

PRESENTATION FOR INVESTORS Fondul Proprietatea 02.02.2011



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The headquarters of SC Fondul Proprietatea SA are at 78-80 Buzesti Str, 7th Floor, Bucharest District 1, 011017, Romania. Fondul Proprietatea's Fiscal Identification Code (CIF) is 18253260 and Trade Registry registration no is J40/21901/2005. The subscribed and paid share capital is RON 13,778,392,208. Fondul Proprietatea is registered with CNVM under no. PJR09SIIR/400006/18.08.2010

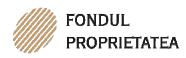




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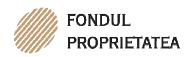
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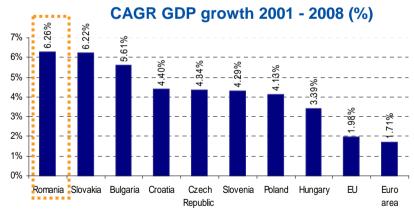


Romania - Snapshot



Romania - Macroeconomic Data





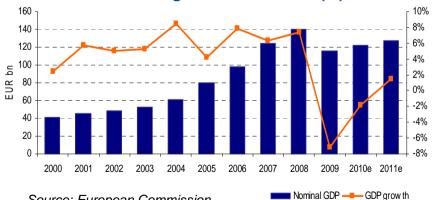
Source: EUROSTAT

Romania within the European Union

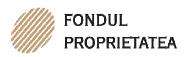
	Rank within the EU	Rank within new EU member countries*
• Size: 238,391 km²	9	2 (following Poland)
 Population: 21,469,959 (2009) Urban: 54.9% Rural: 45.1% 	7	2 (following Poland)
• GDP: EUR bn 115.94 (2009)	17	3 (following Poland and Czech Republic)
 GDP per capita: EUR 5,542 (2009) 	26	11

*2004 and 2007 accession waves

GDP growth 2000 - 2011 (%)



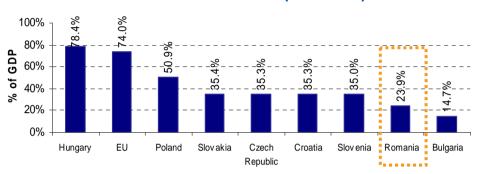
Source: European Commission





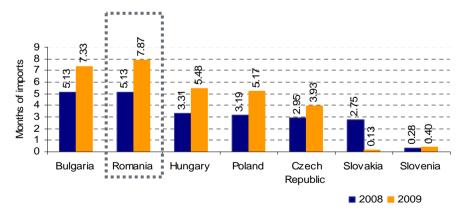
Romania - Solid Fundamentals

Public debt 2009 (% of GDP)



Source: EUROSTAT

Foreign currency official reserves 2008 – 2009 (months of imports)



Source: EUROSTAT



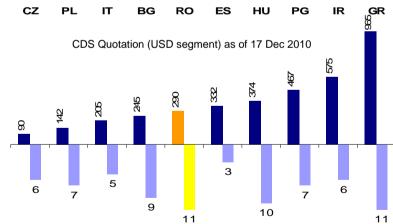
Source: National Bank of Romania

85 80

75

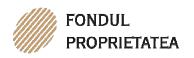
CDS quotations vs. no of notches to reach AAA status

dec.07 apr.08 aug.08 dec.08 apr.09 aug.09 dec.09 apr.10 aug.10



Notches to AAA rating using S&P sovereign foreign currency ratings (LT) as of 9 Dec 2010

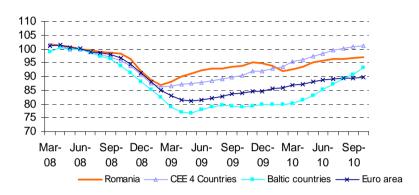
Source: Bloomberg, S&P website





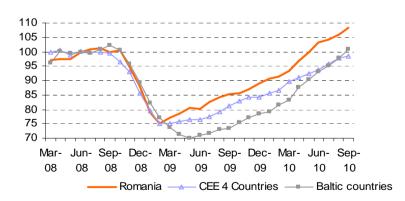
Recovery Underway

Industrial output 2008 - 2010



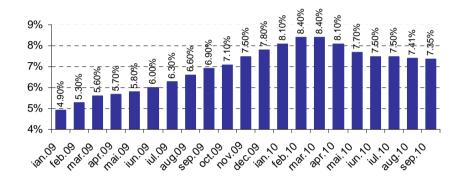
Source: EUROSTAT

Monthly FOB exports: 2008 - 2010



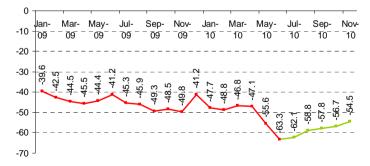
Source: EUROSTAT

Monthly unemployment 2009- 2010 (%)

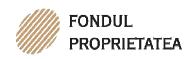


Source: National Institute of Statistics

Consumer confidence index 2009 – 2010



Source: European Commission





The Fund and the Fund Manager (Fund Manager and Sole Director)





The Fund – Key Facts and Shareholders Structure

0.2596

FUND DETAILS AS OF 31 DECEMBER 2010 RON Base currency Fund Launch Date 28 December 2005 Franklin Templeton **Appointment Date** 29 September 2010 Prospectus approval by NSC (available on: www.fondulproprietatea.ro, 16 December 2010 www.rciro.ro, www.brd.ro) Listing date 25 January 2011 EUR** RON **VALUES* NSC NAV** 3.58 bn 15.33 bn

1.1124

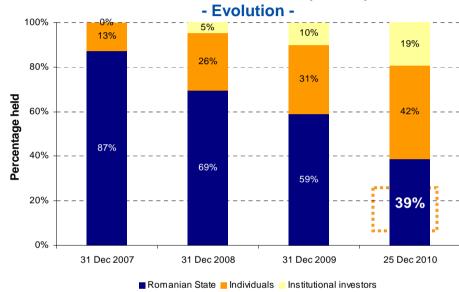
NSC NAV/share

^{**}Computed using the EUR/RON FX rate as of 31 December 2010

DIVIDENDS PAID	RON	EUR*
2006	0.0025	0.0070
2007	0.0066	0.0018
2008	-	-
2009	0.0816**	0.0193

^{*} Computed using the end of period EUR/RON FX rate

Shareholders structure (% held)

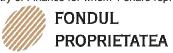


Source: audited IFRS financial statements for the 2007, 2008 & 2009 FY and FP for Dec 2010 figures

Certain restrictions apply to the voting rights for large holdings, until the Ministry of Finance declines under 33%. As a result, at 30 November 2010 the current 13,778 mn shares correspond to a number of 12,795 mn voting rights.

The voting restrictions imply that:

- for holdings < 1%, included: 1 share = 1 vote
- for holdings between 1-3%, included: for shares up to 1%, included, 1 share = 1 vote, for shares between 1% and 3%, included, 2 shares = 1 vote
- for holdings between 3-5%, included: for shares up to 1%, included, 1 share = 1 vote, for shares between 1% and 3%, included, 2 shares = 1 vote, for shares between 3% and 5%, included, 3 shares = 1 vote
- for holdings > 5%, included, for shares up to 1%, included, 1 share = 1 vote, for shares between 1% and 3%, included, 2 shares = 1 vote, for shares between 3% and 5%, included, 3 shares = 1 vote, for shares over 5% 1 share = 0 vote
- Except for the Ministry of Finance for whom 1 share represents 1 vote.



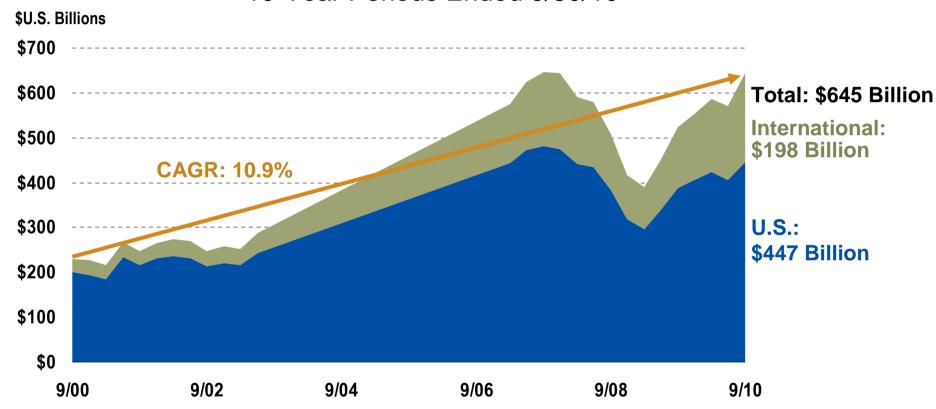
FRANKLIN TEMPLETON INVESTMENTS

^{*} As per 31 December 2010, based on NSC methodology

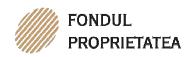
^{**} Distribution for the years 2008 and 2009

FTI's Asset Base Over Time

Franklin Templeton's Global Assets Under Management 10-Year Periods Ended 9/30/10



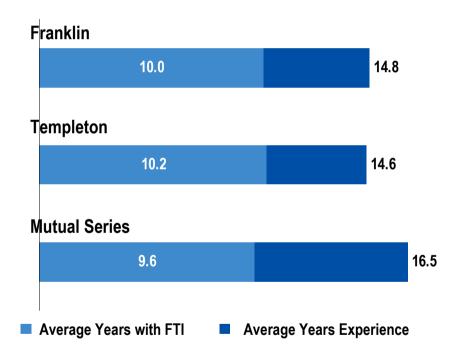
*CAGR (Compound Annual Growth Rate). Based on month-end assets under management by Franklin Resources Inc. and its subsidiaries in the period shown.



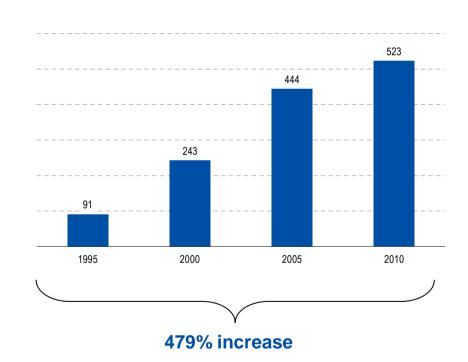


FTI – Depth of Experience and Expertise

Franklin Templeton Investment Professional Tenure¹



Number of Franklin Templeton Investment Professionals²



^{1.} As of 9/30/10. Tenure data includes portfolio managers, portfolio managers/analysts, research analysts and traders of Franklin, Templeton and Mutual Series investment management groups.



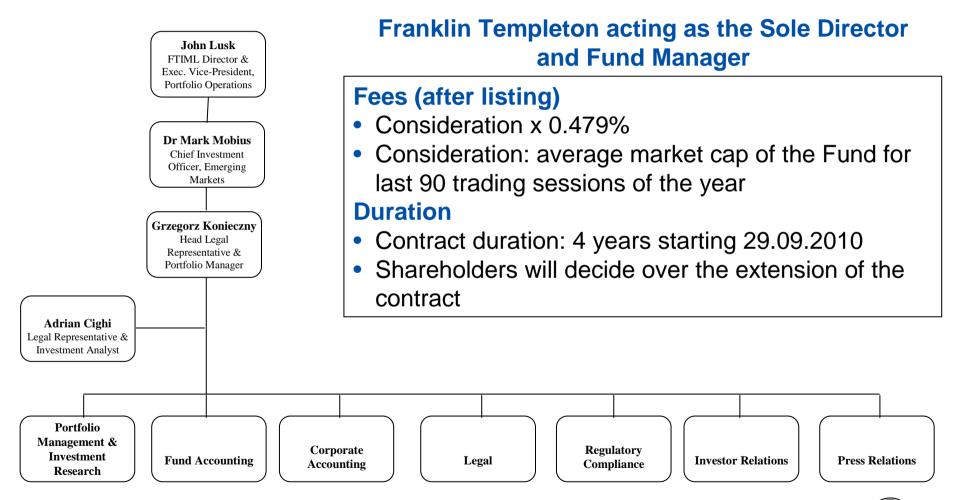


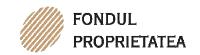
^{2.} As of 9/30/10. Investment Professionals includes portfolio managers, portfolio managers/analysts, research analysts and traders of Franklin, Templeton, Mutual Series, and subsidiary investment management groups.

