciation until they start being used.

Intangible assets are recorded at their cost, less the accrued amortization.

The intangible assets amortization is recorded in the income statement on the basis of the linear method during the estimated useful operation period thereof. The estimated utility life for intangible assets is of no more than 3 years.

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**6. ACCOUNTING PRINCIPLES, POLICIES AND METHODS (continued)**

**k) Reserves from tangible assets revaluation**

The increase or decrease arising from a revaluation of tangible assets was reflected thus:

- If the book value of an asset is increased after a revaluation, this increase is recorded directly in the shareholders' equity accounts credit, under the title of "Differences from revaluation"; the increase found through revaluation is recognized as a revenue to the extent to which it compensates a decrease from the revaluation of the same asset, previously recognized as an expense.
- If the book value of an asset is diminished after a revaluation, this decrease is recognized as an expense; the decrease resulting from the revaluation is deducted from any corresponding surplus from revaluation, to the extent in which the decrease does not exceed the value previously recorded as a revaluation surplus for the same asset.

**l) Other receivables**

Other receivables are recorded at nominal value less the provision for depreciation thereof.

**m) Pensions and other post – retirement benefits**

SIF Moldova effects payments on behalf of its employees to the state pension, health insurance and unemployment systems. All of the Company's employees are members of the Romanian pension system. SIF Moldova is not engaged in any other pension system and, consequently, does not assume any other commitments of the kind. The Company is not engaged in any post-retirement benefits system and has no obligation to provide services subsequent to its former or present employees' retirement.

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**Financial Manager**  
Liana Marin

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**7. SHARES AND BONDS**

The registered capital is formed of 519.089.588 ordinary shares, dematerialized, of 0.10 RON in nominal value each, according to the Filing Certificate no.5520 / Jul 26, 1999.

The ordinary shares' owners are entitled to receive annual dividends and have voting rights in the General Meeting of Shareholders, thus:

- 1 share corresponds to one vote;
- ownership is limited to 1% of the registered capital, namely 519.090 shares.

**Shareholding structure as of Mar 31, 2008**

<b>Nr. crt</b>	<b>Shareholder type</b>	<b>Shareholders</b>	<b>Shares</b>	<b>% RC</b>
1.	Romanian natural person	6.013.907	281.761.970	54,280027
2.	Foreign natural person	1.133	7.534.156	1,451417
3.	Romanian juridical person	542	100.165.528	19,296386
4.	Foreign juridical person	141	129.627.934	24,972170
	<b>TOTAL</b>	<b>6.015.723</b>	<b>519.089.588</b>	<b>100</b>

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**8. INFORMATION REGARDING EMPLOYEES, MANAGERS AND DIRECTORS**

**1) Average number as of March 31, 2008: 88 (March 31, 2007: 108) permanently employed, 3 management contracts and 5 collaborators (March 31, 2007: 6)**

<b>Of which:</b>	Employees	Contract de management	Collaborators
• Directors	-	-	4
• Directors (Board members)- according to Law 31 / 1990 republished	-	3	-
• With college education	65	-	-
• With lower forms of education	23	-	-
• Other collaborators	-	-	1

**2) Salaries and indemnities paid or to be paid up to March 31, 2008, amounting to 1.850.062 RON (March 31, 2007: 1.140.076 RON)**

<b>Of which:</b>	Salaries
• Management contract	297.000
• Board of Directors	268.602
• Employees	1.281.245
• Other collaborators	3.215
<b>TOTAL</b>	<b>1.850.062</b>

In the January 1, - March 31, 2008 period, employees were granted: food stamps amounting to **25.077 RON**, specialization courses amounting to **200 RON** .

**3) Social security expenses up to the date of March 31, 2008: 530.216 RON (March 31, 2007: 347.587 RON)**

Managers' salaries are subject to approval by the Board of Directors, by the management contract. The managers' salaries and indemnities represent 30,57 % of the total salary expenditure of SIF Moldova. The operational staff's salaries are negotiated by categories of qualification, based on the Collective Work Contract, concluded between the employees' representatives and the Board of Directors.

