



Financial Investment Company MOLDOVA SA

Half year report according to: Law 297/2004, NSC Regulations no. 1/2006 and 15/2004 and BSE Code
Date of report: Sep 30, 2007
Name of issuing company: Financial Investment Company Moldova S.A.
Company head office: Bacau, Pictor Aman street no. 94 C, Bacau County
Telephone/Fax no.: 0234/576740, fax 0234/570062; 0234/570101
Web/e-mail: www.sifm.ro, sifm@sifm.ro
Fiscal registration code: RO 2816642
Serial Number in the Trade Registry: J04/2400/92
NSC Registry No.: PJR09SIIR/040001/14.12.2005
Subscribed and paid-in registered capital: 51908958.8 RON
Regulated market trading issued securities: BVB (Bucharest Stock Exchange)

FIC MOLDOVA BOARD OF DIRECTORS' ACTIVITY REPORT FOR THE 3RD QUARTER OF 2007, approved in the meeting of Nov 9, 2007

FACTS ABOUT THE COMPANY

- * The title of the company is Moldova Financial Investment Company SA, it has the legal form of a joint stock company; it operates according to the articles of incorporation, of Law no. 31/1990 R amended by Law no. 441 / 2006, Law no. 297/2004 and NSC regulations. The company is the successor of the Private Ownership Fund II – Moldova, reorganized and transformed according to the provisions of Law no. 133/1996 and Law no. 164/1999;
- * The subscribed and paid-in registered capital is 51.908.958,8 RON, divided into 519,089,588 shares with a par value of 0.1 RON;
- * The shares are listed at the Bucharest Stock Exchange in the 1st tier, beginning Nov 1, 1999;
- * The record of shares and shareholders is maintained according to legal specifications, by Central Depository (S.C. Depozitarul Central S.A.)
- * Asset depository services are performed by Romanian Development Bank (BRD) – Groupe Societe Generale S.A. Bucharest – depository contract approved by NSC in Approval no. 113/14.12.2005.
- * The company's financial auditor is Deloitte Audit LLC București.

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

- * Bacau Chamber of Commerce, Industry and Agriculture – J04/2400/92;
- * National Securities Commission – Decision no. 1902 / Aug. 30, 1999 of permanent authorization;
- * Securities Registry – Registration Certificate no. 418 / Sep 7, 1999;
- * National Securities Commission– Decision no. 1841 / Jun 16, 2005 authorizing the Board of Directors membership.
- * National Securities Commission– Decision no. 3368 / Dec 14, 2005 authorizing modification of the Articles of Incorporation comprised in the Additional Act authenticated under no. 531 / Oct 14, 2005;
- * National Securities Commission – Approval no. 113 / Dec 14, 2005 approving actual leadership;
- * National Securities Commission - Attestation no. 257 / Dec 14, 2005 – registration of FIC Moldova in NSC Registry at no. PJR09SIIR / 040001;

* National Securities Commission - Attestation no. 258 / Dec 14, 2005 – inclusion of FIC Moldova in the Association of Collective Investment Organizations (Association of Collective Investment Organizations) category with a diversified investment policy.

I. GENERAL OBJECTIVES, SPECIFIC INDICATORS

The 2007 Activity Program to be submitted for the approval of the shareholders during the OGMS of Apr 28, 2007, drafted based on the directives of the "FIC Moldova development strategy for 2007-2009" provides the following strategic objectives:

- Net Profit – the annual increase in net profit of 12% compared to that provided for the previous year, respectively from 39.200.000 RON (provided in the 2006 budget) to 43.904.000 RON (provided in the 2007 budget).
- Book Value of Shares – an annual percentual increase of 20%.
- The forecasted level of investments will remain at 70.000.000 RON in shares and other financial instruments ensuring profitabilities superior to monetary products, depending on the market evolution and respecting the investment policy imposed by regulations. The main source of liquidities for the support of the investment program is revenue from sales, associated to investments in issuers in the primary portfolio and the speculative portfolio, source that will increase its weight in the general structure of holdings. The trading activity will generate a significant share of the company profit and will ensure the increase of the weight of speculative operations in the total sources of profit.

Net profit realized as of Sep 30, 2007 amounts to 55.979.647 RON. From a strategic perspective, the net profit increased by:

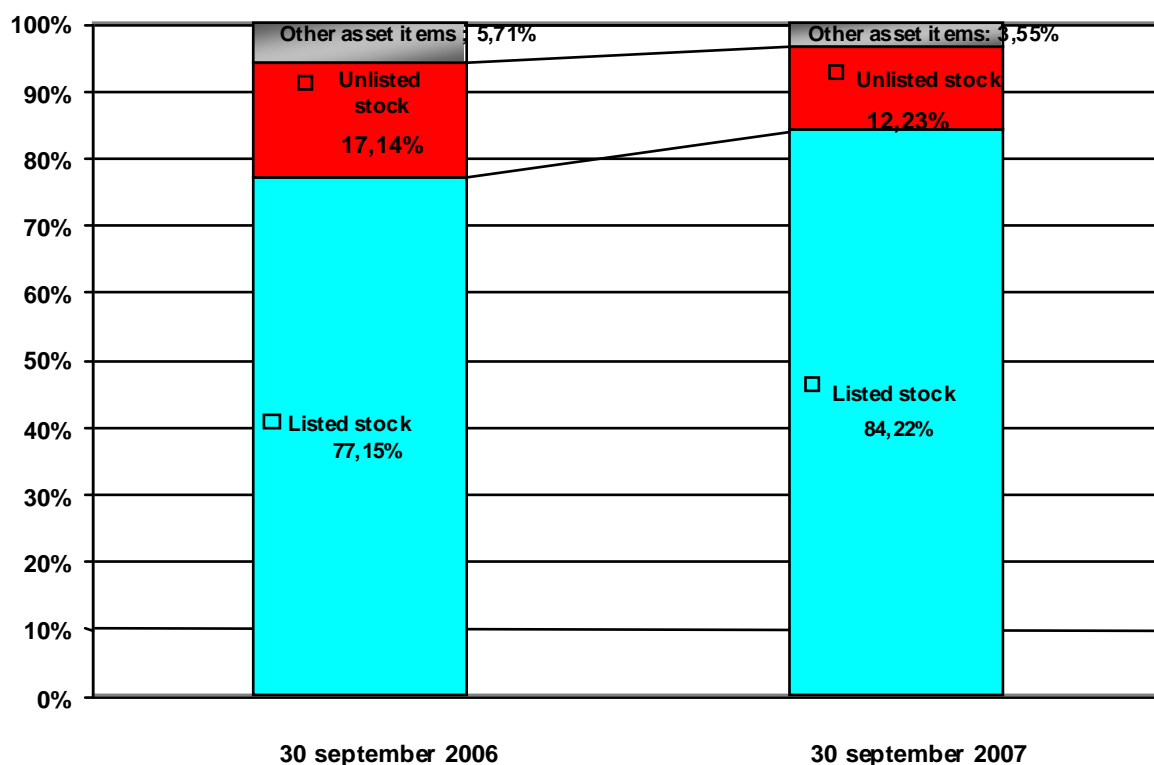
- 40,47% compared to the result achieved in the corresponding period of the previous year;
- 15,80% compared to the net profit recorded in the 2006 fiscal year;
- 27,50% compared to the net profit forecasted for the entire year 2007.

Book value of shares recorded in the Jan 1 – Sep 30 interval an increase of 36,70%, exceeding the yearly forecast provided in the 2007-2009 development strategy.

