



SOCIETATEA DE INVESTIȚII FINANCIARE MUNTENIA S.A.

Splaiul Unirii nr. 16, sector 4, 040035 București,
Înregistrată la O.R.C. J40/27499/1992, CUI 3168735, Capital social 80703651,5 lei
Înscrisă în registrul CNVM cu nr. PJR09SIIR/400005/15.06.2006 Autorizată prin Decizia CNVM nr. 1513/15.07.1999

administrata de

S.A.I. MUNTENIA INVEST S.A.

Înscrisă în registrul CNVM cu nr. PJR05SAIR/400006/13.01.2004 Tel: 021.387.3210, 0372.074110,
Fax: 021.387.3209, 0372.074109

ANNUAL ACTIVITY REPORT FOR SAI MUNTENIA INVEST SA, REGARDING THE ADMINISTRATION OF SIF MUNTENIA IN THE FISCAL YEAR 2010

Annual report in compliance with:	CNVM Regulation no. 1/2006
Report Date:	March 1, 2011
Issuing company's name:	Societatea de Investitii Financiare MUNTENIA SA
Headquarters:	16 Splaiul Unirii, sector 4, Bucharest,
Phone/fax number:	021-387.32.08/021-387.32.65
Unique registration code:	3168735
Trade Registry number:	J40/27499/1992
The regulated stock exchange on which the securities are traded:	BUCHAREST STOCK EXCHANGE
Subscribed and paid-in capital:	RON 80,703,651.5
Main features of the securities issued:	Common, nominative, of equal value, indivisible, non material, with a face value of RON 0.1

This report was prepared in accordance with the provisions of the Order No. 75/2005, issued by the National Securities Commission (CNVM).

SIF Muntenia SA (the Company) is a collective investment organization, member of the "Other collective investment organizations" (AOPC), which carries out its activities in accordance with the provisions of the Law no. 297/2004 regarding the capital market, the Law 31/1990 republished, regarding commercial companies, compliant with the regulations of the National Securities Commission and its Incorporation Act.

According to the provisions of SIF Muntenia's Incorporation Act approved by the Shareholders' Annual General Meeting in 1997, and endorsed by the CNVM through the decision no.1039/02.05.2006, Societatea de Administrare a Investițiilor Muntenia Invest S.A. (SAI Muntenia Invest S.A.) was assigned to manage the Company. From January 1, 2010 to December 31, 2010, SAI Muntenia Invest S.A. administrated the Company in accordance with the provisions stipulated in the Investment Management Agreement no. 334/2221/05.04.2006, and in SIF Muntenia SA's Management Program for 2010, approved by the Shareholders' Annual General Meeting on April 30, 2010.

SIF MUNTENIA SA used the depository services, specific to their financial assets, of the depository bank BANCA ROMANA PENTRU DEZVOLTARE – GROUPE SOCIETE GENERALE S.A. These services were provided in compliance with the legal requirements, the depository contract and the instructions communicated by SAI MUNTENIA INVEST S.A.

Societatea de Investitii Financiare MUNTENIA INVEST SA

Authorized by CNVM, Decision no. D6924/17.07.1997
Re-authorized by CNVM, Decision no. 110/13.01.2004
Registered at CNVM Register with no. PJR05SAIR/400006

Address: 16 Splaiul Unirii, Sector 4, Bucharest, Romania
Telephone no.: 021-387.32.10 Fax no.: 021-387.32.09

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The record of shares and shareholders of the Company was owned by S.C. Depozitarul Central SA Bucharest within the entire reporting period.

SIF MUNTENIA SA's ACTIVITY ANALYSIS

OBJECTIVES ACHIEVED IN 2009

In 2009, SAI MUNTENIA INVEST S.A. managed SIF MUNTENIA SA, following the prioritized strategic objectives approved by the General Shareholders' Meeting on April 30, 2010:

- To strengthen the Company's financial position on the Romanian and European Union capital markets, taking into account the possibility of listing it on other parallel capital markets
- To optimize its economical and financial performance
- To ensure financial security
- To restructure the portfolio
- To improve the performance of the portfolio's management

The main components of the Company's income and expenses recorded in 2010 are presented in the following table:

Indicator	Allocated for income and expenses in 2010 (RON)	Actual 2010 (RON)	Exceeded by
Income, out of which:	115,000,000	164,057,134	42.66%
▪ Income from recovering allowances for doubtful accounts	25,000,000	39,107,547	56.43%
Expenses, out of which:	40,270,000	80,269,031	99.33%
▪ Expenses on allowances for doubtful accounts	15,000,000	52,419,940	249.47%
Gross Profit:	74,730,000	83,788,103	12.12%

The actual allocated expenses exceeded the amount allocated due to the increase in bad debt allowances expenses, accounted for in accordance with the accounting policies adopted by the Company. We mention that, starting with 2002, the Company's accounting policy stipulates that the allowances for impaired financial assets and non-deductible expenses must be recorded. In 2010, the impairment had a negative impact on the Company's gross income (expenses with impaired allowances amounted to RON 52,419,940, while the income from recovered allowances amounted to RON 39,107,547).

The analysis of the performance of the total and net assets of SIF MUNTENIA SA reveals the extent to which SAI MUNTENIA INVEST achieved the objectives to improve SIF MUNTENIA SA's financial and economic performance, financial security insurance and portfolio management performance amid 2010's harsh economic climate.

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	RON				
	2006	2007	2008	2009	2010
Total assets	1,401,057,288	2,258,604,292	1,493,083,298	1,585,188,761	1,506,035,327
Year – to Year Percentage Change	27.76	61.21	-33.89	6.17	-4.99
Net assets	1,313,084,555	2,163,647,876	1,368,540,079	1,471,651,781	1,411,412,852
Year – to Year Percentage Change	49.42	64.78	-36.75	7.53	-4.09
Net Result	71,969,816	86,678,302	89,600,633	82,022,909	71,419,776
Year – to Year Percentage Change	37.40	20.44	3.37	-8.46	-12.93

The table below illustrates the performance of the following indicators: net profit, total amount of distributable dividends, and the ratio of the first two:

	RON				
	2006	2007	2008	2009	2010
Net profit	71,969,816	86,678,302	89,600,663	82,022,909	71,419,776
Gross dividends distributable to shareholders	56,492,556	56,492,556	32,281,461	32,281,461	40,351,826
Net profit distribution ration (%)	78.49	65.17	36.03	39.36	56.50

In 2010, SIF MUNTENIA SA reported a net profit of RON 71,419,776, lower with RON 7,577,754 as compared to 2009 financial year's profit. This result allows the distribution of a gross dividend of RON 0.05/share.

One of the main objectives targeted by the Company in 2010 was the increase in the quality of assets that make up the investment portfolio of SIF MUNTENIA SA.

The following table illustrates the performance of the value and the share of the sub-portfolios, that make up SIF MUNTENIA SA's overall portfolio, for the period December 31, 2009 - December 31, 2010, calculated in accordance with the provisions of the CNVM Regulation no. 15/2004:

	December 31, 2009 RON	% of total assets	December 31, 2010 RON	% of total assets	Change for the period December 31, 2009- December 31, 2010	
					RON	%
Cash and cash equivalents	1,945,838	0.12	2,635,149	0.17	689,312	35.42
Listed shares	857,184,403	54.07	730,490,424	48.50	-126,693,979	-14.78
Unlisted shares	546,628,974	34.48	534,109,729	35.46	-12,519,245	-2.29
Listed bonds	10,209,504	0.64	573,964	0.04	-9,635,541	-94.38
Unlisted bonds	16,949,532	1.07	23,730,247	1.58	6,780,715	40.01
Structured products	29,721,163	1.87	21,871,481	1.45	-7,849,682	-26.41
OPCVM Unit funds	19,290,169	1.22	33,931,811	2.25	14,641,642	75.90
Treasury bills	21,160,816	1.33	563,359	0.04	-20,597,457	-97.34

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	December 31, 2009 RON	% of total assets	December 31, 2010 RON	% of total assets	Change for the period December 31, 2009- December 31, 2010	
					RON	%
Bank Deposits	60,085,151	3.79	146,505,392	9.73	86,420,241	143.83
Other assets	22,013,211	1.39	11,613,771	0.77	-10,399,440	-47.24
TOTAL ASSETS	1,585,188,761	100.00	1,506,025,327	100.00	-79,163,434	-4.99
TOTAL LIABILITIES	113,536,980	7.16	94,612,475	6.28	-18,924,505	-16.67
NET ASSETS	1,471,651,781	92.84	1,411,412,852	93.72	-60,238,929	-4.09

The analysis of the data presented reveals that the adequate administration of the portfolio of SIF MUNTENIA SA led to the achievement of the following objectives:

- The improvement of the economic and financial performance indicators
- The assurance of financial security
- The restructuring of the portfolio

THE ADMINISTRATION OF SIF MUNTENIA SA's PORTFOLIO

THE ADMINISTRATION OF THE SUB-PORTFOLIO OF SHARES

As of December 31, 2010, the value of the sub-portfolio of shares reached RON 1,264,600,153. In 2010, the value of this sub-portfolio decreased by 9.92%. In 2010, the number of companies in the portfolio decreased from 230 to 213.

