



Financial Investment Company **MOLDOVA SA**

Quarterly report according to:	Law 297/2004, NSC Regulations no. 1/2006 and 15/2004 and BSE Code
Date of report:	Sep 30, 2008
Name of issuing company:	Financial Investment Company Moldova S.A.
Company head office:	Bacau, Pictor Aman street no. 94 C, Bacau County
Telephone/Fax no.:	0234/576740, fax 0234/570062; 0234/570101
Web/e-mail:	www.sifm.ro , sifm@sifm.ro
Fiscal registration code:	RO 2816642
Serial Number in the Trade Registry:	J04/2400/92
NSC Registry No.:	PJR09SIIR/040001/14.12.2005
Subscribed and paid-in registered capital:	51908958.8 RON
Regulated market trading issued securities:	BVB (Bucharest Stock Exchange)

FIC MOLDOVA BOARD OF DIRECTORS' ACTIVITY REPORT FOR THE 3RD QUARTER OF 2008

FACTS ABOUT THE COMPANY

- * The title of the company is Moldova Financial Investment Company SA, it has the legal form of a joint stock company; it operates according to the articles of incorporation, of Law no. 31/1990 R amended by Law no. 441 / 2006, Law no. 297 / 2004 and NSC regulations. The company is the successor of the Private Ownership Fund II – Moldova, reorganized and transformed according to the provisions of Law no. 133/1996 and Law no. 164/1999;
- * The subscribed and paid-in registered capital is 51.908.958,8 RON, divided into 519.089.588 shares with a par value of 0,1 RON;
- * The shares are listed at the Bucharest Stock Exchange in the 1st tier, beginning Nov 1, 1999;
- * The record of shares and shareholders is maintained according to legal specifications, by Central Depository (S.C. Depozitarul Central S.A.)
- * Asset depository services are performed by Romanian Development Bank (BRD) – Groupe Societe Generale S.A. Bucharest – depository contract approved by NSC in Approval no. 113/14.12.2005.
- * The company's financial auditor is Deloitte Audit LLC București.

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

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

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

I. GENERAL OBJECTIVES, SPECIFIC INDICATORS

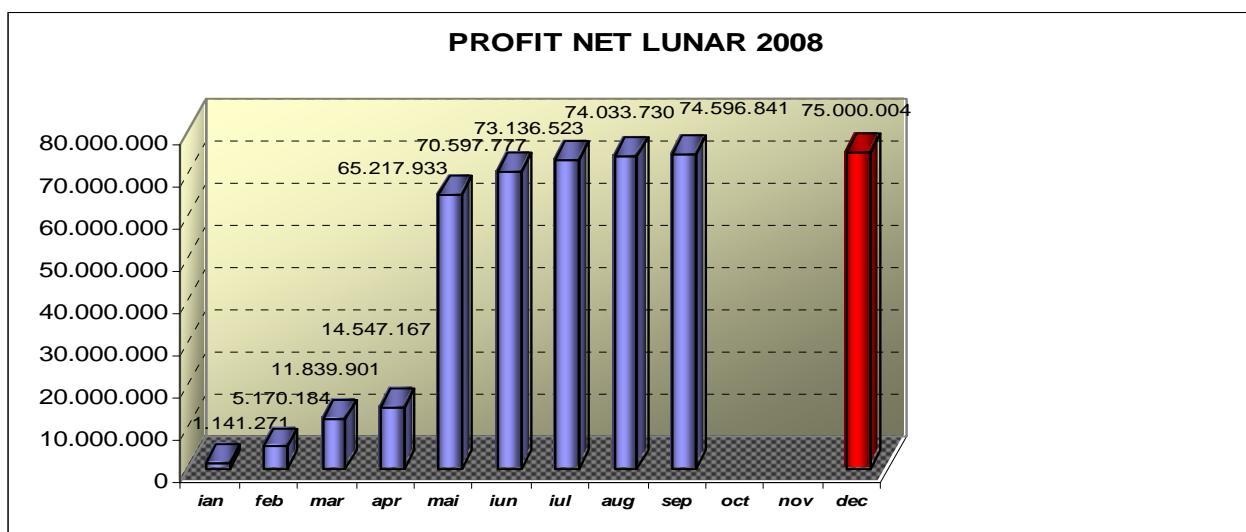
The 2008 performance indicators were set forth by the shareholders during the Ordinary General Meeting of Shareholders of Apr 24, 2008 – in compliance with the directives of the "FIC Moldova development strategy for 2007-2009" developed by the Board of Directors. Thus, the main objectives for 2008 are:

1. NET PROFIT

In the “2007-2009 Strategy” the net profit for 2008 was targeted to be 12% higher than the net profit for the year 2007, respectively 49.172.480 RON. At the proposal of the Board of Directors, the OGMS of Apr 24, 2008 approved a target for the net profits for the 2008 fiscal year of 75 million RON. The profit targeted to be realized in 2008 is thus 52,52% higher than that targeted for the year 2007 and 14,37% higher than the one realized in the year 2007 (65.573.287 RON).

After the **3rd quarter**, the net profit realized by FIC amounts to **74.596.841 RON**, 33,25% more than the profit in the corresponding period of the year 2007 and representing 99,46% of the profit budgeted for 2008.

The monthly evolution of the net profit in the first 3 quarters of 2008 was the following:



2. BOOK VALUE OF SHARES

The target of this indicator for the year 2008 was set at **4,1642 RON**. This value represents a 20% increase from the level recorded on Dec 31, 2007.

The accomplishment of this objective was strongly affected by the world financial crisis that also contaminated the domestic financial sector. The economic recession propagating in the majority of developed countries and the lack of liquidities led to massive disinvestments of institutional and individual investors from capital markets, also leading to a strong depreciation of securities on the BSE. The price of romanian shares decreased markedly and as a consequence, the assets of FIC Moldova decreased.

In the first 9 months of 2008, as the value of listed shares decreased by 36,34%, from 1.517.913.824 RON to 966.370.627 RON, the value of unlisted shares increased by 1,05%, modifying the weight of the two categories of assets in the total assets.

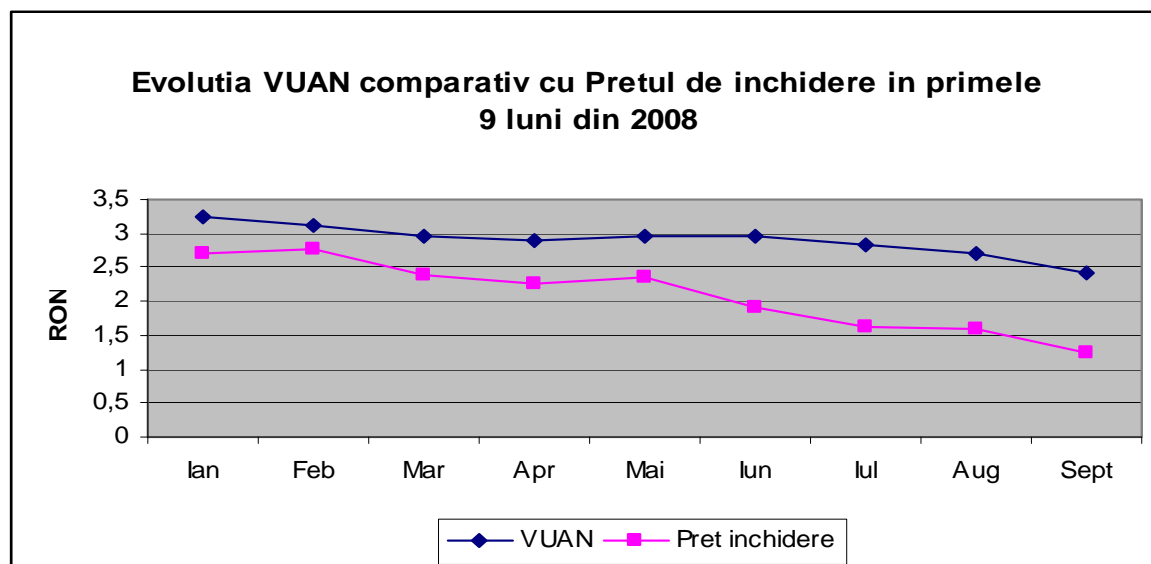
Asset items	Sep 30, 2007	Sep 30, 2007	Sep 30, 2008	Sep 30, 2008
	(RON)	(%)	(RON)	(%)
Listed stock	1.602.096.200	84,22%	966.370.627	75,65%
Unlisted stock	232.642.671	12,23%	248.915.928	19,48%
Other asset items	67.484.332	3,55%	62.155.018	4,87%
TOTAL ASSETS	1.902.223.203	100,00%	1.277.441.573	100,00%

The book value of shares attained as of September 30, 2008 is 2, 4212 RON / share.