The evolution of the structure of asset items in the FIC Moldova portfolio calculated in accordance with the provisions of NSC Regulation no. 15/2004 as of Sep 30, 2007, compared to the corresponding period of the previous year presents itself as follows:

ASSET ITEMS, calculated in accordance with NSC Regulation no. 15/2004:	September 30, 2006	September 30, 2007	September 30, 2006	September 30, 2007
	(RON)		(%)	
Listed stock	1.003.971.534	1.602.096.200	77,15%	84,22%
Unlisted stock	223.061.775	232.642.671	17,14%	12,23%
Other asset items	74.246.095	67.484.332	5,71%	3,55%
TOTAL ASSETS	1.301.279.404	1.902.223.203	100,00%	100,00%

Analyzing the structure of significant assets comprised in the portfolio as of September 30, 2007, compared to the situation on September 30, 2006, a 7,07% increase is found in the listed stock assets and a 4,91% decrease is found in unlisted stock assets, realizing an optimization of the investment profile by decreasing the portfolio risk.



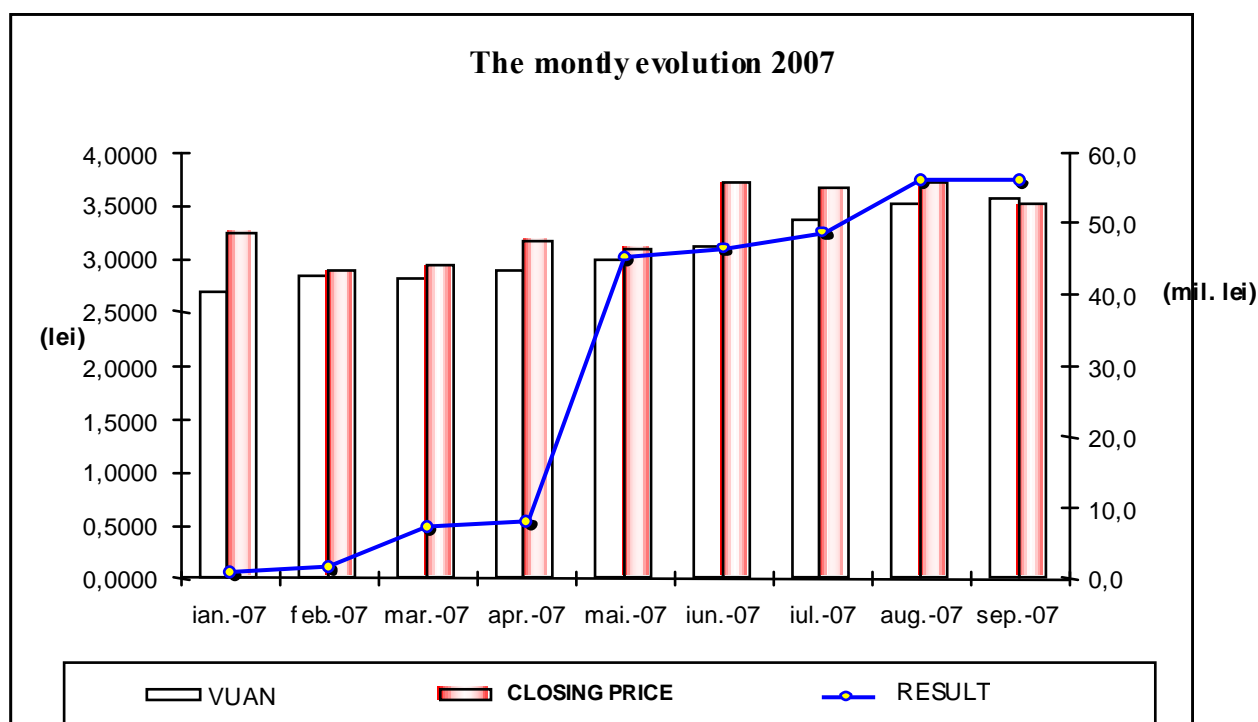
The assets included in the “other asset items” category had the following evolution in the period under analysis:

Other asset items calculated in accordance with NSC Regulation no. 15/2004:	September 30, 2006	September 30, 2007	September 30, 2006	September 30, 2007
	(RON)		(%)	
Bank deposits	49.093.253	30.205.189	3,77%	1,59%
Municipal bonds	1.369.948	1.033.025	0,11%	0,05%
Corporate bonds	1.133.971	-	0,09%	0,00%
OPCVM, AOPC titles	3.461.895	5.157.272	0,27%	0,27%
Other assets	19.187.028	31.088.846	1,47%	1,64%
Other asset items - TOTAL	74.246.095	67.484.332	5,71%	3,55%

- The weight of bank deposits in the total assets decreased from 3,77% on September 30, 2006 to 1,59% on September 30, 2007.
- OPCVM and AOPC titles preserved their weight, by the increase in value of the portfolio.
- Bonds recorded an insignificant decrease compared to the total value of assets.

Investments made in the Jan 1 – Sep 30, 2007 interval (including those pending registration) amounted to 54.085.331 RON, representing 77,26% of the annual objective of 70.000.000 RON.

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



The evolution of the closing price compared to the book value of shares indicates that as September 30, 2007 the price of FIC2 shares became lower than the book value of shares, being traded at the end of the interval under analysis at a 2,11% discount.

II. ACHIEVEMENT OF OBJECTIVES IN THE ACTIVITY PLAN

II.1. ACHIEVEMENT OF FINANCIAL OBJECTIVES

II.1.1. PORTFOLIO MANAGEMENT

II.1.1.a. Portfolio reconfiguration and optimization

Between Jan 1 – Sep 30, 2007 share portfolio management objectives were pursued, as set forth in the FIC Moldova activity program for the year 2007.

FIC Moldova continued the portfolio reconfiguration and optimization policy in view of increasing its profitability, aiming at increasing the value of participations in profitable companies or in companies with advantageous trading opportunities and decreasing participations in companies in difficult economic and financial situations or without perspective.

These objectives were realized by:

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

- **sales** – the sale of participations (full or partial) in 32 companies, 7.316.628 RON in nominal value was recorded;
- **acquisitions** – involving stock in 32 companies, 5.368.034 RON in nominal value;

- **direct investment** (primary investment) – in 12 companies, 3.991.569,5 RON in nominal value
- **registered capital increase from reserves** in 7 companies, 2.997.709 RON in nominal value.

b) Modifying the participation by legal operations of writing off, thus:

- **write-off** of 3 companies in which the liquidation procedure was finalized, resulting in the elimination from the portfolio of participations held, 9.665.610 RON in nominal value.

Evolution of the portfolio at nominal value

On Sep 30, 2007 the portfolio comprises 280 companies, in which shares totaling 303.824.156 RON in nominal value are held. Of these, 91 companies in which FIC Moldova holds shares worth 44.319.056 RON in nominal value, representing 14,58% of total participations at nominal value, are undergoing various stages of insolvency.

The detailed status of investments according to Regulation no. 15 / 2004 – annex 17 of NSC is presented in annex IV.2.

Share portfolio structure

Between Jan 1, 2007 and Sep 30, 2007, portfolio reconfiguration and optimization led to the following structure according to:

- type of shares (traded/not traded):

Portfolio structure	Total nominal value of the package				Total market value** of the package			
	Thousand RON		%		Thousand RON		%	
Securities	01.01.07	30.09.07	01.01.07	30.09.07	01.01.07	30.09.07	01.01.07	30.09.07
Traded stock, Of which:	136.842,2	163.880,7	44,4	53,9	1.058.700,0	1.584.352,7	80,0	86,4
Companies listed on BSE	75.223,9	83.921,3	24,4	27,6	937.429,0	1.341.791,0	70,8	73,1
Unlisted companies, traded through the BSE system	11.793,5	11.698,0	3,8	3,9	13.530,0	13.886,2	1,0	0,8
Comp. listed in BVB-BER*	29.157,0	22.237,0	9,5	7,3	73.372,0	113.406,6	5,5	6,2
Comp. listed in BVB-BER – extra stock market*	20.667,8	46.024,4	6,7	15,1	34.369,0	115.268,9	2,7	6,3
Untraded stock, Of which:	171.606,7	139.943,3	55,6	46,1	265.240,0	250.386,2	20,0	13,6
Closed companies	126.594,2	125.428,0	41,0	41,3	231.093,0	232.642,7	17,5	12,6
Listed, untraded companies	8.333,2	281,3	2,7	0,1	247,0	1,3	0,0	0,0
Listed, untraded in last 90 days companies	36.679,3	14.234,0	11,9	4,7	33.900,0	17.742,2	2,5	1,0
Total	308.449,0	303.824,0	100,0	100,0	1.323.940,0	1.834.738,9	100,0	100,0

