SIF MOLDOVA
SOCIETATE DE INVESTITII FINANCIARE

Report of the Board of Directors
- *H1 2015* -

URS is a member of Registrar of Standards (Holdings) Ltd.

Dear shareholder,
We inform you on the main milestones of SIF Moldova in H1 2015 and the future projections, in accordance with the "Investment Policies Statement for 2014-2018" and the "Activity Program for 2015" (approved in the OGMS of April 2, 2015).

Portfolio structure
Within the multi-annual strategic guidelines, it was maintained the listed equities as having the main weight of the portfolio (82.7% of the total value of assets) was maintained as a main component. In the same time, the financial and energy sectors were maintained as the main sectors in the portfolio structure (financial – 45%; energy – 24.2% of the total value of assets). Also, it was spurred the reduction in the number of holdings in the portfolio, registering the exit from 22 issuers (compared to H1 2014) while it has been increased the weight per issuer, obtaining positive influences on the portfolio performance.

Financial performance
The net profit recorded in H1 2015 is of 65.7 mn RON as a result of the revenues recorded from sales, which were of 63.1 mn RON and and the investments made in equities of 31 mn RON. The total value of assets under management was of 1.474 mn RON, up 5% compared to the beginning of 2015.

Investments
After undergoing a stage of investment in liquid companies that are listed on BVB and considering the current macroeconomic and market context, the investment policy was reoriented towards significant / majority holdings, with a high yield potential.

In this context, the development and diversification by sector of the Majority Holdings Portfolio constituted the main objective in H1 2015, in accordance with the Declaration of Investment Policies for 2014-2018 and with the 2015 Activity Program. Increasing the value of this portfolio will be determined by the implementation of projects in various fields of activity, the development of business through specialized investment vehicles (Agribusiness Capital SA, Real Estate Asset SA, Opportunity Capital SA) and / or companies in the SIF Moldova historical portfolio. The research and the investment process was focused on sectors with a potential for growth of the assets managed, such as the agricultural, hotels and real estate sector. The framework for operationalization of these companies is conceived for gradual growth of capital. As investment programs are implemented and developed, the attraction of available financing resources from the banking sector and/or the capital market is envisioned. The selected investments will ensure the creation of value in the medium and long term through rates of return superior to the main indices of the capital market. The conception of this portfolio envisions compliance with a set of conditions related to: compliance with prudence limits of the investment policy, as defined in specific regulations, as well as to the information of shareholders through releases, as undertaken through the Corporate Governance Code.

We belive that the common values of the directors and executives of SIF Moldova – *transparency, quality, performance* – lead to the consolidation of the team and the growth of the management performance, for the benefit of the shareholders.

Yours faithfully,
Costel Ceocea, PhD
President and CEO of SIF Moldova

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[1] *The structure of the report complies with the provisions of the CNVM / ASF Regulation no. 1 / 2006 regarding issuers and operations with securities. We specify that in order to ensure compatibility and continuity at the level of the information provided to shareholders / investors, the structure of the report complies with the main items in the yearly report template (annex 32 to the CNVM / ASF Regulation no. 1 / 2006), an approach that covers all information provided in the template for the half yearly report (annex 31).*

1 Analysis of activity

1.1 Core activity

TYPE

SIF Moldova is a non-UCITS, focused mainly on the Romanian market, operating as a closed financial investment company with investments in shares, with main investments in equities, having a medium level of risk and temporary investments in fixed income instruments.

Legal framework – SIF Moldova is a closed financial investment company and was set up in accordance with the provisions of Law 133/1996 for the conversion of the Private Property Funds into financial investment companies, classified as "non-UCITS with a diversified investment policy", certified by Romanian FSA with Certificate no. 258/December 14, 2005.

Purpose – adding value for shareholders

Object of activity:
The Company's main field of activity is financial investments. The Company's main object of activity (according to NACE Rev. 2) is: Code 6499 "Other financial services not elsewhere classified" and consists of:

a) Management of financial instruments, derivative financial instruments and other instruments classified as such by the competent authority regulations;
b) Management of equities / bonds and other rights arising therefrom in companies not-traded or closed;
c) Other auxiliary and associated activities, in compliance with regulations in force.

Related information in **SIF Moldova Corporate Governance Code** Chapter 2. About us. Defining the operating framework

1.2 . General information

It has been increased the share capital according to EGMS Resolution no 3 of April 1, 2015. The increase of the share capital was made in the account of all shareholders registered in the register at the date of June 9, 2015, which were allocated one bonus share for each share held.

Subscribed and paid-in share capital:	*103,817,917.6 RON*
Outstanding shares:	*1,038,179,176*
Nominal value:	*0.1 RON/share*
Shareholding structure:	*100% private*
Free float:	*100%*

Regulated market on which the issued securities are traded: Bucharest Stock Exchange – Premium Category

International identifiers: *Bucharest Stock Exchange: SIF2*
ISIN: ROSIFBACNOR0
Bloomberg: BBGID BBG000BMN5F5
Reuters: SIF2.BX

1.3 Activity assessment

1.3.1. Assets under management

Assets value
(Approach according to FSA regulations[2])

Indicator (mn RON)	2013	H1 2014	2014	H1 2015*	H1 2015/ H1 2014 (%)
Total assets (mn RON)	1.339	1.442	1.403	1.474	+2
Net assets (mn RON)	1.275	1.350	1.343	1.411	+5
Net asset value per share (RON)	2,45	2,60	2,59	1,35*	-
Market price (RON)	1,47	1,36	1,59	0,78*	-
Discount (%) Market price / Net asset value per share	40	48	39	42	

* Note: The change of SIF2 NAV/share and market price is caused by the registering of the share capital with the multiplier 2

NAV per share / SIF2 Price / Discount (June 2014 – June 2015)

*Note – Historical data have been restated to ensure comparability with those recorded on June 30, 2015 (influenced by the share capital increase – multiplication factor 2).

Assets structure

Objective:
Maintaining the main weight in equities, especially in listed shares

Assets structure (% of the total assets)	2013	H1 2014	2014	H1 2015	H1 '15 / H1 '14 spread
Equities, of which:	91,03	85,07	86,23	88,02	+2,95
- listed	86,46	80.66	81,98	82,74*	+2.08
- unlisted	4,57	4,41	4,25	5,28	+0,87
UCITS + non-UCITS securities (fund units)	3,34	3,02	5,26	4,13	+1,11
Monetary instruments (deposits, cash)	2,99	4,27	5,94	5,09	+0,82
Bonds (municipal, corporate, fund units)	0,96	0,76	0,79	0,77	+0,01
Other assets	1,68	6,88	1,78	1,99	-4,89

* Note: includes TLV bonus shares registered in the assets as of the ex-date and not allocated as of 30.06.2015

[2] In Annex 1 of the Report are presented: (1) net assets as of June 30, 2015 (annex 16) as well as (2) SIF Moldova detailed assets as of June 30, 2015 (annex 17) – prepared in accordance with CNVM / ASF Regulation no. 15/2004 and CNVM / ASF Disposal of Measures no. 23/2012

Portfolio by type of assets

(% of the total value of assets)

1.3.2. Equity portfolio

Number of holdings

Objective:

A decrease in the number of holdings and an increase in the holdings per issuer, in norder to have positively influence in the portfolio

Sector breakdown

Objective:

Maintaining the financial and energy sectors with important weights in the portfolio

Exposure by sector (% of the total value of assets)	2013	H1 2014	2014	H1 2015	H1 '15 / H1 '14
Financial	44,48	39,30	40,15	45,06*	+5,76
Energy	28,23	26,51	27,55	24,26	-2,25
Manufacturing	8,97	10,45	10,06	10,44	-0,01
Commerce	3,61	3,18	2,87	2,92	-0,26
Pharma	3,61	3,44	3,49	2,54	-0,90
Construction	0,87	0,82	0,94	0,71	-0,11
Agriculture	0,63	0,60	0,30	0,30	-0,30
Others	0,63	0,78	0,88	1,99	+1,21

* Note: includes TLV free shares registered in the assets as of the ex-date and not allocated as of 30.06.2015

Top companies

Issuer	% held in the issuer's share capital	weight in total assets > 1%
BANCA TRANSILVANIA	8,52	37,15*
FONDUL PROPRIETATEA	1,34	8,82
OMV PETROM	0,38	5,50
SNTGN TRANSGAZ	2,27	4,67
AEROSTAR	14,78	3,59
SIF OLTENIA	4,95	3,39
BIOFARM	12,25	2,74
TESATORIILE REUNITE	100,00	2,42
SNGN ROMGAZ	0,24	2,34
SIF MUNTENIA	4,97	2,28
TRANSELECTRICA	1,39	1,75
MECANICA CEAHLAU	60,81	1,31
TOTAL		75,96

* Note: includes bonus shares registered in the assets as of the ex-date and not allocated on June 30, 2015

1.3.3. Operations

Indicator (mm RON)	2013	H1 2014	2014	H1 2015
Revenue from sales	203	284	385	63
Revenue from dividends	26	20	25	13
Revenue from interests	3	0,9	2	0.9

Indicator (nm RON)	2013	H1 2014	2014	H1 2015
Investments in securities	141	233	276	31

The operations carried out in the 1.01.2015-30.06.2015 period fall within the directives presented in the Declaration of Investment Policies 2014 – 2018 and of the 2015 Activity Program, aimed at continuing the portfolio restructuring process from the perspective of diversification and exploitation of investment opportunities.

