



Quarterly report according to:	Law 297/2004, CNVM Regulations no. 1/2006 and 15/2004
Date of report:	Mar 31, 2010
Name of issuing company:	Financial Investment Company Moldova S.A.
Company head office:	Bacau, Pictor Aman street no. 94 C, post code 600164
Telephone/Fax no.:	0234 576 740; 0234 570 062
Web/e-mail:	www.sifm.ro , sifm@sifm.ro
Unique Trade Register Office registration code:	RO 2816642
Incorporation Number in the Trade Register:	J04/2400/1992
CNVM Registry No.:	PJR09SIIR/040001/14.12.2005
Subscribed and paid-in share capital:	51.908.958,8 RON
Regulated market trading issued securities:	Bucharest Stock Exchange - 1 st Tier

1. Objectives

The process of optimization of the share portfolio is aimed at a flexible allocation of the resources, depending on the evolution of the performance of the fields of activity, in compliance with the investment limits as set forth in CNVM Regulation no. 15 / 2004, in order to maintain an ascending trend in the financial performance of SIF Moldova.

The activity programs for the increase in value and quality of the portfolio are aimed at:

- Restructuring the share portfolio
- Investment on external markets
- Participation in share capital increases
- Accelerating asset turnover
- A balanced liquidity policy
- Approaching new types of financial instruments

The implementation of the 2010 activity program - in the investment and disinvestment components - is mainly conditioned by the level and evolution of the domestic capital market (size, diversity of instruments, risk aversion, degree of uncertainty, limiting requirements imposed to SIFs, etc.) and has as a *main objective the fulfilment of shareholder expectations*, together with *ensuring a solid basis for a healthy future development of SIF Moldova* - a process also to the benefit of shareholders.

Quantification of objectives - approved by the General Assembly of Shareholders of Apr 30, 2010 - and degree of fulfilment:

Net profit

ESTIMATED IN 2010 REB 54,8 mil RON

REALIZED AS OF 31.03.2010 10,5 mil RON

PERCENTAGE REALIZED 19 %



Revenue - Ceded financial investments

2010 PROGRAM
Revenue: 104 mil. RON
Profit: 74 mil. RON

**REALIZED AS OF
31.03.2010**
Revenue: 16,4 mil. RON

PERCENTAGE REALIZED
Revenue: 16%
Profit: 19%

Revenue - Dividends due to SIF Moldova

ESTIMATED IN 2010 REB
8 mil. RON

**REALIZED AS OF
31.03.2010**
0 mil. RON

PERCENTAGE REALIZED
0 %

Revenue from interest

ESTIMATED IN 2010 REB
5 mil. RON

**REALIZED AS OF
31.03.2010**
2,2 mil. RON

PERCENTAGE REALIZED
46 %

Investments in securities

ESTIMATED IN 2010 REB
140 mil. RON

**REALIZED AS OF
31.03.2010**
20.1 mil. RON

PERCENTAGE REALIZED
14 %

2. Economic and financial status

The financial statements as of Mar 31, 2010 are drafted and presented in compliance with 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 CNVM President Order no. 75 / Dec 16, 2005 and CNVM Order no. 11 / 2009 „regarding the modification and updating of Order no. 75 / 2005”. The statements are expressed in RON.

These financial statements are not audited, considering that the regulations do not mandate auditing quarterly statements.

2.1. Balance sheet

The balance sheet reflects the Company’s financial status.

Items	31/12/2009		31/03/2010	
	RON	%	RON	%
securities	349,068,806	67,41%	403,323,082	72,32%
other non-current assets	18,788,533	3,63%	18,681,448	3,35%
receivables	138,923,912	26,83%	117,755,864	21,11%
current financial assets	10,712,458	2,07%	16,825,665	3,02%
other current assets	319,117	0,06%	1,140,984	0,20%
Total assets	517,812,826	100,00%	557,727,043	100,00%
current liabilities	17,724,478	3,42%	17,118,787	3,07%
provisions	44,071,216	8,51%	43,973,169	7,88%
owners’ equity	456,017,132	88,07%	496,635,087	89,05%
Total liabilities	517,812,826	100,00%	557,727,043	100,00%



The financial statements are drafted based on historical cost, less adjustments for devaluation calculated for March 31, 2010.