The following table presents the change in net assets in 2010 by the types of shares in this sub-portfolio:

	December 31, 2009	December 31, 2010	Change	
			RON	%
Listed shares, out of which:	857,184,403	730,490,424	-126,693,979	-14.78
▪ listed on Bucharest Stock Exchange (BVB)	520,240,757	399,655,978	-120,584,779	-23.18
▪ Listed on BVB-BER	279,569,229	309,060,887	29,491,658	10.55
▪ Listed on SIBEX	0	1,629,036	1,629,036	-
▪ Listed and never traded	190,142	7,016	-183,126	-96.31
▪ Listed and not traded within the last 90 days	57,184,275	20,137,507	-37,046,768	-64.78
Unlisted shares, out of which:	546,628,974	534,109,729	-12,519,245	-2.29
▪ unlisted but traded at BVB	3,792,855	3,703,542	-89,313	-2.35
▪ unlisted companies	542,836,119	530,406,187	-12,429,932	-2.29
TOTAL	1,403,813,377	1,264,600,153	-139,213,224	-9.92

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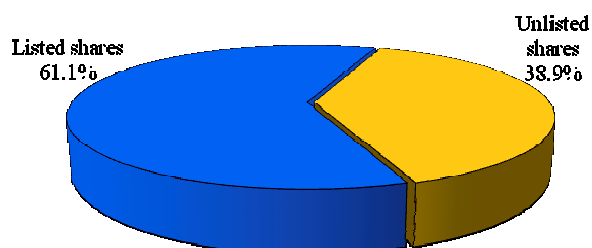
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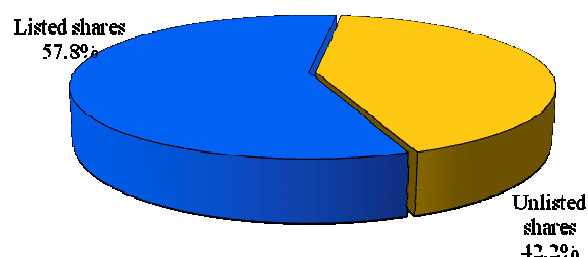
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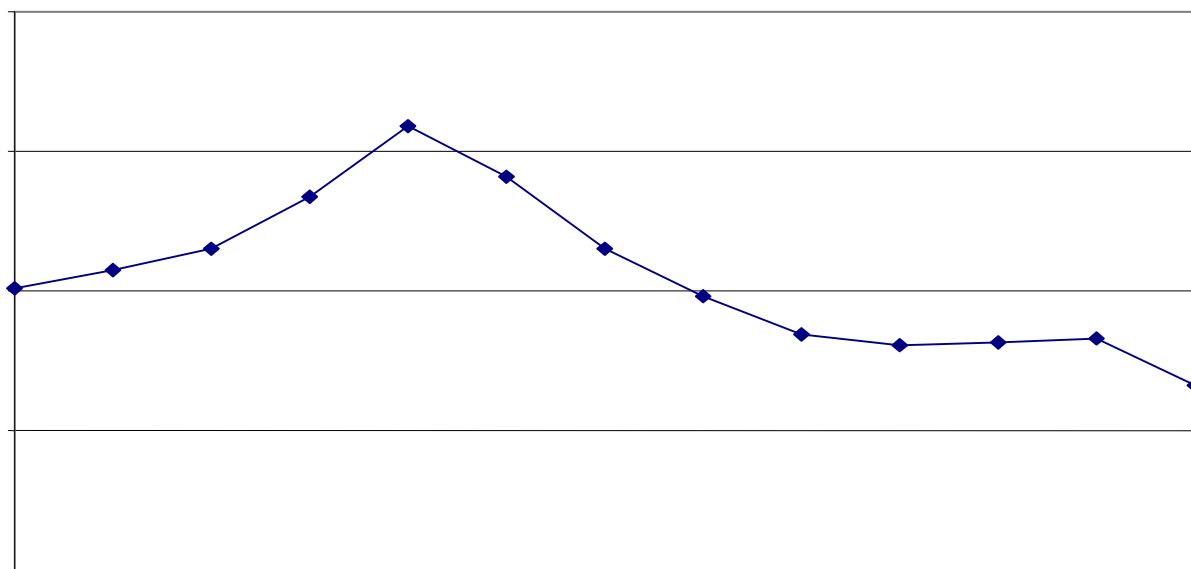
The sub-portfolio's structure as of December 31, 2009



The sub-portfolio's structure as of December 31, 2010



The following chart shows the performance of the sub-portfolio's net asset value during the fiscal year 2010, between December 31, 2009 and December 31, 2010:



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The table below shows the performance of the shares in the sub-portfolio by sector:

Sector	December 31, 2009		December 31, 2010	
	Net asset value (RON)	Weight %	Net asset value (RON)	Weight %
AGR-Agriculture, livestock, fishing	49,488,295	3.53	87,336,763	6.91
MID-Mining industry	15,797,819	1.13	15,089,496	1.19
FOD-Food industry	4,130,839	0.29	2,894,337	0.23
PAP-Cellulose, paper and cardboard industry	2,395,212	0.17	2,051,266	0.16
CHE-Chemical and petrochemical industry	24,104,174	1.72	19,898,790	1.57
MNM- Construction materials industry	84,820,063	6.04	86,668,470	6.85
BMI-Steel and metallurgy industry	3,185,950	0.23	0	0.00
MEQ-Metal construction and related products industry	96,540,128	6.88	53,949,359	4.27
MOT-Other industrial activities	235,273	0.02	304,074	0.02
CST-Constructions	77,944,731	5.55	56,927,879	4.50
RWH-Commerce (wholesale and retail),tourism and restaurants	113,733,744	8.10	109,439,034	8.65
TRS-Shipping, storage, communications	25,251,881	1.80	25,615,453	2.03
FNS-Financial activities, banking and insurance	805,520,637	57.38	684,279,094	54.11
RES-Real estate transactions, rent, other services	65,775,416	4.69	82,304,749	6.51
CPE-Research	28,833,012	2.05	32,558,863	2.57
SOC-Other services activities	6,056,203	0.43	5,282,526	0.42
TOTAL	1,403,813,377	100.00	1,264,600,153	100.00

The following table shows the structure of SIF MUNTENIA SA's Portfolio, by the percentage of shares owned in the company's share capital:

Percentage owned in the company's total share capital	December 31, 2009			December 31, 2010		
	No. co.	Net assets value RON	%	No. Co.	Net assets value	%
≤5%	72	47,438,481	3.38	66	381,588,197	30.17
5-33%	131	1,073,317,622	76.46	121	583,055,359	46.11
33-50%	9	45,261,710	3.22	7	42,215,111	3.34
>50%	18	237,795,564	16.94	19	257,741,486	20.38

THE SUB-PORTFOLIO OF LISTED SHARES

As of December 31, 2010 the value of the listed shares sub-portfolio was RON 730,490,424. In 2010, the value of this sub-portfolio decreased by 14.78%.

In 2010, the number of companies in which SIF MUNTENIA SA owned listed shares decreased from 117 to 95.

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The table below shows the net assets' performance in 2010 by type of shares in the sub-portfolio of listed shares:

	December 31, 2009	December 31, 2010	Change	
			RON	%
Listed shares, out of which:	857,184,403	730,490,424	-126,693,979	-14.78
▪ Listed on BVB	520,240,757	399,655,978	-120,584,779	-23.18
▪ Listed on BVB-BER	279,569,229	309,060,887	29,491,658	10.55
▪ Listed on SIBEX	0	1,629,036	1,629,036	-
▪ Listed and never traded	190,142	7,016	-183,126	-96.31
▪ Listed and not traded within the last 90 days	57,184,275	20,137,507	-37,046,768	-64.78

The decrease in the value of the sub-portfolio of shares listed on BVB is mainly due to the sale of a shares package owned by SIF MUNTENIA SA in BRD –GSG, as well as the sale of the share packages owned by the Company in ERSTE BANK and BANCA TRANSILVANIA SA.

The decrease in the value of the listed and never traded shares is due to the turning of the shares of SC AGROSEM SA TIMIȘOARA, SC BRAIFOR SA BRĂILA, SC FORAJ SONDE BUCUREȘTI INTERNAȚIONAL SA, SC INSTITUTUL NAȚIONAL DE STICLĂ SA BUCUREȘTI, SC SEMROM TRANSILVANIA SA CLUJ-NAPOCA and SC UPETROLAM SA BUCUREȘTI into unlisted shares.

The decrease in the value of the shares listed and not traded within the last 90 days is due to the transfer of the shares of SC TIMPURI NOI SA BUCUREȘTI, COMREP SA PLOIEȘTI and COMCEREAL SA PRAHOVA to the category of listed and traded on BVB-BER, as well as to the entering into the insolvency procedure of SC ICERP SA PLOIEȘTI (fair value 0)

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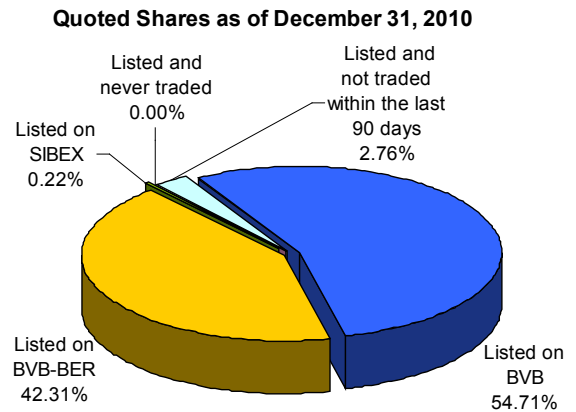
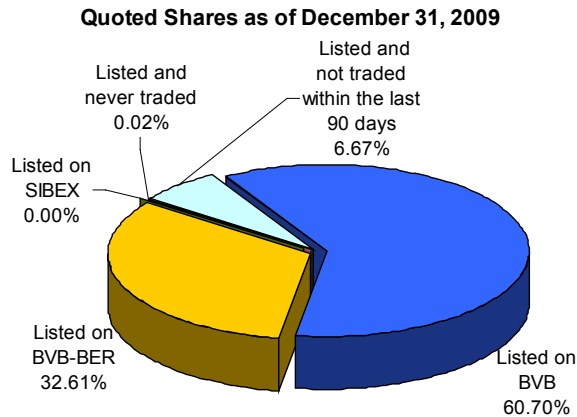


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The main events that took place in 2010, regarding SIF MUNTENIA SA's listed shares sub-portfolio were:

1. The liquidation of the following positions:

SC ANTIBIOTICE IAȘI
BANCA COMERCIALĂ CARPATICA SA
BANCA TRANSILVANIA SA
SC COMAT AUTO SA BUCUREȘTI
ERSTE BANK
GECSAT INTERCOM SA TÂRNĂVENI
SC ROMPETROL RAFINARE SA CONSTANȚA
SNTGN TRANSGAZ SA MEDIAȘ
THR MAREA NEAGRĂ SA EFORIE NORD
SC ZENTIVA SA BUCUREȘTI

The total profit recorded by the Company, from these transactions, amounted to RON 3,120,300 with a transaction value of RON 18,529,446.

