

23-24 April 2012

Analyst and Investor Days

Bucharest, Romania



FONDUL PROPRIETATEA

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

**FONDUL
PROPRIETATEA**



Disclaimer

This presentation is made solely to the intended recipient and should not be distributed to, or acted upon by, any other person. It is for general information only and reflects the personal views of the presenter. Nothing herein is intended to constitute advice on investment, legal or tax matters, nor is it an offering or an invitation to buy or sell shares in SC Fondul Proprietatea SA ("the Fund") or in any other issuer of securities mentioned herein. Any person considering an investment in the Fund or any other security mentioned herein should refer to the relevant issuer's prospectus and consult their own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the securities. The Fund's prospectus contains important information on the potential risks involved in such an investment which are not included in this presentation.

The distribution of this presentation in certain jurisdictions may be restricted by law and persons who come into possession of it are required to inform themselves about and to observe such restrictions and limitations. Neither the Fund nor its Fund Manager accepts any liability to any person in relation to the distribution or possession of the presentation in or from any jurisdiction. The shares issued by the Fund and those issued by the Company have not been and will not be registered under the US Securities Act of 1933, as amended, or with any securities authority of any state or territory within the jurisdiction of the United States of America. These shares may not be offered, sold or delivered in the United States of America or to American citizens or nationals.

The information contained in this presentation is as of its date, unless otherwise indicated, and is not a complete analysis of every material fact regarding the market, and any industry sector, security, or portfolio. Statements of fact cited by the manager have been obtained from sources considered reliable but no representation is made as to the completeness or accuracy. Furthermore, no responsibility is accepted for updating any facts or assumptions in this document. Because market and economic conditions are subject to rapid change, opinions provided are valid only as of the date of the materials. Any forward-looking statements are based upon certain assumptions; actual events are difficult to predict and are beyond the control of the author, therefore actual events may differ from those assumed. References to particular securities are only for the limited purpose of illustrating general market or economic conditions, and are not recommendations to buy or sell a security or an indication of the author's or any managed account's holdings. The manager's opinions are intended solely to provide insight into how the manager analyses securities and are not a recommendation or individual investment advice for any particular security, strategy or investment product.

The price of shares and income from them can go down as well as up and you may lose some or all of your capital invested. The previous results of the fund/investment firm do not account for future performances. Currency fluctuations will affect the value of foreign investments. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. Stocks and other equities representing an ownership interest in a corporation have historically outperformed other asset classes over the long term but tend to fluctuate more dramatically over the shorter term. Small or relatively new companies can be particularly sensitive to changing economic conditions due to factors such as relatively small revenues, limited product lines, and small market share. Smaller company stocks have historically exhibited greater price volatility than larger company stocks, particularly over the short term. The significant growth potential offered by Emerging Markets remains accompanied by heightened risks when compared to developed markets, including risks related to market and currency volatility, adverse social and political developments, and the relatively small size and lesser liquidity of these markets.

Read the issue prospectus before investing in this fund/investment firm. The Fund's prospectus and amendments are available at www.fondulproprietatea.ro. 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 share capital is RON 13,778,392,208 and paid share capital is RON 13,412,554,856. This presentation is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with CNVM under no. PJM05SSAM/400001/14.09.2009, which is authorized and regulated in the UK by the Financial Services Authority with Register Number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission, and the Romanian branch is regulated by the Romanian National Securities Commission.

Date: April 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



ENERGY SECTOR TRENDS

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

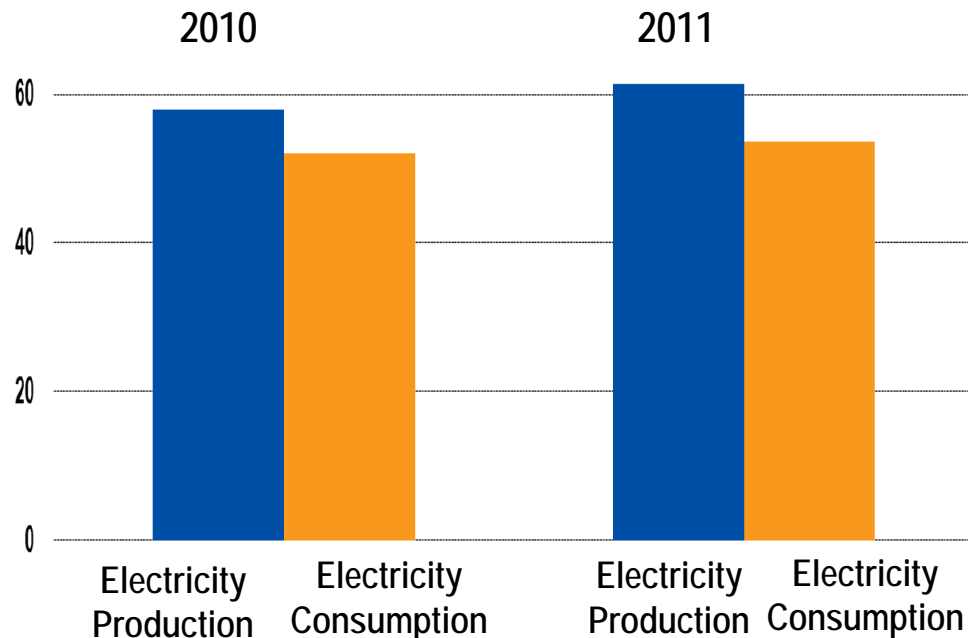
FONDUL
PROPRIETATEA



Romanian Electricity Market 2010-2011

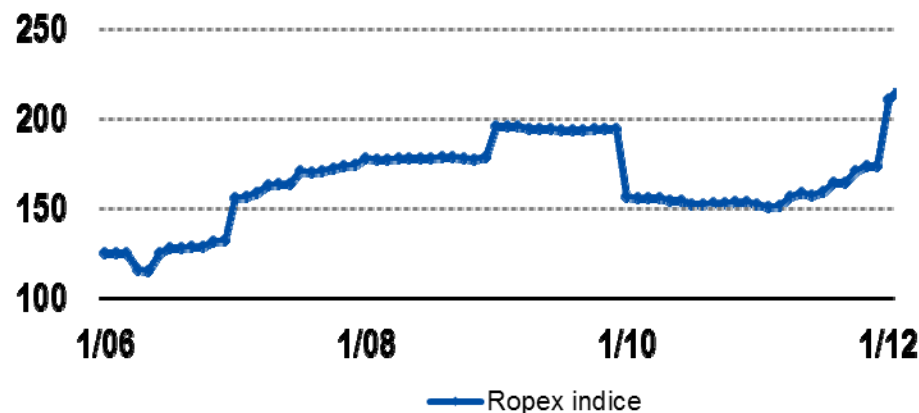
- 6% YoY increase in electricity production for 2011, from 58 TWh to 61.4 TWh
- 3% YoY increase in electricity consumption for 2011, from 52 TWh to 53.7 TWh

Electricity Production and Internal Consumption (TWh)



Source: ANRE

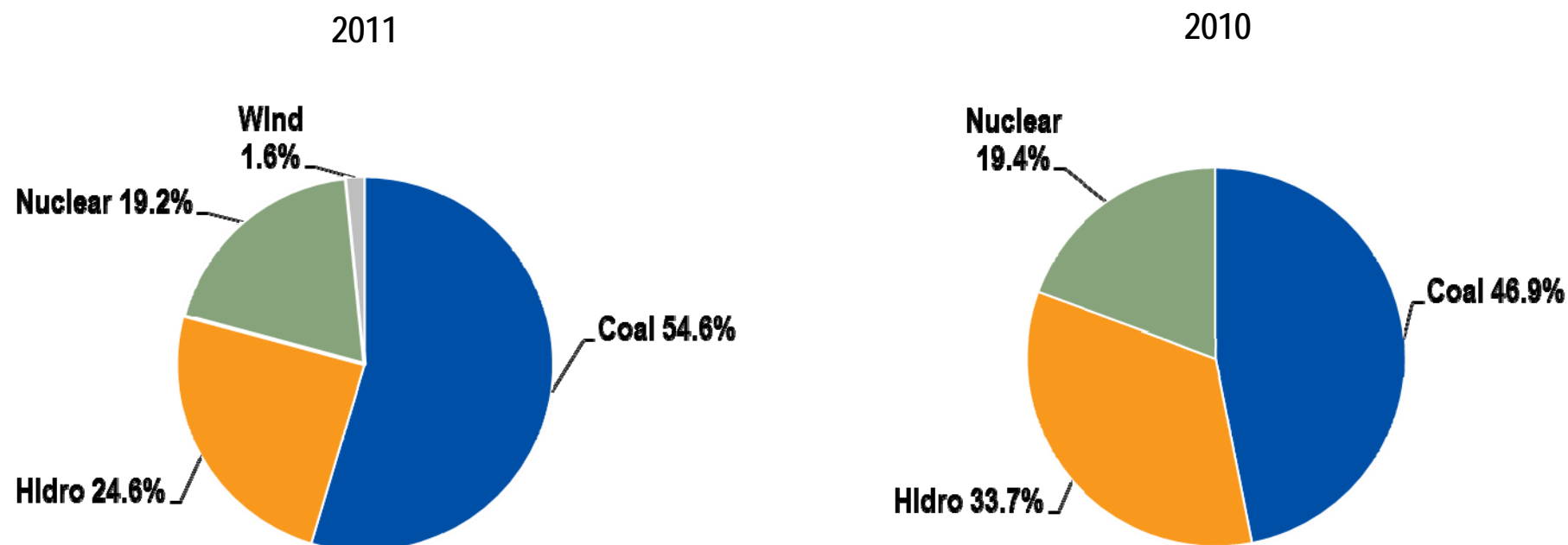
OPCOM Prices (RON/MWh)



Source: OPCOM

Electricity Production

- Significant decrease in hydro-based electricity production in 2011 due to drought, which led to an increase in coal-based electricity production
- Several wind projects completed in 2011