The indicator recorded a linearly descending evolution throughout the year 2008:

2008	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul	Aug.	Sept.
BVS	3,2374	3,1050	2,9492	2,8807	2,9518	2,9475	2,8358	2,7039	2,4212
<i>BVS variation compared to 31.12.2007</i>	-6,71%	-10,52%	-15,01%	-16,99%	-14,94%	-15,06%	-18,28%	-22,08%	-30,23%
Closing price	2,7100	2,7600	2,3800	2,2700	2,3400	1,9100	1,6200	1,6000	1,2300
<i>Closing price variation compared to 31.12.2007</i>	-19,59%	-18,1%	-29,38%	-32,64%	-30,56%	-43,32%	-51,93%	-52,52%	-63,5%

As of Sep 30, 2008, the FIC Moldova shares were traded at a 49,20 % discount from the book value of shares. Thus, is at the end of 2007 these values were very close, in the first 9 months of 2007 a difference was created that constantly increased. This underlines the undervaluation of FIC Moldova shares by a significant percentage, even in the context of an important devaluation of the value of the net assets / share.



3. INVESTMENTS

Investments provided in the 2008 budget maintain the yearly level set forth in the “2007-2009 Strategy”, of **70.000.000 RON**.

Investments made as of Sep 30, 2008 (including those pending registration in the case of registered capital increase procedures not yet finalized) amount to **52.821.478 RON**, representing 75,5% of the

targeted annual volume. In the context of national and international financial turbulence, unforeseeable as duration and effect, FIC Moldova undertook a prudent policy of capital market acquisitions. The financial sector being strongly affected, investments were made mostly in issuers presenting solid fundamental data and acting in various other economic sectors.

II. ACHIEVEMENT OF OBJECTIVES IN THE ACTIVITY PLAN

II.1. ACHIEVEMENT OF FINANCIAL OBJECTIVES IN THE 3RD QUARTER OF 2008

II.1.1. SHARE PORTFOLIO MANAGEMENT

II. 1.1.a. Share portfolio restructuring

Between Jan 1, 2008 and Sep 30, 2008, share portfolio management objectives were pursued, as set forth in the FIC Moldova activity program.

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.

Actions resulting from the following operations were recorded in the database:

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

-**division** – resulting the decrease in registered capital of the parent company 4.702 RON in nominal value, and the creation of a new company;

-**the increase in registered capital** in 16 companies from reserves, 19.114.884,60 RON in nominal value (of which: Banca Transilvania, Mecanica Ceahlau, Biofarm);

- **write-off** of 7 companies in which the liquidation procedure was finalized in compliance with Law 85 / 2006, resulting in the elimination from the portfolio of participations held, 788.102,50 RON in nominal value (ex. Agro-Ovinex, Tesatoria de Bumbac Suveica, Oreziicola Smardan, Icefs).

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

- **sales** – the sale of participations (full or partial) in 39 companies, 6.240.077,06 RON in nominal value was recorded (ex. Banca Transilvania, Vinicola Averesti 2000, Confarg, Mecanex, Turism Felix, Erste Bank);

- **acquisitions** – involving stock in 33 companies, 14.957.875,70 RON in nominal value (ex. Fondul Proprietatea, Transelectrica Bucuresti, Banca Transilvania, Transgaz, Ceramica Iasi, Erste Bank);

- **direct investment** (primary investment) – in 18 companies, 5.709.871,80 RON in nominal value (ex. Ceramica Iasi, Banca Transilvania, Galgros, Favil) – including issuers in which subscriptions were made during 2007 and the investment was recorded in 2008. In 2008, subscriptions were made in 5 other companies, 729.082,20 RON, in nominal value, the shares pending registration.

Administration of participations held

FIC Moldova continued to improve its portfolio administration and monitoring activity, to the aim of increasing the value and profitability of investments held in companies. Measures taken to this purpose involved as a priority the implication through General Meetings of Shareholders and Boards of Directors in companies in which FIC Moldova holds majority or control positions, as well as in those in which capital investments were made, in order to impose effective management policies to ensure development of the company and attainment of profit, or crisis policies to ensure the recovery of the company.

At the same time, active involvement in programs for their development was pursued, by supporting financing programs from its own sources or by participating in registered capital increases, by the implementation of corporate governance principles, by increasing the degree of collaboration with the main shareholders in order to carry out common actions to the aim of maximizing profit and listing the company in superior categories of the Bucharest Stock Exchange / BSE (BVB), etc.

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

Restructuring operations throughout the year led to a decrease of the number of companies in the portfolio, therefore on Sep 30, 2008 the portfolio comprises:

Shares totalling 347.491.234,26 RON in nominal value, in 254 companies. (compared to 264 on Dec 31, 2007 and respectively 280 companies as of Sep 30, 2007). Of these, 86 companies, in which FIC Moldova holds shares 54.066.724,60 RON in nominal value, representing 15,56% of the total shares at nominal value, are in various stages of liquidation or judicial reorganization.

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

- 3.120 securities of The Businesspersons' Fund ("Fondul Oamenilor de Afaceri") 8.468 RON in nominal value and 7.482,70 RON in market value;
- 200.000 titles of BT MAXIM, 2.000.000 RON in nominal value and 1.640.000 RON in market value;
- 100 securities of BT INVEST 1, 1.000.000 RON in nominal value and 983.515 RON in market value.

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

Evolution of the portfolio according to trading market

In the Jan 1, 2008 – Sep 30, 2008, portfolio reconfiguration and optimization led to the following structure according to the trading market:

Portfolio structure	Total nominal value of the package				Total market value* of the package			
	Thousand RON		%		Thousand RON		%	
	01.01.08	30.09.08	01.01.08	30.09.08	01.01.08	30.09.08	01.01.08	30.09.08
Securities								
Traded stock, Of which:	176.081	193.287	55,95	55,62	1.513.023	963.169	85,80	79,25
Companies listed at BSE	95.227	120.077	30,25	34,56	1.312.711	825.454	74,44	67,92
Unlisted companies, traded through the BSE system	11.698	13.102	3,72	3,77	12.600	10.683	0,72	0,88
Comp. listed in BVB- BER*	21.462	25.756	6,81	7,40	80.208	53.612	4,55	4,41
Comp. listed in BVB- BER – extra stock market*	47.694	34.352	15,17	9,89	107.504	73.420	6,09	6,04
Untraded stock, Of which:	138.660	154.204	44,05	44,38	250.348	252.117	14,20	20,75
Closed companies	124.496	130.619	39,55	37,59	233.721	238.232	13,25	19,60
Listed, not traded companies	119	2	0,04	0,00	1	1	0,00	0,01
Listed, not traded in last 90 days companies	14.045	23.583	4,46	6,79	16.626	13.884	0,95	1,14
Total	314.741	347.491	100,00	100,00	1.763.371	1.215.286	100,00	100,00

A decrease in the share of the investments in stock traded on the BSE is recorded, together with an increase in unlisted stock.