2. The sale of shares from the batches owned by the Company in:

SC BIOFARM SA BUCUREȘTI
BRD-GSG SA
SSIF BROKER SA CLUJ-NAPOCA
SC CEMACON SA ZALĂU
SC MINDO SA DOROHOI
OMV PETROM SA BUCUREȘTI

The total profit recorded by the Company, from these transactions, amounted to RON 69,214,114 with a transaction value of RON 97,738,392.

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3. Investments, out of which:

- Batches of shares purchased on the stock exchange:

(RON)	
Issuing Company	Invested amount
BRD-GSG SA	2,238,578
SSIF BROKER SA CLUJ-NAPOCA	6,270,208
BURSA MONETAR FINANCIARĂ ȘI DE MĂRFURI SIBIU	2,003,324
SC CEMACON SA ZALĂU	65,804
OMV PETROM SA BUCUREȘTI	353,500

The total amount invested in these shares amounted to RON 10,931,413.

- Additional paid in cash for the share capital increase of the following companies:

(RON)	
Company name	Amount invested
SC SEMROM OLTENIA SA CRAIOVA	5,153,135
BANCA COMERCIALA CARPATICA SA	21,374
SC TRANSCHEM SA BUCUREȘTI	2,500,000
SC MINDO SA DOROHOI	1,869,656
SC UNISEM SA BUCUREȘTI	10,600,000

The total amount invested in the share capital of listed companies was RON 20,993,749.

THE SUB-PORTFOLIO OF UNLISTED SHARES

As of December 31, 2009, the value of the unlisted shares sub-portfolio was RON 534,109,729. In 2010, the value of this sub-portfolio decreased by 2.29%.

In 2010, the number of companies in which SIF MUNTENIA owned unlisted shares, oscillated between 113 and 118.

The table below shows the net asset performance in 2010, by the types of shares in the sub-portfolio of unlisted shares:

	December 31, 2009	December 31, 2010	Change	
			RON	%
Unlisted shares, out of which:	546,628,974	534,109,729	-12,519,245	-2.29
▪ unlisted but traded on BVB	3,792,855	3,703,542	-89,313	-2.35
▪ unlisted companies	542,836,119	530,406,187	-12,429,932	-2.29

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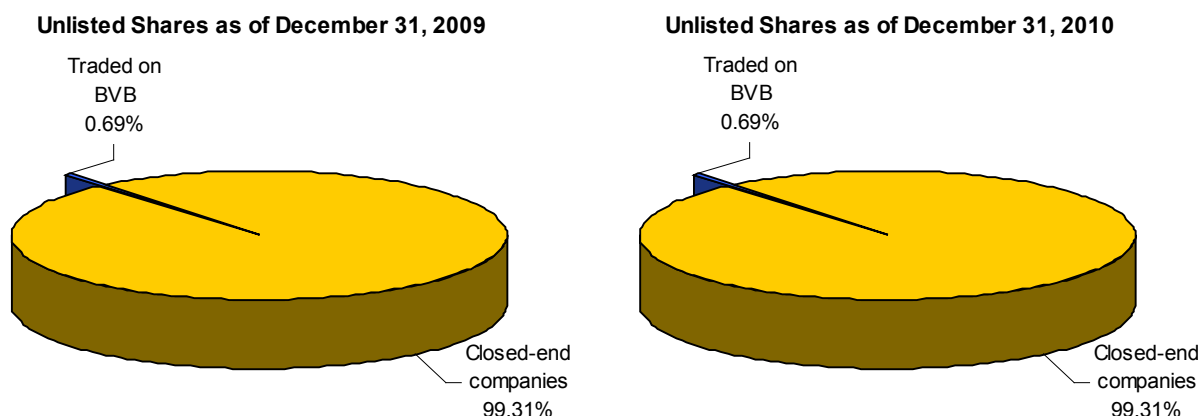
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The decrease in the value of the sub-portfolio of unlisted but traded on BVB shares is due to the decrease in the fair value of SC CHIMOPAR SA BUCUREȘTI.

The decrease in the value of the sub-portfolio of shares owned in unlisted companies was mainly due to the decrease in the fair value of SC VOLUTHEMA PROPERTY DEVELOPER SA, FIROS SA BUCUREȘTI, ARCOM SA BUCUREȘTI, as well as to SC RESTAURANTE ELEMENTS SA going into bankruptcy.



The main events that occurred in 2010 fiscal year, in regards to the unlisted shares sub-portfolio of SIF MUNTENIA S.A., were:

1. Investments, out of which:

- Additional paid-in cash for the share capital increase of the following companies:

Company name	Amount invested (RON)
SC COMPANIA DE LIBRARI SA BUCURESTI	172,047
SC IPROMIN SA BUCURESTI	6,938
SC ICPE SA BUCURESTI	550,800
SC ORTHO VITA MED SA PITESTI	5,740,000
TOTAL	6,469,785

- Additional paid-in cash of RON 2,000,000 to the share capital of SC TURISM LOTUS FELIX SA, a company founded in November 2009; this amount represents the remaining amount to be paid.

We mention that during the year, 2010, there had been no transactions of unlisted shares in the SIF MUNTENIA SA's Portfolio.

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THE ADMINISTRATION OF THE SUB-PORTFOLIO OF BONDS

As of December 31, 2010, the total net asset value of the bonds sub-portfolio was RON 24,304,211. The sub-portfolio decreased in value by 10.51% due to the following reasons:

- The bonds from SC INTERNATIONAL LEASING SA and ERSTE BANK WIEN reached maturity
- The Company cashed principal coupons, amounting to RON 10,904,600 and interest coupons, amounting to RON 884,547;

The following table shows the net asset value performance in 2010 by the type of bonds in the sub-portfolio:

	December 31, 2009	December 31, 2010	Change	
			RON	%
Listed bonds, out of which:	10,209,504	573,964	-9,635,540	-94.38
▪ municipal bonds	885,218	573,964	-311,254	-35.16
▪ corporate bonds	9,324,286	0	-9,324,286	-100.00
Unlisted bonds, out of which:	16,949,532	23,730,247	6,780,715	40.01
▪ municipal bonds	102,409	103,085	676	0.66
▪ corporate bonds	16,847,123	23,627,162	6,780,039	40.24
TOTAL	27,159,037	24,304,211	-2,854,826	-10.51

SOCIETATEA DE INVESTIȚII FINANCIARE MUNTENIA S.A.



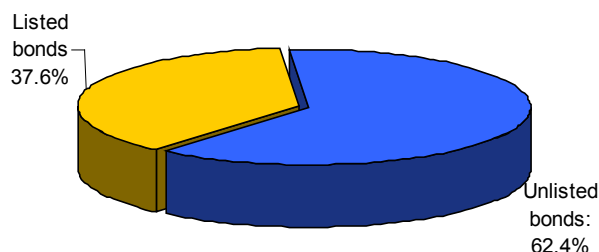
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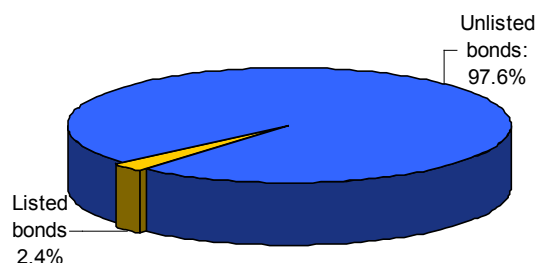
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Bonds Sub-Portfolio as of December 31, 2009



Bonds Sub-Portfolio as of December 31, 2009



As of December 31 2010, the bonds sub-portfolio included six issuers.

In 2010, SIF MUNTENIA SA purchased bonds issued by SC SEMINA ALBESTI SA of RON 5,500,000, as well as bonds issued by SC VALEA CU PESTI SA of RON 500,000

As of December 31, 2010, the total amount invested in bonds was RON 24,304,211.

THE SUB-PORTFOLIO OF LISTED BONDS

The following table shows the performance of the Company's listed bonds sub-portfolio net asset value:

	December 31, 2009	December 31, 2010	Change	
			RON	%
Listed bonds, out of which:	10,209,504	573,964	-9,635,540	-94.38
▪ municipal bonds	885,218	573,964	-311,254	-35.16
▪ corporate bonds	9,324,286	0	-9,324,286	-100.00

As of December 31, 2010, the sub-portfolio of listed bonds included municipal bonds issued by TIMIȘOARA and LUGOJ counties.