Source: National Institute of Statistics

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

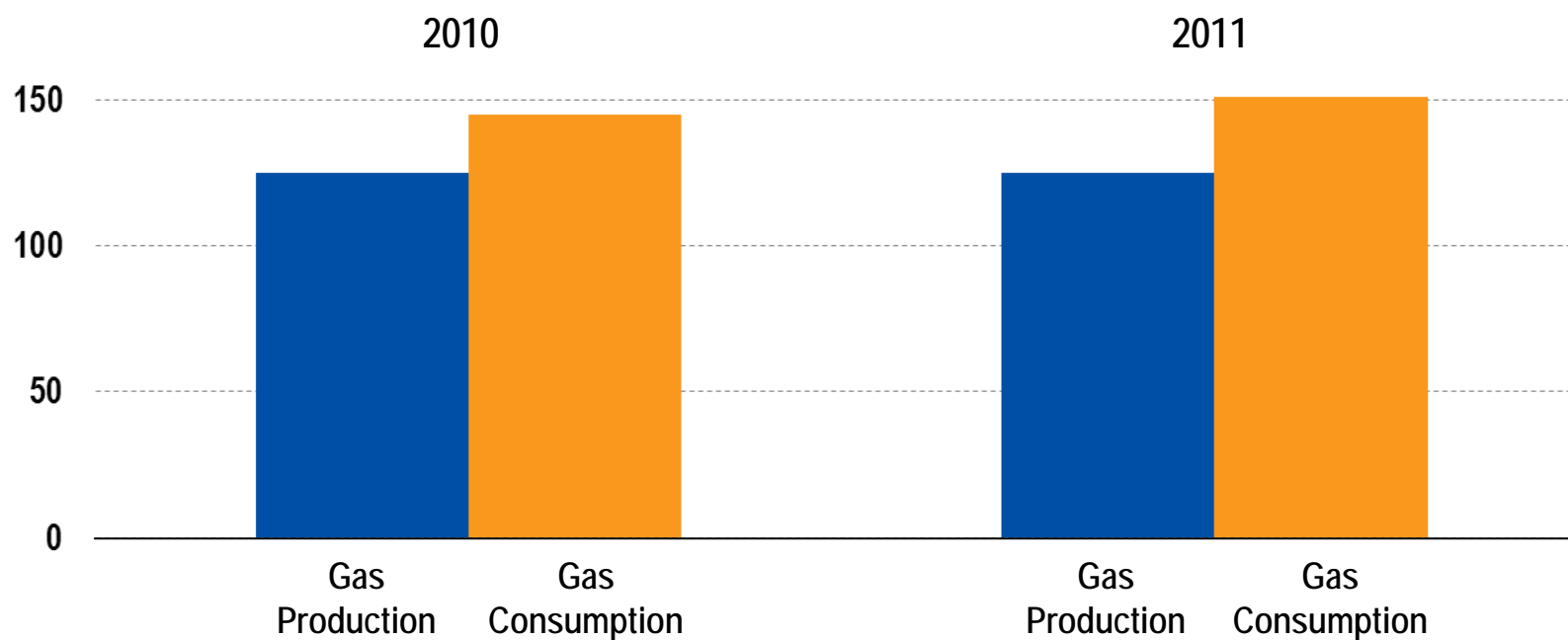
FONDUL
PROPRIETATEA



Romanian Gas Market 2010-2011

- 1 % YoY decrease in gas production for 2011 to 125.1 TWh
- 4% YoY increase in gas consumption for 2011, from 145 TWh to 150.8 TWh
- 83% of consumption is covered by internal production

Gas Production and Consumption (TWh)



Source: ANRE

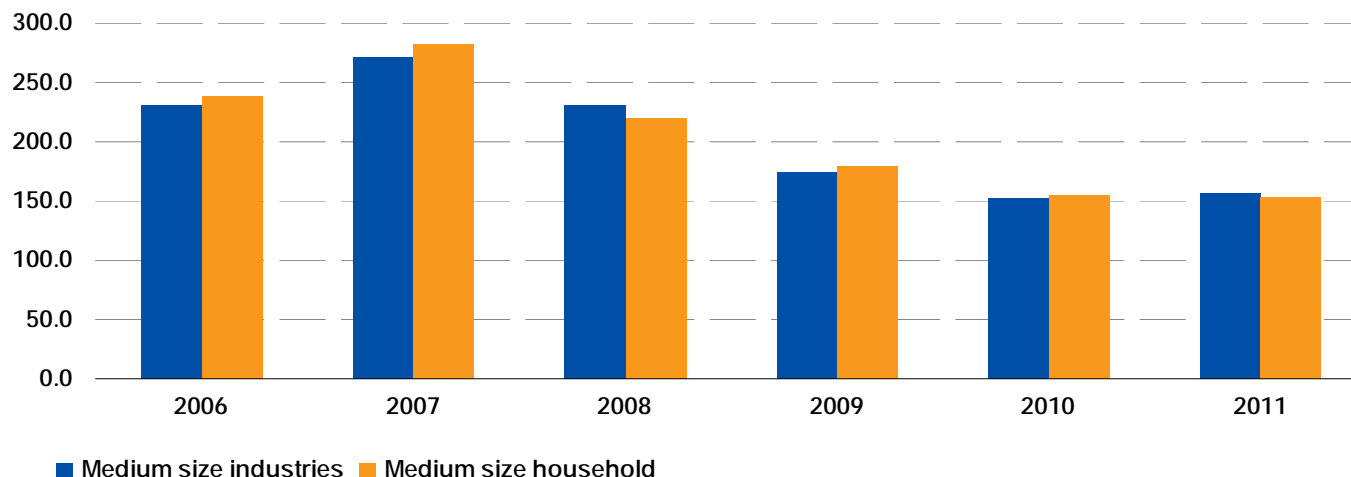
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA

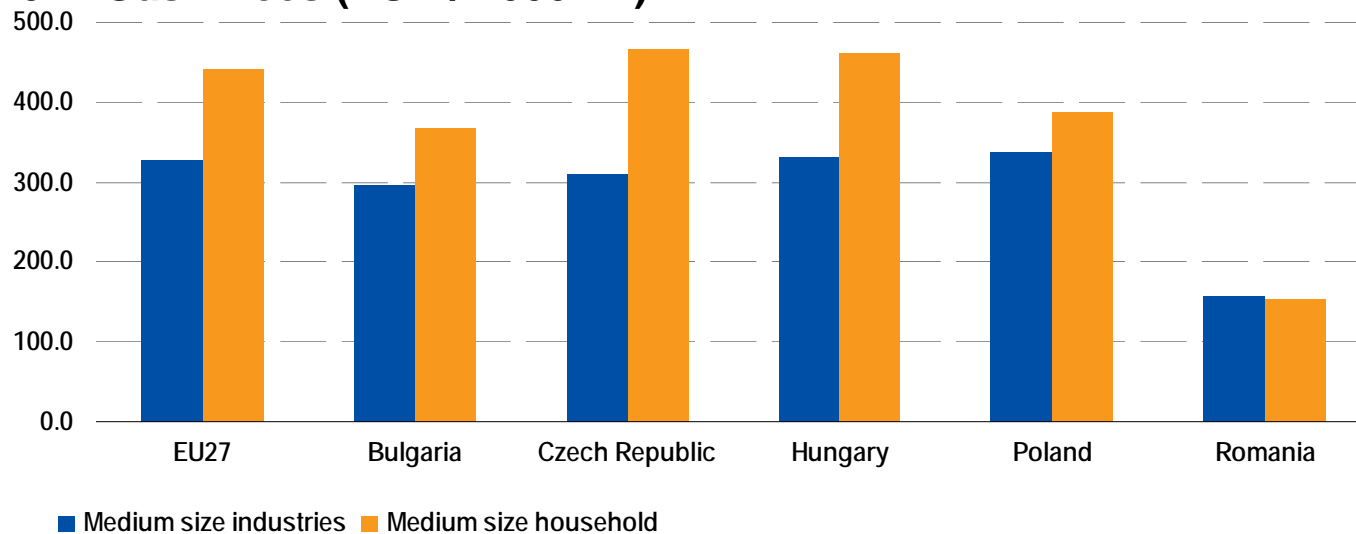

FRANKLIN TEMPLETON
INVESTMENTS

Gas Prices

2006 – 2011 Romania Gas Prices (EUR / 1000 m³)



2011 Gas Prices (EUR / 1000 m³)

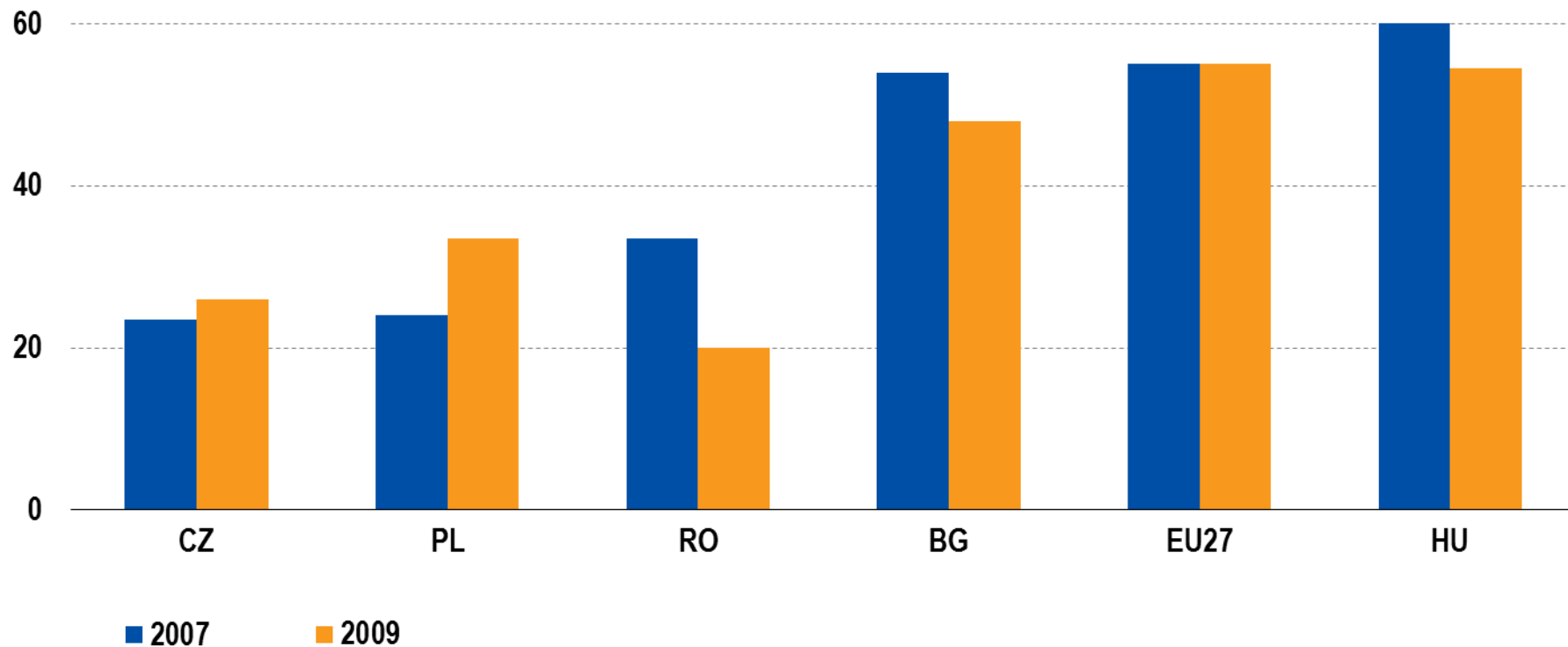


Source: Eurostat, 2011

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

Energy Import Dependency, RO vs EU

- Romania has the lowest energy import dependency in the European Union
- Energy imports taken into account: oil, electricity, gas and petroleum products