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

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

“(2) The evaluation of securities and monetary market instruments admitted or traded on a regulated market in Romania, in a member or non-member state and recorded in the accounting of a n ACIO incorporated by Articles of Incorporation as financial assets or current assets is done using:

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

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

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

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

The calculation method is as follows:

a) for holdings of an ACIO incorporated by Articles of Incorporation representing over 50% of the issuer's registered capital, by applying the respective share held by the ACIO to the issuer's Owners' Equity;

b) for holdings of an ACIO incorporated by Articles of Incorporation representing between 33 - 50% of the issuer's registered capital, by applying 85% of the value obtained from the application of the respective share of the issuer's registered capital held by the ACIO to the issuer's Owners' Equity;

c) for holdings of an ACIO incorporated by Articles of Incorporation representing between 5 - 33% of the issuer's registered capital, by applying 75% of the value obtained from the application of the respective share of the issuer's registered capital held by the ACIO to the issuer's Owners' Equity;

d) for holdings of an ACIO incorporated by Articles of Incorporation representing under 5% of the issuer's registered capital, by applying 50% of the value obtained from the application of the respective share of the issuer's registered capital held by the ACIO to the issuer's Owners' Equity.

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

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

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

Structure and evolution of the portfolio by field of activity

The structure of the portfolio by field of activity according to nominal value and calculated value of investments presents as follows:

Field	Company No.		Nom. val. (thousand RON)		% of nominal value		Market value (thousand RON)		% of market value	
	01.01.08	30.09.08	01.01.08	30.09.08	01.01.08	30.09.08	01.01.08	30.09.08	01.01.08	30.09.08
Banking, insurance*	9	8	135.719	151.642	43,12	43,64	1.317.394	897.421	74,71	73,84
Machinery manufacture	24	23	53.689	54.417	17,06	15,66	108.824	62.428	6,17	5,14
Textiles & Garments	43	39	24.886	24.474	7,91	7,04	70.942	54.588	4,02	4,49
Agriculture	60	54	19.212	17.637	6,10	5,08	9.865	10.164	0,56	0,84
Chemicals	9	7	15.806	15.688	5,02	4,51	4.013	3.082	0,23	0,25
Metallurgy	8	7	17.640	17.611	5,60	5,07	55.877	29.339	3,17	2,41

Commerce, restaurants	19	18	8.577	8.892	2,73	2,56	31.006	22.123	1,76	1,82
Food industry	19	17	4.292	4.252	1,36	1,22	7.262	4.828	0,41	0,40
Others	73	81	34.920	52.878	11,10	15,22	158.188	131.313	8,97	10,81
Total	264	254	314.741	347.491	100,00	100,00	1.763.371	1.215.286	100,00	100,00

* in the case of Erste Bank, the shares acquired in it are not reflected in the nominal value, only in the market value.

The top 10 companies in the portfolio classified by the market value of the FIC Moldova share as of Jun 30, 2008 are presented in the following table:

Company	City	Field of Activity	Market value of FIC share on 01.01.2008 (thousand RON)	Market value of FIC share on 30.09.2008 (thousand RON)
BRD GSG	Bucuresti	Banking	885.899	558.220
BCR	Bucuresti	Banking	180.498	183.210
BANCA TRANSILVANIA	Cluj	Banking	219.205	124.433
PETROM	Bucuresti	Services related to oil extraction	43.751	37.867
TESATORIILE REUNITE	Bucuresti	Textiles	38.334	31.499
MECANICA CEHLAU	Piatra Neamt	Machinery manufacture	47.596	29.495
BANCPOST	Bucuresti	Banking	26.986	27.258
BIOFARM	Bucuresti	Pharmaceuticals	67.348	26.115
ARCELORMITTAL TUBULAR PRODUCTS ROMAN	Roman	Metallurgy	38.524	17.130
AEROSTAR	Bacau	Machinery manufacture	21.999	14.884

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

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

Specification	01.01.2008		30.09.2008	
Insignificant shares: % SIF < 10%				
Number of companies	121		126	
Nominal value (thousand RON) / percentage	181.555	57,70	219.724	63,23
Significant shares: 10% ≤ % FIC < 33%				
Number of companies	115		103	
Nominal value (thousand RON) / percentage	102.930	32,70	95.806	27,57
Control shares: 33 % ≤ % SIF < 50 %				
Number of companies	18		17	
Nominal value (thousand RON) / percentage	11.297	3,58	11.682	3,36
Majority shares: % SIF ≥ 50 %				
Number of companies	10		8	

Nominal value (thousand RON) / percentage	18.959	6,02	20.279	5,84
Total shares:				
Number of companies	264		254	
Nominal value (thousand RON) / percentage	314.741	100,00	347.491	100,00

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

II.1.1.b. Investing-disinvesting activity

Investing in shares - on the primary market

In the Jan 1 – Sep 30, 2008 period shares were registered from primary market investments by participating in the registered capital increase in 18 issuers at a issue price of 9.769.350,27 RON (of which 3.748.223,93 RON amounts disbursed in the previous year and registered in 2008).

Also, subscriptions and payments were made in 5 other companies, at a price of 733.117,82 RON, the shares pending registration in the portfolio. Added to that, disbursements were completed (with the amount of 598.400 RON) for an issuer in which the increase and registration were done in 2007.

In total, in the first 9 months of 2008, investments were made amounting to 7.352.644,16 RON (of which the amount of 541.827 RON related to operations in 2007, resumed in 2008).

Investing in shares - on the secondary market

In the context of the prolonged crisis affecting the external and internal capital markets as well as from the perspective of uncertainties regarding the duration and depth of the financial crisis, FIC Moldova has opted for a prudent approach in acquisition operations, concentrating its investment effort in issuers with solid fundamental data, from various fields of activity (energy, utilities, pharmaceuticals, food industry, etc).

In these conditions, in the first nine months of 2008, acquisition operations carried out were targeted at shares with a total acquisition value (including trading commissions) of 45.993.772 RON – increasing (by approx. 6%) compared to the corresponding period of 2007.

We specify that in the case of some issuers, the acquisition programs carried out previously are producing results consisting of the receipt of free shares (significant examples: Transilvania Bank, Biofarm, Mecanica Ceahlau, etc.), respectively in the granting of the right to subscribe in registered capital increase operations (significant examples: Banca Transilvania, Ceramica, etc.).

Investment in derivative financial instruments

In the context of the portfolio diversification policy as well as in order to exploit opportunities, transactions were made on the derivatives market (BMFMS), the allocated amount being 226.351 RON, a profit of 226.344 RON being recorded as of the end of September 2008.

Disinvesting activity

As of the end of the first three quarters of 2008 revenue from the sale of securities was recorded amounting to 39.748.075 RON, with a related profit of 27.670.597 RON. Compared to the corresponding period of 2007, the increase in revenue from the sale of securities by approx. 29% and of the related profit with approx. 52,5% shows FIC Moldova's preoccupation with accumulating liquidities ensuring a better market position during the financial crisis (fructification of price opportunities) and at the moment of resuming the increasing trend of the quotations.

In relation to the objectives set forth for the year 2008: revenue from sales of securities amounting to 107.670.000 mil. RON, respectively a profit of 82.000.000 RON – the degree of fulfillment is 37% of the revenue level, respectively 34% of the profit level.

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, 2008 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 as of Sep 30, 2008 according to Finance Ministry Order no. 1752 / 2005 based on the historic cost less accumulated adjustments for value losses at the date of the balance sheet in 2007.

