



Current report according to:

Report date:

Name of issuing company:

Registered office:

Phone/Fax no:

Website/E-mail:

Fiscal Registration Code:

Trade Register no:

CNVM Register no:

Subscribed and paid share capital:

Regulated market on which the issued securities are traded:

Law 297/2004; CNVM Regulation no 1/2006

August 30, 2012

Moldova Financial Investment Company

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RO 2816642

J04/2400/1992

PJRO9SIIR/040001/December 14, 2005

RON 54,884,926.80

Bucharest Stock Exchange, first tier

Current report: Presentation of consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") for the financial year ended December 31, 2011.

Please note that on August 30, 2012 SIF Moldova submits to the shareholders / investors "The consolidated financial statements prepared in accordance with IFRS, for the financial year ended December 31, 2011". These financial statements have been prepared with the assistance of KPMG Advisory SRL and are accompanied by "The independent auditor's report" and "The statement of SIF Moldova's management" ([www.sifm.ro/ Reports/2012/IFRS Consolidated Financial Statements for 2011](http://www.sifm.ro/Reports/2012/IFRS%20Consolidated%20Financial%20Statements%20for%202011)).

The opinion that was expressed by the financial auditor Deloitte Audit SRL, is an unreserved opinion: *"In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2011, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union."*

✓ **Declaration of Conformity**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. These consolidated financial statements are the first financial statements of the Group prepared in accordance with the requirements of IFRS 1. The date of transition to International Financial Reporting Standards was January 1, 2010. The group presented full comparative information on December 31, 2010 and December 31, 2009.

The Group does not prepare and did not prepare consolidated financial statements under Romanian Accounting Regulations ("RAS").

✓ **Consolidation perimeter – SIF Moldova Group includes 7 branches.**

	Decembre 31, 2011	Decembre 31, 2010	January 1, 2010
Casa	99.96%	99.97%	99.97%
Comppil Targu Mures	59.19%	59.19%	59.19%
Gastroinvest	95.69%	95.69%	95.69%
Mecanica Cehlau	55.12%	55.11%	55.11%
Oltcotton	51.11%	51.11%	51.11%
Regal	92.86%	92.95%	93.00%
Tesatoriile Reunite	88.14%	88.79%	89.04%

Only two of the above subsidiaries were considered significant and were made adjustments in accordance with IFRS (Mecanica Ceahlau and Tesatoriile Reunite). At the date of this report, Comppil Targu Mures is no longer part of the consolidation perimeter of SIF Moldova.

The Group has no associated entities on December 31, 2011, December 31, 2010 and January 1, 2010.

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Specification:

SIF Moldova, being an entity registered with CNVM as non-UCITS (Collective Investment Schemes Other Than UCITS) with a diversified investment policy, prepared the annual consolidated financial statements in accordance with IFRS, within 8 months from the end of the financial year, in compliance with CNVM Decision 1176/15.09.2010, given that:

- the legal provisions regarding the mandatory preparation of IFRS audited financial statements for the entities regulated and authorized by CNVM stipulates that **the deadline is September 30, 2012** (CNVM Instruction no 6/15.12.2011, modified by CNVM Enforce Measures no 14/21.06.2012);
- the legal provisions regarding the IFRS separate financial statements for the companies whose securities are admitted to trading on a regulated market states that "**Starting with the financial year 2012**, the companies whose securities are admitted to trading on a regulated market are required to apply the International Financial Reporting Standards (IFRS) when the annual separate financial statements are prepared" (Ministry of Finance Order no. 881/2012)

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Financial communications in 2012

In order to meet the information needs of the users, in the context of supporting and promoting a global financial communication language, for increasing the transparency and credibility of the financial reporting, SIF Moldova presents to the shareholders/investors the following financial reports during 2012:

- ✓ **Separate financial statements prepared in accordance with IFRS for the first time, for the financial year ended on December 31, 2011**, – ahead of the term that delayed by nine months the date of June 30, 2012 ([www.sifm.ro/Reports/2012/IFRS separate financial statements for 2011](http://www.sifm.ro/Reports/2012/IFRS%20separate%20financial%20statements%20for%202011))

The opinion that was expressed by the financial auditor, Deloitte Audit SRL, was an unreserved opinion: "(...) the accompanying separate financial statements present fairly, in all material respects, the separate financial position of S.C. SIF Moldova S.A. as at December 31, 2011, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU".

- ✓ **Separate financial statements prepared in compliance with accounting regulations, consistent with the Directive IV of CEE applicable to the regulated and supervised institutions by CNVM, for the financial year ended on December 31, 2011** ([www.sifm.ro/Reports/2011/2011 annual report](http://www.sifm.ro/Reports/2011/2011%20annual%20report))

The financial statements have been audited by the independent financial auditor Deloitte Audit SRL submitted and approved by the OGMS of April 6, 2012.

- ✓ **The financial statements for the first half of 2012** prepared and presented in compliance with the accounting regulations, consistent with the Directive IV of CEE applicable to the regulated and supervised institutions by CNVM. The financial statements were reviewed by the independent financial auditor Deloitte Audit SRL. ([www.sifm.ro/Reports/2012/first half report](http://www.sifm.ro/Reports/2012/first%20half%20report))

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Presentation of consolidated financial statements; comparisons between IFRS consolidated financial statements and IFRS separate financial statements

The consolidated financial statements are presented in accordance with the requirements of IAS 1 "Presentation of Financial Statements". The Group has adopted a presentation based on liquidity in the financial position statement and a presentation of the income and expenses according to their nature in the comprehensive income statement, considering that these methods of presentation provides information that is reliable and more relevant than those that would have been submitted under other methods permitted by IAS 1.