Continuation of investment strategies in the financial and banking sector, focused on the local market

The weight of the financial and banking sector in total assets increased to 45,06% as of Jun 30, 2015 (31.12.2014: 40,15%).

Increasing the investment in the Transilvania Bank issuer to 37.15% of total assets (including free shares) as of H1 2015, compared to 29.68% as of Dec 31, 2014 was carried out in accordance with the Activity Program for 2015. Acquisitions were based on the increasing trend in operations and profitability recorded by Transilvania Bank, including through the acquisition of shares (Volksbank), as well as due to competitive advantage in the banking sector (high degree of coverage of the credit portfolio with provisions and guarantees, low weight of bad debts, solid base of deposits, the ability to generate capital)

"Average rate of return in the period" report for BET-XT and TLV in the Jan 1, 2015 – Jun 30, 2015 period

The sale of BRD shares was continued to the end of obtaining liquidities at a superior rate of return, which was required in order to implement the 2015 Activity Program. Operations with BRD shares led to the recording of profit in H1 2015 amounting to 30.5m RON.

The energy – utilities sector

The weight of the energy and utilities sector in total assets as of Jun 30, 2015 decreased to 24.26%, (31.12.2014:27,55%), a decrease mostly due to the decrease in the SNP quotation, as a consequence of the fall in oil prices; the sale of shares in the Property Fund that led to a high rate of return as a consequence of the low acquisition cost.

Other operations

Investments increased in the case of issuers evaluated as having growth potential, namely ARS, MECF. SIF Moldova exited from the minority holding in CARPATEX Brasov. Trading operations were carried out involving securities of SIF1, SIF4 and SIF5 to the end of exploiting the volatility of these securities.

As a consequence of the conduct of the public offer for purchase targeted to all shareholders and of the completion of withdrawal

procedures, SIF Moldova's holding in Tesatoriile Reunite (TERU) increased to 100%. Delisting of the company TERU will be made after receiving the ASF approval.

In H1 2015, SIF Moldova achieved a profit of 2.2 mn RON from the sale of fund units.

The Majority Holdings Portfolio

- subsidiaries of SIF Moldova Group

The development and diversification by sector of the Majority Holdings Portfolio constituted the main objective in H1 2015, in accordance with the Declaration of Investment Policies for 2014 – 2018 and with the 2015 Activity Program.

In H1 2015, research and investment was mainly focused on fields with superior potential for development, namely the agricultural, hotels and real estate sector.

In this context, SIF Moldova transmitted in H1 2015 releases towards the capital market for the information of shareholders:

- 10.02.2015: The participation of SIF Moldova in the increase in share capital of each company (Agribusiness Capital SRL, Real Estate Asset SRL, Opportunity Capital SRL) with a cash contribution of 2.637.166 RON.
- 02.03.2015: SIF Moldova formulated a request to include in the group 10 subsidiaries in which it holds the majority of voting rights, directly or indirectly.
- 02.04.2015: The Board of Directors, in agreement with the Activity Program and with the 2015 Revenue and Expenses Budget, initiated the approval of financing for investment projects proposed by companies in which SIF Moldova has majority holdings, from the perspective of estimated performance / rates of return as well as of the impact on future performance of SIF Moldova's portfolio.
    - 14.04.2015: Based on the Activity Program for 2015 and on the BD Decision, the share capital of Agribusiness Capital SA was increased (SIF Moldova holding - 99,98%). Paid-in capital: 7.158.125 RON.
    - 05.05.2015: An investment was carried out in an intensive blueberry farm, amounting to 2.54m EUR through Agrointens SRL, held 99.9% by Agribusiness Capital. The payments are being carried out in several instalments, the last of which is to be paid under the condition of attaining certain levels of performance indicators for the production of blueberries in 2015.
    - 09.06.2015: SIF Moldova paid an instalment of 741.596 EUR in the investment in the blueberry farm carried out through Agrointens SRL.

Management policy of the companies from the portfolio

1.4. Portfolio management

The activity of companies in the portfolio has permanently been monitored, the key objectives being:

- Reviewing actual potential of the companies;
- Reviewing investment requirements for operation;
- Improving financial and economic results;
- Promoting an effective management;
- Establishing ways to capitalize on participations;
- Implementing adequate corporate rules.

SIF Moldova undertook legal efforts to the end of withdrawing from issuers under the incidence of the provisions of Law no. 151 / 2014. For certain issuers (TPRO, PTRO, CERE, FAMO, INDP, and VASX) that decided to delist according to Law no. 151 / 2014, SIF Moldova filed requests for withdrawal from the company.

In the case of Brikston Construction Solution (CERE), SIF Moldova undertook the legal efforts in court as the company did not carry out the mandatory public offer for takeover within the legal deadline. Concomitantly, efforts were undertaken with the ASF, ANEVAR, and BVB in order to contest the withdrawal price for the CERE.

For the MEBY, GALV, FAVL, UPSS issuers, SIF Moldova contested in court the listing on the alternative ATS system and requested through memoranda towards ASF and BSE the issuing of a decision rejecting the listing.

Companies in SIF Moldova group:
(ASF Decision no. 352/02.03.2015, current report no. 1329/02.03.2015)

From the perspective of the importance of management in the development of companies in the group, a selection process that ensured the attraction of professional managers was implemented specialized in the fields of activity of companies in the SIF Moldova group.

Agribusiness Capital SA – Objective: the selection of projects in the agricultural field that would lead to achieving the indicators of rate of return and capital appreciation. The investment in intensive blueberry production was based on the potential for medium and long term increase in value of this type of plantation. The acquisition of the farm was aimed at attaining revenue through specialized, professional management and the subsequent sale at superior prices. The

contribution of SIF Moldova led to the increase in share capital to 13.210.844,3 RON with a SIF Moldova holding of 100%.

The main activity is carried out on separate business lines, through two vehicles held by AgriBusiness Capital: AgroLand Capital SRL and AgroIntens SRL

Opportunity Capital SA – the research aimed the opportunities in the fields of activity affected by the economic crisis but with real potential of growth in the medium and long term, such as the real estate sector and in particular the investments in hotels.

In H1 2015, the company carried out and finalized complex analyses regarding the financial performance in the specific sectors targeted and finalized the calibration and structure of the share capital (2.757.585,8 RON, the percentage of holding by SIF Moldova: 99,99%).

Real Estate Asset SA - Objective: increasing the potential for performance of the portfolio and exploiting the opportunities in the real estate sector to the end of increasing prices, supported by resuming the increase in credits towards the real estate market, according to BNR statistics. The research was focused on the development of real estate centers (residential/ office / commercial); as well as the creation of retail centers.

During H1 2015, the company continued its activity of analysis and research of opportunities in the field and finalized setting the size and structure of the share capital (2.757.366 RON, the percentage held by SIF Moldova: 99,99%).

Asset Invest SA – has three main directions of activity:

- Managing companies in its own portfolio, with the main objective of liquidizing these investments. As of Jun 30, 2015, it is managing a portfolio of 56 investments, mostly including companies in administrative or judicial liquidation, issuers in various stages of the insolvency procedure as well as functional companies.
- Monitoring companies in the SIF Moldova portfolio. In order to increase the efficiency of SIF Moldova and in order to exploit the professional expertise of Asset Invest employees, a contract for the provision of services was concluded that specified the provision towards SIF Moldova of services for the monitoring of information and events related to companies in the SIF Moldova portfolio.
- Representation in GMS / BD in companies in its own portfolio or in SIF Moldova's portfolio.

Contract of monitoring the companies from SIF Moldova portfolio, concluded with Asset Invest.

Current report of June 4, 2015

The contract has been subject to the auditors' report (according to article 225, Law 297/20014) - current report of July 30, 2015. This opportunity is stipulated in the Internal Regulations (ASF approval 238/July 16, 2015).

CASA SA – As of Jun 30, 2015, the company is managing real estate assets with a net worth of 6.912.129 RON, of which 6.374.117 RON represents buildings and 538.012 RON represents the land associated with the buildings owned. The real estate portfolio includes 11 buildings in various county seat municipalities (Suceava, Botoşani, Piatra Neamţ, Bacău, Iaşi, Galaţi, Brăila, Tulcea), with a useful surface of about 2.890 sqm, of which around 1.700 sqm are rented.