Templeton Emerging Markets Group



The Fund Manager – Bucharest Branch and Summary of the Management Contract







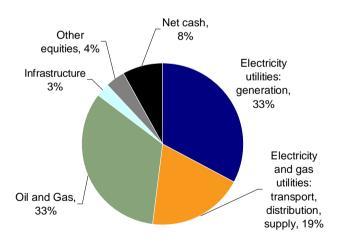
Fund Portfolio



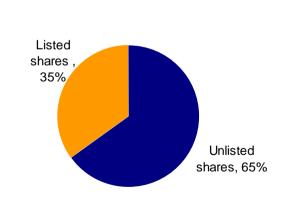
Portfolio Structure

- FP's portfolio includes stakes in 83 companies (28 listed and 55 unlisted), both privately-held and State-owned, ranging from less than 2% up to 100% (as of the date of the Prospectus)
- The portfolio weighs heavily on the power, oil and gas sectors (approx. 80% of the NSC NAV), offering unique exposure to the energy sector

Portfolio structure, breakdown on sector (% FP's NAV)



Portfolio structure, breakdown on listed vs. unlisted (% FP's holdings)



 Main unlisted company (% of total unlisted) – Hidroelectrica (36%)

 Main listed company (% of total listed) - OMV Petrom (77%)

FONDUL

PROPRIETATEA

Source: Reports prepared by the Fund's Manager as of 31 December 2010

Source: Reports prepared by the Fund's Manager as of 31

December 2010



Portfolio Valuation

NSC NAV

=

Total value of assets

-

Aggregated value of liabilities and revenues registered in advance

"Total value of assets" is calculated by aggregating long term assets, current assets, derivative instruments and prepaid expenses.

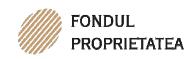
- NSC NAV computation:
 - Until October 2010 as per NSC Regulation 4/2010 illiquid/unlisted securities valued at book value and adjusted with specific discounts
 - Starting November 2010, assets valued according to international valuation standards (including the elimination of any discount applied to unlisted shares) - (see December 2010 NSC NAV computation in Appendix 1)

No.	PORTFOLIO COMPANY	NSC NAV Lei mn	NSC NAV EUR mn	% in total NSC NAV
1	OMV Petrom SA	3,816	891	24.90%
2	Hidroelectrica SA	3,287	767	21.44%
3	Romgaz SA	1,246	291	8.13%
4	Nuclearelectrica SA	706	165	4.60%
5	Complexul Energetic Turceni SA	530	124	3.46%
6	Transgaz SA	494	115	3.22%
7	Enel Distributie Muntenia	325	76	2.12%
8	CN Aeroporturi Bucuresti SA	322	75	2.10%
9	GDF Suez Energy Romania	303	71	1.97%
10	Enel Distributie Banat SA	278	65	1.81%
	Top 10 portfolio holdings	11,306	2,639	73.76%
	Total financial assets (FP holdings)	14,079	3,286	91.85%
	NSC NAV as of 31 December 2010	15,328	3,577	100.00%
	NSC NAV per share (Lei)	1.1124		

 The stakes in the portfolio companies account for more than 90% of the total NSC NAV

Source: Reports prepared by the Fund's Manager as of 31 December 2010

Note: Values in EUR calculated using the EUR/RON FX rate as of 31 December 2010





OMV Petrom – Company Overview

Quick Facts

Sector: Integrated Oil & Gas

Type: Listed

Weight in NSC NAV: 24.90%

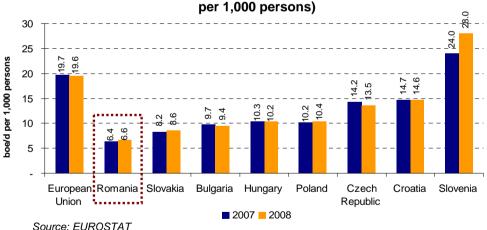
FP stake: RON 3,816 mn (EUR 891 mn)

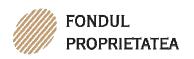
Shareholding Structure

OMV AG	51%
Ministry of Economy	21%
Fondul Proprietatea	20%
Others	8%

- Planned privatization of a 9.84% stake by the government in 2011 via a public offering
- Use of internally produced gas for electricity generation in an 860 MW gas-fired plant, starting 2012
- Increase of oil consumption per capita more in line with CEE countries
- Increase of reserve base in Kazakhstan to counteract decline in domestic reserve base

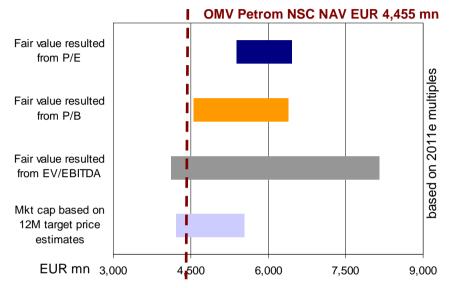
Oil consumption per capita in Romania vs. other EU countries (boe/d

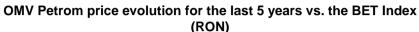






OMV Petrom vs. Peer Companies







Note: For the purpose of this graph the outliers were eliminated

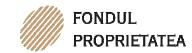
Source: Bucharest Stock Exchange

The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

	P/E				P/B		EV / EBITDA			
	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e	
Petrom	22.7	8.3	6.8	1.1	1.0	0.9	7.2	4.1	3.6	
Peers Petrom										
Hellenic Petroleum	10.0	9.8	8.2	0.7	0.7	0.7	10.6	8.5	7.8	
Repsol YPF	16.1	11.6	9.8	1.6	1.1	1.1	7.0	5.4	4.9	
Statoil	24.5	10.5	8.9	2.3	2.1	1.8	3.0	2.7	2.3	
MOL	16.0	11.8	9.3	1.6	1.3	1.3	11.2	6.9	6.1	
CEPSA	13.5	10.8	9.7	1.0	1.0	0.9	5.2	4.7	4.3	
PGNIG	17.5	12.0	11.5	1.0	0.9	0.9	8.0	5.8	5.3	
OMV	16.2	7.9	6.7	1.1	1.0	0.9	5.2	3.7	3.4	
Mean	15.9	10.6	9.2	1.3	1.0	1.0	7.9	5.3	4.8	
Median	16.1	10.8	9.3	1.1	1.0	0.9	7.5	5.4	4.9	

Source: Bloomberg, OMV Petrom financial statements

Note: The outliers have been eliminated when computing the mean and median.





Romgaz – Company Overview

Quick Facts

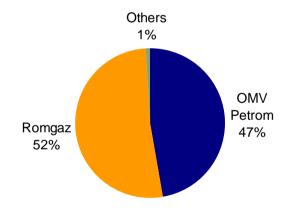
Sector: Oil & Gas

Type: Unlisted

Weight in NSC NAV: 8.13%

FP stake: RON 1,246 mn (EUR 291 mn)

Gas production - 2009 market share

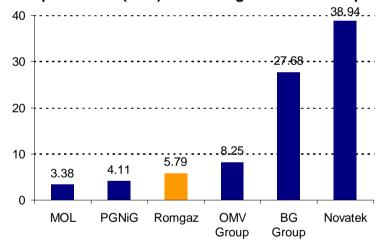


Source: ANRE Annual Report 2009

Shareholding Structure

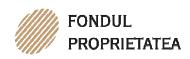
Ministry of Economy	85%
Fondul Proprietatea	15%

Gas production (bcm) 2009 Romgaz vs. Peer companies



Source: company websites and annual reports

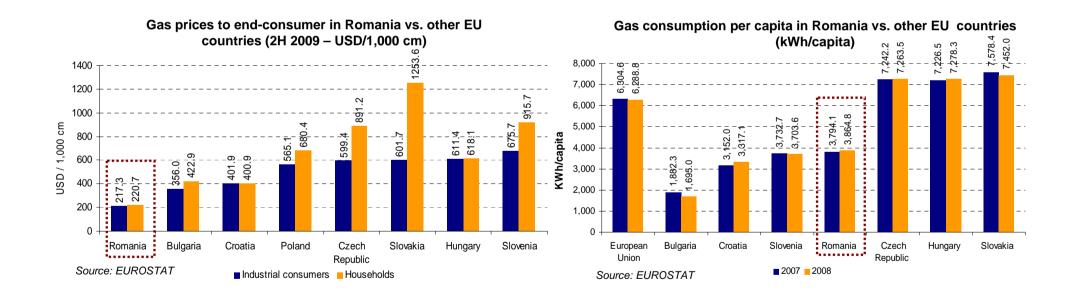
- Romgaz capacities: 153 production fields, 8 exploration blocks, 3,600 wells (annual output up to 7 bcm) and 6 underground storage facilities (2.8 bcm)
- Romgaz reserves: 2P reserves of 93 bcm (566.27 mboe)

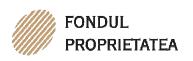




Romgaz – Opportunities and Threats

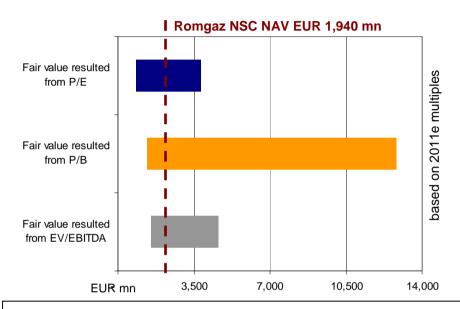
- Planned IPO via the sale of a 15% stake by the Government in 2011
- Increase of gas prices for retail and industrial consumers
- Efficiency gains
- Threat: decline in reserves

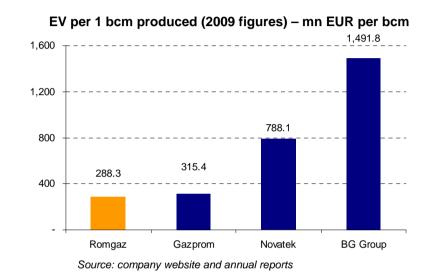






Romgaz vs. Peer Companies





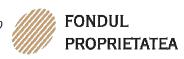
· The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

	P/E				P/B			EV / EBITDA		
	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e	
Romgaz	14.4	10.7	11.2	1.0	0.9	0.9	3.9	5.2	5.4	
Peers Romgaz										
Gazprom	5.8	5.1	4.8	0.9	0.7	0.6	5.3	4.4	4.0	
Novatek Russia	43.5	27.5	22.2	9.9	7.5	5.9	26.9	17.8	14.0	
BG Group	19.7	17.5	16.0	3.3	2.7	2.3	9.1	8.6	7.5	
PGNIG	17.5	12.0	11.5	1.0	0.9	0.9	8.0	5.8	5.3	
Mean	21.6	15.5	13.6	3.7	2.9	2.4	12.3	9.1	7.7	
Median	18.6	14.8	13.7	2.1	1.8	1.6	8.5	7.2	6.4	