Source: Eurostat, 2011

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



FUND INFORMATION

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



The Fund – Key Facts

Fund Details as of 31 March 2012	
Base Currency	RON
Fund Launch Date	28 December 2005
Franklin Templeton Appointment Date	29 September 2010
Listing Date	25 January 2011

Values*	RON	EUR**
NAV	16.0 bn	3.7 bn
NAV/Share	1.1922	0.2723
Price/Share***	0.5940	0.1356
Discount	50.18%	50.18%
Number of Shares in Issue	13,778,392,208	
Number of Paid Shares	13,412,554,856	

* As per 31 March 2012, based on CNVM methodology

**Computed using the EUR/RON FX rate as of 30 March 2012

***Share price as at 30 March 2012

****BVB, for the period 25 January 2011 – 10 April 2012

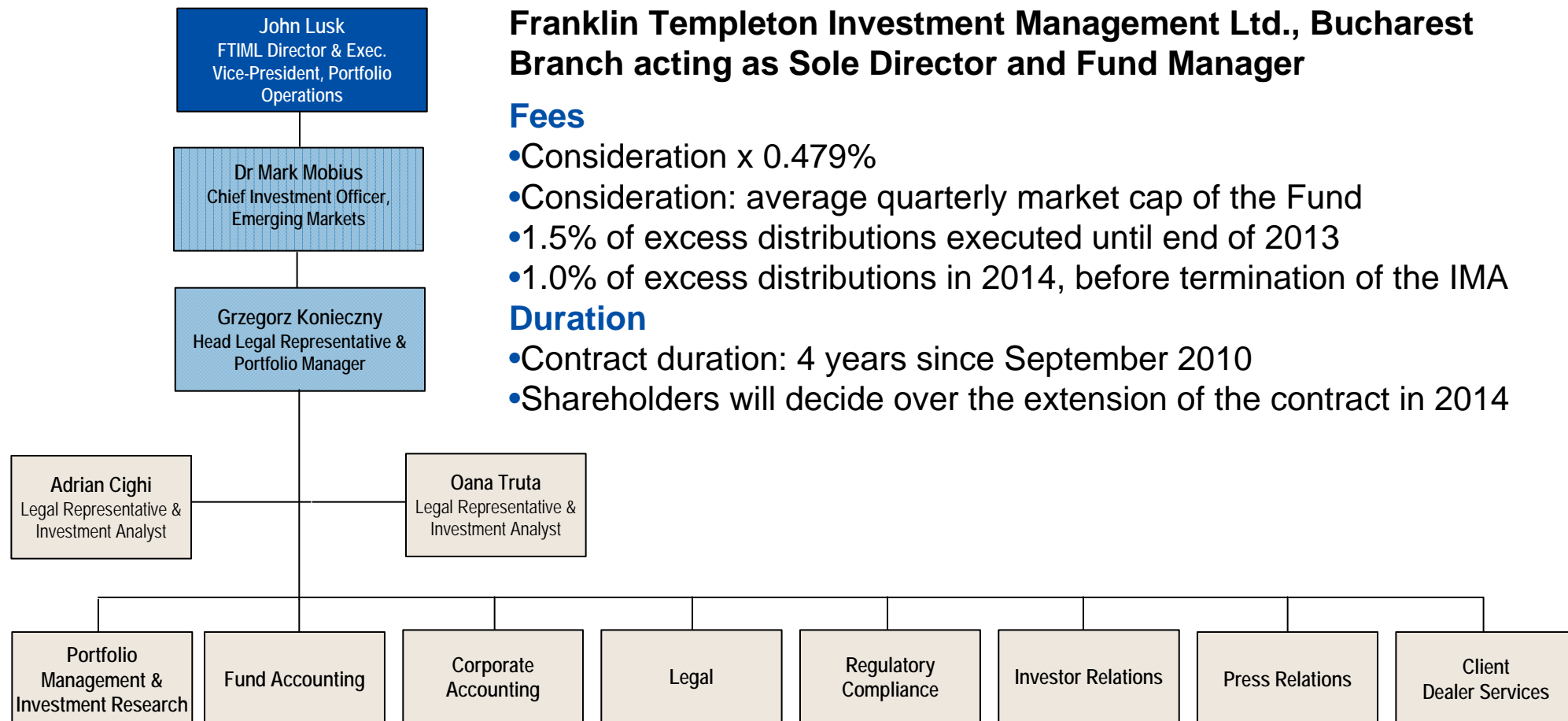
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.



FONDUL
PROPRIETATEA



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



Franklin Templeton Investment Management Ltd., Bucharest Branch acting as Sole Director and Fund Manager

Fees

- Consideration x 0.479%
- Consideration: average quarterly market cap of the Fund
- 1.5% of excess distributions executed until end of 2013
- 1.0% of excess distributions in 2014, before termination of the IMA

Duration

- Contract duration: 4 years since September 2010
- Shareholders will decide over the extension of the contract in 2014

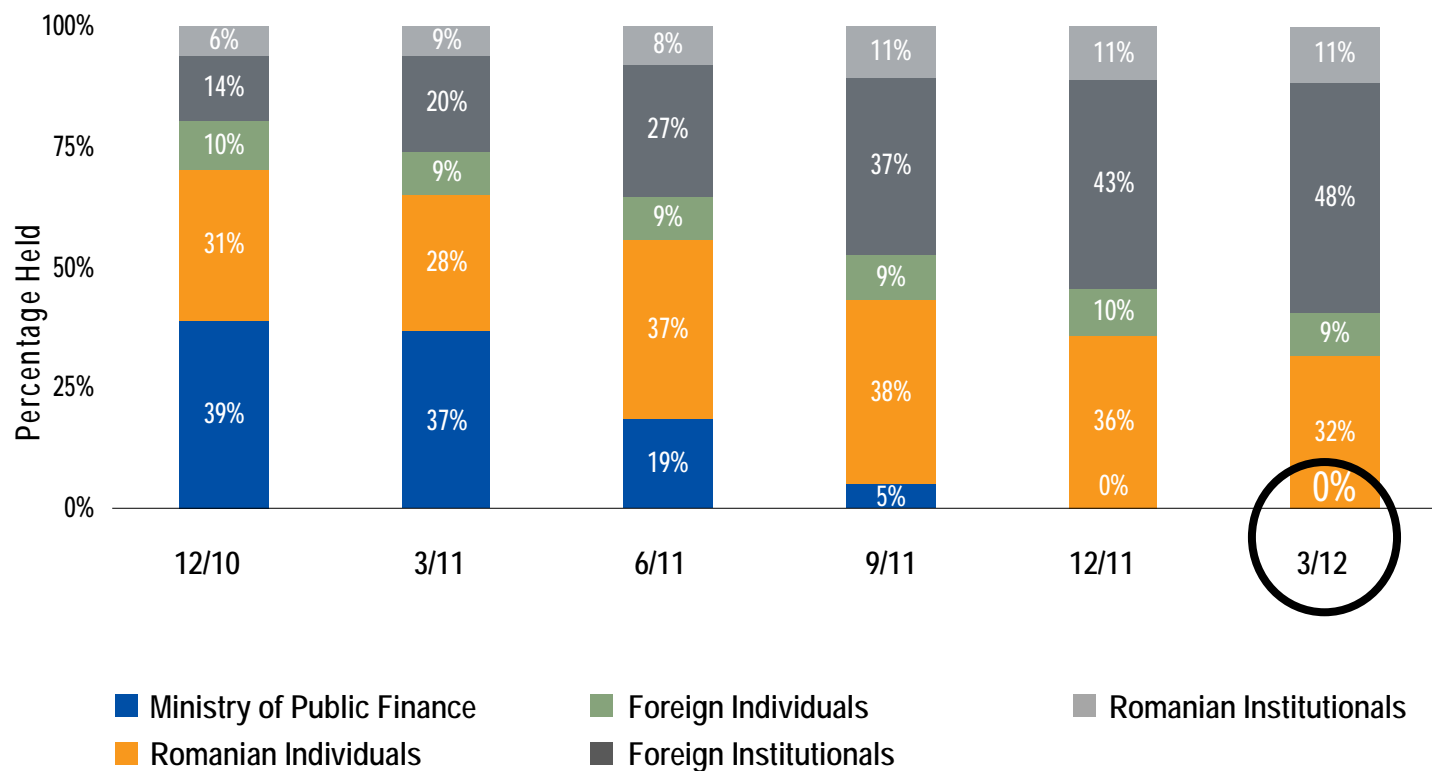
Board of Nominees – Current Structure

Current Members	Position	Current Position
Sorin Mindrutescu	Interim Chairman	Managing Director, Oracle Romania
Cristian Busu	Member	Director, Marfin Bank
Julian Healy	Member	Independent non-Executive Board Director
Piotr Rymaszewski	Member	CEO and Fund Manager, Octava NFI S.A.
Steven Van Groningen	Member	President and CEO of Raiffeisen Bank SA Romania

Shareholders Structure

Shareholders Structure* (% Held)

Evolution



Top Shareholders**	
Elliott Associates**	13.91%
City of London Investment Management**	7.21%
Georgia Palade van Dusen**	6.54%

Total Number of Shareholders: 10,011

Source: Central Depository

*Shareholder structure as at 31 March 2012; based on paid share capital starting 31 July 2011

