



Current report according to:	Law 297/2004; CNVM Regulation no 1/2006
Date of report:	July 13, 2012
Name of issuing company:	Moldova Financial Investment Company
Company head office:	Bacau, str. Pictor Aman 94C, 600164
Telephone/Fax no:	+4 0234/576740; +4 0234/570062
Website/E-mail:	www.sifm.ro / sifm@sifm.ro
Fiscal registration code:	RO 2816642
Trade Register no:	J04/2400/1992
CNVM Register no:	PJR09SIIR/040001/December 14, 2005
Subscribed and paid-in share capital:	RON 51,908,958.8
Regulated market trading issued securities:	Bucharest Stock Exchange, first tier

Current Report – information on the latest developments of the company's activity:**✓ financial communication**

We inform the non-resident shareholders that they may consult the separate financial statements prepared under IFRS for 2011, accompanied by the opinion of Deloitte Audit expressed in English (www.sifm.ro/Reports/2012).

✓ Dividend payment

SIF Moldova reminds shareholders that in accordance with the resolutions of the Ordinary General Meeting of April 6, 2012 ([www.sifm.ro/Shareholders/OGMS of April 6, 2012](http://www.sifm.ro/Shareholders/OGMS%20of%20April%206,%202012)) the dividend payment terms and procedures were published on May 15, 2012 ([www.sifm.ro/Press Release/2012/Dividend payment announcement](http://www.sifm.ro/Press%20Release/2012/Dividend%20payment%20announcement)).

The dividend payments required began on June 7, 2012 (ahead of the deadline set in the GMS resolution, which is June 26, 2012) in compliance with the payment terms and procedures announced ([www.sifm.ro/Shareholders/OGMS of April 6, 2012](http://www.sifm.ro/Shareholders/OGMS%20of%20April%206,%202012)); dividends amounting to 39.5 million lei have been paid so far (representing 34.5% of the total dividend for 2011).

*We want to mention that the shareholders may request the payment by bank transfer until **September 15, 2012**. During **October 1, 2012 – November 30, 2012** the dividends for the resident individuals will be provided by SIF Moldova through the services of two specialized operators*

- Banca Transilvania – dividend payments at the bank counters across the country for the individual shareholders who reside in localities where there are Banca Transilvania units;*
- Depozitarul Central – dividend payments at the rural postal counters and at the postal counters from the localities of shareholders residence with no units of Banca Transilvania.*

✓ corporate events – accelerating the activity reorganization; restructuring impact

Please note that the implementation of the decisions adopted by the Board on June 28, 2012, regarding the further reorganization process, was already started, including the changes in the organizational chart structure ([www.sifm.ro/Press Release/Announcement of June 29, 2012](http://www.sifm.ro/Press%20Release/Announcement%20of%20June%2029,%202012)). Thus, the obligations of submission for approval to CNVM of the "Internal Regulations" revised in compliance with the changes in the structure, duties and responsibilities of the departments have been fulfilled. After receiving the CNVM approval, the document will be published on the website ([www.sifm.ro/about us](http://www.sifm.ro/about%20us)).

The main organizational results of the reorganization/restructuring process are:

- **reducing the number of the staff, the number of the filled positions reaching 46** (at the start of the restructuring process, triggered in the current mandate of the Board, there were 119 positions);
- **the elimination of 5 departments and 5 representative offices in this year**, which are added to the elimination of 6 departments and 3 representative offices made at the last change of the organizational chart;
- **in the current mandate of the Board measures for adjustments of the organizational structure and for the responsibilities of the departments have been taken** (in 2009 and 2012 – [www.sifm.ro/about us](http://www.sifm.ro/about-us)) in order to ensure permanent active portfolio management (reviews of the “Internal Regulations” approved by CNVM through the approvals 55/26.10.2009, 52/20.12.2010, 20/14.06.2011 and 12/29.03.2012).

