

## Company Report Initiating Coverage

**BUY**

Previous Rating: -

**TARGET PRICE 12M (RON)** **0.80**

Previous Target price -

**SHARE PRICE (RON)** **0.63**

Performance	1M	3M	12M	YTD
Absolute (%)	-	-	-	-3.00%
Relative to BET (%)	-	-	-	-
RIC				FP.BX
Bloomberg				FP RO
Index listed				Not listed
Market Cap (RON m)			8,680.39	
Market Cap (EUR m)			2,039.37	
Shares Out (m)			13,778.39	
52 Week Range (RON)			0.615 / 0.6495	
% from 52 Week range			2.4% / -3.0%	
Avg daily volume 6M (shares)			107,221,650	

Shareholders	(%)
Ministry of Economy & Finance	38.9
Free float	61.1

(RAS)	08A	09A	10E	11E
P/E(x) adj.	23.4	16.7	61.1	27.2
EPS adj. ch. (%)	49%	56%	-65%	-28%
EV/EBITDA(x)	20.6	12.0	53.5	22.5
Net debt/EBITDA	-2.0	-2.6	-4.1	-3.8
P/BV(x)	1.0	1.0	1.0	0.5
ROE(%)	3.7%	6.3%	1.9%	2.1%
FCF Yield (%)	0.4%	6.8%	1.7%	2.1%
Div. Yield (%)	0.0%	9.2%	1.8%	4.0%

RON m				
Revenues	524.0	1,320.2	331.9	400.2
EBITDA adj.	484.1	834.8	264.6	330.5
Net income adj.	467.7	730.1	255.1	318.7
EPS	0.03	0.05	0.02	0.02
EPS adj.	0.03	0.05	0.02	0.02
BVPS	0.77	0.86	1.11	1.15
DPS	0.00	0.08	0.02	0.03
FCFPS	0.05	0.05	0.02	0.02
NAVPS	0.77	0.86	1.11	1.15

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**A unique and strategic energy and infrastructure-assets fund - Strong upside potential in the medium to long term – A Value play**

- The Fondul Proprietatea (FP) was listed on the 25th of January 2011 at the Tier I of the Bucharest Stock Exchange regulated market, representing the major market event in the last 3 years due to its size, valuable portfolio mix and large liquidity.
- The first trading days proved quite successful given the current demanding market conditions with FP trading c5% of its listed shares or c8.5% of its free-float at an WAV price of 0.64 RON/share or at a 43% discount over the last official NAV (December 2010).
- FP was set up in December 2005 by the Romanian authorities to indemnify individuals who lost their properties during the communist regime and whose ownership claims could not be settled in-kind. Prior to the IPO, the reimbursement process has already floated 61.1% of the fund to individuals. The process will be restarted on 2<sup>nd</sup> of May at an average price of the last 60 trading days.
- The free-float currently consists of c42% in private individuals (c26% of total outstanding shares) and c19% in institutional investors (c12%).
- The fund holds stakes in 83 companies and the portfolio is heavy weighted on the energy sector as the stakes in Oil & Gas companies, utilities and electricity generation and distribution account for over 85% of FP's official NAV at the end of 2010.
- Franklin Templeton has been appointed for 4 years (started in September 2010) as the fund manager through a tender in 2010 being responsible for the optimisation of the FP's portfolio in the medium-long term under a fee of 0.479% of the average market capitalisation of the Fund in the last 90 trading sessions of the year and without any additional performance or benchmark fee.
- At the end of 2010, the official NAV stood at RON1.1124 per share incorporating 32% of its value in listed companies, 60% non-listed, 7% in cash and 2% in government securities. The recently adjusted valuation methodology of the official NAV remains quite conservative by valuing listed stocks at market capitalisation without discounts and unlisted companies at the latest available equity value, while distressed companies are valued at zero.
- Our current NAV exercise incorporates: (i) our target price for major covered listed stocks, (ii) the maximum value between Equity 2009 and market cap for not covered listed stocks, (iii) the Equity 2009 for unlisted companies and (iv) zero value for companies being under insolvency or bankruptcy stage. At the end, we apply a discount of 30%: (i) 10% for the fund's holding nature, (ii) 10% for the high weight of unlisted companies and low visibility yet, and (iii) 10% for voting rights limitations. All in all, we derive a discounted NAV of RON0.80 per share. Our current best scenario exercise based on peers' multiples returns a NAV of RON1.32/share being discounted by 10%, since at the time of this scenario will be no voting right limitations as well as unlisted holdings, to RON1.19 per share. In any of our scenario, the capital gains will come by majority from the unlisted entities, since it represents the highest weight on the portfolio and the current valuation of listed entities look quite demanding for further upside.
- The main risk on the fund's valuation arises from the State's ownership and interference in the portfolio's companies.
- Franklin Templeton plans also a dual listing later this year with no disclosed details yet.

## Financials & Valuation (Summary)

### Financial Statements (RAS Parent)

Profit & Loss (RON 000)	2007A	2008A	2009A	2010E	2011E
Revenues	410,470	524,035	1,320,167	331,928	400,211
EBITDA	365,273	484,090	834,837	264,595	330,516
EBIT	318,092	480,998	834,193	264,352	330,286
Net financials	0	0	0	0	0
EBT	318,092	480,998	834,193	264,352	330,286
Net income	313,107	467,701	730,138	255,100	318,726
IEBA net income	313,107	467,701	730,138	255,100	318,726
Dividend	89,998	0	1,124,317	281,337	349,620

### Cash flow IEBA TRUST (RON 000)

Net Cash flow from operations	360,287	470,794	730,782	255,343	318,956
(-) Capex	257,525	-256,520	-10	0	0
FCFF	102,762	727,314	730,792	255,343	318,956
Other cash flows & dividends	-36,076	-89,998	0	-1,124,317	-281,337
Cash flow used in investments	130,941	-259,686	450,620	258,378	133,914
Change in debt	0	0	0	0	0
Change in Capital	0	0	0	-462,148	0
FCF	197,627	377,630	1,181,412	-1,072,745	171,532

### Balance Sheet (RON 000)

Net fixed assets	715	766	506	263	33
Current investments	13,248,072	9,410,687	9,552,138	14,327,398	14,722,709
Current assets	620,543	570,869	515,606	6,465	7,795
Cash & others	592,175	969,805	2,151,217	1,078,472	1,250,005
Total Assets	14,461,505	10,952,127	12,219,467	15,412,598	15,980,542
Current liabilities	4,893	9,179	7,378	101,035	80,919
Other L/T liabilities & provisions	0	16,085	15,063	65,115	58,458
Total debt	0	0	0	0	0
Net debt	-592,175	-969,805	-2,151,217	-1,078,472	-1,250,005
Shareholders capital	14,240,541	14,240,541	14,240,541	13,778,392	13,778,392
Other reserves	216,071	-3,313,679	-2,043,514	1,468,056	2,062,773
Total Equity	14,456,612	10,926,862	12,197,027	15,246,449	15,841,165
Minorities	0	0	0	0	0

EV	13,933,177	9,957,057	10,045,810	14,167,976	7,430,383
Market Cap *	14,525,351	10,926,862	12,197,027	15,246,449	8,680,387

No of shares Year End (000)	14,240,541	14,240,541	14,240,541	13,778,392	13,778,392
No of shares Diluted (000)	14,240,541	14,240,541	14,240,541	14,086,491	13,778,392

Per share	2007A	2008A	2009A	2010E	2011E
EPS	0.02	0.03	0.05	0.02	0.02
IEBA EPS	0.02	0.03	0.05	0.02	0.02
DPS	0.01	0.00	0.08	0.02	0.03
BVPS	1.02	0.77	0.86	1.11	1.15
FCFPS	0.01	0.05	0.05	0.02	0.02

### Growth rates & margins

Revenues	406.6%	27.7%	151.9%	-74.9%	20.6%
EBITDA	406.0%	32.5%	72.5%	-68.3%	24.9%
EBIT	340.9%	51.2%	73.4%	-68.3%	24.9%
EBT	340.9%	51.2%	73.4%	-68.3%	24.9%
Net Income	334.0%	49.4%	56.1%	-65.1%	24.9%
IEBA net Income	334.0%	49.4%	56.1%	-65.1%	24.9%
Dividend	149.5%	-100.0%	0.0%	-75.0%	24.3%
EPS	334.0%	49.4%	56.1%	-64.7%	27.7%
IEBA EPS	334.0%	49.4%	56.1%	-64.7%	27.7%
DPS	149.5%	-100.0%	0.0%	-74.1%	24.3%

EBITDA margin	89.0%	92.4%	63.2%	79.7%	82.6%
EBIT margin	77.5%	91.8%	63.2%	79.6%	82.5%
Net margin	76.3%	89.2%	55.3%	76.9%	79.6%
IEBA net margin	76.3%	89.2%	55.3%	76.9%	79.6%

\* Market Capitalisation = Book Value until the end of 2010, before the company's listing

Source: SSIF IEBA Trust SA

### Key items

Ratios and multiples	2007A	2008A	2009A	2010E	2011E
P/E(x)	46.4	23.4	16.7	61.1	27.2
P/E(x) IEBA	46.4	23.4	16.7	61.1	27.2
P/E(x) IEBA at 52wks High	46.4	23.4	16.7	61.1	28.1
P/BV(x)	1.0	1.0	1.0	1.0	0.5
ROE	2.0%	3.7%	6.3%	1.9%	2.1%
IEBA ROE	2.0%	3.7%	6.3%	1.9%	2.1%
ROCE	2.0%	3.7%	6.3%	1.9%	2.1%
IEBA ROCE	2.0%	3.7%	6.3%	1.9%	2.1%

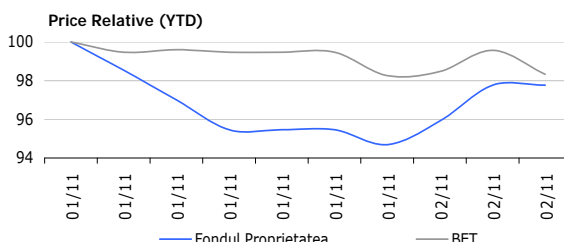
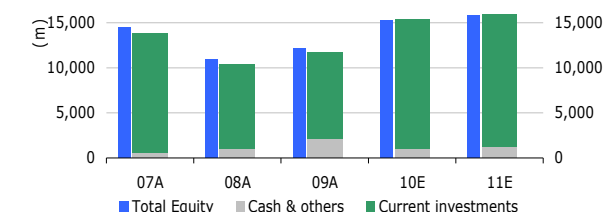
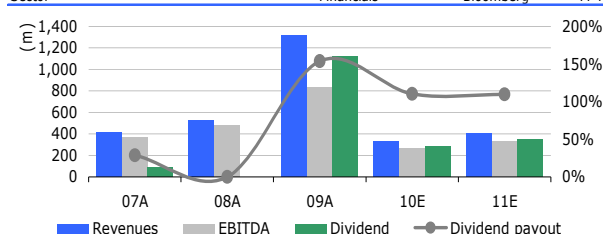
EV/EBITDA (x)	38.1	20.6	12.0	53.5	22.5
EV/EBITDA (x) at 52wks High	62.8	25.5	17.3	97.1	23.3
Net debt/EBITDA (x)	-1.6	-2.0	-2.6	-4.1	-3.8
EBITDA/Net inter. Exp. (x)	-11.8	-5.7	-5.9	-2.5	-3.2
EV/CE (x)	1.0	0.9	0.8	0.9	0.5

P/S (x)	35.4	20.9	9.2	45.9	21.7
P/FCFPS (x)	141.3	15.0	16.7	61.0	27.2
FCF Yield	0.7%	6.7%	6.0%	1.6%	3.7%
Dividend Yield	0.6%	0.0%	9.2%	1.8%	4.0%

Dividend payout	28.7%	0.0%	154.0%	110.3%	109.7%
Net debt/Equity	-4.1%	-8.9%	-17.6%	-7.1%	-7.9%
T.debt/(T.debt + Equity)	0.0%	0.0%	0.0%	0.0%	0.0%

### Stock's information

Share price (RON)	0.630	Target price/share	0.80
52 weeks High price (RON)	0.650	Mkt Cap (RON 000)	8,680,387
52 weeks Low price (RON)	0.615	EV (RON 000) 11E	14,167,976
Country	Romania	Reuters	FP.BX
Sector	Financials	Bloomberg	FP RO



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## INVESTMENT CASE

Fondul Proprietatea (FP) was set up in December 2005 by the Romanian authorities to indemnify individuals who lost their properties during the communist regime and whose ownership claims could not be settled in-kind. The National Authority for Property Restitution issues Reimbursement Certificates to the eligible claimants as they solicit compensation for their lost properties, certificates that further on were transformed into Fondul Proprietatea shares at the face value worth of 1 RON/share. The reimbursement process remains an ongoing process. Particularly, it will resume on 2<sup>nd</sup> of May at an average price of the last 60 trading days.

Fondul Proprietatea was listed on the 25th of February on the main Tier at the BSE, under the market symbol "FP". The technical floatation represents the major market event in the last 3 years due to its size, valuable portfolio mix and large liquidity. FP is currently the 3<sup>rd</sup> largest local listed company, following Petrom and BRD with the largest free-float in the market.

FP's portfolio has a distinctive mix being comprised of all major Romanian energy companies (both public and private), utilities and transportation/infrastructure companies listed and non-listed entities. In the aftermath of the fund's listing and the reimbursement ongoing procedure, the investment target and restrictions of the fund reflect a hard restructuring and value creation in the medium to long term, given that:

- The fund should have a minimum of 70% of assets in Romanian listed shares and up to 20% in unlisted shares from a current c32% and c60%, respectively, implying either a potential partial liquidation of current listed holdings or/and many new listings of the current unlisted holdings.
- The fund cannot hold more than 10% of assets in one listed holding (like Petrom – 25% today and probably Hidroelectrica - 22% when it will be listed in the future).
- The fund can invest up to 12% of assets in foreign shares from zero currently and there would be no sector restrictions for local or foreign stocks that would most probably be another next challenging step for the fund manager's decision affecting the attractiveness of the fund.
- Major aspects of the fund's investment philosophy are (i) value orientation, (ii) 'Bottom-Up' approach, (iii) long-term targets and (iv) diversification across most attractive sectors and companies.
- No added-value small holdings, representing about 3-4% of FY10 official NAV in our calculations, will be liquidated through tenders in the medium term.
- At the moment all the abovementioned restrictions and targets are exempted on the current portfolio mix.

**Apparently, at least 60% of the fund's current value will pass through a hard restructuring and value creation process in the medium-long term implying an important upside potential of capital gains. Last but not least, the fund plans to distribute as a permanent annual dividend, all dividends receivable and interest income from fixed income investments, while capital gains would be reinvested in new holdings.**

**We initiate coverage on Fondul Proprietatea (FP) with a 12m target price (TP) of RON 0.80 implying a discount to NAV of c30%, an upside potential of c27% and a Buy recommendation.**

For our base case scenario, we value FP using a sum-of-parts methodology employing almost (less conservative) a similar methodology to the official one. However, we also exercise a best case scenario incorporating different valuation methods for the companies in the portfolio. Our current NAV (base case) exercise incorporates: (i) our target price for major covered listed stocks, (ii) the maximum value between Equity

2009 and market capitalisation for not covered listed stocks, (iii) the Equity 2009 for unlisted companies and (iv) zero value for companies being under insolvency or bankruptcy stage.

**We derive a fair value for Fondul Proprietatea of RON 15.82bn and a NAV per share of RON 1.15. To this we apply a 30% discount: (i) 10% for the fund's holding nature, (ii) 10% for the high weight of unlisted companies and low visibility yet, and (iii) 10% for voting rights limitations. All in all, we derive a discounted NAV of RON0.80 per share.**

We also run a best case scenario, a NAV valuation exercise incorporating an optimistic and most probable scenario for the long-term including: (i) our target price for major covered listed stocks, (ii) a relative valuation for Romaero discounted by 50%, (iii) the maximum value between the latest Equity and market capitalization for remaining smaller listed entities, (iv) a relative valuation (average of EV/EBITDA and P/BV multiples) on major unlisted holdings, while (v) for the rest unlisted holdings, we incorporate the latest equity value, similarly to our base case NAV. In any of the above NAV calculation, we do not use a discount factor, apart from Romaero. **Our best scenario exercise returns a fair value of RON 18.2bn and a NAV per share of RON 1.32. After applying a less discount at 10%, since at the time of this scenario will be no voting right limitations as well as unlisted holdings, we arrive at a discounted NAV at RON1.19 per share.** This scenario can somehow be justified by FP's transactions in 2009 (see below) that was realised either in similar multiples like in our exercise or even higher depending the sector and the companies.

In 2010 and prior to the listing, the FP distributed a quite large dividend for 2009 covering basically the last 2 years of RON 0.0816 per share implying a yield of c13% at the last closing price. However, as this was not indicative and since the fund plans to distribute annually at least its dividends receivable and interest income, we forecast for 2010 a DPS of RON0.02, assuming also a dividend from Petrom that did not distribute in 2008-09, implying a yield of 4%.

**Following also the recent adjustment on public companies' dividend payout policy from 50% to 90%, this will definitely add more on the 2011 top line that is not incorporated yet in our numbers, cause we need more visibility on the profitability of these companies. Also, it is not clear if this decision will remain for 2011 profits too. Under simple calculations, this upward revision can lead to c40% higher received dividends and raise our current FY11 total revenues and dividend payout forecast by 26%, some RON100m, implying a dividend yield at current price levels of c5%.**

**Main positive and negative catalysts (risks) to our investment case and valuation are (i) the political risk as the Ministry of Finance is FP's largest shareholder and also major shareholder in FP's main holdings, (ii) very low visibility on financials for the unlisted, (iii) State's stake to drop below 33% and a dissolution of current voting rights restrictions, (iv) formation of the two giants, ELECTRA and HIDROENERGETICA, (v) lack of diversification as oil & gas holds 40% of the portfolio, energy companies hold a 36% stake in FP's portfolio while utilities represent 17% of the portfolio, leaving only 7% for the other sectors and (vi) the listing on a foreign exchange – restated as an objective by Mark Mobius (executive chairman of the Templeton Emerging Markets Group).**

## The entire map at a glance of FP's unique holdings (90% of NAV) capturing the entire energy and infrastructure Romanian landscape

Diagram colours definition:  FP has a stake in this company in grey with the stake in **dark blue**

### Romanian Oil & Gas sector

#### Petrom

Oil Retail market 40%  
Gas consumption mkt 51%

20.1%

#### RomGaz

Gas consumption mkt 47%

14.9%

#### Other

Oil Retail market 60%  
Gas consumption mkt 2%

### Romanian electricity producers

#### Hidroelectrica

Market share 27%

19.9%

#### Nuclearelectrica

Market share 21%

9.7%

#### TPP Rovinari

Market share  
9.8%

23.6%

#### TPP Craiova

Market share  
7.2%

24.4%

#### TPP Turceni

Market share  
11.6%

24.8%

#### Other

Market share  
23.4%

### Romanian electricity distribution & supply

#### El. Distrib. Muntenia Nord

Mkt share 16%

22.0%

#### Dist.Transilvania Nord

Mkt share  
10.8%

22.0%

#### Dist.Transilvania Sud

Mkt share  
11.7%

22.0%

#### Enel Distrib. Banat

Mkt share 9.8%

24.1%

#### Enel Distrib. Dobrogea

Mkt share 8.5%

24.1%

#### Enel Distrib. Muntenia

Mkt share  
15.1%

12.0%

#### E.ON Moldova Distr.

Mkt share 10.3%

22.0%

#### Other

Market share  
17.9%

#### Electrica Furniz.Munte nia Nord Mkt

share 8%

22.0%

#### Electrica Furniz.Transilvania Nord

Mkt share 7%

22.0%

#### Electrica Furniz.Transilvania Sud

Mkt share 8%

22.0%

#### Enel Energie

Mkt share 11%

12.0%

#### Enel Energie Muntenia

Mkt share 12%

12.0%

#### E.ON Moldova Furnizare

Mkt share 8%

22.0%

#### Other

Market share  
17.9%

### Utilities

#### Transelectrica

Mkt share 100%

13.5%

#### TransGaz

Mkt share 100%

14.98%

#### E.On Gaz Distributie

Mkt share 35%

12.0%

#### Other

Market share  
75%

#### E.ON Gaz Romania

Free mkt 6%

Regul. mkt 43%

12.0%

#### GDF Suez Energy

Free mkt 11%

Regul. Mkt 49%

12.0%

#### Other

Free mkt 83%

Regul. Mkt 8%

### Romanian airports

#### CN Bucuresti

Mkt share 71%

22.0%

#### Kolgalniceanu

Mkt share 1%

20.0%

#### Vuia

Mkt share  
11%

20.0%

#### Other

Mkt share  
17%

### Romanian ports

#### CN Maritime

Mkt share n/a

20%

#### CN Fluviale

Mkt share n/a

20%

#### CN Constanta

Mkt share n/a

20.0%

#### CN Navigabile

Mkt share n/a

20.0%

### Additional companies/sectors

#### ALRO

Mkt share 100%

9.93%

#### Azomures

Mkt share 45%

7.69%

#### Posta Romana

Domestic share 80%  
International share 53.5%  
Monopoly of mail service of up to 50g

25.0%

## Official NAV

**The latest official NAV – December 2010 was published on 15<sup>th</sup> of January 2011 implying a value of RON15.3bn or RON1.1124 per share.** In this calculation, the number of shares has decreased following the recent cancellation of c462m shares held by the State and registered as unpaid capital.

**The latest official NAV incorporates the market capitalization of listed holdings at that date and the latest total equity (2009) of the unlisted and includes an explanation of the fair valuation for five electricity distribution and supply companies. Nevertheless, the official NAV statement does not thoroughly illustrate a valuation for each holding that should be probably including in the year end official results or the annual report.**

Although, the latest official update on December's NAV 2010 incorporates a higher valuation for listed and unlisted companies, it is lower by 28% than the one of November 2010 (RON 1.1541/share), mainly due to the revaluation of Compania Nationala Aeroporturi Bucuresti (unlisted company valued according to KPMG valuation) being hardly downwards adjusted because of an overvalued land plot previously.

Electricity companies were also devalued: Electrica Furnizare Muntenia Nord, Electrica Furnizare Transilvania Nord and Electrica Furnizare Transilvania Sud (companies that are going to merge until the end of this year) are valued at zero as their financial statements on 31<sup>st</sup> of August 2010 recorded negative shareholders equity. E.ON Moldova Distributie was valued at 2009 shareholders' equity in IFRS and Palace Sinaia was marked-to-market valued although the company was not traded during the last 30 days but probably there were not latest available financial statements. All in all, FP follows a conservative approach on the official valuation and following the latest official statement, all holdings have been valued, despite that there are few cases under a merger procedure that should alter valuation later.

The official valuation methodology has changed in the last 3-4 official statements aiming to represent in a fair way the value of the fund's portfolio following the most conservative approach, while on the other side, there were difficulties of valuing some of the holdings either due to lack of financial statements or being under a procedure of merger.



Table. Official NAV

Portfolio - RON m	No of companies	NAV 2009	NAV 2010	% of total
<b>Listed in BVB holdings</b>	<b>28</b>	<b>3,463</b>	<b>4,934</b>	<b>32%</b>
Petrom	1	2,836	3,816	25%
TransGaz	1	177	494	3%
Transelectrica	1	134	191	1%
Alro	1	169	212	1%
Romaero	1	27	18	0%
Azomures	1	11	19	0.1%
Other	22	109	183	1%
<b>Non-listed companies</b>	<b>55</b>	<b>6,089</b>	<b>9,145</b>	<b>60%</b>
Hidroelectrica	1	2,812	3,301	22%
Nuclearelectrica	1	696	706	5%
Rest of electricity producers	3	670	1,049	7%
Electricity Utilities	14	966	1,653	11%
RomGaz	1	416	1,245	8%
Airports	3	135	330	2%
Gas Distribution	3	124	510	3%
Posta Romana	1	84	169	1%
Ports	4	70	82	1%
Other	24	116	100	1%
<b>Total</b>	<b>83</b>	<b>9,552</b>	<b>14,079</b>	<b>92%</b>
(-) Provisions on the portfolio		15	65	0.4%
Other investments and receivables		516	256	1.7%
Cash		2,151	1,078	7%
(-) Debt (liabilities)		7	101	0.7%
<b>NAV</b>		<b>12,196</b>	<b>15,248</b>	<b>100%</b>
<b>Per share</b>		<b>0.86</b>	<b>1.11</b>	

Table. Official Portfolio Value per major sector

Portfolio - RON m	No of companies	NAV 2009	NAV 2010	% of Total
Oil & Gas	1	2,836	3,816	27%
Electricity producers	5	4,178	5,056	36%
Utilities	16	1,277	2,338	17%
Gas	4	540	1,755	12%
Airports	3	135	330	2%
Ports	4	70	82	1%
Other	50	515	703	5%
<b>Total</b>	<b>83</b>	<b>9,552</b>	<b>14,079</b>	<b>100%</b>

## IEBA's NAV

We follow a conservative valuation approach similar to the official methodology with few differences, slightly more aggressive.

Particularly, we calculate a FY11E NAV according to the official valuation methodology for incorporating in our forecasted balance sheet and a targeted FY11E NAV (IEBA's NAV) in which the main difference is in (i) using our target prices for the covered listed holdings of the fund instead of the latest market capitalisation and (ii) the maximum value between the latest equity reported and the market capitalisation for each of the non-covered listed entities instead of the market capitalisation of each stock if it was traded in the last 30 days before valuation or otherwise the latest reported equity.



**Table. Historic NAV, FY11E Balance Sheet NAV and IEBA's FY11E NAV**

Portfolio - RON m	No of companies	NAV 2009	NAV 2010	% of total	NAV 2011E*	IEBA NAV 11E	% of total
<b>Listed in BVB holdings</b>	<b>28</b>	<b>3,463</b>	<b>4,934</b>	<b>32%</b>	<b>5,293</b>	<b>5,269</b>	<b>33%</b>
Petrom	1	2,836	3,816	25%	4,206	3,987	25%
TransGaz	1	177	494	3%	482	517	3%
Transelectrica	1	134	191	1%	196	199	1%
Alro	1	169	212	1%	234	252	2%
Romaero	1	27	18	0%	21	81	1%
Azomures	1	11	19	0.1%	19	32	0.2%
Other	22	109	183	1%	136	201	1%
<b>Non-listed companies</b>	<b>55</b>	<b>6,089</b>	<b>9,145</b>	<b>60%</b>	<b>9,181</b>	<b>9,181</b>	<b>58%</b>
Hidroelectrica	1	2,812	3,301	22%	3,301	3,301	21%
Nuclearelectrica	1	696	706	5%	706	706	4%
Rest of electricity producers	3	670	1,049	7%	1,049	1,049	7%
Electricity Utilities	14	966	1,653	11%	1,653	1,653	10%
RomGaz	1	416	1,245	8%	1,245	1,245	8%
Airports	3	135	330	2%	330	330	2%
Gas Distribution	3	124	510	3%	510	510	3%
Posta Romana	1	84	169	1%	169	169	1%
Ports	4	70	82	1%	82	82	1%
Other	24	116	100	1%	136	136	1%
<b>Total</b>	<b>83</b>	<b>9,552</b>	<b>14,079</b>	<b>92%</b>	<b>14,475</b>	<b>14,450</b>	<b>91%</b>
(-) Provisions on the portfolio		15	65	0.4%	58	58	0.4%
Other investments and receivables		516	255	1.7%	256	256	1.6%
Cash		2,151	1,078	7%	1,250	1,250	8%
(-) Debt (liabilities)		7	101	0.7%	81	81	0.5%
<b>NAV</b>		<b>12,196</b>	<b>15,246</b>	<b>100%</b>	<b>15,841</b>	<b>15,817</b>	<b>100%</b>
<b>Per share</b>		<b>0.86</b>	<b>1.11</b>		<b>1.15</b>	<b>1.15</b>	
(+/-) Discount						30%	
Shareholders' value						11,072	
<b>Shareholders' value per share</b>						<b>0.80</b>	

*\* Balance sheet NAV according to the official valuation method, incorporating currently m-t-m value for listed holdings.*

Briefly, our NAV (2011E) incorporates:

- Our target price for the listed holdings that we cover (Petrom, TransGaz, Transelectrica, Alro, Azomures and Oil Terminal);
- A relative valuation for Romaero discounted by 50% due to low profitability, ROE and liquidity compared to peers;
- The maximum value between Equity 2009 and market capitalization for the listed stocks that are not covered;
- The latest Equity (i.e. 2009) for the unlisted holdings of the fund;
- Zero value for unlisted companies being in insolvency or bankruptcy stage;
- And zero value for three electricity utilities due to low visibility.

At the end, we apply a 30% discount on our estimated NAV (IEBA's) to adjust for: (i) 10% for the fund's holding nature, (ii) 10% for the high weight of unlisted companies and low visibility yet and (iii) 10% for voting rights limitations.

**Table. Official methodology versus IEBA's valuation approach**

	Official	IEBA
Listed holdings	<ul style="list-style-type: none"> <li>• The market capitalization of listed holdings at the date of statement.</li> <li>• No trades within last 30 days, then shareholder's equity or fair value.</li> </ul>	<ul style="list-style-type: none"> <li>• Covered stocks: IEBA's target price.</li> <li>• Non-covered stocks: The maximum value between the latest available shareholder's equity and the market capitalisation without considering if a stock is efficiently traded.</li> </ul>
Unlisted holdings	<ul style="list-style-type: none"> <li>• Shareholder's equity or fair value</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholder's equity or fair value</li> </ul>
Companies in liquidation / bankruptcy / negative equity	<ul style="list-style-type: none"> <li>• At zero</li> </ul>	<ul style="list-style-type: none"> <li>• At zero</li> </ul>

All in all, our FY11E NAV stands at RON15.8bn or RON1.15 per share. However, given that FY10 results will be soon released for listed companies and that we currently review a potential ease of discount factors on a smoother macro-economic outlook, we will revert soon for any change in our covered universe. Although it is still early, we see a higher potential for upward revisions rather than a worse outlook.

### Our recommendation

Given our NAV11E at RON1.15 per share, standing at the conservative side with higher potential for upward revisions and a sufficient discount of 30% resulting to a shareholder's value per share of RON0.80, we initiate coverage with a BUY recommendation.

We see FP as a Value play and a long-term investment case currently carrying a discount of c45% compared to the official as well as our NAV. Although this discount should be gradually eliminated, we admit that future capital gains or/and higher dividend expectations should probably come later, somehow after H111 assuming an on-time progress of the portfolio's restructuring and privatisations.

### Main upside and downside risks:

- One of the main risks is the political one as the Ministry of Finance remains the largest shareholder and has still a direct involvement in the Fund's decisions and portfolio;
- Low visibility on unlisted company's financials as up to now the information disclosed was limited and did not allow a more thoroughly analysis;
- Since the most, not to mention the entire, of the incremental value will come from the unlisted holdings, the level of visibility and the speed of initiations for listing, privatising or/and selling will significantly affect the medium to long term value of the fund.

- The stake in Nuclearelectrica may increase as Fondul Proprietatea contested in Court the dissolution from 20% to 9.7%, adding a value of RON0.054/share;
- State's stake in Fondul Proprietatea to drop below 33% that would trigger the dissolution of the current restrictions over the voting rights;
- Formation of the two giants will affect FP's portfolio as additional loss making companies will be included in the new companies: ELECTRA and HIDROENERGETICA;
- Upside risk from the amounts that the Fund should receive from the privatization of Romtelecom and CEC, and also a higher amount from BCR's privatization;
- The listing/privatisation of some companies will have a positive impact on its transparency and will bring additional public information and would also lead to the value crystallisation of some stakes;
- After the realisation of a further floatation of TransGaz, Transelectrica and Petrom this year could have a short term negative price effect on these stocks;
- Lack of diversification as Oil & Gas companies hold 40%, energy producers hold about 36% stake in FP's portfolio while utilities represent 17% of the portfolio, leaving only 7% for the other sectors;
- Listing on a foreign exchange market– restated as an objective by Mark Mobius, executive chairman of the Templeton Emerging Markets Group, referring to London and Varshaw.

### Indicative transactions/sell offs of FP in 2009

In 2009 the Fund sold its minority participations in subsidiaries of Czech energy group CEZ (CEZ Distributie SA - 30%, CEZ Vanzare SA - 30% and CEZ Servicii SA - 12%), the 17.34% stake held in Centrofarm SA and also the 3% in Petrom Aviation (ROFU). The sale of the 3% stake in Petrom Aviation started in 2008 and was finalized in February 2009. According to 2009 financial statements, the cash received was of RON 980.22m while the book value of these participations was of RON428.74m out of which CEZ Distributie represented 99% (RON 424.59m) leading to a gain on disposal of these equity investments worth of RON 551.48m.

- CEZ Distributie and CEZ Vanzare – sold in Sept 2009 for EUR 229.59m implying a P/BV09 of 1.47x.
- CEZ Servicii - sold in Sept. 2009 for EUR 1.6m (EUR 2.19/share) implying a P/BV09 of 1.57x.
- Centrofarm - sold in Oct. 2009 for RON 6.82m (RON 6/share) implying a P/BV09 of 2.13x.
- Petrom Aviation – sold in the public take-over launched at RON 0.243/share for an amount of RON 1.35m implying a P/BV09 of 1.74x.