**Based on ownership disclosures sent in January 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

Net Asset Value

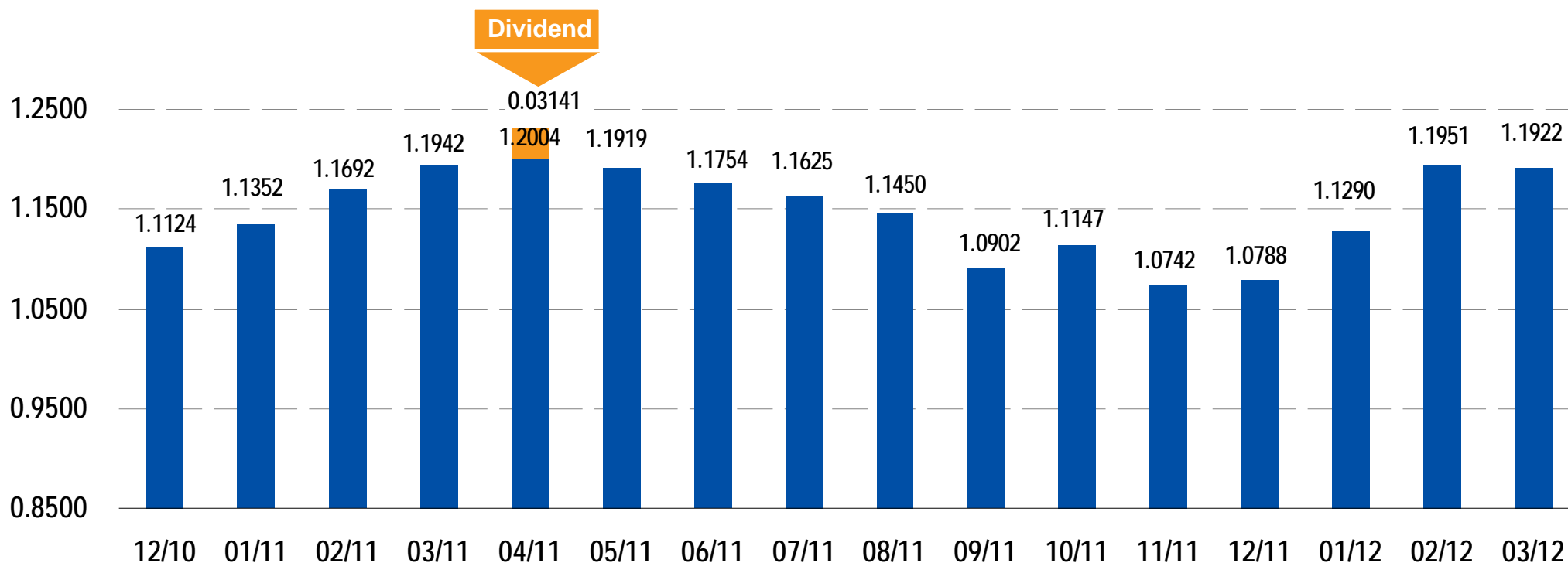
NAV (RON) / Share

Cumulative Performance YTD:

+10.5% as at 31 March 2012

Cumulative Performance Since December 2010:

+10.0% as at 31 March 2012



The NAV methodology was changed by CNVM in accordance with Disposal of Measure 17 in November 2010, which first impacted the November NAV
 This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



PORTFOLIO MANAGEMENT

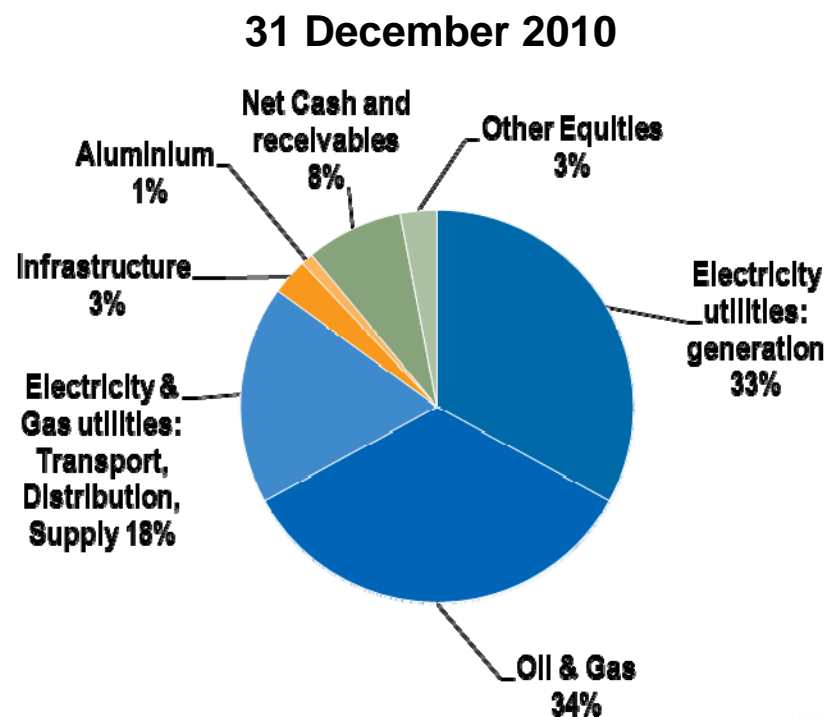
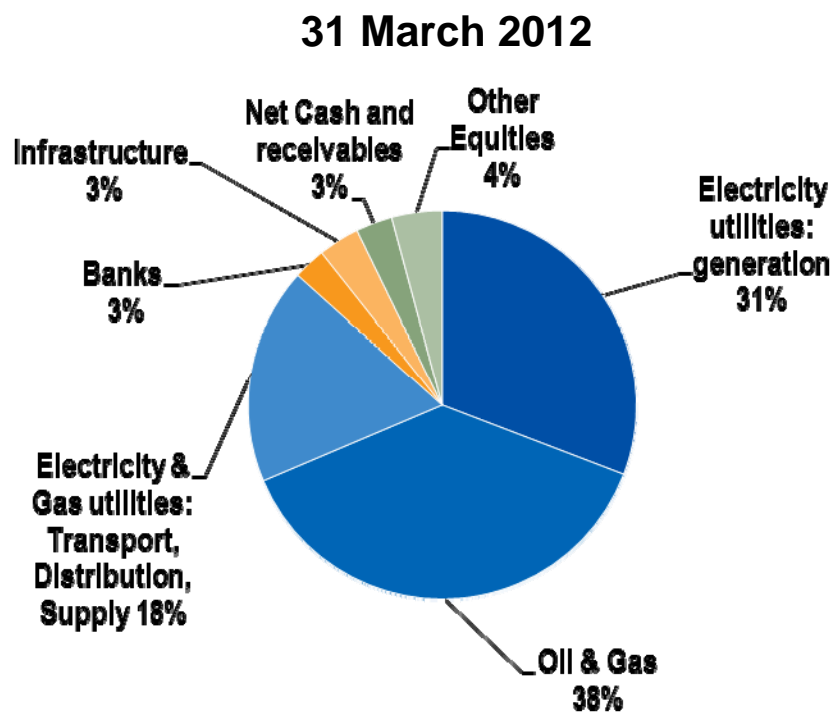
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Portfolio Structure (I)

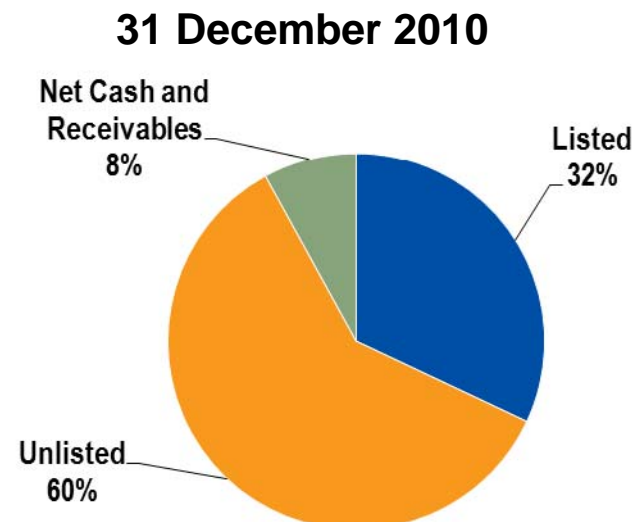
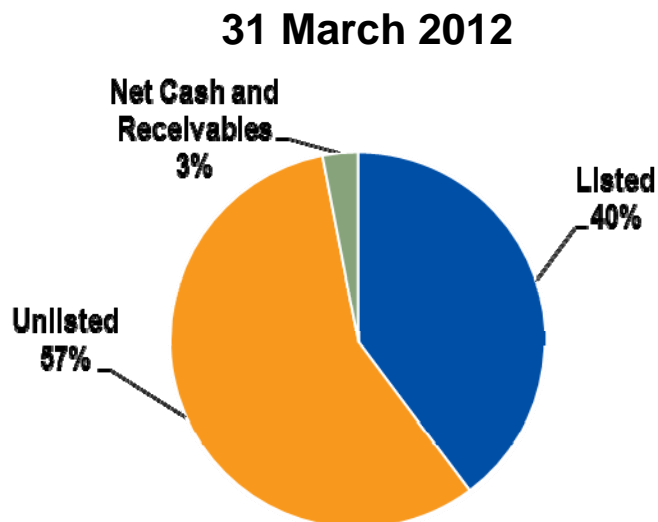
- As of 31 March 2012, the portfolio was heavily weighted towards the electricity, oil and gas sectors (approx. 87% of the NAV), offering unique exposure to the energy sector
- Acquisitions for the 12-month period ended 31 December 2011:
 - Added stakes in Erste Bank, Raiffeisen Bank and Banca Transilvania
 - Increased exposure to Alro, Azomures, BRD-Societe Generale and Conpet



Source: Reports prepared by the Fund's Manager as of 31 December 2010 and 31 March 2012
 This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

Portfolio Structure (II)

- As of 31 December 2010, FP's portfolio included stakes in 83 companies (28 listed and 55 unlisted), both privately held and State-owned, ranging from less than 1% to 100%
- As of 31 March 2012, the portfolio included stakes in 73 companies (27 listed and 46 unlisted)
- Disposals for the 12-month period ended 31 December 2011:
 - Sold holdings in Marlin, Familial Restaurant, Laromet, Retizoh, Zamur, and Vitacom at prices equal to or above those in the NAV
 - Reduced stake in Oil Terminal
 - Mergers: Electrica Furnizare Transilvania Nord, Electrica Furnizare Muntenia Nord and Electrica Furnizare Transilvania Sud merged to form Electrica Furnizare; Delfincom and Prestari Servicii merged with Primcom merger completed in January 2012