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**9. CALCULATION AND ANALYSIS OF MAIN INDICATORS**

- Liquidity indicators – ratios

- Current ratio = current assets / current liabilities

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

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

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

- Activity indicators – ratios

- Fixed assets turnover = revenue from operations / fixed assets

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

- Total assets turnover = revenue from operations / total assets

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

- Receivables turnover = average receivables balance / turnover x 90

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

- Profitability indicators

- Profitability of working capital

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

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

- Earnings per basic share

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

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

**FIC MOLDOVA**  
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**9. CALCULATION AND ANALYSIS OF MAIN INDICATORS (continued)**

The current liquidity indicator (current assets indicator), respectively the immediate liquidity indicator (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 represent the net profit generated by FIC attributable to common shares.

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**10. OTHER INFORMATION**

**a) General information about the Company:**

The Financial Investment Company MOLDOVA S.A. (SIF Moldova), was incorporated on January 1 1997, through the reorganization of the Private Ownership Fund II Moldova (Fondul Proprietatii Private II Moldova), in compliance with the provisions of Law 133 / 1996, as a self-managing financial investment company.

The Company is registered with:

- The Chamber of Commerce, Industry and Agriculture Bacau – fiscal registration code RO 2816642, fiscal attribute R;
- The National Securities Commission (CNVM) – Decision no. 1902 / 30.08.1999 of permanent authorization.
- Securities Register Office – Registration certificate no. 418 / 07.09.1999

The head office address is: strada Pictor Aman nr.94 C, Bacau, Romania.

The Company operates through its head office in Bacau and its 10 representative offices in Romania.

FIC Moldova shares are listed at the Bucharest Stock Exchange (BVB), 1st tier, with the code SIF2, since November 1, 1999.

Share and shareholders' evidence is held, under the relevant legal terms, by S.C. Central Depository SA Bucuresti.

The asset depository services are provided by "Banca Romana de Dezvoltare" - B.R.D. – Societe Generale S.A. Bucuresti – a company authorized by The National Securities Commission (CNVM).

FIC Moldova's activity consists of:

- the management of the portfolio of shares held in commercial companies for which SIF Moldova's own shares were issued corresponding to the ownership certificates and to the nominative coupons utilized in the privatization process;
- the administration of the Company's own securities portfolio and investing in securities, in compliance with the regulations in force.

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**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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**10. OTHER INFORMATION (continued)**

**b) Reconciliation of accounting result with fiscal result as of March 31, 2008:**

	<u>Before tax</u>	<u>Tax</u>	<u>After tax</u>
1. Total revenue - accounting	28.789.018	-	-
2. Total revenue – fiscal	28.752.241	-	-
3. Temporary differences (2-1)	(36.777)	-	-
4. Tax free revenue	13.389.146	-	-
5. Taxable revenue (2 – 4). of which:	15.363.095	-	-
6. Total expense - accounting	15.799.821	-	-
7. Total expense - fiscal	15.545.350	-	-
8. Temporary differences (7-6)	(254.741)	-	-
9. Non deductible expenses	7.396.605	-	-
10. Fiscally deductible expenses (7-9 ). of which:	8.148.745	-	-
11. Expenses deductible with legal reserve	-	-	-
12. Total deductible expenses (10 + 11)	8.148.745	-	-
13. Taxable profit (5-12)	7.214.350	-	-
14. Current profit tax (13*16%)	-	1.154.296	-
15. Deduction for sponsorships	-	5.000	-
16. Profit tax due (14-15)	-	1.149.296	-
17. Net profit (1-6-16)	-	-	11.839.901

**c) Information regarding the relations with subsidiaries, associated companies, or other companies in which strategic share packages are owned**

The Company's management has not identified relations with affiliated parties.

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**10. OTHER INFORMATION (continued)**

**d) Commitments granted and received recorded outside the balance sheet**

	<u>January 1, 2008</u>	<u>March 31, 2008</u>
• commitments granted under the form of endorsement (granted by the Private Ownership Fund II "Moldova")	(7.784.404)	(1.790.444)
• commitments received	1.516.068	1.516.068
• penalties for bad debtors	499.205	518.292
• other extra balance accounts	272.322	272.322
• inventory items	427.525	430.232
<b>TOTAL</b>	<b><u>(5.069.284)</u></b>	<b><u>946.470</u></b>

Provisions of 1.790.444 RON, equivalent of 495.940,44 EUR (at the exchange rate communicated by the Romanian National Bank for December 31, 2007) were constituted for the commitments granted under the form of endorsement by the former Private Ownership Fund II "Moldova".