## A most promising case scenario or targeted NAV in the long run

Additionally, we run a NAV valuation exercise that incorporates an optimistic and a higher upside potential scenario including:

- (i) Our target prices for the listed stocks that we cover similarly to our base case NAV. Our target prices are currently at the high end of consensus, but we believe they are still conservative and there is room for even small upgrades. In addition the State's intention for a further floatation of TransGaz, Transelectrica and Petrom will either strongly support our current target prices or even offer a higher potential.
- (ii) Romaero, a listed defence producer and services, is valued, similarly to our base case NAV, by applying peers' multiples discounted by 50% due to Romaero's lower profitability, ROE, liquidity and much higher debt leverage. It is currently valued in the market well below Equity '09. Romaero has a huge fixed asset value that represents the entire equity, but the low sales as well as inexistence of free float hurts the stock's valuation. On EV/EBITDA relative multiples, the value is negative due to high debts, while P/BV multiple returns a huge non-indicative value. Nevertheless, despite the non-productiveness of the company, we cannot ignore its potential.
- (iii) For the remaining smaller listed entities, we apply the maximum value between the latest Equity (i.e. 2009) and their market capitalization.
- (iv) For the major unlisted holdings, we apply a relative valuation without any discounts (an optimistic scenario). The relative valuation incorporates the average value produced by applying peers' EV/EBITDA and P/BV multiples. The stand alone P/BV relative multiples exercise produces much higher valuation for the entire portfolio than EV/EBITDA, almost double, boosting NAV to RON1.65, c40% higher than our NAV11E. This is because, the companies (energy and infrastructure) generate low profitability and lower ROE, but given the emerging stage of the country, there is a high potential in the long term. We use the average value produced between EV/EBITDA and P/BV multiples as a more mild and rational scenario.
- (v) For the rest unlisted holdings, we incorporate the latest equity value (i.e. 2009) similarly to our base case NAV.

Table. FY11E NAV and best current scenario

Portfolio - RON m	No of companies	IEBA NAV 11E	% of total	Fair Value Based on EV/EBITDA (1)	% of total	Fair Value Based on P/BV (2)	% of total	Fair Value Based on Avg (1)-(2)	% of total
<b>Listed in BVB holdings</b>	<b>28</b>	<b>5,269</b>	<b>33%</b>	<b>5,189</b>	<b>40%</b>	<b>5,269</b>	<b>23%</b>	<b>5,269</b>	<b>29%</b>
Petrom	1	3,987	25%	3,987	30%	3,987	18%	3,987	22%
TransGaz	1	517	3%	517	4%	517	2%	517	3%
Transelectrica	1	199	1%	199	2%	199	1%	199	1%
Alro	1	252	2%	252	2%	252	1%	252	1%
Romaero	1	81	1%	n/m	0%	81	0%	81	0%
Azomures	1	32	0.2%	32	0.2%	32	0.1%	32	0.2%
Other	22	201	1%	201	2%	201	1%	201	1%
<b>Non-listed companies</b>	<b>55</b>	<b>9,181</b>	<b>58%</b>	<b>6,572</b>	<b>50%</b>	<b>16,113</b>	<b>71%</b>	<b>11,565</b>	<b>64%</b>
Hidroelectrica	1	3,301	21%	943	7%	5,367	24%	3,155	17%
Nuclearelectrica	1	706	4%	312	2%	1,147	5%	730	4%
Rest of electricity producers	3	1,049	7%	473	4%	1,662	7%	1,068	6%
Electricity Utilities	14	1,653	10%	1,621	12%	1,913	8%	1,822	10%
RomGaz	1	1,245	8%	1,934	15%	2,744	12%	2,339	13%
Airports	3	330	2%	368	3%	1,800	8%	1,084	6%
Gas Distribution	3	510	3%	665	5%	775	3%	720	4%
Posta Romana	1	169	1%	n/m	0%	334	1%	334	2%
Ports	4	82	1%	120	1%	234	1%	177	1%
Other	24	136	1%	136	1%	136	1%	136	1%
<b>Total</b>	<b>83</b>	<b>14,450</b>	<b>91%</b>	<b>11,760</b>	<b>90%</b>	<b>21,382</b>	<b>94%</b>	<b>16,834</b>	<b>92%</b>
(-) Provisions on the portfolio		58	0.4%	58	0.4%	58	0.3%	58	0.3%
Other investments and receivables		256	1.6%	256	1.9%	256	1.1%	256	1.4%
Cash		1,250	8%	1,250	10%	1,250	5%	1,250	7%
(-) Debt (liabilities)		81	0.5%	81	0.6%	81	0.4%	81	0.4%
<b>NAV</b>		<b>15,817</b>	<b>100%</b>	<b>13,127</b>	<b>100%</b>	<b>22,748</b>	<b>100%</b>	<b>18,200</b>	<b>100%</b>
<b>Per share</b>		<b>1.15</b>		<b>0.95</b>		<b>1.65</b>		<b>1.32</b>	
(+/-) Discount		30%		10%		10%		10%	
Shareholders' value		11,072		11,814		20,473		16,380	
<b>Shareholders' value per share</b>		<b>0.80</b>		<b>0.86</b>		<b>1.49</b>		<b>1.19</b>	

In this exercise, we try to reflect the best possible higher capital gains that could be realised assuming a future listing or sale of major unlisted holdings.

We use current available peer groups at current market prices to compare with major unlisted entities valuation. The result is that EV/EBITDA multiples result to lower valuation due to higher profitability of unlisted entities versus peers, while at P/BV multiples, their valuation is boosted significantly. Therefore, at this stage, we use the average relative valuation between EV/EBITDA and P/BV multiples to derive a more rational valuation on the best case scenario for each unlisted major entity. **We derive a fair NAV of RON1.32 per share which we assume could result following the full restructuring of the portfolio in the long run.**

Table. Analytical valuation metrics in our best current scenario

	(RON m)	EBITDA '09	x Peers EV/EBITDA (10-11E)	Discount (%)	EV	- net debt '09	Fair value (1)	T.Equity '09	x Peers P/BV (10-11E)	Discount (%)	Fair value (2)	Average Fair value (1) & (2)	% of FP	Balance sheet value 2009	Balance sheet value 2010E	IEBA Fair value (2011E)	Potential based on Relative (1) +(2)
<b>Portfolio Valuation at different methodologies</b>							<b>11,760</b>				<b>21,382</b>			<b>9,552</b>	<b>14,079</b>	<b>14,450</b>	<b>16,834</b>
<b>Listed in BVB holdings</b>							<b>5,188.7</b>				<b>5,269.2</b>			<b>3,462.5</b>	<b>4,934.3</b>	<b>5,269.2</b>	<b>5,269.2</b>
Petrom							<b>3,986.9</b>	16,179.5			<b>3,986.9</b>		20.1%	<b>2,836.4</b>	<b>3,816.0</b>	<b>3,986.9</b>	<b>3,986.9</b>
TransGaz							<b>516.8</b>	2,759.7			<b>516.8</b>		15.0%	<b>177.4</b>	<b>493.8</b>	<b>516.8</b>	<b>516.8</b>
Transelectrica							<b>198.9</b>	1,904.8			<b>198.9</b>		13.5%	<b>133.6</b>	<b>191.5</b>	<b>198.9</b>	<b>198.9</b>
Alro							<b>252.3</b>	1,433.4			<b>252.3</b>		9.9%	<b>168.9</b>	<b>211.9</b>	<b>252.3</b>	<b>252.3</b>
Romaero	10.6	4.5x	0%	47.0	67.1		<b>n/m</b>	918.5	1.7x	50%	<b>767.0</b>	383.5	21.0%	<b>26.9</b>	<b>18.2</b>	<b>80.5</b>	<b>80.5</b>
Azomures							<b>32.4</b>	400.7			<b>32.4</b>		7.7%	<b>10.7</b>	<b>19.4</b>	<b>32.4</b>	<b>32.4</b>
Other							<b>201.4</b>				<b>201.4</b>			<b>108.8</b>	<b>183.3</b>	<b>201.4</b>	<b>201.4</b>
Un-Listed							<b>6,571.8</b>				<b>16,112.5</b>			<b>6,089.5</b>	<b>9,145.0</b>	<b>9,181.2</b>	<b>11,564.5</b>
<b>Electricity producers</b>																	
Hidroelectrica	816.8	7.6x	0%	6,180.5	1,452.9		<b>4,727.6</b>	16,554.6	1.6x	0%	<b>26,914.7</b>	15,821.2	19.9%	<b>2,812.3</b>	<b>3,301.0</b>	<b>3,301.0</b>	<b>3,154.7</b>
Nuclearelectrica	692.6	7.6x	0%	5,240.4	2,032.8		<b>3,207.6</b>	7,253.7	1.6x	0%	<b>11,793.3</b>	7,500.4	9.7%	<b>696.1</b>	<b>705.8</b>	<b>705.8</b>	<b>729.8</b>
Complexul Energetic Turceni	238.4	5.9x	0%	1,409.1	89.3		<b>1,319.8</b>	2,138.6	1.6x	0%	<b>3,389.5</b>	2,354.7	24.8%	<b>282.3</b>	<b>530.2</b>	<b>530.2</b>	<b>583.7</b>
Complexul Energetic Craiova	75.5	5.9x	0%	446.5	131.5		<b>314.9</b>	1,097.5	1.6x	0%	<b>1,739.4</b>	1,027.2	24.4%	<b>250.2</b>	<b>267.3</b>	<b>267.3</b>	<b>250.2</b>
Complexul Energetic Rovinari	76.1	5.9x	0%	449.9	157.6		<b>292.3</b>	1,064.7	1.6x	0%	<b>1,687.4</b>	989.9	23.6%	<b>137.6</b>	<b>251.3</b>	<b>251.3</b>	<b>233.6</b>
<b>Gas</b>																	
Romgaz	1,292.0	9.4x	0%	12,142.8	-755.9		<b>12,898.7</b>	8,308.5	2.2x	0%	<b>18,307.9</b>	15,603.3	15.0%	<b>416.3</b>	<b>1,245.4</b>	<b>1,245.4</b>	<b>2,338.9</b>
E.ON Gaz Distributie	235.9	6.2x	0%	1,473.6	74.1		<b>1,399.5</b>	900.0	1.5x	0%	<b>1,367.7</b>	1,383.6	12.0%	<b>63.6</b>	<b>108.0</b>	<b>108.0</b>	<b>166.0</b>
GDF Suez Energy Romania	564.4	6.2x	0%	3,526.2	294.8		<b>3,231.4</b>	2,521.7	1.5x	0%	<b>3,832.3</b>	3,531.8	12.0%	<b>60.0</b>	<b>302.6</b>	<b>302.6</b>	<b>423.8</b>
E.ON Gaz Romania	143.5	6.2x	0%	896.6	-12.8		<b>909.4</b>	825.4	1.5x	0%	<b>1,254.3</b>	1,081.9	12.0%	<b>0.0</b>	<b>99.0</b>	<b>99.0</b>	<b>129.8</b>
<b>Electricity distribution &amp; supply</b>																	
Electrica Distributie Muntenia Nord	106.7	5.3x	0%	568.1	-103.8		<b>672.0</b>	1,055.6	1.1x	0%	<b>1,207.5</b>	939.7	22.0%	<b>171.6</b>	<b>232.2</b>	<b>232.2</b>	<b>206.7</b>
ENEL Distributie Banat	203.3	5.3x	0%	1,082.3	-400.2		<b>1,482.5</b>	1,152.5	1.1x	0%	<b>1,318.3</b>	1,400.4	24.1%	<b>156.2</b>	<b>278.1</b>	<b>278.1</b>	<b>337.9</b>
E.ON Moldova Distributie	163.3	5.3x	0%	869.5	15.1		<b>854.4</b>	822.2	1.1x	0%	<b>940.6</b>	897.5	22.0%	<b>150.7</b>	<b>179.6</b>	<b>179.6</b>	<b>197.4</b>
Electrica Distributie Transilvania Sud	119.1	5.3x	0%	634.2	-38.1		<b>672.3</b>	822.4	1.1x	0%	<b>940.7</b>	806.5	22.0%	<b>132.1</b>	<b>180.9</b>	<b>180.9</b>	<b>177.4</b>
ENEL Distributie Dobrogea	141.5	5.3x	0%	753.1	-228.3		<b>981.4</b>	806.6	1.1x	0%	<b>922.7</b>	952.1	24.1%	<b>126.3</b>	<b>194.3</b>	<b>194.3</b>	<b>229.4</b>
Electrica Distributie Transilvania Nord	111.7	5.3x	0%	594.9	-58.3		<b>653.2</b>	768.1	1.1x	0%	<b>878.6</b>	765.9	22.0%	<b>118.5</b>	<b>169.0</b>	<b>169.0</b>	<b>168.5</b>
Enel Distributie Muntenia	225.8	5.3x	0%	1,201.9	-1,854.9		<b>3,056.8</b>	2,705.2	1.1x	0%	<b>3,094.5</b>	3,075.6	12.0%	<b>110.1</b>	<b>324.6</b>	<b>324.6</b>	<b>369.1</b>
E.on Moldova Furnizare	-98.4	5.3x	0%	n/m	-14.3		<b>n/m</b>	148.7	1.1x	0%	<b>170.1</b>	170.1	22.0%	<b>32.7</b>	<b>32.7</b>	<b>32.7</b>	<b>37.4</b>
Electrica Furnizare Muntenia Nord	-11.9	5.3x	0%	n/m	-7.1		<b>n/m</b>	14.2	1.1x	0%	<b>16.3</b>	16.3	22.0%	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.6</b>
Electrica Furnizare Transilvania Nord	12.3	5.3x	0%	65.5	-1.3		<b>66.7</b>	29.5	1.1x	0%	<b>33.7</b>	50.2	22.0%	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11.1</b>
Electrica Furnizare Transilvania Sud	19.9	5.3x	0%	106.2	25.4		<b>80.7</b>	40.3	1.1x	0%	<b>46.1</b>	63.4	22.0%	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>14.0</b>
Enel Energie Muntenia	-20.7	5.3x	0%	n/m	-372.8		<b>n/m</b>	308.6	1.1x	0%	<b>353.0</b>	353.0	12.0%	<b>37.0</b>	<b>37.0</b>	<b>37.0</b>	<b>42.4</b>
Enel Energie	-98.4	5.3x	0%	n/m	-159.0		<b>n/m</b>	196.8	1.1x	0%	<b>225.1</b>	225.1	12.0%	<b>23.6</b>	<b>23.6</b>	<b>23.6</b>	<b>27.0</b>
Electroconstructia Elco Cluj	0.7	5.3x	0%	3.5	-0.1		<b>3.7</b>	7.1	1.1x	0%	<b>8.1</b>	5.9	7.6%	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>
<b>Post/Courier services</b>																	
Posta Romana	-163.7	5.4x	0%	n/m	-129.1		<b>n/m</b>	678.0	2.0x	0%	<b>1,337.8</b>	1,337.8	25.0%	<b>84.4</b>	<b>169.5</b>	<b>169.5</b>	<b>334.4</b>
<b>Airports</b>																	
CN Aeroporturi Bucuresti	180.7	9.2x	0%	1,654.5	-50.5		<b>1,704.9</b>	5,028.1	1.8x	0%	<b>8,932.2</b>	5,318.6	20.0%	<b>131.2</b>	<b>322.4</b>	<b>322.4</b>	<b>1,063.7</b>
Aeroportul Mihail Kogalniceanu	2.9	9.2x	0%	26.3	-0.7		<b>27.1</b>	12.5	1.8x	0%	<b>22.2</b>	24.6	20.0%	<b>1.5</b>	<b>2.5</b>	<b>2.5</b>	<b>4.9</b>
Aeroportul Timisoara Traian Vuia	12.2	9.2x	0%	111.8	4.3		<b>107.5</b>	24.7	1.8x	0%	<b>43.9</b>	75.7	20.0%	<b>2.7</b>	<b>4.9</b>	<b>4.9</b>	<b>15.1</b>
<b>Ports</b>																	
Administratia Porturilor Constanta	57.7	9.0x	0%	517.0	54.7		<b>462.3</b>	302.3	2.8x	0%	<b>859.8</b>	661.0	20.0%	<b>52.6</b>	<b>60.5</b>	<b>60.5</b>	<b>132.2</b>
Administratia Canalelor Navigabile	7.5	9.0x	0%	67.0	-9.7		<b>76.7</b>	78.6	2.8x	0%	<b>223.6</b>	150.1	20.0%	<b>15.2</b>	<b>15.7</b>	<b>15.7</b>	<b>30.0</b>
Administratia Porturilor Dunarii	1.1	9.0x	0%	9.6	-0.1		<b>9.7</b>	8.4	2.8x	0%	<b>24.0</b>	16.8	20.0%	<b>1.4</b>	<b>1.7</b>	<b>1.7</b>	<b>3.4</b>
Administratia Porturilor Dunarii Fluviale	5.6	9.0x	0%	49.9	-3.3		<b>53.2</b>	21.3	2.8x	0%	<b>60.6</b>	56.9	20.0%	<b>0.7</b>	<b>4.3</b>	<b>4.3</b>	<b>11.4</b>
Other							<b>136.4</b>				<b>136.4</b>		100.0%	<b>115.8</b>	<b>100.2</b>	<b>136.4</b>	<b>136.4</b>

Source: IEBA TRUST, FACTSET.

## Financials Summary of unlisted companies

Companies	Stake	Booked value	Sales			CAGR	EBITDA	CAGR	EBITDA margin	Net debt	Net debt/ EBITDA	Shareholder's equity	ROAE
		09	07	08	09	07-09	09	07-09	09	09	09	09	09
Hidroelectrica SA	19.94%	2,812,270,038	2,060.7	2,443.5	2,420.8	5.5%	816.8	0.0%	33.7%	1,452.9	178%	16,554.6	0.3%
Nuclearelectrica SA	9.73%	696,087,850	909.6	1,451.9	1,526.7	18.8%	692.6	20.4%	45.4%	2,032.8	294%	7,253.7	0.7%
Romgaz SA	14.99%	416,301,444	3,271.7	3,280.2	3,193.5	-0.8%	1,292.0	6.8%	40.5%	-755.9	-59%	8,308.5	7.2%
Complexul Energetic Turceni SA	24.79%	282,299,927	1,029.4	1,281.4	1,125.5	3.0%	238.4	3.5%	21.2%	89.3	37%	2,138.6	1.0%
Complexul Energetic Craiova SA	24.36%	250,169,153	861.8	1,068.6	1,132.4	9.5%	75.5	-1.2%	6.7%	131.5	174%	1,097.5	0.0%
Electrica Distributie Muntenia Nord SA	22.00%	171,634,031	972.3	614.6	611.5	-14.3%	106.7	-2.6%	17.5%	-103.8	-97%	1,055.6	2.4%
ENEL Distributie Banat	24.13%	156,203,772	769.8	506.8	526.4	-11.9%	203.3	-1.7%	38.6%	-400.2	-197%	1,152.5	14.0%
E.ON Moldova Distributie SA	22.00%	150,738,991	n/a	589.9	630.1	n/a	163.3	n/a	25.9%	15.1	9%	822.2	7.3%
Complexul Energetic Rovinari SA	23.73%	137,615,732	811.5	957.3	845.4	1.4%	76.1	-18.2%	9.0%	157.6	207%	1,064.7	0.6%
Electrica Distributie Transilvania Sud SA	22.00%	132,147,006	964.4	525.4	539.2	-17.6%	119.1	2.7%	22.1%	-38.1	-32%	822.4	2.9%
CN Aeroporturi Bucuresti SA	20.00%	131,168,263	298.6	364.8	395.7	9.8%	180.7	0.5%	45.7%	-50.5	-28%	5,028.1	1.5%
ENEL Distributie Dobrogea	24.09%	126,260,018	574.7	384.6	391.5	-12.0%	141.5	-1.7%	36.1%	-228.3	-161%	806.6	12.2%
Electrica Distributie Transilvania Nord SA	22.00%	118,478,309	838.9	507.7	495.9	-16.1%	111.7	4.5%	22.5%	-58.3	-52%	768.1	1.8%
Enel Distributie Muntenia SA	12.00%	110,111,032	1,720.1	1,440.5	732.7	-24.8%	225.8	19.2%	30.8%	-1,854.9	-822%	2,705.2	11.1%
Posta Romana SA	25.00%	84,384,880	1,043.8	1,400.3	1,435.7	11.2%	-163.7	-258.7%	-11.4%	-129.1	79%	678.0	-23.7%
Societatea Nationala a Sarii	49.00%	75,631,225	143.3	183.6	188.4	9.6%	20.7	18.0%	11.0%	-5.4	-26%	160.2	0.3%
E.ON Gaz Distributie SA	12.00%	63,569,622	1,531.3	685.0	724.5	-22.1%	235.9	13.5%	32.6%	74.1	31%	900.0	11.6%
GDF Suez Energy Romania SA (fost Distrigaz Sud SA)	12.00%	59,982,622	3,215.1	3,737.7	3,628.8	4.1%	564.4	12.2%	15.6%	294.8	52%	2,521.7	15.9%
CN Administratia Porturilor Maritime Constanta	20.00%	52,621,414	177.3	220.0	209.8	5.8%	57.7	-2.3%	27.5%	54.7	95%	302.3	4.3%
Zirom SA	100.00%	35,727,778	9.4	7.2	7.3	-8.0%	-0.6	-157.9%	-7.9%	-3.0	513%	34.7	-7.5%
Electromecanica Ploiesti SA	0.00%	0	9.2	12.3	5.5	-16.0%	-0.9	-197.8%	-16.5%	-0.5	53%	45.6	-3.6%
Uzina Mecanica Bucuresti SA	0.00%	0	19.3	29.7	23.0	6.0%	-9.4	-328.0%	-40.7%	6.2	-66%	46.0	-22.7%
CN Administratia Canalelor Navigabile SA	20.00%	15,194,209	26.3	36.6	36.1	11.1%	7.5	17.4%	20.7%	-9.7	-130%	78.6	3.2%
Simtex SA	30.00%	0	3.0	3.3	3.6	6.5%	n/a	n/a	n/a	n/a	n/a	3.0	30.5%
Plafar SA	49.00%	0	5.7	n/a	3.4	-15.7%	-2.4	-241.9%	-69.1%	-5.6	238%	10.5	-27.6%
Petrotel Lukoil SA	2.18%	0	3,567.0	4,791.4	3,320.9	-2.4%	-180.1	233.7%	-5.4%	63.8	-35%	-363.8	85.3%
Aeroportul International Timisoara Traian Vuia SA	20.00%	2,652,588	23.5	30.5	41.1	20.5%	12.2	18.6%	29.7%	4.3	35%	24.7	15.0%
Laromet SA	6.52%	1,547,497	28.0	35.5	9.0	-31.5%	-136.3	-529.5%	-1515.4%	-2.6	2%	151.2	-52.9%
Aeroportul International Mihail Kogalniceanu SA	20.00%	1,490,898	20.1	13.3	14.1	-11.2%	2.9	38.1%	20.4%	-0.7	-26%	12.5	0.8%
CN Administratia Porturilor Dunarii Maritime SA	20.00%	1,351,671	8.8	9.4	9.3	2.0%	1.1	5.0%	11.4%	-0.1	-12%	8.4	2.2%
Carom - Broker de Asigurare SA	70.00%	1,161,986	1.1	1.4	1.1	0.3%	n/a	n/a	n/a	n/a	n/a	1.6	2.6%
CN Administratia Porturilor Dunarii Fluviale SA	20.00%	675,810	16.1	19.9	18.6	5.1%	5.6	-5.0%	29.9%	-3.3	-59%	21.3	20.2%
Zamur Targu Mures SA	7.07%	319,724	14.1	29.6	32.4	32.1%	2.8	-59.1%	8.7%	-18.4	-652%	42.7	7.4%
Electroconstructia Elco Cluj SA	7.62%	319,656	4.3	3.9	7.0	17.3%	0.7	25.6%	9.5%	-0.1	-17%	7.1	6.3%
Celuloza si Otel (absorbtie a SC Remat Timis SA)	8.63%	230,675	18.1	28.6	18.9	1.6%	0.7	-23.5%	3.7%	-2.5	-358%	5.4	3.9%
Salubriserv SA	17.49%	207,601	22.2	27.0	25.5	4.7%	10.5	27.5%	41.0%	23.3	223%	42.7	1.7%
Commetex SA	16.00%	193,500	0.6	0.8	0.9	13.2%	0.0	-4.5%	5.0%	-0.1	-248%	1.3	1.2%
Cornsig SA	69.95%	132,633	0.1	0.1	0.1	4.2%	0.0	29.0%	8.0%	-0.1	-1231%	0.2	5.6%
Cetatea SA	7.62%	118,840	0.5	0.3	0.2	-23.4%	0.1	-160.0%	30.0%	0.0	-1%	2.1	-1.2%
Retizoh SA	7.38%	46,427	0.0	0.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.9	46.8%
World Trade Center Bucuresti SA	19.90%	0	49.3	55.5	46.3	-2.1%	5.3	-13.8%	11.4%	-30.9	-588%	-113.3	7.7%
Ciocarla	1.69%	37,125	4.0	6.1	5.7	12.1%	n/a	n/a	n/a	n/a	n/a	34.9	1.7%
Marlin SA	5.89%	34,014	0.3	0.3	0.2	-8.2%	0.0	-173.3%	-13.8%	0.0	3%	0.7	-17.3%
Familial Restaurant SA	2.76%	2,454	0.0	0.0	0.0	-18.9%	0.0	-11.9%	100.0%	0.0	-13%	0.1	2.1%
E.ON Gaz Romania SA	12.00%	0	1,217.6	2,969.4	2,557.7	28.1%	143.5	n/a	5.6%	-12.8	-9%	825.4	18.8%
E.on Moldova Furnizare SA	22.00%	0	n/a	1,484.4	1,456.7	n/a	-98.4	n/a	-6.8%	-14.3	14%	148.7	-17.3%
Electrica Furnizare Muntenia Nord SA	22.00%	0	529.5	1,281.8	1,326.2	35.8%	-11.9	36.0%	-0.9%	-7.1	60%	14.2	129.4%
Electrica Furnizare Transilvania Nord	22.00%	0	459.7	1,151.1	1,175.6	36.8%	12.3	n/a	1.0%	-1.3	-10%	29.5	2.1%
Electrica Furnizare Transilvania Sud	22.00%	0	351.1	1,353.8	1,335.1	56.1%	19.9	n/a	1.5%	25.4	128%	40.3	2.0%
Enel Energie Muntenia SA	12.00%	0	n/a	679.6	1,919.5	n/a	-20.7	n/a	-1.1%	-372.8	1805%	308.6	4.4%
Enel Energie SA	12.00%	0	903.1	1,817.6	1,849.6	27.0%	-98.4	89.7%	-5.3%	-159.0	1602%	196.8	-21.2%
Fecne SA	12.12%	0	13.8	20.5	15.6	4.2%	n/a	n/a	n/a	n/a	n/a	-16.0	-0.9%
Carbid Fox SA	7.97%	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gerovital Cosmetics SA	9.77%	340,996	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
World Trade Hotel SA	19.90%	17,837	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: IEBA TRUST.

## Relative valuation of major unlisted companies

Hydro and Alternative power producers	Country	Mkt Cap (in EUR m)	YTD %	1 Year %	P/E		EPS ch.		EV/EBITDA		EBITDA '09A	EBITDA '09A - '11E		EBITDA margin '09	P/BV		ROE		Dividend Yield		Net debt / EBITDA	
					09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E		CAGR07-'09A	CAGR 09-'11E		09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
RusHydro	Russia	11,981	0%	42%	13.5	11.4	37.5%	12.9%	5.6	7.1	51.8%	15.4%	43%	47%	1.1	1.0	11%	9%	0.0%	0.3%	-0.5	-0.3
Companhia Energetica de Minas Gerais-CEMIG	Brazil	7,952	4%	-1%	10.1	10.6	-1.5%	4.4%	6.6	6.0	-0.7%	9.9%	34%	34%	1.8	1.6	19%	16%	4.9%	4.8%	2.1	2.1
Companhia Paranaense de Energia Prf B	Brazil	4,993	0%	9%	11.1	10.3	-4.8%	13.9%	5.8	6.3	-7.4%	8.9%	31%	27%	1.3	1.1	12%	12%	2.2%	3.5%	0.0	0.1
Cez A.S.	Czech Republic	17,854	4%	-11%	8.4	9.4	11.7%	-6.3%	6.5	6.7	10.0%	-0.8%	46%	45%	2.2	1.9	28%	21%	6.6%	6.4%	1.4	1.9
Verbund AG	Austria	8,807	-4%	-13%	12.9	17.4	-6.2%	-7.1%	10.7	12.1	6.7%	-5.3%	36%	33%	2.7	2.2	22%	14%	4.6%	2.8%	3.3	3.8
Weighted average & applied multiples			2%	5%	10.9	11.5	11.0%	1.6%	7.0	7.6	16%	5%	40%	40%	1.9	1.6	20%	15%	4%	4%	1.3	1.6



Electricity producers	Country	Mkt Cap (in EUR m)	YTD %	1 Year %	P/E		EPS ch.		EV/EBITDA		EBITDA '09A	EBITDA '11E	EBITDA margin		P/BV		ROE		Dividend Yield		Net debt /	
					09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E			CAGR07-'09A	CAGR 09-'11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
Zorlu Enerji Elektrik Uretim A.S.	Turkey	399	0%	-16%	8.0	30.5	-121.2%	70.5%	16.8	21.4	71.3%	20.0%	25%	2.2	5.3	81%	22%	0.0%	0.0%	10.0	13.9	
Akenerji Elektrik Uretimi A.S.	Turkey	670	1%	12%	17.1	110.7	-34.0%	567.1%	23.2	28.1	n/a	50.4%	13%	1.5	1.4	11%	5%	4.3%	0.0%	8.4	10.3	
Repower AG	Switzerland	943	0%	-12%	13.0	21.2	15.6%	8.9%	8.3	8.1	n/a	1.3%	10%	1.7	1.6	14%	8%	1.9%	1.1%	1.3	1.7	
Endesa S.A.	Spain	19,587	-4%	-21%	8.1	8.8	-1.7%	-5.2%	6.0	4.5	-1.7%	-1.4%	28%	1.4	1.2	15%	14%	5.6%	5.8%	2.4	1.7	
Mosenergo	Russia	3,149	0%	-2%	35.5	22.0	38.0%	33.8%	8.6	6.3	33.6%	20.4%	13%	14%	0.8	0.7	2%	3%	0.0%	0.0%	0.3	0.0
EDP-Energias de Portugal S.A.	Portugal	8,647	-1%	-22%	8.9	8.6	20.1%	1.0%	7.4	6.8	13.1%	4.8%	28%	27%	1.2	1.1	15%	14%	6.3%	7.2%	4.2	4.4
Public Power Corp. S.A.	Greece	2,401	-4%	-23%	3.5	4.0	-326.8%	-5.8%	4.2	4.6	43.1%	-0.4%	28%	27%	0.4	0.4	13%	9%	9.7%	8.7%	2.4	3.1
Drax Group PLC	Great-Britain	1,659	3%	-14%	6.5	7.2	-35.6%	-9.4%	4.4	3.8	-16.2%	-8.4%	24%	23%	1.3	1.1	24%	17%	3.6%	7.1%	0.2	-0.3
MVV Energie AG	Germany	1,793	-3%	-12%	18.4	17.4	-32.7%	3.0%	8.7	7.5	5.5%	1.1%	12%	11%	1.8	1.7	9%	10%	3.3%	3.3%	3.2	2.7
Electricite de France S.A.	France	57,001	0%	-27%	14.4	15.4	-9.3%	-2.8%	6.8	5.8	7.2%	-1.2%	26%	25%	2.0	1.9	15%	13%	3.7%	3.8%	2.4	2.5
EVN AG	Austria	2,221	-1%	-10%	11.4	10.2	-4.7%	4.1%	9.8	8.6	3.2%	8.7%	14%	15%	0.7	6%	7%	3.0%	3.4%	4.0	3.4	
Weighted average & applied multiples			-1%	-23%	12.9	14.0	-12.6%	2.6%	6.9	5.9	7%	1%	26%	25%	1.7	1.6	15%	12%	4%	4%	2.6	2.5

Power supply & distribution		Mkt Cap	YTD	1 Year	P/E		EPS ch.		EV/EBITDA		EBITDA	EBITDA	EBITDA margin		P/BV		ROE		Dividend Yield		Net debt /	
					09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E			CAGR07-'09A	CAGR 09-'11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
	Country	(in EUR m)	%	%																		
Acea S.p.A.	Italy	1,757	-4%	12%	14.2	11.8	-33.3%	13.0%	6.7	6.1	3.3%	8.3%	19%	20%	1.4	1.3	10%	11%	0.0%	5.3%	3.9	3.3
E.ON AG	Germany	44,722	-3%	-24%	8.0	9.3	-6.8%	-11.5%	6.4	5.7	4.2%	-5.7%	17%	15%	1.1	1.0	14%	11%	6.7%	6.3%	2.1	2.1
Iren S.p.A.	Italy	1,465	-1%	-8%	10.3	10.8	-7.7%	0.4%	6.3	6.4	8.8%	28.9%	17%	17%	0.8	0.9	8%	8%	6.9%	7.2%	3.7	4.0
Enel S.p.A.	Italy	34,722	-1%	-12%	7.3	8.0	-27.2%	-3.8%	5.5	4.8	26.5%	2.6%	25%	25%	1.1	1.0	16%	13%	6.8%	7.4%	3.2	2.7
E.ON AG	Germany	44,722	-3%	-24%	8.0	9.3	-6.8%	-11.5%	6.4	5.7	4.2%	-5.7%	17%	15%	1.1	1.0	14%	11%	6.7%	6.3%	2.1	2.1
RWE AG	Germany	28,198	1%	-26%	7.6	8.1	6.0%	-7.1%	5.3	4.6	7.7%	0.8%	20%	18%	2.1	1.8	29%	24%	7.0%	6.5%	1.2	1.7
Weighted average & applied multiples			-2%	-21%	7.8	8.8	-9.3%	-8.6%	6.0	5.3	10%	-2%	19%	18%	1.2	1.1	17%	14%	7%	7%	2.2	2.2