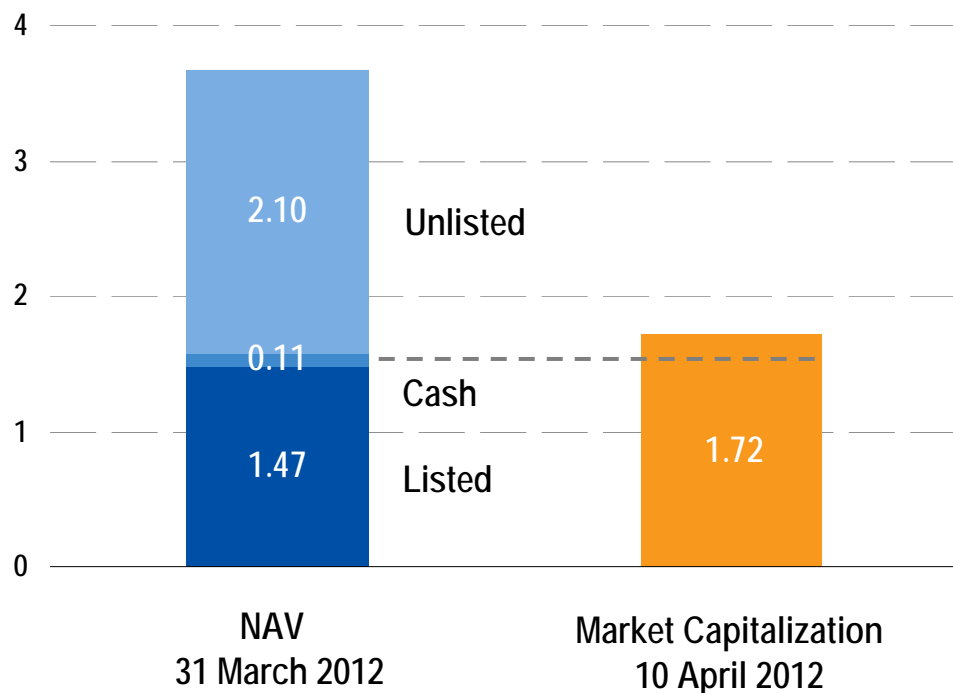
Source: Reports prepared by the Fund's Manager as of 31 March 2012 and 31 December 2010
 This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA

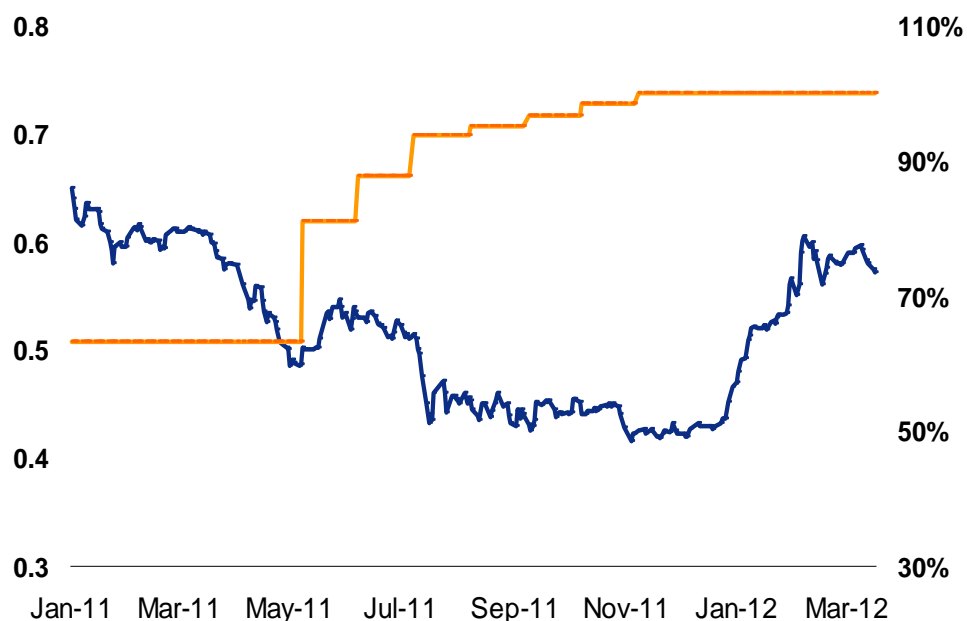


FP Market Performance

NAV vs. Market Capitalization (EUR bn)*



FP Share Price and Free Float**



Discount***	52.1%
Number of Shares Traded**	11.8 billion shares (89% of the paid share capital)
Average Daily Turnover	EUR 4.6 million
Value of the Shares Traded*	EUR 1.4 billion

*Source: BVB, FP

**Source: BVB for the period 25 January 2011– 10 April 2012

***As at 10 April 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

Largest Holdings

No.	Portfolio Company	Status	% Stake*	Majority Shareholder	NAV EUR mn	% in Total NAV
1	OMV Petrom	Listed–SPO 2012	20%	OMV	1,079.3	29.6%
2	Hidroelectrica	IPO 2012	20%	Romanian State	762.8	20.9%
3	Romgaz	IPO 2012	15%	Romanian State	278.7	7.6%
4	CE Turceni	Unlisted	25%	Romanian State	119.3	3.3%
5	Nuclearelectrica	IPO 2012	10%	Romanian State	115.8	3.2%
6	Transgaz	Listed–SPO 2012	15%	Romanian State	98.7	2.7%
7	GDF Suez Energy Romania	Unlisted	12%	GDF Suez	77.4	2.1%
8	ENEL Distributie Muntenia	Unlisted	12%	Enel Group	77.0	2.1%
9	CN Aeroporturi Bucuresti	Unlisted	20%	Romanian State	73.6	2.0%
10	ENEL Distributie Banat	Unlisted	24%	Enel Group	72.3	2.0%
Top 10 Portfolio Holdings					2,754.9	75.5%
Total Financial Assets (FP Holdings)					3,540.8	97.0%
NAV as of 31 March 2012					3,651.7	100.0%
NAV Per Share (EUR)					0.2723	

Note: Values in EUR calculated using the EUR/RON FX rate as of 31 March 2012

Source: Reports prepared by the Fund Manager as of 31 March 2012

*Based on the 31 December 2011 Detailed Statement of Investments

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



2011–2012 SPO & IPO Timeline

- After the expected IPOs, the weight of listed holdings will increase from 40% of NAV to 72% of NAV as of 31 March 2012
- Law 247 / 2005 specified that all state-owned companies in the Fund's portfolio must be listed by the end of 2008; new deadline proposed by Fondul Proprietatea and Ministry of Transportation and Infrastructure is end of 2012
- Long-term objective is to increase the Fund's exposure to listed companies to 100%

Company	Share Sale	SPO Stake	Market Value* (mn) EURO	Investment Consortium Selected	Comments
OMV Petrom	SPO - 2012	9.8%	539.6*	-	
Transelectrica	SPO – April 2012	15.0%	37.6**	BCR, Swiss Capital, Intercapital Invest	Completed in March 2012
Transgaz	SPO – April 2012	15.0%	98.8*	Raiffeisen, Wood & Company, BT Securities	
Romgaz	IPO – June 2012	15.0%	278.7***	Goldman Sachs, Erste-BCR, Raiffeisen	
Nuclearelectrica****	IPO – October 2012	10.0%	115.8***	-	
Hidroelectrica****	IPO – October 2012	10.0%	381.4***	Citi, Societe Generale, BRD	

Privatization Progress



*Source: BVB, as at 30 March 2012

**Source: Based on final price of RON 14.9 for institutional tranche and RON 15.7 for the retail tranche and EUR/RON FX rate as at 29 March 2012

*** Source: 31 March 2012 NAV report

****As agreed with the IMF in the December 2011 Letter of Intent and approved by Government decision in January 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



General Elections (October / November 2012)

Voting intentions - March 2012



- The Social-Liberal Union (**USL**) is a political alliance formed on 5 February 2011 between three opposition parties: the Social Democratic Party (**PSD**), and the Center-Right Alliance of the National Liberal Party (**PNL**) and the Conservative Party (**PC**)
- The Liberal Democratic Party (**PDL**) is a Right-Wing political party in Romania, formed in December 2006 as a breakaway group from the National Liberal Party (**PNL**). The Liberal Democratic Party merged with the Democratic Party (**PD**) in January 2008.
- The People's Party Dan Diaconescu (**PP-DD**) is a Romanian political party created in 2011 by television presenter Dan Diaconescu.
- The Democratic Union of Hungarians in Romania (**UDMR**) is the main political organisation representing the ethnic Hungarians of Romania.

Source: IMAS, survey's period: 7 – 13 March 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA


FRANKLIN TEMPLETON
INVESTMENTS

Disposal of the Unlisted Power and Gas Distribution Companies

- In March 2012, the Fund Manager selected Citigroup Global Markets Ltd. as exclusive intermediary to facilitate one of more transactions involving the Fund's holdings in the unlisted power and gas distribution and supply companies
- The total value of the holdings is EUR 527.6 million, or approximately 15% of the NAV per the Fund's 31 January 2012 NAV report

Company	FP Stake	NAV EUR mn*	% NAV
E.ON Moldova Distributie	22%	50.8	1.5%
E.ON Gaz Distributie	12%	26.6	0.8%
E.ON Energie Romania	13%	21.7	0.6%
Enel Distributie Muntenia	12%	77.7	2.2%
Enel Energie Muntenia	12%	8.6	0.3%
Enel Distributie Banat	24%	72.9	2.1%
Enel Distributie Dobrogea	24%	50.4	1.4%
Enel Energie	12%	4.5	0.1%
GDF Suez Energy România	12%	78.0	2.2%
Electrica Distributie Muntenia Nord	22%	54.8	1.6%
Electrica Distributie Transilvania Nord	22%	39.3	1.1%
Electrica Distributie Transilvania Sud	22%	42.3	1.2%
Electrica Furnizare	22%	0.0	0.0%
TOTAL		527.6	15.1%

Source: Current report published on 6 March 2012

Note: Values in EUR calculated using the EUR/RON FX rate as of 31 January 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



FP Power and Gas Distribution and Supply Stakes

The FP portfolio comprises stakes in electricity and gas distribution and supply companies across the entire industry.

Ownership Structure

Company	Business	% Ownership			EBITDA ¹
		Private	Utility	FONDUL PROPRIETATEA	
Distributie Muntenia Nord (EDMN)	D	22%	78%		€25
Distributie Transilvania Sud (EDTS)	D	22%	78%		29
Distributie Transilvania Nord (EDTN)	D	22%	78%		25
Furnizare (EF) ³	S	22%	78%		1
Distributie Muntenia (EDM)	D	64%	12%	24%	50
Energie Muntenia (EEM)	S	64%	12%	24%	0
Distributie Banat (EDB)	D	51%	24%	25%	56
Distributie Dobrogea (EDD)	D	51%	24%	25%	33
Energie (EE)	S	51%	12%	37%	(1)
Moldova Distributie (EMD)	D	51%	22%	27%	66
Gaz Distributie (EGD)	D	51%	12%	37%	73
Energie Romania (EER) ⁴	S S	51%	13%	4%	32% (30)
(GDF R)	D S	51%	12%	37%	104

D Electricity Distribution S Electricity Supply D Gas Distribution S Gas Supply

Source: Company financial statements.

Notes:

(1) EBITDA as of 2010YE based on Romanian Accounting Standards.