The financial status is reflected in balance sheet items:

	Row no.	Balance	
		January 1, 2008	September 30, 2008
A	B	1	2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1. Constitution expenses	01	-	-
2. Development expenses	02	-	-
3. Grants, patents, licenses, trademarks, similar rights and values and other intangible assets	03	63.097	31.670
4. Goodwill fund	04	-	-
5. Advances and pending intangible assets	05	-	37.848
TOTAL: (row 01 to 05)	06	63.097	69.518
II. TANGIBLE ASSETS			
1. Land and buildings	07	18.602.307	18.206.751
2. Equipment	08	781.757	409.840
3. Other equipment, furniture and fixture	09	127.992	96.998
4. Advances and pending tangible assets	10	-	-
TOTAL: (row 07 to 10)	11	19.512.056	18.713.589
III. FINANCIAL ASSETS			
1. Shares held in affiliated entities	12	-	-
2. Loans granted to affiliated entities	13	-	-
3. Securities in the form of investments	14	-	-
4. Loans granted to entities in which the company is an investor	15	-	-
5. Securities and other financial instruments as assets	16	397.415.727	457.333.200
6. Other claims	17	244.081	256.112
TOTAL: (row 12 to 17)	18	397.659.808	457.589.312
NON-CURRENT ASSETS – TOTAL (row 06 + 11 + 18)	19	417.234.961	476.372.419
B. CURRENT ASSETS			
I. INVENTORY			
1. Consumables	20	22.331	25.654
2. Work in progress	21	-	-
3. Advances for purchase of inventories	22	1.553	9.127

	Row no.	Balance	
		January 1, 2008	September 30, 2008
A	B	1	2
TOTAL: (rd. 20 la 22)	23	23.884	34.781
II. RECEIVABLES (Amounts to be received in more than one year have to be presented separately for each item.)			
1. Trade receivables	24	35.455.334	36.019.373
2. Receivables from companies in the group	25	-	-
3. Receivables from participation interest	26	-	-
4. Other receivables	27	4.701.597	2.037.127
5. Receivables from subscribed and unpaid capital	28	-	-
TOTAL: (row 24 to 28)	29	40.156.931	38.056.500
III. SHORT TERM FINANCIAL INVESTMENTS			
1. Shares held in affiliated entities	30	-	-
3. Other short term financial investments	31	1.070.514	740.479
TOTAL: (row 30 to 31)	32	1.070.514	740.479
IV. CASH AND BANK ACCOUNTS	33	2.760.539	1.575.760
CURRENT ASSETS - TOTAL (rd. 23 + 29 + 32 + 33)	34	44.011.868	40.407.520
C. PREPAID EXPENSES	35	72.039	88.163
D. CURRENT LIABILITIES			
1. Loans from bonds issues	36	-	-
2. Notes payable	37	-	-
3. Precollected revenue	38	-	-
4. Accounts payable	39	455.655	46.209
5. Commercial papers payable	40	-	-
6. Liabilities to companies in the group	41	-	-
7. Liabilities involving participation interest	42	-	-
8. Other liabilities, including taxes payable and social security liabilities	43	23.331.654	20.569.167
TOTAL: (row 36 to 43)	44	23.787.309	20.615.376
E. CURRENT ASSETS LESS NET CURRENT LIABILITIES (row 34 + 35 - 44 - 60.2)	45	20.285.356	19.869.403
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rd. 19 + 45 - 60.1)	46	437.520.317	496.241.822
G. NON-CURRENT LIABILITIES			
1. Loans from bonds issues	47	-	-
2. Long term loans	48	-	-
3. Precollected revenue	49	-	-
4. Trade debt	50	-	-
5. Commercial papers payable	51	-	-
6. Liabilities to institutions or companies in the group	52	-	-
7. Liabilities involving participation interest	53	-	-
8. Other liabilities, including tax debt and social security debt	54	-	-
TOTAL: (row 47 to 54)	55	-	-
H. PROVISIONS			
1. Provisions for pensions and similar obligations	56	-	-
2. Provisions for taxes	57	36.355.161	39.038.848
3. Other provisions	58	12.612.155	-
TOTAL PROVISIONS: (row 56 +57 + 58)	59	48.967.316	39.038.848
I. PRECOLLECTED REVENUE (row60.1+60.2) of which:	60	11.242	10.904
1. Subsidies for investments	60.1	-	-

A	Row	Balance	
	no.	January 1, 2008	September 30, 2008
	B	1	2
2. Precollected revenue	60.2	11.242	10.904
J. EQUITY AND RESERVES			
I. EQUITY (row 62 to 63) of which:	61	51.908.959	51.908.959
1. Subscribed and unpaid capital	62	-	-
2. Subscribed and paid capital	63	51.908.959	51.908.959
II. SHARE PREMIUM	64	-	-
III. REVALUATION RESERVES			
Balance C	65	15.541.203	15.540.394
Balance D	66	-	-
IV. RESERVES (row 68 to 73 -74)	67	255.638.137	315.156.780
1. Legal reserves	68	10.381.792	10.381.792
2. Statutory or contractual reserves	69	-	-
3. reserves constituted from free shares/notes	70	101.685.269	115.312.908
4. reserves from fair value evaluation	71	-	-
5. reserves representing surplus from revaluation reserves (acc.1067)	72	1.997.417	1.998.709
6. other reserves (acc.1068)	73	141.573.659	187.463.371
7. treasury shares (acc.109)	74	-	-
V. REPORTED RESULT (acc. 117)			
Balance C	75	-	-
Balance D	76	52.726	-
VI. RESULT OF FISCAL YEAR (acc. 121)			
Balance C	77	65.573.287	74.596.841
Balance D	78	-	-
Profit appropriation (acc. 129)	79	55.859	-
TOTAL EQUITY (row 61 + 64 + 65 - 66 + 67 + 75 - 76 + 77 - 78 - 79)	80	388.553.001	457.202.974

As of September 30, 2008, from the **total assets worth** 516.857.198 RON, recorded at historical cost, the weight of **financial non-current assets** (mainly securities of companies in the portfolio) represent 88,53 % and record a 15,08% increase compared to the beginning of the fiscal year. The value of investments is recorded at historical cost, less cumulated adjustments for losses as of the date of the 2007 balance sheet. Devaluation adjustments corresponding to securities for the current year will be reflected in financial statements for December 31, 2008.

	January 1, 2008	September 30, 2008	± %
● Investments in companies	397.415.727	457.333.200	15,08
● Other financial instruments	244.081	256.112	4,93
Total	397.659.808	457.589.312	15.07

Current assets represent 7,82 % of the total assets and consist 89,14 % of trade receivables, including monetary investments as short term bank deposits.

Cash and liquidities represent 7,29 % of total assets and consist of:

	January 1, 2008	September 30, 2008	± %
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• Cash and bank accounts	2.759.891	1.572.835	(43,01)
• Other assets	648	2.925	45,39
• Bank deposits	35.289.949	35.866.592	1,63
• Deposits for material pledges	226.318	238.849	5,54
TOTAL	38.276.806	37.681.201	(1,56)

The company's current liabilities as of Sep 30, 2008 amount to 516.857.198 RON, of which:

	January 1, 2008	September 30, 2008	± %
• Non-current liabilities	23.787.309	20.615.376	(13,33)
• Provisions for risks and expenses	48.967.316	39.038.848	(20,28)
• Owners' equity	388.553.001	457.202.974	17,67

The company's liabilities as of Sep 30, 2008 represent 3,99 % of the total liabilities and owners' equity and have the following structure:

LIABILITIES	Rand	January 1, 2008	September 30, 2008	Due date under 1 year
Trade payables	01	455.655	46.209	46.209
Commercial papers payable	02	-	-	-
Other liabilities	03	23.331.654	20.569.167	20.569.167
TOTAL, of which:	04	23.787.309	20.615.376	20.615.376
• Suppliers	05	455.655	46.209	46.209
• Liabilities to government and special funds	06	1.888.936	439.683	439.683
• Dividends payable	07	20.224.011	19.411.373	19.411.373
• Various payables	08	52.419	51.279	51.279
• Other liabilities to staff and social insurance	09	340.924	427.521	427.521
• Material pledges	10	226.964	239.311	239.311
• Payments due for financial investments	11	598.400	-	-

For the listed liabilities no guarantees were made or mortgages granted. FIC has no outstanding loans.

Provisions constituted for risks and expenses represent 7,55 % of the total liabilities and owners' equity.

Owners' equity increased in the January 1, – September 30, 2008 period by 17,67 %.

The company's financial performance is reflected in the income statement.