Gas supply & distribution		Mkt Cap	YTD	1 Year	P/E		EPS ch.		EV/EBITDA		EBITDA	EBITDA	EBITDA margin		P/BV		ROE		Dividend Yield		Net debt /	
					Country	(in EUR m)	%	%	09	Avg 10-11E			09A	Avg 10-11E	09	Avg 10-11E	CAGR07-09A	CAGR 09-11E	09	Avg 10-11E	09	Avg 10-11E
Gas Natural SDG S.A.	Spain	9,531	-10%	-32%	8.0	8.7	-44.2%	-5.3%	8.8	6.3	31.5%	5.8%	26%	24%	0.9	0.8	10%	10%	7.6%	7.9%	5.3	4.0
Aygaz A.S.	Turkey	1,366	12%	61%	8.9	10.9	1123%	-7.5%	4.4	8.4	25.7%	-10.8%	10%	7%	1.7	1.5	21%	14%	2.0%	4.1%	0.1	-0.2
Centrica PLC	Great-Britain	20,700	1%	19%	15.5	12.8	0.3%	12.6%	6.9	6.4	0.6%	13.6%	12%	14%	4.1	3.4	24%	28%	3.8%	4.3%	1.2	0.9
GDF Suez S.A.	France	59,882	-1%	-12%	13.0	12.9	-10.3%	4.1%	7.0	6.1	5.3%	10.5%	18%	19%	1.0	1.0	8%	8%	5.5%	5.9%	2.2	2.3
Rubis S.A.	France	1,214	1%	48%	20.5	17.1	7.5%	13.4%	7.6	9.6	17.7%	26.0%	12%	10%	2.0	1.8	10%	11%	3.1%	3.6%	1.6	1.7
Weighted average & applied multiples			-1%	-5%	13.1	12.5	5.5%	5.0%	7.2	6.2	7%	11%	17%	18%	1.7	1.5	12%	13%	5%	6%	2.2	2.1

Gas producer	Country	Mkt Cap (in EUR m)	YTD %	1 Year %	P/E		EPS ch.		EV/EBITDA		EBITDA '09A	EBITDA '09A - '11E	EBITDA margin		P/BV		ROE		Dividend Yield		Net debt /					
					09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E			CAGR07 - '09A	CAGR 09 - '11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
Soco International PLC	Great-Britain	1,445	-5%	1%	36.2	42.7	39.0%	48.8%	15.2	23.9	18.4%	22.7%	75%	58%	2.1	1.8	6%	5%	0.0%	0.0%	-0.8	-2.0				
Lundin Petroleum AB	Sweden	2,987	0%	84%	32.0	-763.9%	-36.6%	5.9	7.2	-9.8%	30.8%	40%	68%	3.3	3.1	-34%	10%	0.0%	0.0%	1.4	0.7					
Melrose Resources PLC	Great-Britain	334	2%	-24%	26.0	-127.5%	139.1%	5.4	4.4	n/a	16.9%	79%	72%	1.1	1.0	-6%	7%	1.3%	1.4%	2.7	2.3					
Total Gabon S.A.	France	1,512	9%	20%	13.8	7.2	-59.0%	46.3%	2.7	2.1	-13.7%	20.2%	61%	72%	1.4	1.4	12%	20%	4.8%	5.8%	0.2	0.1				
PA Resources AB	Sweden	380	-30%	-58%	105.9	10.0	-97.0%	-427.3%	5.7	4.5	-18.6%	25.9%	63%	60%	0.4	0.5	0%	2%	0.0%	0.0%	2.8	1.8				
Weighted average & applied multiples			-1%	38%	17.0	27.2	-359.6%	-12.8%	7.1	9.4	-5%	26%	56%	66%	2.3	2.2	-11%	11%	1%	1%	0.8	0.1				

Airports	Country	Mkt Cap	YTD	1 Year	P/E		EPS ch.		EV/EBITDA		EBITDA	EBITDA	EBITDA margin		P/BV		ROE		Dividend Yield		Net debt / EBITDA	
		(in EUR m)	%	%	09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E	CAGR07-'09A	CAGR 09-'11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
Aeroporto di Firenze-A.d.F. S.p.A.	Italy	103	2%	-20%	42.2	35.0	-12.9%	25.9%	10.7	n/a	n/a	n/a	27%	n/a	n/a	1.2%	0.9%	n/a	1.4			
Aeroports de Paris	France	5,789	-1%	0%	21.4	19.0	-0.6%	8.1%	9.0	8.7	8.2%	5.1%	34%	1.8	1.7	9%	9%	2.3%	2.6%	2.7	2.6	
Flughafen Wien AG	Austria	1,075	0%	47%	14.7	13.5	-19.6%	4.0%	8.5	10.1	-6.6%	6.9%	33%	35%	1.4	1.3	9%	10%	4.1%	4.4%	4.1	4.3
Flughafen Zuerich AG	Switzerland	1,900	2%	25%	12.5	17.0	56.5%	-9.3%	7.3	7.6	-1.0%	7.3%	49%	1.5	1.4	13%	8%	1.9%	1.3%	2.5	2.3	
Fraport AG	Germany	4,400	2%	26%	29.3	24.2	-13.4%	15.2%	10.2	10.0	-2.4%	18.3%	27%	33%	1.7	1.7	6%	7%	2.4%	2.4%	4.2	4.1
Kobenhavns Lufthavn A/S	Denmark	1,644	-12%	28%	18.5	16.1	-14.9%	8.8%	8.5	9.8	-0.8%	8.1%	52%	52%	3.8	3.6	21%	22%	5.0%	7.0%	2.3	2.2
Societa Aeroporti Toscano S.p.A. Galileo Galilei	Italy	99	-2%	-3%	37.1	32.9	0.0%	14.8%	9.3	n/a	n/a	n/a	17%	1.7	n/a	6%	1.0%	10.5%	n/a	1.4		
Aeroporto di Firenze-A.d.F. S.p.A.	Italy	103	2%	-20%	42.2	35.0	-12.9%	25.9%	10.7	n/a	n/a	n/a	27%	n/a	n/a	1.2%	0.9%	n/a	1.4			
SAVE S.p.A. Aeroporti di Venezia Marco Polo	Italy	410	-4%	25%	22.4	18.0	25.5%	14.9%	6.6	7.3	n/a	6.4%	18%	1.5	1.5	7%	8%	4.0%	4.7%	1.1	1.0	
Weighted average & applied multiples			-1%	17%	22.2	19.8	0.5%	8.2%	8.8	9.2	2%	9%	34%	37%	1.9	1.8	9%	10%	3%	3%	3.1	3.0

Ports	Country	Mkt Cap (in EUR m)	YTD %	1 Year %	P/E		EPS ch.		EV/EBITDA		EBITDA		EBITDA margin		P/BV		ROE		Dividend Yield		Net debt /	
					09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E	CAGR07 - '09A	CAGR 09 - '11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
Forth Ports PLC	Great-Britain	738	0%	16%	23.9	23.0	-4.7%	4.1%	13.7	13.2	3.4%	8.3%	32%	35%	2.6	2.4	11%	11%	2.1%	2.3%	4.5	3.7
Hamburger Hafen und Logistik AG	Germany	2,411	0%	11%	51.4	33.3	-69.7%	34.8%	7.9	8.9	-15.4%	12.3%	26%	28%	4.6	4.2	9%	13%	1.2%	1.6%	0.7	1.0
Luka Koper d.d.	Slovenia	224	-10%	-35%		53.3	n/a	47.4%	21.4	10.2	n/a	38.4%	19%	31%	0.9	0.8			0.0%	5.5	3.3	
Novorossiysk Commercial Sea Port	Russia	1,637	0%	-27%	8.5	7.7	108.3%	8.1%	7.0	5.5	20.4%	8.1%	64%	65%	2.6	1.7	36%	25%	1.3%	1.8%	0.3	1.0
Piraeus Port Authority S.A.	Greece	265	-8%	-32%		75.9	-699.4%	13.8%		18.1	n/a	n/a	-4%	17%	1.9	1.7	-21%	3%	0.0%	1.0%	-1.5	4.8
Thessaloniki Port Authority S.A.	Greece	103	-2%	-31%	23.0	n/a	-15.5%	-117.4%	11.0	7.8	-38.0%	n/a	17%	14%	0.9	0.9	4%	-1%	2.2%	0.0%	-7.8	-7.1
<b>Weighted average &amp; applied multiples</b>			<b>-1%</b>	<b>-5%</b>	<b>29.4</b>	<b>26.4</b>	<b>-33.7%</b>	<b>12.4%</b>	<b>8.7</b>	<b>9.0</b>	<b>-1%</b>	<b>11%</b>	<b>37%</b>	<b>39%</b>	<b>3.4</b>	<b>2.8</b>	<b>15%</b>	<b>15%</b>	<b>1%</b>	<b>2%</b>	<b>1.0</b>	<b>1.5</b>

Postal services	Country	Mkt Cap (in EUR m)	YTD %	1 Year %	P/E		EPS ch.		EV/EBITDA		EBITDA		EBITDA margin		P/BV		ROE		Dividend Yield		Net debt /	
					09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E	CAGR07 - '09A	CAGR 09 - '11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
Deutsche Post AG	Germany	15,560	1%	-11%	24.2	11.0	-50.0%	59.9%	6.1	4.8	-25.4%	12.1%	7%	7%	1.9	1.5	8%	15%	4.7%	4.9%	0.8	0.7
TNT N.V.	Netherlands	7,171	-4%	-13%	14.3	12.7	-28.5%	9.3%	7.7	6.6	-12.8%	6.1%	11%	11%	3.4	2.8	26%	24%	2.8%	3.1%	0.9	0.9
Oesterreichische Post AG	Austria	1,596	-4%	21%	17.6	14.3	-33.1%	12.7%	4.2	5.5	-4.9%	-1.7%	11%	11%	2.4	2.3	13%	16%	6.4%	6.4%	-0.6	-1.0
UK Mail Group PLC	Great-Britain	218	1%	5%	14.3	12.7	2.0%	8.7%	6.4	6.1	10.5%	5.9%	6%	7%	3.1	2.9	22%	23%	5.5%	5.8%	-0.6	-0.6
<b>Weighted average &amp; applied multiples</b>			<b>0%</b>	<b>-9%</b>	<b>20.7</b>	<b>11.7</b>	<b>-42.2%</b>	<b>41.6%</b>	<b>6.4</b>	<b>5.4</b>	<b>-20%</b>	<b>9%</b>	<b>8%</b>	<b>9%</b>	<b>2.4</b>	<b>2.0</b>	<b>14%</b>	<b>18%</b>	<b>4%</b>	<b>4%</b>	<b>0.7</b>	<b>0.6</b>

Aerospace & Defense	Country	Mkt Cap (in EUR m)	YTD %	1 Year %	P/E		EPS ch.		EV/EBITDA		EBITDA		EBITDA margin		P/BV		ROE		Dividend Yield		Net debt /	
					09	Avg 10-11E	09A	Avg 10-11E	09	Avg 10-11E	CAGR07 - '09A	CAGR 09 - '11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E	09	Avg 10-11E
European Aeronautic Defence & Space Co. EADS N.V.	Netherlands	15,642	10%	34%		25.3	-146.7%	-77.9%	1.2	2.4	-4.2%	50.1%	3%	7%	1.5	1.4	-7%	6%	0.0%	0.9%	-6.8	-2.5
BAE Systems PLC	Great-Britain	13,962	3%	-8%	8.4	7.9	9.6%	3.1%	4.8	4.3	19.3%	1.8%	13%	12%	2.6	2.3	24%	30%	4.7%	5.2%	-0.2	0.0
Dassault Aviation S.A.	France	6,076	0%	13%	23.6	17.5	-31.1%	17.9%	5.8	7.1	-8.3%	-7.8%	16%	17%	1.4	1.3	6%	8%	1.0%	1.3%	-3.7	-3.9
Thales S.A.	France	5,177	-1%	-27%		12.6	-107.3%	-360.9%	12.6	5.6	-34.4%	41.5%	4%	8%	1.4	1.3	-1%	11%	1.9%	3.0%	0.2	0.4
Finmeccanica S.p.A.	Italy	4,932	0%	-25%	6.7	7.3	-2.0%	-2.5%	4.5	3.8	14.2%	1.7%	12%	12%	0.8	0.7	12%	10%	4.8%	4.9%	1.4	1.5
MTU Aero Engines Holding AG	Germany	2,689	2%	32%	15.7	14.3	-9.7%	7.9%	5.7	6.6	-2.5%	6.2%	14%	14%	3.5	2.9	24%	21%	1.8%	2.0%	0.4	0.1
Saab AB	Sweden	1,617	3%	8%	20.1	12.3	-33.2%	36.0%	5.1	5.0	-10.0%	5.5%	11%	11%	1.3	1.2	7%	10%	1.8%	2.4%	0.4	-0.5
Chemring Group PLC	Great-Britain	1,333	8%	5%	14.8	11.4	33.3%	20.4%	8.8	7.8	36.3%	20.9%	26%	25%	4.1	3.3	29%	31%	1.6%	2.0%	0.9	1.7
QinetiQ Group PLC	Great-Britain	1,041	1%	-21%	11.8	9.7	-29.8%	12.4%	9.2	6.7	0.7%	2.6%	10%	10%	1.8	1.9	14%	20%	1.2%	2.9%	2.8	1.7
Senior PLC	Great-Britain	750	3%	97%	17.6	13.3	-15.9%	17.3%	5.1	7.0	16.0%	11.0%	15%	16%	3.4	2.7	20%	22%	1.7%	2.0%	1.3	0.6
UMECO PLC	Great-Britain	255	-1%	47%	12.4	10.4	-12.5%	13.9%	5.8	6.9	4.9%	8.8%	9%	9%	1.2	1.1	10%	11%	4.0%	4.1%	2.1	1.7
<b>Weighted average &amp; applied multiples</b>			<b>4%</b>	<b>8%</b>	<b>7.8</b>	<b>15.1</b>	<b>-56.0%</b>	<b>-52.6%</b>	<b>4.8</b>	<b>4.5</b>	<b>2%</b>	<b>20%</b>	<b>10%</b>	<b>11%</b>	<b>1.9</b>	<b>1.7</b>	<b>9%</b>	<b>15%</b>	<b>2%</b>	<b>3%</b>	<b>-2.2</b>	<b>-0.9</b>

Source: IEBA TRUST, Bloomberg.

## 2011 Expectations

The P&L of the fund is quite simple with dividends received and interest income representing the bulk of revenues and the one-off capital gains from assets sale. From now on, the picture of the receivable dividends will be more clear since previous years used to include cumulative dividend receivables from more than 1 year in the past. In 2009 and 2010, the absence of Petrom's dividend was apparent, while we assume that Petrom will resume from 2011 onwards supporting the top line again.

Following also the recent adjustment on public companies' dividend payout policy from 50% to 90%, this will definitely add more on the 2011 top line that is not incorporated yet in our numbers, cause we need more visibility on the profitability of these companies. Also, it is not clear if this decision will remain for 2011 profits too. Under simple calculations, this upward revision can lead to c40% higher received dividends and raise our current FY11 total revenues and dividend payout forecast by 26%, implying a dividend yield at current price levels of c5%.

Table. P&L

(RON m) - Parent RAS	FY07	FY08	FY09	FY10E	FY11E
Petrom	90	196	0	0	111
Romgaz	32	35	41	41	41
Transgaz	16	15	18	23	39
Alro	0	39	17	13	19
GDF Suez Energy	7	20	14	14	14
Henri Coanda airport	6	8	10	10	10
Conpet	1	2	7	4	4
Transelectrica	13	3	3	0	0
Complexul Energetic Turceni	3	8	2	2	2
Primcom	0	1	2	2	2
Other	35	57	3	64	3
<b>Dividend revenues</b>	<b>203</b>	<b>385</b>	<b>118</b>	<b>175</b>	<b>245</b>
Revenues from sold assets	0	0	980	0	0
Provision revenues	130	11	32	0	0
FX revenues	47	43	48	51	51
Interest income	31	84	142	107	105
<b>Total revenues</b>	<b>410</b>	<b>524</b>	<b>1,320</b>	<b>332</b>	<b>400</b>
<b>(-) Operating expenses</b>	<b>5</b>	<b>16</b>	<b>23</b>	<b>20</b>	<b>22</b>
<b>(-) Other revaluation / provisions / financials</b>	<b>40</b>	<b>24</b>	<b>462</b>	<b>47</b>	<b>47</b>
<b>EBITDA</b>	<b>365</b>	<b>484</b>	<b>835</b>	<b>265</b>	<b>331</b>
Depreciation & amortiz.	47	3	1	0	0
<b>EBIT / EBT</b>	<b>318</b>	<b>481</b>	<b>834</b>	<b>264</b>	<b>330</b>
Tax on profit	5	13	104	9	12
<b>Net profits (losses)</b>	<b>313</b>	<b>468</b>	<b>730</b>	<b>255</b>	<b>319</b>
<b>Dividends</b>	<b>90</b>	<b>0</b>	<b>1,124</b>	<b>281</b>	<b>350</b>
<b>% of revenues</b>	<b>22%</b>	<b>0%</b>	<b>85%</b>	<b>85%</b>	<b>87%</b>

Source: Company, IEBATRUST.

Following the fund's official policy, our dividend is calculated including forecasted revenues from dividends received and interest income, and represents c85% of total revenues.

That said, regarding dividend, the only positive surprise for 2011 will be the fund to receive higher dividends from public companies, as mentioned in our above comment, and a negative surprise could be that Petrom will not resume its dividend policy.

On the balance sheet side and particularly on the portfolio side, we expect to see some liquidation in small and immaterial participations of the fund that the management has already initiated for some of them through auctions. These small participations represent in total just c3% of NAV. The biggest factor would be only a potential listing of RomGaz until the end of the year. Other major developments could be news flow regarding electricity producers without any expected touchable results in 2011. Last but not least, a potential winning of the contest in Court for Nuclearelectrica, could increase the fund's participation 9.7% to 20% and increase NAV by RON0.054/share.

## BRIEF OVERVIEW

Fondul Proprietatea (FP) was set up in December 2005 by the Romanian authorities to indemnify individuals who lost their properties during the communist regime and whose ownership claims could not be settled in-kind. The National Authority for Property Restitution issues Reimbursement Certificates to the eligible claimants as they solicit compensation for their lost properties, certificates that further on were transformed into Fondul Proprietatea shares at the face value worth 1 RON/share. The reimbursement process remains an ongoing process.

The value of the share capital of Fondul Proprietatea was set by the Romanian state at RON14.2bn. In 2007 a local valuator established that the amount of shares transferred to that date by the state to FP amounted to RON13.3bn versus the required level of RON 14.2bn, leaving the state with a further RON0.9bn to subscribe. The state paid RON0.4bn in cash and booked the remaining amount as unpaid subscribed share capital. In August 2010 FP's Supervisory Board approved the cancellation of these shares.

The fund holds stakes in 83 companies, both privately-held and State-owned, out of which 28 listed on BSE and 55 unlisted companies. The portfolio is unique being comprised of all major Romanian energy, utility and transportation listed and non-listed companies, major strategic players with significant market shares or natural monopolies.

Fondul Proprietatea offers a wide exposure to the Romanian energy sector as its portfolio is heavily weighted on the energy sector as the stakes in Oil & Gas, utilities and electricity companies account for over 90% of FP's portfolio value according to our 2011 estimates.

Although the Fund holds stakes in 83 companies, the value of the top 10 holdings accounts for over 80% of NAV 2010.

The conversion of the Reimbursement Certificates in Fondul Proprietatea shares had been suspended for 10 business days prior to the first trading date and until the date fallin on Monday of the second calendar week following the first 60 trading sessions, in order to establish the conversion price. The new price will no longer be the nominal value of RON1/share, but it will be determined as follows:

- for conversions effected on the second calendar week following the first 60 trading session, the price will be the weighted average price of the first 60 trading days;
- for conversions effected after the second calendar week following the first 60 trading session, the price will be the weighted average price of the last 60 trading days.

### Methodology of transfers - calculating cEUR 4bn share capital

The initial registered share capital value of the fund stood at RON 14.24bn. Following the compensation scheme, each shareholder was given a part of the share capital, equal to the amount deemed necessary for compensation. The state transferred participations in steps, from public funds or bodies to the Fund's portfolio setting up the initial share capital value. The transfer value was based on the following methodology:

1) Listed companies: (a) In the first tranche (5 December 2005), the listed shares were transferred at the average trading price of the last 90 days of trading counting in reverse, starting 30 days prior to the first tranche date, and (b) In the second tranche (29 June 2007) was used the average trading price of the last 90 days of trading counting in reverse, starting with the date of the second tranche.

2) Unlisted companies: (a) In the first tranche (5 December 2005), the price was the book value per share as of 31 December 2004, and (b) In the second tranche (29 June 2007), the price was the book value per share as of 31 December 2006.

## September's EGM led the way towards the listing

The 6<sup>th</sup> September 2010 shareholders meeting removed part of the major blocks preventing FP from listing on the stock exchange. Shareholders voted: i) on the appointing of Franklin Templeton as Fund manager for 4 years; ii) on a new set of by laws to cancell the unpaid shares and approved the listing through simple floatation; iii) on a record dividend payout from 2008 and 2009 profits; iv) on a 10% share buyback.

Franklin Templeton was authorised to buy-back a number of maximum 1,375,759,258 shares, representing a 10% stake of the share capital, during September 2010 - March 2012 at a price ranging between 0.2 – 1.5 RON/share. The resolutions also state these shares to be paid out of the Fund's distributable profit or available reserves, except for the statutory reserves, in accordance with the latest annual financial statements approved. According to the Fund's management, the buy-back will be used as a safety net by Templeton in case the stock's price would suddently dropp to a very low level.

## Fund manager and Sole administrator

The State appointed Franklin Templeton in 2010, as the asset manager of the fund following a short-list of 5 out of 30 initial candidates from all over the world. The five companies that had passed in the second phase were: (i) Aviva Investors Global Services Ltd, (ii) Blackrock Investment Management (UK) Ltd, (iii) Franklin Templeton Investment Management Ltd, (iv) ING Investment Management SA and (v) Morgan Stanley Investment Management Ltd.

Grzegorz Konieczny is the portfolio manager, responsible of the Central and Eastern European division. Franklin Templeton Investment Management operates in over 30 countries and has assets under management worth of USD 645bn.

Templeton's efforts target to improve the corporate governance of the companies in the portfolio, the alignment of NAV calculation methods to international standards and to promote the Romanian capital market. The investment strategy as outlined by company's representatives will be focused on:

- portfolio clean-up;
- portfolio diversification over sectors;
- improve corporate governance for unlisted companies;
- gradually achieving a portfolio structure of 100% listed companies.

## The first analyst meeting

The very first analyst meeting took place on 10<sup>th</sup> of January, before floatation on 25<sup>th</sup> of January, and included a simple informative structure and a briefing on the investment strategy.

According to the management, Franklin Templeton (FT) has already focused on the best possible re-organisation of the portfolio and acceleration of possible new listings. But despite the fact that FT has representatives on the Board of Directors in more than 20 companies of the portfolio, it highly depends on the state's decision and speed for the next critical steps.

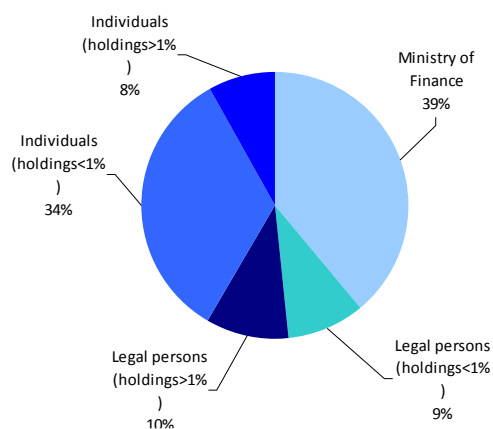
Their focus is on capital gains through listings and privatisations. For the first time a deadline was mentioned that the state would seek to sell a 15% of Transelectrica by June, a 15% of Transgaz by September and a 15% of Romgaz through an IPO by the end of this year. In our view, the most likely exits in the short-term could be only the stakes in energy distribution holdings.

FT team revealed that the investment target is not sector-oriented but on a general bottom-up approach, while they did not elaborate with sufficient details on the fund's investment strategy in other foreign assets reflecting a current strong focus on the existing portfolio before the next day for new investments.

In the respect of the reorganisation of the energy companies, Fondul Proprietatea restated its position of being against the current structure of the two giants planned by the government, Electra and Hidroenergetica, as it wants to solve first the issues of its stakes in Nuclearelectrica and CE Craiova.

All in all, the first analyst meeting was not particularly helpful and delightful, while FT team seems committed to resolve important issues in the current portfolio structure and holdings that highly depends on the state efforts and time-frame.

## Shareholder Structure



According to the data published on FP website based on the information recorded at the Central Depository as of 31 of December 2010, Fondul Proprietatea had 5,372 shareholders. In December only the Ministry of Finance (MoF) stake was reduced from 41.49% to 38.88%, against 59% at the end of 2009, as restitutions intensified at year end. Also, during 2010 MoF's stake was diluted by the cancellation of the unpaid shares, as FP's number of shares decreased from 14,24m to 13,743m. Compared to SIFs, in FP case there is no limitation regarding the stake to be owned within FP share capital, but a limitation regarding voting rights.

Shareholder type	No. of shareholders	No. of shares	Stake (%)
<b>Ministry of Finance</b>	1	5,357,581,696	38.9%
Legal persons (holdings<1%)	170	1,300,352,402	9.4%
Legal persons (holdings>1%)	5	1,384,810,932	10.1%
<b>Total legal persons</b>	<b>176</b>	<b>8,042,745,030</b>	<b>58.4%</b>
Individuals (holdings<1%)	5193	4,640,537,165	33.7%
Individuals (holdings>1%)	3	1,095,110,013	7.9%
<b>Total Individuals</b>	<b>5196</b>	<b>5,735,647,178</b>	<b>41.6%</b>
<b>TOTAL</b>	<b>5372</b>	<b>13,778,392,208</b>	<b>100.0%</b>

## Restrictive voting rights

As long as the Ministry of Finance will hold a stake higher than 33%, restrictions during Ordinary and Extraordinary Shareholders Meetings will be applied on FP holdings as follows:

- for **stakes up to 1%** of FP share capital: one share has one voting right associated;
- for **stakes up to 3%** of FP share capital: one share up to 1% has one voting right associated, while for stakes higher than 1% and lower than 3% of FP share capital two shares have one voting right associated;
- for **stakes up to 5%** of FP share capital: one share up to 1% has one voting right associated, stakes higher than 1% and lower than 3% of FP share capital two shares have one voting right associated, while for stakes higher than 3% and lower than 5% of FP share capital three shares have one voting right associated;
- for **stakes higher than 5%** of FP share capital: these shares have no voting rights associated.

## Sale of State's minority stakes in energy companies

The Government announced last year a decision to sell stakes in various listed and unlisted energy companies' part of FP's portfolio. The decision referred to minority stakes in listed companies such as OMV Petrom (SNP), Transgaz (TGN) and Transelectrica (TEL), and also in unlisted assets like Romgaz and companies involved in the electricity production and supply. E.ON Moldova supply and distribution has E.ON as main shareholders and in case of sale, the State can exercise its sale options similar to the options that were exercised by CEZ in 2009, while Enel Distributie Banat, Enel Distributie Dobrogea, Enel Distributie Muntenia, Enel Energie and Enel Energie Muntenia have Enel as main shareholders and the privatisation agreement contains tag-along rights offering the Fund the same terms and conditions for the sale, same as Enel. Until present time, there has been no information regarding a possible decision by FP to sell.

Until now, the only certain plans are to sell a 9.84% stake in OMV Petrom (SNP), 15% in Transgaz (TGN), 15% Transelectrica (TEL) and to list a 15% of Romgaz this year, an initiative that could increase liquidity of the listed companies. According to an official announcement, Romanian authorities plan to sell 15% of Transelectrica (TEL) in June; a further 15% in Transgaz Medias will be available in September, while a 15% stake in Romgaz will be listed in December. These three holdings represent c12% of the fund's portfolio NAV, excluding the further privatization of a 9.84% stake in Petrom without a disclosed time yet.

## Electra and Hidroenergetica – the giants

In 2009, the Economy Ministry took the initiative to reorganize the Romanian power production sector into two energy giants, but only on the 29<sup>th</sup> of January 2010 did ratify the setup of two energy giants. This initiative will have a significant impact on FP as the energy generation companies in its portfolio are to be included in one of the two giants called ELECTRA and HIDROENERGETICA.



According to a draft issued by the Government regarding these two companies, Hidroelectrica assets will be split 20% - 80% between them, 20% valued by KPMG at a total of RON 16.55bn will go to ELECTRA (Hidroelectricas' Ramnicu Valcea, Sibiu, Tg. Jiu and Hidroserv Rm. Valcea subsidiaries), while the rest will go to HIDROENERGETICA. Part of ELECTRA will also be: Nuclearelectrica, Societatea Nationala a Lignitului Oltenia (National Lignite Company) and the three Thermo Power Plants Turceni, Rovinari and Craiova. The 80% of Hidroelectrica will merge with some thermo power plants (Electrocentrale Deva, Electrocentrale Bucuresti and a few subsidiaries of Termoelectrica) and a part of Compania Nationala a Huilei (National Coal Company) in order to form HIDROENERGETICA.

It is expected that the two energy companies Electra and Hidroenergetica could be listed in the coming years, according to the government, which will most certainly increase the liquidity and crystallise their value.

However, at the present time, the set up of these two companies is on hold, as on one side the set up needs the approval by the Competition Council, while on the other side the creation of the two giants is contested in court by FP and by employees' unions. Furthermore, FP is still debating with the authorities on Nuclearelectrica and CE Craiova stakes. Initially the Fund was given a 20% stake in Nuclearelectrica and a 25% in Craiova, moment after which the state made some successive capital increases but without maintaining the Fund's stakes and FP was diluted to 9.72% and 24.4%, respectively. At the present time, Fondul Proprietatea is trying to halt in court the reorganisation of the energy companies into the two giants until the issued is solved. Considering all these, we believe that it will take a long time until their establishment.

### Electra

Rm. Valcea Hidroelectrica subsidiary  
Sibiu Hidroelectrica subsidiary  
Tg. Jiu Hidroelectrica subsidiary  
Hidroserv Rm. Valcea subsidiary  
Nuclearelectrica  
Societatea Nationala a Lignitului Oltenia  
(National Lignite Company)  
Craiova TPP  
Rovinari TPP  
Turceni TPP

### Hidroenergetica

Rest of Hidroelectrica (80%)  
Electrocentrale Deva  
Electrocentrale Bucuresti  
Termoelectrica subsidiaries  
Compania Nationala a Huilei  
(National Coal Company)

## Main holdings financials & valuation

The major listed companies where the Fund holds significant stakes and are included in our covered universe are: OMV Petrom, Transgaz, Transelectrica, Alro, Azomures and Oil Terminal. A brief review is illustrated below with basic historic and forecasted financials of the related companies.

## OMV Petrom (SNP)

Petrom is the largest integrated oil & gas group in SE Europe and the sole Romanian producer of crude oil. Natural gas production accounts for half of total domestic output and 35% of Romania's total refining capacity (19% of the total refining capacity without considering Arpechim). In 2009, OMV Petrom had a market share of 40% in the gas market and also a 40% market share in the oil products retail market. Austrian OMV holds 51% in Petrom, the Ministry of Economy 20.64% the Proprietatea Fund 20.1% and the free-float stands at 8.24%.

RON m	2008A	2009A	2010E	2011E	CAGR 07-09A	CAGR 09-11E
<b>Revenues</b>	<b>20,127</b>	<b>16,090</b>	<b>17,520</b>	<b>18,350</b>	<b>4%</b>	<b>7%</b>
<b>EBITDA</b>	<b>3,875</b>	<b>4,110</b>	<b>5,203</b>	<b>5,733</b>	<b>10%</b>	<b>18%</b>
Depreciation	2,670	2,489	2,924	3,029	30%	10%
<b>EBIT</b>	<b>1,205</b>	<b>1,620</b>	<b>2,279</b>	<b>2,704</b>	<b>-8%</b>	<b>29%</b>
Net financials	-76	-451	-641	-879		
EBT	1,129	1,169	1,638	1,825	-20%	25%
Tax	151	309	248	278		
<b>Net Profit (Loss)</b>	<b>978</b>	<b>860</b>	<b>1,390</b>	<b>1,547</b>	<b>-25%</b>	<b>34%</b>
<b>IEBA Net Profit (Loss)</b>	<b>978</b>	<b>860</b>	<b>1,390</b>	<b>1,547</b>	<b>-25%</b>	<b>34%</b>
Net Fixed Assets	20,625	22,791	25,367	27,338		
Investments	3,756	3,437	3,149	3,149		
Current Assets	4,537	4,299	4,852	4,429		
Cash & Cash Equivalents	572	384	1,116	429		
<b>Total Assets</b>	<b>28,917</b>	<b>30,527</b>	<b>33,367</b>	<b>34,916</b>	<b>11%</b>	<b>7%</b>
Total Debts	1,825	2,998	4,210	5,210		
Current liabilities	5,057	4,707	4,230	4,293		
Other liabilities	6,045	6,631	7,360	6,863		
<b>Shareholders Equity</b>	<b>15,945</b>	<b>16,180</b>	<b>17,569</b>	<b>18,566</b>		
<b>FCFF</b>	<b>-2,028</b>	<b>-455</b>	<b>-506</b>	<b>334</b>		
FCF	-768	-189	732	-687		
EPS	0.02	0.02	0.02	0.03	-25%	34%
DPS	0.00	0.00	0.01	0.01	n/a	n/a
EV	27,950	20,686	27,899	28,995		
Mkt Cap	21,594	12,507	18,862	18,862		
P/E(x) IEBA	22.1	14.5	13.6	12.2		
P/BV(x)	1.4	0.8	1.1	1.0		
EV/Sales (x)	1.4	1.3	1.6	1.6		
EV/EBITDA (x)	7.2	5.0	5.4	5.1		
Mkt cap/Sales (x)	1.1	0.8	1.1	1.0		
ROE (%)	6.2%	5.4%	8.2%	8.6%		
DY (%)	0.0%	0.0%	2.9%	3.3%		
Net debt/EBITDA (x)	0.3	0.6	0.6	0.8		
Net debt/Equity (x)	0.1	0.2	0.2	0.3		
Sales growth	34.7%	-20.1%	8.9%	4.7%		
EBITDA growth	14.6%	6.1%	26.6%	10.2%		
EBITDA margin	19.3%	25.5%	29.7%	31.2%		
EPS growth	-36.2%	-12.1%	61.5%	11.3%		
Payout ratio	0.0%	0.0%	39.6%	39.7%		

- Forecasts (IFRS): Following Q310 results, we have decreased our set of forecasts, basically the EBITDA by an average of 8% and bottom line by an average of 30%. We now see FY(10E) EPS growth up 62% YOY, while we see a milder FY(11E) EPS growth of 11% at the moment assuming higher oil prices by c13% and flat demand.