Source: Bloomberg, Darian DRS Valuation Report (August 2010 – valuation reference date 31 May 2010), Romgaz financial statements

Note: For Romgaz the Book value estimates were computed as follows:

- 2010e BV = 2009 BV + 2010e Net profit from Darian report
- 2011e BV = 2010e BV + 2011e Net profit from Darian report 90% x 2010e Net profit (due to the application of Government Emergency Ordinance no 55/23 June 2010 imposing a 90% dividend payout ratio in majority State-owned companies for the 2010 net profit)





Transgaz – Company Overview

Quick Facts

Sector: Gas Transmission

Type: Listed Weight in NSC NAV: 3.22%

FP stake: RON 494 mn (EUR 115 mn)

- Regulated company natural monopoly
- Three transit pipelines operating based on bilateral contracts, outside the jurisdiction of the regulatory authority
- Shareholder in the Nabucco project (16.67%)
- natural gas transport project from Turkey to Austria, via Bulgaria, Romania and Hungary (maximum capacity of 31 bcm/year)
- Regulatory elements:
 - 5-year regulatory periods
 - Current regulatory period ends June 2012
 - ROR: 7.88%
- Planned SPO via the sale of a 15% stake by the government in 2011

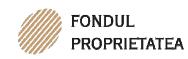
Shareholding Structure

Ministry of Economy	73.51%
Fondul Proprietatea	14.99%
Others	11.50%

Nabucco Project

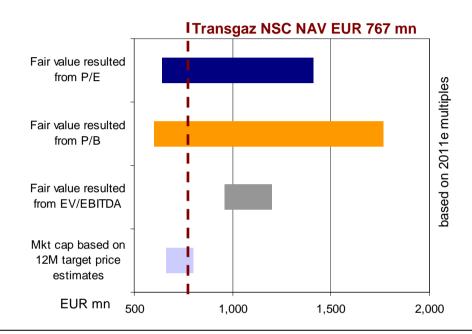


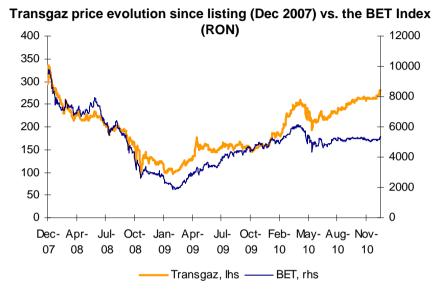
Source: BBC





Transgaz vs. Peer Companies



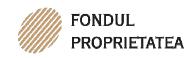


Source: Bucharest Stock Exchange

The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

	P/E				P/B		EV / EBITDA			
	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e	
Transgaz	11.9	11.1	11.7	1.2	1.1	1.1	6.9	5.7	5.9	
Peers Transgaz										
Snam Rete	13.1	12.5	12.1	2.2	2.0	1.9	12.3	9.5	9.0	
Fluxys	16.0	14.2	21.6	1.2	n/a	n/a	8.0	7.2	8.6	
Enagas	11.7	10.5	9.9	2.2	2.0	1.9	9.4	8.3	7.6	
Red Electrica	13.7	11.6	10.3	3.1	2.8	2.5	9.9	8.7	7.4	
ELIA	17.1	9.0	15.8	1.0	0.9	0.9	13.1	8.5	9.3	
Mean	14.3	11.5	13.9	1.9	1.9	1.8	10.5	8.4	8.4	
Median	13.7	11.6	12.1	2.2	2.0	1.9	9.9	8.5	8.6	

Source: Bloomberg, Transgaz financial statements





Electricity Generation Overview

Electricity

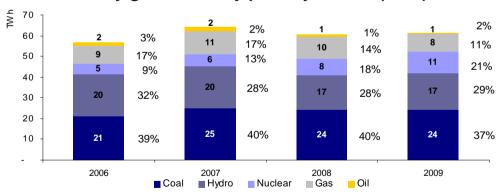
Installed

Electricity generation by producer

Producer	Primary source		% in total ISC NAV	capacity (MW)	production (GWh, 2009)
S.C. Hidroelectrica S.A.	hydro	19.94%	21.44%	6,400	15,513
S.N. Nuclearelectrica S.A.	nuclear	9.73%	4.60%	1,414	11,752
S.C. CE Turceni S.A.	coal	24.79%	3.46%	2,310	6,220
S.C. CE Craiova S.A.	coal	24.36%	1.74%	930	4,369
S.C. CE Rovinari S.A.	coal	23.60%	1.64%	1,320	5,354
S.C. Electrocentrale Bucuresti S.A.	coal	n/a	n/a	2,008	4,393
S.C. Electrocentrale Deva S.A.	coal	n/a	n/a	1,285	2,648
S.C. Termoelectrica S.A.	coal	n/a	n/a	2,252	1,554
Others					4,890
Total					56,693

Source: Regulatory Authority in the Energy Sector and Reports prepared by the Fund's Manager as of 31 December 2010

Electricity generation by primary source (TWh)

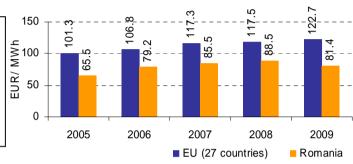


Source: Regulatory Authority in the Energy Sector

Electricity prices for households (EUR/MWh)

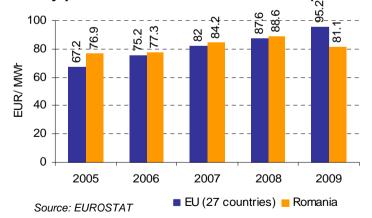
78%

Market share in electricity generation of entities where FP is a shareholder



Source: EUROSTAT

Electricity prices for industrial consumers (EUR/MWh)







Hidroelectrica – Company Overview

Quick Facts

Sector: Electricity Producer

Type: Unlisted Weight in NSC NAV: 21.44%

FP stake: RON 3,287 mn (EUR 767 mn)

Market share: 26.9%

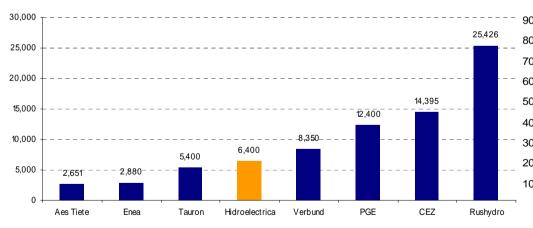
Installed capacity: 6,400 MW

Shareholding Structure

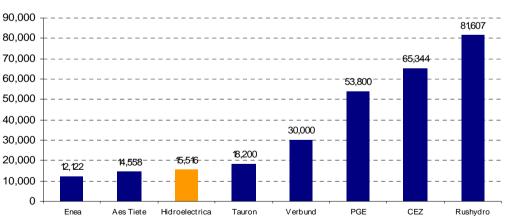
Ministry of Economy	80%
Fondul Proprietatea	20%

- Main asset of the company is Portile de Fier I power plant, third largest in Europe, with an installed capacity of 1,167 MW.
- Electricity produced during normal hydrologic conditions cca 17 TWh/year, while Romania's hydrologic potential is estimated at 35.6 TWh/year.

Installed capacity – comparison with peers (2009 - MW)



Electricity production – comparison with peers (2009 - GWh)



Source: Company websites and annual reports

Source: Company websites and annual reports

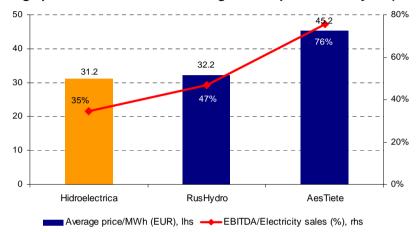




Hidroelectrica - Potential

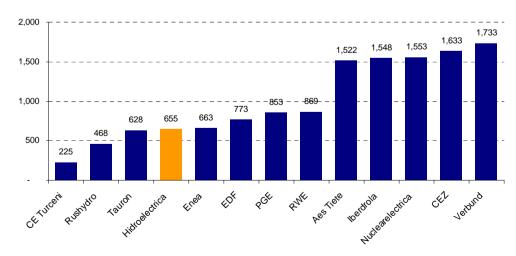
- IPO of the company
- Suspension of the plans to create the "energy champions"
- Efficiency gains bringing the company in line with foreign peers
- Pricing transparency
- Hydroelectric potential, current plants capture only 48% of Romania's technical potential

Average price/MWh and EBITDA margin – comparative analysis (2009)



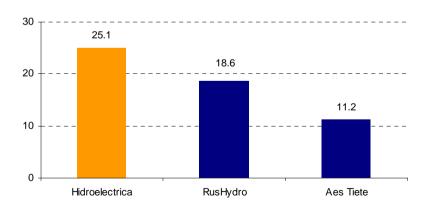
Note: Average price/MWh is computed as revenues from sale of electricity divided by volume of MWh sold.

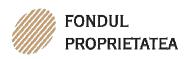
EV per installed capacity (2009 figures) - thEUR/MW



Sources for charts: Company websites, annual reports and Bloomberg

OPEX / Electricity production (2009) - EUR/MWh

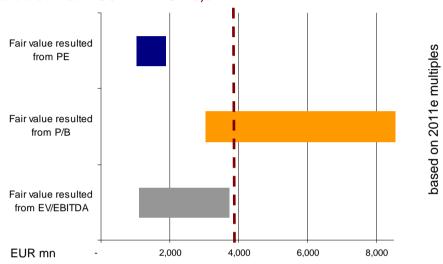






Hidroelectrica – Valuation





 The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

Note: For the purpose of this graph the outliers were eliminated

	P/E				P/B		EV/EBITDA		
	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e
Hidroelectrica	337.0	46.1	33.0	1.0	1.0	1.0	21.2	15.7	13.3
Peers Hidroelectrica									
RusHydro	13.8	11.7	9.7	1.1	1.0	0.9	9.4	7.9	6.6
Verbund	12.9	18.7	16.2	2.7	2.3	2.2	11.6	13.9	13.0
Aes Tiete	11.9	11.2	10.6	18.5	15.3	16.2	7.1	6.6	6.2
CEZ	8.5	9.2	9.6	2.2	2.0	1.8	6.5	6.6	6.6
EDF	14.2	15.7	15.3	2.0	1.9	1.7	7.0	6.8	7.0
RWE	7.5	7.3	8.8	2.1	1.9	1.8	4.5	4.3	4.6
Iberdrola	10.2	10.7	10.4	1.1	1.0	1.0	9.9	9.1	8.7
ENEA	18.0	15.3	12.4	1.1	1.1	1.0	6.4	5.5	4.6
Tauron	15.0	12.2	10.3	8.0	0.8	8.0	5.3	5.0	4.6
PGE	17.2	13.3	11.3	1.2	1.2	1.1	5.3	6.2	5.4
Mean	12.9	12.5	11.4	1.6	1.5	1.4	7.3	7.2	6.7
Median	13.4	11.9	10.5	1.2	1.2	1.1	6.8	6.6	6.4

Source: Bloomberg, Independent analysts consensus, Hidroelectrica financial statements

Note 1: For Hidroelectrica the Book value estimates were computed as follows:

- 2010e BV = 2009 BV + 2010e Net profit from independent analysts consensus
- 2011e BV = 2010e BV + 2011e Net profit from independent analysts consensus 90% x 2010e Net profit (due to the application of

Government Emergency Ordinance no 55/23 June 2010 imposing a 90% dividend payout ratio in majority State-owned companies for the 2010 net profit)

Note 2: The mean and median were computed without considering the outliers





Nuclearelectrica – Company Overview

Quick Facts

Sector: Electricity generation

Type: Unlisted

Weight in NSC NAV: 4.60%

FP stake: RON 706 mn (EUR 165 mn)