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**11. STATUS OF THE FINANCIAL INVESTMENTS PORTFOLIO**

**a) Financial Assets**

<b>Participations in:</b>	<b>Cost value</b>	<b>Positive adjustment</b>	<b>Negative adjustment</b>	<b>Market value on March 31, 2008</b>
Companies traded at the Bucharest Stock Exchange - BVB	211.371.390	823.141.119	8.752.546	1.025.759.963
Companies traded at BVB BER	32.297.044	27.349.664	4.949.900	54.696.808
Companies traded at BVB BER – extra stock market	51.522.757	61.092.622	13.696.743	98.918.636
<b>Total participations in listed and traded companies</b>	<b>295.191.191</b>	<b>911.583.405</b>	<b>27.399.189</b>	<b>1.179.375.407</b>
Companies not listed, traded through the electronic system of BVB	11.701.653	1.024.118	2.401.582	10.324.189
Closed companies	137.672.083	140.157.851	47.089.546	230.740.388
Companies listed and not traded	119.605	0	118.354	1.251
Companies listed and not traded during the last 90 days	16.051.229	7.382.831	6.924.775	16.509.285
<b>Total participations in not listed or not traded companies</b>	<b>165.544.570</b>	<b>148.564.800</b>	<b>56.534.257</b>	<b>257.575.113</b>
<b>TOTAL PORTFOLIO</b>	<b>460.735.761</b>	<b>1.060.148.205</b>	<b>83.933.446</b>	<b>1.436.950.520</b>
Participations in OPCVM and / or AOPC	3.370.167	465.833	250	3.835.750
<b>Total investments portfolio – gross value</b>	<b>464.105.928</b>	<b>1.060.614.038</b>	<b>83.933.696</b>	<b>1.440.786.270</b>
Provisions for securities amortization	63.526.528	-	-	-
<b>Total investments portfolio – net value</b>	<b>400.579.400</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*) **The market value was calculated thus;**

- **for listed shares** - the price on the last day of trading of 2007
- **for unlisted shares** – the price according to the model in Regulation 15 / 2004

\*\*) **Compared to the net value of securities in the portfolio in row 16 of the balance sheet, there is a 169.978 RON difference, representing shares sold and pending discount.**

\*\*\*) **The difference between 63.526.528 RON and 83.933.696 RON, amounting to 20.407.168 RON, represents the adjustment for the 1st quarter of 2008 that have not been recorded in accounting.**

**FIC MOLDOVA**  
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**11. STATUS OF THE FINANCIAL INVESTMENTS PORTFOLIO (continued)**

SIF Moldova's portfolio companies can be classified by the percentage owned in the issuers' registered capital, as follows (not including OPCVM / AOPC):

<b>Percentage held</b>	<b>Number of companies</b>	<b>Market value as of March 31, 2008</b>
Under 10%	125	1.195.160.271
Between 10% and 20%	47	114.348.726
Between 20% and 50%	81	45.543.527
Over 50%	9	81.897.996
<b>TOTAL</b>	<b>262</b>	<b>1.436.950.520</b>

**b) Short term financial investments**

	<b>Cost value</b>	<b>Positive difference</b>	<b>Negative difference</b>	<b>Market value as of March 31, 2008</b>
Bonds	895.999	-	-	
Other financial instruments	16.320	-	-	-
Total short term financial investments - gross	<b>912.319</b>	-	-	-
Total short term financial investments – net	<b>912.319</b>	-	-	-

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**FIC MOLDOVA**  
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**12. STATUS OF BANK DEPOSITS**

**a) Bank deposits**

As of March 31, 2008, the company had investments in the monetary market in the form of bank deposits, as follows:

Bank Name	Acc. Symb	Deposit amount		Interest amount		Weight in total	Date of	
		Term < 60 days	Term > 60 days	%	Value at due date		Constitution	Maturity
B.R.D. Bacau	LEI	2.496.620		8,25	572,14	7,22	31.03.2008	01.04.2008
B.R.D. Bacau	LEI	2.000.000		9,70	16.705,56	5,79	18.03.2008	18.04.2008
B.R.D. Bacau	LEI	2.000.000		9,70	16.705,56	5,79	18.03.2008	18.04.2008
B.R.D. Bacau	LEI	2.000.000		9,70	16.705,56	5,79	18.03.2008	18.04.2008
Transilvania Bacău	LEI	118.900		7,50	24,77	0,34	31.03.2008	01.04.2008
Transilvania Bacău	LEI	2.000.000		9,70	16.705,56	5,79	18.03.2008	18.04.2008
Transilvania Bacău	LEI	1.000.000		9,70	8.352,78	2,89	18.03.2008	18.04.2008
Transilvania Bacău	LEI	1.963.000		9,70	16.396,50	5,68	18.03.2008	18.04.2008
Bancpost Bacau	LEI	2.000.000		9,70	16.705,56	5,79	18.03.2008	18.04.2008
Bancpost Bacau	LEI	2.000.000		9,70	16.705,56	5,79	18.03.2008	18.04.2008
Bancpost Bacau	LEI	1.000.000		9,70	8.352,78	2,89	18.03.2008	18.04.2008
Bancpost Bacau	LEI	1.674.500		9,70	13.986,73	4,85	18.03.2008	18.04.2008
Bancpost Bacau	LEI	2.000.000		10,55	17.583,33	5,79	31.03.2008	30.04.2008
Bancpost Bacau	LEI	1.262.000		10,55	11.095,08	3,65	31.03.2008	30.04.2008
B.C.R. Bacau	LEI	2.000.000		9,71	16.722,78	5,79	18.03.2008	18.04.2008
B.C.R. Bacau	LEI	2.000.000		9,71	16.722,78	5,79	18.03.2008	18.04.2008
B.C.R. Bacau	LEI	2.000.000		9,71	16.722,78	5,79	18.03.2008	18.04.2008
R.I.B. Bacau	LEI	2.000.000		9,84	16.714,52	5,79	18.03.2008	18.04.2008
R.I.B. Bacau	LEI	2.000.000		9,84	16.714,52	5,79	18.03.2008	18.04.2008
R.I.B. Bacau	LEI	1.037.000		9,84	8.666,48	3,00	18.03.2008	18.04.2008
<b>TOTAL</b>	<b>X</b>	<b>34.552.020</b>		<b>X</b>	<b>268.861,33</b>	<b>100,00</b>	<b>X</b>	<b>X</b>

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**FIC MOLDOVA**  
**NOTES AND ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**  
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**12. STATUS OF BANK DEPOSITS (continued)**

The company's exposure as of March 31, 2008, towards banks is as follows:

<b>Bank</b>	<b>Value of deposit -RON</b>	<b>Percentage of total %</b>
• B.R.D. BACAU	8.496.620	24,59
• BANCA TRANSILVANIA BACAU	5.081.900	14,71
• B.C.R. BACAU	6.000.000	17,36
• BANCPOST BACAU	9.936.500	28,76
• R.I.B. BACAU	5.037.000	14,58
<b>TOTAL</b>	<b>34.552.020</b>	<b>100,00</b>

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**13. GROSS REVENUE STRUCTURE**

<b>Indicators</b>	<b><u>Account</u></b>	<b><u>March 31,</u></b> <b><u>2007</u></b>	<b><u>March 31,</u></b> <b><u>2008</u></b>
1 Revenue from financial investments (dividends due to SIF Moldova)	761	23.666	-
2 Revenue from short term financial investments	762	-	-
3 Revenue from financial instruments	763	-	-
4 Revenue from ceded financial investments	764	12.249.687	14.173.133
6 Revenue from exchange rate differences	765	83.414	-
7 Revenue from interest	766	1.145.092	808.329
8 Revenue from reactivated claims and various debtors	754	-	4.584
10 Revenue from provisions	781	26.902	7.389.206
	786	325.457	5.993.960
11 Other revenue			
- from dues and rents	706	250.283	355.843
- from other various activities	708	14.777	18.999
- from other sources	758	61.873	44.496
- from discounts obtained	767	112	467
- from other financial revenue	768	78.793	-
<b>15 TOTAL REVENUE</b>		<b>14.260.056</b>	<b>28.789.018</b>