* These items are regulated by BSE and tracked beginning with 1st half of 2006

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

Thus, the value is calculated using:

"a) the average weighted price method calculated for the last 90 days in the case of securities and monetary market instruments traded in the specified timeframe;

b) the average weighted price calculated from the date of an event involving a change in the par value of the share, the distribution of free shares or in other such circumstances influencing the market value of securities or monetary market instruments mentioned in letter a), if the event occurred in the period specified in letter a);

c) the procedure set forth in paragraph (3) for securities not traded in the timeframe specified in letter a);

(3) The evaluation of shares not admitted for trading in a regulated market in Romania, held by an Association of Collective Investment Organizations (AOPC) established by Articles of Incorporation, for an issuer, is based on the value of the owner's equity of the issuer as reported in the latter's latest financial report, transmitted to the Public Finances Ministry (M.F.P.). In the case of credit institutions, the calculation is based on the value of the owner's equity as stated in the reports sent to the National Bank of Romania (B.N.R.).

(4) The shares of companies undergoing judicial reorganization or liquidation are included in the net assets of ACIO established by Articles of Incorporation with a null value, up to the conclusion of the procedure.

(5) The shares of companies in the ACIO portfolio established by Articles of Incorporation with negative values of the owner's equity are included in the calculation of the net assets with a null value.

(6) In the case of shares held by ACIO established by Articles of Incorporation in credit institutions of insurance insurance-reinsurance or reinsurance companies, the value recorded in the ACIO assets is the value calculated by applying the weight held by the ACIO in the registered capital of the issuer to the owner's equity of the issuer, irrespective of the weight of the specified holding." (quoted from NSC Regulation no. 15 / 2004)

- size of share held in comprised companies:

Specification	01.01.2007		30.09.2007	
Insignificant shares: % SIF < 10%				
Number of companies	116		128	
Nominal value (thousand RON) / percentage	169.373	54,9	174.888	57,6
Significant shares: 10% ≤ % FIC < 33%				
Number of companies	129		123	
Nominal value (thousand RON) / percentage	108.946	35,3	100.456	33,1
Control shares: 33 % ≤ % SIF < 50 %				
Number of companies	21		18	
Nominal value (thousand RON) / percentage	12.059	3,9	11.326	3,7
Majority shares: % SIF ≥ 50 %				
Number of companies	13		11	
Nominal value (thousand RON) / percentage	18.071	5,9	17.145	5,6
Total shares:				
Number of companies	279		280	
Nominal value (thousand RON) / percentage	308.449	100,0	303.824	100,0

- field of activity:

FIELD	01.01.2007				30.09.2007			
	Nr. SC	%	Nominal value of participations (Thousand RON)	%	Nr. SC	%	Nominal value of participations (Thousand RON)	%
BANKING, INSURANCE	10	3,6	125.901	40,8	9	3,2	127.113	41,8
MACHINERY MANUFACTURE	27	9,7	54.917	17,8	25	8,9	53.573	17,6
TEXTILES & GARMENTS	45	16,1	26.501	8,6	44	15,7	25.359	8,4
CHEMICALS	11	3,9	24.840	8,0	9	3,2	17.753	5,9
AGRICULTURE	64	23,0	19.684	6,4	65	23,2	20.317	6,7
METALLURGY	9	3,2	17.793	5,8	8	2,9	17.640	5,8
FOOD INDUSTRY	23	8,2	8.094	2,6	20	7,1	6.162	2,0
COMMERCE,	24	8,6	6.652	2,2	22	7,9	7.373	2,4

RESTAURANTS								
OTHERS	66	23,7	24.066	7,8	78	27,9	28.534	9,4
Total	279	100,0	308.449	100,0	280	100,0	303.824	100,0

The top 10 companies in the portfolio classified by the market value of the FIC Moldova share as of September 30, 2007 are presented in the following table:

Company	City	Field of Activity	Market value of FIC share on 30.09.2007 (RON)
BRD	Bucuresti	Banking	969.349.929
BCR	Bucuresti	Banking	180.471.038
Banca Transilvania	Cluj	Banking	148.367.197
Biofarm	Bucuresti	Pharmaceuticals	56.788.035
Mecanica Ceahlau	Piatra Neamt	Machinery manufacture	54.897.021
Mittal Steel Roman	Roman	Metallurgy	53.210.075
Petrom	Bucuresti	Services related to oil extraction	44.866.222
Tesatoriile Reunite	Bucuresti	Textiles	39.264.862
Bancpost	Bucuresti	Banking	27.000.130
Aerostar	Bacau	Machinery manufacture	26.776.441

II.1.1.b. Investing-disinvesting activity

Investing activity

Investing activity - shares – on the primary market

In the Jan 1 – Sep 30, 2007 period primary market investments were made (participations in the increase of registered capital of 20 issuers in the portfolio), 5.888.779 RON in nominal value at an issuing price of 9.968.348 RON. Of these, investments in listed companies represent 85,5% of the total nominal value of the investments, respectively 91,5% of the issuing price.

In the same period primary investments were recorded by FIC Moldova by participation in the increase of registered capital of 12 issuers in the portfolio – some of these having been undertaken during 2006 - 3.991.570 RON, in total nominal value, for a price of 5.017.617 RON.

Investing activity – shares - on the secondary market

The investment strategy continued to be focused on structuring a portfolio consisting of liquid securities with growth potential, at the same time increasing the volume of speculative operations and expanding activity towards the market of derivative financial instruments.

Despite the limiting conditions imposed by the size and evolution of the internal market (spot and maturity), the particular restrictions imposed on FIC (the ban on investing in FIC and BRD shares, etc.), as well as in the context of the cautious attitude imposed by the recent perturbations in international markets, we report a substantial increase in the total value of investments.

In these conditions, as of Sep 30, 2007, acquisition operations were targeted at the shares of 32 issuers (31 listed), with a total acquisition value (including trading commissions) of 43.364.336 RON compared to 23.768.131 RON in the corresponding period of the preceding year – process intended to consolidate the newly formed portfolio, the significant profit resource for the future.

Investment in other financial instruments

In the context of the portfolio diversification policy as well as in order to exploit opportunities, transactions were made on the derivatives market (BMFMS). Thus, the amount invested in derivative financial instruments – of 752.470 RON (compared to 620.000 RON in the corresponding period of 2006) generated liquidities amounting to 880.112 RON.

Stage of fulfillment of the objectives

In relation to the objectives set forth by the General Meeting of Shareholders by the approval of the FIC Moldova development strategy for 2007 – 2009, the investments made (including those pending registration in the case of subscriptions) amount to 54.085.331 RON and represent 77,26% of the annual objective amounting to 70.000.000 RON.

Disinvesting activity – on the secondary market

During the first 9 months of 2007 disinvesting operations were registered in the case of 32 issuers (3 of a "closed" type). Revenue from sales was recorded amounting to 30.863.670 RON compared to 22.459.992 RON in the corresponding period of 2006, with a profit of 18.153.867 RON compared to 13.722.792 RON recorded in the corresponding period of 2006.

Stage of fulfillment of the objectives

In the Revenue from Sale of Stock category, the objective set forth for 2007 - of 63.405.273 RON – was fulfilled 48,7% as of September 30, 2007, whereas the profit target (associated to the sale of stock), fixed as 38.405.273 RON, was fulfilled 47,3%.