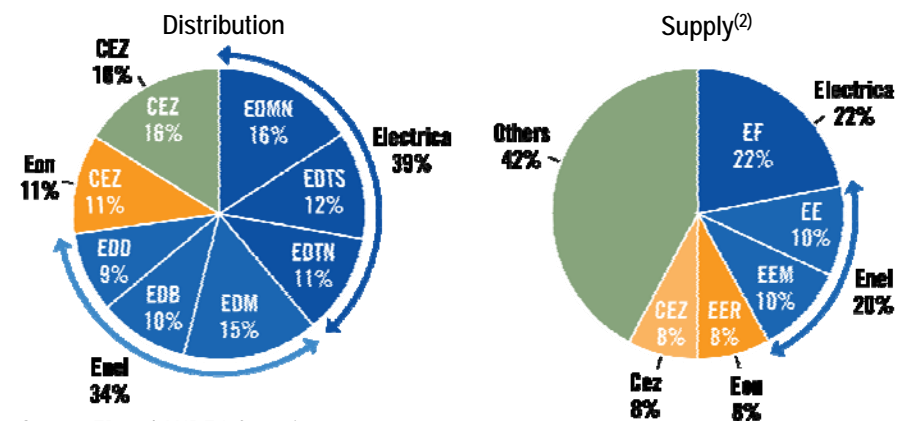
(2) Supply includes total market share (regulated and competitive markets)

(3) Electrica Furnizare was created in July 2011 through the merger of Electrica Furnizare Muntenia Nord, Electrica Furnizare Transilvania Sud and Electrica Furnizare Transilvania Nord.

(4) E.ON Energie Romania was created in Dec 2010 through the merger of E.On Moldova Furnizare (electricity supplier) and E.On Gaz Romania (gas supplier).

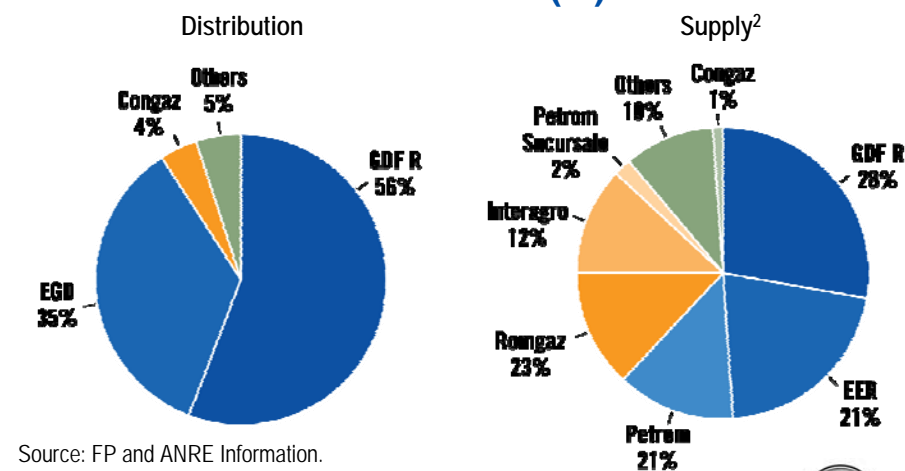
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

Romanian Electricity Market Shares (%) – 2010



Source: FP and ANRE Information.

Romanian Gas Market Shares (%) - 2010



Source: FP and ANRE Information.

FONDUL PROPRIETATEA



Top 20 Portfolio Holdings–Dividends

Top 20 Holdings*		2011 Profit**	2010 Profit	2011 Dividend Payout %	2012 FP Net Dividend	2011 FP Net Dividend
1	Hidroelectrica	n/a	292.37	90%	n/a	52.5
2	OMV Petrom	3,685.61	2,189.70	46%	353.1	201.6
3	Romgaz	n/a	651.20	110%	n/a	106.0
4	CE Turceni	n/a	-69.30	–	n/a	–
5	Nuclearelectrica	n/a	16.09	–	n/a	–
6	Transgaz	392.02	376.40	90%	52.5	50.8
7	GDF Suez Energy Romania	n/a	270.95	53%	n/a	9.6
8	Enel Distributie Muntenia	n/a	105.10	–	n/a	–
9	CN Aeroporturi Bucuresti	n/a	42.54	90%	n/a	9.9
10	ENEL Distributie Banat	n/a	148.40	46%	n/a	20.2
11	Complexul Energetic Rovinari	n/a	0.60	–	n/a	–
12	BRD-Groupe Societe Generale	465.27	500.60	21%	3.6	2.1
13	Complexul Energetic Craiova	n/a	0.20	–	n/a	–
14	Electrica Distributie Muntenia Nord	n/a	26.70	–	n/a	–
15	Alro	230.06	159.80	100%	19.4	13.5
16	E.ON Moldova Distributie	n/a	165.40	–	n/a	–
17	ENEL Distributie Dobrogea	n/a	99.60	56%	n/a	13.5
18	Electrica Distributie Transilvania Sud	n/a	11.90	–	n/a	–
19	Transelectrica	90.28	9.60	96%	10.9	1.2
20	Electrica Distributie Transilvania Nord	n/a	8.52	–	n/a	–
Total Dividends from Top 20 Holdings		4,863.23	5,003.44		439.5	480.9
Total Dividend Income					n/a	519.1
Expected Gross Dividend per Share					0.03854	
Share price***					0.5715	

Note: Calculation based on the companies' 2010 statutory financial statements

n/a – information not available as at 10 April 2012

*Based on the 31 December 2011 Detailed Statement of Investments

**Based on preliminary results

***Share price as at 10 April 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Corporate Governance Code for SOEs

Main Provisions of the Corporate Governance Code

- The Romanian Government approved on 30 November 2011 an Emergency Government Ordinance 109/2011 regarding the corporate governance of State Owned Enterprises with the following provisions:
 1. Separation of the management and shareholder roles of SOEs:
 - Only two members of the Board of Directors can be State employees
 - Obligation for the majority members of the BoD to be independent
 - Separation of the Chairman of the BoD and General Manager roles
 - Transparent selection process of the General Manager
 - Rigorous selection process of the BoD members proposed by the State
 2. Increased transparency:
 - Business plan to be approved by the General Shareholder Meeting
 - Publication of: GSM documentation, GSM decisions, semi-annual and annual financial statements, annual audit reports, BoD reports
 3. Additional means to protect the rights of minority shareholders:
 - Cumulative voting for selection of BoD members
 - Proxy and electronic voting for shareholders

Hidroelectrica

Themes

- **IPO**—should take place by the end of October 2012. Consortium of investment banks selected.
- **Long term bilateral contracts**—under negotiation. At stake there is around 170m* EUR per year in foregone profits.
- **New Board of Directors and Management**—Board has selected a HR consultant to help with recommending candidates for the Board.

Financial results

mil. RON	2009	2010	Prelim. 2011
Sales	2,421	3,274	2,999
Operating profit	162	503	113
Net Profit	48	292	16

Source: Company's presentations

* Calculated as 12 TWh sold at 130 lei/MWh versus average OPCOM 2006 – 2011 prices of 192 lei/MWh

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Romgaz

Themes

- **IPO**—Consortium of investment banks selected, engagement letter signed, preparation underway, expected 3Q 2012
- **Gas price liberalization**—Government to present a liberalization schedule for gas prices soon, as per commitment with IMF
- **New Board of Directors and Management**—Board initiated process to select an HR consultant to help with recommending candidates for the Board

Financial results

mil. RON	2009	2010	Prelim. 2011
Sales	3,562	4,124	4,357
Operating profit	717	996	924
Net Income	572	651	762

Source: Company's presentations

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Nuclearelectrica

Themes

- **IPO**—should take place by the end of November 2012. Consortium of investment banks to submit offers by 21 May 2012
- **Budget allocations for heavy water**—starting with 2012 Nuclearelectrica will not receive budget allocations to purchase heavy water for the nuclear reactors 3&4
- **Regulated market**—the main reason for the company's low profitability is the regulated tariff imposed by the regulator for approx. 75% of the electricity sold
- **New Board of Directors and Management**— Board has selected a HR consultant to help with recommending candidates for the Board and for the General Manager position

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

Financial results

mil. RON	2010	2011*	2012**
Sales	1,540	1,641	1,793
Operating profit	156	214	221
Net profit	13	47	51

*Preliminary figures

**Budgeted figures

FONDUL
PROPRIETATEA



CE Oltenia

Themes

- **Merger** – the final GSM approval of the merger of CE Craiova, CE Turceni, CE Rovinari and SNLO is to take place on 27th of April

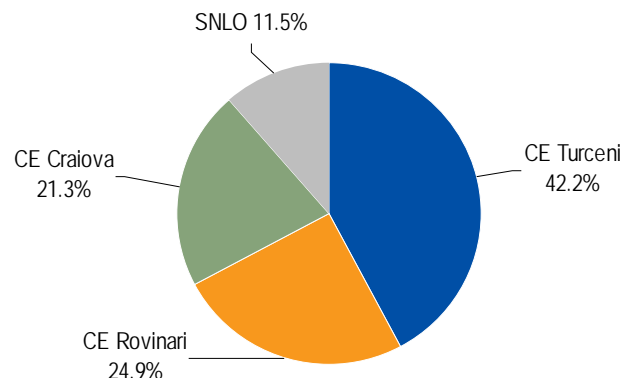
- **CE Oltenia highlights:**

- Installed capacity: 3,750 MWh
- 15 lignite coal mines with a capacity production of 30mn tonnes/year
- Estimated electricity production: 17.5TWh/year
- Estimated revenues: USD 1.2bn/year
- Based on the valuation provided by KPMG for the merger Fondul Proprietatea will hold 21.5% in CE Oltenia and will represent 6.7% of the NAV

- **New Board of Directors and Management** – Board has selected a HR consultant to help with recommending candidates and also hired a HR consultant for the selection of the general manager

- **Listing/privatization** - listing of the company at the Bucharest Stock Exchange or a block sell of majority stake to strategic investors within 24 months from the registration of CE Oltenia at the Trade Registry Office

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.