- The greatest weight in the total assets is held by *securities* - 72,32%. Securities are recorded at historical cost, less adjustments for devaluation set for March 31, 2010.
- The *other non-current assets* category - 3,35% of the total assets, comprises 98,51% tangible and intangible assets held by the Company.
- The *receivables* category – 21,11% of the total assets, consists 96,70% of monetary investments in bank deposits.
- *Current financial investments* – 3,02% of the total assets, include securities of UCITS / non UCITS.
- The Company's *current liabilities* - 3,07% of the total liabilities, consist 94,91% of dividends payable towards the Company's shareholders.
- *Provisions* - 7,88% of the total assets, include provisions for taxes corresponding to reserves from the value of securities, revaluation reserves and reserves constituted from fiscal aid and provisions for participation in the employee and manager benefit plans for the 2009 fiscal year.
- *Owners' equity* - represents 89,05% of the total liabilities. The value of the owners' equity as of March 31, 2010 recorded a 8,91% increase compared to January 1st, 2010.

2.2. Income statement

The Company's financial performance is reflected in the income statement:

Indicators	31/03/2009		31/03/2010	
	lei	%	lei	%
revenue from ceded financial investments	10,081,614	68,91	16,464,735	80,38
revenue from interest	2,331,277	15,93	2,305,314	11,25
revenue from provisions, reactivated claims	1,366,051	9,34	674,635	3,92
other revenue	851,543	5,82	1,038,592	5,07
Total revenue	14.630.485	100,00	20.483.276	100,00
expenses related to ceded financial investments	6,950,657	66,47	2,462,884	30,89
depreciations, provisions	444,888	4,25	480,889	6,03
other expenses with operations	2.740.142	26,20	2.608.170	32,71
expenses with commissions and fees	310,994	2,97	468,824	5,88
other expenses, of which:	10.598	0,10	1.952.612	24,49
exchange rate differences	2.988	0,03	1.945.287	24,40
Total expenses	10.457.279	100,00	7.973.379	100,00
Gross margin	4.173.206		12.509.897	
profit tax	2.492		1.959.300	
Net profit	4.170.714		10.550.597	

Total revenue - increased by 40,00% compared to the same period of the previous fiscal year. The evolution of revenue with a significant contribution is recorded in:

- *Revenue from ceded financial investments* - presents a 63,31% increase;
- *Revenue from interest* - presents a 1,11% decrease - influenced by the volume of liquidities invested and by the more than 50% decrease in the interest rate of monetary investments, compared to the corresponding period of the previous year.

Total expenses – decreased by 23,75% compared to the same period of the previous fiscal year. The evolution of expenses with a significant contribution is recorded in:



- ➔ *Expenses with ceded financial investments* – recorded a 64,57 % decrease. The evolution and dynamics of these expenses are influenced by the sale transactions carried out and by the cost corresponding to the recognition of securities in the financial statements;
- ➔ *Expenses with depreciations, provisions, losses from reactivated claims* - record a 8,09 % increase.
- ➔ *Expenses with commissions and fees* - record a 50,75 % increase. The increase in the value of the net assets by 56,11% compared to the corresponding period of 2009 has also led to the increase of the commissions calculated as a function of their value.
- ➔ *Other expenses with operations* - record a 4,82% decrease. This category of expenses mainly includes administrative expenses (staff expenses - 4,39 % decrease).
- ➔ *Alte cheltuieli din activitatea curenta* – înregistrează o reducere cu 4,82 %. Această categorie de cheltuieli include în principal cheltuielile administrative (cheltuielile cu personalul – reducere 4,39 %).

2.3. Cash flows

The cash flows are calculated by the direct method.

Item / Period	January - March 2009	January - March 2010
cash at beginning of period	42.784.466	124.948.835
A. operations	(2.840.739)	(6.679.231)
cash inflows	734.630	505.933
cash outflows	3.575.369	7.185.164
B. investment activity	12.406.067	(3.846.038)
cash inflows, of which:	13.339.857	23.275.066
interest	2.695.578	2.820.507
dividends	20.474	345.294
sale of shares	1.130.668	20.109.265
cash outflow, of which:	933.790	27.121.104
share purchases, fund units, bonds	778.236	25.483.505
C. financing activity	(148.363)	(177.613)
cash inflows	2.963	3.270
cash outflows (dividends)	151.326	180.883
total cash flow	9.416.965	(10.702.882)
cash at end of period	52.201.431	114.245.953

From the analysis of the presented flows for the date of March 31, 2009, the following observations can be made:

- ➔ The negative cash flow for the operational activity determined by the payment of profit tax in January for the 4th Quarter, at the level of the 3rd Quarter of 2009 (in accordance with the provisions of the fiscal legislation);
- ➔ The negative cash flow for the investment activity as a consequence of the volume of investments in the capital market higher than the volume of disinvestments.
- ➔ The cash existing as of March 31, 2010, presents a 118,86% increase compared to the corresponding period of the previous fiscal year.