II.1.1.c Investment in securities issued by Association of Collective Investment Organizations (AOPC) / OPCVM

As of Sep 30, 2007 FIC holds:

- 3.120 equity securities of The Businesspersons' Fund ("Fondul Oamenilor de Afaceri") 8.468 RON in nominal value and 17.797 RON in market value;
- 200.000 equity securities of BT MAXIM, 2.000.000 RON in nominal value and 3.324.000 RON in market value;
- 100 equity securities of BT INVEST 1, 1.000.000 RON in nominal value and 1.815.475 RON in market value.

II.1.2. PRESENTATION OF THE ECONOMIC AND FINANCIAL STATUS

Financial statements provide information regarding the financial status and performance of the company.

Financial statements for Sep 30, 2007 are not accompanied by an independent external auditor's report, according to the usual practices regarding the frequency of such reporting.

Financial statements are drawn up in RON and drafted according to the requirements of Romanian accounting norms, namely: Accounting Law no. 82 / 1991 republished and National Securities Commission Order no. 75 / 2005.

Financial statements recognize investments in the portfolio on Sep 30, 2007 in accordance to Finance Ministry Order 1752 / 2005 based on the historic cost less accumulated adjustments for value losses at the date of the balance sheet in 2006.

The financial status is reflected in the items of
Balance sheet:

A	Row No. B	Balance	
		January 1, 2007 1	September 30, 2007 2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
3. Grants, patents, licences, trademarks, similar rights and values and other intangible assets	03	128.439	81.250
TOTAL: (row 01 to 05)	06	128.439	81.250
II. TANGIBLE ASSETS			
1. Land and buildings	07	8.501.896	8.287.836
2. Equipment	08	311.586	248.336
3. Other equipment, furniture and fixture	09	120.699	96.269
TOTAL: (row 07 to 10)	11	8.934.181	8.632.441
III. FINANCIAL ASSETS			
5. Securities as assets	16	321.282.334	361.027.059
6. Other claims	17	102.350	13.963
TOTAL: (row 12 to 17)	18	321.384.684	361.041.022
NON-CURRENT ASSETS – TOTAL (row 06 + 11 + 18)	19	330.447.304	369.754.713
B. CURRENT ASSETS			
I. INVENTORY			
1. Consumables	20	19.193	23.384
3. Advances for purchase of inventories	22	13.365	4.635
TOTAL: (row 20 to 22)	23	32.558	28.019
II. RECEIVABLES (Amounts due to be received after more than one year must be presented separately for each item)			
1. Trade receivables	24	58.612.587	30.237.959
4. Other receivables	27	2.042.496	9.103.025
TOTAL: (row 24 to 28)	29	60.655.083	39.340.984
III. SHORT TERM FINANCIAL INVESTMENTS			
3. Other short term financial investments	31	5.020.619	3.483.775
TOTAL: (row 30 to 31)	32	5.020.619	3.483.775
IV. CASH AND BANK ACCOUNTS			
CURRENT ASSETS - TOTAL (rd. 23 + 29 + 32 + 33)	34	68.958.365	55.900.456
C. PREPAID EXPENSES (acct. 471)	35	116.815	79.898
D. CURRENT LIABILITIES			
4. Accounts payable	39	400.879	43.481
5. Commercial papers payable	40	5.083.848	4.602.708

A	Row No.	Balance	
		January 1, 2007	September 30, 2007
	B	1	2
8. Other liabilities, including taxes payable and social security liabilities	43	23.975.448	28.429.999
TOTAL: (row 36 to 43)	44	29.460.175	33.076.188
E. CURRENT ASSETS LESS NET CURRENT LIABILITIES (row 34 + 35 - 44 - 60.2)	45	39.604.447	22.894.458
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rd. 19 + 45 - 60.1)	46	370.051.751	392.649.171
G. NON-CURRENT LIABILITIES		-	-
H. PROVISIONS			
2. Provisions for taxes	57	41.437.613	30.340.163
3. Other provisions	58	20.272.909	13.084.482
TOTAL PROVISIONS: (row 56 + 57 + 58)	59	61.710.522	43.424.645
I. DEFERRED REVENUE (row 60.1+60.2) of which:	60	10.558	9.708
2. Precollected revenue	60.2	10.558	9.708
J. EQUITY AND RESERVES			
I. EQUITY (row 62 to 63) of which:	61	51.908.959	51.908.959
- Subscribed and paid capital	63	51.908.959	51.908.959
II. SHARE PREMIUM	64	-	-
III. REEVALUATION RESERVES			
Balance C	65	6.229.774	6.224.729
IV. RESERVES (row 68 to 73 - 74)	67	259.293.957	235.167.050
1. Legal reserves	68	10.325.933	10.381.792
3. Reserves constituted from free shares/notes	70	94.158.350	95.431.488
5. Reserves representing surplus from reevaluation reserves	72	1.991.956	1.997.417
6. other reserves	73	152.817.718	127.356.353
V. REPORTED RESULT			
Balance D	76	56.407.027	-
VI. RESULT OF FISCAL YEAR			
Balance C	77	48.341.224	55.979.647
Profit appropriation (acc. 129)	79	1.025.658	55.859
TOTAL EQUITY (rd. 61 + 64 + 65 - 66 + 67 + 75 - 76 + 77 - 78 - 79)	80	308.341.229	349.224.526

As of September 30, 2007, total assets value increased 6,16 % compared to the beginning of the year.

Long term financial instruments represent 84,80 % of the 425.735.067 RON total assets and consist of:

	January 1, 2007	September 30, 2007
● Investments in companies	321.282.334	361.027.059

• Other financial instruments	102.350	13.963
Total	<u>321.384.684</u>	<u>361.041.022</u>

The volume of financial assets records a 12,34 % increase compared to the beginning of the 2007 fiscal year, as a consequence of the following influences:

- capital market acquisitions;
- registered capital increase of the portfolio companies in cash or incorporation of reserves.

Cash and liquidities represent 10,14 % of total assets and consist of :

	January 1, 2007	September 30, 2007
• Cash, bank accounts and other amounts receivable	<u>3.245.271</u>	<u>13.047.678</u>
• Bank deposits	<u>58.099.657</u>	<u>30.129.301</u>
TOTAL	<u>61.344.928</u>	<u>43.176.979</u>

The company's liquidities have decreased by 29,62 % compared to the beginning of the period, mainly as a consequence of investments in securities.

The Company's receivables as of September 30, 2007 amount to 9,24 % of the total assets and have the following structure:

<i>RECEIVABLES</i>	Row	Balance on	Balance on	Maturity		
		January 1, 2007	September 30, 2007	Under 1 yr.	1 to 5 yrs.	Over 5 yrs.
		1	2=3+4+5	3	4	5
Gross accounts receivable	01	59.576.797	31.132.055	31.132.055	-	-
Provisions for accounts receivable devaluation	02	(964.210)	(894.096)	(894.096)	-	-
Net accounts receivable	03	58.612.587	30.237.959	30.237.959	-	-
Other receivables, net, of which:	04	2.042.496	9.103.025	9.103.025	-	-
• Receivables from transactions with shares	05	203.926	327.926	327.926	-	-
• Receivables from promissory notes	06	37.124.057	34.241.434	34.241.434	-	-
• Provision for receivables depreciation from endorsed promissory notes	07	(37.124.057)	(34.241.434)	(34.241.434)	-	-
• Uncashed dividends	08	42.815	861.739	861.739	-	-
• Receivables from irrevocable court decisions	09	874.762	492.409	492.409	-	-
• Provision for dividends devaluation	10	(42.815)	-	-	-	-
• Provision for depreciation of receivables from court decisions	11	(874.762)	(492.409)	(492.409)	-	-
Receivables for registered capital increase	12	1.814.892	7.837.332	7.837.332	-	-
• Other receivables	13	23.678	76.028	76.028	-	-

TOTAL	15	60.655.083	39.340.984	39.340.984	-	-
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Gross accounts receivable include short term bank deposit amounting to 30.129.301 RON.