Item name	Row no.	September 30, 2007	September 30, 2008
A	B	1	2
A. REVENUE FROM OPERATIONS			
TOTAL (row 02 to 11)	01	87.456.334	122.752.919
1. Revenue from financial assets	02	36.187.159	46.280.023
2. Revenue from short term financial investments	03	-	-
3. Revenue from receivables as assets	04	-	-
4. Revenue from ceded financial investments	05	31.148.422	40.079.595
5. Revenue from services performed	06	-	-
6. Revenue from provisions, reactivated claims and various receivables	07	12.970.282	31.561.930
7. Revenue from exchange rate changes	08	2.941.778	11.825
8. Revenue from interest	09	3.135.819	3.125.818
9. Revenue from non-current assets production	10	-	-
10. Other revenue from operations	11	1.072.874	1.693.728
B. EXPENSES WITH OPERATIONS			
TOTAL (row 13 to 20)	12	28.519.985	44.782.459
1. Losses related to claims resulting from investments	13	-	-
2. Expenses related to ceded financial investments	14	10.229.871	12.170.507
3. Expenses with exchange rate differences	15	3.730.105	445.156
4. Expenses related to interest	16	-	-
5. Expenses with commissions and fees	17	1.396.386	1.622.474
6. Expenses with banking and similar services	18	28.148	30.835
7. Depreciations, provisions, losses from claims and various receivables	19	2.640.058	16.792.453
8. Other expenses with operations (row 21+22+23 + 26 + 27)	20	10.495.417	13.721.034
a. Expenses with materials	21	373.300	392.277
b. Expenses with electricity and water	22	136.490	141.893
c. Expenses with staff, of which:	23	9.283.322	12.274.906
c1. Salaries	24	7.900.928	10.384.107
c2. Expenses related to insurance and social security	25	1.382.394	1.890.799
d. Expenses related to external services	26	563.130	666.743
e. Expenses with other taxes and similar payments	27	139.175	245.215
C. OPERATIONAL RESULT			
-profit (row 01-12)	28	58.936.349	77.970.460
-loss (row 12-01)	29	-	-
D. GAINS			
E. LOSSES	31	-	-
F. RESULT			
-profit (row 30-31)	32	-	-
-loss (row 31-30)	33	-	-
TOTAL REVENUE (row 01 + 30)	34	87.456.334	122.752.919
TOTAL EXPENSE (row 12 + 31)	35	28.519.985	44.782.459
G. GROSS MARGIN			
- profit (row 34 - 35)	36	58.936.349	77.970.460
- loss (row 35 - 34)	37	-	-
21. PROFIT TAX			

Item name	Row no.	September 30, 2007	September 30, 2008
A	B	1	2
- tax expense	38	2.956.702	3.373.619
- Other tax expense	39	-	-
- profit (row 36 - 38 - 39)	40	55.979.647	74.596.841
- loss (row 37 + 38 + 39) or (row 38 + 39 -36)	41	-	-

The profit attained in the January 1 – September 30, 2008 period, of 74.596.841 RON, records a 33,26% increase, compared to the corresponding period of the previous fiscal year.

In the context of the volatility of quotations of financial instruments on the Bucharest Stock Exchange, the profit attained is exposed to price risk, to the effect of decreases due to the influence of value adjustments (as of September 30, 43.043.841 RON).

The structure of revenue and expenses in the January 1 – September 30, 2008, compared to the structure of revenue and expenses in corresponding period of 2007, presents as follows:

REVENUE	January 1 –September 30, 2007	January 1 –September 30, 2008
• financial non-current assets	41,38 %	37,70 %
• ceded financial investments	35,62 %	32,65 %
• revenue from interest	3,59 %	2,55 %
• provisions, reactivated claims	14,83 %	25,71 %
• other revenue	4,58 %	1,39 %
TOTAL	100,00 %	100,00 %
EXPENSES	January 1 –September 30, 2007	January 1 –September 30, 2008
• ceded financial investments	35,87 %	27,18 %
• exchange rate variations	13,08 %	0,99 %
• commissions and fees	4,90 %	3,62 %
• depreciations, provisions	9,26 %	37,50 %
• materials	1,31 %	0,88 %
• electricity and water	0,48 %	0,32 %
• expenses with staff	32,55 %	27,41 %
• external services	1,97 %	1,49 %
• taxes and similar payments	0,49 %	0,55 %
• banking services	0,09 %	0,06 %
TOTAL	100,00 %	100,00 %

As seen in the data presented for the January 1, – September 30, 2008 period, the largest weight in the total revenue is held by revenue from financial non-current assets - dividends - 37,70 % and revenue from ceded financial investments – 32,65 %.

In the January 1, – September 30, 2008 period, the largest weight in the total expenses is held by expenses with ceded financial investments – 27,18 %, expenses with depreciations and provisions – 37,50 %, expenses with staff - 27,41 %.

The weight of total expenses in total revenue realized presents as follows:

- January 1, – September 30, 2007 32,61 %
- January 1, – September 30, 2008 36,48 %

Net sales realized by FIC Moldova from the securities trading activity amount to **27.909.088 RON**.

Gross total revenue realized amounts to **127.752.919 RON**.

Expense items recorded exceeding 20% of net sales are:

• Depreciations, provisions, losses from receivables and various debtors	16.792.453
○ depreciations	899.404
○ value adjustments	5.443
○ losses from receivables and various debtors	15.887.606

Losses from receivables and various debtors arise from the liquidation of companies whose debts to FIC could not be settled and for which devaluation adjustments were constituted in previous fiscal years. The registration of these expenses does not influence the size of the net profit for the January 1 – September 30, 2008 period.

• Expenses with staff	12.274.906
Of which:	
○ Salaries	5.702.484
▪ Management contracts	802.874
▪ Board of directors	794.680
▪ Employees	3.991.699
▪ Collaborators	113.231
○ Other salary rights	4.681.623
▪ participation in the benefit plan (directors and employees)	4.576.067
○ Expenses related to insurance and social security	1.890.799

In the January 1 – September 30, 2008 period, revenue and expense accounts were influenced, continuing to apply the prudence principle, by provisions and depreciation adjustments, thus:

	- RON -
• Revenue	31.561.930
○ Cancellation of contingent debt provision for which judicial litigations were closed in favour of FIC	7.784.404
○ Cancellation of value adjustments for receivables with insolvency procedure finalized	15.887.607
○ Cancellation of adjustments for receivables settled	2.580.824
○ Cancellation of provision for participation in benefit plans	4.827.751
○ Other amortization adjustment cancellations	481.344
• Expenses	16.792.453
○ Depreciation	899.404
○ Value adjustments	5.443
○ Losses from claims with insolvency procedure completed	15.887.607

Dividends declared by FIC Moldova for the 2007 fiscal year amounted to 25.954.480 RON, of which as of September 30, 2008, 18.623.475 RON have been paid to shareholders.

CASH FLOW STATEMENT

ITEM / PERIOD	January - September 2007	Year 2007	January - September 2008
1. Cash at beginning of period (a+b)	61.344.938	61.344.938	38.276.158
a. Current accounts	3.245.281	3.245.281	2.759.890
b. Financial investments - DEPOSITS	58.099.657	58.099.657	35.516.268
A. Operations (2-3)	(14.424.618)	(22.541.848)	(16.449.583)
2. Cash inflows	3.001.996	4.140.643	4.663.844
3. Cash outflows	17.426.614	26.682.491	21.113.427
B. Investment activity (4-5)	17.498.567	27.324.327	36.676.574
4. Cash inflow	65.090.310	88.438.433	79.774.210
5. Cash outflow	47.591.743	61.114.106	43.097.636
C. Financing activity (6-7)	(21.244.888)	(27.851.249)	(20.824.874)
6. Cash inflow	2.309.285	2.312.260	2.338.700
7. Cash outflow	23.554.173	30.163.509	23.163.574
TOTAL CASH FLOW (A+B+C)	(18.170.938)	(23.068.770)	(597.883)
CASH AT END OF PERIOD	43.173.999	38.276.168	37.678.275
a. cash office - RON	3.292	4.099	3.245
b. banks – RON	13.041.398	2.982.102	1.563.121
c. banks - foreign currency	8	8	6.469
d. deposits	30.129.301	35.289.949	35.866.592
e. deposit pledges	-	-	238.849

II.1.3. RISK MANAGEMENT

II.1.3.a. Description of the Company's exposure to risk

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

Price Risk

FIC is exposed to the price risk, being vulnerable to the value of securities fluctuating as a result of changing market prices.

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

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.

Economic environment risk

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

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

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

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

Interest rate risk

Most of the Company's financial assets and liabilities do not bear interest, therefore the market interest rate fluctuations do not significantly affect FIC Moldova's operations. The surplus of cash or equivalents available is invested in short term investment securities with maturity of up to 1 or 6 months.