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**14. STRUCTURE OF EXPENSES**

<b>Indicators</b>	<b>ACCOU T</b>	<b>March 31, 2007</b>	<b>March 31, 2008</b>
Expenses related to ceded financial investments	664	3.338.595	4.590.620
Expenses related to commissions and fees	622	327.203	542.270
Expenses related to exchange rate diff.	665	616	-
Expenses related to interest	666	-	-
Expenses with banking services and equivalent	627	6.364	7.923
Losses related to receivables and various debtors	654	16.381	-
Expenses with provisions and depreciations	681	156.645	303.414
	686	-	-
Expenses related to external services			
-maintenance and repair	611	13.105	13.647
-dues and rents	612	2.502	13.526
-insurance payments	613	9.166	8.239
-protocol, advertisement and promotion	623	12.188	26.736
-transport of goods and persons	624	-	-
-travel and transfer expenses	625	10.107	12.525
-post and telecommunication	626	50.505	66.064
-other services performed by third parties	628	34.632	56.594
-other expenses	658	10.284	7.394.393
-expenses related to offered discounts	667	-	-
-other financial expenses	668	-	-
Expenses with inflation adjustments	688	-	-
Expenses with other taxes and equivalent payments	635	67.891	128.236
Other expenses			
- expenses with consumables	602	150.432	171.143
- expenses with materials of inventory kind	603	31.415	2.707
- expenses with materials not in stock	604	68	50
- expenses with energy and water	605	44.636	56.179
- expenses with collaborators	621	45.250	569.017
- salaries	641	1.102.576	1.281.245
- expenses with food stamps	642	23.356	25.077
- insurance and social expenses	645	347.587	530.216
Expenses related to calamities and extraordinary events	671	-	-
Profit tax	691	1.235.614	1.149.296
Other expenses with taxes, not reflected by the items above	698	-	-
<b>TOTAL EXPENSES</b>		<b>7.037.118</b>	<b>16.949.117</b>

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**14 STRUCTURE OF EXPENSES (continued)**

<b>Expenses with commissions and fees</b>	<b>542.270</b>
Expenses with external auditors' fees	-
Expenses with depository company commissions	49.603
Expenses with NSC commissions	274.814
Expenses with SSIF commissions for shares traded	41.985
Expenses with shareholder registry services	-
Expenses with B.S.E.	-
Expenses with juridical assistance	<u>155.989</u>
Other expenses with commissions	<u>19.879</u>

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Sorin Mihail Turtoescu

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**15 RISK MANAGEMENT**

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

**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) Economic environment risk**

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 SIF Moldova's operations. The surplus of cash or other equivalent available is invested in short term investment securities with maturities of up to 1 or 6 months.

**d) Credit risk**

FIC Moldova is 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 Moldova has no 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 liquidate rapidly investments in such instruments at a value close to the one determined based on the calculation model for financial companies' net asset value, provided in Regulation no. 15 / 2004, issued by the National Securities Commission (CNVM).

FIC Moldova has no formal policy to cover the liquidity risk.

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**15. RISK MANAGEMENT (continued)**

**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.

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 30th of December, 2007, may be subject to a later check.

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**16 CONTINGENT OBLIGATIONS AND LIABILITIES**

As of March 31, 2008, FIC was involved in 34 court cases as a defendant and in 163 cases as a plaintiff.

Against SARA Bucharest, FIC has lawsuits on record involving direct bill actions in 3 cases, of which eight are in court which correspond to an amount of 495.940,44 EUR.

FIC management, on the basis of information received from company lawyers, estimates that it is probable to incur losses from these litigations and as a consequence recorded a provision to this purpose of 1.790.444 RON, the equivalent of 495.940,44 EUR.

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