- Valuation: We value Petrom using a SOTP exercise that incorporates a DCF absolute valuation (weight 50%) and a relative valuation over developing peers at par with EV/EBITDA(10-11E) of 5.6x. Despite our downward revision of our forecasts, higher sector's multiples maintained our target price at RON 0.35 per share. Lately, we downgraded our rating from Buy to Accumulate rating. At the moment, we consider Petrom an event-driven play, given a further privatization from the State in the next months.

- In September 2010, SNP announced a sell-out of its stake in Ring Oil Holding & Trading Ltd to the minority shareholder, a Russian Mineral and Bio Oil Fuels company. As a result, the focus is now on Kazakhstan in terms of overseas exploration & production.

- Additional free-float increase as Romanian authorities plan to sell in 2011 a 9.8% stake in the company, followed by a very likely EUR600m capital increase.

*\* In our forecasts, we do not incorporate yet any share capital increase of the company that has been decided in the April's 2010 AGM since there are not still specific information.*

## Price triggers:

- Increase in crude oil price, improvement of refining margins and strict cost management could provide higher upstream profits, the main contributor segment to the EBIT;
- full gas market and natural gas price liberalization;
- optimization of the refinery operations can significantly improve ROI and profitability
- higher asset utilization along with further restructuring of main cash-flow generating activities
- decrease in refinery energy consumption;
- shift of yields between fuel oil and middle distillates;
- start of combined cycle gas turbine with production estimated to be delivered to the National Power Grid in H211.

## TRANSGAZ (TGN)

Monopoly status of the natural gas transportation activity. The Ministry of Economy & Finance holds a stake of 73.51%, the Proprietatea Fund 14.99% and the free float stands at 11.5%.

RON m	2008A	2009A	2010E	2011E	CAGR 07-09A	CAGR 09-11E
<b>Revenues</b>	<b>1,117</b>	<b>1,182</b>	<b>1,376</b>	<b>1,442</b>	<b>7%</b>	<b>10%</b>
<b>EBITDA</b>	<b>366</b>	<b>491</b>	<b>634</b>	<b>569</b>	<b>21%</b>	<b>8%</b>
Depreciation	174	185	239	232	5%	12%
<b>EBIT</b>	<b>192</b>	<b>307</b>	<b>395</b>	<b>337</b>	<b>34%</b>	<b>5%</b>
Net financials	2	18	10	11		
<b>EBT</b>	<b>194</b>	<b>324</b>	<b>405</b>	<b>348</b>	<b>39%</b>	<b>4%</b>
Tax	-48	133	65	56		
<b>Net Profit (Loss)</b>	<b>243</b>	<b>191</b>	<b>340</b>	<b>292</b>	<b>17%</b>	<b>24%</b>
<b>IEBA Net Profit (Loss)</b>	<b>243</b>	<b>191</b>	<b>340</b>	<b>292</b>	<b>17%</b>	<b>24%</b>
Net Fixed Assets	2,718	2,921	3,063	3,240		
Investments	0	21	14	14		
Current Assets	598	492	506	529		
Cash & Cash Equivalents	302	197	197	197		
<b>Total Assets</b>	<b>3,317</b>	<b>3,435</b>	<b>3,583</b>	<b>3,783</b>	<b>3%</b>	<b>5%</b>
Total Debts	171	101	92	268		
Current liabilities	485	521	301	447		
Other liabilities	-31	53	89	-66		
<b>Shareholders Equity</b>	<b>2,692</b>	<b>2,760</b>	<b>3,100</b>	<b>3,135</b>		
<b>FCFF</b>	<b>182</b>	<b>37</b>	<b>-37</b>	<b>52</b>		
FCF	-65	-105	0	0		
EPS	23.38	16.25	28.91	24.82	10%	24%
DPS	10.48	13.03	21.84	18.83	16%	20%
EV	2,145	1,581	2,920	3,095		
Mkt Cap	2,275	1,677	3,024	3,024		
P/E(x) IEBA	8.3	8.8	8.9	10.4		
P/BV(x)	0.8	0.6	1.0	1.0		
EV/Sales (x)	1.9	1.3	2.1	2.1		
EV/EBITDA (x)	5.9	3.2	4.6	5.4		
Mkt cap/Sales (x)	2.0	1.4	2.2	2.1		
ROE (%)	9.2%	7.0%	11.6%	9.4%		
DY (%)	5.4%	9.1%	8.5%	7.3%		
Net debt/EBITDA (x)	-0.4	-0.2	-0.2	0.1		
Net debt/Equity (x)	-0.05	-0.03	-0.03	0.02		
Sales growth	7.8%	5.8%	16.4%	4.8%		
EBITDA growth	8.5%	34.1%	29.0%	-10.1%		
EBITDA margin	32.8%	41.6%	46.1%	39.5%		
EPS growth	73.4%	-30.5%	77.9%	-14%		
Payout ratio	50.8%	80.2%	75.6%	75.9%		

- Forecasts (IFRS): In our FY(10E) IFRS estimates, we see the EBITDA up 29% YoY and net profits up 78% at RON340m. For FY11, we incorporate conservative forecasts assuming an increase on the top line by 5% and a decline of 10% YoY on the EBITDA on lower margins and a 14% YoY drop in the bottom line. Nevertheless, we do not rule out upgrades on higher volume and higher USD.
- Valuation: We value Transgaz using a SOTP exercise base on DCF valuation (weight 25%), DDM model (weight 25%) and relative valuations to peers (50%) with average EV/EBITDA (10-11E) of peers discounted by 20% at 7.3x reflecting lower ROE of the local utility. Our SOTP returns a 12M target price of RON293/share, but given the strong price performance of the stock, we have lately downgraded from Buy to Accumulate. Currently, TransGaz is seen also as a dividend play with a yield of c8%. Recall that the IPO of TGN in 2008 implied P/E(08) of 6.3x, EV/EBITDA(08) 8.5x and P/BV(08) of 1.20x.
- Transgaz is shareholder in the Nabucco pipeline project and holds a 16.6% stake. Nabucco is a natural gas transport project from Turkey to Austria, via Bulgaria, Romania and Hungary with a maximum capacity of 31 bcm/year.
- Additional free-float increase as Romanian authorities plan to sell in 2011 a 15% stake in the company.

### Price triggers:

- Higher tariffs and volumes transported on the regulated segment of activity.
- RON depreciation associated with higher volumes on transit activity (the main EBIT contributor).
- Nabucco project to become operational.
- Despite the company's heavy ongoing planned capex, network improvements and shift to debt leverage would improve both profitability and return on equity and investments.
- Further alleviation in the regulated framework under which transportation revenues are settled.
- Prerequisite 90% payout ratio by law.
- USD strengthening will boost profitability.
- Additional free-float increase as the Government decided to sell a stake of 15% through BSE

## TRANSELECTRICA (TEL)

Monopoly status of the electricity transportation activity. The Ministry of Economy & Finance holds a stake of 73.69%, Fondul Proprietatea 13.5% and the free float stands at 12.81%.

RON m	2008A	2009A	2010E	2011E	CAGR 07-09A	CAGR 09-11E
<b>Revenues</b>	<b>2,988</b>	<b>2,552</b>	<b>2,594</b>	<b>2,812</b>	<b>2%</b>	<b>5%</b>
<b>EBITDA</b>	<b>458</b>	<b>356</b>	<b>357</b>	<b>397</b>	<b>-11%</b>	<b>6%</b>
Depreciation	241	257	270	287	17%	6%
<b>EBIT</b>	<b>217</b>	<b>99</b>	<b>87</b>	<b>110</b>	<b>-38%</b>	<b>6%</b>
Net financials	-155	-87	-62	-38		
<b>EBT</b>	<b>63</b>	<b>12</b>	<b>26</b>	<b>73</b>	<b>-74%</b>	<b>145%</b>
Tax	12	-6	9	12		
<b>Net Profit (Loss)</b>	<b>50</b>	<b>18</b>	<b>17</b>	<b>61</b>	<b>-65%</b>	<b>83%</b>
<b>IEBA Net Profit (Loss)</b>	<b>177</b>	<b>81</b>	<b>45</b>	<b>61</b>	<b>-36%</b>	<b>-13%</b>
Net Fixed Assets	2,899	3,000	3,130	3,244		
Investments	6	6	6	6		
Current Assets	891	675	646	700		
Cash & Cash Equivalents	224	164	115	115		
<b>Total Assets</b>	<b>4,020</b>	<b>3,845</b>	<b>3,896</b>	<b>4,064</b>	<b>2%</b>	<b>3%</b>
Total Debts	1,177	1,150	1,178	1,224		
Current liabilities	727	519	542	587		
Other liabilities	182	271	255	274		
<b>Shareholders Equity</b>	<b>1,935</b>	<b>1,905</b>	<b>1,922</b>	<b>1,980</b>		
<b>FCFF</b>	<b>151</b>	<b>139</b>	<b>-15</b>	<b>-5</b>		
FCF	26	-61	-49	0		
EPS	2.41	1.10	0.61	0.84	-36%	-13%
DPS	0.30	0.05	0.05	0.17	-63%	83%
EV	2,606	871	2,375	2,421		
Mkt Cap	1,653	871	1,312	1,312		
P/E(x) IEBA	9.4	10.8	29.2	21.4		
P/BV(x)	0.9	0.5	0.7	0.7		
EV/Sales (x)	0.9	0.3	0.9	0.9		
EV/EBITDA (x)	5.7	2.4	6.7	6.1		
Mkt cap/Sales (x)	0.6	0.3	0.5	0.5		
ROE (%)	9.2%	4.2%	2.4%	3.1%		
DY (%)	1.3%	0.4%	0.3%	0.9%		
Net debt/EBITDA (x)	2.1	0.0	3.0	2.8		
Net debt/Equity (x)	0.5	0.0	0.6	0.6		
Sales growth	21.1%	-14.6%	1.7%	8.4%		
EBITDA growth	2.1%	-22.3%	0.4%	11.2%		
EBITDA margin	15.3%	13.9%	13.8%	14.1%		
EPS growth	-65.6%	-63.8%	-7.0%	261%		
Payout ratio	43.7%	20.1%	20.1%	20.1%		

- Forecasts (IFRS): Following Q310 results, we slightly increased our full year forecasts maintaining, as previously, a milder Q4 growth. We see FY(10E) IFRS net profits down 7% YoY to RON17m carrying financial losses from TEL's debt in currencies. FY10E revenues are expected to advance a mere 1.7% and EBITDA to remain flat at RON357m. For 2011 we see a higher growth of 8.4% on top line backed by higher volume transported (+4%) and higher pricing (+6%) increasing the EBITDA by 11% YoY to RON397m and net profits by 260% YoY to RON61m assuming flat FX.

- Valuation: We use for valuing TEL a SOTP valuation which incorporates absolute DCF model (50% weight) and a relative valuation over peers with avg. EV/EBITDA(10-11E) of peers at par at 7x. Our SOTP returned a higher 12M target price at RON20.10/share, mainly reflecting lower multiples against peers. Valuation wise, the stock trades at current forecasts at 0.7x on P/BV(10E), 41% discount, reflecting its lower ROE vs. peers, and at 6.7x EV/EBITDA(10E), 20% discount, mainly on lower margins. We upgraded lately from Hold to Accumulate. Although TEL still trades at justifiable discounts over peers, the recent announcement of the government for further floating, in our view, could trigger either higher prices for the stock or consolidation at current levels. Recall that the IPO of TEL in 2006 implied P/E(08) of 5.7x, EV/EBITDA(08) 5.1x and P/BV(08) of 1.00x.

- Additional free-float increase as Romanian authorities plan to sell in 2011 a 15% stake in the company.

### Price triggers:

- higher tariffs and volumes transported on the regulated segment of activity. We expect volume to recover in 2011 and reach similar levels to 2007 pick in 2012.
- ability to purchase energy for own consumption freely on the market and not imposed by the regulator;
- better operating efficiency that would improve profitability and dividend payout;
- additional alleviation in the regulated framework under which transportation revenues are settled
- higher transparency from regulator side, that would improve overview on revenue cap methodology.
- prerequisite of 90% dividend payout ratio by law
- strong CAPEX would enhance profitability.

## AZOMURES (AZO)

Fertilizer company which produces ammonium, calcium and calcium ammonium nitrate, urea, nitrogen, phosphorus, potassium, calcium carbonate and melamine. Eurofert Investments LLC New Castle USA holds a 56.83% stake, Azomures Holdings LLC Wilmington USA 19.05% and the free float stands at 24.12%.

RON m	2008A	2009A	2010E	2011E	CAGR 07-09A	CAGR 09-11E
<b>Revenues</b>	<b>1,144</b>	<b>743</b>	<b>1,134</b>	<b>1,187</b>	<b>-5%</b>	<b>26%</b>
<b>EBITDA</b>	<b>113</b>	<b>35</b>	<b>106</b>	<b>68</b>	<b>4%</b>	<b>39%</b>
Depreciation	17	19	18	19	10%	0%
<b>EBIT</b>	<b>95</b>	<b>16</b>	<b>88</b>	<b>49</b>	<b>-2%</b>	<b>74%</b>
Net financials	-8	-7	3	5		
<b>EBT</b>	<b>87</b>	<b>10</b>	<b>91</b>	<b>54</b>	<b>-62%</b>	<b>138%</b>
Tax	37	0	15	9		
<b>Net Profit (Loss)</b>	<b>51</b>	<b>9</b>	<b>76</b>	<b>45</b>	<b>-59%</b>	<b>119%</b>
<b>IEBA Net Profit (Loss)</b>	<b>51</b>	<b>9</b>	<b>76</b>	<b>45</b>	<b>-59%</b>	<b>119%</b>
Net Fixed Assets	186	176	183	194		
Investments	48	47	47	47		
Current Assets	346	308	308	365		
Cash & Cash Equivalents	30	94	199	174		
<b>Total Assets</b>	<b>611</b>	<b>625</b>	<b>737</b>	<b>780</b>		
Total Debts	57	8	20	20		
Current liabilities	51	127	150	141		
Other liabilities	112	90	90	97		
<b>Shareholders Equity</b>	<b>391</b>	<b>401</b>	<b>477</b>	<b>522</b>		
<b>FCFF</b>	<b>-42</b>	<b>142</b>	<b>90</b>	<b>-37</b>		
FCF	13	64	105	-25		
EPS	0.10	0.02	0.14	0.09	-59%	119%
DPS	0.00	0.00	0.00	0.00	n/a	n/a
EV	222	43	74	98		
Mkt Cap	195	130	252	252		
P/E(x) IEBA	3.9	13.7	3.3	5.6		
P/BV(x)	0.5	0.3	0.5	0.5		
EV/Sales (x)	0.2	0.1	0.1	0.1		
EV/EBITDA (x)	2.0	1.2	0.7	1.4		
Mkt cap/Sales (x)	0.2	0.2	0.2	0.2		
ROE (%)	13.8%	2.4%	17.3%	9.1%		
DY (%)	0.0%	0.0%	0.0%	0.0%		
Net debt/EBITDA (x)	0.2	-2.5	-1.7	-2.3		
Net debt/Equity (x)	0.07	-0.22	-0.38	-0.30		
Sales growth	39.4%	-35.0%	52.6%	4.6%		
EBITDA growth	246.7%	-68.8%	201.8%	-36.1%		
EBITDA margin	9.8%	4.7%	9.4%	5.7%		
EPS growth	-9.1%	-81.3%	702.5%	-41%		
Payout ratio	0.0%	0.0%	0.0%	0.0%		

- Forecasts (local GAAP): Following the stronger results and be conservative for Q410 that revaluation adjustments appear, we raise but with cautiousness our full year forecasts. We now see FY(10E) revenues at RON1,134m (+52.6% YOY) with bottom line landing at RON76 (+702%) including revaluation gains. The EBITDA is seen at RON106m, 202% higher. We believe that 2010 EBITDA margin will be almost double at 9% against 4.7% in 2009, due to higher fertilizers' prices while for the coming three years we see a 4.3% margin on average.
- Valuation: We value Azomures using a SOTP exercise incorporating a DCF absolute valuation (50% weight) and a relative valuation of EV/EBITDA (10E) of peers discounted by 50% at 4.4x over developing markets selected universe reflecting lower ROE and margins. Our model sets 12M target price at RON0.80/share with a high upside potential and a Buy recommendation. Trading wise, the stock trades at very deep discounts basically due to the difficult earnings visibility and the lack of communication which from one side seems justifiable but on the other side a hard devaluation cannot be ignored.
- According to managers' 2009 report Azomures (AZO) holds a market share of 40-45%.
- The company owns a stake of 88.54% in port operator Chimcomplex SA Constanta.

### Price triggers:

- international and local fertilizers pricing and USDRON volatility;
- world-wide demand increased after 2009's drop, while in terms of local demand, about 20% of the fertilizers demand is met by imports;
- the closing of Doljchim by the end of 2010 leads to a higher domestic demand to be supplied by Azomures;
- further business development with an increase in exports and management approach toward dividends.

## ALRO (ALR)

Alro Slatina is the only producer of primary aluminum in Romania and one of the largest in Europe. More than 80% of Alro's output is sold on the international market through the London Metal Exchange, and based on direct contracts with long-term customers in 25 countries of the world. The major shareholder is Vimetco NV Amsterdam (84.19%).

<b>ALRO (ALR, ALR RO Equity)</b>						
Sector: Non-Energy Minerals		Sub-Sector: Aluminum				
RON (000)	2007A	2008A	2009A	2010E	CAGR 07-09A	CAGR 08-10E
<b>Revenues</b>	<b>2,045,525</b>	<b>1,968,016</b>	<b>1,410,482</b>	<b>1,784,259</b>	<b>-17%</b>	<b>-5%</b>
<b>EBITDA</b>	<b>592,970</b>	<b>360,716</b>	<b>159,765</b>	<b>380,047</b>	<b>-48%</b>	<b>3%</b>
Depreciation	80,648	95,599	97,851	93,252	10%	-1%
<b>EBIT</b>	<b>512,322</b>	<b>265,118</b>	<b>61,914</b>	<b>286,795</b>	<b>-65%</b>	<b>4%</b>
Net financials	8,818	45,535	22,954	-65,000		
<b>EBT</b>	<b>521,140</b>	<b>310,652</b>	<b>84,867</b>	<b>221,795</b>	<b>-60%</b>	<b>-16%</b>
Tax	84,879	63,425	6,650	25,087		
<b>Net Profit (Loss)</b>	<b>436,261</b>	<b>247,227</b>	<b>78,217</b>	<b>196,708</b>	<b>-58%</b>	<b>-11%</b>
Dividends	432,741	190,321	133,910	186,873	-44%	-1%
Net Fixed Assets	930,000	1,064,174	979,126	903,874		
Investments	537,667	549,098	550,125	538,877		
Current Assets	641,394	738,698	431,667	635,490		
Cash&Cash Equivalents	264,078	78,906	295,385	462,899		
<b>Total Assets</b>	<b>2,373,139</b>	<b>2,430,876</b>	<b>2,256,302</b>	<b>2,541,139</b>	<b>-2%</b>	<b>2%</b>
Bank Debts	466,730	550,306	567,584	620,000		
Net debt	202,651	471,400	272,199	157,101		
Other liabilities	291,818	333,146	255,339	291,052		
<b>Shareholders Equity</b>	<b>1,614,591</b>	<b>1,547,425</b>	<b>1,433,379</b>	<b>1,630,087</b>		
<b>FCFF</b>	<b>306,692</b>	<b>91,968</b>	<b>196,584</b>	<b>166,851</b>		
<b>FCF</b>	<b>157,325</b>	<b>-185,172</b>	<b>216,479</b>	<b>167,514</b>		
<b>EV</b>	<b>5,794,468</b>	<b>4,482,593</b>	<b>1,577,089</b>	<b>2,191,372</b>		
<b>Mkt Cap</b>	<b>5,591,817</b>	<b>4,011,194</b>	<b>1,304,889</b>	<b>2,034,271</b>		
P/E(x)	12.8	16.2	16.7	10.3		
EV/EBITDA(x)	9.8	12.4	9.9	5.8		
P/BV(x)	3.5	2.6	0.9	1.2		
P/Sales(x)	2.7	2.0	0.9	1.1		
ROE	27.0%	15.6%	5.2%	12.8%		
DY (%)	7.7%	4.7%	10.3%	9.2%		
EPS	0.61	0.35	0.11	0.28	-58%	-11%
DPS	0.61	0.27	0.19	0.26	-44%	-1%
<b>Sales growth</b>		-3.8%	-28.3%	26.5%		
<b>EBITDA growth</b>		-39.2%	-55.7%	137.9%		
<b>EPS growth</b>		-43.5%	-68.4%	151.5%		
<b>EBITDA margin</b>	29.0%	18.3%	11.3%	21.3%		
<b>Net profit margin</b>	21.3%	12.6%	5.5%	11.0%		
<b>Payout ratio</b>	99.2%	77.0%	171.2%	95.0%		
<b>Debt/Equity</b>	28.9%	35.6%	39.6%	38.0%		
<b>Net debt/EBITDA</b>	0.3	1.3	1.7	0.4		
<b>Current ratio</b>	2.20	2.22	1.69	2.18		

- We see Alro a definitely BUY with a target price of 3.56 RON/share as a dividend play and better expected commodity prices from Q111 onwards.
- Alro trades at deep discounts with extremely strong results for 2010 but lacks of liquidity.
- The company holds a 100% market share in domestic aluminum production.
- Alro has a smelter capacity of 265,000t of electrolytic aluminum, 300,000t of primary aluminum cast products and 135,000 tons of processed aluminum products. Also, Alro owns the alumina producer Alum Tulcea.
- The company exports 77% of its primary aluminum products and 92% of the processed aluminum products.
- As Vimetco owns 84.19%, Fondul Proprietatea holds a stake of 9.93% and Conef SA owns 3.77%, the free-float stands at about 2.11%.
- The company is vulnerable to RON appreciation against the US dolar and falling LME aluminium prices.

### Price triggers:

- international and local aluminium pricing and demand;
- FX volatility.



## OIL TERMINAL (OIL)

OIL is the largest operator on sea in Romania, specialized in crude oil, petroleum and liquid chemical products handling for import/export and transit. At present time, Ministry of Economy holds a stake of 59.62% and Property Fund holds 10%.

OIL TERMINAL (OIL, OIL RO Equity)						
Sector: Oil & Gas		Sub-Sector: Oil & Gas Pipelines				
RON (000)	2007A	2008A	2009A	2010E	CAGR 07-09A	CAGR 08-10E
<b>Revenues</b>	<b>123,495</b>	<b>134,573</b>	<b>127,484</b>	<b>128,759</b>	<b>2%</b>	<b>-2%</b>
<b>EBITDA</b>	<b>21,706</b>	<b>16,820</b>	<b>15,245</b>	<b>20,215</b>	<b>-16%</b>	<b>10%</b>
Depreciation	11,815	15,242	13,977	13,977	9%	-4%
<b>EBIT</b>	<b>9,891</b>	<b>1,578</b>	<b>1,268</b>	<b>6,239</b>	<b>-64%</b>	<b>99%</b>
Net financials	-415	-122	363	-800		
<b>EBT</b>	<b>9,476</b>	<b>1,456</b>	<b>1,632</b>	<b>5,439</b>	<b>-59%</b>	<b>93%</b>
Tax	1,980	430	893	1,392		
<b>Net Profit (Loss)</b>	<b>7,496</b>	<b>1,026</b>	<b>739</b>	<b>4,047</b>	<b>-69%</b>	<b>99%</b>
Dividends	4,661	541	374	2,023	<b>-72%</b>	<b>93%</b>
Net Fixed Assets	174,994	171,194	170,511	173,534		
Investments	2,228	2,456	188	729		
Current Assets	21,509	20,033	19,697	18,344		
Cash&Cash Equivalents	764	1,738	1,401	2,331		
<b>Total Assets</b>	<b>199,495</b>	<b>195,421</b>	<b>191,796</b>	<b>194,938</b>	<b>-2%</b>	<b>0%</b>
Bank Debts	1,020	0	0	0		
Net debt	256	-1,738	-1,401	-2,331		
Other liabilities	31,055	31,634	27,506	26,601		
<b>Shareholders Equity</b>	<b>167,420</b>	<b>163,787</b>	<b>164,290</b>	<b>168,337</b>		
<b>FCFF</b>	<b>4,110</b>	<b>6,935</b>	<b>3,460</b>	<b>753</b>		
<b>FCF</b>	<b>-1,266</b>	<b>974</b>	<b>-337</b>	<b>930</b>		
<b>EV</b>	<b>376,042</b>	<b>298,827</b>	<b>106,257</b>	<b>137,452</b>		
<b>Mkt Cap</b>	<b>375,786</b>	<b>300,565</b>	<b>107,658</b>	<b>139,783</b>		
P/E(x)	50.1	293.0	145.8	34.5		
EV/EBITDA(x)	17.3	17.8	7.0	6.8		
P/BV(x)	2.2	1.8	0.7	0.8		
P/Sales(x)	3.0	2.2	0.8	1.1		
ROE	4.5%	0.6%	0.5%	2.4%		
DY (%)	1.2%	0.2%	0.3%	1.4%		
EPS	0.01	0.00	0.00	0.01	<b>-69%</b>	<b>99%</b>
DPS	0.01	0.00	0.00	0.00	<b>-72%</b>	<b>93%</b>
<b>Sales growth</b>		9.0%	-5.3%	1.0%		
<b>EBITDA growth</b>		-22.5%	-9.4%	32.6%		
<b>EPS growth</b>		-86.3%	-28.0%	448.0%		
<b>EBITDA margin</b>	17.6%	12.5%	12.0%	15.7%		
<b>Net profit margin</b>	6.1%	0.8%	0.6%	3.1%		
<b>Payout ratio</b>	62.2%	52.8%	50.6%	50.0%		
<b>Debt/Equity</b>	0.6%	0.0%	0.0%	0.0%		
<b>Net debt/EBITDA</b>	0.0	-0.1	-0.1	-0.1		
<b>Current ratio</b>	0.69	0.63	0.72	0.69		

- Oil Terminal (OIL) seems fairly traded at current multiples assuming good but weaker earnings outlook than peers.
- We have a target price of 0.27 RON/share with an Accumulate recommendation.
- The company was founded in 1898 as Steaua Romana and had the first petroleum tanks in Romania for export activities.
- The company holds a 70% market share for crude oil imported via Black Sea, an 80% market share for petroleum products exports and a 50% market share for fuel oil imports.
- Oil Terminal owns 3 storage houses with a total capacity of 1.6m cubic meters, it also owns 7 ports berths for vessels with a capacity up to 150,000 tdw while the crude oil vehicular capacity is 24 m t/year.
- Main clients in 2009 were OMV Petrom (24%), Petrotel Lukoil (22%) and Vector Energy Geneva (17%).
- Oil Terminal holds a 16.67% participation in the PEOP PDC PLC, the company for development of the Pan European Oil Pipeline. The Constanta-Trieste pipeline should be supplied with oil from Kazakhstan and Azerbaidjan through the Black Sea, but it is still a project which faces political hurdles.
- Downside: According to the concession agreement between Oil Terminal and ANRM, the Agency has to approve the list of tariffs for all services provided by OIL.

### Price triggers:

- Higher tariffs and volumes handled;
- Pan European Oil Pipeline project to become operational.



## ROMAERO (RORX)

### ROMAERO (RORX, RORX RO Equity)

Sector: Aerospace&Defense

Sub-Sector: Air and space craft

RON (000)	2007A	2008A	2009A	CAGR 07-09A
<b>Revenues</b>	<b>61,067</b>	<b>81,128</b>	<b>62,537</b>	<b>1%</b>
<b>EBITDA</b>	<b>8,355</b>	<b>13,001</b>	<b>10,572</b>	<b>12%</b>
Depreciation	4,353	4,671	5,381	<b>11%</b>
<b>EBIT</b>	<b>4,002</b>	<b>8,330</b>	<b>5,191</b>	<b>14%</b>
Net financials	-2,049	-6,004	-4,794	
<b>EBT</b>	<b>1,953</b>	<b>2,327</b>	<b>397</b>	<b>-55%</b>
Tax	0	40	308	
<b>Net Profit (Loss)</b>	<b>1,953</b>	<b>2,287</b>	<b>89</b>	<b>-79%</b>
Dividends	n/a	n/a	n/a	
Net Fixed Assets	920,396	911,274	912,493	
Investments	341	248	619	
Current Assets	78,560	115,525	121,246	
Cash&Cash Equivalents	683	8,636	704	
<b>Total Assets</b>	<b>998,956</b>	<b>1,026,799</b>	<b>1,033,738</b>	<b>2%</b>
Bank Debts	35,072	52,203	67,848	
Net debt	34,389	43,566	67,144	
Other liabilities	46,743	55,191	47,378	
<b>Shareholders Equity</b>	<b>917,140</b>	<b>919,405</b>	<b>918,512</b>	
<b>FCFF</b>				
<b>FCF</b>				
<b>EV</b>	<b>83,322</b>	<b>78,668</b>	<b>78,563</b>	
<b>Mkt Cap</b>	<b>48,933</b>	<b>35,101</b>	<b>11,419</b>	
P/E(x)	25.1	15.3	128.7	
EV/EBITDA(x)	10.0	6.1	7.4	
P/BV(x)	0.1	0.0	0.0	
P/Sales(x)	0.8	0.4	0.2	
ROE	0.2%	0.2%	0.0%	
DY (%)	n/a	n/a	n/a	
EPS	0.31	0.37	0.01	<b>-79%</b>
DPS	n/a	n/a	n/a	
<b>Sales growth</b>		32.9%	-22.9%	
<b>EBITDA growth</b>		55.6%	-18.7%	
<b>EPS growth</b>		17.1%	-96.1%	
<b>EBITDA margin</b>	13.7%	16.0%	16.9%	
<b>Net profit margin</b>	3.2%	2.8%	0.1%	
<b>Payout ratio</b>	n/a	n/a	n/a	
<b>Debt/Equity</b>	3.8%	5.7%	7.4%	
<b>Net debt/EBITDA</b>	4.1	3.4	6.4	
<b>Current ratio</b>	1.68	2.09	2.56	

Romaero has been in the aircraft industry for 90 years and in the early 90's underwent a major restructuring process redirecting its production towards plane spare parts for Western European and American customers and performing specific maintenance and repairing activities. The aerospace company performs two main activities: aero-structure manufacturing and repair for civil and military transport aircraft. Some of the main clients are: Sabca, Saab, Boeing, Augusta, Airbus UK, BN Group, Spirit, Allenia ATR72, Aeroplex, Blue Air, Romavia, Bombardier Aerospace and Avman.

- In 2009, aircraft spare parts activity weighted 40.8% in total turnover, while aircraft repair and maintenance activity weighted 59.2%. Exports accounted for 57% of total turnover and internal sales for the rest.
- Estimated CAPEX for 2010 was of RON 5.88m, directed mainly at modernization and revamping of maintenance facilities, while in 2009 it was of RON 6.03m and in 2008 was of RON 9.95m.
- Romaero has signed two partnerships contracts with SC Phoenicia Hotels for a stake of 43% of the resulting profit and with SC Blue Air Transport Aerian SA for a stake of 49% of the resulting profit.
- Romaero has released only a H110 P&L statement. H110 sales further decreased by 29% YoY to RON23.6m, but the EBITDA jumped 264% YoY to RON13.9m. H110 bottom line was burdened by high net interest expenses of RON10.7m leading to minor net profit of RON0.022m versus RON0.19m the same period last year.

## Electricity producers

### Sector Outlook

Some 36% of Fondul Proprietatea's NAV is invested in electricity production companies. The major companies, all unlisted, are: Hidroelectrica, Nuclearelectrica and the three thermal power plants Turceni Power Plant, Rovinari Power Plant and Craiova Power Plant.

The total installed energy production capacity in Romania amounts to 20.4GW. Almost 36% of the capacity corresponds to coal-fired power stations, 26% to hydrocarbon-based power plants, 31% to hydro-electric plants, while nuclear roughly represents 7%.

Almost 37% of the energy produced in 2009 came from coal-fired plants, 29% was generated by hydro-plants and 11% was nuclear energy, while the rest came from natural gas and liquid petroleum products.

In 2009, on the Romanian electricity market operated the following main players:

- 100 licensed energy generators;
- One operator of the national energy grid – Transelectrica and one market operator, Opcom, managed by Transelectrica;
- Eight regional energy distributors (3 of which are fully state owned).

Power generation	Transmission	Distribution and supply	Consumers
Hidro power generation Hidroelectrica	Transelectrica	Electrica Banat - ENEL	
Nuclear power generation Nuclearelectrica		Electrica Dobrogea - ENEL	
Thermal power generation TPP Turceni		ENEL Muntenia E.ON Moldova	
TPP Rovinari		Electrica Muntenia Nord	
TPP Craiova		Electrica Transilvania Nord	
Others		Electrica Transilvania Sud CEZ Others	

The majority of Romania's electricity producing facilities need significant investments to increase efficiency and to comply with the environmental regulations as most facilities were commissioned more than 20 years ago. The need for investments is most acute for the thermo producers, such as Termoelectrica or the cogeneration companies and to a lesser extent for hydro producers.