Credit risk

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

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

Liquidity risk

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

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

Tax related risk

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

Fiscal legislation in Romania, as well as the fiscal measures enforcement, change frequently and are subject to interpretations, sometimes different, of various authorities. The Government of Romania subordinates a number of agencies authorized to control both Romanian and foreign entities operating in Romania. These controls are to a high extent similar to those effected in many other countries, but they may extend over legal or regulation areas in which the Romanian authorities may be interested. Furthermore, these authorities seem to be less submitted to strict regulations, and the companies under control seem to be less protected than usual in other countries.

Statements regarding taxes can be subjected to control and review over a period of five years, in general, after their submission. In compliance with the legal regulations in force in Romania, periods subject to control may be later additionally reviewed.

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, 2008, may be subject to a later check.

II.1.3.b. Compliance with legal regulations regarding ownership limitations

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

Portfolio exposure as of September 30, 2008, according to the net asset value calculated and certified by the depository, BRD – GSG Bucuresti, was the following:

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

Type of asset	Asset value (RON)	Weight in total assets	Limit imposed
Closed shares (excepting BCR and Bancpost, according to the provisions of art.275 para (2))	27.764.142,68	2,173	
TOTAL	27.764.142,68	2,173	< 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, 2008, the 10% threshold provided is exceeded in the following holdings:

- o BRD Bucuresti – 44,415 % of total assets

for which the provisions of the following paragraph apply:

In compliance with article 275 para. 2 of NSC Regulation No. 15 / 2004, BRD-GSG is excluded from the calculation regarding ownership limitations provided in art. 188. letter b).

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	124.432.925,59	9,741	
BT Maxim and BT Invest 1 shares	2.623.515,00	0,205	
GROUP TOTAL	127.056.440,59	9,946	< 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.

As of September 30, 2008 the weight thereof was 0,142% (1.811.977,03 RON/1.277.441.572,88 RON).

f) The weight of bank deposits constituted and held in the same bank may not exceed 30% of the total assets. Total holdings in bank deposits amount to 2,819% (36.007.244,50 RON/1.277.441.572,88 RON).

g) Total holdings in derivative financial instruments may not exceed the total net asset value.
The value of the derivative financial instruments = 13.783,80 RON < net assets value = 1.256.815.292,88 RON.

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

ACIO name	Asset value (RON)	Weight in total assets (%)	Limit imposed
XFOA shares	7.482,70	0,001	
BT Invest 1 securities	983.515,00	0,076	
TOTAL ACIO	990.997,71	0,077	< or = 50%

The limit imposed is not exceeded .

II.2. ACHIEVEMENT OF NON-FINANCIAL OBJECTIVES IN THE 3RD QUARTER OF 2008

II.2.1. STATUS OF LITIGATIONS

In the first 9 months of 2008, 235 litigations were recorded with various objects, of which 68 cases were solved and 167 cases remained in court as of Sep 30, 2008. Of the 235 litigations recorded in the Jan 1 – Sep 30, 2008 period, in 201 cases FIC Moldova was a plaintiff and in 34 cases it was a defendant.

As of Sep 30, 2008, 137 legality approvals were granted and 38 files were constituted involving juridical consultancy and assistance for various projects undertaken by the Company or by FIC Moldova departments.

As a consequence of diligences undertaken, up to Sep 30, 2008, receivables were recovered amounting to 1.480.128,77 RON and 855.015,37 USD.

I. Litigations in which FIC Moldova is a plaintiff

- total litigations = 201 cases, of which 148 cases are in court in various judicial stages and 53 cases are solved;
- value of litigations in RON = 19.999.076,27 RON, of which:
 - the amount of 179.725,74 RON - recovery of overdue dividends;
 - the amount of 11.785.199,11 RON - insolvency procedure;
 - the amount of 8.034.151,42 RON - claims.
- value of litigations in foreign currency = 21.725.395,91 USD by category of object, as follows:
 - the amount of 2.650.302,68 USD - insolvency procedure;
 - the amount of 2.687.610,44 USD - claims;
 - the amount of 16.387.482,79 USD - contestations for fulfillment.

Litigations in this category are classified thus:

1. Litigations involving the repealment of illegal resolutions of General Meetings of Shareholders in the FIC Moldova portfolio = 89 cases, of which 55 cases in court in various stages of litigation and 34 finalized up to Sep 30, 2008 (annex IV.5.1).

The object of the GMS decisions contested in court mainly consists of increases in registered capital, modifications of articles of incorporation, decreases of registered capital, approval of investments and non-profitable loans for companies and also the withdrawal of companies from trading on the regulated market.

2. Litigations involving the recovery of overdue dividends = 5 cases, of which one was finalized up to Sep 30, 2008, 4 cases remaining in court or in the foreclosure phase and pending resolution. (annex IV.5.2). The total amount recovered from claims with this object is 98.830,22 RON.

3. Litigations involving the insolvency procedure = 30 cases, of which 23 in court and 7 solved (annex IV.5.3).

Cases under the incidence of the Law regarding insolvency procedure involve the bankruptcy of companies in the FIC portfolio. In this procedure, FIC Moldova usually has the quality of a priority creditor. The majority of these litigations are pending resolution in lower court. In 4 of these litigations, actions are filed for incurring personal joint liability for former directors having contributed to causing the insolvency, respectively: Cona Impex S.R.L.; S.C. Max Invest S.R.L.; S.C. Editip S.A. si C.B. Investitii S.R.L.

During the 3rd quarter of 2008, 3 cases in this category were closed, without recording receipts on account of the receivables from debtors. At the same time, a request was filed for initiating the insolvency procedure against S.C. Cochet S.A. Sibiu, for the amount of 10.392 RON, the case being in lower court.

Up to September 30, 2008, the amount of 855.015,37 USD was recovered from these litigations from the partial liquidation of the assets of the debtor S.C. Max Invest S.R.L.

4. Litigations involving various monetary claims = 22 cases in court, 4 solved (annex IV.5.4).

The object of these litigations mainly consists of civil actions for damages to FIC Moldova by various natural or juridical persons among which claims initiated by FIC Moldova against persons responsible for bringing the debtor companies into bankruptcy or the recovery of damages representing judicial expenses borne by FIC as a consequence of litigation against SARA.

Also, these litigations involve foreclosure procedures initiated against natural persons liable for damages to FIC Moldova as well as juridical persons guaranteeing the banking liabilities of issuers of promissory notes endorsed by the former Private Property Fund II Moldova.

As a consequence of efforts undertaken and of judicial procedures initiated, up to September 30, 2008 receipts were made amounting to 1.383.242,55 RON.

5. Litigations with various objects = 12 cases, of which 3 were solved and 9 are still in court (annex IV.5.5).

During the 3rd quarter of 2008, two new litigations were initiated, against the Commercial Registry Office of the Bucuresti Tribunal, involving the write-off of mentions not reflecting reality.

In the same period, receipts were made amounting to 581.525,00 RON, completely recovering the receivable from the debtor Asociatia PAS Tranzitour.

6. Litigations involving draft oppositions and contestations to the foreclosure of promissory notes endorsed by FPP II Moldova = 26 cases.

Litigations involving draft oppositions have no monetary value, the cases involving matters of form of the issuance of the promissory notes.

Most of the litigations involving contestations to the foreclosure by the State Assets Recovery Agency - SARA (AVAS) during 2006 of the FIC Moldova patrimony, based on promissory notes, are in the lower court or the appeal phase.

Up to September 30, 2008, in 6 cases rulings favourable to FIC Moldova were pronounced, the rulings being appealed against by SARA, mentioning that in the case involving PN 3.032.482,79 USD issued by Digicom S.A. SARA's appeal was rejected, the ruling being final and irrevocable.

In 7 cases FIC's dispute was rejected, these decisions being appealed against by FIC Moldova. The rulings are not final. (annex IV.5.6).

7. Criminal litigations = 3 cases in court in preliminary investigations or in criminal prosecution and 4 cases solved (annex IV.5.7).