In 2010, the total amount collected on the principal coupons of the listed bonds was RON 9,404,600, out of which: ERSTE BANK WIEN (RON 9,000,000), TIMIȘOARA County (RON 180,000), LUGOJ County (RON 124,000).

In 2010, the total amount collected on interest coupons on the listed bonds was RON 540,922, out of which: ERSTE BANK WIEN (RON 462,280), SC INTERNATIONAL LEASING SA (RON 13,066), TIMIȘOARA County (RON 19,600), LUGOJ County (RON 45,976).

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THE SUB-PORTFOLIO OF UNLISTED BONDS

The following table shows the performance of the net asset value of the Company's unlisted bonds sub-portfolio:

	December 31, 2009	December 31, 2010	Change	
			RON	%
Unlisted bonds, out of which:	16,949,532	23,730,247	6,780,715	40.01
▪ municipal bonds	102,409	103,085	676	0.66
▪ corporate bonds	16,847,123	23,627,162	6,780,039	40.24

As of December 31, 2010, the sub-portfolio of listed bonds included: corporate bonds issued by SC SEMINA SA ALBEȘTI, SC ORTHO VITA MED SA PITEȘTI, VALEA CU PEȘTI and municipal bonds issued by HOREZU City.

In 2010, SIF MUNTENIA SA collected a coupon on the principal of the bonds from SC SEMINA SA ALBEȘTI, of RON 1,500,000.

In 2010, the total amount collected on interest coupons on unlisted bonds was RON 343,625, out of which: BANCA TRANSILVANIA SA RON 40,255, SC SEMINA SA ALBEȘTI RON 293,384, HOREZU City RON 9,986.

THE ADMINISTRATION OF THE SUB-PORTFOLIO OF STRUCTURED PRODUCTS LISTED ON A REGULATED MARKET IN E.U.

The table below presents the performance of the sub-portfolio of structured products listed on a market regulated in EU, in 2010.

	December 31, 2009	December 31, 2010	Change	
			RON	%
BEST EXPRESS	10,679,923	11,477,230	797,307	7.47
MULTI ASSET OPTIMIZER	9,633,240	10,394,251	761,012	7.90
GEMS TV07-10 MTN	9,408,000	0	-9,408,000	-100.00
TOTAL	29,721,163	21,871,481	-7,849,682	-26.41

In 2010, the value of the sub-portfolio of structured products decreased by 26.41%.

In December 2010, the structured products from Barclays Banc Plc matured and the principal of RON 10,000,000, invested, was redeemed.

THE ADMINISTRATION OF THE SUB-PORTFOLIO OF LIQUID ASSETS

According to the Administration Program of SIF Muntenia SA, in 2010, this portfolio was structured based on the limitations set by the CNVM and the cash needed for current and investment activities.

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As of December 31, 2009, the net assets value of the Company's liquid assets sub-portfolio was of RON 102,481,974. In 2010, the value of this sub-portfolio increased by 79.2%.

The following table shows the performance of the sub-portfolio's net asset value in 2010:

	December 31, 2009	December 31, 2010	Change	
			RON	%
Cash and cash equivalents	1,945,838	2,635,149	689,312	35.4%
OPCVM Investments	19,290,169	33,931,811	14,641,642	75.9%
Treasury bills	21,160,816	563,359	-20,597,457	-97.3%
Banks deposits	60,085,151	146,505,392	86,420,241	143.8%
TOTAL	102,481,974	183,635,711	81,153,737	79.2%

At the beginning of 2010, the liquidities owned in bank deposits and state treasury bills amounted to RON 81,245,967, whereas, at the end of the year, the liquidities amounted to RON 149,703,900.

In 2010, the investments in money market instruments, denominated in RON and in foreign currencies, generated a turnover of RON 956,128,241.28, EUR 12,734,000 and USD 762,790; the Company concluding 527 agreements with 8 commercial banks.

Interest income from bank deposits in both RON and foreign currencies, together with treasury bills interest income amounted to RON 5,687,412.

The average interest rate for the RON bank deposits, concluded by the Company in 2010, was 7.62% per annum. The average interest rate for treasury bills was 8.75% per annum. Both average interest rates exceeded the average inter-banking interest rate – ROBID 5.50% per annum, the average inter-banking rate – ROBOR 6.01% per annum, and most of the time the annual inflation rate 7.96% in 2010 (the July 2010 VAT increase has not been absorbed entirely yet)

This sub-portfolio is and will be managed, in compliance with the existing diversification and risk exposure limit regulations, optimizing the sub-portfolio, in the current Romanian money market conditions.

In the reporting period, the Company complied with the limit set by CNVM, Regulation no. 15/2004, regarding the maximum percentage of assets owned in deposits at the same bank, which is 30%.

In March 2010, SIF MUNTENIA SA sold a number of 2,639.7482 unit-funds, owned in the unlisted investment fund RAIFFEISEN STRATEGII VALUTARE, gaining RON 8,424,016

In April 2010, SIF MUNTENIA SA sold a number of 69,037.0314 unit-funds, owned in the investment fund RAIFFEISEN MONETAR, gaining RON 8,510,029.

In February 2010, SIF MUNTENIA SA purchased 1 fund unit, issued by the unlisted investments fund AVIVA INVESTORS, with RON 2,033,409.

In March 2010, SIF MUNTENIA SA purchased 69,037.0314 fund units, issued by the investments fund RAIFFEISEN MONETAR, with RON 8,424,016.

In April 2010, SIF MUNTENIA SA purchased 85,100.2917 fund units, issued by the investments fund RAIFFEISEN CONFORT SERIA 2, with RON 8,510,029.

In December 2010, SIF MUNTENIA SA purchased 20,000,000 fund units, issued by the investments fund FONDUL PROPRIETATEA, with RON 9,800,000.

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THE NET ASSET VALUE's PERFORMANCE

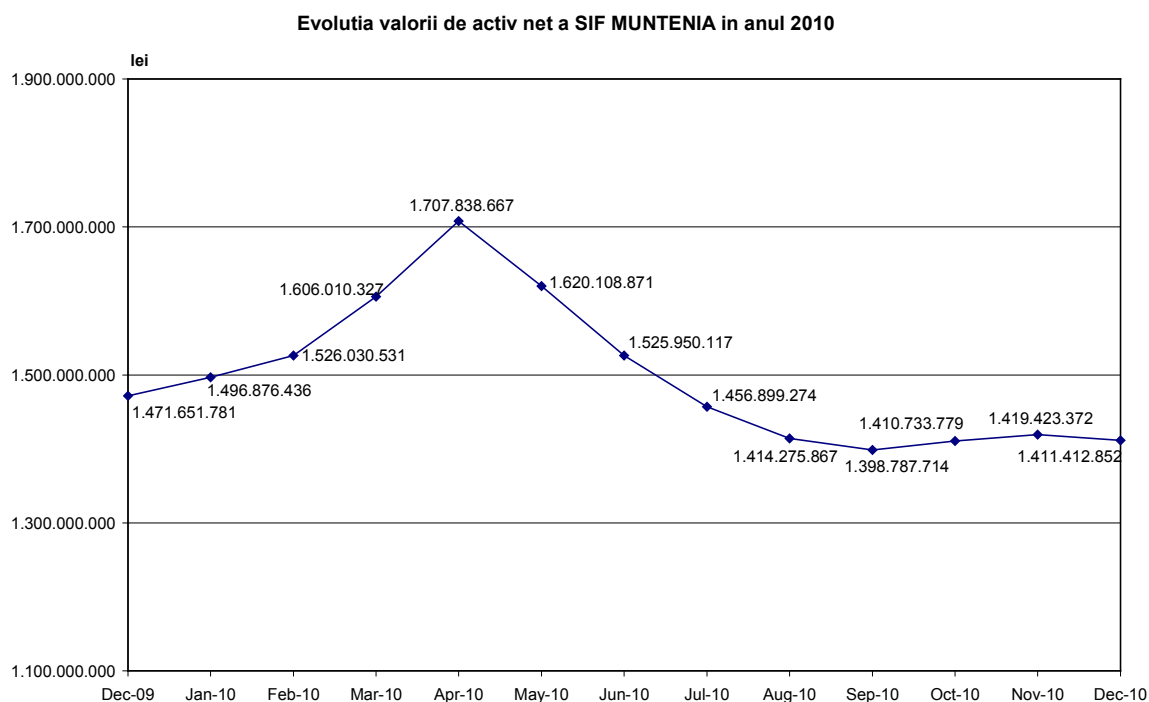
As of December 31, 2010, the net asset value of SIF MUNTENIA SA, as calculated by SAI MUNTENIA SA and certified by the depository according to CNVM's Regulation no. 15/2004, provisions, was RON 1,411,412,852. In 2010, the net asset value of SIF MUNTENIA SA decreased by 4.09%.

The following table shows the performance of the Company's total asset value, total liabilities, and net assets, between December 31, 2009 and December 31, 2010, calculated according to the National Securities Commission's Regulation no. 15/2004:

	December 31, 2009	December 31, 2010	Change	
			RON	%
TOTAL ASSETS	1,585,188,761	1,506,025,327	-79,163,434	-4.99
TOTAL LIABILITIES	113,536,980	94,612,475	-18,924,505	-16.67
NET ASSETS	1,471,651,781	1,411,412,852	-60,238,929	-4.09

As of December 31, 2010, the Company's net asset value per share was RON 1.7489. This value is lower with RON 0.0746 than the value of RON 1.8235 registered on December 31, 2009.