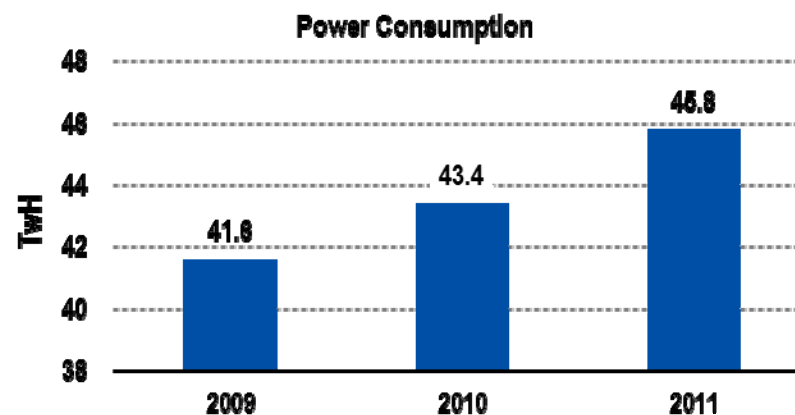
Source: The Merger Project provided by KPMG

2011 Financial results

mil. EUR	CE Rovinari	CE Turceni	CE Craiova	S.N.L.O.	Total (CE Oltenia)
Total Revenue	344.9	493.0	321.8	271.8	1,431.4
Total Expenses	334.0	472.2	318.7	258.9	1,383.9
Net Profit	7.8	13.5	0.2	7.5	28.9

ENEL

- Business is regulated. Tariffs are set by a regulatory agency (ANRE) which allows the company to earn 10% return on the Regulated Asset Base. Current regulatory period ends in 2012
- There has been no change in distribution tariffs for 2012
- PUT option for Electrica in the case of Enel Distributie Muntenia (EDM) will be exercised in the second part of 2012, according to Privatization Office (OPSPI)*



Source: ANRE reports

Strong balance sheets**

	EDM	EDB	EDD
Cash / Shareholders Equity	46%	23%	12%

*ANRE report

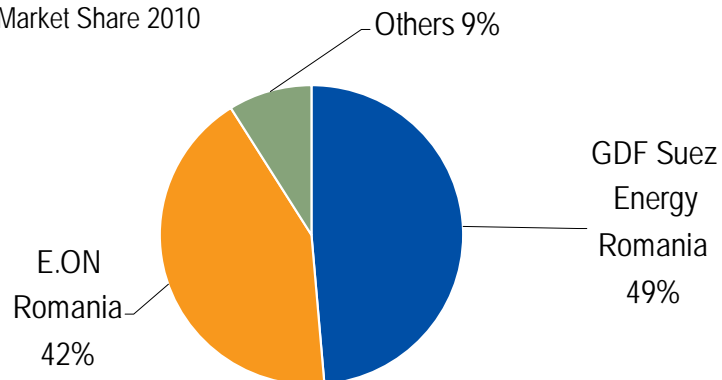
** 2011 Annual report and financial statements as proposed by management, not yet approved by shareholders

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

GDF SUEZ Energy Romania

- It is the largest domestic gas distributor and the biggest gas supplier on the regulated market, enjoying a strong position on the competitive market as well.
- Distribution Business is fully regulated. Current RRR on RAB is set at 8.6%.
- Next 5-year regulatory period to start in 2013.
- Tariffs for industrial consumers have been increased by 18% in H2 2011 and by an additional 5% in 2012; no change in tariff for residential consumers since 2009
- Company also owns the license to supply electricity and is investing EUR 80 million in a wind farm project in 2011 and 2012

Gas Supply on Regulated Market
Market Share 2010



Source: ANRE, company annual reports

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

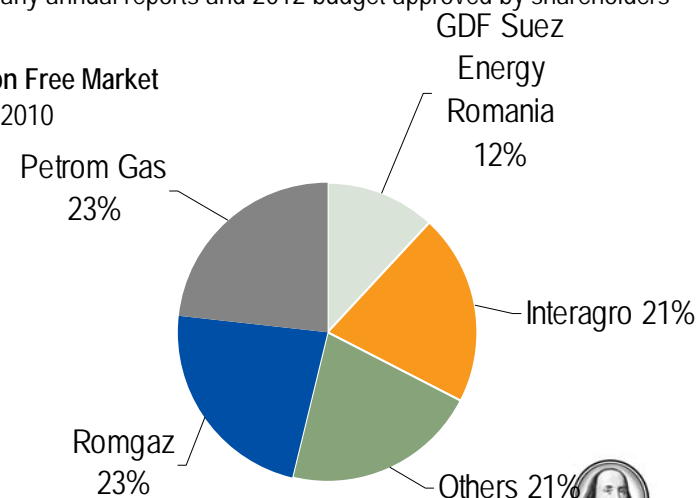
Consolidated numbers
(supply and distribution)

mil. RON	2008	2009	2010	2011*
Revenues	3,730	3,534	3,593	3,906
Operating profit	148	486	322	299
Net profit	128	416	271	262

*Preliminary figures

Source: Company annual reports and 2012 budget approved by shareholders

Gas Supply on Free Market
Market Share 2010



FONDUL
PROPRIETATEA



UPDATE ON ONGOING LITIGATIONS

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Update on Ongoing Litigations

- More than 100 cases ongoing involving the Fund as claimant or defendant, with primarily 4 types of counterparties:
 - Portfolio Companies
 - Romanian State
 - Shareholders
 - Individuals who are unhappy with compensation received from the State/NARP and (mistakenly) add the Fund as co-defendant; requires attendance but usually quickly resolved

Successful court cases:

- In 2011 alone, successful litigations recovered over Euro 10 million of dividends from portfolio companies on behalf of the Fund.
- The cases for blocking the merger for creating Electra and Hidroenergetica
- Cases against portfolio companies in order to force them to apply the corporate governance principles (Timisoara Airport, Constanta Airport, Galati Port, Cetatea Suceava, Comcereal Fundulea, Hidroelectrica, Salubriserv)
- Cases started by individuals against the Fund (some of them shareholders of the Fund)
- In successful cases, the Fund can seek recovery of any material legal fees or court expenses.

CORPORATE ACTIONS

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Secondary Listing: WSE Recommendation (I)

On 4 April 2012, the Fund's shareholders:

- Approved in principle the secondary listing of the Fund on the Warsaw Stock Exchange
- Approved an instruction to the Franklin Templeton Investment Management Ltd Bucharest Branch to present a specific plan to shareholders by no later than 31 May 2012, setting forth all formalities necessary for listing on the WSE, and to schedule a shareholders meeting to vote on all such necessary matters no later than 30 June 2012

The Fund Manager has resumed the selection process for the Investment Bank / Consortium

Secondary Listing: WSE Recommendation (II)

Progress to Date:

- Fund Manager made the recommendation to list on the Warsaw Stock Exchange
- Initiated selection process for Investment Bank/Consortium to sponsor the secondary listing
- Meetings with Investment Banks/Consortia
- Meetings with the Romanian CNVM and Central Securities Depository
- Meetings with Polish Financial Supervision Authority and National Central Depository

Ongoing Actions:

- Conclude selection process for Investment Bank/Consortium
- Board of Nominees and General Shareholders Meeting approval for the secondary listing by the end of June 2012

Fondul Proprietatea: 14th largest company on the WSE

Largest Companies Listed on the Warsaw Stock Exchange (WIG – 20)	
Company	Market Capitalisation (EUR* billion)
PKOBP	10.18
PEKAO	9.91
PGE	8.72
KGHM	6.98
PZU	6.73
PGNIG	5.70
TPSA	5.51
PKN Orlen	3.89
BRE	2.89
JSW	2.72
HANDLOWY	2.40
TAURON	2.15
SYNTHOS	2.03
FONDUL PROPRIETATEA	1.87
KERNEL	1.30

Source: Bloomberg, as at 30 March 2012

*Based on the EUR/PLN and EUR/RON rates as at 30 March 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Buyback Programs

Update on Completed and Proposed Buy Back Programs:

- 240.3 million shares equivalent to 1.74% of the Fund's issued share capital were bought back as at 30 September 2011, at an average price of RON 0.4994, for a total amount of RON 120.3 million
- Cancellation of the shares was not voted by shareholders at the 4 April 2012 General Shareholders Meeting due to lack of quorum. Subsequently, the Constitutive Act of the Fund was modified to reduce the quorum requirement to 25% of total voting rights for the first meeting and 20% for the second meeting
- New buy-back program proposed to repurchase 1.1 billion shares, equivalent to 7.9% of the Fund's issued share capital will be subject to shareholders' approval at the Annual Shareholders Meeting on 25 April 2012
- The execution of the buy-back program will be subject to the 25% of the daily trading volume restriction, according to applicable EU buy-back regulation (average daily trading volume for 1 January – 31 March 2012 was 23.3 million shares)

Buyback Programme vs. Dividend distribution (I)

Funding sources (+)	A
Cash & cash equivalents (Cash, Bank deposits and Government securities)	RON 469.2m as at 31 March 2012
Receivables	RON 51.5m as at 31 March 2012
2011 net cash dividends from portfolio companies	RON 451.0m, officially proposed until 10 April 2012
Proceeds on disposal of the 13 unlisted holdings, subject of the intermediary agreement concluded	Total value according to the 31 March 2012 NAV: RON 2,291.6m
Expected cash outflows (-)	B
2011 Fund's gross dividend payable in 2012	RON 507.7m gross dividends proposed, to be approved by shareholders in the 25 April 2012 GSM
Other debts and payables, including previous years dividends payables	RON 20.4m as at 31 March 2012
Fund's operating cash expenses and taxes, including profit tax	Cash expenses for the period until June 2013, when new cash inflows from 2012 portfolio companies dividends are expected
Fund's expenses for secondary listing	Secondary listing budget will be subject to shareholders' approval in the June 2012 GSM
Fund's cash expenses related to buyback programme (Note: Profit tax on the gain on cancellation of buybacks is due after the decrease of the share capital following buybacks cancellation)	<ul style="list-style-type: none"> • FTIML fees: 1.5% of the buybacks purchase value • Depository transaction fees: 0.0085% of the buybacks purchase value • Profit tax on the gain on cancellation of buybacks: 16% of the difference between Nominal Value (=1 RON) and acquisition value of the buybacks
Cash available for the future buy-back programme or Dividend distribution in 2013	A – B

Buyback Programme vs. Dividend distribution (II)

Buyback programme considerations:

- Potential positive impact on NAV per share, due to the discount of share price to NAV (50.2% as at 31 March 2012) and on share price and earnings per share. Any increase in NAV per share and earnings per share will arise after the cancellation of buybacks.
- Gain on cancellation of buybacks is subject to 16% profit tax - applied to the difference between the nominal value of Fund's shares (RON 1) and the acquisition price of the buybacks. The profit tax is due after the cancellation of buybacks.

Dividend distribution considerations:

- Distributable profits will depend on Fund's net profits as per the annual approved financial statements prepared in accordance with Romanian Accounting Regulations (after the deduction of the compulsory allocation to legal reserves).
- According to Fund's dividend policy stated in the listing prospectus, gains on disposals of equity investments are not normally distributed as dividends;
- Dividends are taxed based on relevant tax rates in the shareholder's country of residence (if the shareholder submits a valid fiscal residence certificate). Taxes on dividends are withheld at the time of dividend distribution.