2.4. Economic and financial indicators

Indicator	Means of calculation	March 31, 2009	March 31, 2010
1. Current ratio ¹⁾	Current assets / Current liabilities	3,88	7,87
2. Debt ratio ²⁾	Long term debt / Owners' equity x100 Long term debt / Working capital x100	-	-
3. Receivables turnover ³⁾	Average receivables / Turnover *90 days	113	26
4. Non-current assets turnover ⁴⁾	Turnover / Non-current assets	0,04	0,05

¹⁾ Offers a guarantee of coverage of the current liabilities from the current assets. The acceptable recommended value is approximately 2.

²⁾ Expresses the effectiveness of the management of the credit risk, indicating potential financing or liquidity problems bearing on the honoring of responsibilities undertaken.

Long term debt = Credits with a maturity of over one year

Working capital = Long term debt + Owners' Equity

The Company has no outstanding loans.

³⁾ Expresses the Company's effectiveness in collecting its receivables, respectively the number of days until the debtors settle their debts towards the Company.

⁴⁾ Expresses the effectiveness of the management of non-current assets, by examining the turnover (for SIF, the value of the revenue from operations) generated by a certain quantity of non-current assets.

2.5. The degree of realization of the Revenue and Expense Budget

- RON -

Indicators	Forecasted for 2010	Realized as of 31/03/2010	% realized
total revenue, of which:	125.344.528	20.483.276	16%
financial revenue	117.000.000	19.679.582	17%
revenue from operat	8.344.528	803.694	10%
total expenses, of which:	60.840.916	7.973.379	13%
financial expenses	33.555.000	4.713.498	14%
expenses with operations	27.285.916	3.259.881	12%
gross margin	64.503.612	12.509.897	19%
profit tax	9.695.612	1.959.300	20%
net profit	54.808.000	10.550.597	19%

2. Net assets

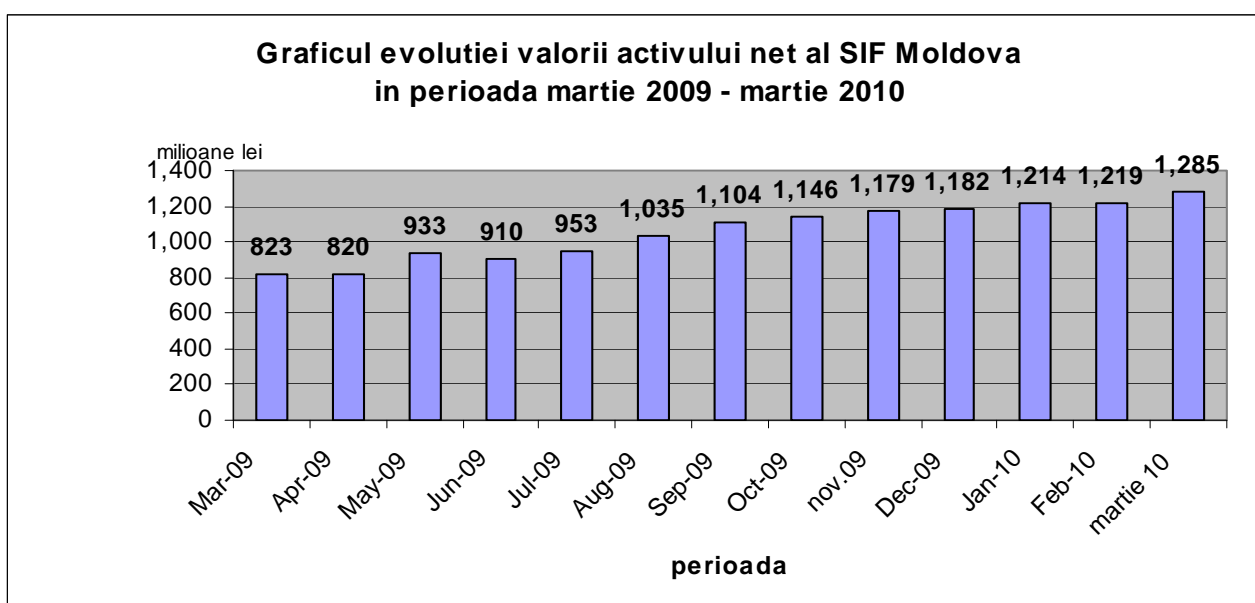
SIF Moldova's net assets, calculated based on CNVM Regulation no. 15 / 2004, have increased by 8,73% compared to the beginning of the year 2010, and by 56,11% compared to the same period of the previous year. The increase recorded compared to the 1st quarter of 2009 is a consequence of the increase in the price of shares listed on the BSE, these recording a positive trend, as well as to the improvement in the structure of assets. In the structure of assets managed as of March 31, 2010, the listed shares have a weight of 61,36%, followed by investments in bank deposits of 8,95 %.