The chart below shows the performance of the Company's net asset value, for the period between December 31, 2009 and December 31, 2010:



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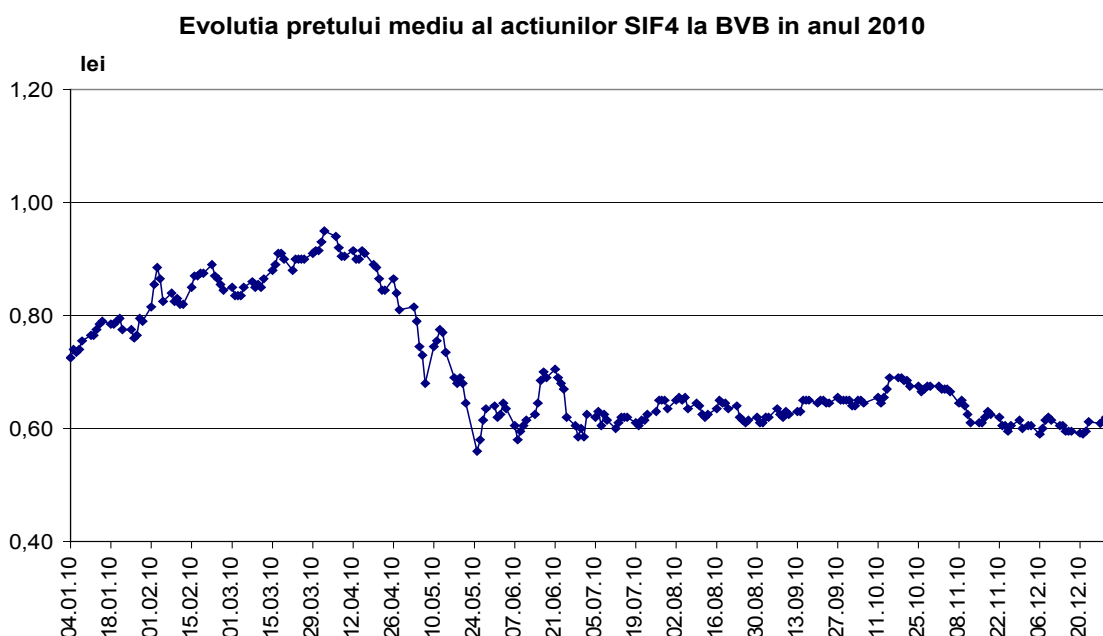
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The following chart shows the average price performance of the SIF4 shares traded on the Bucharest Stock Exchange:



DIVIDEND DISTRIBUTION

The 2010 SIF Muntenia SA Administration Program, approved by the Shareholders' General Meeting, provided that the value of dividends payable to the shareholders of the Company be maintained. The general trend recorded in 2010, for the Romanian capital market and other international financial markets, has determined us to adopt a more prudent approach regarding the amount of cash to be distributed to shareholders as dividends for 2010 fiscal year.

The following table shows our proposal regarding the amount to be distributed as dividends, for the 2010 fiscal year, compared to the gross dividends distributed to shareholders, in the fiscal years from 2006 to 2009.

	RON				
	2006	2007	2008	2009	2010
Gross distributable dividends	56,492,556	56,492,556	32,281,461	32,281,461	40,351,826
Gross dividend / share	0.0700	0.0700	0.0400	0.0400	0.0500

The table below shows the net profit distribution rate, for 2005-2009. This indicator shows the percentage of net profit allocated to the distribution of dividends.

	RON				
	2006	2007	2008	2009	2010
Net result	71,969,816	86,678,302	89,600,663	82,022,909	71,419,776

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Gross dividends payable	56,492,556	56,492,556	32,281,461	32,281,461	40,351,826
Net profit distribution ratio (%)	78.49	65.17	36.03	39.36	56.50

In 2010, the dividends were distributed to shareholders in three ways:

- Through cashiers' office and postal mandates;
- Through bank transfers;
- Through BCR regional agencies;

The table below shows the net dividends paid to SIF MUNTENIA SA shareholders in 2010:

RON

Financial year	Cashiers' office and postal mandates	Bank Transfers	BCR	Total
2005	1,608	2,529	2,660	6,797
2006	39,784	40,288	220,325	300,397
2007	47,832	170,988	507,203	726,022
2008	34,773	339,201	543,474	917,447
2009	93,328	10,578,355	2,547,443	13,219,125
Total	217,325	11,131,360	3,821,104	15,169,789

In 2010, the total dividends distributed to shareholders amounted to RON 15,169,789, out of which:

- RON 13,219,125, dividends from 2009 fiscal year;
- RON 1,950,664, dividends from 2005-2008 fiscal years.

The table below presents the net dividends paid to the Company's shareholders within the period 2005-2010:

Fiscal year	The year dividends were paid	Net dividends paid (RON)
2004	2005	12,094,178
2005	2006	15,296,780
2006	2007	20,650,425
2007	2008	22,646,011
2008	2009	13,096,620
2009	2010	13,219,125



PROTECTING THE INTERESTS OF SIF MUNTENIA SA

I. LITIGATIONS OVERVIEW

As of December 31, 2010, SIF MUNTENIA SA was involved in 66 Court Cases. SAI MUNTENIA SA's has been represented by Law Firms in three cases while the Legal Department manages the rest of the cases.

SIF MUNTENIA SA is involved in the following types of litigations:

- a) Claims under the provisions of the Law no. 10/2001;**
- b) Annulment of legal documents;**
- c) Claims (including the enforcement of mandatory and irrevocable court decisions)**
- d) Other types of claims (criminal, request for accounting evaluation of the companies which belong to SIF MUNTENIA SA's portfolio)**

II. THE EVOLUTION OF LITIGATIONS

As of January 1, 2010-December 31, 2010, the Legal Department of SAI MUNTENIA SA recorded 27 new litigations which have connections with its interests, as follows:

I. 20 cases in which SIF MUNTENIA SA is the claimant, out of which:

- In 8 cases was initiated proceedings for the annulment of the decisions of the Shareholders' General Meeting, in companies such as: SC MINERVA SA, SC ABO FARM SA, SC AGRICOM BORCEA SA;
- In 4 cases was initiated claims for dividends' recovery, earned by SIF MUNTENIA SA as shareholder at companies such as SC TUBAL SA, SC PREFAB SA;
- In 1 case was initiated for claims for enforcement of the payment against SC UBEMAR SA (the writ of executions was provided by the Court).
- In 1 case initiated under the provisions of Law 31/1990, article 136 (requesting for an accounting expertise of SC MINERVA SA accountancy)
- in 1 case was initiated claims for avoidance of a sales purchase contract concluded with SC STELA SA;
- In 4 cases was initiated claims for due and unpaid dividends' recovery owned to the entities such as SC TUBAL COM SA, SC ICPE SA, SC PREFAB SA;
- In 1 case was issued for a presidential rulling (ordonanta presedentiala) for suspending the effects of the decision in which SIF Muntenia SA filled against SC INCERTRANS SA an act of interfering,.

II. 7 cases in which SIF MUNTENIA SA is the defendant, out of which:

- 4 cases in which was filled claims made □□ by the companies in which SIF Muntenia SA owned shares that it was assigned in the same period in which those companies were privatized. The requests are wrongly filled against SIF Muntenia SA; the the plaintiffs wrongly believed that SIF Muntenia SA was involved in the privatization of such companies (eg HELIOFARM SC, SC ROMAQUA SA);

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-
- 1 case seeking damages of his/its image claimed by a shareholder of SIF Muntenia SA
 - 1 case seeking the ascertainment of certain facts;
 - 1 case seeking the dissolution of the Association Villa PAS and the avoidance of legal documents drawn up by it (in its request for court action it is not exactly clear why the SIF Muntenia SA has been summoned in this case as a defender.

On December 31, 2010, in 32 of the 66 cases in which it was involved, SIF Muntenia SA acted as the claimant (31 cases were commercial and one was a criminal file), in the rest of the cases it was the defender, called in guarantee or intervening in the file (chemat în garanție sau intervenient).

During the year of 2010, 43 cases were solved finally and irrevocably, 18 of them pursuing the annulment of the decision of AGOA SIF Muntenia SA, adopted on April 25, 2009.

The trials with the least chance of being solved are the litigations that seek the recovery of real estate properties under the provisions of Law no. 10/2001. In these trials, SIF MUNTENIA SA is the claimant together with the companies that own the properties, and the Company either is a guarantor, or is being mistaken for “the public authorities involved in privatization”, or is the defendant, the seller that requests the voiding of the sale-purchase agreements. The practice of the court is consistent in rejecting the claims made by third parties contradictory to SIF Muntenia SA, but the procedure is cumbersome, all the files underwent several times the same procedural steps due to the retrials decisions issued by the Supreme Court to be send for retrial.