Market share: 21%

Installed capacity: 1,414 MW

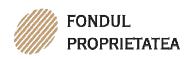
- Owns the sole nuclear power plant in Romania, operating two CANDU reactors using low-grade natural uranium, each with an installed power of 707MW; first reactor began production in 1996 while the second one in 2008
- Capacity utilization rate over 95%
- Capacity expansion planned for 2015:
 Energonuclear, a project company was established in 2008 for the construction of reactors 3 and 4 (each with 720MW, doubling current capacity). Estimated cost of project: aprox. EUR 4 bn

Shareholding Structure

Ministry of Economy	90%
Fondul Proprietatea	10%

EnergoNuclear - Shareholders:

•	Nuclearelectrica	60.15%
•	GDF Suez	9.15%
•	Enel	9.15%
•	RWE	9.15%
•	Iberdrola	6.20%
•	Arcelor Mittal	6.20%

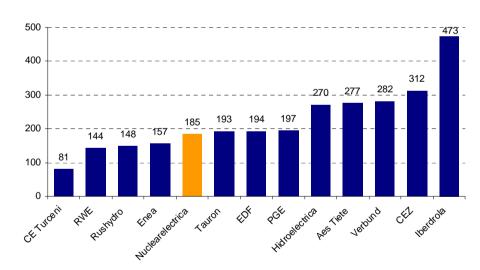




Nuclearelectrica – Potential

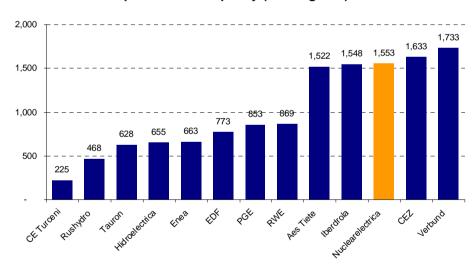
- IPO of the company
- Suspension of the plans to create the "energy champions"
- Pricing transparency
- Planned capacity expansion

EV per electricity production (2009 figures) - EUR/MWh



Source for charts: Company website and annual reports

EV per installed capacity (2009 figures) - thEUR/MW



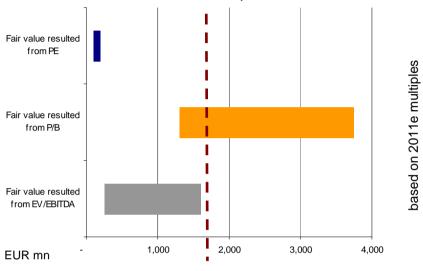




Median

Nuclearelectrica – Valuation

Nuclearelectrica NSC NAV EUR 1,693 mn



 The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

Note: For the purpose of this graph the outliers were eliminated

13.4

11.9

10.5

1.2

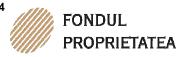
1.2

1.1

	P/E P/			P/B	B EV/EBITDA					
	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e	
Nuclearelectrica	145.4	99.3	136.1	1.0	1.0	1.0	14.2	13.6	13.6	
Peers Nuclearelectrica										valuation reference date – 31 May 2010), Nuclearelectrica financial
RusHydro	13.8	11.7	9.7	1.1	1.0	0.9	9.4	7.9	6.6	statements
Verbund	12.9	18.7	16.2	2.7	2.3	2.2	11.6	13.9	13.0	Note 1: For Nuclearelectrica the Book value estimates were
Aes Tiete	11.9	11.2	10.6	18.5	15.3	16.2	7.1	6.6	6.2	computed as follows:
CEZ	8.5	9.2	9.6	2.2	2.0	1.8	6.5	6.6	6.6	• 2010e BV = 2009 BV + 2010e Net profit from KPMG valuation
EDF	14.2	15.7	15.3	2.0	1.9	1.7	7.0	6.8	7.0	report • 2011e BV = 2010e BV + 2011e Net profit from KPMG valuation
RWE	7.5	7.3	8.8	2.1	1.9	1.8	4.5	4.3	4.6	report – 90% x 2010e Net profit (due to the application of
Iberdrola	10.2	10.7	10.4	1.1	1.0	1.0	9.9	9.1	8.7	Government Emergency Ordinance no 55/23 June 2010 imposing a
ENEA	18.0	15.3	12.4	1.1	1.1	1.0	6.4	5.5	4.6	90% dividend payout ratio in majority State-owned companies for
Tauron	15.0	12.2	10.3	8.0	8.0	8.0	5.3	5.0	4.6	the 2010 net profit)
PGE	17.2	13.3	11.3	1.2	1.2	1.1	5.3	6.2	5.4	Note 2: The mean and median were computed without considering
Mean	12.9	12.5	11.4	1.6	1.5	1.4	7.3	7.2	6.7	the outliers

6.8

6.6

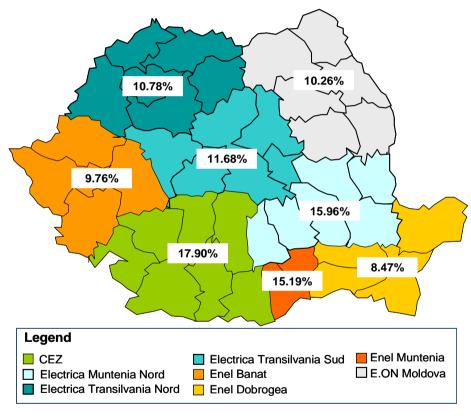


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INVESTMENTS

Electricity Distribution Market Overview

Main distribution companies – coverage and market share (2009)



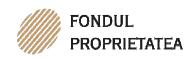
Source: ANRE Annual Report 2009

Main distribution companies – FP Stakes and weights in FP's portfolio

Distribution company name	Stake held by FP	% NSC NAV
Enel Distributie Muntenia	12%	2.12%
Enel Distributie Banat	24%	1.81%
Electrica Distributie Muntenia Nord	22%	1.52%
Enel Distributie Dobrogea	24%	1.27%
Electrica Distributie Transilvania Sud	21%	1.18%
Electrica Distributie Transilvania Nord	22%	1.10%
E.ON Moldova Distributie	22%	1.06%
CEZ Distributie*	-	-

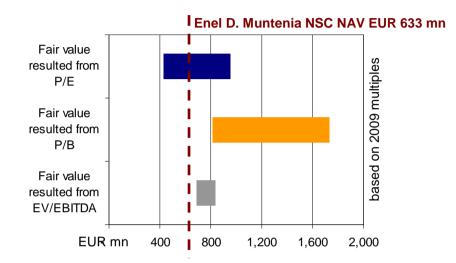
*sold in 2009

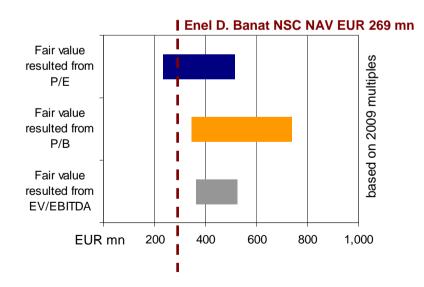






ENELs – Potential & Valuation





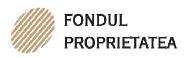
Common features

- Regulated companies natural monopolies
- Regulatory elements:
 - 5-year regulatory periods
 - Current regulatory period ends in December 2012
 - ROR: 10% (vs. 7% for State-controlled distribution companies)

2009	P/E	P/B	EV / EBITDA
Enel Muntenia	9.6	1.0	4.4
Enel Banat	7.6	1.0	3.6
Peers Enels			
Prazska Energetika	14.4	2.7	9.0
ELMU	9.1	1.5	5.6
EMASZ	6.6	1.3	5.8
Mean	10.0	1.8	6.8
Median	9.1	1.5	5.8

Source: Company financial statements & Bloomberg

 The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology





Investment Strategy



Investment Strategy

Investment Philosophy

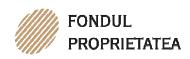
- Value Orientation
- Patient Investment Outlook
- "Bottom-Up" Approach

Investment Objective

 Long-term capital appreciation via investments mainly in Romanian equity or equity-linked securities

Investment Approach and Techniques

- Detailed analysis and active supervision of portfolio companies
- Close cooperation with co-investors in portfolio companies
- Diversification across most attractive sectors and companies
- Listing of the portfolio companies





Active Management

Enhancement of holding's value

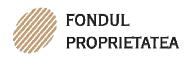
- FP representatives on Boards of Directors in over 20 portfolio companies, representing 70% of NAV as of 31 December 2010
- Legal tools to protect & enhance value e.g. energy champions, Romgaz donation
- Proper corporate governance practices (30 days notice prior to GSMs, streamlining decisionmaking processes, etc.)
- Active monitoring of portfolio companies
- Bringing foreign expertise to portfolio companies (Zirom)

Investment opportunities

- Evaluation and due diligence of new investment opportunities
- Investments outside Romania using FTI EMG research

Other measures

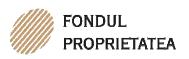
- 'Global accounts' for trading
- Implementation of fair value NAV methodology
- Buy back program post listing
- Dividend policy





A Romanian Fund - Main Investment Restrictions

- Minimum 70% of assets in Romanian listed shares
- Up to 12% of assets in foreign shares
- Up to 20% of assets in unlisted shares (shares currently held by FP in unlisted companies are exempted from this rule of allocation according to law).
- Not more than 10% of assets in one listed issuer
- No sector restrictions





Stock Market in Romania

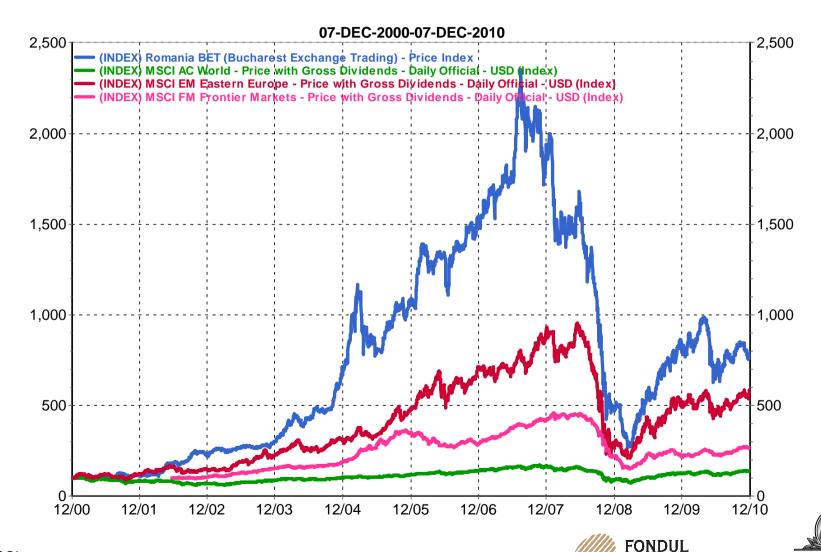


FRANKLIN TEMPLETON

INVESTMENTS

PROPRIETATEA

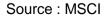
Romania Vs MSCI Eastern Europe Vs Frontier Markets Vs World : 10-Years Performance



Source: MSCI

Romania Vs MSCI Eastern Europe Vs Frontier Markets Vs World : 5-Years Performance