Tesatoriile Reunite SA (rental of space), **Regal SA,** (rental of space) **Mecanica Cehlau SA** (production of machinery and agricultural equipment) – **members of the SIF Moldova group** – listed issuers that fulfilled their obligations for transparency / reporting according to applicable regulations.

1.5. Stage of implementation of GMS decisions regarding the multiannual investment strategy; perspectives for the achievement of the 2015 investment program.

A. Objectives undertaken

After going through a period of investing in liquid companies listed on the BVB and in the current macroeconomic and market context, the **investment policy was reoriented towards significant / majority holdings, with a high yield potential.**

The activity program for 2015 (approved by shareholders in the GAS of Apr 2, 2015) was based on a resource allocation strategy that would ensure the sustainable development of SIF Moldova's activity as well as the satisfaction of shareholder interests, in the short as well as in the long term.

The **"key"** elements of the activity program are found in the multiannual investment strategy presented and approved by shareholders in the General Meetings of 2013 and 2014, namely:

- **Strong investment policy** – as basis for the long term growth of the value of the assets managed, a fundamental element for consolidating investor trust.
- **Predictable dividend policy** – remunerating the capital invested at a level superior to the rates of return offered by monetary placement and being meant to satisfy the short term interests of shareholders.

The perspective of low rates of return on the monetary market favors investments, an essential element in developing a trend for increasing financial performance.

The strategic vision of directors was aimed at identifying new business opportunities and medium / long term trends, generating modifications in management structures.

For the selection of investment processes, the following are taken into consideration as main criteria:

- the risk / risks associated with the project and field of activity;
- an "ambitious" IRR, sustainable through operation or sale;
- a competent management that would develop the company acquired;
- a very good understanding of the business being invested in;
- a business that is scalable as accumulated know-how (management, competence) in order to ensure accelerated growth.

B. Objectives achieved

The start of the portfolio restructuring process implied the **optimization of the organizational structure** at a decisional level.

The responsibilities were redefined depending on the nature of activities, with the objectives of: **rationalizing the usage of resources, cost optimization, the increase in the value managed, concomitantly with implementing an efficient risk control**.

The asset portfolio was subjected to a reconfiguration process, with the objective of managing sub-portfolios individually, in agreement with the evolutions of the macroeconomic environment. Share portfolios and policies with distinct approaches were defined in agreement with their characteristics, together with creating specific decision structures and operational staff:

- **the "CORE" portfolio** – being subjected to continuous optimization / recalibration processes depending on the market conditions. This portfolio offers stability and transparency to SIF Moldova assets, at the same time being the pillar generating sources for new investment;
- **the "Majority Holdings" portfolio** – with a "private equity" approach entailing the development of existing majority holdings (see real estate, agricultural machinery) as well as new investment through specialized entities
- the "SELL" portfolio – continues restructuring / sale of the "legacy" share portfolio

The operationalization framework of these companies is conceived through gradual capital increases. As investment projects are implemented and developed, attracting available financing

resources from the banking system and / or the capital market is envisaged. The selected investments ensure the creation of value in the medium and long term through rates of return superior to the main indices of the capital market.

The conception of this portfolio is aimed at respecting a set of conditions related to the compliance of the investment policy with the prudence limits defined by specific regulations as well as by transparency in communications with shareholders, undertaken through the Corporate Governance Code.

Portfolio changes
(% of the total assets)

Projections for the investment program – end of 2015

According to the activity plan for 2015 (approved in GMS/April 2, 2015), *the equivalent of EUR 20-25 million will be allocated for the investments in the "majority ownership" portfolio, namely maximum 67%, with the possibility of recalibration depending on the market opportunities. The total amount of the above investments will not exceed 10% of total assets under management*. The investments made (at the time of publication the report) are of about 64 million lei, while the amounts likely to be used by the end of 2015 for the projects under analysis are of about 50 million.

Estimated portfolios – end of 2015
(% of the total value of assets)

Decision making process

The means of allocating responsibilities in the Board of Directors and at the level of the executive management was also meant to **put to use the complementary areas of expertise of directors / managers** in areas such as the capital market, the banking sector, business, conformity, etc. *(summary of CVs in the annex)*

At the level of the executive management, the **Management Committee** was reinstated, with well-defined operational responsibilities: **President and CEO – the general coordination of activity and the direct coordination of the support / conformity departments, Vice President and Deputy CEO – coordination of the Investment Management Department – the CORE, SELL portfolios and the Trading activity, Manager in the Management Committee – coordination of the "Majority Holdings" portfolio.**
In the same time, **the strategic and decisional effort of the directors** is attested by the systematic activity undertaken in the period between the Board meetings by the **Advisory Committees**, in their allocated fields, namely: investment policies and strategies – the Investment Policies and Strategies Committee; policies aimed at the optimization of organizational structures, human resources, compensation – the Nomination Committee; policies for financial reporting, internal / external audit and risk management – the Audit Committee.

Development and diversification by sector of the Majority Holdings Portfolio constituted the main objective in H1 2015 in agreement with the Declaration of Investment Policies for 2014 – 2018 and the Activity Program for 2015. The increase in value of this portfolio was determined by the implementation of projects in various fields of activity, the development of business through specialized

investment vehicles (Agribusiness Capital SA, Real Estate Asset SA, Opportunity Capital SA) and / or companies in SIF Moldova's historical portfolio. The research and the investment process are focused on fields with growth potential, such as the agricultural, industrial and real estate fields.

The role of the Boards of Directors of the investment vehicles presented is mainly to choose the executive management, set the development strategy, approve the investment / operational budgets, coagulate a set of company values and give the administrative approvals set in law.

Internal Control – the investments made in subsidiaries and the decision-making has been subject to certification / verification / monitoring from the compliance departments (Internal Control, Internal Audit, Risk Management Department) both in real time during the investment process, as well as substantive action, observing that there were respected all the legal and internal regulations.

Independent evaluations / professional specialization – in order to ensure the increase in quality of the management of assets, while applying risk management policies, professional training / evaluation activities were contracted in fields such as: Internal auditing and risk management (Deloitte Audit Report /24.06.2015); IT risks evaluation (Deloitte Audit Report / 09.07.2015); Quality Assurance (ISO 9001 – URS / annual certification); Information Security Management System (ISO 270001 – URS / annual certification)

SIF Moldova permanently sets and and maintains an independent operational risk management

1.6. Risk management

The decision making mechanism is formalized and comprises the stages of justification of the decision, of conduct of the selection and of updating the context. The limits of investment are permanently corroborated with the prudential ownership limits and in tight connection with the stage of achievement of the objectives pre-set through investment policies.

Related information in SIF Moldova corporate governance code

Chapter 11.1 Implementation of the investment decision
Chapter 13. Risk

The decision-making process is set forth in procedures and corresponds to the requirement to manage opportunities within an optimal timeframe. In grounding investment decision we allocate an important role to identifying and reviewing potential risks, by always looking to rebalance the portfolio according to risk/return criteria.

The evaluation of the probability and the impact of the market risk on investment objectives is performed through an IT risk management

application that provides measures on exposure to market risk of the financial instruments portfolio and allows comparing the company's own portfolio to a reference one.

According to the Significant Risk Management Strategy of SIF Moldova (revised), classes 1-2 were registered as low risk, classes 3-4 as low-medium risk, class 5 as medium risk, class 6 as medium-high risk and class 7 as high risk.

Exposure to the market risk, quantified through the ISRR: 11.06%. The synthetic risk and rate of return indicator (ISRR), calculated based on the annualized volatility of the monthly BVS from the previous three years of existence, determines the inclusion of SIF Moldova in the medium-high risk profile (risk class 5). This indicator is a measure of the value growth and decreases previously recorded by SIF Moldova's net assets per share, on a scale of 1 to 7. The risk indicator presents certain limitations, the historical data not constituting a guarantee of future results. Inclusion in risk classes was done based on the table of annualized volatility intervals specified in CNVM/ASF Instruction no. 5/2012 regarding the shape, contents and presentation of the document regarding key information for investors in UCITS.

The prudential limitation system

1. CNVM regulation no.15/2004, art.188

a) **Securities and monetary market instruments not admitted for trading -** allowed limit: **20%** of total assets (closed shares, closed bonds, deposit certificates)

Asset type	Market value per asset category according to FSA regulation no.15/2004 and DM no. 23/2012 (RON)	Weight in total SIF Moldova assets (%)
Shares held in closed type issuers	77.857.636	5,28
Closed bonds	8.457.584	0,57
TOTAL	**86.315.220**	**5,85**

b) **Securities (shares and bonds) and monetary market instruments (government securities) registered or traded at Stock Exchange value (issuer level)** – *allowed limit - 10% of total assets; the limit can be increased to 40% subject to total value of holdings of no more than 40% per issuer not exceeding 80% of total assets.* SIF Moldova's holdings of securities and / or monetary market instruments issued by the same issuer, admitted or traded on a regulated market, exceeding the admitted level of 10% of total assets, is reported for the following issuers: Banca Transilvania – 32,10%. Together with the holdings of free shares registered in the assets as of the ex-date and not allocated, the exposure to the Banca Transilvania issuer is of **37,15%.** It has been implemented a mechanism of monitoring the legal threshold and it has been adopted management measures of a possible situation of overtaking the limit.

c) Financial instruments issued by entities belonging to the same group - allowed limit: 50% of total assets.