The consolidated subsidiaries are entities controlled by the Group. The control exists when the Group has the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. When it was made the assessing there were taken into account the potential or convertible voting rights that were exercisable at that time. The accounting policies of the group subsidiaries have been changed in order to be aligned with those of the Group.

✓ **The main adjustments made in preparing the consolidated statements relate to:**

- IFRS adjustments in subsidiaries to recognize the real estate investments (IAS 40)
- IFRS adjustments in subsidiaries to recognize the assessment of the tangible assets (IAS 16)
- IFRS adjustments in subsidiaries to recognize the deferred tax (IAS 12)
- Specific consolidation adjustments

✓ **Statement of financial position (RON)**

	Group December 31, 2011	SIF Moldova IFRS December 31, 2011
Assets		
Cash and cash equivalents	4.445.585	476.570
Bank deposits	139.432.323	129.363.105
Financial assets at fair value through profit and loss account	9.475.533	8.611.260
Available for sale financial assets	900.329.098	947.280.998
Held to maturity investments	1.362.653	1.362.653
Real estate investments	5.265.805	4.274.849
Intangible assets	2.331.817	1.277.508
Tangible assets	59.250.495	10.987.918
Other assets	25.018.733	1.788.631
Total assets	1.146.912.042	1.105.423.492
Liabilities		
Loans	3.799.397	-
Dividends payable	24.063.140	24.036.072
Provisions for risks and charges	15,024,108	14,678,961
Deferred tax liabilities	42.556.325	47.906.177
Other liabilities	54,509,977	48,092,694
Total liabilities	139.952.947	134.713.904
Equity attributable to the shareholders of the Company		
Share capital	487.811.190	487.811.190
Retained earnings	275.961.314	237.717.597
Reserves from restatement of tangible assets	11.504.507	9.076.661
Reserves from restatement of available for sale financial assets	210.642.546	236.104.140
Total equity attributable to the shareholders of the Company	985.919.557	970.709.588
Minority interest	21.039.538	-
Total equity	1.006.959.095	970.709.588
Total liabilities and equity	1.146.912.042	1.105.423.492

Compared with the parent company, the assets and equity of the Group is higher with 3.75% and 1.54%.

✓ *Statement of comprehensive income (RON)*

	Group December 31, 2011	SIF Moldova IFRS December 31, 2011
Income		
Dividends income	20.564.595	20.818.818
Interests income	4.535.568	3.719.234
Other operational income	49.819.186	12.336.209
Other income	-	233.445
Earnings from investments		
Net earning from disposal of assets	419.768.719	419.761.823
(Net loss)/Net earnings from the restatement of the financial assets at fair value through profit and loss	(816.480)	(592.898)
Expenses		
(Losses)/Reversal of losses from the impairment of assets	(12.769.321)	(12.889.744)
Expenses incurred with the provisions for risks and charges	(13.901.959)	(13.896.057)
Other operational income	(65.214.649)	(35.184.416)
Other expenses	-	(151.760)
Operating profit	401.985.659	394.154.654
Financing costs	(640.534)	-
Profit before taxes	401.345.125	394.154.654
Income tax	(64.522.187)	(63.830.481)
Net profit for the year	336.822.938	330.324.173
Increases/(Decreases) in the reserve from the restatement of the tangible assets	(74.595)	15.216
Transfer of the revaluation reserve to the retained earnings as a result of disposal of tangible assets	(106.307)	-
Restatement at fair value of the available for sale financial assets, net of deferred tax	(124.816.163)	(118.723.568)
Decrease in the reserve as a result of disposal of available for sale financial assets	(421.062.837)	(421.062.838)
Other comprehensive income	(546.059.902)	(539.771.190)
Total comprehensive income for the period	(209.236.964)	(209.447.017)

The Group operating profit reflects an increase of 1.99%, the net profit for the year 2011 shows an increase of 1.97% and the total comprehensive income for the period submit a decrease of 0.10% compared with the parent company.

* * *

The financial statements prepared under IFRS for the year ended December 31, 2011 are intended solely for informational purposes only, for shareholders and CNVM, and cannot be relied upon as a basis for investment decisions and does not affect the rights of the shareholders on the dividend.

Costel Ceoce, PhD
President and CEO



Nicolae Radulescu
Internal Control

To the shareholders of
SIF Moldova S.A..
Bucharest, Romania

INDEPENDENT AUDITOR'S REPORT

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of SIF Moldova S.A. and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as of December 31, 2011, and the consolidated statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

- 2 Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurances about whether the consolidated financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6 In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2011, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

- 7 We draw attention to the fact that during 2011 a number of major economies around the world have experienced strong volatility in the capital markets and severe restrictions in the credit markets. As a consequence of the recent market turmoil in capital and credit markets both globally and in Romania, notwithstanding any potential economic stabilization measures that may be put into place by the State, economic uncertainties arose surrounding the continual availability and cost of credit for the Group's counterparties, future development of the markets and demand for goods and services they produce. The potential for economic uncertainties to continue in the foreseeable future and, as a consequence, the potential that assets of the Group may be not recovered at their carrying amount in the ordinary course of business, and a corresponding impact on the Group's profitability cannot be estimated reliably as of the date of this report. Our opinion is not modified in respect of this matter.

Other Matters

- 8 This report is made solely to the Group's shareholders, as a body. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Free translation from the original Romanian binding version.

Deloitte Audit S.R.L.
Bucharest, Romania
August 28, 2012