The first impact of the restructuring is the optimization of the organizational structure in terms of increased speed of the decision:

- **elimination of some hierarchy levels/ structures and redefining the responsibilities of the departments;**
- **increasing the levels of expertise by setting up advisory committees to the Board of Directors** (Audit Committee, Investment Policies – Strategies Committee) and **an interdepartmental committee at the executive level** (Investment Committee);
- **integration of activities / operations to shorten the analysis - decision – implementation cycle.**

The second impact of the restructuring can be measured in the reduction of the operating costs, with forecasted savings of 32% to the "wage cost" that worth 2.5 million lei (see Q1 Report activity - [www.sifm.ro/Reports/2012/Q1 Report](http://www.sifm.ro/Reports/2012/Q1-Report)), carried out by:

- **the reduction of the wage by 5% until December 31, 2012**, to achieve a wage cost savings of about 2.3 million lei ;
- **the suspension until December 31, 2012 of some labor rights of financial nature** (bonuses, meal tickets, medical tests) provided in the Collective Labor Agreement to achieve savings of about 0.2 million lei;
- **the reduction of the filled positions to 46**, which will cause a significant decrease in the salary expenses for the 2nd Half of 2012, with a great impact on the fiscal year 2013¹ ([www.sifm.ro/Press Release/Announcement of June 29, 2012](http://www.sifm.ro/Press-Release/Announcement-of-June-29-2012));
- **to avoid the increasing costs with the allowances of the directors and executives**, in the event that restructuring would lead to an increased average salary (which is the basis for setting the allowance, according to GMS Resolution no 8/April 22, 2011) **the allowances were capped at the date on which was taken the decision of restructuring; the directors and executives have also voluntarily renounced at the bonuses due for the entire fiscal year 2012**, according to the management and administration contract.

✓ **business performance; SIF2 share**

On June 30, 2012 the company recorded trading revenues of 146.5 million lei, operating profit of 109.3 million lei and net profit for the period of about 129 million lei.

¹ In the fiscal year 2012 there are conditionings of labor law and provisions of the Collective Labor Agreement on money compensation for redundancy situations that do not depend on the employee, as published in Q1 Report and in the Current Report of May 15 2012.

These achievements are prerequisites for:

- *meeting predictable dividend policy approved by OGMS of April 22, 2011 ([www.sifm.ro/PressRelease/2011/Announcement of February 28, 2012](http://www.sifm.ro/PressRelease/2011/Announcement%20of%20February%2028,%202012));*
- *exceeding the budgeted financial indicators for 2012, approved by OGMS of April 6, 2012 ([www.sifm.ro/Press Release/2012/Announcement OGMS Resolutions of April 6, 2012](http://www.sifm.ro/PressRelease/2012/Announcement%20OGMS%20Resolutions%20of%20April%206,%202012));*
- *the necessary liquidity to support the investment strategies in the sectors mentioned in the "Statement of Investment Policy 2011-2013" ([www.sifm.ro/Shareholders/OGMS/OGMS of April 6, 2012/documents](http://www.sifm.ro/Shareholders/OGMS/OGMS%20of%20April%206,%202012/documents)).*

In relation to the presented results, the investment policy that will be implemented in H2 2012 will be mainly directed on the following directions:

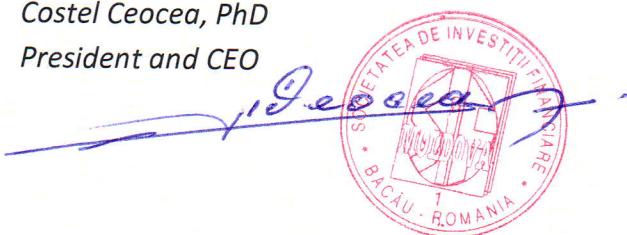
- ***maintaining the key role of the macroeconomic developments analyzes and their influence on the structure of the assets under management, as basis for decisions;***
- ***caution divesting*** determined by the current economic situation;
- ***operationalization of hedging strategies*** for the assets likely to be affected by the evolution of the financial markets;
- ***providing the necessary liquidity for the fructification of some investment opportunities*** that fit into the strategy approved by the shareholders in the OGMS of April 6, 2012;
- ***active management of liquidity*** to ensure the financial stability of the company.

The investment strategy for the next half of the year will be presented in the 1st Half Report for 2012 (according to the financial reporting calendar – August 14, 2012).

We specify that the basis for the investment decisions includes an internal model of assessment of the market risk portfolio, based on the calculation and monitoring of some risk/reward indicators. This view is consistent with the prudent risk profile of the investments (the risk level is defined in the "Investment Policy Statement 2011-2013") and belongs to the multi-year investment strategy.

We appreciate that this caution approach will have positive effects on the assets and shares value in the medium-term.

Costel Ceoceca, PhD
President and CEO



A red circular stamp from the "SOCIETATEA DE INVESTITII FINANCIARE" (Financial Investment Company) in BACAU, ROMANIA. The stamp features a central logo with a stylized 'S' and 'M' and the number '1' below it.

Internal Control
Nicolae Radulescu

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