Group name	Market value per asset category according to FSA regulation no.15/2004 and DM no. 23/2012 (RON)	Weight in total SIF Moldova assets (%)
BANCA TRANSILVANIA*	535.282.325	36,29
BRD-GSG	13.969.094	0,95
GLOBINVEST	27.224.627	1,85
ATLAS ASSET MANAGEMENT	14.398.930	0,98
CERTINVEST	3.457.620	0,23
STAR ASSET	3.364.855	0,23
STK FINANCIAL	2.110.544	0,14
INTERCAPITAL INVESTMENT	1.569.013	0,11
BROKER	3.074.003	0,21

* Together with the holdings of free shares registered in the assets as of the ex-date and not allocated, the exposure to the Banca Transilvania Group is of **41,33%.**

d) Financial instruments issued by entities belonging to the group that includes SAI (SIF Moldova) - allowed limit: 40% of total assets.

Group name	Market value per asset category according to FSA regulation no.15/2004 and DM no. 23/2012 (RON)	Weight in total SIF Moldova assets (%)
SIF MOLDOVA GROUP:		
Shares of AGRIBUSINESS CAPITAL	12.813.816	0,87
Shares of ASSET INVEST	3.737.650	0,25
Shares of CASA	9.200.031	0,62
Shares of MECANICA CEAHLAU	19.287.769	1,31
Shares of OPPORTUNITY CAPITAL	2.634.218	0,18
Shares of REAL ESTATE ASSET	2.636.818	0,18
Shares of REGAL	3.381.959	0,23
Shares of TESATORIILE REUNITE	35.631.653	2,42
TOTAL SIF MOLDOVA GROUP	**89.323.915**	**6,06**

e) Exposure to counterpart risk with derivative financial instruments traded outside of regulated markets – not applicable.

f) Value of current accounts and cash - allowed limit: **10%** of total assets. In the net assets as of Jun 30, 2015, the value of current accounts and of cash is 357.163 RON, amounting to 0.02% of total assets.

g) Bank deposits started and held with the same bank - allowed limit: **30%** of total assets.

Bank name	Value of deposit according to FSA Regulation 15/2004 and Disposal Measures 23/2012 (RON)	Weight in SIF Moldova assets (%)
Banca Transilvania	47.356.535	3,21
Eximbank	25.401.008	1,72
B.R.D. - G.S.G.	2.003.294	0,14
Total deposits	**74.760.837**	**5,07**

h) Global exposure to derivative financial instruments - not to exceed total value of net assets – N/A.

i) Holdings of NON – UCITS securities – allowed limit: **50%** of total assets.

NON – UCITS name	Market value per asset category according to FSA regulation no.15/2004 and DM no. 23/2012 (RON)	Weight in total SIF Moldova assets (%)
Fondul Privat Comercial	18.931.373	1,28
FII HERMES	9.480.876	0,64
BT Invest 1	5.292.693	0,36
FII Multicapital Invest	2.138.834	0,15
FII BET-FI Index Invest	1.728.119	0,12
iFOND Financial Romania	1.501.693	0,10
Fondul de Actiuni Privat Transilvania	1.291.003	0,09
STK Emergent	1.019.544	0,07
iFOND Gold	67.320	0,00
NON-UCITS TOTAL (fund units)	**41.451.455**	**2,81**

2. Art.9, letter a) of ASF Norm no. 14/ Nov 8, 2013

Investments obtained through direct and indirect investments in monetary market instruments of the promissory note type – should not exceed 20% of the total assets.

- *Direct investments* in monetary instruments similar to promissory notes – *not applicable*.
- *Indirect investments* in monetary instruments similar to promissory notes (PN) – *not applicable*.

3. Law no. 297/28.06.2004 – updated, art. 129 para (1)

No shareholder of a market operator will be allowed to hold, directly or indirectly, more than 5% of the total voting rights**.**

Name of issuer	Number of shares held	Total number of shares of the issuer	Percentage held in the issuer's share capital (%)
Bursa de Valori Bucuresti	383.709	7.674.198	4,9999
Sibex Sibiu Stock Exchange	1.671.217	33.427.926	4,9994

4. Law no. 297/28.06.2004 – updated, art. 150 para (1)

The shareholders of the central depository may not hold more than **5% of the voting rights**, market operators being excepted and being allowed to hold up to 75% of the voting rights, with the approval of CNVM/ASF.

Name of issuer	Number of shares held	Total number of shares of the issuer	Percentage held in the issuer's share capital (%)
Depozitarul Central (Regisco)	7.396.029	252.919.526	2,9242
Depozitarul Sibex	6.480	229.500	2,8235

5. Law no. 297/28.06.2004 – updated, art. 286 para. (1)

Investments in shares held by Financial Investment Companies resulting from the transformation of Private Property Funds – allowed limit: **no more than 5%** of the share capital of the Financial Investment Companies.

Name of issuer	Number of shares held	Total number of shares of the issuer	Percentage held in the issuer's share capital (%)
SIF Banat Crisana	386.462	548.849.268	0,0704
SIF Muntenia	40.109.989	807.036.515	4,9700
SIF Oltenia	28.744.362	580.165.714	4,9545

6. CNVM/ASF Regulation no.2/2009, art.2, letter h)

Qualified investment – the direct or indirect holding in a SSIF of an investment amounting to at least 10% of the share capital or of the voting rights or that allows the exercise of a significant influence on the management of the SSIF in which the respective investment is held.

Name of issuer	Number of shares held	Total number of shares of the issuer	Percentage held in the issuer's share capital (%)
SSIF BROKER	16.886.875	338.681.867	4,9861

2

Financial and accounting status

2.1. Balance sheet

The individual financial statements were drafted and presented in compliance with Accounting Regulations harmonized with European Economic Community 4th Directive applicable to institutions regulated and supervised by the Financial Supervision Authority („FSA") / ASF, approved by Order no. 13 / 2011 for the approval of Regulation no. 4 / 2011. The reporting currency for the financial statements is the RON. Details regarding the balance sheet and the income statement can be consulted in the Notes to the financial statements attached. The financial statements as of H1 2015 are audited by the financial auditor Deloitte Audit SRL.

Items (RON)	2013	H1 2014	2014	H1 2015	H1'15/ H1'14 (%)
Non-current assets					
I. Intangible assets	943.690	992.706	799.030	546.391	55
II. Tangible assets	15.609.186	11.131.664	10.753.795	10.322.220	93
III. Financial assets, of which:	737.180.385	812.851.034	837.730.931	835.128.796	103
Securities and other financial instruments held as non-current assets	702.374.481	771.443.247	792.852.028	767.688.115	100
Non-current assets – Total	753.733.261	824.975.404	849.283.756	845.997.407	103
Current assets					
I. Inventory	11.712	23.888	10.107	14.655	61
II. Receivables, of which:	44.811.403	71.894.671	96.510.277	92.827.292	129
Trade receivables *	40.022.679	57.297.794	83.292.537	75.283.878	131
III. Short term financial investments	14.299.965	101.387.524	108.465.890	106.569.845	105
IV. Cash and bank accounts	514.057	4.815.011	449.478	363.384	8
Current assets – Total	59.637.137	178.121.094	205.435.752	199.775.176	112
Prepaid expenses	123.832	189.015	135.917	305.600	162
Current liabilities	63.932.260	92.445.511	59.498.812	63.314.640	68
Current assets less net current liabilities	(4.179.875)	85.856.239	146.064.723	136.758.226	159
Total assets minus current liabilities	749.553.387	910.831.643	995.348.479	982.755.633	108
Provisions	60.287.049	52.596.992	59.869.008	49.544.495	94
Deferred revenue	8.584	8.359	8.134	7.910	95
Equity and reserves					
1. Subscribed and paid-in share capital	51.908.959	51.908.959	51.908.959	103.817.918	200
2. Revaluation reserves	14.254.162	10.111.288	10.146.063	10.180.839	101
3. Total reserves, of which:	381.089.836	462.963.395	485.225.578	605.973.089	131
Legal reserves	10.381.792	10.381.792	10.381.792	10.381.792	100
Reserves constituted from adjustments for devaluation of financial non-current assets - debtor balance	(64.431.928)	(41.915.412)	(41.855.388)	(54.969.575)	131
- Reserves constituted from the value of securities / shares received free of charge	89.612.864	87.674.464	109.737.561	107.296.160	122
- Reserves representing surplus from revaluation reserves	2.786.968	6.969.935	6.969.935	6.969.935	100
- Other reserves	342.740.140	399.852.616	399.991.678	532.616.667	133
4. Reported result	151.133.057	151.133.057	151.133.057	151.133.057	100
5. Result of fiscal year	90.880.323	182.117.952	237.065.814	65.784.345	36
Owners' Equity - Total	689.266.337	858.234.651	935.479.471	933.211.138	109

Owners' equity decreased compared to Jan 1, 2015 by 0.24 %.