II. Litigations in which FIC MOLDOVA is a defendant

- total litigations = 34 cases, of which:
 - 19 cases are in court in various judicial stages;
 - 12 cases were solved.
- value of litigations in court:
 - 52.028,80 RON - claims;
 - 1.940.000,00 USD - SARA direct actions.

Litigations in this category are classified thus:

1. Litigations with various objects and claims files = 19 cases in court in various judicial stages and 6 cases solved (annex IV.5.8).

There are 15 cases involving various issues, referring to requests by third parties to establish the nullity of sale contracts, obligations to do or financial claims.

Besides the cases mentioned above there are 3 more, involving goods not in FIC Moldova's patrimony, involving the claim of real estate in the property of other companies in the FIC Moldova portfolio. In these cases FIC Moldova is called as a guarantor by the companies actually holding the buildings claimed in order to compensate them in case the claim is admitted.

2. Litigations involving direct bill actions = 9 cases, against SARA București, all solved (annex IV.5.9).

Except for the case involving S.C. Symbol Electronica S.R.L. Bacau in which SARA prevailed, the other cases received final and irrevocable rulings in favour of FIC Moldova.

II.2.2. RELATIONS WITH SHAREHOLDERS AND CAPITAL MARKET INSTITUTIONS

Compliance with corporate governance principles

In order to apply OECD principles in the code of management and administration, FIC Moldova, in its relation with shareholders and capital market institutions, focused on:

1. Protecting and ensuring shareholders' rights: property rights, the right to participate in General Meetings of Shareholders (directly – by convocation, announcements, publishing – or by representation – provision of special proxies, ballots for voting by mail, lists of representatives, information), the right to information (directly, in writing, publishing, on the website) and the right to receive dividends (with or without an express request).
2. Equal treatment of shareholders, irrespective of holding level.
3. Ensuring compliance with obligations to inform and report to the market and capital market institutions (NSC, BSE) and to answer the requests of these institutions.

Communication obligations are regulated by specific requirements of NSC and BSE – NSC regulations no. 1 / 2006 and no. 15 / 2004, BSE Code, the provisions of Law no. 297 / 2004 regulating the capital market and the 2008 financial reporting schedule.

Relating to the aforementioned legislation, FIC Moldova fulfilled all obligations ensuing from legal provisions, as follows:

a. In relation to capital market institutions

a.1. Periodic reports towards NSC and BSE

- weekly and monthly reports – status of net assets, status of assets and detailed status of investments (Annexes 16 and 17 of NSC Regulation no. 15 / 2004), drafted and transmitted to BSE and NSC according to regulations in force;
 - monthly report regarding holdings exceeding 1% of the registered capital of persons defined in art. 2, para. 1 of NSC Instruction no. 1 / 2007. The statements of persons defined in NSC Instruction no. 1 / 2007 are provided on the FIC Moldova website - www.sifm.ro.
 - annual report on Dec 31, 2007 – transmitted to NSC and BSE (according to the financial calendar), posted on the company website (www.sifm.ro) and available in written form, according to the

press release regarding the provision to shareholders (the “Bursa” newspaper of Apr 29, 2008), in compliance with Law 297 / 2004 and NSC regulations no. 15 / 2004 and 1 / 2006.

- quarterly report on Mar 31, 2008 transmitted to NSC and BSE (according to the financial calendar), included in the www.sifm.ro website and available in written form, according to the press release regarding the provision to shareholders (the “Bursa” newspaper of May 15, 2008), according to Law 297 / 2004 and NSC Regulations no. 15 / 2004 and 1 / 2006.

half year report on Jun 30, 2008, transmitted to NSC and BSE (according to the financial calendar) included in the www.sifm.ro website and available in written form, according to the press release regarding the provision to shareholders (the “Bursa” newspaper of Aug 15, 2008), according to Law 297 / 2004 and NSC Regulations no. 15 / 2004 and 1 / 2006.

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

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

- significant transactions – sale / acquisition / subscription of shares of - SC TARA DE SUS SA Suceava; SC CONFARG SA Curtea de Arges, CNTEE TRANSELECTRICA SA Bucuresti, BANCA TRANSILVANIA SA Cluj-Napoca, SC TURISM FELIX SA Baile Felix, SC DONARIS SA Tulcea, SC MECANEX SA Botosani;

- 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;;

- reports regarding Board of Directors decisions related to changes in the Company's management;

- reports regarding the Board of Directors' decision to convoke the General Ordinary Meeting of FIC Moldova shareholders for the date of Nov 14 / 15, 2008;

- other important aspects communicated: financial calendar, payment of dividends, notifications regarding notices / communications / foreclosures / SARA litigations.

b. In relations with shareholders

Obligations to inform FIC Moldova shareholders were respected by the issuance of press releases, publishing of reports, information through the electronic system of the capital market and posted on the Company website, offering equal treatment to shareholders.

- organization and conduct of the General Meeting of Shareholders of Apr 23 / 24, 2008:
 - All steps were taken to inform shareholders and provide them with documents related to the organization and conduct of the Ordinary and Extraordinary General Meetings of Shareholders of Apr 23 / 24, 2008:
 - preliminary financial results (“Bursa” newspaper of 11.02.2008)
 - the convocation of the general meetings (“Bursa” newspaper and Deșteptarea local newspaper of Feb 25, 2008, the Official Gazette part 4, no. 1121/26.02.2008);
 - informative materials related to the agenda accompanies by the Board of Directors' report for the year 2007 together with the unaudited financial statements (on Feb 27, 2008) and in the final draft (on Apr 1, 2008), drafted and provided in compliance with the stages set forth in the Convocation (according to Law 31 / 1990R modified by Law 441 / 2006, Law 297 / 2004 and NSC Regulations no. 1 / 2006 and no. 15 / 2004);
 - A new possibility was created for shareholders to participate in general meetings by implementing the voting by electronic correspondence system, which enabled the expression

and participation of shareholders regardless of the country of residence, language spoken or means of interaction (direct or through intermediaries);

- the decisions of the Ordinary General Meeting of Shareholders of Apr 24, 2008 (“Bursa” newspaper of Apr 25, 2008, the Official Gazette part 4, no. 2831/22.05.2008);
- informing the shareholders regarding the convocation of the General Ordinary Meeting of Shareholders of FIC Moldova for the date of Nov 14 / 15, 2008, by publishing in the press (“Bursa” newspaper and Deșteptarea local newspaper of Sep 22, 2008), the Official Gazette part 4, no. 5221/22.09.2008 and in the NSC Bulletin; provision to shareholders of informative materials related to the agenda, of special proxies and voting by mail ballots and of voting procedures;
- informing the shareholders regarding decisions of the Board of Directors related to changes in the Company's management by publishing current reports in the press and on the Company website (releases published in the “Bursa” newspaper of Jul 17, 2008 and Oct 1, 2008);
- reports of the Board of Directors : annual report, 1st quarter of 2008 report and 1st half of 2008 report (shareholders were informed of the publishing of the aforementioned reports through press releases published in the Bursa newspaper of Apr 29, 2008, May 15, 2008 and Aug 15, 2008);
- information regarding the payment of dividends (Bursa newspaper of Jan 15, 2008, Jun 3, 2008 and Jul 14, 2008);
- significant transactions (press releases published in the “Bursa” newspaper);
- other events.

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

Information subject to shareholder information obligations are published on the Company website in Romanian and English language.

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 from the 2007 fiscal year towards shareholders is being carried out according to decisions adopted by the Ordinary General Meeting of Shareholders of April 24, 2008: payment of dividends through the pay office (shareholders – natural persons), bank transfer – on request (natural and juridical persons) and by money order (for natural person shareholders holding more than 95 shares and less than 30.000 shares).