The FIC Moldova portfolio	March 31, 2009		December 31, 2009		March 31, 2010		Variation Q1 2010/ Q1 2009 (%)
	value (RON)	weight in assets (%)	value (RON)	weight in assets (%)	value (RON)	weight in assets (%)	
Liquidities	893.881	0,11	329.566	0,03	231.791	0,02	(74,07)
Receivables	18.473.260	2,20	10.896.275	0,91	950.666	0,07	(94,85)
Bank deposits	51.442.544	6,11	127.847.158	10,66	116.600.984	8,95	126,66
Municipal bonds	582.082	0,07	811.187	0,07	678.374	0,06	16,54
Corporate bonds	473.547	0,06	957.560	0,08	1.082.521	0,08	128,60
Listed stock	363.080.528	43,13	698.534.990	58,23	799.042.390	61,36	120,07



Unlisted stock	386.556.360	45,92	326.553.139	27,22	342.512.855	26,30	(11,39)
AOPC/OPCVM securities	1.243.239	0,15	14.724.614	1,23	21.489.212	1,65	1.628,49
Other assets	18.967.921	2,25	18.907.229	1,57	19.572.110	1,51	3,19
Total assets	841.713.362	100	1.199.561.718	100	1.302.160.903	100	54,70
Total liabilities	18.526.793	2,20	17.724.478	1,48	17.118.788	1,31	(7,60)
Net assets	823.156.656	97,80	1.181.826.860	98,52	1.285.031.848	98,69	56,11
BVS (book value of shares)	1,5858		2,2767		2,4755		56,11

As of March 31, 2009, the book value of shares (BVS / VUAN) is 2,4755 RON, increasing by 56,11% compared to the value reported for March 31, 2009 (1,5858 RON / share) and increasing by 8,73% compared to the value reported for December 31, 2009 (2,2767 RON / share) .



3. Share portfolio management activity

Structure of the assets portfolio as of March 31, 2010

3.1. Share portfolio

20,1 mil. RON invested in shares, representing 79% of the total amount invested in securities

The share portfolio represents 87,66 % of the total assets managed and calculated at market value. SIF 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.



The main **investments** realized in the 1st quarter of 2010 were focused on shares of listed and liquid issuers (BRD - SG, Banca Transilvania, Erste Bank), in shares in the field of energy and related activities (Transgaz, Armax Gaz, Condmag), as well as in shares in the capital market institutions (Sibex).

In order to exploit the volatility of the capital market, specific to this period, a special emphasis was placed on the speculative transactions, so that **profit markings** were made for a large share of the investments made in this period and / or previous periods. In this context, the **disinvestment** operations were targeted at shares belonging to issuers BRD – SG, Condmag, Rompetrol Rafinare, Concefa, Aluminil, Dafora etc.

At the same time, we mention that during the 1st quarter of 2010, **investment programms** were initiated, targeted at issuers listed on **external markets** - Poland (Warsaw Stock Exchange) – Asseco (the IT field) respectively the Czech Republic (Prague Stock Exchange) – Cez (the energy field).

3.1.1. Evolution of the portfolio according to number of investments

As of March 31, 2010, the portfolio comprises investments in 235 companies, increasing by 2,6%, compared to December 31, 2009, when 229 companies were recorded.

3.1.2. Evolution of the share portfolio according to trading market

Portfolio structure	Total nominal value of the package				Total market value ¹ of the package			
	31/12/2009		31/03/2010		31/12/2009		31/03/2010	
	mii lei	%	mii lei	%	mii lei	%	mii lei	%
Shares								
Traded stock, of which:	179.260	52,07	181.216	51,25	686.935	67,01	784.071	68,68
Listed (REGS)	118.029	34,29	124.883	35,32	602.702	58,80	691.384	60,57
Listed (RGSB)	19.263	5,60	20.374	5,76	25.580	2,50	30.921	2,71
Unlisted (UNLS)	13.086	3,80	11.683	3,30	7.489	0,73	9.513	0,83
Listed (XMBS)	28.769	8,36	22.885	6,47	49.591	4,48	44.968	3,94
Listed on the international market	114	0,03	261	0,07	1.573	0,15	3.728	0,33
Untraded stock, of which:	164.997	47,93	172.351	48,75	338.153	32,99	357.484	31,32
Closed companies	141.969	41,24	142.782	40,38	326.553	31,86	342.513	30,00
Listed, not traded in last 90 days companies	23.029	6,69	28.569	8,36	11.600	1,13	14.971	1,31
Total	344.257	100,00	353.567	100,00	1.025.088	100,00	1.141.555	100,00

* The market value is determined in accordance with CNVM Regulation no. 15 / 2004.