Financial non-current assets at cost and decreased by depreciation adjustments decreased compared to Jan 1, 2015 by 0,32 %.

Structure of financial non-current assets as of 30/06/2015 (RON)	Gross value	Adjustments for devaluation	Net accounting value
Financial non-current assets, of which:	892.340.730	57.211.934	835.128.796
- **Shares held in affiliated entities**	57.628.089	735.666	56.892.423
- **Participation interest**	13.549.268	3.432.367	10.116.901
- **Securities held as non-current assets**	820.732.016	53.043.901	767.688.115
- **Other receivables**	431.357	-	431.357

Gross trade receivables include short term bank deposits amounting to *74.649.320* RON (note 12) (January 1st, 2015: *82.736.502* RON) and associated interest, calculated up to Jun 30, 2015, of *557.129* RON (January 1st 2015: *496.661* RON), of which for bonds *445.612* RON (January 1st 2015: *347.478* lei).

Current assets decreased by 2,76% compared to 01.01.2015

Current liabilities, amounting to 63.314.640 RON, increased by 6,42% (Jan 1, 2015: 59.498.812 RON) and they include dividends payable towards shareholders amounting to 46.409.450 RON.

Provisions decreased compared to Jan 1, 2015 by 17,25% and consist of:

	(RON)
• AAAS litigation provisions:	3.665.327
• Tax provisions	45.879.168
Total:	**49.544.495**

2.2. Income statement

Items (RON)	2013	H1 2014	2014	H1 2015	H1'15 /H1'14 (%)
A. Revenue from operations total, of which:	**272.018.721**	**345.203.418**	**466.402.784**	**127.469.341**	37
1. financial non-current assets	25.917.789	20.659.720	25.160.123	13.569.390	66
2. ceded financial investments	203.007.957	284.324.449	385.433.186	63.181.136	22
3. interest	3.319.267	965.302	2.146.817	923.800	96
4. provisions, reactivated claims	26.563.313	10.260.926	17.717.521	10.343.075	101
5. other revenue	13.210.395	28.993.021	35.945.137	39.451.940	136
B. Expenses with operations total, of which:	**170.671.490**	**129.441.437**	**185.814.816**	**50.676.471**	39
1. ceded financial investments	131.335.521	85.874.088	110.688.556	17.941.028	21
2. losses related to receivables from investments	19.995	0	0	0	
3. exchange rate variations	3.494.371	1.759.862	1.769.164	43.883	2
4. commissions and fees	3.520.880	1.919.258	4.462.183	1.419.736	74
5. depreciations, provisions, losses from various debtors	9.874.540	10.010.762	23.148.810	10.243.120	102
6. banking and similar services	48.141	43.525	57.564	14.617	34
7. materials	316.018	118.780	319.574	110.315	93
8. electricity and water	340.616	140.379	270.554	125.939	90
9. expenses with staff	17.374.840	11.881.968	16.384.685	14.185.726	119
10. external services	4.080.421	17.610.002	28.550.431	6.496.401	37
11. taxes and similar payments	266.147	82.813	163.295	95.706	116
C. Gross profit	101.347.231	215.761.981	280.587.968	76.792.870	36
D. Profit tax	10.466.908	33.644.029	43.522.154	11.008.525	33
E. Net profit	**90.880.323**	**182.117.952**	**237.065.814**	**65.784.345**	36

Revenue from operations decreased by 63,08% compared to Q1 2014.

The main weight in total revenues is held by ceded financial investments, 49,57% specifically.

Operating expenses decreased by 60,85% compared to H1 2014.

2.3. Management of expenses

TOTAL EXPENSES (A+B+C+D+E+F)	50.676.471
A. Financial expenses	**23.329.164**
1. Expenses with sales	17.941.028
2. Expenses with transaction commissions	89.712
3. Expenses with exchange rate differences	43.883
4. Expenses with banking services	14.617
5. Other financial expenses	5.239.924
B. Expenses with ceded assets	**3.931**
C. Expenses with depreciations, provisions, losses from receivables and various debtors	**10.243.120**
D. Expenses with commissions and fees imposed by applicable regulations	**969.066**
E. Expenses with external services not related to management	**645.057**
F. Expenses with taxes imposed by fiscal authorities (taxes and associated disbursements)	**95.706**
G. Overhead	**5.675.668**
1. Expenses with materials	110.315
2. Expenses with electricity and water	125.939
3. Expenses with staff, of which:	4.464.336
• Salaries and indemnities	3.653.253
• Expenses with insurance and social security	729.901
• Expenses with professional training	81.182
4. Expenses with external services related to management	975.078
H. Expenses compensated by revenue from provisions (do not affect the financial result of the period)	**9.714.759**
TOTAL ASSETS according to CNVM/ASF Reg. no. 15/2004	**1.474.922.274**

Expenses with sales represent the highest weight (35%) in the total financial expenses.

- **Financial expenses account for 46,09% of total expenses.** These include expenses directly related to the investment / disinvestment activity realized in the reporting period and those generated by the holdings in financial instruments of SIF Moldova.
  - In financial expenses, the weight of expenses with sales, amounting to *17.941.028* RON, is of 76,90%.
  - Expenses with exchange rate differences amount to 43.883 RON, specifically 0,19% of financial expenses. Exchange rate differences are mainly generated by foreign currency liquidities holdings and are partially compensated by the revenue from exchange rate differences attained (amounting to 19.525 RON);
  - Commissions for transactions paid to financial investment services companies amount to 89.712 RON and represent 0.39% of financial expenses;
  - other financial expenses include the negative price differences related to listed short term financial investments, amount to 5.239.924 RON and represent 22,46% of financial expenses. These expenses are compensated by revenue from the positive price differences related to the financial investments held in the short term, amounting to 6.015.032 RON;
  - expenses with banking and similar services amount to *14.617 RON* and consist of commissions paid to banking companies

for operations carried out through bank accounts, specifically 0.06% of financial expenses.

- **Expenses with depreciation, provisions, losses from receivables and various receivables represents 20,22% of total expenses**
- **Expenses with commissions and fees imposed by applicable regulations represent 1,91% of total expenses.** These expenses are imposed by regulations applicable to financial investment companies and are undertaken to the end of implementing corporate obligations. The value of these expenses cannot be optimized through internal decisions and directly influences performance indicators.

Expenses with commissions and fees imposed to the company as an entity regulated by ASF and as an issuer listed on the BVB.

- **Expenses with external services not related to management represent 1.27% of total expenses** and mainly include legal assistance and litigation expenses, professional consulting, publicity expenses, and expenses with the organization of the GAS.
- **Expenses with taxes** imposed by fiscal authorities (taxes and similar disbursements) represent **0,19% of total expenses.**
- **Management expenses include the expenses directly related to the conduct of the company's operations and represent 11,20% of total expenses**.
  - In the management expenses, the main weight is held by staff expenses *(salary rights and indemnities, social security and professional training) amounting to 4.464.336 RON, representing 78,66% of the volume of management expenses*;
  - *expenses with external services related to management amount to 975.078 RON and represent 17.18% of the management expenses for the period*. These include expenses with: maintenance and repairs, insurance premiums, protocol, travel, postal expenses and subscriptions, rents, royalty fees, concessions, monitoring of companies, management of real estate
  - *expenses with materials, energy and water amount to 236.254 RON – representing 4.16% of the volume of the management expenses of the period*. Expenses with energy and water are partly recovered through revenue realized as a consequence of re-invoicing towards tenants of the expenses related to the real estate rented;

Management expenses represent 11.2% of total expenses

Related information in the **SIF Moldova Corporate Governance Code** Chapter 17.2 Management of operation / management expenses

- **Expenses compensated by revenue from provisions amount to 9.714.759 RON and amount to 19.17% of total expenses.** These are represented by expenses that affected the financial result of previous fiscal years. In the reporting period, together with recording expenses, the related provisions were re-recorded as revenue, so that the result of the current fiscal year is not affected.

The average monthly percentage of management expenses represents 0,06% of the value of total assets

In the reporting period, the **average monthly percentage of management expenses in SIF Moldova's total assets represents 0,06% of the value of total assets**, being smaller than the 0,10% - 0,40% range of commissions paid to management companies by investment funds.