Several projects have been announced during past years for revamping and erection of new facilities. Regarding investments in existing facilities, the investment needs of the coal fired plants are mainly related to the fulfilment of the environmental requirements or to meet other EU standards. One of the largest investments is the one carried out by OMV Petrom in a power plant with 860 MW which is to be commissioned in Q311. In renewable energy sector, the most active sector is the wind one, where the largest project announced so far targets an installed capacity of 600 MW.

In 2009, the total energy generated in Romania decreased by 11% compared to 2008, to 56.7 TWh. Electricity imports amounted to 0.68 TWh, down 27% YOY, while exports reached 3.15 TWh – a decrease of 41% YOY.

The energy wholesale market comprises the bilateral contracts market (regulated and negotiated), the centralized market (where transparency is ensured through a bidding system), the balancing market and the day-ahead market.

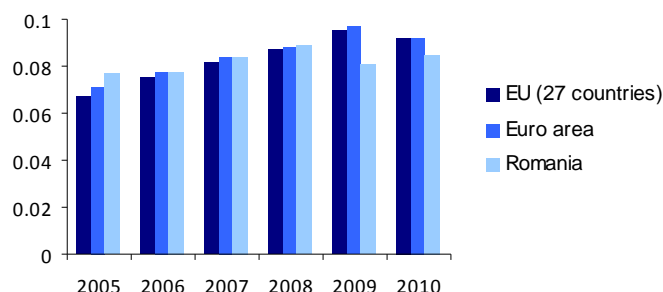
### Energy market segments

	Quantities TWh	YoY %	2009 av. Price (RON/MWh)	2008 av. Price (RON/MWh)	YoY %
Bilateral negotiated contracts	34.6	-1%	158.7	146.1	9%
Bilateral regulated contracts	30.3	4%	164.4	158.2	4%
Exports	3.2	-41%	n/a	n/a	n/a
Centralized market for contracts	6.3	-28%	192.5	177	9%
Day ahead market	6.3	22%	144.8	188.5	-23%
Balancing market	3.2	-10%	243.1	278.1	-13%

Source: ANRE

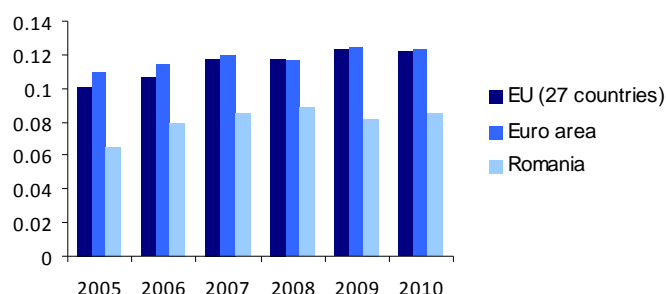
Data from Eurostat shows that regulated prices are lower compared to EU averages, especially when looking at regulated prices paid by households.

Electricity prices for industrial consumers



Source: Eurostat

Electricity prices for household consumers



Source: Eurostat

We assume there will be a gradual increase of electricity prices towards EU levels with a view to convergence in the medium to long term. However, the increase in prices will not reflect a fully liberalized market, as ANRE will still maintain current regulations which imply for some electricity producers to keep electricity prices at lower levels to supply household consumers. We expect higher prices on both the regulated market, where ANRE regulations guide price establishment, but also on the free market where some older long-term, low-price contracts should gradually expire.

### Power generation

#### Electricity generation by producer (GWh)

	2008	2009
SC Termoelectrica SA	1,517	1,554
SC Electrocentrale Bucuresti SA	5,803	4,393
SC CE Rovinari SA	5,937	5,354
SC CE Turceni SA	7,681	6,220
SC CE Craiova SA	4,843	4,369
SC Electrocentrale Deva SA	3,823	2,648
SC Hidroelectrica SA	17,004	15,513
SN Nuclearelectrica SA	11,226	11,752
Others	6,174	4,890

Source: ANRE

At the end of 2009 Romania's total installed electricity generation capacity stood at 20,411 MW divided as follows: 7,278 MW coal-fired plants, 5,306 MW hydrocarbons-fired plants, 6,414 MW hydro-plants and 1,413 MW nuclear plants.

Fondul Proprietatea holds stakes in the most important power generation companies in Romania, Hidroelectrica, Nuclearelectrica, CE Turceni, CE Rovinari and CE Craiova, which account for c32% of IEBA NAV. Through these companies, FP offers a mix between hydro power, nuclear power and coal-based energy producers. The State has several intentions to IPO some of these companies, but no material measures were taken.

## Hidroelectrica

Hidroelectrica SA Sector: Power generation			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>2,061</b>	<b>2,444</b>	<b>2,421</b>
<b>EBITDA</b>	<b>817</b>	<b>850</b>	<b>817</b>
Depreciation	675	643	655
<b>EBIT</b>	<b>143</b>	<b>207</b>	<b>162</b>
Net financials	-76	-126	-96
<b>EBT</b>	<b>66</b>	<b>80</b>	<b>66</b>
Tax	14	15	17
<b>Net Profit (Loss)</b>	<b>53</b>	<b>65</b>	<b>48</b>
Net Fixed Assets	18,922	19,338	22,602
Investments	53	57	60
Current Assets	540	608	387
Cash&Cash Equivalents	118	129	28
<b>Total Assets</b>	<b>19,462</b>	<b>19,946</b>	<b>22,989</b>
Bank Debts	1,012	1,021	1,481
Net debt	894	892	1,453
Other liabilities	4,559	4,974	4,954
<b>Shareholders Equity</b>	<b>13,891</b>	<b>13,951</b>	<b>16,555</b>
<b>Sales growth</b>		18.6%	-0.9%
<b>EBITDA growth</b>		4.0%	-3.9%
<b>EBITDA margin</b>	39.7%	34.8%	33.7%
<b>Net profit margin</b>	2.6%	2.7%	2.0%
<b>Debt/Equity</b>	7.3%	7.3%	8.9%
<b>Net debt/EBITDA</b>	1.1	1.0	1.8
<b>Current ratio</b>	0.12	0.12	0.08

Hidroelectrica is the most important energy producer in Romania, which in 2009 accounted 27% of total electricity generated, although it produced 8.8% less energy than in 2008 (15,516 GWh vs. 17,006 GWh) due to unfavourable weather and maintenance works done at some of its power plants. Hidroelectrica has a total capacity installed of 6,422 MW and operates over 250 hydropower plants and pumping stations. Hidroelectrica owns 8 subsidiaries which provide maintenance services, technical revisions and upgrades at power plants: Hidroserv Bistrita, Hidroserv Cluj, Hidroserv Curtea de Arges, Hidroserv Hateg, Hidroserv Portile de Fier, Hidroserv Rm. Valcea, Hidroserv Sebes and Hidroserv Slatina.

In 2005 the company split its long term strategy in two phases:

- 2006-2008, 16 investment objectives with the average cost of electricity less than EUR 35/MWh;
- 2009-2011, 10 investment objectives to be finalized, the average cost of energy between EUR 35-50/MWh.

These investment objectives are planned to be commissioned in late 2011, and the company will benefit from an increase in installed capacity of 392 MW that can produce 1,400 GWh/year of electricity.

The company is currently upgrading and revamping its power plants and by 2016, 3,417 MW will be refurbished with additional electricity input of 333 GWh per year. The cost amounts to almost EUR 1bn.

### Energy sold (GWh)

	2008	2009
Regulated market (Electrica)	3,816	3,880
Balancing market (Transelectrica)	1,288	969
Competitive market (eligible consumers and licensed suppliers)	12,396	11,645
Export	1,512	1,273
Other producers and Day ahead Market	333	510
Electricity delivered directly to consumers	17	18
<b>Total</b>	<b>19,362</b>	<b>18,295</b>

### Main clients

Regulated market	E.ON Moldova Furnizare Enel Energie Enel Energie Muntenia
Competitive market	Alro Energy Holding Electromagnetica EFT Romania Ehol Distribution
Green certificates	Muntenia Nord Furnizare Transilvania Nord Furnizare Enel Energie CEZ Vanzare

### Revenues from sales of electricity

RON (000)	2008	2009
Regulated market (Electrica)	277,767	324,017
Balancing market (Transelectrica)	294,838	185,419
Competitive market (eligible consumers and licensed suppliers)	1,228,238	1,196,586
Export	204,377	207,812
Other producers and Day ahead Market	52,481	84,488
Electricity delivered directly to consumers	6,668	7,222
<b>Total</b>	<b>2,064,370</b>	<b>2,005,544</b>

### Main suppliers

	2009
Termoelectrica	43%
Electrocentrale Deva	25%
CE Turceni	24%
CE Craiova	3%
CE Rovinari	2%
Nuclearelectrica	2%
UT Giurgiu	1%
	100%

## Nuclearelectrica

Nuclearelectrica SA Sector: Power generation			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>910</b>	<b>1,452</b>	<b>1,527</b>
<b>EBITDA</b>	<b>397</b>	<b>659</b>	<b>693</b>
Depreciation	209	339	367
<b>EBIT</b>	<b>188</b>	<b>321</b>	<b>325</b>
Net financials	-98	-197	-261
<b>EBT</b>	<b>90</b>	<b>124</b>	<b>64</b>
Tax	1	21	14
<b>Net Profit (Loss)</b>	<b>89</b>	<b>103</b>	<b>49</b>
Net Fixed Assets	7,762	8,149	7,954
Investments	0	0	10
Current Assets	1,082	1,471	2,004
Cash&Cash Equivalents	180	394	495
<b>Total Assets</b>	<b>8,844</b>	<b>9,620</b>	<b>9,958</b>
Bank Debts	2,610	2,525	2,528
Net debt	2,430	2,131	2,033
Other liabilities	248	197	177
<b>Shareholders Equity</b>	<b>5,986</b>	<b>6,897</b>	<b>7,254</b>
<b>Sales growth</b>		59.6%	5.1%
<b>EBITDA growth</b>		66.1%	5.1%
<b>EBITDA margin</b>	43.6%	45.4%	45.4%
<b>Net profit margin</b>	9.7%	7.1%	3.2%
<b>Debt/Equity</b>	43.6%	36.6%	34.8%
<b>Net debt/EBITDA</b>	6.1	3.2	2.9
<b>Current ratio</b>	4.37	7.45	11.34

### Main suppliers

	2009
RAAN Romag Prod Drobeta Turnu Severin (heavy water)	41%
Transelectrica (transmission of electricity)	11%
Compania Nationala a Uraniului (nuclear fuel)	8%

### Revenues breakdown 2007-2009

RON (000)	2007	2008	2009
Electricity sales	807,720	1,380,518	1,452,565
Electricity transport	98,717	68,691	71,919
Other	3,159	2,724	2,173
<b>Total</b>	<b>909,596</b>	<b>1,451,933</b>	<b>1,526,657</b>

Nuclearelectrica is the second largest generator of electricity in Romania. Nuclearelectrica's main activity is electricity generation using nuclear technology and thermal power generation using nuclear energy. The company has 2 subsidiaries, Nuclearelectrica Power Plant Cernavoda which operates Units 1 and 2 and produces electricity using nuclear fuel, and Nuclear Fuel Production Plant which produces CANDU6 nuclear fuel necessary for Units 1 and 2.

The company operates two 707 MW reactors, the first unit was commissioned in 1996 and is designed to be operational until 2027, while the second Unit was launched in 2007 and became fully operational in 2008. In 2009 the utilization ratio was of 100% for Unit 1 (vs. 85% in 2008) and 91% for Unit 2 (vs. 97% in 2008).

In 2009 Units 1 and 2 produced 11.75 TWh and delivered 10.82 TWh to the National Grid, up 4.7% YOY from a total quantity of 10.33 TWh in 2008. In 2009 Nuclearelectrica sold 30% of the production on the competitive market through contracts negotiated with eligible consumers.

In 2008, a public-private partnership, EnergoNuclear, was established for the development of two new Units 3 and 4. In this partnership, Nuclearelectrica holds a 51% stake, while CEZ, Enel Italy, GDF Suez and RWE Germany hold 9.15% each and Iberdrola and Arcelor Mittal hold 6.2% each. Over the long term, we see these third and fourth reactors as the main growth driver.

The investment objective for 2010-2014 is of RON 1.2bn, out of which the environmental investments amount to RON 360m. The investments necessary to modernize and rehabilitate the electricity production capacities include RON 735m for development projects to improve nuclear safety and requirements of regulatory bodies, and RON 88m for refurbishment of the existing production capacity.

Initially the Fund was given a 20% stake in Nuclearelectrica, moment after which the state made some successive capital increases but without maintaining the Fund's stakes and FP was diluted to 9.72%. Currently, Fondul Proprietatea is in litigation with the Ministry of Finance on this matter.

## Craiova thermal power plants (TPP)

CE Craiova SA Sector: Power generation			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>862</b>	<b>1,069</b>	<b>1,132</b>
<b>EBITDA</b>	<b>78</b>	<b>74</b>	<b>76</b>
Depreciation	68	69	76
<b>EBIT</b>	<b>11</b>	<b>4</b>	<b>-1</b>
Net financials	-1	1	3
<b>EBT</b>	<b>10</b>	<b>5</b>	<b>2</b>
Tax	2	1	2
<b>Net Profit (Loss)</b>	<b>8</b>	<b>4</b>	<b>0</b>
Net Fixed Assets	942	999	1,135
Investments	n/a	n/a	n/a
Current Assets	301	394	446
Cash&Cash Equivalents	15	34	6
<b>Total Assets</b>	<b>1,243</b>	<b>1,393</b>	<b>1,581</b>
Bank Debts	0	36	137
Net debt	-15	3	132
Other liabilities	160	276	346
<b>Shareholders Equity</b>	<b>1,083</b>	<b>1,081</b>	<b>1,097</b>
<b>Sales growth</b>		24.0%	6.0%
<b>EBITDA growth</b>		-6.1%	2.6%
<b>EBITDA margin</b>	9.1%	6.9%	6.7%
<b>Net profit margin</b>	1.0%	0.3%	0.0%
<b>Debt/Equity</b>	0.0%	3.4%	12.5%
<b>Net debt/EBITDA</b>	-0.2	0.0	1.7
<b>Current ratio</b>	1.88	1.42	1.29

TPP Craiova is a thermal power producer, with an installed capacity of 930MW, holding a 7.2% market share on the electricity market.

The company has four branches

- Electrocentrale Isalnita (630 MW installed capacity, 600 MW operational), one of the largest thermo-electric power stations in Romania;
- Electrocentrale Craiova II (300 MW installed capacity), one of the newest electric power plants in Romania;
- Prigoria Mining Division;
- Termoserv provides maintenance services.

In 2009, the main raw materials acquisitions were coal (78%) and gas (21%), and the amount of coal acquired was of 6.2m tones. The company's main supplier of coal is Societatea Nationala a Lignitului Oltenia accounting for 80% of coal acquisitions. Other coal suppliers are the company's own mine Prigoria, Resmin and Tinmar.

The investment objective set for 2009-2012 amount to EUR 397m and are aimed at bringing the installations in line with EU environment standards.

FP is debating with the authorities on CE Craiova stake, as initially the Fund was given a 25% in Craiova and after successive capital increases the Fund's stake was not maintained and FP was diluted to 24.4%. Once the electricity company Electra has been set up, Fondul Proprietatea will have its participation in CE Craiova diluted to 15.1%.

### Price evolution

		2008	2009
Electricity	RON/MWh	212.32	223.67
Thermal energy	RON/GJ	27.34	28.18

ANRE sets the electricity prices for the electricity sold to the distribution companies and the prices for thermal energy sold to the population.

### Energy sold

		2008	2009
Electricity	RON/MWh	4,655,787	4,444,031
Thermal energy	RON/GJ	2,829,033	2,797,908

### Main sales revenues

RON (000)	2008	2009
Electricity	988,539	993,981
Thermal energy	77,358	78,839
<b>Total</b>	<b>1,065,897</b>	<b>1,072,820</b>

## Rovinari thermal power plants (TPP)

CE Rovinari SA Sector: Power generation			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>812</b>	<b>957</b>	<b>845</b>
<b>EBITDA</b>	<b>139</b>	<b>74</b>	<b>76</b>
Depreciation	50	60	62
<b>EBIT</b>	<b>89</b>	<b>14</b>	<b>14</b>
Net financials	8	6	-3
<b>EBT</b>	<b>98</b>	<b>20</b>	<b>11</b>
Tax	18	19	5
<b>Net Profit (Loss)</b>	<b>79</b>	<b>1</b>	<b>6</b>
Net Fixed Assets	739	1,047	1,427
Investments	0	11	13
Current Assets	286	256	205
Cash&Cash Equivalents	139	44	26
<b>Total Assets</b>	<b>1,025</b>	<b>1,303</b>	<b>1,632</b>
Bank Debts	0	50	184
Net debt	-139	6	158
Other liabilities	309	399	383
<b>Shareholders Equity</b>	<b>716</b>	<b>854</b>	<b>1,065</b>
<b>Sales growth</b>		18.0%	-11.7%
<b>EBITDA growth</b>		-47.0%	3.3%
<b>EBITDA margin</b>	17.2%	7.7%	9.0%
<b>Net profit margin</b>	9.8%	0.1%	0.7%
<b>Debt/Equity</b>	0.0%	5.9%	17.3%
<b>Net debt/EBITDA</b>	-1.0	0.1	2.1
<b>Current ratio</b>	0.92	0.64	0.54

TPP Rovinari is a thermal power producer, with an installed capacity of 1320MW, holding a 9.8% market share on the electricity market.

The company has three branches:

- Rovinari power plant, operates the power generation blocks 3,4,5 and 6;
- Rovinari Mining Division, operates 3 coal quarries: Rovinari, Tismana and Pinoasa;
- Termoserv Rovinari, provides maintenance services.

The main raw material is lignite, which is mainly procured from its own mines. In 2009 the consumption of lignite accounted for 96% of the total consumption of raw materials.

The company's investment objective is to modernize its installations and slag deposits.

### Price evolution

		2008	2009
Electricity	RON/MWh	156.72	154.59

### Main sources of revenues

RON(000)	2008	2009
Sales of electricity	937,615	821,915
produced by the company	870,208	774,280
acquired on Day ahead and Balance market	67,407	47,635
Sales of sistem services	8,941	16,169
<b>Total</b>	<b>1,065,897</b>	<b>1,072,820</b>

### Electricity produced and sold

MWh	2008	2009
Electricity produced	5,937,029	5,353,896
Electricity sold	5,982,714	5,316,813



## Turceni thermal power plants (TPP)

CE Turceni SA Sector: Power generation			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>1,029</b>	<b>1,281</b>	<b>1,126</b>
<b>EBITDA</b>	<b>215</b>	<b>188</b>	<b>238</b>
Depreciation	115	122	208
<b>EBIT</b>	<b>100</b>	<b>66</b>	<b>30</b>
Net financials	-3	-20	6
<b>EBT</b>	<b>98</b>	<b>46</b>	<b>36</b>
Tax	19	26	15
<b>Net Profit (Loss)</b>	<b>78</b>	<b>20</b>	<b>21</b>
Net Fixed Assets	1,480	2,293	2,327
Investments	n/a	n/a	n/a
Current Assets	386	419	463
Cash&Cash Equivalents	40	55	65
<b>Total Assets</b>	<b>1,867</b>	<b>2,712</b>	<b>2,790</b>
Bank Debts	3	96	154
Net debt	-37	41	89
Other liabilities	477	502	497
<b>Shareholders Equity</b>	<b>1,387</b>	<b>2,115</b>	<b>2,139</b>
<b>Sales growth</b>		24.5%	-12.2%
<b>EBITDA growth</b>		-12.5%	26.8%
<b>EBITDA margin</b>	20.9%	14.7%	21.2%
<b>Net profit margin</b>	7.6%	1.6%	1.9%
<b>Debt/Equity</b>	0.2%	4.5%	7.2%
<b>Net debt/EBITDA</b>	-0.2	0.2	0.4
<b>Current ratio</b>	0.81	0.83	0.93

CE Turceni is the largest Romanian thermal power producer, with an installed capacity of 2,310 MW and holding a 9.8% market share on the electricity market. Currently six generating blocks are operational with a total operating capacity of 1,980 MW.

The company has four branches:

- Turceni power plant, (2,310 MWh installed power generating capacity, 1,980 MW operating);
- Jilt Sud and Jilt Nord lignite quarries, annual production capacity of 6,500 th tons of lignite and industrial reserves estimated at 285,800 th tons;
- Tehomir Mining Division, annual production capacity of 400 th tons of lignite and industrial reserve estimated at 1,520 th tons;
- Termoserv Turceni, provides maintenance services.

In 2009 the company sold 45% of electricity on the regulated market and 55% on the competitive one (sales through bilateral contracts and sales on the Day ahead and Balancing Markets)

During last years the company was engaged in some upgrading works. By 2013 the investment plan amounts to EUR 800m and are aimed at bringing the company's installations in line with EU environmental standards.

The company also produces thermal energy but the revenues from this sale are marginal.

### Electricity produced and delivered (MWh)

	2008	2009
Electricity produced	7,681,241	6,392,649
Electricity delivered	7,249,403	6,132,754

### Electricity sold (MWh)

	2008	2009
Regulated Market	2,050,973	2,479,403
Bilateral contracts Market	4,276,197	2,857,353
Day ahead Market	542,124	318,204
Balancing Market	379,313	476,489
Others	796	1,305
<b>Total</b>	<b>7,249,403</b>	<b>6,132,754</b>

### Main sources of revenues (m)

RON m	2008
Sales of electricity produced by the company	1,179.3
Sales of electricity acquired on Day ahead and Balance market	47.9
Sales of sistem services	51.2
<b>Total</b>	<b>1,278.4</b>

### Price evolution

		2008	2009
Electricity	RON/MWh	176.41	183.02
Thermal energy	RON/GJ	89.81	90.34

### Main sources of revenues (m)

Sales of electricity	2009
on the Regulated Market	401.8
on the Free Market	438.8
acquired on Day ahead Market	64.8
on the Balancing Market	118.5
<b>Sales of sistem services</b>	<b>60.2</b>
<b>Total</b>	<b>1,084.1</b>

## Electricity supply and distribution

The eight regional distribution companies are a result of an old spin off from Electrica SA, back in 2001. Five of the eight distribution companies have been privatized in the last six years, with the state continuing to keep minority stakes in four of them. For the three distribution companies that have remained in the hands of the state so far there are no clear plans for privatization.

The state applied the same privatization method in the case of four of the five energy distributors that have been through this process so far. Electrica sold a stake of around 25% initially to each buyer. Afterwards a share capital increase followed, where only the buyer had the right to participate, diluting the government's stake to less than 50%. The cash injected by the buyer was to be used in subsequent investments needed to upgrade the distribution grid. FP took over the stakes in these companies after the privatization process was completed. In 2007, the distribution and supply activities had to be legally separated.

### Privatization history

#### Enel Dobrogea, Banat and Muntenia

In 2005, Enel purchased 24.6% of Electrica Dobrogea and afterwards increased its stake to 51% through a capital increase. The total value of the transaction stood at EUR 42.7m. In the same year, Enel bought a 24% stake in Electrica Banat and performed a capital injection to reach a stake of 51%, for a total value of transaction of EUR 69.1m. When the distribution and supply activities were separated, there was a single entity created for the supply in both regions (Dobrogea and Banat), called Enel Energie, the distribution activity being performed by Enel Distributie Banat and Enel Distributie Dobrogea.

In 2008, Enel purchased 50% of Electrica Muntenia Sud for EUR 395 m and increased its stake to 64.4% by injecting another EUR 425m in the company. In 2010 Enel disbursed an additional EUR 38m (an adjustment following 2009 results). Enel Distributie Muntenia provides the distribution services and Enel Energie Muntenia provides the supply activity.

The privatisation agreement of Electrica Muntenia Sud SA contains specific references granting the Fund the right to sell all its shares on substantially the same terms and conditions as Enel if Enel should intend to sell its controlling participation to a third party, except to an affiliate or certain other specified parties.

#### E.On Moldova Distributie & Furnizare

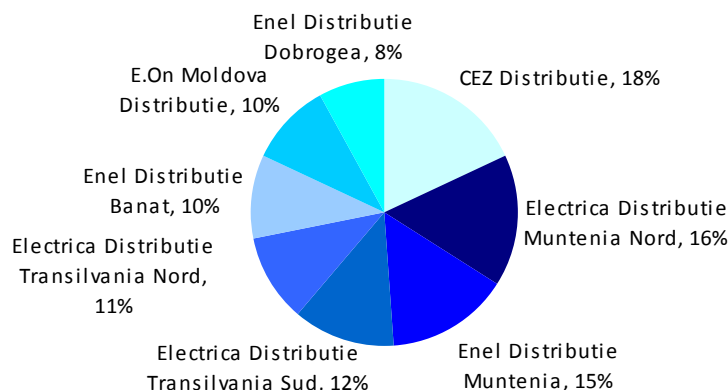
In 2005, E.On paid EUR 31.4m for 24.6% of Electrica Moldova and increased the share capital by EUR 68.6m. In 2007 the distribution and supply activities were separated into E.On Moldova Distributie for distribution activities and E.On Moldova Furnizare for the supply activity.

#### CEZ Distributie and CEZ vanzare

In 2005 CEZ group took over 24.6% of Electrica Oltenia from state-owned Electrica for EUR 47.4m and increased its stake to 51% after a share capital increase worth EUR 103.6m. In September 2009, CEZ purchased the remaining 49% from the Fund (30%) and Electrica (19%) for EUR 375m.

The total client base of the distribution network comprises around 8.8 million users and 39.5 TWh were distributed through the entire network in 2009. The quantity disbursed to end consumers fell by 7% YoY in 2009 and represented around 75% of the electricity volume produced over the same year.

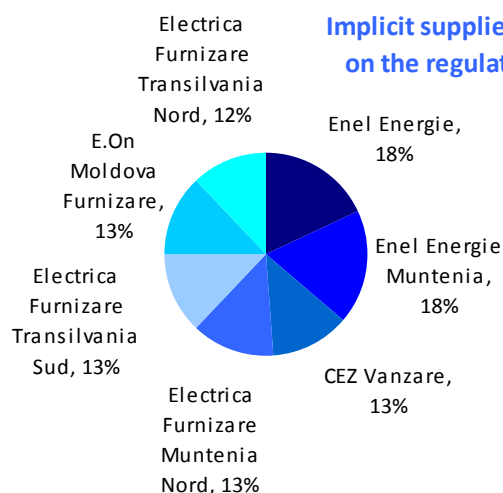
### Energy Distributors Market share 2009



Source: ANRE

The distribution activity is regulated, the tariffs to the final consumer being set by the National Authority in the Energy Sector (ANRE). The first regulatory period began in 2005 and lasted for three years, while subsequent periods span over five years. The methodology allows for a regulated real return on assets above the costs agreed with the authority. In order to improve operational efficiency, the distributors are required to reduce controllable operating costs by minimum 1% per year over the second regulatory period, 2008-2012. The agreed return on assets is set using the before tax cost of capital and for the first regulatory period (2005-2007), ROA stood at 12% while in the second period (2008-2012) ROA was set at 10% for privatised electricity distributors and 7% for still state-controlled distributors.

### Implicit suppliers market share on the regulated market 2009



Legally, the electricity market opening degree is of 100%, enabling the consumers to choose their supplier. However, at the end of 2009 the real opening degree of the market stood at around 45%, meaning that out of the total consumption of 41.6 TWh, 55% represented the consumption of captive consumers, almost half represented by households.

The companies that were split from the regional distribution companies are called "implicit" suppliers and supply the captive customers. In 2009 the cumulated electricity supplied by these companies to captive customers amounted to 23.05 TWh, while the electricity supplied on the competitive segment of the market stood at 18.5TWh.

Source: ANRE

The revenues of the suppliers to captive consumers are regulated by ANRE, which sets the energy mix to be acquired by each supplier and the methodology allows for a 2.5% return on the electricity acquisition cost. The energy cost includes the electricity acquisition cost, the distribution, transmission, system services and settlement costs plus other costs related to the supply service. The tariffs can be revised every six months.

## Electrica Distributie Muntenia Nord

Electrica Distributie Muntenia Nord Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>972</b>	<b>615</b>	<b>611</b>
<b>EBITDA</b>	<b>116</b>	<b>164</b>	<b>107</b>
Depreciation	76	67	79
<b>EBIT</b>	<b>39</b>	<b>96</b>	<b>28</b>
Net financials	-3	-2	8
<b>EBT</b>	<b>37</b>	<b>95</b>	<b>35</b>
Tax	8	18	11
<b>Net Profit (Loss)</b>	<b>29</b>	<b>76</b>	<b>25</b>
Net Fixed Assets	1,117	1,306	1,378
Investments	0	0	0
Current Assets	152	270	299
Cash&Cash Equivalents	51	112	104
<b>Total Assets</b>	<b>1,268</b>	<b>1,576</b>	<b>1,677</b>
Bank Debts	0	0	0
Net debt	-51	-112	-104
Other liabilities	480	545	622
<b>Shareholders Equity</b>	<b>789</b>	<b>1,031</b>	<b>1,056</b>
<b>Sales growth</b>		-36.8%	-0.5%
<b>EBITDA growth</b>		41.5%	-34.7%
<b>EBITDA margin</b>	11.9%	26.6%	17.5%
<b>Net profit margin</b>	2.9%	12.4%	4.0%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-0.4	-0.7	-1.0
<b>Current ratio</b>	0.32	0.50	0.48

FDFEE Electrica Muntenia Nord was set up in 2002 through the reorganization of SC Electrica SA. and in 2007 divided into Electrica Furnizare Muntenia Nors for the supply activity and Electrica Distributie Muntenia Nord for the distribution activity.

The company is organized in 6 regional units for electricity distribution: Braila, Buzau, Focsani, Galati, Ploiesti and Targoviste.

The market share recorded by Electrica Distributie Muntenia Nord in 2009 on the electricity distribution market was of 15.96%.

Total electricity distributed by the company in 2009 amounted to 6,302 GWh against a level of 7,195 GWh in 2008.

Power distribution is a monopoly activity and is regulated by ANRE. Presently the rate of return on regulated assets is 7%.

Some of main suppliers of the company are related parties: Electrica Serv, Electrica Furnizare Muntenia Nord.

The company provided its distribution services based on 337 supply contracts concluded with electricity suppliers, out of which 2 were concluded with Electrica Furnizare Muntenia Nord, one for captive clients and one for eligible consumers.

For 2010 the estimated investment plans amounted to RON 86m and included the construction of 110 kV power lines and stations, revamping and modernization of installations, electricity distribution to new clients.

### Turnover breakdown

RON	2008	2009
Net Sales	614,623,027	611,468,566
Distribution&balancing market	539,768,446	547,497,178
Reactive energy sales	34,439,721	33,138,113
Third party services	36,033,690	27,534,334

### Operating expenses

RON	2008	2009
Electricity cost	173,400,770	178,034,216
Third party services	164,062,946	177,330,238
maintenance&repair works	95,159,803	104,172,002
other services	27,981,492	30,592,416
Personnel expenses	101,133,436	117,733,398
<b>Total</b>	<b>527,992,682</b>	<b>618,407,187</b>

### Tariffs

RON/MWh	2008		2009		2010
	regulated	effective	regulated	effective	regulated
High voltage	14.14	14.14	13.64	13.64	13.26
Medium voltage	33.86	48*	34.09	47.73*	34.92
Low voltage	123.40	171.4*	121.37	169.1**	120.97

\*electricity passes also through high voltage lines

\*\*electricity passes also through high and medium voltage lines

### Electricity distribution by voltage levels

MWh	2008	2009
High voltage	2,749,308	1,879,375
Medium voltage	1,993,374	1,841,245
Low voltage	2,369,014	2,494,135

## Electrica Distributie Transilvania Nord

Electrica Distributie Transilvania Nord Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>839</b>	<b>508</b>	<b>496</b>
<b>EBITDA</b>	<b>98</b>	<b>93</b>	<b>112</b>
Depreciation	77	52	91
<b>EBIT</b>	<b>21</b>	<b>41</b>	<b>21</b>
Net financials	-8	-10	0
<b>EBT</b>	<b>13</b>	<b>31</b>	<b>21</b>
Tax	1	7	7
<b>Net Profit (Loss)</b>	<b>11</b>	<b>24</b>	<b>14</b>
Net Fixed Assets	965	1,236	1,303
Investments	0	0	0
Current Assets	135	172	168
Cash&Cash Equivalents	31	76	70
<b>Total Assets</b>	<b>1,100</b>	<b>1,407</b>	<b>1,471</b>
Bank Debts	3	15	11
Net debt	-28	-61	-58
Other liabilities	601	638	692
<b>Shareholders Equity</b>	<b>495</b>	<b>754</b>	<b>768</b>
<b>Sales growth</b>		-39.5%	-2.3%
<b>EBITDA growth</b>		-5.0%	20.2%
<b>EBITDA margin</b>	11.7%	18.3%	22.5%
<b>Net profit margin</b>	1.3%	4.8%	2.8%
<b>Debt/Equity</b>	0.7%	2.0%	1.5%
<b>Net debt/EBITDA</b>	-0.3	-0.7	-0.5
<b>Current ratio</b>	0.22	0.27	0.24

FDFEE Electrica Transilvania Nord was set up in 2002 through the reorganization of SC Electrica SA and in 2007 divided into Electrica Furnizare Transilvania Nord for the supply activity and Electrica Distributie Transilvania Nord for the distribution activity.

The company is organized in 6 regional units for electricity distribution: Cluj Napoca, Bistrita, Oradea, Baia-Mare, Satu Mare and Zalau.

The market share recorded by Electrica Distributie Transilvania Nord in 2009 on the electricity distribution market was of 10.78%.

Total electricity distributed by the company in 2009 was estimated at 4,259,700 MWh against a level of 4,473,565 MWh in 2008.

Power distribution is a monopoly activity and is regulated by ANRE. Presently the rate of return on regulated assets is 7%.

Some of main suppliers of the company are related parties: Electrica Serv, Electrica Furnizare Transilvania Nord.

Distribution base in 2009 was estimated at 1,160,389 end consumers. According to 2009 figures, the company recorded revenues of RON 427,91m from Electrica Furnizare Transilvania Nord while net sales stood at RON 495.88m.