The Company's liabilities as of September 30, 2007 have the following structure:

<i>LIABILITIES</i>	Row	Balance on	Balance on	Maturity		
		January 1, 2007	September 30, 2007	Under 1 yr.	1 to 5 yrs.	Over 5 yrs.
		1	2=3+4+5	3	4	5
Advances from clients	01	-	-	-	-	-
Accounts payable	02	400.879	43.481	43.481	-	-
Commercial papers payable	03	5.083.848	4.602.708	4.602.708	-	-
Other payables	04	23.975.448	28.429.999	28.429.999	-	-
TOTAL, of which:	05	29.460.175	33.076.188	33.076.188	-	-
• Suppliers	06	400.879	43.481	43.481	-	-
• SARA for promissory notes	07	5.083.848	4.602.708	4.602.708	-	-
• Payables towards government and special accounts	08	3.107.092	1.271.682	1.271.682	-	-
• Dividends payable	09	20.284.424	26.580.781	26.580.781	-	-
• Various payables	10	82.733	96.137	96.137	-	-
• Other payables with staff and social security	11	274.616	279.650	279.650	-	-
• Material pledges	12	226.583	201.749	201.749	-	-

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

The volume of debts increased by 12,27 % compared to the beginning of the period, mainly as a consequence of the dividends appropriated from the net profit of the 2006 fiscal year and not disbursed as of this date.

Provisions in the balance as of September 30, 2007, amount to 43.424.645 RON and include:

• Provisions for deferred tax	30.340.163
• Provisions for contingent debt	13.084.482

Owners' equity has increased by 13,26 %, compared to the beginning of the period, as a consequence of the profit realized in this period.

The Company's financial performance is reflected in the
INCOME STATEMENT:

Item name A	Row no. B	January 1, 2007 1	September 30, 2007 2
A. REVENUE FROM OPERATIONS			
TOTAL (row 02 to 11)	01	113.805.388	87.456.334
1. Revenue from financial investments	02	32.828.218	36.187.159
1. Revenue from short term financial investments	03	-	-
2. Revenue from receivables as assets	04	-	-
3. Revenue from ceded financial investments	05	22.534.071	31.148.422
4. Revenue from services performed	06	-	-
5. Revenue from provisions, reactivated claims and various receivables	07	49.649.559	12.970.282
6. Revenue from exchange rate changes	08	2.440.757	2.941.778
7. Revenue from interest	09	4.832.065	3.135.819
8. Revenue from non-current assets production	10	-	-
9. Other revenue from operations	11	1.520.718	1.072.874
B. EXPENSES WITH OPERATIONS			
TOTAL (row 13 to 20)	12	72.004.064	28.519.985
1. Losses related to claims resulting from investments	13	-	-
2. Expenses related to ceded financial investments	14	8.929.289	10.229.871
3. Expenses with exchange rate differences	15	1.667.548	3.730.105
4. Expenses related to interest	16	-	-
5. Expenses with commissions and fees	17	1.080.312	1.396.386
6. Expenses with banking and similar services	18	30.726	28.148
7. Depreciations, provisions, losses from claims and various receivables	19	48.147.380	2.640.058
8. Other expenses with operations (row 21 + 22 + 23 + 26 + 27)	20	12.148.809	10.495.417
a. Expenses with materials	21	391.122	373.300
b. Expenses with electricity and water	22	132.208	136.490
c. Expenses with staff, of which: (row 24 + 25)	23	7.233.760	9.283.322
c1. Salaries	24	5.931.603	7.900.928
c2. Expenses related to insurance and social security	25	1.302.157	1.382.394
Expenses related to external services	26	4.234.338	563.130
Expenses with other taxes and similar payments	27	157.381	139.175
C. OPERATIONAL RESULT			
-profit (row 01-12)	28	41.801.324	58.936.349
-loss (row 12-01)	29	-	-
D. GAINS (acc.771)	30	-	-
E. LOSSES (acc.671)	31	-	-
F. RESULT			
-profit (row 30-31)	32	-	-
-loss (row31-30)	33	-	-

Item name A	Row no. B	January 1, 2007 1	September 30, 2007 2
1. TOTAL REVENUE (row 01 + 30)	34	113.805.388	87.456.334
2. TOTAL EXPENSE (row 12 + 31)	35	72.004.064	28.519.985
G. GROSS MARGIN			
- profit (row 34 - 35)	36	41.801.324	58.936.349
- loss (row 35 - 34)	37	-	-
21. PROFIT TAX			
- tax expense	38	1.948.826	2.956.702
22. Other tax expense	39	-	-
H. NET INCOME			
- profit (row 36 - 38 - 39)	40	39.852.498	55.979.647
- loss (row 37 + 38 + 39) or (row 38 + 39 -36)	41	-	-

The net income as of Sep 30, 2007 has increased by 40,47 % compared to the corresponding period of the 2006 fiscal year.

The revenue recorded up to September 30, 2007, amounting to 87.456.334 RON, were obtained with expenses of 28.519.985 RON, meaning that for each RON expended a revenue of 3,07 RON was recorded.

The revenue was realized as a consequence of :

- Revenue from financial investments 41,38 %
- Revenue from ceded financial investments 35,62 %
- Other revenue 23,00 %

The expenses were realized as a consequence of:

- Expenses related to ceded financial investments 35,87%
- Expenses with operations 36,80%
- Other expenses 27,33%

The net sales realized by FIC Moldova from trading securities amount to 20.918.551 RON.

The recorded expense items that exceed 20% of the net sales are:

- staff expenses 9.283.322

In the January 1, – September 30, 2007 interval provisions were constituted which influenced expenses, as follows:

- provisions for bad debts 2.186.468
- TOTAL** 2.186.468

In the January 1, – September 30, 2007 interval provisions were cancelled which influenced revenues, as follows:

- Other provisions 7.188.426
- Provisions for bad debts 5.494.260
- Provisions for receivable devaluation 70.114

• Provisions for materials devaluation	588
• Provisions for tangible non-current assets depreciation	216.893
TOTAL	<u>12.970.281</u>

Owners' equity accounts were influenced by provision cancellations for taxes amounting to 11.097.449 RON (10.920.630+176.708) and non-current securities amounting to 9.927.849 RON.

Dividends declared by FIC Moldova for the 2006 fiscal year amounted to 32.702.644 RON, of which as of September 30, 2007, 18.866.585 RON were paid.

ECONOMIC AND FINANCIAL INDICES

• Liquidity indicators – ratios

- Current ratio = current assets / current liabilities

$$\text{September 30, 2006} = 64.554.430/32.195.164 = 2,00$$

$$\text{September 30, 2007} = 55.900.456/33.076.188 = 1,69$$

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

$$\text{September 30, 2006} = (64.554.430 - 36.287)/32.195.164 = 2,00$$

$$\text{September 30, 2007} = (55.900.456 - 28.019)/33.076.188 = 1,68$$

• Activity indicators – ratios

- Fixed assets turnover = revenue from operations / fixed assets

$$\text{September 30, 2006} = 113.805.388/328.655.670 \times 100 = 34,62$$

$$\text{September 30, 2007} = 87.456.334/369.754.713 \times 100 = 23,65$$

- Total assets turnover = revenue from operations / total assets

$$\text{September 30, 2006} = 113.805.388/393.235.032 \times 100 = 28,94$$

$$\text{September 30, 2007} = 87.456.334/425.735.067 \times 100 = 20,54$$

- Receivables turnover = average receivables balance / turnover x 365

$$\text{September 30, 2006} = \frac{(124.732.066 + 55.065.018)/2}{113.805.388} \times 270 = 213 \text{ days}$$

$$\text{September 30, 2007} = \frac{(60.655.083 + 39.340.984)/2}{87.456.334} \times 270 = 154 \text{ days}$$