(sources: public documents of the main investment funds on the domestic market, pension fund management companies, professional organizations – AAF)

2.4. Performance indicators

	2013	2014	H1 2015
- Current ratio = current assets / current liabilities	0,93	3,45	3,16
- Quick ratio = (current assets - inventories)/current liabilities	0,93	3,45	3,16
- Non-current assets turnover = revenue from operations / non-current assets	0,36	0,55	0,15
- Total assets turnover = revenue from operations / total assets	0,33	0,44	0,12
- Trade receivables turnover = average receivables balance / turnover x no. Of days in the reporting period	5	7	22
- Return on working capital=profit before interest and profit tax/working capital*100 (%)	14.70	29,99	8,23
- Earnings per common share (RON/share)	0.1751	0,4567	0,0634

2.5. Cash flows

Explanation / period	January - June 2014	January - June 2015
1. Cash at beginning of period (a+b)	**40.643.136**	**83.555.564**
a. Current accounts	500.876	436.828
b. Financial investments - DEPOSITS	40.142.260	83.118.736
A. Operations (2-3)	**(40.349.773)**	**(19.664.793)**
2. Cash inflows	579.125	1.009.173
3.Cash outflows	40.928.898	20.673.966
Investment activity (4-5)	**60.835.249**	**44.230.283**
4. Cash inflow	295.965.822	67.104.551
5.Cash outflow	235.130.573	22.874.268
C. Financing activity (6-7)	**639.877**	**(32.709.041)**
6. Cash inflow	4.704.179	3.123.858
7.Cash outflow	4.064.302	35.832.899
TOTAL CASH FLOW (A+B+C)	**21.125.353**	**(8.143.551)**
CASH AT END OF PERIOD	**61.768.489**	**75.412.014**
a. cash office - RON	4.886	4.170
b. banks – RON	4.467.787	223.830
c. banks - foreign currency	322.657	129.266
d. deposits – RON and foreign currency	56.590.038	74.649.320
e. Deposits material pledges	383.121	405.428

2.6. Achievement of the Revenue and Expense Budget

		Budgeted for 2015	Realized in H1 2015	RH1/B (%)
A.	Total revenue	267.391.131	127.469.341	48
B.	Financial revenue	235.022.422	86.637.932	37
	· Revenue from financial investments (dividends)	25.000.000	13.569.390	54
	· Revenue from receivables (banking interest + bonds)	1.000.000	923.800	92
	· Revenue from ceded financial investments (including revenue from assets received free of charge)	208.522.422	63.181.136	30
	· Revenue from exchange rate differences	0	19.525	
	· Revenue from provisions	0	513.735	
	- Other financial revenue	500.000	8.430.346	1686
C.	Revenue from operations	32.368.709	40.831.409	126
	- Revenue from rents and associated activities	744.000	386.862	52
	- Revenue from provisions	9.824.709	9.829.340	100
	- Other revenue from operations	21.800.000	30.615.207	140
D.	Total expenses	135.513.895	50.676.471	37
E.	Financial expenses	92.699.969	32.841.278	35
	· Expenses related to ceded financial investments	91.549.969	17.941.028	20
	· Expenses related to commissions for transactions	800.000		
	· Expenses related to exchange rate differences	0	43.883	
	· Expenses with banking services	50.000	14.617	29
	- Expenses with provisions		9.512.114	
	· Other financial expenses	300.000	5.239.924	1747
F.	Expenses with operations	42.813.926	17.835.193	42
G.	Gross profit	131.877.236	76.792.870	58
H.	Taxable profit	134.265.937	68.984.533	51
I.	Profit tax	20.784.851	11.008.525	53
J.	Net profit	111.092.385	65.784.345	59

3 The SIF 2 share on the Bucharest Stock Exchange

No. of shares:	1,038,179,176
Nominal value:	0.1 RON
Share capital:	103,817,917.6 RON
Capitalization:	811,856,116 RON (183 mn euro)

Price: 0.78 RON, EPS: 0.23 RON, PER: 3.4; 52 m: 0.75 RON; 52 M: 1.77 RON

Shares issued by SIF Moldova are admitted and traded on the Bucharest Stock Market in the *Premium* category, since Nov 1, 1999.
The register of shares and shareholders is maintained in compliance with legal provisions by Depozitarul Central SA.

Evolution of SIF 2 share – YOY

(Source: Bloomberg Finance)

Related information in the **SIF Moldova Corporate Governance Code**
Ch.16. Evaluation of the performance of the company and of the SIF2 share

Rates of return: SIF 2 share, SIF 2 NAV/share, BET-FI

Rates of return as of 30.06.2015 (%)	SIF2 share	BET FI	SIF2 NAV/share
1 month	-3,46/1,83*	-4,06	1,72
3 months	-0,38	-2,09	4,18
6 months	-1,70	-2,10	5,03
12 months	15,00	-1,63	4,55

* Note: including 2014 dividend rate of return.
Note: The historical price and NAV/share series used for the calculation of the rate of return / risk indicators are adjusted with the corporate events of the issuers.

4

Promotion and protection of SIF Moldova interests

The assistance, consultancy and legal representation of the rights and legitimate interests of SIF Moldova included the following aspects:

- promoting new litigations involving the repealment of illegal EGAS decisions in companies in the portfolio, regarding aspects generated by the adoption of Law no. 151 / 2014 *regarding the clarification of the legal status of shares traded on the RASDAQ market or on the non-listed securities market*. The initiation of judicial efforts was carried out together with the valuation and support of SIF Moldova's right to withdraw provided by Law no. 151/2014, according to the details in the Annex
- designing the documents and defenses required in order to protect SIF Moldova's interests, together with approving the strategies proposed by collaborating attorneys in cases in court
- Intensifying the legal assistance and consultancy activity in various projects envisaged by the Company, issuing legality approvals and registering mentions regarding modifications in the Company's documents in the commercial registry, based on the relevant GAS and / or BD decisions.
- opening new enforcement cases towards various debtors of SIF Moldova as well as undergoing the mediation procedure in order to amiably and quickly solve claims.
- Receiving the communication regarding the issue of the Payment Title – the second instalment, amounting to 2.415.314 RON – of the damages due according to art. 41 of Law no. 165 / 2013 (in the cases involving the cession of litigation rights of SIF and TEXU vs. the Romanian Government, through the Public Finance Ministry). The procedure for liquidating the payment title is carried out between the ANRP, MFP and CEC Bank, efforts being undertaken for receiving the amount of 2.415.314 RON.

- Total litigations - 127 cases, of which: 109 cases are in court in various judicial stages and 18 cases are solved.

- Value of litigations in court: 67.991.194 RON (insolvency and claims).

The status of litigations as of Jun 30, 2015 is synthesized as follows:

A. Litigations in which SIF Moldova is a plaintiff

1. Litigations involving the repealment of illegal resolutions of GASs in the SIF Moldova portfolio - 13 cases in court.
2. Litigations involving claims - 74 cases in court in various judicial stages (of which 68 cases are against AAAS Bucureşti).
3. Litigations involving the insolvency procedure - 12 cases in court, most of the companies being in bankruptcy.

4. Litigations with various objects - 6 cases (of which 2 cases are against AAAS Bucureşti).
5. Criminal litigations - 4 cases in court.

- Total litigations = 91 cases, of which: 69 cases are in court in various judicial stages and 22 cases were solved.

- Value of litigations in court: 3.569.556 RON - claims; 25.074.292 RON – contestations to fulfilment against AAAS.

B. Litigations in which SIF Moldova is a defendant

Total litigations = 91 cases, of which: **69 cases are in court in various judicial stages** and 22 cases are solved.

1. Litigations with various objects and claims cases - 18 cases, of which 17 cases in court, in various judicial stages and 1 case finalized.
2. Litigations with contestations of foreclosure - 52 cases in court initiated by AAAS / other creditors, as a consequence of foreclosures by SIF Moldova as a consequence of litigation expenses and the cancellation of foreclosure against AAAS Bucuresti. As of Jun 30, 2015, 21 cases involving contestations of foreclosure were solved. Most rulings in contestations to enforcement are favorable to our Company.

Note - details by category/ case are featured in the annex.

5 Shareholder Relations. Dividend policy

Related information in the **SIF Moldova Corporate Governance Code**

Chapter 3. The General Assembly of Shareholders

Chapter 4. Shareholder rights

Note – the details regarding each category of reports drafted in the reporting period are included in annex 4.

In the reporting period, SIF Moldova **obligations for transparency, information and reporting were respected and ensured** through the issuance of press releases, publishing of mandatory reports and the conduct of close correspondence with shareholders. Shareholders / investors were provided with additional information, some periodical (monthly newsletter), designed so as to allow up to date information regarding the Company's performance. According to the provisions of the *"SIF Moldova Corporate Governance Regulations"*, relevant periodic and continuous information (financial and non-financial reporting) was publicized concomitantly in Romanian as well as English. An important component of the relationship with shareholders is the direct communication activity: correspondence (letters; e-mails); telephone communication.