The following observations can be made:

- ➔ Traded stock recorded a 1,09 % increase in nominal value compared to Dec 31, 2009, mainly influenced by the acquisitions made on the regulated market.
- ➔ Traded stock has decreased its weight in the total nominal value by 0,82%. At the same time, a decrease in the weight of the nominal value of untraded shares was recorded, at the same percentage of 0,82%.
- ➔ Traded stock have increased their weight in the total market value by 1,67%, reaching 68,68% as of March 31, 2009, with a corresponding decrease in the weight of untraded shares.
- ➔ The shares of companies in the portfolio, listed on external markets, recorded an ascending evolution of the market value by 237% as well as of the weight in the total market value of the portfolio by 0,18% compared to Dec 31, 2009.

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

FIC Moldova investments according to % held in the registered capital of issuers in the portfolio	31/12/2009			31/03/2010		
	Company no.	Nominal value (thousand RON)	%	Company no.	Nominal value (thousand RON)	%
Insignificant shares: < 10%	123	222.365	64,60	131	231.944	65,60
Significant shares: (10% - 33%)	84	90.275	26,22	81	85.388	24,15
Control shares: (33% - 50%)	14	11.136	3,23	15	11.347	3,21
Majority shares >= 50%	8	20.481	5,95	8	24.888	7,04
Total shares	229	344.257	100,00	235	353.567	100,00

Note: classification according to CNVM regulations in force

Analyzing the structure of the portfolio, the following observations can be made:

- The nominal value of the portfolio has increased by 2,7% as a result of the new acquisitions
- Insignificant investments have increased in terms of the number of issuers in the portfolio they are held in, by 8 issuers, as well as in terms of the nominal value, by 4,3%
- Insignificant investments have decreased in terms of the number of issuers in the portfolio they are held in by 3 issuers, as a consequence of the write-off of an issuer and of the sale of investments in two issuers in this category.
- The number of control investments has increased by one issuer - Ceramica Dorohoi – by implementing the court decision to nullify a GAS decision to increase the share capital, as a consequence of which the SIF Moldova investment became a control investment.
- Majority investments remained at the same level in terms of the number of issuers in the portfolio in which they are held but recorded an increase in nominal value by 21,5%, as a consequence of the increase in the investment held in Mecanica Ceahlau by participating in the increase in registered capital.

3.1.4. Structure and evolution of the portfolio by field of activity

Field	No. of companies		Nominal value (thousand RON)		% of nominal value		Market value (thousand RON)		% of market value	
	31/12/2009	31/03/10	31/12/2009	31/03/10	31/12/2009	31/03/10	31/12/2009	31/03/10	31/12/2009	31/03/10
Financial services and insurance, of which:	17	17	165.027	167.857	47,94	47,48	810.231	895.650	79,04	78,46
Banking	8	8	124.864	126.097	36,27	35,66	793.483	876.849	77,41	76,81
Others	9	9	40.163	41.759	11,67	11,81	16.748	18.801	1,63	1,65
Industry, of which:	113	115	129.286	134.372	37,56	38,00	124.211	142.478	12,12	12,48
Food industry	19	20	5.323	5.330	1,55	1,51	6.033	5.984	0,59	0,52
Textiles and footwear	33	33	22.831	22.831	6,63	6,46	33.510	28.632	3,27	2,51
Chemicals	6	8	13.493	13.590	3,92	3,84	865	4.808	0,08	0,42
Pharmaceuticals	3	3	12.977	13.064	3,77	3,69	28.281	30.098	2,76	2,64
Construction materials	8	8	6.013	6.132	1,75	1,73	11.138	10.088	1,09	0,88
Metallurgy	10	10	16.764	17.403	4,87	4,92	11.724	17.183	1,14	1,51
Machinery manufacture	12	12	36.599	41.006	10,63	11,60	18.653	27.383	1,82	2,40