• Profitability indicators

- Profitability of working capital

$$\begin{aligned} &= \text{profit before payment of interest and profit tax} / \text{working capital} \\ \text{September 30, 2006} &= 41.801.324/294.806.176 \times 100 = 14 \% \end{aligned}$$

$$\text{September 30, 2007} = 58.936.349/349.224.526 \times 100 = 17 \%$$

- Earnings per basic share

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

$$\text{September 30, 2006} = 39.852.498/519.089.588 = 0,0767 \text{ RON per share}$$

$$\text{September 30, 2007} = 55.979.647/519.089.588 = 0,1078 \text{ RON per share}$$

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

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

CASH FLOW STATEMENT:

ITEM / PERIOD	January - September 2006	January - September 2007
1. Cash at beginning of period (a+b)	104.017.729,45	61.344.928,19
a.Current accounts	55.529,25	3.245.271,19
b. Financial investments - DEPOSITS	103.962.200,20	58.099.657,00
A. Operations (2-3)	(52.696.146,95)	(14.424.608,62)
2. Cash inflows	1.906.242,62	3.002.005,15
3.Cash outflows	54.602.389,57	17.426.613,77
B.Investment activity(4-5)	26.527.520,32	17.498.567,21
4. Cash inflows	62.500.377,92	65.090.309,57
5. Cash outflows	35.972.857,60	47.591.742,36
C. Financing (5-6)	(24.932.061,35)	(21.244.887,60)
5. Cash inflows	1.896.978,36	2.309.284,60
6. Cash outflows	26.829.039,71	23.554.172,20
TOTAL CASH FLOW (A+B+C)	(51.100.687,98)	(18.170.929,01)
CASH AT END OF PERIOD	52.917.041,47	43.173.999,18

II.1.3. RISK MANAGEMENT

DESCRIPTION OF THE COMPANY'S EXPOSURE TO RISK

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

a) Exchange rate risk

Most of the Company's financial assets and liabilities are expressed in the domestic currency, therefore the exchange rate fluctuations do not affect operations significantly. Exposure to the exchange rate fluctuations is mainly caused by the debts and receivables generated by the promissory notes denominated in US dollars and Euros.

b) Economic environment risk

The Romanian economy continues to present specific emerging economy features. There is still a significant degree of uncertainty regarding the future political, economic and social environment development. This risk can have direct effects on FIC activity as well as indirect effects through the companies in which it holds registered capital investments.

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.

The FIC management attentively tracks the changes taking place at macroeconomic level and seeks to minimize the negative impact on the patrimony.

FIC does not have a formal policy to cover the risk associated with the economic environment.

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 equivalents available is invested in short term investment securities with maturity of up to 3 or 6 months.

d) Credit risk

In accordance with legal provisions, FIC has not granted any credits to third parties.

FIC can be exposed to the credit risk related to financial instruments, generated by the possible failure of a third party to pay its liabilities to the Company.

This risk can not significantly affect FIC activity.

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

e) Liquidity risk

SIF Moldova's financial instruments may include investments in shares which are not traded on an organized market, and subsequently may have a low liquidity. Therefore, the Company can encounter difficulties if it decides to rapidly liquidate investments in such instruments at a value close to the one determined based on the calculation model for the financial companies net asset value, provided in Regulation 15 / 2004 issued by the National Securities Commission (CNVM).

FIC pursues a flexible policy by maintaining available bank deposits in order to finance financing, investment and operative activities.

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

f) Tax related risk

The Romanian fiscal system is subject to various interpretations and permanent changes, which may be retroactive. In certain situations, the fiscal authorities may adopt a position which differs from FIC Moldova's position and may calculate certain fiscal raises and penalties.

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 September, 2007, may be subject to a later check.

**COMPLIANCE WITH LEGAL REGULATIONS REGARDING OWNERSHIP
LIMITATIONS** (Compliance with the provisions of art. 188 of National Securities Commission
Regulation no. 15/2004)

Portfolio exposure on Sep 30, 2007, according to the net asset value calculated and certified by the depository, BRD – GSG Bucuresti, was the following:

a) The weight of securities and monetary market instruments not accepted for trading, may not exceed 20% of the total assets (closed shares, closed bonds and deposit certificates).

Type of asset	Asset value (RON)	Weight in total assets (%)	Limit imposed
Closed shares (excepting BCR and Bancpost, according to the provisions of art.275 para (2))	25.171.503,53	1,323	
TOTAL	25.171.503,53	1,323	< or = 20%

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

The 10% may be increased up to a maximum of 40%, on the condition that the total value of the securities and monetary market instruments held by the Company in each of the issuers in which it holds a share of over 40% should not exceed 80% of the value of its assets.

As of Sep 30, 2007, BRD – GSG is the only issuer exceeding the 40% limit, respectively 51% but taking into account the provision of article 275 para. 2 of NSC Regulation No. 15 / 2004, it is excluded from the calculation regarding ownership limitations provided in art. 188.

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

Group name	Asset value (RON)	Weight in total assets (%)	Limit imposed
BT GROUP , of which:			
TLV shares	148.367.196,76	7,800	
BT Maxim and BT Invest 1 equity securities	5.139.475,00	0,270	
GROUP TOTAL	153.506.671,76	8,070	< or = 50%

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

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

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

On Sep 30, 2007 the weight thereof was 0,704% (13.392.556,45 RON/1.902.223.203,40 RON).

f) The weight of bank deposits constituted and held in the same bank may not exceed 30% of the total assets. Total holdings in bank deposits amount to 1,588 % (30.205.189,31 RON/1.902.223.203,40 RON).

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

The value of the derivative financial instruments = 131.928,13 RON < net asset value = 1.856.052.825,40 RON.

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

AOPC name	Asset value (RON)	Weight in total assets (%)	Limit imposed
XFOA shares	17.797,42	0,001	
BT Invest 1 equity securities	1.815.475,00	0,095	
TOTAL AOPC	1.833.272,42	0,096	< or = 50%

The actual weight does not exceed the limit imposed.

II.2. ACHIEVEMENT OF NON-FINANCIAL OBJECTIVES IN THE 1ST HALF OF 2007

II.2.1. STATUS OF LITIGATIONS

As of September 30, 2007, in the records of the Juridical Service of the Financial Investment Company Moldova 233 cases are recorded with litigations involving various objects, in which the Company has respectively the quality of plaintiff, intervening party or defendant. Of the total number, 178 cases are in court and 55 cases with litigations finalized during this period.

In this timeframe, in the course of the judicial proceedings receivables totalling 1.833.493,36 RON were recovered.

I. Litigations in which FIC Moldova is a plaintiff

- total litigations = 181 cases, of which 143 cases are in court in various judicial stages and 38 cases are solved.
- value of litigations in RON:
 - 22.508.489,67 RON as follows:
 - the amount of 256.557,03 RON in litigations involving recovery of overdue dividends;
 - the amount of 17.596.667,24 RON in litigations involving the insolvency procedure;
 - the amount of 4.655.265,40 RON in lawsuits involving claims.
 - 29.815.024,71 USD and 300.000 DEM, as follows:
 - the amount of 8.058.809,46 USD in litigations involving the insolvency procedure;
 - the amount of 5.368.732,46 USD and the amount of 300.000 DEM in lawsuits involving claims;
 - the amount of 16.387.482,79 USD in the 27 litigations involving contestations for fulfillment. It is worth mentioning that the amount was paid in full to SARA, pending recovery in the event that FIC Moldova contestations are admitted.

These litigations are categorized thus:

1. Litigations involving the repealment of illegal resolutions of General Meetings of Shareholders of portfolio companies = 52 cases in court and 18 cases finalized (annex IV.5.1).

2. Litigations involving recovery of overdue dividends = 4 cases in court and 7 cases finalized (annex IV.5.2).

The debts recovered amount to 244.574,68 RON.

3. Litigations involving the insolvency procedure = 30 cases in court and 4 cases finalized (annex IV.5.3).

The debts recovered amount to 148.800,62 RON.