Other types of lawsuits, during 2010, were settled in various phases of the trials (first court, second court-appeal, recourse, or in extraordinary rulings) in favor of SIF Muntenia SA:

- **Litigations having as object the annulment of certain decisions of the Shareholders’ General Meeting** for the companies in which SIF MUNTENIA SA acts as a shareholder, such as: SC TIMPURI NOI SA, S.C. MINERVA S.A., S.C. AGRICOM BORCEA S.A., SC ABO FARM SA, SC TEHNOFOREST EXPORT SA, SC ROM VIAL SA and others.
- **Litigations having as object the cancellation of the Decision of the Ordinary Shareholders’ General Meeting from April 25, 2009**, for which the court ruled either to reject the claims for being without substance, for companies such as SC AMIRASTAR TRADING SA, SC CIBROSAT SA, SC GORAS CONSULTING SA or to void them for lacking the trial stamp, for companies such as SC GALATEX SA, SC GROVAL TRADE SA.
- **Litigations for claims** for due and unpaid dividends, owed by companies such as SC IFMA SA; claims for the equivalent value of the shares owned by SIF MUNTENIA SA in companies like SC UBEMAR SA, due to the fact that SIF MUNTENIA SA submitted a request to exit the company (the files covering claims usually relate to dividends, and their number is constantly decreasing).

There were cases that were settled before the onset of action in court, after conciliating with companies such as SC ICPE SA.

Among the cases pursuing annulments of the General Meeting decisions, the litigation with companies such as SC CIUCAS CABANA HOTEL COMPLEX, SC FC SHOPPING CENTER SA were not ruled in favor of SIF Muntenia SA.

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On the other hand, besides the litigations for recovery of properties, claimed under the provisions of LAW no. 10/2001, there are a series of cases for which the legal status has not been changed, as in the cases started against or in connection with SC CI-CO SA which are suspended until the settlement of the criminal cases closely related to the commercial cases are closed or in the ones that have as object the bankruptcy of companies such as Banca Romana de Scont and SC TEHNOIMPORTEXPORT SA.

We wish to emphasize that, apart from the cases pending in court, there are 4 files submitted to the officers of the court for the enforced recovery of the dividends owed to SIF MUNTENIA SA that have not been collected yet. The mains reasons are the other debt cases of the company with entities (such as SC IFMA SA, SC FORADEX SA) that have priority at in the recovery procedure and there are insufficient liquidities in cash or assets to cover all liabilities. Another one of these cases seeks compensation for the damage caused by Panaitescu V., Negrutiu C. and Goga D's stealing of shares.

In conclusion, we consider that the activity of protecting the interests of SIF MUNTENIA SA in court is performed in a satisfactory manner. We note a decrease in the number of litigations consisting in claims, whereas the claims for recovery of properties under the provisions of the Law no. 10/2001 and the requests for cancellation of certain decisions of the Shareholders' General Meeting were constant in number. The evolution of the first type of litigations is due to the numerous re-trials decisions pronounced by the Supreme Court, while the evolution of the latter types of litigations is mainly explained by the attempts made by the main shareholders to take decisions against the companies and thus against the other shareholders (in these cases SIF Muntenia SA being a claimant).

COLLECTION OF DIVIDENDS DUE TO SIF MUNTENIA SA

One of the major concerns of SAI MUNTENIA INVEST SA in 2010, was monitoring the collections of dividends payable to SIF MUNTENIA SA by companies from its portfolio.

The table below shows SIF MUNTENIA's collection of dividends as of December 31, 2010:

Dividends receivable as of 01.01.2010, according to the companies' balance sheets		Cash receipts from dividends, within the period 01.01.2010-December 31, 2010 (RON)			Dividends receivable as aof December 31, 2010, according to the companies' balance sheets (RON)
Fiscal year	RON	Amounts according to the Company's balance sheet	Adjusted amounts	Total	
(1)	(2)	(3)	(4)	(5)=(3)+(4)	(6)=(2)-(3)
Total dividends overdue	5,054,719	725,011	50,092	775,103	4,329,708

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Total dividends due for 2009 fiscal year	21,608,127	21,529,546	38	21,529,584	78,581
Total	26,662,846	22,254,557	50,130	22,304,687	4,408,289

According to the information presented, SIF MUNTENIA SA's dividends receivable for 2010 was RON 26,662,846, out of which:

- RON 21,608,127 representing dividends from 2009 fiscal year;
- RON 5,054,719 representing dividends from 1996-2008 fiscal years;

In 2010, the total cash amount collected by the Company was RON 22,304,867, representing 83.68% of the total amount receivable, out of which:

- RON 21,529,584 for dividends afferent to 2009 fiscal year;
- RON 775,103, dividends for 1996-2008 fiscal years;
- RON 50,130 adjusted amounts, calculated under the provisions of Government's Ordinance no. 9/2000;

For the year 2010 the dividends receivable from first ten most profitable companies in SIF Muntenia SA's portfolio was RON 21,116,341, representing 97.7% from total dividends receivable for the year 2010.

RISK MANAGEMENT

Considering the nature of the activities performed, SIF MUNTENIA SA is exposed to various risks, which include investment risk, currency risk, interest rate risk, liquidity risk, tax risk, economic risk and portfolio risk.

Investment Risk

SIF MUNTENIA SA is exposed to investment risk, due to the investments made. Investments in shares for speculative purposes on the capital market can ensure high gains and bear associated high risks.

Foreign Currency Risk

The Company is exposed to currency risk through exchange rate fluctuations, but it does not have a formal policy to cover the existing currency risk. The majority of the Company's assets and liabilities are denominated in the local currency, RON.

Interest Rate Risk

The Company's operational cash flow is influenced by interest rates fluctuations, mainly because of its investments in bank deposits, bonds and T-bills.

The Company does not use derivative financial instruments to protect itself from interest rates fluctuations. The Company does not hold loans or other significant interest bearing liabilities.



Liquidity Risk

A prudent liquidity risk management assumes availability of sufficient amount of cash and of credit lines. Due to the nature of its activity, the Company intends to have flexibility in its financing methods for operating activities, by holding bank deposits and investing in REPOs,

Taxation Risk

Starting with January 1, 2007, when Romania became a member of the European Union, the Company had to obey the EU Regulations, and therefore prepare to implement the changes of the EU legislation. The Company implemented these changes, but the implementation method applied is subject to fiscal audit for 5 years.

The interpretation of the text and the practical implementation of the procedures of the newly enforced EU tax regulations could vary, and there is a risk that the tax authorities' view on certain transactions could differ from the Company's view.

In addition, the Romanian Government has a number of authorized agencies that conduct audits (controls) of companies operating in Romania. These controls are similar in nature to tax audits performed by tax authorities in many countries, but may extend to other legal and matters subject to the agency's interest. SIF Muntenia SA is likely to be subject to tax audits as new tax regulations are issued.

Economic Risk

During recent years, the re-pricing according to risk in the international financial markets affected the performance of those markets, including the Romanian financial market, increasing the uncertainty regarding the future economic developments.

The international financial crisis' effects on the Romanian financial market were as follows: stock market decline, credit risk premiums increase, longer delays on loan repayments, increase in the RON interest rate due to the global liquidity crisis, the national currency's depreciation, real estate assets' prices decrease, negative trend in the macroeconomic indicators (inflation, budget deficit, current account deficit, foreign direct investments, unemployment rate, etc.).

In 2010 the market and, in general the Romanian economy continued to bear a high degree of uncertainty. Therefore, SAI MUNTENIA INVEST SA adopted a prudent administration policy for SIF MUNTENIA SA.

Management is unable to foresee all effects of the crisis, which will have an impact on the financial environment, and neither its potential impact on these financial statements.

Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

Portfolio risk

The portfolio risk refers to the adequacy of the Company's portfolio to the requirements stipulated in article 188 of the Regulation no. 15/2004, issued by CNVM.

As of December 31, 2010, the Company had the following portfolio exposure:

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- a) The share of securities and money market instruments not admitted to trading was 17.74%, lower than the maximum allowed 20% of total assets.

Asset type	Amount, as accepted by the Regulation no. 15/2004, issued by CNVM	Share of total assets (%)
Unlisted shares (except for BCR)	242,821,174	16.12
Unlisted bonds	23,730,247	1.58
Unlisted treasury bills	563,359	0.04
TOTAL	267,114,780	17.74

- b) SIF Muntenia SA has more than 10% of total assets in securities and money market instruments issued by the same issuer. According to article no. 275 of the Regulation no 15/2004, issued by CNVM, the holdings in BRD-GSG and BCR are excluded from the computation of the holding limits stipulated by article 188;
- c) SIF Muntenia SA has no more than 50% of total assets in securities issued by entities belonging to the same group;
- d) SIF MUNTENIA SA does not own derivative financial instruments, traded outside the regulated markets;
- e) Current accounts and cash have a share of 0.17% of total assets, which is within the maximum limit of 10% of total assets of SIF Muntenia SA;
- f) SIF MUNTENIA SA does not hold deposits of more than 30% of the total assets at the same bank.
- g) SIF MUNTENIA does not own derivative financial instruments;
- a) The unit-funds owned in OPCVM have a share of 1.22% of total assets, within the accepted upper limit of 50% of the total assets of SIF MUNTENIA SA.

SIF MUNTENIA SA's EMPLOYEES

As of December 31, 2010, SIF MUNTENIA SA had 4 employees, with individual labor contract, out of which: 2 employees with higher education and 2 employees with secondary education. No union was created. There are no conflicting aspects between the management of SIF MUNTENIA SA and the rest of the employees.

THE FIXED ASSETS OF SIF MUNTENIA SA

As of December 31, 2010, SIF MUNTENIA SA owned no land and building in property.

THE MANAGEMENT OF SIF MUNTENIA SA

In compliance with the provisions of SIF MUNTENIA SA's Incorporation Act approved by the Shareholders' General Meeting in 1997 and endorsed by the National Securities Commission, decision no. 1039/02.05.2006, the administration of the Company was assigned to Societatea de

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Administrare a Investițiilor Muntenia Invest S.A., as stipulated in the contract no. 334/2221/05.04.2006, endorsed by CNVM, through the Notice no. 35/15.06.2006.