Vehicle manufacture	8	8	10.932	10.932	3,18	3,09	11.068	13.940	1,08	1,22
Others	14	13	4.354	4.085	1,26	1,16	2.939	4.361	0,29	0,38
Mining industry	4	4	9.682	9.605	2,81	2,72	25.305	28.251	2,47	2,47
Transport and storage	9	10	5.435	5.639	1,58	1,59	19.060	24.015	1,86	2,10
Energy production and supply	1	1	7.407	7.407	2,15	2,09	9.195	12.764	0,90	1,12
Real estate transactions	6	6	3.159	3.159	0,92	0,89	11.840	7.672	1,16	0,67
Commerce	13	13	2.402	2.547	0,70	0,72	5.903	4.745	0,58	0,42
Agriculture, forestry and fishing	39	39	13.694	13.730	3,98	3,88	4.751	4.677	0,46	0,41
Scientific and professional activities	3	4	2.557	2.760	0,74	0,78	2.079	2.996	0,20	0,26
Construction	14	15	1.523	1.560	0,44	0,44	2.386	3.025	0,23	0,27
Services	1	1	597	597	0,17	0,17	580	580	0,06	0,05
Water distribution, garbage disposal	3	3	32	32	0,01	0,01	0	0	0,00	0,00
Others	6	6	3.456	4.142	1,00	1,17	9.548	13.258	0,93	1,16
Total	229	234	344.257	353.567	100,00	100,00	1.025.088	1.141.555	100,00	100,00

The following observations can be made:

- The financial and banking sector holds the largest weight in the portfolio, with a weight in the market value of 78,46%, decreasing by 0,58% compared to the end of the year 2009.
- The increase in market value of companies in the financial and banking sector, machinery and equipment manufacture, metallurgy, transportation and storage, energy, chemical products, mining, vehicles and aircraft, pharmaceuticals and the decrease in market value of issuers in the textiles, real estate transactions, food and commerce.

3.2. Securities (fund units) portfolio in non UCITS (A.O.P.C. / other undertakings for collective investment in transferable securities) and UCITS (Undertakings for Collective Investment in Transferable Securities / OPCVM)

As of Mar 31, 2010, the securities portfolio represents 1,65 % of the total assets managed, amounting to 1.302.160.903 RON.

5,3 mil. RON invested in fund units, representing 21% of the total amounts invested in securities

We specify that the amount used for the acquisition of fund units (FDI BCR Obligatiuni and FDI Napoca), in the first quarter of 2010, was 5.310.000 RON and represents 21% of the total amounts invested in securities. In the same period, fund units sale operations have generated a profit of 242.464 RON, revenue amounting to 2.718.721 RON and annualized rates of return between 57,29% and 106,36%.



3.3. Bonds portfolio

As of Mar 31, 2010, the bonds portfolio represents 0,14% of the total assets managed. There were no investments in bonds in the first quarter of 2010.

3.4. Monetary market products portfolio

Cash and liquidities as of Mar 31, 2010, compared to the corresponding period of the previous year, presents the following structure of investments:

- RON -				
Type of investment	March 31, 2009	%	March 31, 2010	%
• Bank deposits – RON	50.910.184	97,53	60.620.635	53,06
• Bank deposits – Euro	208.858	0,40	53.253.649	46,61
• Current accounts (banks and cash office)	832.262	1,59	102.220	0,09
• Deposits for material pledges	250.127	0,48	269.448	0,24
Total	52.201.431	100,00	114.245.952	100,00

114,2 mil. RON in cash and liquidities, increasing by 118,8 % compared to the corresponding period of the year 2009

From the analysis of monetary investments in the Jan 1 - Mar 31, 2010 period, the following observations were drawn:

- For investments in RON - *an average return rate of 10,74 % / year;*
- For investments in foreign currency (Euro) - *an average rate of return of 4,69 % / year.*

4. Status of litigations

Of the 173 litigations recorded up to Mar 31, 2010, in 139 cases FIC Moldova was a plaintiff and in 31 cases it was a defendant. During 2010, 74 new cases were recorded, in which the company was a defendant or plaintiff.

I. Litigations in which SIF Moldova is a PLAINTIFF:

- total litigations = 139 cases, of which 132 cases are in court in various judicial stages and 7 cases are solved ;
- value of litigations in court:
 - **46.621.458,84 RON** by category, as follows:
 - the amount of 12.529.473,42 RON - insolvency procedure;
 - the amount of 34.091.985,42 RON - claims;
 - **7.639.314,00 USD** by category, as follows:



- the amount of 199.314,00 USD - claims;
- the amount of 7.440.000,00 USD - contestations for fulfillment.

Mention - of the litigations involving contestations to the foreclosure undertaken by AVAS during 2006 on the patrimony of SIF Moldova based on promissory notes, 15 cases are still in court as of Mar 31, 2010, of which: 6 cases with final rulings (in 5 of them SIF Moldova having favorable solutions, one being ruled in favor of AVAS); 9 cases are either in lower court, in the appeals phase or in extraordinary means of appeal, namely revision and dispute for cancellation.