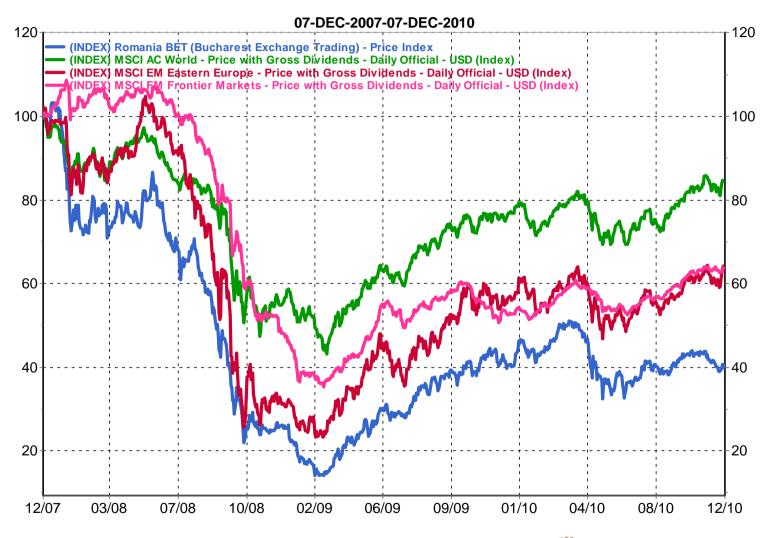








Romania Vs MSCI Eastern Europe Vs Frontier Markets Vs World : 3-Years Performance



Source: MSCI

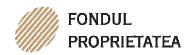


FRANKLIN TEMPLETON INVESTMENTS

Romania Vs MSCI Eastern Europe Vs Frontier Markets Vs World : 1-Year Performance

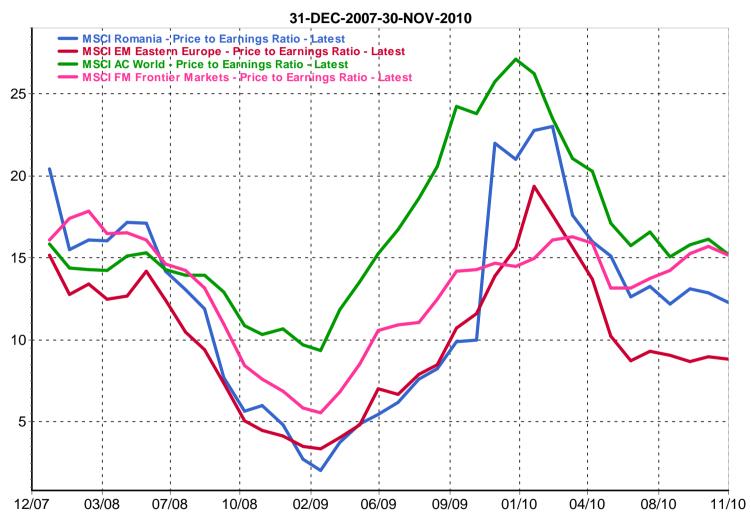


Source: MSCI





Romania Vs MSCI Eastern Europe Vs Frontier Markets Vs World: P/E

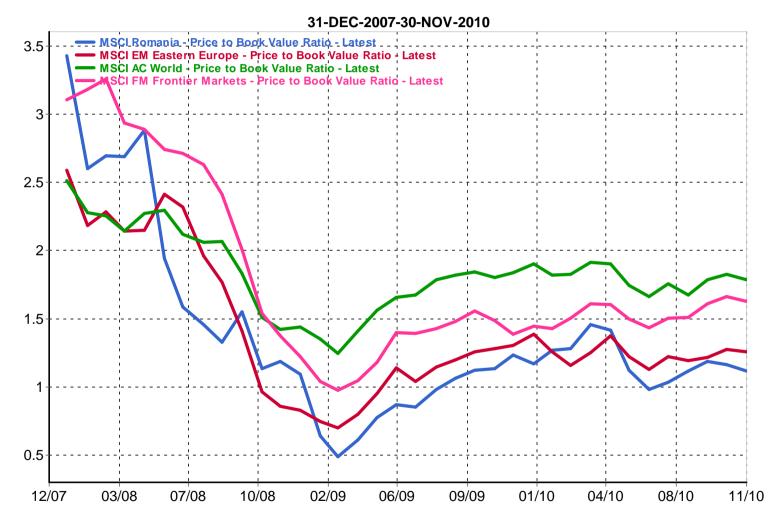


Source: MSCI

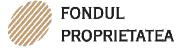




Romania Vs MSCI Eastern Europe Vs Frontier Markets Vs World : P/B



Source: MSCI

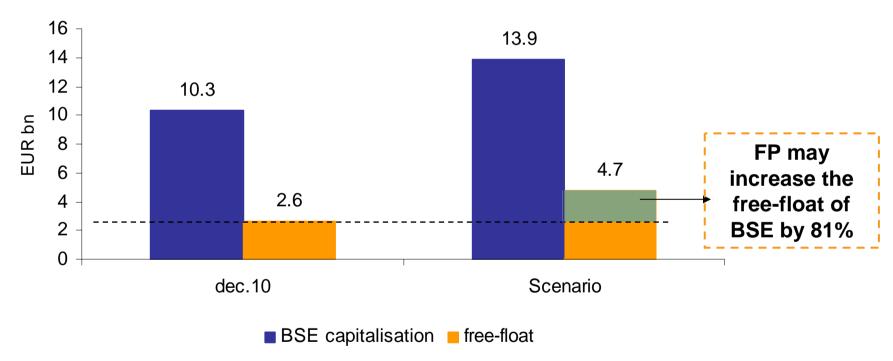


FRANKLIN TEMPLETON

INVESTMENTS

BSE Capitalisation and Free-Float

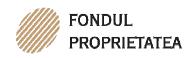
BSE Capitalisation (without International Category)



^{*} Market capitalisation value for FP is considered equal to NSC NAV as of 31 December 2010. Market capitalisation for BSE is calculated for 3 months starting with 4 October.

Current BSE capitalisation: EUR 22.63bn

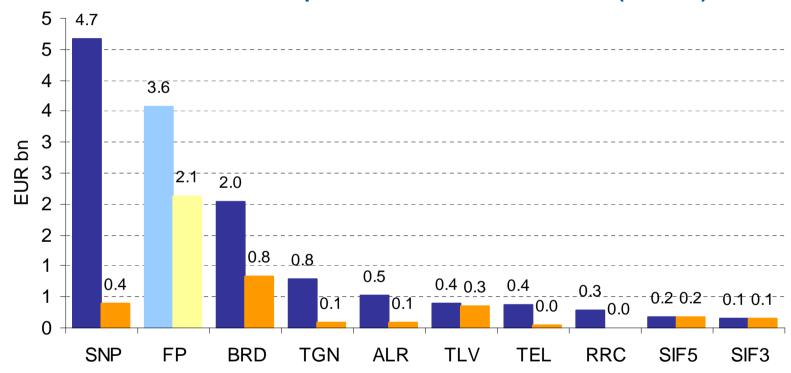
Scenario: with Fondul Proprietatea (Dec-10 NSC NAV data)





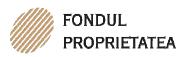
FP in the Universe of Equities Listed on the BSE

Top 10 listed companies (international sector excluded)
Market capitalization and free-float 2010 (EUR bn)



Source: BSE*

^{*} Market capitalisation value for FP is considered equal to NSC NAV as of 31 December 2010. Market capitalisation for listed companies is calculated for 3 months starting with 4 October.





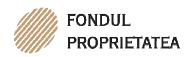
Highlights





FP - Highlights

- Romania strong fundamentals and long term growth potential
- Unique exposure to key Romanian companies e.g. the Fund indirectly owns:
 - 2,451 MW electricity generation capacity
 - 337 mboe of oil&gas 2P reserves
 - Electricity distribution/supply to 1.5 million end-consumers (17% of total)
 - Gas distribution/supply to 340 thousand end-consumers (12% of total)
- Significant challenge: minority stakes in portfolio companies
- The Romanian government stake in the Fund is already below 39% and expected to decrease further
- International independent fund manager appointed
- Expected to become the most liquid stock on the BSE





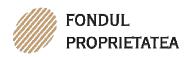
Appendix 1 – NSC NAV Valuation Methodology





NSC NAV Valuation methodology

		Valuation method	Value as of 31 December 2010		
Assets			- RON mn -		
A. Financial asset po	ortfolio		14,079.29		
A.1. Unlisted shares		FP stake % x equity value from most recent financial statements / Fair value calculated according to international valuation standards	9,145.01		
A.2. Listed Shares	a. Traded during the last 30 days	Last closing price	4,903.48		
	b. Not traded during the last 30 days	Same as for unlisted shares	30.80		
B. Cash and cash eq	uivalents	Book value (including accrued interest)	1,078.47		
C. Government secu	rities	Acquisition cost + accrued interest	248.02		
D. Receivables		Book value	5.98		
E. Other financial assets		Book value	0.08		
F. Prepayments		Book value	0.03		
TOTAL ASSET VALU	JE		15,411.88		
Liabilities					
A. Short term liabilities		Book value	69.29		
B. Provisions		Book value	14.42		
C. Revenues in advance		Book value	-		
TOTAL LIABILITIES			83.71		
NSC NAV		Total asset value – Total liabilities	15,328.17		
NSC NAV (EUR mn)			3,577.34		
No of issued shares			13,778.39 mn shares		
NSC NAV per share			RON 1.1124		



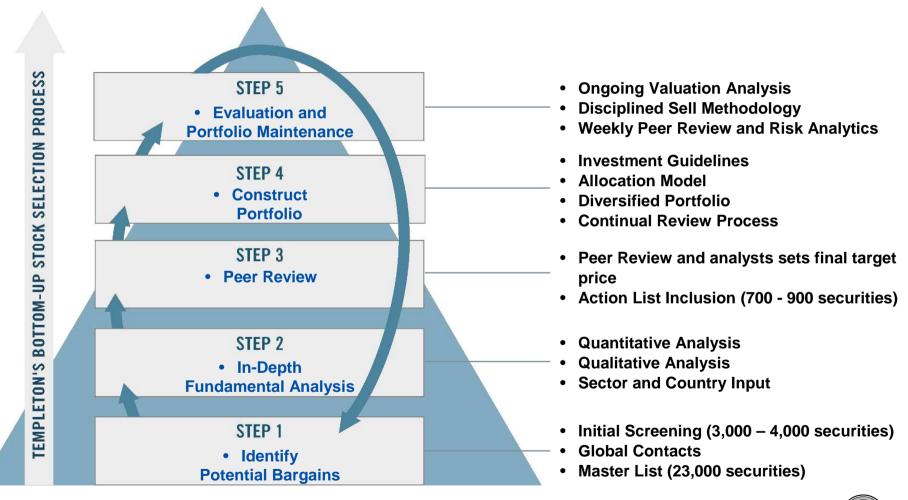


Appendix 2 – Templeton's Investment Process





Templeton's Investment Process







STEP 1. Identify Potential Bargains

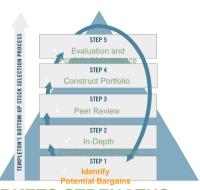
Does this stock meet our criteria in terms of valuation, size, and liquidity?

Is this stock a potential Templeton "bargain" within the global universe, its sector, and on a historical basis?

TEMPLETON EMERGING MARKETS PROCESS

The research process begins with the Master List—a proprietary database of 23,000 emerging markets companies. Analysts are aligned by markets and countries, with secondary sector responsibilities, resulting in comprehensive emerging markets research coverage. Analysts are responsible for scrutinizing the integrity and quality of each country by conducting a "Country Entry Study" focusing on the following:

- Regulatory, accounting standards and taxes
- Banking, monetary, fiscal transparency and foreign exchange controls
- Compliance to legal framework
- Custodial establishments: registration, trade and settlement procedures
- Foreign investment limitations
- Conformity with the basic tenants of social responsibilities



TEMPLETON EMERGING MARKETS STRENGTHS

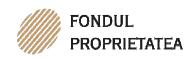
All portfolio managers are also research analysts, resulting in a deep and experienced research team, which is the key to the Templeton process.