For 2010 the estimated investment plans amounted to RON 111.33m and included the construction of 110 kV power lines and stations, revamping and modernization of installations, electricity distribution to new clients, construction works and preparation of studies.

### Net sales & operating expenses

RON	2008	2009
Net Sales	507,688,830	495,875,874
Electricity cost	139,752,622	137,023,158
Third party services	141,714,845	131,750,152
maintenance&repair works	76,343,947	69,526,845
Personnel expenses	93,663,511	110,560,013
<b>Total</b>	<b>480,949,988</b>	<b>506,159,925</b>

### Electricity distribution by voltage levels

MWh	2008	2009
High voltage	593,601	458,829
Medium voltage	1,608,427	1,458,207
Low voltage	2,271,537	2,342,664

### Tariffs

RON/MWh	2008		2009		2010
	regulated	effective	regulated	effective	regulated
High voltage	19.13	19.13	18.33	18.33	19.99
Medium voltage	42.00	61.13*	42.00	60.33*	42.00
Low voltage	88.68	149.81**	83.90	144.23**	87.07

\*electricity passes also through high voltage lines

\*\*electricity passes also through high and medium voltage lines

## Electrica Distributie Transilvania Sud

Electrica Distributie Transilvania Sud Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>964</b>	<b>525</b>	<b>539</b>
<b>EBITDA</b>	<b>110</b>	<b>91</b>	<b>119</b>
Depreciation	73	57	89
<b>EBIT</b>	<b>36</b>	<b>34</b>	<b>30</b>
Net financials	-3	-3	2
<b>EBT</b>	<b>33</b>	<b>31</b>	<b>31</b>
Tax	6	4	8
<b>Net Profit (Loss)</b>	<b>27</b>	<b>27</b>	<b>23</b>
Net Fixed Assets	911	1,158	1,288
Investments	0	0	0
Current Assets	171	191	159
Cash&Cash Equivalents	49	72	38
<b>Total Assets</b>	<b>1,082</b>	<b>1,348</b>	<b>1,448</b>
Bank Debts	0	0	0
Net debt	-49	-72	-38
Other liabilities	475	549	625
<b>Shareholders Equity</b>	<b>606</b>	<b>799</b>	<b>822</b>
<b>Sales growth</b>		-45.5%	2.6%
<b>EBITDA growth</b>		-16.9%	30.5%
<b>EBITDA margin</b>	11.4%	17.4%	22.1%
<b>Net profit margin</b>	2.8%	5.1%	4.3%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-0.4	-0.8	-0.3
<b>Current ratio</b>	0.36	0.35	0.26

FDCEE Electrica Transilvania Sud was set up in 2002 through the reorganization of SC Electrica SA and in 2007 divided into Electrica Furnizare Transilvania Sud for the supply activity and Electrica Distributie Transilvania Sud for the distribution activity.

The company is organized in 6 regional units for electricity distribution: Alba, Brasov, Covasna, Harghita, Mures and Sibiu.

The market share recorded by Electrica Distributie Transilvania Sud in 2009 on the electricity distribution market was of 11.68%.

Total electricity distributed by the company in 2009 was estimated at 4,627,008 MWh as compared to the quantity recorded in 2008 of 4,887,956 MWh.

Power distribution is a monopoly activity and is regulated by ANRE. Presently the rate of return on regulated assets for State controlled main power distributors is 7%.

As per 2009 figures, the main suppliers were ABB SRL and Siemens SRL while the main investment supplier is Electrica Serv.

Distribution base comprises around 1 million end consumers. In 2009 company recorded revenues of RON 468,19m from Electrica Furnizare Transilvania Sud while net sales stood at RON 539.19m.

For 2010 the estimated investment plans were structured on two main activities: distribution (RON 64.07m) and 110 kV activity (RON 66.85m), and include development of facilities, 110 kV lines and stations, revamping and modernization of installations, electricity distribution to new clients.

### Net sales & operating expenses

RON	2008	2009
Distribution revenues including reactive energy	500,091,204	513,720,774
<b>Net Sales</b>	<b>525,444,034</b>	<b>539,192,721</b>
Electricity cost	169,071,333	158,681,782
Third party services	163,695,909	150,701,899
maintenance&repair works	103,283,006	91,230,639
other services	21,197,241	20,406,071
Personnel expenses	87,209,693	101,230,097
<b>Operating expenses</b>	<b>520,729,254</b>	<b>537,811,008</b>

### Tariffs

RON/MWh	2008	2009	2010
High voltage	21.00	21.00	21.00
Medium voltage*	31.86	34.96	39.19
Low voltage**	102.15	109.03	119.36

\*sums up high and medium voltage tariffs

\*\*sums up high, medium and voltage tariffs

### Electricity distribution by voltage levels

RON (000)	2008		2009	
	captive	eligible	captive	eligible
High voltage	4.120	9.094	3.393	8.175
Medium voltage	53.346	55.302	34.183	65.896
Low voltage	335.145	6.572	363.578	8.239
Total per type	392.611	70.968	401.154	82.309
<b>Total</b>	<b>463.579</b>		<b>483.464</b>	



## Enel Distributie Banat

ENEL Distributie Banat Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>770</b>	<b>507</b>	<b>526</b>
<b>EBITDA</b>	<b>214</b>	<b>170</b>	<b>203</b>
Depreciation	n/a	n/a	n/a
<b>EBIT</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Net financials	n/a	n/a	n/a
<b>EBT</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Tax	39	25	30
<b>Net Profit (Loss)</b>	<b>158</b>	<b>115</b>	<b>151</b>
Net Fixed Assets	866	1,015	1,072
Investments	n/a	n/a	n/a
Current Assets	449	414	561
Cash&Cash Equivalents	297	273	400
<b>Total Assets</b>	<b>1,315</b>	<b>1,429</b>	<b>1,633</b>
Bank Debts	0	0	0
Net debt	-297	-273	-400
Other liabilities	369	429	481
<b>Shareholders Equity</b>	<b>945</b>	<b>1,000</b>	<b>1,152</b>
<b>Sales growth</b>		-34.2%	3.9%
<b>EBITDA growth</b>		-20.8%	19.9%
<b>EBITDA margin</b>	27.8%	33.5%	38.6%
<b>Net profit margin</b>	20.5%	22.7%	28.6%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-1.4	-1.6	-2.0
<b>Current ratio</b>	1.22	0.96	1.17

### Electricity distribution by voltage level

GWh	2008	2009
Captive	2,353	2,288
Eligible	1,608	1,570
<b>Total</b>	<b>3,961</b>	<b>3,858</b>

### Average tariffs

RON/MWh	2008	2009
Captive	148.73	158.92
Eligible	58.57	60.28
<b>Overall average</b>	<b>112.14</b>	<b>118.46</b>

### Regulated tariffs

	2008	2009	2010
High voltage	21.00	21.00	21.00
Medium voltage*	42.00	42.00	42.00
Low voltage**	108.22	115.05	126.28

\*sums up high and medium voltage tariffs

\*\*sums up high, medium and voltage tariffs

### Operating expenses

RON	2008	2009
Electricity cost	125,309,777	131,517,099
Third party services	99,573,842	99,278,606
Personnel expenses	80,604,252	81,972,193
<b>Operating expenses</b>	<b>418,604,252</b>	<b>407,401,305</b>

In 2005, Enel Distribuzione S.P.A. purchased a stake of 24.62% in Electrica Banat, after which it increased its holding up to 51%. In 2006 electrica Banat became Enel Electrica Banat which further on divided its distribution and supply activities and was subsequently renamed Enel Distributie Banat. In December 2009 the entire stake of Enel Distribuzione was transferred to Enel Investment Holding B.V.

The company is structured in 4 territorial units for electricity distribution: Arad, Deva, Resita and Timisoara.

The market share recorded by Enel Distributie Banat in 2009 on the electricity distribution market was of 9.76%.

Total electricity distributed by the company in 2009 was estimated at 3,858GWh as compared to 3,961 GWh in 2008. The distribution network consists in 98 transformer stations, 7,286 transformer posts, 6,611.96 MVA power in transformer stations and posts, and 41,338 km network (26,885 km low voltage lines, 12,466 medium voltage lines and 1,987 km high voltage lines).

Power distribution is a monopoly activity and is regulated by ANRE. Presently the agreed rate of return on regulated assets for privately controlled main power distributors is of 10% for 2008-2012.

Distribution base comprises around 848th end consumers. As per 2009 figures, the company recorded revenues of RON 431.82m from Enel Energie while net sales stood at RON 526.41m.

Main suppliers of the company are Enel Servicii Comune and Enel Romania.

Enel is implementing a 5-year investment plan worth EUR 700m to modernize the infrastructure in Banat, Dobrogea and Muntenia Sud in order to improve quality of the distribution service. In 2010-2012 most of the investments will be concentrated on the modernization of Bucharest network to introduce Telecontrol technology, modernize power stations and transformer posts and also replace power lines.

### Turnover breakdown

RON	2008	2009
Electricity distribution	471,812,388	457,035,995
Reactive power distribution		28,149,704
Day ahead Market	9,136,828	5,088,619
Balancing Market	4,101,472	11,563,072
Interconnection taxes, approval	4,174,861	3,852,046
Renting revenues	16,481,011	20,265,475
Other	1,075,745	454,401
<b>Total</b>	<b>506,782,305</b>	<b>526,409,313</b>



## Enel Distributie Dobrogea

ENEL Distributie Dobrogea Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>575</b>	<b>385</b>	<b>391</b>
<b>EBITDA</b>	<b>149</b>	<b>111</b>	<b>141</b>
Depreciation	53	53	56
<b>EBIT</b>	<b>96</b>	<b>58</b>	<b>85</b>
Net financials	16	22	26
<b>EBT</b>	<b>112</b>	<b>80</b>	<b>111</b>
Tax	29	16	19
<b>Net Profit (Loss)</b>	<b>83</b>	<b>64</b>	<b>92</b>
Net Fixed Assets	646	757	842
Investments	n/a	n/a	n/a
Current Assets	305	293	356
Cash&Cash Equivalents	169	186	228
<b>Total Assets</b>	<b>950</b>	<b>1,051</b>	<b>1,198</b>
Bank Debts	0	0	0
Net debt	-169	-186	-228
Other liabilities	282	346	392
<b>Shareholders Equity</b>	<b>669</b>	<b>705</b>	<b>807</b>
<b>Sales growth</b>		-33.1%	1.8%
<b>EBITDA growth</b>		-25.4%	27.4%
<b>EBITDA margin</b>	25.9%	28.9%	36.1%
<b>Net profit margin</b>	14.5%	16.5%	23.5%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-1.1	-1.7	-1.6
<b>Current ratio</b>	1.08	0.85	0.91

In 2005, Enel Distributione S.P.A. purchased a stake of 24.62% in Electrica Dobrogea, after which it increased its holding up to 51%. In 2006 Electrica Dobrogea became Enel Electrica Dobrogea which further divided its distribution and supply activities and was subsequently renamed Enel Distributie Dobrogea. In December 2009 the entire stake of Enel Distribuzione was transferred to Enel Investment Holding B.V.

The company is structured in 4 territorial units for electricity distribution: Constanta, Calarasi, Tulcea and Slobozia. The market share recorded by Enel Distributie Dobrogea in 2009 on the electricity distribution market was of 8.47%.

Total electricity distributed by the company in 2009 was estimated at 3,349GWh as compared to 3,470GWh in 2008. The distribution network consists in 142 transformer stations, 5,081 transformer posts, 7,132.5 MVA power in transformer stations and posts, and 35,066 km network (21,993 km low voltage lines, 10,895 medium voltage lines and 2,178 km high voltage lines).

Power distribution is a monopoly activity and is regulated by ANRE. Presently the agreed rate of return on regulated assets for privately controlled main power distributors is of 10% for 2008-2012.

Distribution base comprises around 608th end consumers. As per 2009 figures, the company recorded revenues of RON 323.61m from Enel Energie while net sales stood at RON 391.46m.

### Electricity distribution by voltage level

GWh	2008	2009
Captive	1,850	1,855
Eligible	1,620	1,494
<b>Total</b>	<b>3,470</b>	<b>3,349</b>

### Average tariffs

RON/MWh	2008	2009
Captive	145.00	150.67
Eligible	43.00	44.34
<b>Overall average</b>	<b>97.00</b>	<b>103.24</b>

### Regulated tariffs

RON/TWh	2008	2009	2010
High voltage	21.00	21.00	21.00
Medium voltage*	42.00	42.00	42.00
Low voltage**	104.53	107.69	112.67

\*sums up high and medium voltage tariffs

\*\*sums up high, medium and voltage tariffs

Main suppliers of the company are Electrica Serv and Enel Energie.

Enel is implementing a 5-year investment plan worth EUR 700m to modernize the infrastructure in Banat, Dobrogea and Muntenia Sud in order to improve quality of the distribution service. In 2010-2012 most of the investments will be concentrated on the modernization of Bucharest network to introduce Telecontrol technology, modernize power stations and transformer posts and also replace power lines.

### Sales & Operating expenses

RON	2008	2009
Electricity distribution	369,223,153	365,843,532
<b>Net sales</b>	<b>384,627,203</b>	<b>391,464,506</b>
Electricity cost	111,998,568	108,242,078
Third party services	83,448,182	78,962,225
Personnel expenses	65,098,722	68,468,092
<b>Operating expenses</b>	<b>340,053,638</b>	<b>322,169,853</b>

## Enel Distributie Muntenia

Enel Distributie Muntenia Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>1,720</b>	<b>1,440</b>	<b>733</b>
<b>EBITDA</b>	<b>133</b>	<b>150</b>	<b>226</b>
Depreciation	81	101	103
<b>EBIT</b>	<b>52</b>	<b>49</b>	<b>123</b>
Net financials	6	233	218
<b>EBT</b>	<b>59</b>	<b>282</b>	<b>341</b>
Tax	15	62	61
<b>Net Profit (Loss)</b>	<b>44</b>	<b>221</b>	<b>280</b>
Net Fixed Assets	1,286	1,398	1,779
Investments	n/a	n/a	n/a
Current Assets	493	1,975	2,151
Cash&Cash Equivalents	148	1,773	1,855
<b>Total Assets</b>	<b>1,780</b>	<b>3,373</b>	<b>3,930</b>
Bank Debts	0	0	0
Net debt	-148	-1,773	-1,855
Other liabilities	884	1,024	1,224
<b>Shareholders Equity</b>	<b>895</b>	<b>2,348</b>	<b>2,705</b>
<b>Sales growth</b>		-16.3%	-49.1%
<b>EBITDA growth</b>		12.6%	50.3%
<b>EBITDA margin</b>	7.8%	10.4%	30.8%
<b>Net profit margin</b>	2.5%	15.3%	38.2%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-1.1	-11.8	-8.2
<b>Current ratio</b>	0.56	1.93	1.76

### Electricity distribution by voltage level

GWh	2008	2009
Captive	3,696	4,429
Eligible	1,342	1,588
<b>Total</b>	<b>5,038</b>	<b>3,017</b>

### Average tariffs

RON/MWh	2008	2009
Captive	136.00	136.07
Eligible	39.00	38.69
<b>Overall average</b>	<b>n/a</b>	<b>110.37</b>

### Regulated tariffs

RON/TWh	2008	2009	2010
High voltage	9.44	9.25	9.39
Medium voltage*	28.70	27.79	28.09
Low voltage**	128.71	127.94	125.77

\*sums up high and medium voltage tariffs

\*\*sums up high, medium and voltage tariffs

In 2008, Enel S.P.A. purchased 50% in Electrica Muntenia Sud and increased its stake up to 64.43%. In July 2008 the spin off process was finalized resulting Electrica Furnizare Muntenia Sud and Electrica Distributie Muntenia Sud. Electrica Distributie Muntenia Sud changed its name into Enel Distributie Muntenia in 2008. In December 2009, the entire stake of Enel S.P.A. was transferred to Enel Investment Holding B.V.

The company is structured in 3 territorial units for electricity distribution: Bucuresti, Ilfov and Giurgiu. The market share recorded by Enel Distributie Muntenia in 2009 on the electricity distribution market was of 15.19%.

Total electricity distributed by the company in 2009 was estimated at 6,017GWh as compared to 5,038GWh in 2008. The distribution network consists in 63 transformer stations, 6,816 transformer posts, 7,192.15 MVA power in transformer stations and posts, and 47,117 km network (31,613 km low voltage lines, 14,400 medium voltage lines and 1,104 km high voltage lines).

Power distribution is a monopoly activity and is regulated by ANRE. Presently the agreed rate of return on regulated assets for privately controlled main power distributors is of 10% for 2008-2012.

Distribution base comprises around 1.127m end consumers. As per 2009 figures, the company recorded revenues of RON 661.42m from Enel Energie Muntenia while net sales stood at RON 732.67m.

Main suppliers of the company are Electrica Serv and Enel Energie Muntenia.

Enel is implementing a 5-year investment plan worth EUR 700m to modernize the infrastructure in Banat, Dobrogea and Muntenia Sud in order to improve quality of the distribution service. In 2010-2012 most of the investments will be concentrated on the modernization of Bucharest network to introduce Telecontrol technology, modernize power stations and transformer posts and also replace power lines.

### Sales & Operating expenses

RON	2008	2009
Electricity distribution	665,885,000	704,212,699
Electricity supply	774,594,507	not case
<b>Net sales</b>	<b>1,140,479,507</b>	<b>732,665,278</b>
Electricity cost	978,657,675	302,298,467
Third party services	174,600,435	135,404,312
Personnel expenses	90,536,077	96,557,133
<b>Operating expenses</b>	<b>1,447,031,029</b>	<b>655,484,151</b>

## E.ON Moldova Distributie

E.ON Moldova Distributie Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	n/a	<b>590</b>	<b>630</b>
<b>EBITDA</b>	n/a	<b>108</b>	<b>163</b>
Depreciation	n/a	58	82
<b>EBIT</b>	n/a	<b>50</b>	<b>81</b>
Net financials	n/a	-4	-6
<b>EBT</b>	n/a	<b>46</b>	<b>75</b>
Tax	n/a	11	19
<b>Net Profit (Loss)</b>	n/a	<b>35</b>	<b>57</b>
Net Fixed Assets	n/a	1,180	1,249
Investments	n/a	n/a	n/a
Current Assets	n/a	407	401
Cash&Cash Equivalents	n/a	1	0
<b>Total Assets</b>	n/a	<b>1,586</b>	<b>1,650</b>
Bank Debts	n/a	27	15
Net debt	n/a	25	15
Other liabilities	n/a	823	812
<b>Shareholders Equity</b>	n/a	<b>737</b>	<b>822</b>
<b>Sales growth</b>		n/a	6.8%
<b>EBITDA growth</b>		n/a	50.9%
<b>EBITDA margin</b>	n/a	18.4%	25.9%
<b>Net profit margin</b>	n/a	5.9%	9.0%
<b>Debt/Equity</b>	n/a	3.6%	1.9%
<b>Net debt/EBITDA</b>	n/a	0.2	0.1
<b>Current ratio</b>	n/a	0.49	0.49

In 2005, E.ON Energie Romania acquired 24.6% in Electrica Moldova and increased its stake up to 51%. The company divided into E.ON Moldova Furnizare and E.ON Moldova Distributie. In December 2008 E.ON Energie Romania merged with E.ON Gaz Romania Holding SRL and all stakes were transferred to the newly created company E.ON Romania SRL.

The company is structured into 6 regional branches: Bacau, Iasi, Vaslui, Neamt, Suceava and Botosani.

The market share recorded by E.ON Moldova Distributie in 2009 on the electricity distribution market was of 10.26%.

Total electricity distributed by the company in 2009 was estimated at 4,052GWh as compared to 4,296GWh in 2008.

Power distribution is a monopoly activity and is regulated by ANRE. Presently the agreed rate of return on regulated assets for privately controlled main power distributors is of 10% for 2008-2012.

According to 2009 figures, the company recorded revenues of RON 562.88m from E.ON Moldova Furnizare while net sales stood at RON 630.07m. On expenses side, one of the main suppliers was E.ON Moldova Furnizare with RON 142.29m out of total operating expenses worth RON 567.62m.

Since the privatization in 2005, investments in the distribution network reached RON 500m. A major investment category was the modernization of 102 transformer stations.

### Electricity distribution by voltage level

GWh	2008	2009
Captive	3,696	4,429
Eligible	1,342	1,588
<b>Total</b>	<b>5,038</b>	<b>3,017</b>

### Average tariffs

RON/MWh	2008	2009
Captive	136.00	136.07
Eligible	39.00	38.69
<b>Overall average</b>	<b>n/a</b>	<b>110.37</b>

### Regulated tariffs

RON/TWh	2008	2009	2010
High voltage	21.00	21.00	21.00
Medium voltage*	42.00	42.00	42.00
Low voltage**	113.34	131.50	125.17

\*sums up high and medium voltage tariffs

\*\*sums up high, medium and voltage tariffs

### Sales & Operating expenses

RON	2008	2009
Electricity sales	558,958,060	613,399,926
<b>Net sales</b>	<b>589,934,598</b>	<b>630,065,418</b>
Electricity cost	156,276,649	134,961,585
Third party services	109,787,507	117,503,553
Personnel expenses	59,513,900	59,379,942
<b>Operating expenses</b>	<b>558,424,338</b>	<b>567,622,144</b>

## Electrica Furnizare Muntenia Nord

### Electrica Furnizare Muntenia Nord Sector: Energy utilities

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>530</b>	<b>1,282</b>	<b>1,326</b>
<b>EBITDA</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Depreciation	n/a	n/a	n/a
<b>EBIT</b>	<b>20</b>	<b>16</b>	<b>32</b>
Net financials	n/a	n/a	n/a
<b>EBT</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Tax	2	10	13
<b>Net Profit (Loss)</b>	<b>17</b>	<b>7</b>	<b>18</b>
Net Fixed Assets	38	30	25
Investments	n/a	n/a	n/a
Current Assets	317	288	368
Cash&Cash Equivalents	27	14	10
<b>Total Assets</b>	<b>355</b>	<b>319</b>	<b>393</b>
Bank Debts	24	13	3
Net debt	-3	0	-7
Other liabilities	316	291	375
<b>Shareholders Equity</b>	<b>16</b>	<b>14</b>	<b>14</b>
<b>Sales growth</b>		142.1%	3.5%
<b>EBITDA growth</b>		n/a	n/a
<b>EBITDA margin</b>	n/a	n/a	n/a
<b>Net profit margin</b>	3.3%	0.6%	1.4%
<b>Debt/Equity</b>	147.0%	93.4%	20.3%
<b>Net debt/EBITDA</b>	n/a	n/a	n/a
<b>Current ratio</b>	1.01	0.99	0.98

Electrica Furnizare Muntenia Nord resulted from the separation of the distribution and supply activities of FDFEE Electrica Muntenia Nord; the spin off process finalized in August 2007.

The company is organized in 6 regional agencies for electricity supply: Braila, Buzau, Focsani, Galati, Ploiesti and Targoviste. The market share recorded by Electrica Furnicare Muntenia Nord in 2009 on the electricity supply market was of 18%.

In 2009 the average electricity acquisition price as per category of final consumer was:

- captive RON 193 / MWh;
- eligible RON 223.39 / MWh.

The average profit recorded on the competitive market was RON 3.8m (5.61%) in 2009.

The supply prices are set through contracts signed with the company. For captive consumers prices are set so that the supplier is able to cover the electricity acquisition costs while the regulated profit is set at 2.5% of the electricity acquisition costs for captive consumers.

Main suppliers are: Electrocentrale Galati (16.09% of acquisition costs), Nuclearelectrica (13.22%) and Electrocentrale Turceni (13.01%).

Distribution base comprises around 1.26m end consumers.

For 2010 the estimated investment plans amounted to RON 4.28m and included the OPEN-EMM system extension, video surveillance systems and acquisition of buildings.

### Electricity supplied by market category

MWh		2007*	2008	2009
Regulated	low voltage	879,509	2,320,707	2,439,572
	medium voltage	257,272	700,639	641,575
	high voltage	50,617	114,817	98,066
Competitive		146,905	295,141	224,914
Day ahead Market		6,602	54,797	93,537
Balancing Market		78,189	91,657	224,724
<b>Total</b>		<b>1,477,094</b>	<b>3,577,758</b>	<b>3,722,388</b>

\*5 months period since set-up

### Client base

		2007*	2008	2009
Captive	low voltage	1,238,128	1,248,427	1,256,746
	medium voltage	2,383	2,353	2,456
	high voltage	14	12	11
Subtotal captive		1,240,525	1,250,792	1,259,213
companies		75,852	86,989	76,832
Eligible		99	81	159
<b>Total</b>		<b>1,240,624</b>	<b>1,250,873</b>	<b>1,259,372</b>

\*5 months period since set-up

### Overall average selling price

(RON/MWh)	2007	2008	2009
Average price	309.91	330.94	335.12

### Turnover & Operating expenses

RON	2008	2009
Electricity sales	1,268,756,675	1,313,416,728
<b>Net Sales</b>	<b>1,281,845,602</b>	<b>1,326,210,899</b>
Electricity cost	728,134,194	753,945,972
Distribution cost	446,627,942	456,472,238
<b>Operating expenses</b>	<b>1,323,521,198</b>	<b>1,371,279,835</b>

## Electrica Furnizare Transilvania Nord

### Electrica Furnizare Transilvania Nord Sector: Energy utilities

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>460</b>	<b>1,151</b>	<b>1,176</b>
<b>EBITDA</b>	<b>n/a</b>	<b>15</b>	<b>12</b>
Depreciation	n/a	12	1
<b>EBIT</b>	<b>1</b>	<b>3</b>	<b>11</b>
Net financials	n/a	0	-2
<b>EBT</b>	<b>n/a</b>	<b>2</b>	<b>9</b>
Tax	n/a	2	8
<b>Net Profit (Loss)</b>	<b>0</b>	<b>1</b>	<b>1</b>
Net Fixed Assets	30	23	23
Investments	n/a	n/a	n/a
Current Assets	364	336	313
Cash&Cash Equivalents	21	12	9
<b>Total Assets</b>	<b>394</b>	<b>358</b>	<b>336</b>
Bank Debts	0	15	8
Net debt	-21	3	-1
Other liabilities	368	314	299
<b>Shareholders Equity</b>	<b>27</b>	<b>29</b>	<b>29</b>
<b>Sales growth</b>		150.4%	2.1%
<b>EBITDA growth</b>		n/a	-19.3%
<b>EBITDA margin</b>	n/a	1.3%	1.0%
<b>Net profit margin</b>	0.1%	0.1%	0.1%
<b>Debt/Equity</b>	0.0%	50.8%	25.8%
<b>Net debt/EBITDA</b>	n/a	0.2	-0.1
<b>Current ratio</b>	0.99	1.07	1.05

### Overall average selling price

(RON/MWh)	2007	2008	2009
Average price	341.70	348.00	367.00

### Client base

	2007	2008	2009
Captive and eligible	1,126,365	1,144,870	1,160,375

### Electricity supplied by market category

MWh	2007	2008	2009
low voltage	1,998,201	2,183,849	2,256,774
Regulated medium voltage	423,396	381,504	344,316
high voltage	62,801	59,322	48,166
Competitive	n/a	546,520	410,684
<b>Total</b>	<b>n/a</b>	<b>3,171,196</b>	<b>3,059,941</b>

FFEE Electrica Transilvania Nord resulted from the separation of the distribution and supply activities of FDFEE Electrica Transilvania Nord.

The company is organized in 6 regional units for electricity distribution: Cluj Napoca, Bistrita, Oradea, Baia-Mare, Satu Mare and Zalau. The market share recorded by Electrica Furnizare Transilvania Nord in 2009 on the electricity distribution market was of 7%.

In 2009, revenues from sale of electricity on the regulated market (captive final consumers) represented RON 990.3m at an average price of 373.79 RON/MWh.

In 2009 the average electricity acquisition price as per category of acquisition market was:

- regulated 174 RON / MWh;
- bilateral 187 RON / MWh;
- day ahead 198 RON / MWh;
- balancing 241 RON / MWh.

The average profit recorded on the competitive market was RON 3.8m (5.61%) in 2009.

The supply prices are set through contracts signed with the company. For captive consumers prices are set so that the supplier is able to cover the electricity acquisition costs while the regulated profit is set at 2.5% of the electricity acquisition costs for captive consumers.

Some of main suppliers of the company are related parties: Electrocentrale Bucuresti and Nuclearelectrica.

For 2010 the estimated investment plans amounted to RON 2.75m and included the OPEN-SGE system extension, upgrade SAP and OPEN and acquisition of buildings.

Client base stood at 1.16 million consumption locations in 2009, slightly higher against the 1.14 million consumptions locations recorded in 2008.

### Turnover & Operating expenses

RON	2008	2009
Electricity sales	1,142,194,253	1,166,387,964
<b>Net Sales</b>	<b>1,151,084,618</b>	<b>1,175,552,274</b>
Electricity cost	698,332,056	707,600,638
Distribution cost	385,533,107	371,721,104
<b>Operating expenses</b>	<b>1,174,036,224</b>	<b>1,194,669,859</b>

## Electrica Furnizare Transilvania Sud

### Electrica Furnizare Transilvania Sud Sector: Energy utilities

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>351</b>	<b>1,354</b>	<b>1,335</b>
<b>EBITDA</b>	<b>n/a</b>	<b>29</b>	<b>20</b>
Depreciation	n/a	12	9
<b>EBIT</b>	<b>6</b>	<b>17</b>	<b>11</b>
Net financials	n/a	0	-2
<b>EBT</b>	<b>n/a</b>	<b>17</b>	<b>9</b>
Tax	n/a	8	8
<b>Net Profit (Loss)</b>	<b>1</b>	<b>10</b>	<b>1</b>
Net Fixed Assets	38	30	23
Investments	n/a	0	0
Current Assets	368	317	359
Cash&Cash Equivalents	15	9	8
<b>Total Assets</b>	<b>406</b>	<b>347</b>	<b>382</b>
Bank Debts	20	24	34
Net debt	5	15	25
Other liabilities	352	279	308
<b>Shareholders Equity</b>	<b>35</b>	<b>44</b>	<b>40</b>
<b>Sales growth</b>		285.6%	-1.4%
<b>EBITDA growth</b>		n/a	-30.1%
<b>EBITDA margin</b>	n/a	2.1%	1.5%
<b>Net profit margin</b>	0.2%	0.7%	0.1%
<b>Debt/Equity</b>	57.5%	53.8%	83.9%
<b>Net debt/EBITDA</b>	n/a	0.5	1.3
<b>Current ratio</b>	1.05	1.14	1.17

### Overall average selling price

(RON/MWh)	2007*	2008	2009
Average price	336.00	314.00	332.00

\*5 months since set-up

### Turnover & Operating expenses

RON	2008	2009
Electricity sales	1,349,503,452	1,335,072,970
Net Sales	1,353,761,427	1,335,072,970
Electricity cost	853,470,859	809,716,440
Distribution cost	416,591,316	434,760,815
Operating expenses	1,391,958,091	1,389,868,137

FFEE Electrica Furnizare Transilvania Sud resulted from the separation of the distribution and supply activities of FDFEE Electrica Transilvania Sud.

The company is organized in 6 regional units for electricity distribution: Alba, Brasov, Covasna, Harghita, Mures and Sibiu. The market share recorded by Electrica Furnizare Transilvania Sud in 2009 on the electricity distribution market was of 8%.

In 2009, revenues from sale of electricity on the regulated market (captive final consumers) represent RON 1,167.8m compared to a net turnover of RON 1,335.07m.

In 2009 the average electricity acquisition price as per category of electricity acquisition was:

- active 202 RON / MWh;
- reactive 78 RON / kvar.

The gross result from the captive consumer segment includes revenues from penalties worth RON 62.1m and provision reversals worth RON 15.7m.

The supply prices are set through contracts signed with the company. For captive consumers prices are set so that the supplier is able to cover the electricity acquisition costs while the regulated profit is set at 2.5% of the electricity acquisition costs for captive consumers.

As per 2009 figures, the main supplier was FDEE Electrica Distributie Transilvania Sud.

For 2010 the estimated investment plans amount to RON 3.24m and include OPEN-SGC and SAP system extension, acquisition of buildings, etc.

### Client base

	2008	2009
Captive	1,057,398	1,063,572
Eligible	210	541
<b>Total</b>	<b>1,057,608</b>	<b>1,064,113</b>

### Electricity supplied

	2007*	2008	2009
MWh	1,492,330	3,818,190	3,947,320

\*5 months since set-up



## Enel Energie

Enel Energie Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>903</b>	<b>1,818</b>	<b>1,850</b>
<b>EBITDA</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Depreciation	n/a	n/a	n/a
<b>EBIT</b>	<b>38</b>	<b>99</b>	<b>-29</b>
Net financials	n/a	n/a	n/a
<b>EBT</b>	<b>40</b>	<b>105</b>	<b>-21</b>
Tax	19	22	25
<b>Net Profit (Loss)</b>	<b>21</b>	<b>83</b>	<b>-47</b>
Net Fixed Assets	0	0	8
Investments	n/a	n/a	n/a
Current Assets	678	691	635
Cash&Cash Equivalents	179	142	159
<b>Total Assets</b>	<b>678</b>	<b>691</b>	<b>644</b>
Bank Debts	7	17	0
Net debt	-172	-126	-159
Other liabilities	511	431	447
<b>Shareholders Equity</b>	<b>161</b>	<b>243</b>	<b>197</b>
<b>Sales growth</b>		101.3%	1.8%
<b>EBITDA growth</b>		n/a	n/a
<b>EBITDA margin</b>	n/a	n/a	n/a
<b>Net profit margin</b>	2.3%	4.6%	-2.5%
<b>Debt/Equity</b>	4.4%	6.9%	0.0%
<b>Net debt/EBITDA</b>	n/a	n/a	n/a
<b>Current ratio</b>	1.33	1.60	1.42

Enel Energie resulted from the separation of the distribution and supply activities of Enel Electrica Dobrogea and Enel Electrica Banat. In December 2009 the entire stake of Enel Distribuzione was transferred to Enel Investment Holding B.V.