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The table below contains information related to the administrators and executive management of SAI MUNTENIA INVEST SA:

Name and surname	Age	Qualification	Professional experience	Position owned in SAI MUNTENIA INVEST	Length in service	No. of SIF4 shares owned at December 31, 2010
Szel Petre Pavel	65	Diplomatic engineer, graduated the School of TCM, IPB –1967; PhD in “Industrial engineering”, UPB; Training courses: Privatization and foreign investments, UNCTC, 1991; Privatization techniques, Know-How Fund, 1993; Investments funds management, USAID, Washington, 1996; Company’s Financial Management, Banque de France, Ragny, 1999	1968- FMUA engineer Bucharest 1969-1971 – Mechanical Engineer Semănătoarea SA Bucharest 1971-1990 – assistant, head of workings, IPB, Materials Technology and Welding Department 1990-present – associate professor, UPB Bucharest 1999-present – associate professor SNSPA Bucharest 1990-1993 – director, vice-president, Undersecretary of State, ARPIAES / ARD Bucharest 1993-1996 – deputy director, director, general executive director at FPP IV Muntenia 1996-1997 – director of strategy, investment management, SIF Muntenia 1997-1998 – vice-president and strategy director, SAI Muntenia Invest 1998-2005 – president - general director, Muntenia Consult SA Bucharest 2005-present – president - general director, SAI Muntenia Invest	President of the Board of Directors - General Director	5 years and 7 months	0
Trandafir Florica	44	Economist, graduated the School of Planning and Economical Cybernetics, ASE – 1989;	1989-1990 – economist, ICMUG Giurgiu 1990-1991 – economist, Mecanoexportimport	Vice-president of the Board of	2 years and 4 months	0

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Name and surname	Age	Qualification	Professional experience	Position owned in SAI MUNTENIA INVEST	Length in service	No. of SIF4 shares owned at December 31, 2010
		Training courses: Financial Analysis, IRVM, 1997; Methods of valuation of companies, ANP, 1997; Business negotiations seminar, Pro Ideas, 2006; Executive Program in Business Administration, Temple University, Japan, 2007 and Boston College, USA, 2008	SA 1992-1994 – economist, Brothers Trading SRL 1994-1997 – specialist referent, FPP IV Muntenia, subsequently SIF Muntenia 1997-2002 – specialist referent, management consultant, capital risk agent, deputy director, SAI Muntenia Invest 2002-2004 – director, Management System SA 2004-2006 – director, advisor, SAI Muntenia Invest 2004 - Oct. 2008 – member of the Board of Directors of SAI Muntenia Invest	Directors		
Constantin Mircea	49	Engineer, graduated the School of Automatics, IPB – 1987; Training courses: The analysis of Trade Companies, Roland Berger, 1993; Financial analysis for companies, Coopers & Lybrand, 1993; Analysis of businesses plans, in regards to privatization, OECD/KPMG, Viena, 1994; Commercial Companies Evaluation, ANP/ANEVAR, 1995; Business Management, ASE, 2000	1987-1992 – engineer, Center for Research, Automatics, Bucharest 1992-1993 – specialty referent, National Agency for Privatization 1993-1996 – specialty referent, expert, head of the strategy office, FPP IV Muntenia 1996-1997 – head of strategy office, SIF Muntenia 1997-2005 – deputy director, strategy director, SAI Muntenia Invest 2005-2006 – advisor, SAI Muntenia Invest	Member of the Board of Directors	6 years and 4 months	30
Dinu Mariana	53	Economist, graduated the School of Commerce, ASE – 1980; accounting expert certificated by CECCAR, financial auditor, certified by CAFR; post-university courses in “International Accounting Standards”, ASE,	1981-1987 – economist, ICL Textila II Bucharest 1987-1991 – economist, head of the accounting office, ISPIF Bucharest.	Member of the Board of Directors	2 year and 4 months	125,051

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Name and surname	Age	Qualification	Professional experience	Position owned in SAI MUNTENIA INVEST	Length in service	No. of SIF4 shares owned at December 31, 2010
		2001; Training courses: Accounting and financial management, C&L Industrie-Beratug Europa GmbH, 1993; Financial analysis of economic agents, IBR, 1996; Stock exchanges, IBR, 1996; Restatement of Accounts, in accordance with the International Accounting Standards, Centrul OK SERVICE, 2002; International Financial Reporting Standards, Advent Media Communication, 2004; Taxation, World Trade Institute, 2007; Relationship with European Institutions – lobby, communication, funds, Bruxelles, 2007; International Financial Reporting Standards, CECCAR, 2009; The Entrepreneurial Leadership Programme G&G Consulting, 2009-2010	1991-1993 – head of accounting, SC Biotehnos SA 1993-1997 – economist head of financial accounting department, SIF Muntenia 1997-1998 – head of financial accounting department, SAI Muntenia Invest SA 1998-1999 – accounting department deputy director, Muntenia Audit SA 1999-2001 – economic director, Muntenia SA Financial Group 2001-2005 – director of the financial accounting division, GMT Audit SA 2005-present – economic director, Muntenia SA Financial Group			
Dia Corneliu	55	Mechanical engineer, graduated the School of Technological Equipment, ICB – 1982; Training courses: Trade companies evaluation, ANP, 1996; Financial analysis of economic agents, IRVM, 1997	1982-1985 – engineer, IMC Doicești 1985-1989 – design engineer, IFMA Bucharest 1989-1991 – head of organizational office, IFMA Bucharest 1991-1995 – head of personnel and administration office, IFMA Bucharest 1995-1998 – expert, FPP IV Muntenia 1998-2005 – deputy director, SAI Muntenia Invest 2005-2008 – fund manager, SAI Muntenia Invest 2008-present - member of the Board of Directors, SAI Muntenia Invest	Member of the Board of Directors	2 year and 4 months	38

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Name and surname	Age	Qualification	Professional experience	Position owned in SAI MUNTENIA INVEST	Length in service	No. of SIF4 shares owned at December 31, 2010
Filimon Gabriel	50	Engineer, graduated the School of Equipment and Chemical Processes Engineering, IPB- 1984; Training courses: Companies evaluators formatter, Coopers& Lybrand in collaboration with The Institute of Chartered Accountants of Scotland and L'Ecole Superieure des Sciences et Commerciales, 1993; Evaluators – Specialist courses, Roland Berger, 1994; Investments funds – analysis and portfolio management, Price Waterhouse, 1995; Lending activity risks, IBR, 1996; Investments analysis, USAID, Booz Allen & Hamilton Inc., 1997; Banking transactions management, IBR, 2003	1984 Sept.-1992 Nov. – engineer, head of the workshop, IMUC Bucharest 1992 Nov. -1997 Aug.– specialty referent, expert, head of the office, FPP IV Muntenia 1996 April-2004 September – member of the Board of Directors of SC Sanex Cluj-Napoca 1997 August-2002 August – Director of the Portfolio Administration department, SAI Muntenia Invest 1995 April – present– member of the Board of Administration of Compania de Librării Bucharest 2006 June- present – member of the Board of Directors, Fondul Român de Garantare a Creditelor pentru Întreprinzătorii Privăți 2002 August - present – Executive Director, SAI Muntenia Invest	Executive Director	8 years and 6 months	0
Vasile Daniela	55	Economist, graduated the School of the Economy of Industry, Constructions and Transportation, ASE – 1978; specialization courses: Investment analysis seminar, Booz Allen & Hamilton, 1997	1978-1982 – economist, Autobuzul Bucharest 1982-1990 – economist, Constructions and Machinery Ministry 1990-1993 – economist, National Economy Ministry 1994-1997 – economist, head of the office, deputy director, FPP IV Muntenia 1997-present – director of the portfolio administration division, SAI Muntenia Invest	Portfolio Administration Director	14 years	270,384
Topor Elena-	42	Legal Advisor, graduated the Law School, Bucharest	1995-1996 – legal councilor, IPA SA Bucharest	Portfolio	5 years and 7	20,027

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Name and surname	Age	Qualification	Professional experience	Position owned in SAI MUNTENIA INVEST	Length in service	No. of SIF4 shares owned at December 31, 2010
Daniela		University – 1995, graduated the master course “Administrație publică și integrare europeană”, Atheneum University	1996-1999 – legal councilor, Semrom Muntenia 1999-present – legal councilor, portfolio administration director, SAI Muntenia Invest	Administration Director	months	
Buzatu Florin Dănuț	44	Economist, graduated the School of Finance, Banks, Accounting, at ASE Bucharest - 1993 , ASE Bucharest master programs, “Insurance Financial Process”	1985-1987 – Chemistry preparatory, IPA Slatina Aug. 1993- Oct.1993 – specialty referent, FPP IV Muntenia Oct.1993-May.1994 – transportations director, RTC May.1994- Aug.1997 – specialty referent, SIF Muntenia Aug.1997-present – expert, fund manager, director, SAI Muntenia Invest	Director	3 years and 6 months	5
Alexe Valentina	53	Economist, graduated the School of Commerce, ASE Bucharest, 1981	1981-1982 – economist, Fabrica Materiale Sportive Reghin 1982-1983 – economist, Fabrica Bărağanul Urziceni 1983-1993 – economist, Metalurgica Bucharest 1993-1995 – economist – Fondul Român de Garantare a Creditelor 1995 – economic director, Utilitary Marin 1995-1997- expert, SIF Muntenia Aug.1997-present - expert, Director of SAI Muntenia Invest Division	Portfolio administration director	2 years	5.240
Ștefănescu Olivia	51	Engineer, graduate of the School of Mechanics, Fine Mechanics Section, IPB, 1983; Training courses: Training in privatization, Roland Berger&Partner, 1993; Financial management and evaluation,	1983-1985 – design engineer, Intreprinderea Automatica Bucharest 1985-1993 – design engineer, scientific researcher, Calculation Technique Research	Portfolio Administration Manager	2 years	52,276