While our philosophy remains unchanged, continual improvement and refinement of our investment process are part of the Templeton culture.

Our 60+ years of global investing has allowed us to build an extensive network of local contacts around the world.

RESULT

Approximately 23,000 securities are narrowed down to 3,000 -4,000 stocks that warrant further analysis.





STEP 5

Prorifolio

Peer Review

STEP 2

STEP 1

STEP 2. In-Depth Fundamental Analysis

Is this stock a Templeton Emerging Markets Action List candidate?

Is the stock trading at a substantial discount to what our research indicates the company may be worth over the long term?

TEMPLETON EMERGING MARKETS PROCESS

Conduct comprehensive fundamental analysis to assess a company's long-term value

-Quantitative Analysis:

- Historical audited financial statements
- Five-year forecasts based on projected future normalized earnings, cash flow, or asset value potential

-Oualitative Analysis:

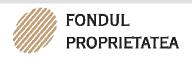
- Understanding the business, its management quality, ownership structure, corporate governance, and commitment to creating shareholder value
- •Global peers comparison—relative valuation, competitive position
- •Company visits—tour facilities and interview management
- •Action List consideration—identify potential candidates to include in our dynamic list of companies that we consider the best investment opportunities

e TEMPLETON EMERGING MARKETS STRENGTHS

- Within the framework of Templeton's disciplined, long-term approach, our analysts look beyond short-term noise to estimate the long-term economic worth of a company.
- Our bottom-up fundamental analysis, industry knowledge, and access to company management drive original research.

RESULT

3,000-4,000 investment ideas are narrowed down to 700 to 900 securities comprising the Templeton Action List.





STEP 3. Peer Review

Has analysis met Templeton standards?

Evaluation and Portfolio Maintenance STEP 5 Evaluation and Portfolio Maintenance STEP 4 Construct Portfolio STEP 3 Peer Review STEP 2 In-Depth Fundamental Analysis STEP 1 Identify Potential Bargains

TEMPLETON EMERGING MARKETS PROCESS

Review of Investment Proposal:

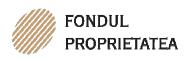
- •Intensive research conferences every six months for a two week period
 - -Company/Industry overviews and investment thesis
 - -Financial model highlights and assumptions
- •Team-Driven Decision Making—The analysis of every company includes:
 - -Company Analyst: Quantitative and qualitative research
 - -Sector Analyst: Industry trends and outlook
 - -Country Analyst: Macroeconomic and political factors
- •Target Price Determination
 - -Analysts establish target price after peer provides comments and suggestions

TEMPLETON EMERGING MARKETS STRENGTHS

- A collaborative team culture that leverages the experience of the entire Emerging Markets Equity Group produces comprehensive research insights.
- Templeton and client interests are strongly aligned; analysts and portfolio managers are evaluated based on stock recommendations.

RESULT

Analyst stock recommendation is included in the Templeton Action List.





STEP 4. Construct Templeton Emerging Markets

Fund

What are our client's guidelines and/or constraints?

What is the best combination of stocks for creating a diversified portfolio with the greatest appreciation potential?

Does greater value exist in another stock idea?

TEMPLETON EMERGING MARKETS PROCESS

ACTION LIST

The Action List forms the basis for individual portfolios.

The Action List permits a commonality among diversified global portfolios with similar mandates.

The Action List is reviewed on a weekly basis to ensure that price limits and compliance requirements are met.



Taking into consideration the client's investment objective and guidelines, individual portfolios are built with attention to diversification and risk levels.

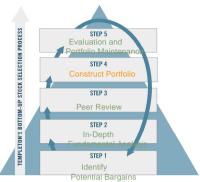
- •Securities are generally purchased on a pro-rata basis across all emerging market portfolios.
- •General characteristics of a typical Templeton portfolio include¹:
- Approximately 100–150 securities
 Sector and geographical diversification
- 5% maximum stock weighting
 A management style that seeks low turnover and aims to be fully invested²

RESULT

Diversified Templeton portfolio combines the appreciation potential of our best ideas with the risk benefits of diversification.

1. Actual portfolio characteristics will depend on a variety of factors including portfolio guidelines and objectives.

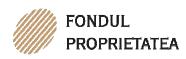
2.A Templeton fund is fully invested when no more than 5% of its total assets are in cash.



TEMPLETON EMERGING MARKETS STRENGTHS

Our portfolio construction process seeks to reduce portfolio turnover.

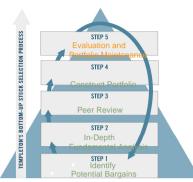
While our philosophy remains unchanged, continual improvement and refinement to our investment process are part of the Templeton culture





STEP 5. Evaluation and Portfolio Maintenance

What are the performance contributors/detractors?



TEMPLETON EMERGING MARKETS PROCESS

- Disciplined sell methodology
 - -Stock price exceeds our estimation of fair value
 - -Greater value potential exists in another security
 - –Fundamental change occurs at the company to alter our forecasts
- •Weekly Review
 - -Analysts monitor valuations, portfolio managers ensure diversification, and, together, they review price targets
 - -Team reviews portfolio for adherence to investment objectives
- •Semi-annual Meetings
 - -Portfolio managers assess and evaluate methodology, resources, internal efficiencies, and
 - -Team discusses portfolio-related themes such as company-specific issues, country-related issues, and global industry trends in detail

RESULT

The Portfolio continually reflects Templeton Emerging Markets best investment ideas.

TEMPLETON EMERGING MARKETS STRENGTHS

- Templeton's investment process combines the benefits of both individual and team portfolio management.
- Templeton's world-class global trading desk and its leveraging of state-of-the-art technology has consistently added value by reducing trading costs and market impact.





Franklin Templeton's Philosophy on Risk Management: Built on the 3Rs

- Franklin Templeton takes a comprehensive, disciplined approach to risk management across portfolios and strategies
- Our overarching philosophy is based on our belief that investment risks should be:
- Recognized Strive to ensure risks are recognized and understood at the security, portfolio and operational level
- Rational Risk decisions are an intended and rational part of each portfolio's strategy
- Rewarded Seek to ensure that every risk has an opportunity for a commensurate long-term reward

Risk Management Starts & Ends with the Portfolio Managers

Leverage time-tested strategies & seasoned portfolio managers Integrated within each step of our fundamental, research-driven approach

Dedicated, Independent Risk Management Specialists

- Integrated: Located locally across the globe to work consultatively with portfolio teams
- Independent: Provide robust analytics and critical, unbiased insight

Oversight Committees

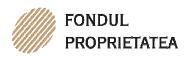
- Focused on most complex risk factors
- Support risk analysis of:
 - Counterparty Risk
 - Complex Securities
 - Global Products
 - Pricing & Liquidity

Tools & Platforms

- Centrally supported, best in class platforms for:
 - Data Analytics & Modeling
 - Portfolio Compliance
 - Trade Monitoring & Execution

Built on a Solid Foundation

The strength and stability of our global organization provide a solid foundation for everything we do, allowing our teams to take a long-term perspective and stay true to their core philosophies through market cycles.





Appendix 3 – Global Emerging Markets Group Team





The Fund Manager

The Fondul Proprietatea portfolio is managed by Greg Konieczny, with the support of a team of local investment analysts, who all report to Dr. Mark Mobius, Executive Chairman of the Templeton Emerging Markets Group



Mark Mobius, Ph.D.

Executive Chairman, Templeton Emerging Markets Group

- Mark Mobius, Ph.D., executive chairman of Templeton Emerging Markets Group, currently directs analysts based in Templeton's 17 emerging markets offices and manages the emerging markets portfolios.
- Dr. Mobius has spent more than 30 years working in emerging markets all over the world. He joined Franklin Templeton Investments in 1987 as president of the Templeton Emerging Markets Fund, Inc. In 1999, he was appointed joint chairman of the Global Corporate Governance Forum Investor Responsibility Taskforce of the World Bank and Organization for Economic Cooperation and Development.
- Dr. Mobius was named by Asiamoney magazine in 2006 as one of their "Top 100 Most Powerful and Influential People." Asiamoney said, he "...boasts one of the highest profiles of any investor in the region and is regarded by many in the financial industry as one of the most successful emerging markets investors over the last 20 years. Despite tough times during the financial crisis nine years ago, he still commands a strong following in the investment world and is influencing the direction of billions of investment dollars."
- Other awards include: (1) "Emerging Markets Equity Manager of the Year 2001" by International Money Marketing, (2) "Ten Top Money Managers of the 20th Century" in a survey by the Carson Group in 1999, (3) "Number One Global Emerging Market Fund" in the 1998 Reuters Survey, (4) "1994 First in Business Money Manager of the Year" by CNBC, (5) "Closed-End Fund Manager of the Year" in 1993 by Morningstar and, (6) "Investment Trust Manager of the Year 1992" by Sunday Telegraph.
- Dr. Mobius earned bachelor's and master's degrees from Boston University, and a Doctor of Philosophy (PhD) in economics and
 political science from the Massachusetts Institute of Technology. He is the author of the books Trading with China, The Investor's
 Guide to Emerging Markets, Mobius on Emerging Market, Passport to Profits, Equities An Introduction to the Core Concepts, Mutual
 Funds An Introduction to the Core Concept, Foreign Exchange An Introduction to the Core Concepts and Mark Mobius An
 Illustrated Biography.

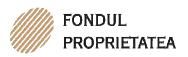


Grzegorz Konieczny

CEO Romania

Executive Vice President/ Portfolio Manager of Fondul Proprietatea

- Mr. Konieczny joined the Franklin Templeton organization in 1995 and has over 15 years of experience in investment and portfolio management. He has research and portfolio management responsibilities in Central and Eastern Europe.
- Prior to joining Templeton, Mr. Konieczny was director of Capital Market Transactions at Bank Gdanski SA, one of the largest financial institutions in Poland at the time.
- Mr. Konieczny earned a master's degree in economics and foreign trade from the University of Gdansk (Poland). In 1994, he obtained an investment advisor license from the Polish Securities and Exchange Commission.





The following 5 investment analysts are based in the Bucharest office and support Mr. Konieczny in his daily management of the

Fund and interaction with the portfolio companies

ADRIAN CIGHI

Investment Analyst

Franklin Templeton Investment Management Ltd., Bucharest, Romania

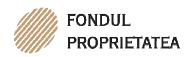
- Adrian Cighi, investment analyst, joined the Templeton organization in 2010 in the Bucharest office. Mr. Cighi currently has research responsibility for analyzing listed and unlisted companies in Romania.
- Prior to joining Templeton, Mr. Cighi was an investment analyst and member of the investment committee for three years at BT Asset Management, one of the largest money managers in Romania. He also worked in credit risk management and expense management while at Goldman Sachs and Lehman Brothers in London.
- Mr. Cighi holds a master's degree in accounting and finance from the London School of Economics and Political Science and a BA in finance from Richmond, the American International University in London.

CALIN METES

Investment Analyst

Franklin Templeton Investment Management Ltd., Bucharest, Romania

- Calin Metes, investment analyst, joined Franklin Templeton in 2010. Mr. Metes is responsible for the analysis of listed and unlisted companies from the Romanian market.
- Prior to joining Franklin Templeton, Mr Metes was a portfolio manager at Raiffeisen Asset Management, one of the biggest asset management companies in Romania. He also held the position of investment analyst at Finas Invest, a fast growing investment company in Romania.
- Mr. Metes holds a Master's degree in banking and capital markets and a Bachelor degree in banking and stock exchanges from Babes-Bolyai University in Romania. He has also earned a Bachelor degree in political sciences from Babes-Bolyai University and has participated in the Erasmus exchange program at the Free University of Brussels in Belgium. He is proficient in Romanian, English and French.