The company is organized in 2 regions: Banat (Timis, Arad, Hunedoara, Caras-Severin) and Dobrogea (Constanta, Calarasi, Tulcea, Ialomita).

The market share recorded by Enel Energie in 2009 on the electricity distribution market was of 11%.

The supply prices are set through contracts signed with the company. For captive consumers prices are set so that the supplier is able to cover the electricity acquisition costs while the regulated profit is set at 2.5% of the electricity acquisition costs for captive consumers.

Main suppliers are Enel Distributie Banat and Enel Distributie Dobrogea.

### Electricity supplied

	2008	2009
MWh	4,827,619	4,716,362

### Turnover & Operating expenses

RON	2008	2009
Electricity sales		
Net Sales		
Electricity cost	937,995,972	946,479,814
Distribution cost	734,409,202	752,595,935
Operating expenses	1,790,620,610	1,964,272,203

### Client base

	2008	2009
Households	1,341,080	1344202
Captive	109,451	110,389
Eligible	974	1,555
Total	1,451,505	1,456,146



## Enel Energie Muntenia

Enel Energie Muntenia Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	n/a	<b>680</b>	<b>1,920</b>
<b>EBITDA</b>	n/a	<b>47</b>	<b>-21</b>
Depreciation	n/a	n/a	n/a
<b>EBIT</b>	n/a	<b>n/a</b>	<b>n/a</b>
Net financials	n/a	n/a	n/a
<b>EBT</b>	n/a	<b>95</b>	<b>26</b>
Tax	n/a	8	13
<b>Net Profit (Loss)</b>	n/a	<b>87</b>	<b>13</b>
Net Fixed Assets	3	2	3
Investments	n/a	n/a	n/a
Current Assets	502	743	755
Cash&Cash Equivalents	231	350	373
<b>Total Assets</b>	505	745	758
Bank Debts	0	0	0
Net debt	-231	-350	-373
Other liabilities	297	450	449
<b>Shareholders Equity</b>	<b>208</b>	<b>295</b>	<b>309</b>
<b>Sales growth</b>		n/a	182.5%
<b>EBITDA growth</b>		n/a	-144.0%
<b>EBITDA margin</b>	n/a	6.9%	-1.1%
<b>Net profit margin</b>	n/a	12.8%	0.7%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	n/a	-7.5	n/m
<b>Current ratio</b>	1.69	1.65	1.68

### Operating expenses

RON	2008*	2009
Electricity cost	428,009,383	1,194,413,842
Distribution cost	222,872,922	637,185,752
Operating expenses	633,576,382	1,956,680,000

\*4 months since set-up

In 2008, Enel S.P.A. purchased 50% in FDFEE Electrica Muntenia Sud and increased its stake in the company up to 64.43%. In July 2008 the spin off process was finalized and Enel Energie Muntenia was created. In December 2009, the entire stake of Enel S.P.A. was transferred to Enel Investment Holding B.V.

The company is organized in 3 regions: Bucuresti, Ilfov and Giurgiu.

The market share recorded by Enel Energie Muntenia in 2009 on the electricity distribution market was of 12%.

The supply prices are set through contracts signed with the company. For captive consumers prices are set so that the supplier is able to cover the electricity acquisition costs while the regulated profit is set at 2.5% of the electricity acquisition costs for captive consumers.

One of the main suppliers is Enel Distributie Muntenia.

### Electricity supplied

	2008*	2009
MWh	1,770,000	4,875,398

\*4 months since set-up

### Client base

	2008*	2009
Households	1,044,944	1056767
Companies captive	61,565	64,692
Companies eligible	140	207
<b>Total</b>	<b>1,106,649</b>	<b>1,121,666</b>

\*4 months since set-up

## E.ON Moldova Furnizare

E.on Moldova Furnizare Sector: Energy utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	n/a	<b>1,484</b>	<b>1,457</b>
<b>EBITDA</b>	n/a	n/a	n/a
Depreciation	n/a	n/a	n/a
<b>EBIT</b>	n/a	n/a	n/a
Net financials	n/a	n/a	n/a
<b>EBT</b>	n/a	n/a	n/a
Tax	n/a	4	4
<b>Net Profit (Loss)</b>	n/a	n/a	n/a
Net Fixed Assets	n/a	8	14
Investments	n/a	n/a	n/a
Current Assets	n/a	735	704
Cash&Cash Equivalents	n/a	4	14
<b>Total Assets</b>	n/a	<b>743</b>	<b>718</b>
Bank Debts	n/a	17	0
Net debt	n/a	12	-14
Other liabilities	n/a	556	569
<b>Shareholders Equity</b>	n/a	<b>170</b>	<b>149</b>
<b>Sales growth</b>		n/a	-1.9%
<b>EBITDA growth</b>		n/a	n/a
<b>EBITDA margin</b>	n/a	n/a	n/a
<b>Net profit margin</b>	n/a	n/a	n/a
<b>Debt/Equity</b>	n/a	9.8%	0.1%
<b>Net debt/EBITDA</b>	n/a	n/a	n/a
<b>Current ratio</b>	n/a	1.32	1.24

In 2005, E.ON Energie Romania acquired 24.6% in Electrica Moldova and increased its stake up to 51%. The company divided into E.ON Moldova Furnizare (created on 6<sup>th</sup> of April 2007) and E.ON Moldova Distributie. In December 2008, E.ON Energie Romania merged with E.ON Gaz Romania Holding SRL and all stakes were transferred to the newly created company E.ON Romania SRL.

According to the merger plan planed by E.ON Gaz Romania in June 2010, the merger between E.ON Moldova Furnizare and E.ON Gaz Romania was implemented as of 31<sup>st</sup> of December 2010. The Fubd voted against the merger and challenged various resolutions related to this merger.

The company is structured into 6 regional branches: Bacau, Iasi, Vaslui, Neamt, Suceava and Botosani.

The market share recorded by E.ON Moldova Furnizare in 2009 on the electricity supply market was of 8%.

The supply prices are set through contracts signed with the company. For captive consumers prices are set so that the supplier is able to cover the electricity acquisition costs while the regulated profit is set at 2.5% of the electricity acquisition costs for captive consumers.

Client base comprises around 1.3m final consumers.

One of the main suppliers is E.ON Moldova Distributie.

### Consumption level

GWh	2008	2009
Final overall consumption level	45,830	41,583
Market share	7%	8%

### Main sales revenues & Operating expenses

RON	2008	2009
Net sales	1,476,381,427	1,448,602,879
Electricity cost	1,426,687,234	1,395,342,743
Operating expenses	1,538,839,484	1,547,524,993

## Gas production, transmission and distribution

### Sector overview

FP's exposure to the gas sector is represented by stakes in the state-owned gas producer and gas transporter, Romgaz, and in other three gas supply & distribution companies. According to our valuation, the gas sector accounts for c12% of FP's portfolio.

Gas is the second most important fuel for Romania, with 30% of primary energy demand, after crude oil accounting for 33% of primary energy demand and followed by coal accounting for 19% of primary energy demand. The largest consumer in 2009 was the electricity generation industry with a share of 22%, followed by the chemical industry (fertilizers producers) with a share of 20%, while households consumed just below 20% of the total. The drop in demand recorded in 2009 was due to the reduced consumption of chemical companies.

The natural gas market structure consists in the following segments:

- production
- transmission
- distribution & supply

Gas market players:

- 1 operator of the national gas grid – SNTGN Transgaz Medias;
- 7 domestic gas producers – Romgaz (51.8% of total domestic production), OMV Petrom (47.3% of total domestic production), Amromco Ploiesti, Amromco New York, Aurelian Oil&Gas, Toreador, Wintershall Medias;
- 3 operators of the underground storage facilities – Romgaz, Amgaz and Depomures;
- 39 distributors and suppliers to captive consumers – GDF Suez Energy Romania and E.ON Gaz Romania with a cumulative market share of above 90%;
- 90 suppliers on the wholesale market.

#### Production

Romgaz  
OMV Petrom  
Other

#### Transmission

Transgaz

#### Distribution

E.ON Gaz Distributie  
Distrigaz Sud Retele

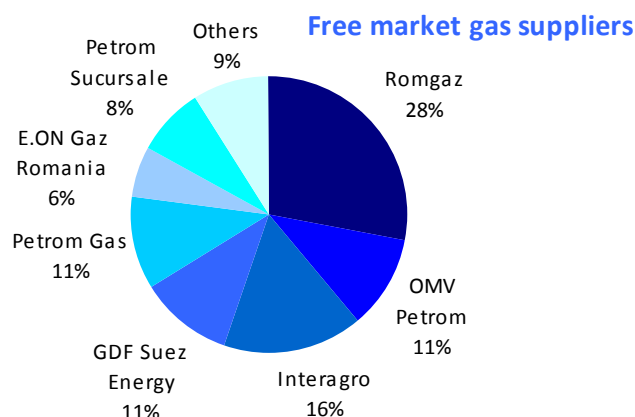
#### Supply

E.ON Gaz Romania  
GDF Suez Energy Romania

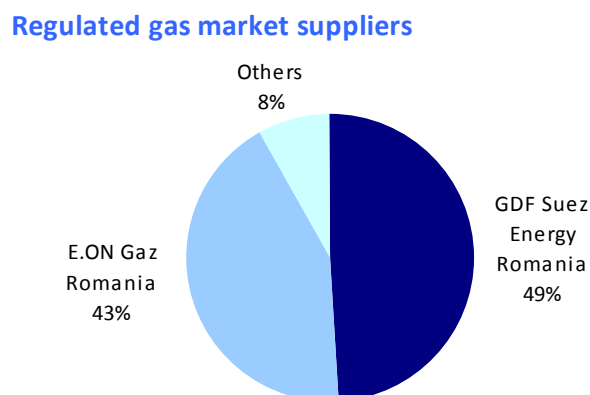
Following an EU Competition Directive in 2000, the gas market was unbundled and the vertically integrated energy company Romgaz was divided into E&P Romgaz, transmission rights to Transgaz and distribution and supply to Distrigaz Nord and Distrigaz Sud. In June 2005 the State privatised the two gas distribution and supply companies with GDF Suez and E.ON. Starting in July 2007, the activities of gas distribution and supply had to be separated in order to comply with EU regulation.

The natural gas market has two components:

- Free-market (56.5%) – eligible consumers (the gas is supplied to consumers who changed their initial supplier or renegotiated the contractual terms with the same supplier);
- Regulated market (43.5%) – captive consumers (gas is supplied at regulated prices established through framework contracts).



Source: ANRE



Source: ANRE

Romania's production has fallen significantly in recent years due to depleting reserves making it a natural gas importer, with supplies coming from Russia along the southbound Progress pipeline. Romania lies on the route of the EU-planned Nabucco pipeline and is also considered an alternative of the South-Stream pipeline promoted by the Russian Federation.

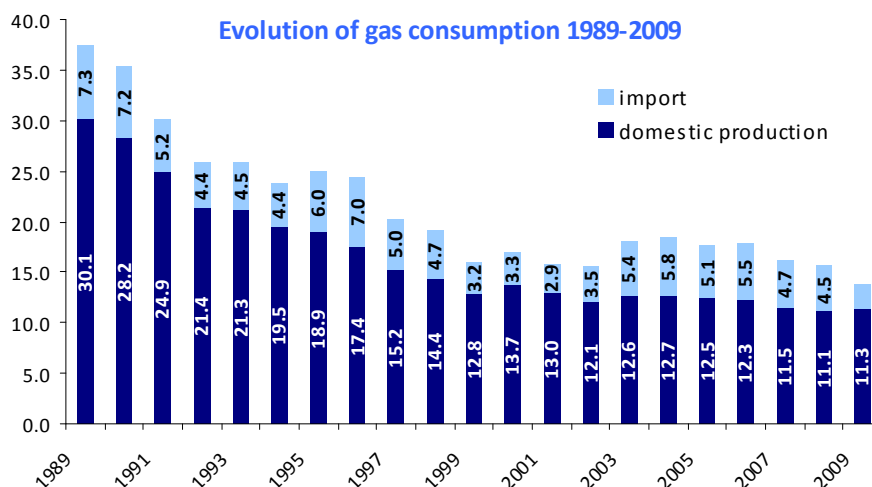
### Breakdown of gas consumption in 2009

	captive consumer	eligible consumer
non-households	19.27%	58.31%
households	22.41%	0.01%

Source: ANRE

Gas demand peaked in mid-'80s at 38 bcm and fell considerably during the '90s during the post-communist economic restructuring. Despite of some brief upturns, the level of consumption remained at less than 50% of the volumes consumed in 1989.

According to ANRE, over recent years, natural gas consumption remained relatively stable at around 150-160 TWh, but recorded an annual decline of 15% in 2009 (140TWh or 13bcm), with non-household consumption accounting for 80% of the total.



Source: ANRE

Although Romania is the Central and Eastern Europe's largest producer of natural gas, the production has slumped in recent years due to maturing gas fields coupled with increased energy efficiency. According to ANRE data, in 2009 domestic production was of 11bcm (119.4 TWh) while the natural gas reserves stood at 141bcm (876m boe).

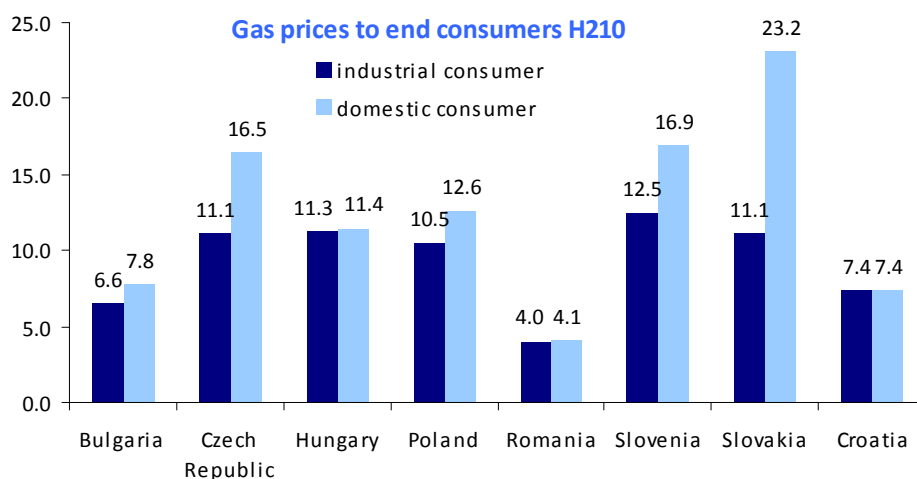
Imports accounted for 14.7% of total domestic consumption in 2009, down from 28.7% in 2008. Gas imports are carried out through two interconnection pipes at Isaccea and Mediesu Aurit, while through the pipe at Negru Voda the Russian gas is transited to other SEE countries. The maximum capacity of the interconnection pipelines stands at 28 bcm/year. In 2010 the Arad (Romania) – Szeged (Hungary)

pipeline which connects Romania to the western European network became operational.

The regulatory body for the natural gas market is the Regulatory Authority in the Energy Sector (ANRE).

The regulated price comprises in:

- acquisition price of domestic gas and the acquisition price of imported gas, both carrying the weights assigned by ANRE;
- underground storage tariff;
- transport tariff;
- distribution tariff.

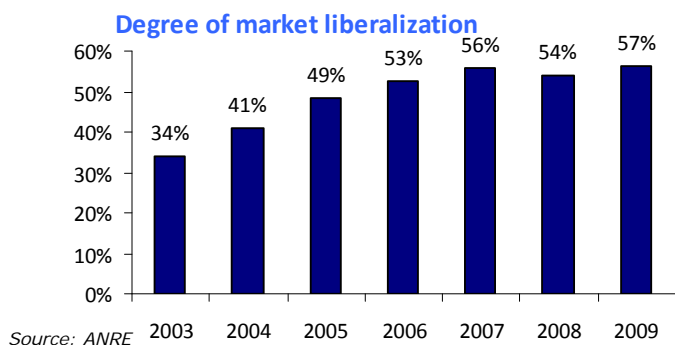


The regulation of licensed operators is implemented along regulatory period:

- the first regulatory period started April 2004 for storage, July 2004 for transmission and January 2005 for distribution and regulated supply and lasted for three years;
- the subsequent regulatory periods span five years each.

The rate of return on assets for the second regulatory period has been set at 7.88% for the storage and transmission activities and at 8.63% for the regulated supply and distribution services. The efficiency factor was set at 8% for storage and transportation and at 6% for supply and distribution activities.

As an EU member, Romania needs to align the domestic natural gas price to that traded in the other Member States, but the deadline remains unknown. Gas price to the end consumers in Romania is the lowest in the EU and CEE, at USD 160/1000 m<sup>3</sup> while the imported gas price is close to European levels at USD 360/1000 m<sup>3</sup>.



Romanian gas market is nominally an open market since mid-2007, as consumers are allowed to change their supplier. As of December 2009, the real market opened stood at 56%, the rest being considered captive consumers.

There are 19 distributor companies on the market, but Distrigaz Sud Retele (56% market share), company controlled by Gaz de France, and E.ON Gaz Distributie (36% market share), controlled by E.ON Ruhrgas, account for 92% of the market in 2009. Together they operate over 30,000 km of pipelines.

#### Gas distribution companies 2009

		pipes network (km)
Distrigaz Sud Retele		16,000
	19 counties	
E.ON Gaz Distributie		18,800
	20 counties	

#### Gas supplier companies 2009

	no of clients (m)
GDF Suez Energy Romania	1.3
E.ON Gaz Romania	1.5

**Distrigaz Nord** – in 2005 E.ON Ruhrgas acquired a 30% stake for EUR 125m and then increased its participation with another 21% by share capital increase. As a result, E.ON's total stake added up to 51% or EUR 304m. Subsequently, it changed its name to E.ON Gaz Romania. The company separated its supply and distribution activities: E.ON Gaz Distributie took over the distribution activity while E.ON Gaz Romania continued the activity as a natural gas supplier.

#### Privatisation details for gas utilities

Company	Shareholder	Stake	Date
E.ON Gaz Distributie	E.ON Romania SRL	51%	2005
E.ON Gaz Romania	E.ON Romania SRL	51%	2005
Distrigaz Sud	Romania Gas Holding	51%	2005

**Distrigaz Sud** – in 2005 Gaz de France Group became main shareholder by acquiring 30% for EUR 128m and completing a share capital increase for an additional 21% to increase its stake to 51%. The company divided its activity into Distrigaz Sud Retele which holds the distribution license and Distrigaz Sud which kept the trading license and continued the activity as a natural gas supplier. In 2009 Distrigaz Sud became GDF Suez Energy Romania. Gas network is still owned by GDF Suez Energy Romania, but leased to Distrigaz Sud Retele.

Gas distribution and supply on the regulated market are regulated activities with an established rate of return of 8.63% on the regulated asset base. The regulated revenues for gas distributors/suppliers are determined during the first year of each regulatory phase, by summing up the agreed operating expenses, the depreciation and the regulated return on assets multiplied by the inflation rate minus an efficiency factor (set at 6% for 2008-2012), return on commissioned investments and other adjustments, including differences between realized and estimated revenues in the previous year.

## Romgaz

Romgaz is Romania's largest gas producer with a share of around 50%. The company is one of the three licensed providers of gas storage facilities. The company holds a 47% market share of domestic gas consumption and 51.8% market share of total domestic gas production. The company has several branches: Medias Production; Targu Mures Production; Gas underground storage Ploiesti; Interventions, Major repairs and Special Operation Medias; Technology Transportation and Maintenance Targu Mures and Bratislava Branch.

Romgaz SA Sector: Gas producer			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>3,272</b>	<b>3,280</b>	<b>3,194</b>
<b>EBITDA</b>	<b>1,061</b>	<b>1,062</b>	<b>1,292</b>
Depreciation	301	343	575
<b>EBIT</b>	<b>760</b>	<b>719</b>	<b>717</b>
Net financials	28	134	114
<b>EBT</b>	<b>788</b>	<b>854</b>	<b>831</b>
Tax	278	316	258
<b>Net Profit (Loss)</b>	<b>510</b>	<b>537</b>	<b>572</b>
Net Fixed Assets	3,196	5,178	5,516
Investments	6	8	15
Current Assets	2,410	3,078	3,539
Cash&Cash Equivalents	1,624	1,044	774
<b>Total Assets</b>	<b>5,606</b>	<b>8,256</b>	<b>9,055</b>
Bank Debts	23	22	18
Net debt	-1,601	-1,022	-756
Other liabilities	512	649	729
<b>Shareholders Equity</b>	<b>5,071</b>	<b>7,585</b>	<b>8,308</b>
<b>Sales growth</b>		0.3%	-2.6%
<b>EBITDA growth</b>		0.0%	21.7%
<b>EBITDA margin</b>	32.4%	32.4%	40.5%
<b>Net profit margin</b>	15.6%	16.4%	17.9%
<b>Debt/Equity</b>	0.5%	0.3%	0.2%
<b>Net debt/EBITDA</b>	-1.5	-1.0	-0.6
<b>Current ratio</b>	4.71	4.74	4.86
<b>Tax rate</b>	34%	32%	27%
<b>Working Capital</b>	1,898	2,429	2,810
<b>WC % on sales</b>	58%	74%	88%
<b>CAPEX</b>		2,567	978
<b>Receivables collection da</b>	269	342	404
<b>Creditors payment days</b>	85	107	140

Romgaz operates:

- 153 reservoirs spread around the country, mainly in Transilvania and Moldova;
- 8 exploration blocks: Transilvania Nord, Transilvania Centru, Transilvania Sud, Moldova Nord, Moldova Sud, Muntenia Nord-Est, Muntenia Centru and Oltenia;
- 3,600 wells and an annual output of up to 7 bcm;
- 6 underground warehouses: 2 in Transilvania and 4 in extra Carpathian area.

Romgaz owns six storage facilities (2.8bcm) and according to management will increase the storage capacity by 40% to 3.9bcm by 2015.

Over the past years Romgaz's production kept on lowering as the majority of its fields is mature, especially the largest ones, being exploited for more than 25-30 years.

Romgaz delivers methane gas to: Interagro Bucuresti (20.35%), Electrocentrale Bucuresti (14.07%), Azomures Tg Mures (10.53%), GDF Suez Energy Romania (14.80%) and E.ON Gaz Romania (13.92%).

The investment objective for 2009 was of RON 864m, but was exceeded by 22%. It comprised exploration works for discovery of new natural gas fields; drilling works, putting wells into production, infrastructure and utilities; maintenance of underground storage capacities; environmental works and equipment modernization.

For current five year regulatory period, 2008-2012, the return on regulated asset base is 7.88% for warehousing activities.

According to a Government Decision in August 2010, a 15% stake in Romgaz will be listed on BSE by the end of this year.

### Methane gas - main clients

Interagro Bucuresti	20.35%
Electrocentrale Bucuresti	14.07%
Azomures Tg. Mures	10.53%
GDF Suez Energy Romania	14.80%
E.ON Gaz Romania	13.92%

### Gas delivery

bcm	2007	2008	2009
distributing companies	2.27	1.84	1.68
eligible consumers	3.30	3.74	3.88



## E.ON Gaz Distributie

E.ON Gaz Distributie SA Sector: Gas Utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>1,531</b>	<b>685</b>	<b>724</b>
<b>EBITDA</b>	<b>161</b>	<b>52</b>	<b>236</b>
Depreciation	84	106	109
<b>EBIT</b>	<b>77</b>	<b>-54</b>	<b>127</b>
Net financials	-4	3	-7
<b>EBT</b>	<b>73</b>	<b>-51</b>	<b>119</b>
Tax	8	5	18
<b>Net Profit (Loss)</b>	<b>65</b>	<b>-56</b>	<b>101</b>
Net Fixed Assets	987	1,037	1,111
Investments	5	7	6
Current Assets	276	186	153
Cash&Cash Equivalents	5	1	1
<b>Total Assets</b>	<b>1,263</b>	<b>1,224</b>	<b>1,264</b>
Bank Debts	29	105	75
Net debt	24	104	74
Other liabilities	294	281	290
<b>Shareholders Equity</b>	<b>939</b>	<b>838</b>	<b>900</b>
<b>Sales growth</b>		-55.3%	5.8%
<b>EBITDA growth</b>		-67.5%	350.1%
<b>EBITDA margin</b>	10.5%	7.6%	32.6%
<b>Net profit margin</b>	4.2%	-8.2%	14.0%
<b>Debt/Equity</b>	3.1%	12.5%	8.3%
<b>Net debt/EBITDA</b>	0.1	2.0	0.3
<b>Current ratio</b>	0.94	0.66	0.53
<b>Tax rate</b>	11%	-11%	16%
<b>Working Capital</b>	-18	-94	-136
<b>WC % on sales</b>	-1%	-14%	-19%
<b>CAPEX</b>		172	203
<b>Receivables collection da</b>	66	99	77
<b>Creditors payment days</b>	78	162	216

In 1998 Distrigaz Nord was set up as a subsidiary of Romgaz and in 2000 became a standalone distribution & supply company. It was privatized in 2005 when E.ON Ruhrgas acquired a 30% stake for EUR 125m and then increased its participation with another 21% by share capital increase. As a result, E.ON's total stake added up to 51% or EUR 304m. In 2006 it changed its name to E.ON Gaz Romania and in 2007 separated its supply and distribution activities: E.ON Gaz Distributie took over the distribution activity while E.ON Gaz Romania continued the activity as a natural gas supplier. In 2008 E.ON Ruhrgas International AG sold its 51% stake to E.ON Gaz Romania Holding SRL.

The company had in 2009 a market share of 35.6%.

E.ON Gaz Distributie owns a distribution network of 18,800 km pipelines on an area of 122,600 km<sup>2</sup> in the Northern part of Romania.

Main clients are:

- E.ON Gaz Romania SA – 77.2% of total turnover;
- E.ON Servicii SRL - 4.8% of total turnover.

Main suppliers:

- E.ON Gaz Romania – 10.3% of total opex;
- E.ON Servicii SRL – 9.5% of total opex.

### Turnover breakdown

RON m	2007	2008	2009
Distribution services	286.02	611.54	652.38
Other services	33.14	73.28	71.95
Waste sales	0.12	0.21	0.12

## E.ON Gaz Romania

In 1998 Distrigaz Nord was set up as a subsidiary of Romgaz and in 2000 became a standalone distribution & supply company. It was privatized in 2005 when E.ON Ruhrgas acquired a 30% stake for EUR 125m and then increased its participation with another 21% by share capital increase. As a result, E.ON's total stake added up to 51% or EUR 304m. In 2006, it changed its name to E.ON Gaz Romania and in 2007 separated its supply and distribution activities: E.ON Gaz Distributie took over the distribution activity while E.ON Gaz Romania continued the activity as a natural gas supplier. In 2008 E.ON Ruhrgas International AG sold its 51% stake to E.ON Gaz Romania Holding SRL.

According to the merger plan prepared by E.ON Gaz Romania, in June 2010, E.ON Moldova Furnizare and E.ON Gaz Romania merger shall be implemented as of 31 of December 2010. Fondul Proprietatea voted against the merger and challenged various resolutions related to this merger.

The company had in 2009 a market share of 42.7% on the regulated market and 5.8% on the competitive market (around 22% cumulated).

### Turnover breakdown

RON m	2007	2008	2009
Natural gas sales	1,216.82	2,967.92	2555.62
Services	0.77	1.51	0.87
Other revenues	0.037	0.016	1.18

Distribution base in 2009 was estimated at about 1.5 million clients. The company supplies the natural gas services to over 20 counties in the northern area of Romania.

Some of main suppliers of the company are:

- Petrom (25% of opex);
- Romgaz (20.5% of opex);
- Transgaz (8.1% of opex).

## GDF Suez Energy Romania

GDF Suez Energy Romania Sector: Gas Utilities			
RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>3,215</b>	<b>3,738</b>	<b>3,629</b>
<b>EBITDA</b>	<b>400</b>	<b>341</b>	<b>564</b>
Depreciation	170	191	118
<b>EBIT</b>	<b>229</b>	<b>149</b>	<b>447</b>
Net financials	16	0	-9
<b>EBT</b>	<b>245</b>	<b>150</b>	<b>437</b>
Tax	63	21	57
<b>Net Profit (Loss)</b>	<b>182</b>	<b>129</b>	<b>380</b>
Net Fixed Assets	2,195	2,395	2,551
Investments	44	107	94
Current Assets	1,204	1,143	1,240
Cash&Cash Equivalents	139	-77	143
<b>Total Assets</b>	<b>3,399</b>	<b>3,538</b>	<b>3,791</b>
Bank Debts	288	485	437
Net debt	149	562	295
Other liabilities	791	792	832
<b>Shareholders Equity</b>	<b>2,320</b>	<b>2,261</b>	<b>2,522</b>
<b>Sales growth</b>		16.3%	-2.9%
<b>EBITDA growth</b>		-14.8%	65.7%
<b>EBITDA margin</b>	12.4%	9.1%	15.6%
<b>Net profit margin</b>	5.7%	3.4%	10.5%
<b>Debt/Equity</b>	12.4%	21.4%	17.3%
<b>Net debt/EBITDA</b>	0.4	1.6	0.5
<b>Current ratio</b>	1.52	1.44	1.49
<b>Tax rate</b>	24%	14%	13%
<b>Working Capital</b>	413	350	408
<b>WC % on sales</b>	13%	9%	11%
<b>CAPEX</b>		425	297
<b>Receivables collection days</b>	137	112	125
<b>Creditors payment days</b>	103	85	99

### Natural gas delivery structure

MWh	2008	2009
households	12,601,430.00	12,957,266
non-households	21,654,597.00	19,680,019
<b>Total</b>	<b>34,256,027.000</b>	<b>32,637,285.000</b>

Distrigaz Sud was founded in 1998 as a subsidiary of Romgaz and in 2000 became a standalone distribution & supply company. It was privatized in 2005 when Gas de France Group became main shareholder by acquiring 30% for EUR 128m and completing a share capital increase for an additional 21% to increase its stake to 51% for a total EUR 310m. In June 2006 the 51% stake in Distrigaz Sud has been transferred to Romania Gas Holding. The company divided its activity into Distrigaz Sud Retele which holds the distribution license and Distrigaz Sud which kept the trading license and continued the activity as a natural gas supplier. In 2009 Distrigaz Sud became GDF Suez Energy Romania. Gas network is still owned by GDF Suez Energy Romania, but leased to Distrigaz Sud Retele.

The company had in 2009 a market share of 49.17% on the regulated market and 10.84% on the unregulated market.

GDF Suez Energy Romania owns a distribution network of 16,000 km pipelines in 18 counties in Oltenia, Muntenia, Dobrogea and Bucharest.

Distribution base in 2009 was estimated at about 1.3 million clients in the Southern area of the country and 2/3 from total sales are made by captive consumers.

Main suppliers are: OMV Petrom – 30% of total opex, ROMGAZ – 16% of total opex, Wintershall – 18% of total opex and Transgaz – 5% of total opex.

Current investments consist in pipelines modernization and extension and branching. In 2009 were realized investments worth RON 222.3m

## Airports and Ports

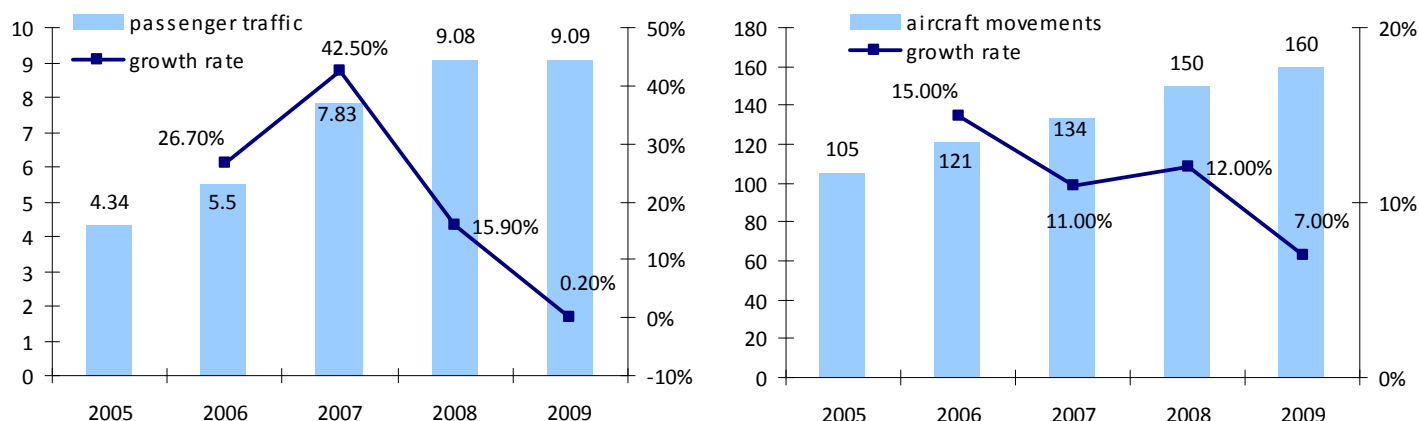
FP holds 20% stakes in four of Romania's largest airports and four ports operators worth RON 412m, according to our valuation, accounting for 2.83% of FP's portfolio value (2.26% airports and 0.56% ports).

Romania has a key geographical location, at the cross-roads of the major routes which link Western Europe to the Black Sea and the Middle East, three of the ten Pan-European transport corridors passing through our country.

The transport infrastructure is public property of the state and the Ministry of Transportation is in charge with developing the general transport strategy and policy, defining needs in terms of network development, dealing with international organisations and organizing the transport operation through licensing of operators and setting up regulations for the transport sector.