II. Litigations in which SIF MOLDOVA is a DEFENDANT:

- total litigations = 34 cases, of which;
 - 32 cases in court in various judicial stages;
 - 2 cases were solved;
- value of litigations in court: - 52.028,80 RON - claims;

The detailed status of litigations is presented in annex 3.

5. The internal auditing and control activity

The internal auditing - is carried out on the basis of the engagement plan set forth 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. The significant changes subsequently arisen are also submitted for validation and approval. The schedule for the internal auditing missions is based on the evaluation of risks forming the basis for defining the priorities of the internal auditing activity, in accordance with SIF Moldova's objectives. The internal audit is carried out in the following forms:

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

In the Jan 1 - Mar 31, 2010 period, assurance missions were also undertaken regarding:

- the financial accounting activity;
- the organization of the meetings of the Boards 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 Auditing Committee and to the Board of Directors. 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. There were no cases in which the Board of Directors accepted a level of the residual risk considered as not acceptable for the Company.



The internal control - in compliance with the provisions of art. 37-41 of CNVM Regulation no. 15 / 2004 and of the Investigations Plan, approved by the Board of Directors, the activity of the Internal Control Department for the Jan 1 - Mar 31, 2010 period consisted of inspections and reports regarding the following:

1. Compliance with CNVM regulations regarding the calculation of net assets of SIF Moldova;
2. Compliance with legal regulations, contractual obligations and internal procedures regarding the calculation, recording and payment of commissions, taxes and other amounts due from SIF to CNVM and capital market entities;
3. Organization of the meetings of the Board of Directors in the May 2009 - March 2010 period;
4. Compliance with CNVM regulations and internal regulations and procedures regarding the SIF Moldova investment policy.
5. Permanent activities:
 - a) Dilligences for preventing and proposals for correcting the situations of non-compliance with laws and regulations in force relevant to the capital market or internal regulations and procedures by SIF Moldova or its employees;
 - b) Informing SIF Moldova and its employees about the legal regulations applicable to the capital market;
 - c) Monitoring of compliance with prudence regulations;
 - d) Examining the effectiveness of the information system and of internal procedures;
 - e) Analysis and approval of documents and reports sent to CNVM and capital market entities;
 - f) Examination and approval of informative and advertising materials;
 - g) Analysis and approval of internal documents comprising operations subjected to the internal control visa;
 - h) Record-keeping and supervising the resolution of complaints;
 - i) Examining the effectiveness of the risk control system.

The findings, conclusions, recommendations and proposals were included in the internal control reports that were approved by the Auditing Committee and approved by the Board of Directors. Based on the conclusions, recommendations and proposals made by the Internal Control Department, The Board of Directors took the appropriate measures in order to manage, correct or implement them.

6. Corporate governance

FIC Moldova respects corporate governance principles, applied to the management and leadership of the Company. We emphasize:

Shareholder rights

In its relation to shareholders, FIC Moldova is permanently focused on:

- Protecting and ensuring shareholders' rights: property rights, the right to participate in General Assemblies of Shareholders, the right to information and the right to receive dividends;
- Equal treatment of shareholders, irrespective of holding level;



The appropriation and payment of dividends from the 2008 fiscal year towards shareholders is being carried out according to decisions adopted by the Ordinary General Assembly of Shareholders of April 25, 2009. The FIC Moldova Board of Directors has decided that dividends will be provided through the services of the National Romanian Post Company and through the Romanian Development Bank– Groupe Societe Generale.

The status of amounts paid and pending payment as of Mar 31, 2010 is as follows:

Payment of dividends		2006 dividend	2007 dividend	2008 dividend
		(0.0630 RON/share)	(0.0500 RON/share)	(0.0450 RON/share)
1	Total dividend payable	32,702,644.04	25,954,480.00	23,359,032.00
2	Total paid up to Mar 31, 2009	27,233,699.73	21,331,895.93	17,219,140.94
3	% paid	83.277%	82.190%	73.715%