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Name and surname	Age	Qualification	Professional experience	Position owned in SAI MUNTENIA INVEST	Length in service	No. of SIF4 shares owned at December 31, 2010
		Coopers&Lybrand, 1993; Legal areas in regards to privatization, OECD, 1993; Initiation in privatization, ANP-ANVAR, 1995; Market systems, IBR, 1995; Investment Analysis Seminar, Booz Allen&Hamilton, USAID, UNOPC, 1996; Financial analysis and risk and profitability, OK Service National Training Center, 1999; Business negotiations, PR Ideas, 2006; Financing programs for CE and EU lobbying, 2007; European funds project management, Univ.Fracisco de Vitoria, Madrid, 2007; Financial performance measurement, The Institute of Corporate Governance of al BVB, 2007; The Entrepreneurial Leadership Programme, G&G Consulting Europe Associates, 2009	Institute, Bucharest 1993-1997 – specialty referent, expert, FPP IV Muntenia 1997-1998 - expert, SIF Muntenia SA 1998-1999 – expert, SAI Muntenia Invest SA 1999-2000 – investments analyst, Muntenia Consult SRL 2000-present – deputy director, fund manager, director SAI Muntenia Invest SA			

There is no agreement, or family connection between any of the SAI MUNTENIA INVEST SA administrators and directors and other third person, that determined the empowerment of the third person as an administrator or director.

In the periods between the SIF MUNTENIA SA's Shareholders' General Meetings, the Shareholders Representatives Committee of SIF MUNTENIA SA supervises the activity of SAI MUNTENIA INVEST SA as administrator.

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THE ECONOMIC AND FINANCIAL POSITION OF SIF MUNTENIA

SA

The table below shows the Company's balance sheet as of December 31, 2010, compared to its financial position at the end of the last three years:

	RON			
Indicator	2007	2008	2009	2010
Intangible assets	453	3,535	2,854	976
Tangible assets	24,212,518	54,288	14,109	11,468
Financial assets	2,170,092,701	1,406,140,244	1,477,308,545	1,328,757,428
Non - current assets – total	2,194,305,672	1,406,198,067	1,477,325,508	1,328,769,872
Inventories	8,197	4,116	4,776	4,097
Receivables	45,022,946	30,235,457	82,002,153	163,683,806
Current financial assets	2,092,876	53,997,774	24,616,436	10,809,401
Cash and cash equivalents	15,397,973	857,315	1,945,826	1,676,047
Current assets – total	62,521,992	85,094,662	108,569,191	176,173,351
Prepaid expenses	22,288	17,563	17,397	18,075
Current liabilities	94,956,416	124,543,219	113,536,980	94,363,175
Net current assets, respectively net current liabilities	(32,412,136)	(39,430,994)	(4,950,392)	81,828,251
Total assets less current liabilities	2,161,893,536	1,366,767,073	1,472,375,116	1,410,598,123
Non-current liabilities	-	-	-	-
Allowances	125,614,769	123,300,070	122,834,794	105,482,211
Unearned revenue	-	-	-	-
Share capital	80,703,652	80,703,652	80,703,652	80,703,652
Reevaluation reserves – Credit balance	22,653,966	52,034	719	719
Reserves	1,851,743,020	1,078,399,885	1,192,102,273	1,158,280,996
Retained earnings	Credit balance	-	-	-
	Debit balance	5,289,231	5,289,231	5,289,231
Result for the period – Credit balance	86,678,302	89,600,663	82,022,909	71,419,776
Profit appropriation	210,942	-	-	-
Total equity	2,036,278,767	1,243,467,003	1,349,540,322	1,305,115,912

The table below illustrates the Company's Profit and Loss account on December 31, 2010 compared to the amounts for the last three years:

	RON			
Indicator	2007	2008	2009	2010
Operating income	134,934,135	199,611,642	150,076,416	164,057,134
Expenses from current activity	39,917,766	92,517,349	68,024,840	80,269,031
Operating result – profit	95,016,369	107,094,293	82,051,576	83,788,103
Income from extraordinary activity	-	-	-	-
Expenses from extraordinary activity	-	-	-	-
Extraordinary result	-	-	-	-
Total income	134,934,135	199,611,642	150,076,416	164,057,134
Total expenses	39,917,766	92,517,349	68,024,840	80,269,031
Gross result – Profit	95,016,369	107,094,293	82,051,576	83,788,103
Income tax expense	8,338,067	17,493,630	28,667	12,368,327

SOCIETATEA DE INVESTIȚII FINANCIARE MUNTENIA S.A.



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Înscrisă în registrul CNVM cu nr. PJR09SIIR/400005/15.06.2006 Autorizată prin Decizia CNVM nr. 1513/15.07.1999

administrată de

S.A.I. MUNTENIA INVEST S.A.

Înscrisă în registrul CNVM cu nr. PJR05SAIR/400006/13.01.2004 Tel: 021.387.3210, 0372.074110,
Fax: 021.387.3209, 0372.074109

Indicator	2007	2008	2009	2010
Result for the year - Profit	86,678,302	89,600,663	82,022,909	71,419,776

The following table shows the Company's Cash Flow Statement for 2010, together with the cash flow for the last three years:

Indicator	2007	2008	2009	2010
Net cash flow from operating activities	(26,830,432)	(37,957,566)	(21,298,235)	(25,042,566)
Net cash flow used in investing activities	63,917,358	107,156,586	42,356,009	107,623,380
Net cash flow used in financing activities	(35,343,633)	(34,792,402)	(19,495,444)	(16,601,362)
Net increase in cash and cash equivalents	1,743,293	34,406,618	1,562,330	65,979,452
Cash and cash equivalents at 1 January	44,496,690	46,239,983	80,646,601	82,208,931
Cash and cash equivalents at 31 December	46,239,983	80,646,601	82,208,931	148,188,383

In order to present the cash flow, "Cash and cash equivalents", at the beginning and at the end of the period, we included bank deposits, cash in hand, cash at bank and government securities, eliminating the bonds owned as short-term financial investments, as they do not represent an immediate liquidity.

Below are the main economic and financial indicators of SIF MUNTENIA SA on December 31, 2010, compared with the ones recorded in the previous three years:

Indicator	Formula	2007	2008	2009	2010
Current liquidity ratio	Current assets/Current liabilities	0.659	0.683	0.956	1.867
Return on capital employed	Earnings before interest and tax/capital employed	4.67%	8.61%	6.08%	6.42%
Earnings per share	Net profit attributable to shareholders/ Weighted average number of ordinary shares existing within the financial year	0.1074	0.1110	0.1016	0.0885
The ratio of share market price and earnings per share	Closing market price/ Earnings per share	22.44	5.63	6.99	7.15

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OBJECTIVES FOR 2011

In 2011, the main objective of the management will continue to be the maintaining of SIF MUNTENIA SA as a stable and diversified investment fund that will provide for both equilibrated growth and moderate income, at an average risk level:

- Reinforcement of the Company's financial position on the Romanian capital markets, by optimizing its economic and financial performance indicators
- Assuring financial stability;
- Portfolio restructuring;
- Placements in new investments, that will lead to a balanced portfolio, where the distribution of assets should facilitate high short term financial performance and constant improvement of medium and long term net assets.

Therefore, the strategy pursued in 2011 will have the same prudent guidelines as in 2010, opting for investments with average yields and lower risk.

SIF MUNTENIA SA through its administrator,
SAI MUNTENIA INVEST SA
President-General Director
Petre Pavel Szel

3B EXPERT AUDIT SRL
President General Director
Adriana Anișoara Badiu

SOCIETATEA DE INVESTIȚII FINANCIARE MUNTENIA S.A.



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ANNEX 1

LIST OF COMPANIES CONTROLLED BY SIF MUNTENIA SA As at December 31, 2009

Crt. no.	Name of the company	Percentage of shares owned by SIF MUNTENIA
1	AVICOLA SA BUCURESTI	99.36
2	FIROS S.A BUCURESTI	98.59
3	MINDO SA DORHOI	96.65
4	ORTHO VITA MED SA	96.49
5	CICO SA BUCURESTI **	92.16
6	RESTAURANTE ELEMENTS SA *	90.00
7	SEMROM MUNTENIA SA BUCURESTI	89.42
8	SEMROM OLTENIA SA CRAIOVA	88.49
9	MUNTENIA GLOBAL FINANCE *	85.72
10	PLASTEX SA TULCEA *	75.63
11	COMPAN SA	72.71
12	UNISEM SA BUCURESTI	71.02
13	SEMINA S.A ALBESTI	70.03
14	VOLUTHEMA PROPERTY DEVELOPER SA	69.11
15	BUCUR SA BUCURESTI	67.98
16	CASA DE BUCOVINA-CLUB DE MUNTE S.A.	66.87
17	CILEZO SA CIOROGIRLA *	65.88
18	FONDUL ROMAN DE GARANTARE A CREDITELOR SA BUCURESTI	53.60
19	NAVOL SA OLTENITA *	50.00
20	GECSATHERM SA	50.00

* Insolvent Company

**SIF Muntenia SA is in litigation concerning the share owned in CICO SA