DAN GHEORGHE

Investment Analyst

Franklin Templeton Investment Management Ltd., Bucharest, Romania

- Dan Gheorghe, investment analyst, joined the Templeton organization in 2010 in the Bucharest office. Mr. Gheorghe currently has research responsibility for analyzing listed and unlisted companies in Romania.
- Prior to joining Templeton, Mr. Gheorghe was an investment analyst at EFG Eurobank Finance SA, the Romanian investment banking arm of Eurobank EFG, the second largest Greek banking and financial group. He also worked as investment analyst for Wood & Company Financial Services SA, a Central European investment banking house with headquarters in Prague.
- Mr. Gheorghe holds a master's degree in financial management and capital markets from the Academy of Economic Studies and a BA in Finance from the same University.

DANIEL NAFTALI

Investment Analyst

Franklin Templeton Investment Management Ltd., Bucharest, Romania

- Daniel Naftali, investment analyst, joined Franklin Templeton Investments in 2010. Mr. Naftali currently has research responsibility for analyzing listed and unlisted companies in Romania.
- Prior to joining Franklin Templeton Investments, Mr. Naftali worked for over three years on the Romanian capital market as research analyst, first in a local investment bank, then with Raiffeisen Asset Management Romania, one of the top players on the local asset management market. Mr. Naftali has also been involved in a number of advisory and corporate finance projects.
- Mr. Naftali holds a Bachelor Degree in finance and banking from the Academy of Economic Studies in Bucharest. Also, Mr. Naftali graduated with distinction an MSc in international securities, investment and banking from ICMA Centre at the University of Reading (United Kingdom).

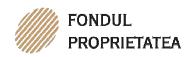
 Mr. Naftali holds the ICMA International Fixed Income and Derivatives Certificate and is also a full member of the local association of valuators.

OANA TRUTA

Investment Analyst

Franklin Templeton Investment Management Ltd., Bucharest, Romania

- Oana Truta, investment analyst, joined Franklin Templeton Investments in 2010. Ms. Truta currently has research responsibility for analyzing listed and unlisted companies in Romania.
- Prior to joining Franklin Templeton Investments, Ms. Truta worked for a local Romanian brokerage company as an equity analyst. Her research responsibilities involved companies listed on the Bucharest Stock Exchange. She also had responsibilities in corporate finance consultancy: public offerings (buy/sell), share capital increase, shareholder structure, squeeze-out etc.
- Ms. Truta holds a Master's degree in quantitative economics and finance from Babes Bolyai University in Cluj-Napoca, Romania.





The Templeton Emerging Markets Group has staff based in numerous other countries who can share local insight and experience if Fondul's management team look to diversify a portion of the portfolio outside Romania.

MATJAZ SCHROLL

Vice President

Vice President / Executive Director

Franklin Templeton Austria Gmbh, Vienna, Austria

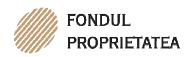
- Matjaz Schroll, vice president and executive director, joined Franklin Templeton, Austria, in 2006. Based in Vienna, Mr. Schroll analyzes companies in the wider central and southeast European region.
- Mr. Schroll started his professional career as an analyst in the capital markets department of Publikum Corporate Finance and Brokerage.
- Prior to joining the team, Mr. Schroll was a vice president of mergers and acquisitions, with responsibility for the origination and execution of the group's merger and acquisition advisory mandates in southeast Europe.
- Mr. Schroll holds a Master of Science degree in business administration from Karl-Franzens University of Graz, Austria.

KRZYSZTOF MUSIALIK

Vice President / Deputy Director

Templeton Research Poland Sp.Z.o.o., Warsaw, Poland

- Krzysztof Musialik joined the Templeton organization in 2006. He has research responsibilities for companies in Central and Eastern Europe (ex Russia).
- Prior to joining Templeton, he worked for BDO, an audit firm.
- He graduated in International Economics from the Katowice School of Economics as well as in International Business from Toulouse Business School (Ecole Superieure de Commerce de Toulouse). Mr. Musialik speaks Polish, English and French.





GENNADY ZHILYAEV

Vice President / Deputy Director

Templeton Asset Management Ltd. - Russia Rep Office, Moscow, Russia

- Gennady Zhilyaev, vice president/deputy director, joined the Templeton organization in 2005. Mr. Zhilyaev is currently responsible for equity research of Russian companies.
- Prior to joining Templeton, Mr. Zhilyaev was an analyst at Citigroup Moscow, where he was responsible for credit analysis of metals and mining companies. Before this, he was a consultant at PricewaterhouseCoopers Moscow and conducted audits for consumer and industrial product companies.
- Mr. Zhilyaev holds an M.S. from Russian Economic Academy under Plekhanov Moscow with specialization on finance management. He also holds a B.S. in physical culture and sport with honors from Russian State Academy of Physical Culture and Sport with specialization on soccer.

ALEXEY ILIN

Investment Analyst

Templeton Asset Management Ltd. - Russia Rep Office, Moscow, Russia

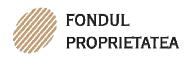
- Alexey Ilin, Investment Analyst, joined the Templeton Emerging Markets team in April, 2008. He has equity research responsibilities for Russia and CIS region.
- Prior to joining Templeton, Alexey held an investment analyst position in hedge fund and consultant position in an audit company. Most recently with Red Star Asset Management, a hedge fund, he was focusing on analysis of companies within Russia, CIS and Eastern Europe region. Prior to Red Star AM, he worked in audit department of PricewaterhouseCoopers specializing in audit of Oil and Gas companies in Russia.
- He holds a Master of Science in Economics from the State University, Higher School of Economics. For leisure, Alexey enjoys cycling, mountain skiing and traveling.

ARTEM LITVINOV

Investment Analyst

Templeton Asset Management Ltd. - Russia Rep Office, Moscow, Russia

- Artem Litvinov, investment analyst, joined the Templeton organization in September 2008 in the Moscow office. Mr. Litvinov has research responsibility for analyzing companies in Russia and CIS.
- Prior to joining Templeton, Mr. Litvinov was a senior consultant for Ernst & Young (Moscow), responsible for various due diligence, valuation and audit engagements.
- Mr. Litvinov holds a B.S. in international relations from State Finance Academy in Russia, where he specialized in international finances.
- He is proficient in both Russian and English.





CARLOS VON HARDENBERG

Senior Executive Director

Vice President

Templeton Asset Management Ltd., Istanbul, Turkey

- Carlos von Hardenberg joined the Templeton organization in 2002. Mr. von Hardenberg is primarily responsible for the Turkish market in addition to covering the CEE and MENA regions. He is also responsible for the Frontier Market Fund.
- Prior to joining Templeton, Mr. von Hardenberg was an analyst in the corporate finance department for Bear Stearns International in London.
- Mr. von Hardenberg holds a M.Sc. with distinction in investment management from London City University Business School (UK) and a B.Sc. with honors in business studies from the University of Buckingham (UK). He speaks German, English and Spanish.

ERMAN KALKANDELEN

Vice President / Deputy Director

Taml Turkey Rep Office, Istanbul, Turkey

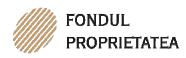
- Erman Kalkandelen joined the Templeton organization in Turkey in 2006. Mr. Kalkandelen's current research responsibilities include analyzing companies in Turkey, Middle East and North Africa.
- Prior to joining Templeton, Mr. Kalkandelen worked as an Analyst in Global Banking Division in Deutsche Bank, Istanbul.
- Mr. Kalkandelen earned a Master of Business Administration degree from the Sabanci University with distinction. He also spent a semester in Warrington College of Business, University of Florida during his MBA, specializing in Strategic Management. He earned a Bachelor of Science, magna cum laude, in Labor Economics, from Political Sciences Faculty, Ankara University. He is proficient in English and Turkish. For leisure, he enjoys swimming and sailing.

MERVE SENKAL

Investment Analyst

Taml Turkey Rep Office, Istanbul, Turkey

- Merve Senkal, Investment Analyst, has research responsibilities in Nigeria, Africa, and Ukraine.
- Prior to joining the firm in 2007, Ms. Senkal worked as an analyst at Turkven Real Estate, part of the Turkven Platform, which has a, \$500 million in assets under management.
- Ms.Senkal holds a B.A. in economics, with honors, from Sabanci University, Istanbul. She speaks English, German, and Turkish.





Appendix 4 – Romania's Agreement with the IMF

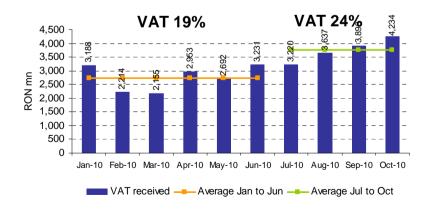


Austerity Measures agreed with IMF start to bear fruit

Austerity package focused on cutting expenses

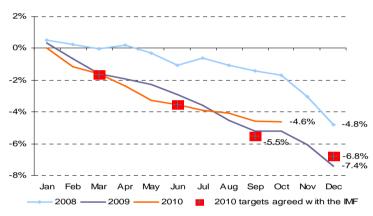
- Reform of public wages legislation
- Reform of public pension legislation
- Budget deficit from 7.4% of GDP in 2009, to:
 - 6.8% of GDP in 2010
 - 4.4% of GDP in 2011
- Increase in VAT the only significant tax hike

Monthly evolution of VAT collection 10 mths 2010



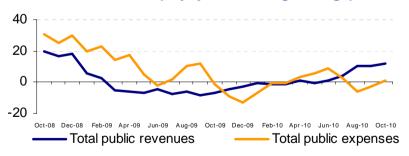
Source: National Bank of Romania

Consolidated public budget deficit (cash basis)

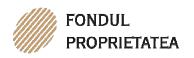


Source: Ministry of Public Finances

Dynamics of public revenues and public expenses 2008 – 2010 (% yoy, 3M moving average)



Source: Ministry of Public Finances





Appendix 5 – Other Relevant Portfolio Companies





GDF Suez Energy Romania – Company Overview

Quick Facts

Sector: Natural Gas Supply

Type: Unlisted

Weight in NSC NAV: 1.97%

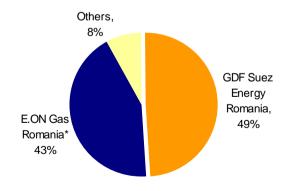
FP stake: RON 303 mn (EUR 71 mn)

Shareholding Structure

Romania Gas Holding (GDF)	51%
Ministry of Economy	37%
Fondul Proprietatea	12%

- Largest supplier on the regulated market
- ROR 8.63%
- Owner of the pipeline network for gas distribution in the Southern half of Romania.