Transparency and financial reporting

Institutional obligations for communication and reporting were respected by FIC Moldova, as follows:

a. *In relation to capital market institutions*

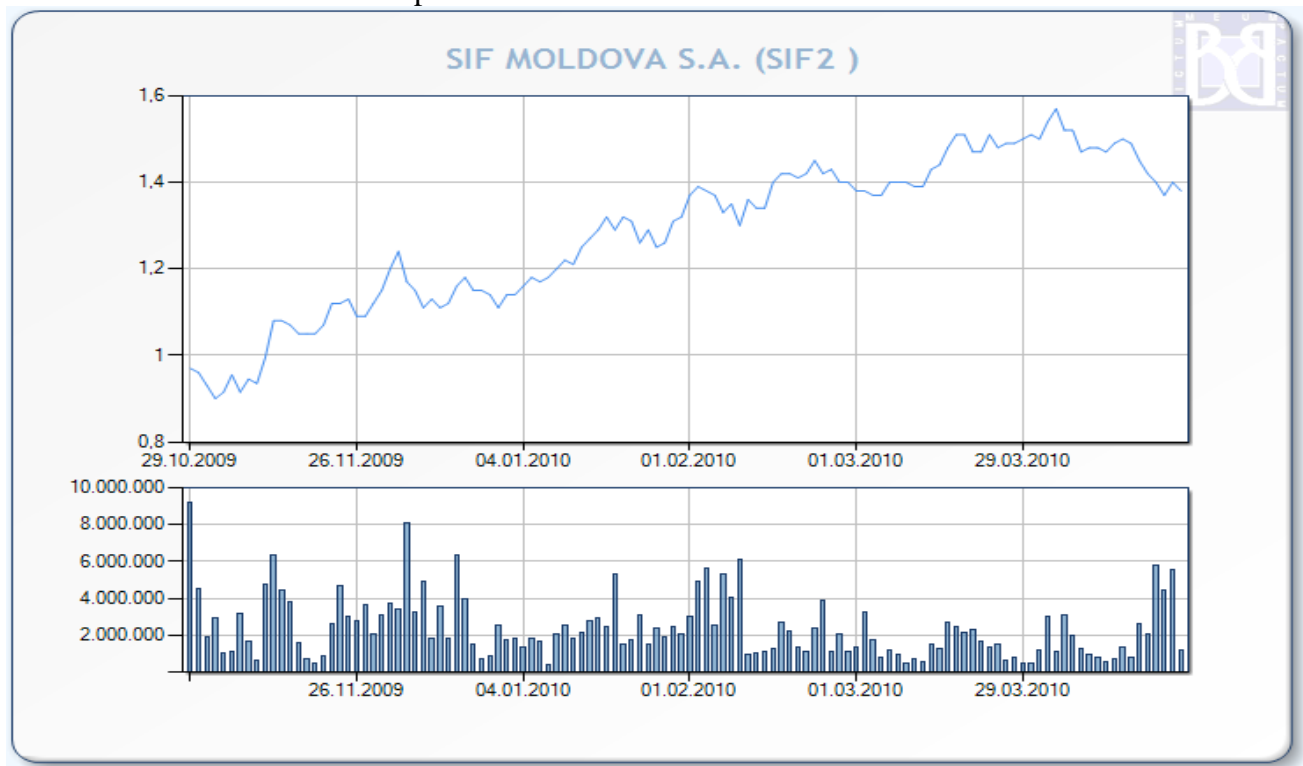
- Periodic reports towards NSC and BSE – (annex 4)
- Continual reports towards NSC and continuous reports towards BSE – (annex 4)

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.

7. SIF2” shares, listed on the Bucharest Stock Market, 1st Tier

Evolution of the price of “SIF2” shares and of the volume of shares traded



➡ The main market indicators of “SIF2” shares

Indicators	Value
The book value of net assets VUAN	2,4755
Variation of book value (VUAN) in 2010 (%)	9,13
31.03.2010 closing price (RON)	1,5000
Variation in closing price in 2010 (%)	31,6
% Premium / discount (-)	-39,41
Capitalization (RON)	778.634.382
Total net assets (RON)	1.285.031.848
No. of shares traded	31.986.228
% no. of shares traded in the registered capital	6,16
No. of transactions	6.677



8. Important events

Significant transactions recorded in the first three months of 2010 were subject to continual / continuous reporting, being brought to the attention of the market institutions and shareholders by reporting, publishing in the central press and on the Company website www.sifm.ro, in compliance with legal regulations in force (annex).

Other important events subject to current reporting in the 1st quarter of 2010 were:

- the OGAS convocation of Apr 29 / 30, 2010 and the submission of materials subject to the debate of the OGAS
- the 2010 financial statement calendar
- the independent auditor's report regarding the transaction concluded in the 2nd half of the year, related to art.225 of Law 297 / 2004
- significant transactions related to the sale of BRD stock
- the communication of three final court rulings through which AVAS is forced to retribute to SIF amounts totalling 12.368.886,23 RON.

President General Manager
Costel CEOCEA

Financial Manager
Liana MARIN

Internal Control
Nicolae RADULESCU