Shareholding structure as of Jun 30, 2015

	Domestic residents		Foreign Residents		Total
	Shareholders	%SC	Shareholders	% SC	% SC
Natural persons	5.777.480	43,1	1.707	0,4	43,5
Legal persons	270	36,9	51	19,6	56,5
TOTAL	**5.777.750**	**80,0**	**1.758**	**20,0**	**100,0**

Shareholding structure (% of the share capital)

Dividend payment:

Dividend payments as of Jun 30, 2015	Dividend 2011*	Dividend 2012	Dividend 2013	Dividend 2014
	0,22 RON/share	0,24 RON/share	0,066 RON/share	0,1012 RON/share
Total dividend payable (RON)	114.199.710	124.581.501	34.259.913	52.531.866
Total paid as of Jun 30, 2015(RON)	92.479.758	101.147.712	27.446.693	36.369.425
% paid as of Jun 30, 2015	80,98	81,19	80,11	69,23

*The OGAS of Apr 2, 2015 approved the prescription of the dividends for 2011 not claimed as of the date of Jun 8, 2015. The amount prescribed was 21.7m RON.

The OGAS of Apr 2, 2015 approved a gross dividend / share for 2014 of 0,1012 RON.

The means of payment of dividends, complying with legal regulations in force (art.146 para 1, (5^1) of Law 297/2004 and art. 106^15 of ASF Regulation no. 1/2006)- **specifies the payment by the central depository, as follows:**

- In the case of a shareholder that **has an open securities account** with an intermediary participating in the compensation – reimbursement system and the registry of the central depository, the payment of dividends is done through **the central depository** and **the participants in the compensation – reimbursement and registry of the central depository.**
- *In the case of a shareholder that **does not have an open securities account*** with an intermediary participating in the compensation – reimbursement and registry of the central depository system, the payment of dividends is realized by the central depository through **Transilvania Bank** (the payment agent appointed by SIF Moldova).

Means of payment – type of shareholder	No of shareholders	2014 dividend	2014 - %
LP - total, of which:	**261**	**29.061.921,16**	**55,32**
1. LP – payment to Participants	*250*	*28.976.431,47*	*55,16*
2. LP – transfer on request	*11*	*85.489,69*	*0,16*
NP - total, of which:	**5.382**	**7.307.503,75**	**13,91**
3. NP - payment to Participants	*5.136*	*7.160.119,40*	*13,63*
4. NP - transfer on request	*136*	*118.688,24*	*0,23*
5. NP - payment at the pay office	*110*	*28.696,11*	*0,05*
Total dividend for 2014 paid as of 30.06.2015 (1+2+3+4+5)	**5.643**	**36.369.424,91**	**69,23**

6

Compliance

6.1. Internal audit

SIF Moldova permanently and operatively sets and maintains the internal auditing function, which will be carried out independently

The internal audit activity is carried-out based on the engagement plan established in accordance with the objectives of the company. Internal audit activities and resources are authorized by the Audit Committee and approved by the Board of Directors. Significant interim changes are also subject to authorization and approval. The internal audit plan for 2015 was approved in the Board meeting of Feb 9, 2015.

Internal audit activity is carried-out as per the procedure drafted for operation steering. A plan is drafted for each internal audit assignment, featuring the area, objectives, calendar and resource allocation.
Upon planning each assignment the following aspects are taken into consideration:

- The objectives of the activity being reviewed and the means through which the activity is controlled;
- Significant legal risks related to the activity and the means through which the potential risk impact is maintained at a tolerable level;
- Management systems adequacy and effectiveness and activity risks control, related to the control framework;
- Significant improvement opportunities for control and management systems and activity risks control.

Upon drafting the objectives of the assignment the likelihood of errors, irregularities, non-compliances and other significant exposures are considered.

Internal audit is carried-out under the following formats:

- Evaluation of management systems and internal control – system audit;
- Evaluation of results against objectives and examination of actual impact– performance audit;
- Ensuring compliance of procedures and operations with legal standards – regularity audit.

The internal auditing missions carried out in H1 2015 were aimed at:

- exercising SIF Moldova's responsibilities as a shareholder in the portfolio companies;
- the strategic and yearly planning of the internal auditing activity;
- the payment of dividends due to the shareholders of SIF Moldova;

- supervising the implementation of the recommendations formulated by the internal audit as a consequence of the missions undertaken;
- participation in the work groups nominated in order to document and elaborate the information materials related to the items on the agenda of the ordinary and extraordinary general assemblies of shareholders of SIF Moldova of Apr 1 / 2, 2015;
- participation in the selection of the financial auditor, to the end of appointing it and setting the duration of the financial auditing contract by the ordinary general assembly of Apr 1 / 2, 2015;
- implementing the recommendations formulated in the evaluation of the internal auditing activity;
- participation in the work groups / commissions nominated by the Board of Directors or by managers, in order to implement projects;
- the verification of conformity;
- the elaboration of analyses and opinions on request by directors and by executive managers.

Likewise, in H1 2015, the counselling mission regarding the circulation of documents within SIF Moldova was carried out, according to the Internal Auditing Plan for 2015.

There were no cases in which the Board of Directors accepted a level of the residual risk considered as not acceptable for the Company.

The internal auditor's opinion, activity results, conclusions, recommendations and proposals, as well as the plan of actions applied in the course of the audit activity, were included in the periodic internal audit report presented to the Auditing Committee and to the Board of Directors.

Based on the conclusions and recommendations made by the internal audit, the Board of Directors took the necessary measures to manage the identified risks.

The Internal Control Department ensures the supervision of compliance by SIF Moldova and its staff of the legislation in force related to the capital market, as well as internal regulations and procedures.

SIF Moldova continuously establishes and maintains the operations of the internal control function, functioning independently

6.2. Internal control

The activity of the Internal Control Department in H1 2015 complied with the Investigation Program / Plan for 2015, approved by the Board of Directors and communicated to the ASF.

To the end of preventing situations of legal and internal non-compliance of activities subjected to the internal control, the Internal Control was carried out by continuously supervising and monitoring to the end of ensuring compliance with:

- regulations of the capital market and with internal regulations and procedures regarding SIF Moldova investments; verification of the risk control system;
- transparency, information and reporting requirements and obligations set forth through CNVM/ASF and BVB regulations;

- regulations of the capital market and with internal regulations and procedures regarding asset evaluation and the calculation of the value of the net assets;
- regulations of the capital market and with internal regulations and procedures regarding the regime of privileged information;
- regulations of the capital market and with internal regulations during the process of revision of the "SIF Moldova Internal Regulations" and of internal procedures;
- legal and internal provisions for the organization and development of the SIF Moldova GASs.

The activity in H1 2015 included elements from all groups in the Investigation Plan, consisting of external conformity aspects:

1. OGAS of Feb 9 / 10, 2015; EGAS of Apr 1 / 2, 2015; OGAS of Apr 1/2, 2015 – matters of organization, conduct, reports and communication towards ASF (decisions, minutes, materials, notification of registration of Deloitte financial auditor in the ORC);
2. requests for issuance of ASF approvals for: the director elected by the OGAS of Feb 10, 2015 – Mr.
3. requests for issuing of ASF approvals for: the director elected by the OGAS of 10.02.2015- Mr. Albu Gheorghe (ASF approval no. 82/11.03.2015); manager appointed by the BD – Mr. Iancu Catalin (ASF approval no. 81/11.03.2015); modifications in SIF Moldova's Articles of Association as a consequence of Law no. 10 / 2015 (ASF Approval no. 33/04.02.2015) ; modifications in SIF Moldova's Articles of Association approved by the EGAS of 01.04.2015 (ASF Approval no.137/28.04.2015); modifications in SIF Moldova's Articles of Association as a consequence of the increase in share capital approved by the EGAS of Apr 1, 2015 (ASF Approval no. 217/17.06.2015); issue of CIVM for the increase in share capital (SIF2-AA- 418-02/07/2015); Internal regulations of SIF Moldova (ASF Approval no. 238/16.07.2015);
4. addresses towards capital market institutions regarding issues of interest for SIF Moldova or for the field of activity: the means of payment of dividends; notices regarding non-compliance with provisions regarding withdrawal procedure according to Law 151 / 2014, OPP;
5. ASF notices: conclusion of contract for monitoring companies with Asset Invest SA;
6. approval of activity reports of the Board of Directors;
7. institutional reports of SIF Moldova 2 and subsidiaries; current reports regarding investments in subsidiaries, transactions according to art. 225 (conclusion of additional acts to director contracts, conclusion of contract with the Asset Invest subsidiary in order to monitor the company portfolio of SIF Moldova);
8. legislative proposals related to SIF Moldova's activity (ex: OUG 90)

9. the update of commissions mandated by express legal provisions and communication towards competent authorities:
   - The commission for "Supervising the implementation of international sanctions on the capital market" (according to CNVM Approval no. 9/2009 – communicated to the ASF)
   - The commission for preventing and combatting money laundering and financing terrorism acts through the capital market (according to Law no. 656/2002– communicated to the ASF and the ONPCSB)

During the verification activity carried out in H1 2015, no instances of non-compliance or violation of regulations applicable to SIF Moldova were found.