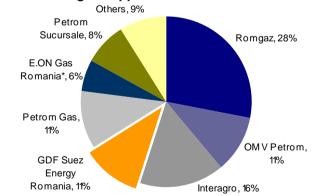
Regulated market gas suppliers - market share in 2009 -



Source for charts: Regulatory Authority in the Energy Sector

*Note: FP also has a 12% stake in E.ON Gas Romania

Free market gas suppliers - market share in 2009 -

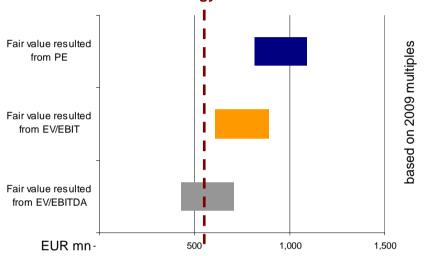






GDF Suez Energy Romania – Valuation

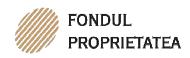
GDF Suez Energy Romania NSC NAV EUR 589 mn



 The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

2009	P/E	EV/EBIT	EV/EBITDA	
GDF Suez Energy Romania	6.6	6.7	5.2	
Peers GDF Suez Energy Romania				
Severomoravska Plynarenska	9.1	6.9	5.9	
Vychodoceska Plynarenska	11.4	8.6	6.1	
Latvijas Gaze	10.0	8.0	3.9	
Lietuvos Dujos	12.2	9.7	5.3	
Mean	10.7	8.3	5.3	
Median	10.7	8.3	5.6	

Source: Bloomberg and company financial statements





CE Turceni – Company Overview

Quick Facts

Sector: Electricity generation

Type: Unlisted

Weight in NSC NAV: 3.46%

FP stake: RON 530 mn (EUR 124 mn)

Market share: 11%

Installed capacity: 2,310 MW

EBITDA margin – comparative analysis (2009) 50% 36% 38% 40% 30% 19% 19% CETurceni Enea Tauron RWE Verbund PGE CEZ

Note 1: EBITDA margin is computed as EBITDA from electricity divided by revenues from sale of electricity.

Note 2: For PGE the data used is for 9 months 2009. For Tauron, Enea and RWE the EBITDA margin is computed using the total sales and total EBITDA as opposed to only sales and EBITDA from electricity.

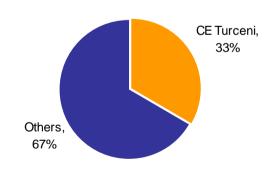
Source: Company website and annual reports

Shareholding Structure

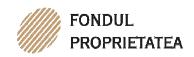
Ministry of Economy	75.21%
Fondul Proprietatea	24.79%

- IPO of the company
- Efficiency gains bringing the company in line with foreign peers
- Modernization and rehabilitation could increase energy efficiency of the plants.

Market share of coal-based generation (2009)

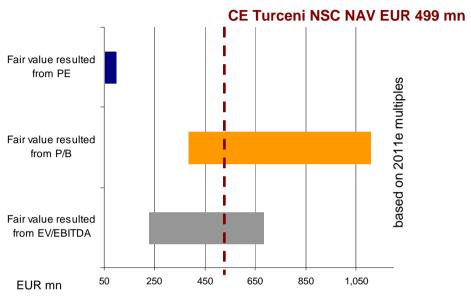


Source: Regulatory Authority in the Energy Sector





CE Turceni – Valuation



 The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

Note: For the purpose of this graph the outliers were eliminated

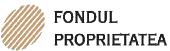
	P/E				P/B			EV/EBITDA		
	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	2011e	
CE Turceni	99.4	319.0	82.5	1.0	1.0	1.0	neg	10.8	9.6	
Peers CE Turceni										
RusHydro	13.8	11.7	9.7	1.1	1.0	0.9	9.4	7.9	6.6	Sour
Verbund	12.9	18.7	16.2	2.7	2.3	2.2	11.6	13.9	13.0	refere
Aes Tiete	11.9	11.2	10.6	18.5	15.3	16.2	7.1	6.6	6.2	Note
CEZ	8.5	9.2	9.6	2.2	2.0	1.8	6.5	6.6	6.6	follov
EDF	14.2	15.7	15.3	2.0	1.9	1.7	7.0	6.8	7.0	• 201
RWE	7.5	7.3	8.8	2.1	1.9	1.8	4.5	4.3	4.6	• 201
Iberdrola	10.2	10.7	10.4	1.1	1.0	1.0	9.9	9.1	8.7	- 909
ENEA	18.0	15.3	12.4	1.1	1.1	1.0	6.4	5.5	4.6	Eme
Tauron	15.0	12.2	10.3	0.8	0.8	0.8	5.3	5.0	4.6	payo
PGE	17.2	13.3	11.3	1.2	1.2	1.1	5.3	6.2	5.4	Note outlie
Mean	12.9	12.5	11.4	1.6	1.5	1.4	7.3	7.2	6.7	Outile
Median	13.4	11.9	10.5	1.2	1.2	1.1	6.8	6.6	6.4	

Source: Bloomberg, KPMG valuation report (October 2010, valuation reference date – 31 May 2010), CE Turceni financial statements

Note 1: For CE Turceni the Book value estimates were computed as follows:

- 2010e BV = 2009 BV + 2010e Net profit from KPMG valuation report
- 2011e BV = 2010e BV + 2011e Net profit from KPMG valuation report
- 90% x 2010e Net profit (due to the application of Government Emergency Ordinance no 55/23 June 2010 imposing a 90% dividend

payout ratio in majority State-owned companies for the 2010 net profit) Note 2: The mean and median were computed without considering the outliers



FRANKLIN TEMPLETON
INVESTMENTS

CN Aeroporturi Bucuresti – Company Overview

Quick Facts

Sector: Airport management

Type: Unlisted

Weight in NSC NAV: 2.10%

FP stake: RON 322 mn (EUR 75 mn)

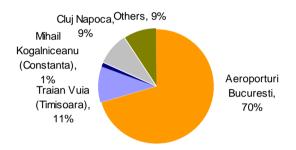
Comprises the two airports of Bucharest, after the merger completed in 2010:

- Henri Coanda Otopeni:
 - Two runways 3.5 km long each
 - Most advanced airport of the country
 - Hub for Tarom, Romanian state-owned airline
- Aurel Vlaicu Baneasa:
 - Main airport of Bucharest until 1968
 - Mainly low cost flights
 - One runway 3.2 km long

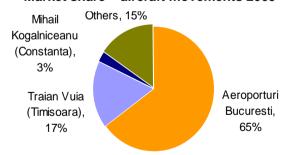
Shareholding Structure

Ministry of Transportation	80%		
Fondul Proprietatea	20%		

Market share – passenger traffic 2009

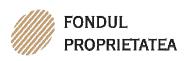


Market share - aircraft movements 2009



Note: FP also owns participations in the international airports in Timisoara and Constanta

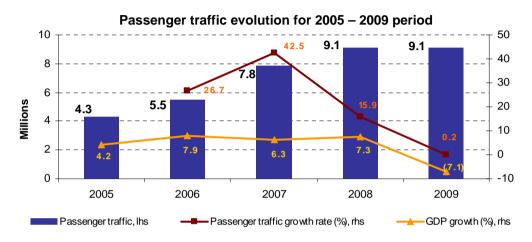
Source for charts: Company website





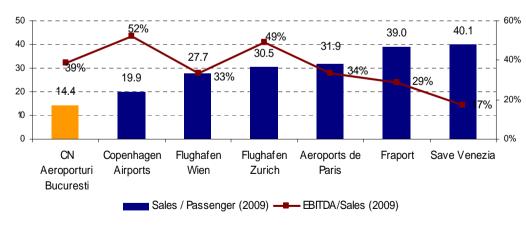
CN Aeroporturi Bucuresti – Potential

- Number of passengers kept growing in 2009 despite of a 7.1% decline in GDP.
- The number of passengers would need to grow by 21.7% just to come at a par with Poland (relative terms).
- Substantial space for tariff increase as operating tariffs appear to be still low compared to other EU countries.



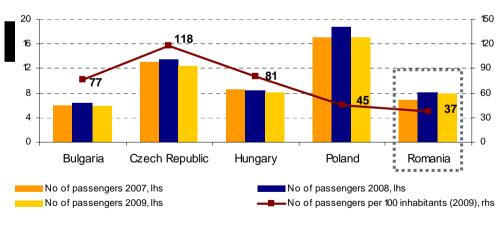
Source: EUROSTAT

Sales per Passenger (2009 – EUR)

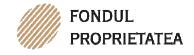


Source: Company website and annual reports

No of passengers – total and relative to population

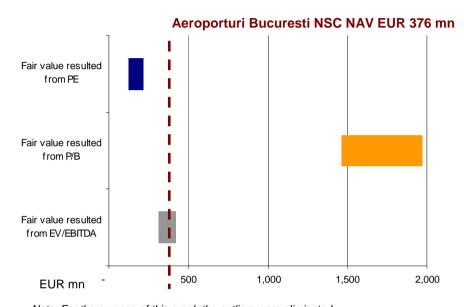


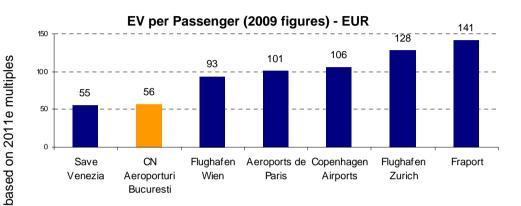
Source: EUROSTAT





CN Aeroporturi Bucuresti – Valuation





Source: Company website and annual reports

Note: For the purpose of this graph the outliers were eliminated
D/E

	P/E			P/B			EV/EBITDA		
	2009	2010e	2011e	2009	2010e	2011e	2009	2010e	
Aeorporturi Bucuresti	21.5	34.2	38.9	0.3	0.3	0.3	10.1	8.5	
Peers Aeroporturi Bucuresti									
Aeroports de Paris	21.5	19.7	18.6	1.8	1.7	1.6	9.4	9.0	
Save Venezia	21.5	19.2	17.0	1.4	1.5	1.5	8.1	7.3	
Flughafen Zurich	12.5	18.0	15.8	1.5	1.4	1.3	8.7	8.2	
Flughafen Wien	14.3	12.9	12.8	1.3	1.3	1.2	10.1	9.4	
Fraport	29.3	26.0	22.2	1.7	1.7	1.6	12.6	10.2	
Copenhagen Airports	20.1	16.6	15.8	3.9	3.5	3.7	10.3	9.2	
Mean	19.8	18.7	17.0	1.6	1.5	1.5	9.8	8.9	
Median	20.8	18.6	16.4	1.5	1.5	1.5	9.7	9.1	

The figures presented herein are the result of a limited valuation, based only on the peer group comparison methodology

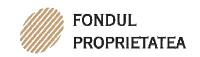
8.2 Source: Bloomberg, KPMG valuation report (October 2010, valuation reference date - as of 31 May 2010), CN Aeroporturi Bucuresti financial statements

8.5 Note 1: For Aeroporturi Bucuresti the Book value estimates were6.8 computed as follows:

- 2010e BV = 2009 BV + 2010e Net profit from KPMG valuation report as of 31 May 2010
- 2011e BV = 2010e BV + 2011e Net profit from KPMG valuation report 90% x 2010e Net profit (due to the application of
- Government Emergency Ordinance no 55/23 June 2010 imposing
- 8.3 a 90% dividend payout ratio in majority State-owned companies for the 2010 net profit)
 - Note 2: The mean and median were computed without considering the outliers

FRANKLIN TEMPLETON

INVESTMENTS



Appendix 6 – Shareholders' Rights





Quorum and majority requirements for Ordinary General Shareholders Meetings:

- Quorum of at least 25% of the total number of shares for the first meeting and majority of expressed voting rights to pass a decision
- No quorum requirement for the second meeting

Quorum and majority requirements for Extraordinary General Shareholders Meetings:

- For the first meeting: presence of shareholders representing at least 25% of the total number of shares. Decisions may be taken with majority of expressed voting rights
- For the second meeting: presence of shareholders representing at least 20% of the total number of shares.
 Decisions may be taken with majority of expressed voting rights

Rights of shareholders who own at least 5% of the share capital:

- Right to ask the Sole Administrator to call the shareholders meeting
- Right to add new points on the agenda of the shareholders meeting

Other rights

- All transactions above 5% of assets shall be approved by Extraordinary General Shareholders Meeting
- No ownership restrictions