### Airports

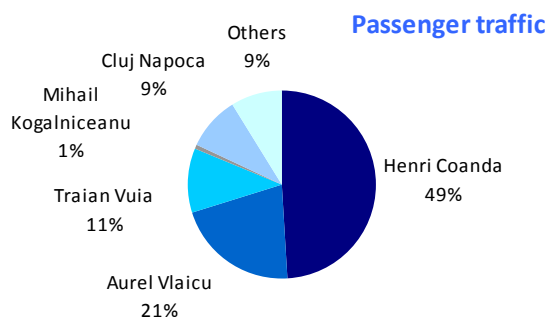
Passenger air traffic in Romania has increased significantly starting with 2005 and posted a positive growth rate since. This is explained by the growing economy as well as by the liberalization of Romanians' travel inside the EU. In 2008 and 2009, the air traffic was resilient to the weak economic conditions mainly due to low cost flights as frequent passengers switched from traditional flights to low cost flights. The number of passengers recorded in 2009 was of 9.09m out of which around 86% were in international flights.



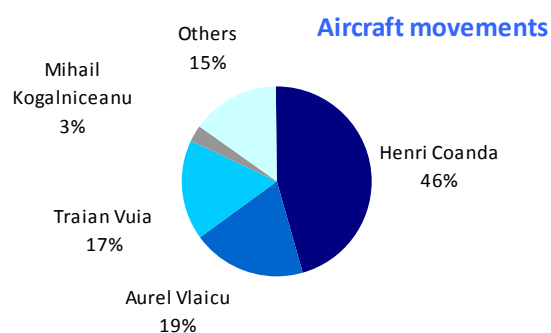
Source: NSI, Ministry of Transportation

Cargo air transportation showed a similar pattern with passenger transportation, with quantities transported in 2009 down 8% YoY from 26 th tons to 24 th tons.

The Romanian airport infrastructure is composed of 16 commercial airports and most of them operate both national and international flights. The airports located in Bucharest, Timisoara and Constanta are under the administration of the Ministry of Transportation and Infrastructure, while the others operate under local administration.



Source: Companies, Ministry of Transportation



Source: Companies, Ministry of Transportation

The largest Romanian airport is Aeroportul International Henry Coanda servicing 4.5 million passengers, while other important airports are Traian Vuia airport located in Timisoara and servicing 0.96 million passengers and Cluj-Napoca Airport servicing 0.83 million passengers in 2009.

The most important announced investment project is the construction of an international airport in the centre part of the country. In 2006 the Government announced investment plans for building Brasov-Ghimbav International Airport, designed with a capacity of 1 million passengers annually. In April 2008 the construction was inaugurated and the deadline was set at 24-30 months, but due to various reasons the construction works have not started.

The Romanian Civil Aviation Authority is delegated to elaborate regulations, implement and enforce the national civil aviation, licence the civil aviation personnel, certify aircrafts, products and associated parts of civil aircraft, register aircrafts.

The tariffs charged by the airports are negotiated with the airline companies and refer to passenger tariff, landing, lighting, parking, handling activities, etc.

Henri Coanda Airport, Aurel Vlaicu Airport, Mihail Kogalniceanu Airport and Timisoara Traian Vuia Airport should have been privatized through a secondary public selling offer for a stake of 5% of each company's shares on Bucharest Stock Exchange. However, this process started in 2008 was suspended and there is no applicable legal provision for re-launching it.

## Compania Nationala Aeroporturi Bucuresti

Following a Government decision in 2009, the two companies operating in Bucharest, respectively Aeroportul International Henri Coanda and Aeroportul International Aurel Vlaicu, merged into a new entity called Compania Nationala Aeroporturi Bucuresti. The new company provides the management and operational coordination of the two airports servicing Bucharest. The company has commenced its activity in February 2010. CNAB ensures more than 70% of airlines passengers.

	Henri Coanda	Aurel Vlaicu	
<b>operational capacity</b>	39 aircraft movements/hour	15 aircraft movements/hour	Main clients are: <ul style="list-style-type: none"> <li>Tarom;</li> <li>Blue Air Transport Aerian;</li> <li>Wizz Air Hungary;</li> <li>Deutsche Lufthansa AG;</li> <li>Air France.</li> </ul>
<b>runway</b>	3500m x 45m	3200m	
<b>platforms</b>	45 aircraft parking positions	22 aircraft parking positions	
<b>processing capacity</b>	(passengers/peak hour/flow)	(passengers/hour)	Main suppliers are: Romairport, Rmprest Service, Asocierea UTI Gemmo, Uti Facility Management, Mb Telecom, Enel Energie Muntenia, Romprest Security, Emp Trade, AUTORITATEA Aeronautica Civila and Uti Grup.
international flights	1,200	1000	
domestic flights	270		

On investments side, Stage III of the airport development and modernization project which will increase the terminals capacity up to 6m passengers per year, worth EUR 150m and having 2012 as deadline.

Further more, there is also a Strategic program for airport infrastructure development with an estimated value of EUR 450m for the passenger terminal modules 1 and 2 and corresponding capacities.

**Aeroportul International  
Henri Coanda  
Sector: Airports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>261</b>	<b>297</b>	<b>305</b>
<b>EBITDA</b>	<b>160</b>	<b>157</b>	<b>138</b>
Depreciation	55	78	80
<b>EBIT</b>	<b>105</b>	<b>79</b>	<b>58</b>
Net financials	-4	38	14
<b>EBT</b>	<b>101</b>	<b>117</b>	<b>72</b>
Tax	14	14	12
<b>Net Profit (Loss)</b>	<b>87</b>	<b>103</b>	<b>59</b>
Net Fixed Assets	1,458	1,502	1,576
Investments	24	58	58
Current Assets	198	204	119
Cash&Cash Equivalents	112	90	30
<b>Total Assets</b>	<b>1,655</b>	<b>1,705</b>	<b>1,694</b>
Bank Debts	150	128	13
Net debt	39	38	-18
Other liabilities	623	635	627
<b>Shareholders Equity</b>	<b>882</b>	<b>942</b>	<b>1,055</b>
<b>Sales growth</b>		13.4%	2.7%
<b>EBITDA growth</b>		-2.1%	-12.3%
<b>EBITDA margin</b>	61.3%	52.9%	45.2%
<b>Net profit margin</b>	33.3%	34.8%	19.5%
<b>Debt/Equity</b>	17.0%	13.6%	1.2%
<b>Net debt/EBITDA</b>	0.2	0.2	-0.1
<b>Current ratio</b>	0.32	0.32	0.19

## Aeroportul International Henri Coanda

The largest Romanian airport as in 2009 it has served almost half of total passengers, namely 4.5 million, and also around 455 of aircrafts landed on and took-off from its runways. Located 20 km from Bucharest, it is the largest and most technically advanced Romanian airport. Flights operated on the airport are serviced by two runways of 3,500m length and 45m width and 45 standing posts for aircrafts. Most of the European national airlines and some low cost companies operate flights from this airport.

### Indicators

	2007	2008	2009
no of passengers	4,978,587	5,064,230	4,483,661
aircraft movements	70,588	71,714	72,697
cargo (tons)	14,440	18,975	18,476
mail (tons)	2,983	3,489	3,109

### Turnover breakdown RON th

	2007	2008	2009
Main activities	217,681	247,391	251,541
Rental of spaces	11,989	15,303	18,422
Selling commodities	5,157	5,176	3,686
Miscellaneous	26,538	28,646	30,890
<b>Total</b>	<b>261,386</b>	<b>296,518</b>	<b>304,513</b>

**Aeroportul Aurel Vlaicu  
Sector: Airports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>37</b>	<b>68</b>	<b>91</b>
<b>EBITDA</b>	<b>18</b>	<b>37</b>	<b>43</b>
Depreciation	2	14	18
<b>EBIT</b>	<b>16</b>	<b>23</b>	<b>25</b>
Net financials	-27	-23	-4
<b>EBT</b>	<b>-11</b>	<b>0</b>	<b>20</b>
Tax	0	0	6
<b>Net Profit (Loss)</b>	<b>-11</b>	<b>0</b>	<b>15</b>
Net Fixed Assets	1,922	5,919	5,918
Investments	0	0	0
Current Assets	23	49	48
Cash&Cash Equivalents	3	9	33
<b>Total Assets</b>	<b>1,945</b>	<b>5,968</b>	<b>5,966</b>
Bank Debts	0	0	0
Net debt	-3	-9	-33
Other liabilities	1,908	2,013	1,993
<b>Shareholders Equity</b>	<b>37</b>	<b>3,955</b>	<b>3,973</b>
<b>Sales growth</b>		83.3%	33.6%
<b>EBITDA growth</b>		109.0%	16.1%
<b>EBITDA margin</b>	47.7%	54.4%	47.2%
<b>Net profit margin</b>	-29.1%	-0.1%	16.0%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-0.2	-0.2	-0.8
<b>Current ratio</b>	0.01	0.02	0.02

## Aeroportul International Aurel Vlaicu

The smaller airport of Bucharest, Aurel Vlaicu Airport is focused mainly on low cost flights. Its traffic figures rose from 0.17 million passengers in 2003 to almost 2 million passengers in 2009. Flights operated on the airport are serviced by one runway of 3,200m length, including 22 standing posts for aircrafts.

### Indicators

	2007	2008	2009
no of passengers	968,084	1,724,633	1,974,337
aircraft movements	17,916	28,167	31,024

### Turnover breakdown RON th

	2007	2008	2009
Airport taxes	29,981	57,244	85,018
Rental of spaces	4,255	4,525	6,150
Residual products	3,000	6,480	193
<b>Total</b>	<b>37,237</b>	<b>68,249</b>	<b>91,169</b>

**Aeroportul International  
Mihail Kogalniceanu  
Sector: Airports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>20.088</b>	<b>13.303</b>	<b>14.072</b>
<b>EBITDA</b>	<b>1.092</b>	<b>2.573</b>	<b>2.876</b>
Depreciation	1.155	2.090	2.779
<b>EBIT</b>	<b>-0.064</b>	<b>0.483</b>	<b>0.097</b>
Net financials	0.078	0.046	0.044
<b>EBT</b>	<b>0.015</b>	<b>0.529</b>	<b>0.141</b>
Tax	0.005	0.084	0.043
<b>Net Profit (Loss)</b>	<b>0.010</b>	<b>0.446</b>	<b>0.098</b>
Net Fixed Assets	43.800	52.318	50.489
Investments	0.000	0.000	0.000
Current Assets	3.486	3.963	2.265
Cash&Cash Equivalents	1.898	1.746	0.739
<b>Total Assets</b>	<b>47.286</b>	<b>56.281</b>	<b>52.755</b>
Bank Debts	0.000	0.000	0.000
Net debt	-1.898	-1.746	-0.739
Other liabilities	39.485	43.898	40.270
<b>Shareholders Equity</b>	<b>7.800</b>	<b>12.382</b>	<b>12.485</b>
<b>Sales growth</b>		-33.8%	5.8%
<b>EBITDA growth</b>		135.7%	11.8%
<b>EBITDA margin</b>	5.4%	19.3%	20.4%
<b>Net profit margin</b>	0.0%	3.3%	0.7%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-1.7	-0.7	-0.3
<b>Current ratio</b>	0.09	0.09	0.06

**Aeroportul International  
Timisoara Traian Vuia  
Sector: Airports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>23.473</b>	<b>30.545</b>	<b>41.067</b>
<b>EBITDA</b>	<b>7.318</b>	<b>10.646</b>	<b>12.212</b>
Depreciation	4.068	4.838	6.558
<b>EBIT</b>	<b>3.249</b>	<b>5.809</b>	<b>5.655</b>
Net financials	-0.310	-0.051	-0.571
<b>EBT</b>	<b>2.940</b>	<b>5.758</b>	<b>5.083</b>
Tax	0.522	0.884	1.575
<b>Net Profit (Loss)</b>	<b>2.417</b>	<b>4.874</b>	<b>3.508</b>
Net Fixed Assets	113.646	133.836	144.285
Investments	0.000	0.000	0.000
Current Assets	5.012	7.982	17.501
Cash&Cash Equivalents	1.938	2.614	1.164
<b>Total Assets</b>	<b>118.658</b>	<b>141.818</b>	<b>161.786</b>
Bank Debts	0.000	1.295	5.474
Net debt	-1.938	-1.319	4.309
Other liabilities	100.159	118.429	131.619
<b>Shareholders Equity</b>	<b>18.499</b>	<b>22.094</b>	<b>24.693</b>
<b>Sales growth</b>		30.1%	34.4%
<b>EBITDA growth</b>		45.5%	14.7%
<b>EBITDA margin</b>	31.2%	34.9%	29.7%
<b>Net profit margin</b>	10.3%	16.0%	8.5%
<b>Debt/Equity</b>	0.0%	5.9%	22.2%
<b>Net debt/EBITDA</b>	-0.3	-0.1	0.4
<b>Current ratio</b>	0.05	0.07	0.13

## Aeroportul International Mihail Kogalniceanu Constanta

Located in the eastern part of Romania, it was designed to facilitate tourists flow to seaside resorts. Flights operated on the airport are serviced by one runway of 3,500m length and 45m width, including

The airport has the runway dimension of 3,500m x 45m and a capacity of 18 parking pays. The processing capacity for international flights is of 300 passengers/hour, while for domestic flights is of 50 passengers/hour.

Main clients are Ryanair 38%, Eurojet Limited 14%, Blue Air 8%, Carpatair 7% AND Tarom 6% and they ensure more than 70% of total revenues.

Main suppliers are Rompetrol for gas and siesel, Enel for electricity and Arrow and Navi Malisimo for current and auto repairs.

## Aeroportul International Traian Vuia Timisoara

Traian Vuia Airport is the country's third airport in terms of passenger traffic and the largest regional airport, located in the western part of Romania. In 2002 the airport posted a number of 0.27 million passengers and rose to almost 1 million passengers transported in 2009. Flights operated on the airport are serviced by one runway of 3,500m length and 45m width, including 22 standing posts for small and medium aircrafts.

Turnover consists mainly of security and passenger boarding services fees.

The airport has an operational capacity of 14 aircraft movements/hour, a runway dimension of 3,500m x 45m and a capacity of 22 parking posts. The processing capacity for international flights is of 800 passengers/hour, while for domestic flights is of 500 passengers/hour.

Main clients are Carpatair, Tarom, Blue Air, Lufthansa, Austrian Airlines, Wiss Air.

Main supplier of equipment and services is Saero.

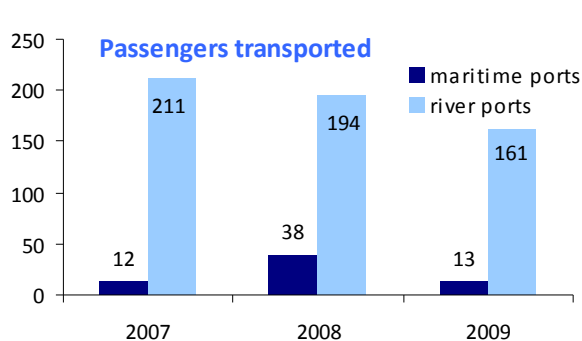
### Historic data

	2005	2006	2007	2008	2009
Movements	23	25	25	27	28
no of passengers	612	754	861	890	957

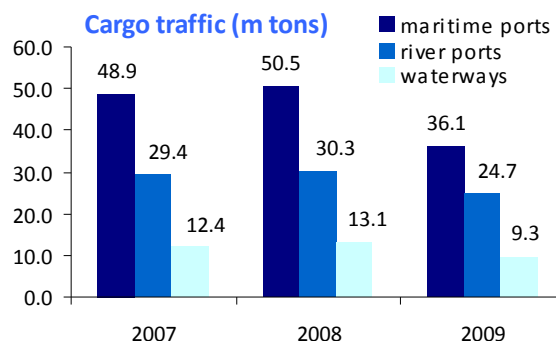


## Ports

The total lengths of navigable water is of 1,779 km. River traffic is conducted almost exclusively in the south and south-eastern area of the country, on the Danube River (1,599 km) from its entry in the country in Bazias up to Braila for 2m draught ships. Between Braila and Sulina the maritime Danube is navigable for up to 7m draught ships. Due to low costs and important cargo volumes that can be transported, the Danube is one of the most advantageous means of transportation, an efficient alternative to the European rail and road congested transport.



Source: NSI, Ministry of Transportation



Source: NSI, Ministry of Transportation

Starting with 2008, the number of passengers has followed a downward path, which accelerated in 2009. Thus, in 2008 the number of passengers transported through Romania river ports has declined by almost 8% compared to the previous year, while in 2009 it faced a decline of around 17% YoY.

The cargo traffic through ports was influenced by the economic downturn that the economy faced in 2009. In volume terms the 2009 dive was of almost 28% for the goods carried through Romanian maritime ports and around 18% for those carried through the river ports. As for goods transported through waterways, the drop was of 29% in 2009.

Most of Romanian ports are managed by four state-owned companies, which award concessions to private bodies for port operations: Administratia Porturilor Maritime, Administratia Porturilor Dunarii Maritime, Administratia Porturilor Dunarii Fluviale and Administratia Canalelor Navigabile. The four national companies design and implement the strategies and policies for the development of the ports under their administration, ensure the functionality of the ports and naval transport infrastructure.

Investment plans announced by the Government for this sector are aimed at developing the Romanian port infrastructure and improving the navigation conditions in the Romanian ports. Further investments refer to the extension of the North Breakwater in Constanta port to improve operating conditions and stationing of ships at dockside in Constanta-Sud – Agigea.

Administratia Porturilor Maritime, Administratia Porturilor Dunarii Maritime, Administratia Porturilor Dunarii Fluviale and Administratia Canalelor Navigabile should have been privatized through a secondary public selling offer for a stake of 5% of each company's shares on Bucharest Stock Exchange. However, this process started in 2008 was suspended in 2009 without any details for the timing and probability of it.

**CN Administratia Porturilor  
Dunarii Maritime  
Sector: Ports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>8.787</b>	<b>9.366</b>	<b>9.331</b>
<b>EBITDA</b>	<b>0.921</b>	<b>0.649</b>	<b>1.067</b>
Depreciation	0.813	0.684	0.834
<b>EBIT</b>	<b>0.108</b>	<b>-0.035</b>	<b>0.234</b>
Net financials	-0.033	0.062	-0.007
<b>EBT</b>	<b>0.075</b>	<b>0.026</b>	<b>0.227</b>
Tax	0.075	0.014	0.063
<b>Net Profit (Loss)</b>	<b>0.000</b>	<b>0.012</b>	<b>0.164</b>
Net Fixed Assets	21.187	18.865	23.414
Investments	0.325	0.496	0.185
Current Assets	1.360	2.350	2.049
Cash&Cash Equivalents	0.177	0.539	0.186
<b>Total Assets</b>	<b>22.547</b>	<b>21.214</b>	<b>25.463</b>
Bank Debts	0.294	0.239	0.056
Net debt	0.117	-0.300	-0.129
Other liabilities	15.529	14.241	16.966
<b>Shareholders Equity</b>	<b>6.724</b>	<b>6.734</b>	<b>8.441</b>
<b>Sales growth</b>		6.6%	-0.4%
<b>EBITDA growth</b>		-29.6%	64.5%
<b>EBITDA margin</b>	10.5%	6.9%	11.4%
<b>Net profit margin</b>	0.0%	0.1%	1.8%
<b>Debt/Equity</b>	4.4%	3.5%	0.7%
<b>Net debt/EBITDA</b>	0.1	-0.5	-0.1
<b>Current ratio</b>	0.09	0.16	0.12

**CN Administratia Porturilor  
Dunarii Fluviale  
Sector: Ports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>16.066</b>	<b>19.883</b>	<b>18.640</b>
<b>EBITDA</b>	<b>6.495</b>	<b>6.241</b>	<b>5.568</b>
Depreciation	0.719	1.233	1.594
<b>EBIT</b>	<b>5.776</b>	<b>5.009</b>	<b>3.974</b>
Net financials	0.232	0.293	0.207
<b>EBT</b>	<b>6.007</b>	<b>5.301</b>	<b>4.181</b>
Tax	0.999	0.903	0.750
<b>Net Profit (Loss)</b>	<b>5.008</b>	<b>4.398</b>	<b>3.431</b>
Net Fixed Assets	33.799	34.352	44.300
Investments	0.000	0.000	0.000
Current Assets	10.525	7.672	6.131
Cash&Cash Equivalents	5.643	3.751	3.271
<b>Total Assets</b>	<b>44.324</b>	<b>42.025</b>	<b>50.430</b>
Bank Debts	0.000	0.000	0.000
Net debt	-5.643	-3.751	-3.271
Other liabilities	33.549	29.442	29.128
<b>Shareholders Equity</b>	<b>10.775</b>	<b>12.582</b>	<b>21.302</b>
<b>Sales growth</b>		23.8%	-6.3%
<b>EBITDA growth</b>		-3.9%	-10.8%
<b>EBITDA margin</b>	40.4%	31.4%	29.9%
<b>Net profit margin</b>	31.2%	22.1%	18.4%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-0.9	-0.6	-0.6
<b>Current ratio</b>	0.31	0.26	0.21

## Administratia Porturilor Dunarii Maritime

APDM is a joint stock company which manages the entire port infrastructure situated along maritime Danube, public property under concession for 49 years.

It operates ports (Galati, Braila, Tulcea, Isaccea, Macin, Chilia Veche, Mahmudia, Smardan and Harsova), working points (Gura Arman and Turcoaia) and berths (Crisan, Maliuc, Gorgova, Partizani and Babarada).

The company manages the entire port infrastructure situated along maritime Danube from km 12.5 to km 17.5 and from km 251 to km 255.

Main clients in Galati are Port Bazinul Nou SA, Docuri SA CNFR Navrom SA, Romportmet SA, Navlomar Maritime CTA; in Braila are Hercules SA, Transeuropa Port SA; and in Tulcea are Deltanav SA and Navrom Delta SA.

Main suppliers are represented by energy and fossil fuels providers.

### Port traffic breakdown

		2007	2008	2009	H110
fluvial	th tons	12,468	10,635	5,543	3,768
	no of vessels	7,844	6,627	3,729	2,146
maritime	th tons	1,912	2,086	2,241	1,287
	no of vessels	666	700	624	341
Total	th tons	14,380	12,721	7,784	5,055
	no of vessels	8,510	7,327	4,353	2,487

## Administratia Porturilor Dunarii Fluviale

The company acts as port authority within its area of operations, in the limits of port territories, the limits of port lands and for the water transport infrastructure in ports on Upper Danube, fluvial Danube.

CNAPDF is structured into functional subunits: a branch in Drobeta Turnu Severin, two agencies in Bechet and Calafat and other subordinate working stations that fulfil the port authority function in their corresponding jurisdictional area.

The ports under its administration have the capacity to ensure freight traffic of 15 million tons/year, using berths with a total length of 16,200m<sup>3</sup>.

Main suppliers provide electricity, repair services, maintenance and port operation and navigation assistance. Leading suppliers in 2009 were: Enel, Ned Construct, Argos SA, Cosali Construct SRL and CSC Severin.

### Cargo type (tons)

	2007	2008	2009
Grains	223,373	194,725	242,381
Raw mineral products	2,153,114	2,277,174	1,712,816
Oil products&gas	140,838	162,592	212,036
Lime, cement, construction materials	220,110	466,034	93,156
<b>Total</b>	<b>3,418,627</b>	<b>3,604,777</b>	<b>2,779,469</b>

**CN Administratia Porturilor  
Maritime Constanta  
Sector: Ports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>177.347</b>	<b>220.039</b>	<b>209.788</b>
<b>EBITDA</b>	<b>61.836</b>	<b>61.899</b>	<b>57.706</b>
Depreciation	36.116	33.732	34.010
<b>EBIT</b>	<b>25.720</b>	<b>28.167</b>	<b>23.696</b>
Net financials	-9.103	-12.775	-8.445
<b>EBT</b>	<b>16.617</b>	<b>15.392</b>	<b>15.251</b>
Tax	3.084	3.341	2.883
<b>Net Profit (Loss)</b>	<b>13.533</b>	<b>12.051</b>	<b>12.368</b>
Net Fixed Assets	579.360	573.659	579.935
Investments	1.424	0.555	0.553
Current Assets	344.015	410.556	339.038
Cash&Cash Equivalents	36.274	27.424	34.646
<b>Total Assets</b>	<b>923.376</b>	<b>984.215</b>	<b>918.973</b>
Bank Debts	109.115	102.337	89.362
Net debt	72.841	74.914	54.716
Other liabilities	540.608	604.088	527.284
<b>Shareholders Equity</b>	<b>273.653</b>	<b>277.790</b>	<b>302.328</b>
<b>Sales growth</b>		24.1%	-4.7%
<b>EBITDA growth</b>		0.1%	-6.8%
<b>EBITDA margin</b>	34.9%	28.1%	27.5%
<b>Net profit margin</b>	7.6%	5.5%	5.9%
<b>Debt/Equity</b>	39.9%	36.8%	29.6%
<b>Net debt/EBITDA</b>	1.2	1.2	0.9
<b>Current ratio</b>	0.64	0.68	0.64

**CN Administratia Canalelor  
Navigabile Constanta  
Sector: Ports**

RON m	2007A	2008A	2009A
<b>Revenues</b>	<b>26.349</b>	<b>36.644</b>	<b>36.146</b>
<b>EBITDA</b>	<b>4.625</b>	<b>6.749</b>	<b>7.479</b>
Depreciation	5.016	5.317	5.359
<b>EBIT</b>	<b>-0.391</b>	<b>1.432</b>	<b>2.120</b>
Net financials	0.611	0.995	1.166
<b>EBT</b>	<b>0.221</b>	<b>2.427</b>	<b>3.285</b>
Tax	0.035	0.353	0.772
<b>Net Profit (Loss)</b>	<b>0.186</b>	<b>2.074</b>	<b>2.513</b>
Net Fixed Assets	65.304	74.487	76.227
Investments	0.070	0.070	0.070
Current Assets	16.155	15.744	18.620
Cash&Cash Equivalents	11.033	10.021	9.700
<b>Total Assets</b>	<b>81.459</b>	<b>90.231</b>	<b>94.847</b>
Bank Debts	0.000	0.000	0.000
Net debt	-11.033	-10.021	-9.700
Other liabilities	6.197	12.993	16.232
<b>Shareholders Equity</b>	<b>75.262</b>	<b>77.238</b>	<b>78.614</b>
<b>Sales growth</b>		39.1%	-1.4%
<b>EBITDA growth</b>		45.9%	10.8%
<b>EBITDA margin</b>	17.6%	18.4%	20.7%
<b>Net profit margin</b>	0.7%	5.7%	7.0%
<b>Debt/Equity</b>	0.0%	0.0%	0.0%
<b>Net debt/EBITDA</b>	-2.4	-1.5	-1.3
<b>Current ratio</b>	2.61	1.21	1.15

## Administratia Porturilor Maritime Constanta

The company acts as port authority for the Romanian maritime ports Constanta, Midia and Mangalia and for Tomis Marina.

CNAPM is structured into four branches: energy supply branch, port services branch, technical ships branch and Constanta South and Basarabi free trade areas branch.

Main clients are South Container Terminal (30% turnover), Schenker Romtrans (16% turnover), Socep (10% turnover) and Chimcomplex (10% turnover), while the main freighters were IDU Shipping (22% turnover), Rompetrol Logistics (15% turnover) and North Star SH (11% turnover).

Main equipment and service suppliers were Siemens, Marsat and ABC Val.

### Port traffic breakdown (th tons)

	2008	2009
bulk cargo		
liquid cargo	14,404	11,749
solid cargo	29,595	20,692
other general cargo	4,679	3,590
containers	13,030	5,898
TEU	1,380,935	594,303
no of stops - maritime vessels	5,950	4,960
no of stops - river vessels	8,031	6,822
<b>Total</b>	<b>61,838</b>	<b>42,014</b>

## Administratia Canalelor Navigabile

The company acts as port authority for 4 ports and 4 locks, having as main activity the performance of ancillary services for naval transportation. The company operates the assets on a concession agreement concluded for a period of 49 years for a royalty fee of 3% of the annual turnover.

Overall traffic dropped by 29% in 2009 YoY from 13.1m tons to 9.2m tons. The domestic traffic was 4.1m tons, half of the 2008 cargo transit of 8.3m tons. In 2009, foreign traffic increased by 7% to 5.1m tons as a result of large grain exports from Hungary and Serbia.

Main clients in 2009 were CNFR Navrom SA, Canal Services Transcanal SRL, SNN Cernavoda branch, Phoenix Shipping and Trading.

Main suppliers in 2009 were Argos SA (38% of acquisitions), Utilnavorep (27% of acquisitions), Enel Energie (15% of acquisitions) and COIS (12% of acquisitions).

### Annual traffic capacity

Port	Capacity	Berth length	No of berths	Type of cargo
Luminita	2.5	700	5	raw materials, iron scrap
Ovidiu	1.0	400	5	raw materials
Basarabi	0.7	900	9	passengers, various materials
Medgidia	11.5		24	industrial and commercial cargo

## RECOMMENDATION SYSTEM

SSIF IEBA TRUST uses a Relative recommendation system. Such system indicates that each stock is rated on a basis of the excess return, measured by the relative value of the target (calculated) price and the current price, over a 12 months period of time.

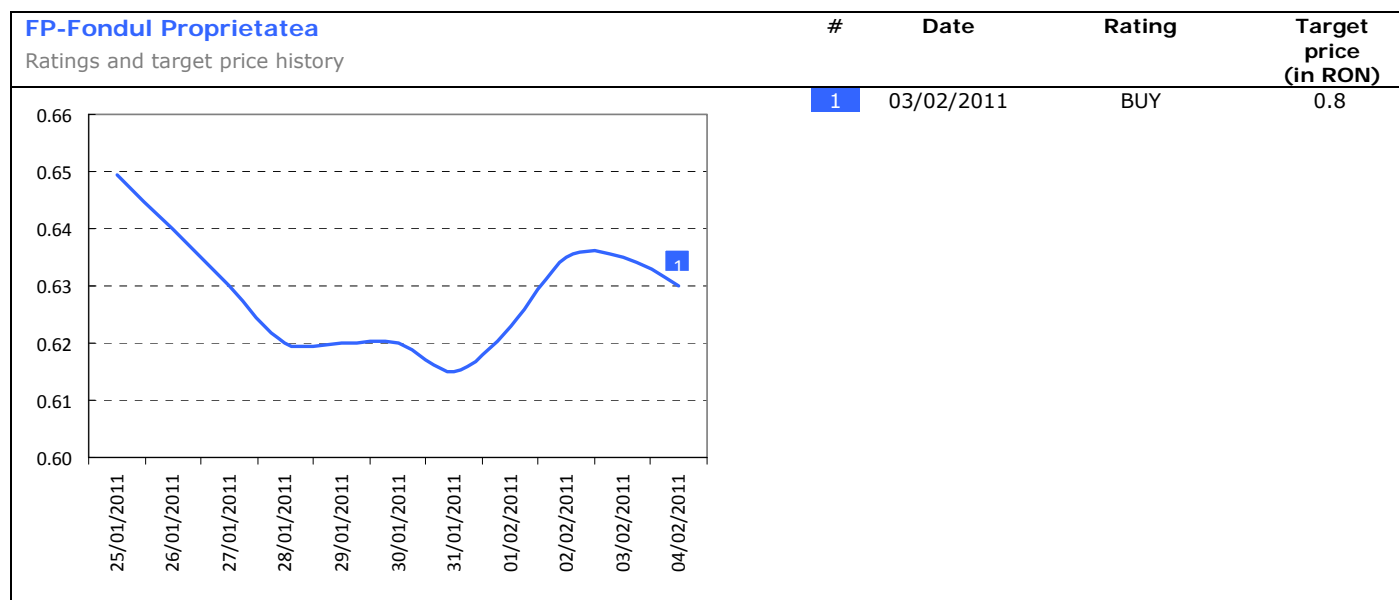
The range of recommendations for each stock consists of 4 elements: Buy (B), Accumulate (A), Hold (H), Reduce (R).

### SSIF IEBA TRUST RATINGS

BUY	The stock is expected to generate potential excess return over 15%
ACCUMULATE	The stock is expected to generate potential excess return of 5 to 15%
HOLD	The stock is expected to generate potential excess return of -5% to 5%
REDUCE	The stock is expected to generate potential excess return below -5%

Excess return: Target price/current price – 1

For the cases of Initial Public Offering, the above-mentioned recommendation system is not applied. In such cases, the recommendation is based on the comparison between the price of the Offering, and the fair value estimated by SSIF IEBA TRUST.



## Measures Definitions

IEBA Net Income	Adjusted Net Income for one-off items	
Net Cash Flow from operations	EBITDA (+/-) other provisions (+/-)(Increase)/Decrease in Working Capital	
FCF Equity	Net Cash Flow from operations (-) CAPEX	
Net debt	Total short-term and long-term bank debt (-) cash	
EV	Market Cap (avg historic or current) + book value of minorities + Net debt	
FCFPS	FCF Equity	Diluted no of shares
EPS (or IEBA)	Reported (or IEBA) Net Income	Diluted no of shares
BVPS	Total Equity	Year end no of shares
P/E (or IEBA)	Share Price (avg historic or current)	Reported (or IEBA) EPS
P/E IEBA at 52wks High	52 weeks High price (avg historic or current)	IEBA EPS / Diluted IEBA Earnings Per Share
P/BV	Share Price (avg historic or current)	BVPS
ROE	Reported Net Income	Average Total Equity
ROCE	Reported Net Income	Average (Total debt + Total Equity)
EV/EBITDA	EV (with avg historic or current)	Reported EBITDA
EV/EBITDA (x) at 52wks High	EV using 52 weeks High market cap (avg historic or current)	Reported EBITDA
EBITDA/Net financials	Reported EBITDA	Net financials: Net interest (+/-) Net financials
EV/CE (x)	EV (with avg historic or current)	CE: Total bank debt + Total Equity
FCF Yield	FCFPS	Share Price (avg historic or current)
Dividend Yield	DPS	Share Price (avg historic or current)
Dividend Payout	Dividend	Reported Net Income

Please observe relevant disclosures at the end of the report

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- c) has received compensation for financial investment services from the company within the last 12 months;
- d) is a market maker or stabilizing manager of the company's securities;
- e) has one or more members in the board of directors or supervisory board of the company

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