Status of amounts paid and pending payment (by money order) from the date of the GMS 2008 and up to **Sep 30, 2008** is as follows:

Payment:	Dividend for 2005		Dividend for 2006		Dividend for 2007	
	<i>(0.0670 RON/share)</i>		<i>(0.0630 RON/share)</i>		<i>(0.0500 RON/share)</i>	
	No. of shareholders	RON	No. of shareholders	RON	No. of shareholders	RON
after the GMS of 2006	121,470	27,707,157.94				
after the GMS of 2007	7,397	478,076.31	92,858	26,732,535.78		
after the GMS of 2008	3,761	156,647.80	5,838	344,567.07	75,285	18,623,475.22
TOTAL paid up to 30.09.2008	132,628	28,341,882.05	98,696	27,077,102.85	75,285	18,623,475.22
Dividend due		34,779,003.00		32,702,644.04		25,954,480.00
% paid		81.49%		82.80%		71.75%

All information regarding the payment of dividends (decisions, methods of payment, necessary documents, payment data) was published in the press and posted on the company website www.sifm.ro .

II.2.3. INTERNAL AUDITING AND CONTROL ACTIVITY

The internal auditing activity

The internal audit functions in direct subordination to the Board of Directors, exercising a distinct and independent function to the Company's activities. The internal auditing activity is carried out in the internal auditing department, by persons employed by FIC Moldova.

The internal auditing activity is carried out on the basis of the engagement plan agreed in compliance with the company's objectives. The plan for the internal auditing activities and the necessary resources are validated by the Auditing Committee and approved by the Board of Directors. Also, significant changes arising are subject to validation and approval.

The auditing plan for 2008 was approved in the meeting of the Board of Directors of Feb 22, 2008.

The internal audit plan was drawn up with a view to covering all the activities and operations during three years and to providing for the audit continuity from the previous period.

The internal auditing activity is carried out based on specific procedures drafted for this purpose.

FIC Moldova's main activities subjected to the internal audit in the January 1 – September 30, 2008 period, according to the internal auditing plans for 2007 and 2008, are concerned with:

- non-current assets;
- the inventory of assets and liabilities, the evaluation of asset and liability items on occasion of the inventory;
- the drafting of yearly financial reports for Dec 31, 2007;
- the drafting of half year financial reports.
- Securities transactions.

The internal audit reports regularly to the Audit Committee and to the Board of Directors about the purpose of the auditing activity, the authority, responsibility and execution according to its plan. The reports include significant risks and control and leadership issues, as well as other issues requested by the Board of Directors.

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

The internal control activity

In compliance with the provisions of art. 37-41 of NSC Regulation no. 15 / 2004 and Investigations Plan of the Internal Control Department for the year 2008, approved in the meeting of the Board of Directors of FIC Moldova of Feb 22, 2008 and sent to NSC with no. 519 of Feb 29, 2008, the activity of the Internal Control Department in the January 1, - September 30, 2008 period consisted of the following:

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

2. In the Feb 25, 2008 – Apr 18, 2008 period, a review regarding compliance with NSC regulations regarding the FIC Moldova investment policy was carried out. Compliance with the provisions of art. 188 of NSC Regulation no. 15 / 2004 regarding FIC Moldova investments in assets listed in art. 101 paragraph (1) and art. 102 para. (1) letter b) of Law no. 297 / 2004, as well as in assets mentioned in art. 187 letter a) and b) of the aforementioned regulation was examined (period under review: Apr 1, 2007 – Mar 31, 2008).

3. In the Apr 28, 2008 – May 23, 2008 period, a review was carried out regarding compliance by FIC Moldova with NSC regulations regarding privileged information.

The following issues were reviewed:

- a) The list of persons with access to privileged information;
- b) Reports regarding privileged information mandated by art. 226 para. (1) of Law no. 297/2004 regarding the capital market;
- c) Reports regarding the information mentioned in art. 224 para. (5) of Law no. 297/2004 regarding the capital market;
- d) Quarterly reports;
- e) Half year reports;
- f) Yearly reports;
- g) Monthly value of net assets;
- h) Other reports;
- i) Notification of operations carried out on account of initiated persons.

Period under review: May 1, 2007 – Apr 30, 2008.

4. In the Jun 2, 2007 – Jul 14, 2008 period, a review was carried out regarding compliance with regulations regarding the evaluation of assets held by FIC Moldova.

Compliance with the provisions of article 202 para. (1)-(10) of NSC Regulation no. 15/2004 and article 203 of NSC Regulation no. 15/2004.

Period under review: Jul 1, 2007 – May 31, 2008.

5. In the Aug 18, 2008 – Sep 30, 2008 period, a review was carried out regarding compliance by FIC Moldova with reporting requirements provided in NSC and BSE regulations.

The following issues were reviewed:

a) Obligatiile de raportare conform Titlului IV, Capitolul III, Sectiunea 2 din Regulamentul CNVM nr. 1/2006:

- Reports regarding privileged information mandated by art. 226 para. (1) of Law no. 297/2004;
- Reports regarding the information mentioned in art. 224 para. (5) of Law no. 297/2004 regarding the capital market;
- Quarterly reports;
- Half year reports;
- Yearly reports;
- Other reports.

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

c) Reporting obligations related to Title V, Chapter VI, of NSC Regulation no. 1 / 2006. Notification of operations carried out on account of initiated persons;

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

e) Information and reporting obligations according to NSC Instruction no. 1 / 2007 issued in application of the provisions of art. 286.1 of Law no. 297/2004 modified and updated;

f) Reporting obligations related to Chapter III, of NSC Regulation no. 7 / 2006.

Period under review: Oct 1, 2007 – Sep 30, 2008.

The internal control report regarding compliance by FIC Moldova with reporting requirements provided by NSC and BSE regulations was presented in the Board of Directors' meeting of Oct 28, 2008.

6. Permanent activities of the Internal Control Department :

a) Dilligences for the avoidance and proposals for the remedy of situations of non-compliance with laws and regulations in force relevant to the capital market or internal regulations and procedures by FIC Moldova or its employees;

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

c) Monitoring of compliance with prudence regulations;

d) Testing the effectiveness of the information system and of internal procedures;

e) Verification and validation of documents and reports transmitted to NSC and capital market entities;

f) Verification and validation of informative and advertising materials;

- g) Analysis and approval of internal documents comprising operations subjected to the internal control visa;
- h) Highlighting and monitoring the resolution of complaints;
- i) Verification of the effectiveness of the risk control system.
- Violations and recommendations were remedied / implemented during current controls.

III. IMPORTANT EVENTS

Important events in the January 1, - September 30, 2008 period were subject to current / continuous and periodic reports, being brought to the attention of market institutions and shareholders by reports, publication in national newspapers and on the company website www.sifm.ro, in compliance to legal regulations in force, as mentioned in chapter II.2.2.

In the January 1, - September 30, 2008 period, significant transactions were undertaken (worth more than \$500.000), reported to BSE / NSC published in the press and on the Company website www.sifm.ro in the module Press releases / 2008.

Nr.	Significant transaction	Transmitted to BSE / NSC	Published in the press on:
1	Sale of shares SC TARA DE SUS SA Suceava	431/21.02.2008	22.02.2008
2	Sale of shares SC CONFARG SA Curtea de Arges	869/04.04.2008	07.04.2008
3	Acquisition of shares CNTEE TRANSELECTRICA SA Bucuresti	1194/14.05.2008	15.05.2008
4	Acquisition of shares BANCA TRANSILVANIA SA Cluj-Napoca	1282/20.05.2008	21.05.2008
5	Sale of shares SC TURISM FELIX SA Baile Felix	1395/30.05.2008	02.06.2008
6	Acquisition of shares CNTEE TRANSELECTRICA SA Bucuresti	1437/05.06.2008	06.06.2008
7	Acquisition of shares CNTEE TRANSELECTRICA SA Bucuresti	1462/10.06.2008	11.06.2008
8	Sale of shares SC DONARIS SA Tulcea	1469/10.06.2008	11.06.2008
9	Sale of shares SC MECANEX SA Botosani	1506/13.06.2008	16.06.2008
10	Subscription of shares BANCA TRANSILVANIA SA Cluj-Napoca	1614/26.06.2008	27.06.2008
11	Acquisition of shares CNTEE TRANSELECTRICA SA Bucuresti	1926/04.08.2008	05.08.2008

**President General Manager,
Costel CEOCEA**

**Financial Manager,
Liana MARIN**

**Internal Control,
Nicolae RADULESCU**