4. Litigations involving various monetary claims = 11 cases in court and 6 cases solved (annex IV.5.4).

We specify that in the cases involving the foreclosure of goods pledged for the bank liabilities of SC Max Invest SRL Bucuresti the total amount of 1.440.145,06 RON was received in this period. After the execution of these guarantees the liability which FIC Moldova declared during the bankruptcy procedure of SC Max Invest SRL Bucuresti, amounting to 2.900.000 USD, is to be decreased.

5. Litigations with various objects = 5 cases in various stages of litigation and 2 cases solved (annex IV.5.5).

6. Litigations involving draft oppositions and contestations to the foreclosure of promissory notes endorsed by FPP II Moldova = 34, all cases pending solution in various judicial stages (annex IV.5.6).

7. Criminal litigations = 7 cases in court and 1 solved (annex IV.5.7).

II. Litigations in which FIC MOLDOVA is a defendant

- total litigations = 52 cases, of which:

- 35 cases are in court in various judicial stages;
- 17 cases were solved.
- total value of litigations in RON = 672.132,19 RON, of which:
 - the amount of 52.132,19 RON in lawsuits involving claims;
 - the amount of 620.000,00 RON in cases involving direct draft oppositions against SARA Bucuresti.
- value of litigations in foreign currency, in direct bill actions against SARA:
 - 7.070.140 USD;
 - 1.090.000 DEM.

Litigations in this category are classified thus:

1. Litigations with various objects and claims files = 21 cases in court in various judicial stages and 7 cases solved (annex IV.5.8).
2. Litigations involving direct bill actions against Bankcoop / appeal for cancellation = 10 cases finalized (annex IV.5.9).
3. Litigations involving direct bill actions against SARA = 14 cases in court in various judicial stages (annex IV.5.10).

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

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

a. In relation to capital market institutions

a.1. Periodic reports towards NSC and BSE

- weekly and monthly reports regarding: status of net assets, status of assets and detailed status of investments (Annexes 16 and 17 of NSC Regulation no. 15 / 2004), drafted and transmitted to BSE and NSC according to regulations in force;

- monthly report regarding holdings exceeding 1% of the registered capital of persons defined in art. 2, para. 1 of NSC Instruction no. 1 / 2007. The statements of persons defined in NSC Instruction no. 1 / 2007 are provided on the FIC Moldova website - www.sifm.ro ;

- annual report on Dec 31, 2006 – transmitted to NSC and BSE, posted on the company website (www.sifm.ro) and available in written form at the company head office. The availability of the report to shareholders was publicized in the “Bursa” newspaper of May 3, 2007, according to Law 297 / 2004 and NSC regulations no. 15 / 2004 and 1 / 2005.

- quarterly report on Mar 31, 2007 transmitted to NSC and BSE (according to the financial calendar), included in the www.sifm.ro website and available in written form for consultation at the company head office. In the Bursa newspaper of May 10, 2007 the issuance towards shareholders of the report was notified, according to Law 297 / 2004 and NSC Regulations no. 15 / 2004 and 1 / 2005.

- 1st half of 2007 report, transmitted to NSC and BSE (according to the financial calendar), included in the www.sifm.ro website and available in written form for consultation at the company head office. In the Bursa newspaper of Aug 14, 2007 the issuance towards shareholders of the report was notified, according to Law 297 / 2004 and NSC Regulations no. 15 / 2004 and 1 / 2005.

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

- regarding the Ordinary General Meeting of Shareholders of Apr 28 / 29, 2006 – reports regarding the preparation, preliminary financial results, convocation, informative materials, decisions, notifications, etc.;

- significant transactions – sale / subscription of shares of SC Comat Braila SA, SC Argesana SA Pitesti, Banca Transilvania, SC Remar SA Pascani, SC Pambac SA Bacau, SC Asam SA Iasi;
- transactions according to art. 225 of Law no. 297 / 2004 - SC Galgros SA Galati, SC SPIT Bucovina SA Suceava, SC Favil SA Rm. Valcea, SC Comat SA Galati;
- exceedings or decreases under the ownership limits of voting rights provided in art. 116 of NSC Regulation no. 1 / 2006 modified by NSC Regulation no. 31 / 2006;
- notifications of the operations conducted on account of persons initiated according to art. 150 of NSC Regulation no. 1 / 2006;
- other important aspects communicated: financial calendar, payment of dividends, conclusion of management contract with executive managers, notifications regarding SARA notices / foreclosures / litigations.

b. In relations with shareholders

Obligations to inform FIC Moldova shareholders were respected by the issuance of press releases, publishing of reports, information through the electronic system of the capital market, offering equal treatment to shareholders. Information in the reports was related to:

- the organization and conduct of the Ordinary General Meeting of Shareholders of Apr 27 / 28, 2007.

All steps were taken to inform shareholders and provide them with documents related to the organization and conduct of the General Meeting of Shareholders of Apr 27 / 28, 2007: press release regarding the convocation of the meeting (Bursa newspaper and Deșteptarea local newspaper of Feb 19, 2007, the Official Gazette part 4, no. 647 / Feb 22, 2007), preliminary financial results and information regarding the availability of unaudited financial statements on Dec 31, 2006 and the Board of Directors' report for the year 2006 at the company head office and on the company website, informative materials related to the agenda together with the unaudited financial statements (on Mar 9, 2007) and in the final draft (on Mar 30, 2007), drafted in compliance with the stages set forth in the GMS Convocation (according to Law 31 / 1990R modified by Law 441 / 2006, Law 297 / 2004 and NSC Regulations no. 1 / 2006 and no. 15 / 2004).

- reports of the Board of Directors : annual report, the 1st quarterly report and the 1st half of 2007 report (Bursa newspaper of May 3, 2007 and May 10, 2007 and Aug 14, 2007);
- information regarding the payment of dividends (Bursa newspaper of Jan 12, 2007, May 15, 2007, Jun 21, 2007);
- significant transactions and transactions according to art. 225 of Law 297 / 2004;
- conclusion of management contract with executive managers (“Bursa” newspaper of Jun 20, 2007);
- other events.

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

The organization of activity at the head office and field offices allows and ensures the operative resolution of requests by shareholders directly or by correspondence.

Appropriation and payment of dividends related to the 2006 fiscal year towards shareholders is being carried out according to decisions adopted by the Ordinary General Meeting of Shareholders of April 28, 2007: dividends are paid through the pay office (shareholders – natural persons), bank transfer – on request (natural and juridical persons) and money order (for natural person shareholders with more than 95 and less than 30.000 shares).

The status of amounts paid from the date of the GMS 2007 up to **September 30, 2007** is the following:

Payment:	Dividend 2004		Dividend 2005		Dividend 2006	
	(0.0600 RON/share)		(0.0670 RON/share)		(0.0630 RON/share)	
	No. shareholders	RON	No. shareholders	RON	No. shareholders	RON
after the GMS of 2005	187,438	24,452,760.91				
after the GMS of 2006	11,974	581,889.78	121,470	27,707,157.94		
after the GMS of 2007	3,182	116,377.46	5,810	321,470.52	90,661	18,866,584.99
TOTAL paid up to 30.09.2007	202,594	25,151,028.15	127,280	28,028,628.46	90,661	18,866,584.99
Total dividend payable		31,145,375.28		34,779,003.00		32,702,644.04
% paid		80.75%		80.59%		57.69%

II.2.3. INTERNAL AUDITING AND CONTROL ACTIVITY

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

The audit plan for 2007 was approved in the Board meeting of February 16, 2007 and reviewed in the Board of Directors' meeting of May 25, 2007. The internal audit plan was drawn up with a view to covering all the activities and operations during three years and to providing for the audit continuity from the previous period.

The objectives of the internal audit are:

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

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

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

In the January 1, – September 30, 2007 interval the following operations were submitted to auditing:

- acquisitions and transfers of securities;
- the annual financial statements drafted on Dec 31, 2006;
- the inventory of assets and liabilities, the evaluation of asset and liability items on occasion of the inventory in the balance sheet drawn up on Dec 31, 2006;
- the management of financial assets;
- the drafting of half year financial reports;
- the pursuit and cashing in of revenue from dividends due from companies in which FIC Moldova holds registered capital investments.