No situations were reported involving conflicts of interest and complaints by shareholders

The internal conformity activity included:

- conformity approvals for investment notes;
- signing of contracts within the field of competence of the responsible of the Internal Control Department;
- clarification of the reporting obligations of subsidiaries of SIF Moldova;
- approval of monthly situations regarding SIF Moldova holdings and holdings of initiated persons in issuers in the portfolio, situations elaborated by the risk management department for applying the procedure regarding conflicts of interest;
- certification of conduct of stages in the TERU withdrawal procedure
- approval of work procedures

Modifications in the staff of the Internal Control Department in 2015: Starting with May 5, 2015, employment relations with Mr. Radulescu Nicolae – RCCI were terminated; through ASF Decision no. 1035/28.05.2015, the RCCI authorization was withdrawn and the registration in the ASF registry was written off.

7

Corporate governance

7.1. Internal Regulations – harmonization with the organizational development directions and with the applicable legislation

In the reporting period, a wide-ranging process was undertaken for aligning the internal rules and procedures with the provisions of ASF regulation no. 9 / 2014 and with its Guide for Application. The modifications mainly derived from the correlation of Internal Regulations with the provisions of the Articles of Association of SIF Moldova, approved by the EGAS of Apr 1, 2015 (ASF approval no. 137/28.04.2015) and with the modifications arisen in the membership of the company (ASF approval no. 81/11.03.2015). The process was finalized by receiving the ASF approval no. 238/16.07.2015 (current report of 17.07.2015)

7.2. Human resources management

Related information in the **SIF Moldova Corporate Governance Code** Chapter 5. Board of Directors

The process to increase the efficiency of the organizational structure, in agreement with the objectives of SIF Moldova and in the context of the implementation of the Corporate Governance Code is a dynamic process conducted *at the level of the directors as well as of the management*. In the course of operations, a clear division of supervision and control responsibilities is ensured in relation to the attribution of the executive management.

Special attention is granted to human resources at management level, to the end of ensuring continuity for professional improvement programs in order to maintain the expert knowledge gained over several years of specialization. Personnel training in various fields of activity have the role of ensuring an increase in the organization's capacity to react in the process of grounding investment decisions under conditions of uncertainty. In H1 2015, the amount of 81.182 RON was allocated for training staff.

As a consequence of carrying out the optimization process for the organizational structure, the number of employees records the following evolution:

7.3. Concerns on the capital market development

SIF Moldova got involved in debating issues of interest for the development of the Romanian capital market.

The positions of SIF Moldova were expressed in events / meetings with experts in the field, focused on the constitution of a local / regional Central Counterparty, on the process of preparing the transition to FIA/AFIA type structures, the procedure for legislating OUG 90 / 2014, etc.

For the elaboration of proposals or amendments to the normative acts projects, SIF Moldova is mainly envisaging the harmonization of the internal legal framework with the European one, complying with the spirit of the requirements of the European Directives (2007/36/CE) and with the European Standards regarding the Processing of Corporate events

7.4 Social responsibility

SIF Moldova grants support to a wide range of social, cultural, educational, scientific, sporting, etc. activities, using the fiscal facilities allowed by the applicable legislation. In H1 2015, the amount used was 29.000 RON, ensuring support for activities carried out in the university environment (student scholarships, conferences, etc) as well as cultural and social ones.
The focus on the university field is not limited to financial support for performance but also includes the initiation and maintenance of a bilateral flow of information and expertise, that facilitates the connection of students and professors to the real economic environment as well as the identification by SIF Moldova of possible directions for the improvement of instruments for the analysis, evaluation and implementation of investment processes. (ex: the partnership between the Vasile Alecsandri University of Bacau and SIF Moldova within a project financed with European Funds - POSDRU – with the objective of *"extending learning opportunities by innovating, research and interaction with the business environment"*)

8 Events occurred after the reporting date

Finalization of the process of increasing the share capital – according to the EGAS decision no. 3/01.04.2015

SIF Moldova informed shareholders regarding the registration on Jul 6, 2015 in the registry of shareholders of the Company of the increase in share capital, with a number of 519.089.588 shares with a nominal value of 0,10 RON/share, from the value of 51.908.958,80 RON (divided into 519.089.588 shares), at the value of 103.817.917,60 RON (divided into 1.038.179.176 shares). The increase in share capital was done on account of all shareholders registered in the registry of shareholders of the company as of Jun 9, 2015, who were allocated a new share for free for each share held.
(Current report of Jul 6, 2015)

Report of the financial auditor Deloitte Audit SRL *on the legal acts which are subject to reporting obligations under article 225 (1)/ Law 297/2014 - H1 2015 (Current report of July 30, 2015)*

Start of the share buy-back program, in accordance with SIF Moldova EGMS Resolution no. 4/April 1, 2015.
(Current report of August 5, 2015)

SIF Moldova S.A. informs shareholders about the commencement of the programme to buy- back its own shares, in accordance with Decision of the EGMS of SIF Moldova no. 4/01.04.2015, with the following coordinates:

1. SSIF BT Securities S.A. was selected to provide intermediation services of the buy-back programme, following the review of offers submitted as part of the intermediaries' selection process.
2. Buy-back of SIF2 shares under the conditions of the law and within the limits of the EGMS Decision, specifically buying of 7,000,000 shares (out of the total 10,381,791 shares approved for buy-back by the EGMS) with the nominal values of 0.1 lei/share, within the 06.08.2015 – 22.12.2015 timeframe; the minimum purchase price will the market price on the BSE at the time of the purchase and the maximum share acquisition price being of 1.25 lei/share.
3. The volume of shares that the company will be able to buy will be determined in accordance with the provisions of art. 5 of the Regulation (CE) no. 2273/2003. SIF Moldova may buy back a daily volume of shares of up to 25% of the daily average shares volume of SIF Moldova that are traded on the regulated market

on which the purchase is performed, calculated according to the applicable legislation.

Concluding an agreement with Real Estate Asset S.A („REA") – subsidiary of SIF Moldova group (ASF decision no. 352/02.03.2015) *(current report of August 4, 2015)*

SIF Moldova announces that Real Estate Asset S.A. (subsidiary of the SIF Moldova group) has sealed an „Agreement" with Central European Financial Services S.A., as majority shareholder of Nord S.A. and indirect shareholder of Prodplast Imobiliare S.A., concerning the protection of the rights of the minority investor and establishing mutual commitments as far as the holdings in Nord S.A.(„Nord"), Prodplast Imobiliare S.A („PPLI") and Veranda Obor S.R.L. („Veranda") are concerned, and, in particular, concerning:

a) appointment of board members with „PPLI" and „Veranda";
b) dividend policy;
c) protection of holdings of „PPLI" and „Veranda" against dilution;
d) implementation of the "Agreeement" in the incorporations articles of „PPLI", „Nord" and „Veranda".

Based on the „Agreement" the cooperation was agreed only in terms of the rights of the parties regarding „PPLI", „Nord" si „Veranda", without expanding the cooperation of the parties to other topics and without acting in conjunction in regards of other companies than the ones specified.

The "Agreement's coming into force is subject to terms and conditions, among which the achievement by „REA" of the shareholder quality in „PPLI", „Nord", as well as waive of legal action in the litigations to which „PPLI", „Nord" and „Veranda" are part.

Transactions performed by Real Estate Asset SA – subsidiary of SIF Moldova group (ASF decision no. 352/02.03.2015) *(Completion of SIF Moldova report of 04.08.2015) (Current report of Aug 5, 2015)*

SIF Moldova announces that Real Estate Asset S.A. (subsidiary of SIF Moldova – 99.99% holding) has purchased on 05.08.2015 a number of 6,555,211 shares of PRODPLAST IMOBILIARE (PPLI) worthing 39,921,234.99 lei (at the price of 6.09 lei/share) and a number of 643,859 shares of NORD (NORD) in the value of 4,828,942.5 lei (at the price of 7.5 lei/share).

Through these operations, Real Estate Asset SA has gained the status of shareholder of PRODPLAST IMOBILIARE SA and NORD SA, a situation in which the terms of the agreement sealed with Central European Financial Services SA are applied. The agreement was communicated to the market through the current report on the 04.08.2015.

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Annexes

1. Annex 1 – Net assets as of June 30, 2015
   - Annex 1.1. SIF Moldova assets and liabilities (ASF Regulation 15/2004 - Annex 16)
   - Annex 1.2. SIF Moldova assets and investments (ASF Regulation 15/2004 - Annex 17)
2. Annex 2 – Financial statements as of June 30, 2015
3. Annex 3 – Status of litigations as of June 30, 2015
4. Annex 4 – BVB, ASF reporting - H1 2015 Reports to BVB, ASF - June 30, 2015
5. Annex 5 – Summary of directors' CVs

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Approved in the meeting of the Board of Directors of August 13, 2015

Costel CEOCEA, PhD
President and CEO

Michaela Puscas
Internal Control