The internal auditor's opinion, activity results, conclusions, recommendations and proposals, as well as the plan of actions applied in the course of the audit activity, were included in the periodic internal audit report presented to the Board of directors of FIC Moldova. Based on the conclusions and recommendations made by the internal audit, the Board of directors took the necessary measures in order to manage the identified risks.

The internal audit consider that the activities and operations carried out between Jan 1 – Sep 30, 2007, which were subject to the audit, conform to the corporate policies, programs and management, according to the legal provisions and internal regulations.

Activity of the representative of the Internal Control Department

In compliance with the provisions of art. 37-41 of NSC Regulation no. 15 / 2004 and Investigations Plan of the Internal Control Department for the year 2007, approved in the FIC Moldova Board of Directors' meeting of Feb 16, 2007 and registered with NSC with number 517 on Feb 26, 2007 the activity of the representative of the Internal Control Department for the Jan 1 – Sep 30, 2007 period consisted of the following:

1. In the Jan 3, 2007 – Jan 23, 2007 period the control of compliance with the legal regulations regarding the calculation and pay of commissions, taxes and other amounts due from FIC to NSC and capital market entities was performed thus:

- a) A share of 0,1% of the monthly net assets due to NSC, according to Regulation no. 2 / 2005 regarding NSC revenues, art. 5 and paragraph 2 of the annex;
- b) Fees charged by NSC for the approval of BD members of FIC Moldova;
- c) Fees charged by NSC for holding the securities issued by FIC Moldova in the Registry of Securities;
- d) Monthly dues for the National Union of the Collective Investment Organizations;
- e) Depository commissions;
- f) Commissions for services of BSE;
- g) Commission for the quotation on the stock market of FIC Moldova shares;
- h) Trading commissions;
- i) Commissions for registry services;
- j) Commissions for receipts related to bonds;

Period under review: Jan 1, 2006 – Dec 31, 2006.

This report was presented and approved in the Board of Directors of FIC Moldova Meeting of Jan 26, 2007.

2. In the Feb 19, 2007 –Mar 31, 2007 period compliance with NSC regulations regarding the FIC Moldova investment policy was examined.

Compliance with the provisions of art. 188 of NSC Regulation no. 15 / 2004 regarding FIC Moldova investments in assets listed in art. 101 paragraph (1) and art. 102 para. (1) letter b) of Law no. 297 / 2004, as well as in assets mentioned in art. 187 letter a) and b) of the aforementioned regulation.

Period under review: Mar 1, 2007 –Mar 31, 2007.

This report was presented and approved in the FIC Moldova Board of Directors' Meeting of Mar 27, 2007.

3. In the Apr 11, 2007 – Apr 13, 2007 the information in the mass-media of Apr 5, 2007 and Apr 10, 2007 regarding the election of a director of FIC Moldova was subjected to current control.

The report was presented on Apr 16, 2007 to the leadership of FIC Moldova.

4. In the Apr 26, 2007 – May 23, 2007 compliance by FIC Moldova with legal regulations regarding privileged information was examined.

Compliance by FIC Moldova with the provisions of Law 297 / 2004, NSC Regulation no. 13 / 2004 and NSC Regulation no. 1 / 2006 regarding the regime of privileged information was examined.

The following aspects were reviewed:

- a) The list of persons with access to privileged information;
- b) The method and deadline for the publication of privileged information:
 - Reports regarding privileged information, provided in art. 226 para. (1) of Law 297 / 2004;
 - Reports regarding information provided in art. 224 para. (5) of Law no. 297 / 2004;
 - Quarterly reports;
 - Half year reports;
 - Yearly reports;
 - Value of net assets.
- c) The notification of operations carried out on behalf of the initiated persons.

Period under investigation: May 15, 2006 – Apr 30, 2007.

This report was presented and approved in the FIC Moldova Board of Directors' Meeting of May 25, 2007.

5. In the May 28, 2007 – Jul 29, 2007 compliance with legal regulations regarding the evaluation of assets held by FIC Moldova was examined.

Compliance by FIC Moldova with the provisions of art. 202 para. (1) – (10) of NSC Regulation no. 15 / 2004 was examined.

Period under investigation: Jul 1, 2006 – Jul 30, 2007.

This report was presented and approved in the FIC Moldova Board of Directors' Meeting of Aug 3, 2007.

6. In the Sep 9, 2007 – Oct 26, 2007 period the compliance by FIC Moldova with reporting requirements set forth by NSC and BSE regulations was analyzed.

The following aspects were analyzed:

- a) Reporting obligations according to Title IV, Chapter III, Section 2 of NSC Regulation no. 1/2006;

- b) Reporting obligations according to Title IV, Chapter III, Section 3 of NSC Regulation no. 1/2006;

- c) Transparency, information and reporting obligations according to Title V, Chapter II, Section 6 of NSC Regulation no. 15/2004;

- d) Information and reporting obligations according to NSC Instruction no.1/2007 issued in compliance with the provisions of art. 286¹ of Law no. 297/2004;

- e) Reporting obligations according to Chapter III of NSC Regulation no. 7/2006.

Perioda under control: Oct 1, 2006 – Sep 30, 2007.

This report will be presented in the Board of Directors meeting of FIC Moldova of Nov 11, 2007.

7. Permanent activities of the Internal Control Department:

a) Informing FIC Moldova and its employees about the legal regulations applicable to the capital market;

b) Regularly monitoring and checking the application of legal provisions relevant to the capital market and of internal regulations;

c) Monitoring of compliance with prudence regulations;

d) Analysis and approval of documents and reports sent to NSC and capital market institutions;

e) Analysis and approval of internal documents comprising operations subjected to the internal control visa.

III. IMPORTANT EVENTS

Important events between Jan 1 – Sep 30, 2007 were subject to current / continuous and periodic reports, being brought to the attention of market institutions and shareholders by reports, publication in national newspapers and on the company website www.sifm.ro, in compliance to legal regulations in force, as mentioned in chapter II.2.2.

- Significant transactions (amounting to more than 500.000 \$) closed up to Sep 30, 2007 were :

	Significant transaction	Transmitted to BSE / NSC	Published in the press in:
1	Sale of shares SC COMAT BRAILA SA	828/26.03.2007	Ziarul Bursa 27.03.2007
2	Sale of shares SC ARGESANA SA Pitesti	1307/14.05.2007	Ziarul Bursa 15.05.2007
3	Subscriere actiuni BANCA TRANSILVANIA SA	1797/26.06.2007	Ziarul Bursa 27.06.2007
4	Sale of shares SC REMAR SA Pascani	1850/02.07.2007	Ziarul Bursa 03.07.2007
5	Sale of shares SC PAMBAC SA Bacau	1902/04.07.2007	Ziarul Bursa 05.07.2007
6	Sale of shares SC ASAM SA Iasi	2084/30.07.2007	Ziarul Bursa 31.07.2007

- Transactions according to art. 225 of Law no. 297 / 2004 concluded up to September 30, 2007:

	Significant transaction	Transmitted to BSE/ NSC	Published in the press in:
1	Subscription of shares SC GALGROS SA Galati	1667/12.06.07	Buletin CNVM/Ziarul Bursa 13.06.07
2	Subscription of shares SC SPIT Bucovina SA Suceava	1667/12.06.07	Buletin CNVM/Ziarul Bursa 13.06.07
3	Subscription of shares SC FA VIL S.A Rm. Valcea	1769/21.06.07	Buletin CNVM/Ziarul Bursa 22.06.07
4	Subscription of shares SC COMAT SA Galati	2060/25.07.07	Buletin CNVM

The reports are included on the www.sifm.ro website in the module Comunicate/2007.

**President General Manager,
Sorin Mihail TURTOESCU**

**Financial Manager,
Liana MARIN**

**Internal control,
Nicolae RADULESCU**