Taxation of the Fund

Portfolio Company Dividend Effective Tax Rates

	Romanian Investments	Other EU Investments
>10% held for >2 years	0%	0%
Otherwise	16%	16%

95% of gross dividend income received at 0% tax rate in 2011.

Portfolio Company Capital Gains Effective Tax Rate

- Realised Gains subject to 16% Corporate Income Tax
- Losses can be set against capital gains and other profits or carried forward for up to 7 years

2012 UPCOMING EVENTS

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



2012 Upcoming Events

Date	Event
25 April 2012	Annual Shareholders Meeting – Romania
15 May 2012	Q1 - 2012 Report and Conference Call
17 May 2012	Romania Capital Markets Investor Symposium in London
22 May 2012	Romania Capital Markets Investor Symposium in New York
30 May 2012	Fondul Proprietatea at the CEE IPO Summit 2012 in Warsaw
31 May 2012	Fondul Proprietatea at the Prague Spring Emerging Europe Conference
June 2012	General Shareholders Meeting

Agenda of the EGM and OGM – 25 April 2012

- 1] Approval to buy-back 1.1 billion shares or 7.9% of the subscribed shares at a price between RON 0.2 to RON 1.5, subject to cash availability. Shares repurchased will be cancelled
- 2] Approval of the 2011 financial statements
- 3] Approval of the 2011 gross dividend of RON 0.03854 – dividend payment to commence on 29 June 2012

APPENDIX A – Distribution companies

A Unique and Attractive Opportunity

Distribution and Supply Assets

1 Unique Portfolio	<ul style="list-style-type: none"> The FP assets provide a unique opportunity to investors to gain a foothold in the utilities industry in Romania Significant portfolio which delivered over 150TWh energy in 2010 Balanced and attractive geographical footprint No other similar portfolio of assets is available for sale in the country in the foreseeable future
2 Fundamentally Attractive Market	<ul style="list-style-type: none"> The convergence of the Romanian market in terms of electricity consumption and electricity prices to EU standards makes Romania a very attractive growth market Romanian GDP is expected on average to grow faster in the next three years than the Eurozone and CEE peer group⁽¹⁾ according to EIU forecasts; GDP per capita is also well below the Western European and CEE peers levels Romanian domestic/industrial power prices are below those of the CEE peers, offering significant potential growth Power consumption per capita in Romania is growing faster than in Eurozone and other CEE countries <ul style="list-style-type: none"> In 2010, quantities used by final consumers increased by 4.5% yoy, whilst in Jan-Aug 2011, final users' consumption was 6.3% higher yoy according to ANRE
3 Stable Distribution Business	<ul style="list-style-type: none"> Stable regulatory framework using a RAB based methodology Attractive allowed return of 10% on a pre-tax real basis (7% for state-owned distribution assets) for power and 8.63% for gas
4 Improving Demand Dynamics	<ul style="list-style-type: none"> Growth is also expected from further market opening (currently: c. 56% real market opening on the retail market. Source: ANRE, October 2011) The government plans to liberalise non-residential electricity prices by 2013 and the residential segment by 2017
5 Solid Financials	<ul style="list-style-type: none"> The distribution companies enjoy stable profitability, low indebtedness and a safe business model with controlled profitability guaranteed by a revenue cap (RAB-based) methodology for computing tariffs Strong cash balances and very low leverage compared with European peers
6 Improving Dividend Yield	<ul style="list-style-type: none"> EDB⁽²⁾, EDD and GDF R started paying dividends in 2011, which indicates improving profitability and a business turnaround
7 Further Stake Building and Exit Options	<ul style="list-style-type: none"> Further Stake Building <ul style="list-style-type: none"> Electrica Assets – alongside governmental privatisation plans (IPO or trade sale) The Western European shareholders have been generally reducing their CEE portfolios, which might also affect their Romanian investments providing minority shareholders an opportunity to gain controlling ownership Government privatisations are increasing the focus on the BSE and listing opportunities Exit Options related to FP's stakes <ul style="list-style-type: none"> Enel: tag along rights and ROFR in EEM and EDM, ROFR in EER E.ON: ROFR in EMD

Notes:

(1) CEE Peers: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Macedonia, Montenegro, Poland, Serbia, Slovakia, Slovenia.

(2) Acronyms used: EDB: Enel Distributie Banat, EDD: Enel Distributie Dobrogea, GDF R: GDF Suez Romania, EEM: Enel Enrgie Muntenia, EDM: Enel Distributie Muntenia, EER: Enel Energie Romania, EMD: E.ON Moldova Distributie.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



APPENDIX B – Taxes

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Romanian Taxation of Investors

Country where investor is tax resident	Romanian Dividend Withholding Tax		Romanian Capital Gains Tax	
	<u>Without tax residence certificate</u>	<u>With tax residence certificate</u>	<u>Without tax residence certificate</u>	<u>With tax residence certificate</u>
Argentina	16%	16%	16%	16%
Australia	16%	15%	16%	16%
Austria	16%	5%	16%	0%
Belgium	16%	15%	16%	0%
Bulgaria	16%	15%	16%	0%
Canada	16%	15%	16%	0%
Croatia	16%	5%	16%	0%
Cyprus	16%	10%	16%	0%
Czech Republic	16%	10%	16%	0%
Denmark	16%	15%	16%	0%
Estonia	16%	10%	16%	0%
France	16%	10%	16%	0%
Germany	16%	15%	16%	0%
Greece	16%	16%	16%	0%
Hungary	16%	15%	16%	0%
Ireland	16%	3%	16%	0%
Iran	16%	10%	16%	0%
Israel	16%	15%	16%	0%
Italy	16%	10%	16%	0%
NB Investors may be liable to tax on dividends and capital gains in their country of residence.				

The above figures are indicative common position, but tax analysis depends on the investors' particular circumstances and investors should seek their own tax advice accordingly.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Romanian Taxation of Investors

Country where investor is tax resident	Romanian Dividend Withholding Tax		Romanian Capital Gains Tax	
	<u>Without</u> tax residence certificate	<u>With</u> tax residence certificate	<u>Without</u> tax residence certificate	<u>With</u> tax residence certificate
Japan	16%	10%	16%	0%
Jordan	16%	15%	16%	0%
Lithuania	16%	10%	16%	0%
Luxembourg	16%	15%	16%	0%
Kuwait	16%	1%	16%	0%
Moldova	16%	10%	16%	0%
Montenegro	16%	10%	16%	0%
Netherlands	16%	15%	16%	0%
Poland	16%	15%	16%	0%
Portugal	16%	15%	16%	0%
Serbia	16%	10%	16%	0%
Slovakia	16%	10%	16%	0%
Slovenia	16%	5%	16%	0%
Spain	16%	15%	16%	0%
Sweden	16%	10%	16%	0%
Switzerland	16%	10%	16%	0%
Turkey	16%	15%	16%	0%
United Kingdom	16%	15%	16%	0%
United States of America	16%	10%	16%	0%
NB Investors may be liable to tax on dividends and capital gains in their country of residence.				

The above figures are indicative common position, but tax analysis depends on the investors' particular circumstances and investors should seek their own tax advice accordingly.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Gross Book Value and NAV – Listed Companies

Company	Gross Book Value (RON)*	NAV as at 31 December 2011 (RON)
Alcom SA	471,052	2,766,719
Alro SA	176,479,575	236,875,320
Azomures SA	22,840,151	79,015,589
Banca Transilvania	56,051,342	45,984,712
BRD – Groupe Societe Generale	326,157,637	271,899,654
Comcereal Cluj SA	913,756	1,055,505
Comcereal Fundulea SA	170,530	164,465
Conpet	69,313,368	89,949,706
Delfincom SA	6,225,070	3,873,882
Erste Group Bank AG	192,563,651	72,055,218
Forsev SA	3,780,366	6,814,913
IOR SA	348,756	1,468,473
Mecanoenergetica SA	256,275	186,412
Mecon SA	484,544	600,540
Oil Terminal SA	13,057,145	8,858,975
OMV Petrom SA	5,714,197,261	3,303,427,754
Palace SA	1,860,419	1,691,420
Prestari Servicii SA	1,035,338	-
Primcom SA	20,489,158	17,544,357
Raiffeisen Bank International AG	195,075,547	94,094,574
Resib SA	126,217	-

*Accounting gross book value as at 31 December 2011 as per statutory financial statements subject for GSM approval on 25 April 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Gross Book Value and NAV – Listed Companies

Company	Gross Book Value (RON)*	NAV as at 31 December 2011 (RON)
Romaero SA	58,533,949	13,838,340
Romplumb SA	19,249,219	-
Severnav SA	14,014,409	2,070,144
Telerom Proiect SA	236,083	49,731
Transelectrica SA	262,614,413	172,176,689
Transgaz SA	177,353,514	394,127,877
Transilvania Com SA	177,010	1,274,624
Turdapan SA	240,000	105,046
Total	7,334,315,755	4,821,970,639

*Accounting gross book value as at 31 December 2011 as per statutory financial statements subject for GSM approval on 25 April 2012
 This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Gross Book Value and NAV – Unlisted Companies

Company	Gross Book Value (RON)*	NAV as at 31 December 2011 (RON)
Aeroportul International Mihail Kogalniceanu Constanta SA	1,490,898	2,494,257
Aeroportul International Timisoara – Traian Vuia SA	2,652,588	7,817,689
BAT Service SA	656,686	-
Carbid Fox SA	927,357	-
Carom Broker Asigurare SA	1,161,986	1,040,190
Celuloza si Otel SA	230,675	874,488
Cetatea SA	118,840	428,623
Ciocarlia SA	37,125	421,727
CN Administratia Canalelelor Navigabile SA	15,194,209	15,681,169
CN Administratia Porturilor Dunarii Fluviale SA	675,810	3,982,358
CN Administratia Porturilor Dunarii Maritime SA	1,351,671	2,078,025
CN Administratia Porturilor Maritime SA	52,621,414	61,773,003
CN Aeroporturi Bucuresti SA	131,168,263	322,411,347
Commetex SA	193,500	216,106
Complexul Energetic Craiova SA	250,169,153	266,803,843
Complexul Energetic Rovinari SA	137,615,732	290,225,420
Complexul Energetic Turceni SA	282,299,927	522,596,046
Comsig SA	132,633	156,273
E.ON Energie Romania SA	45,765,358	94,317,201

*Accounting gross book value as at 31 December 2011 as per statutory financial statements subject for GSM approval on 25 April 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Gross Book Value and NAV – Unlisted Companies

Company	Gross Book Value (RON)*	NAV value as at 31 December 2011 (RON)
E.ON Gaz Distributie SA	37,470,244	115,571,013
E.ON Moldova Distributie SA	131,073,011	220,765,398
Electrica Distributie Muntenia Nord SA	165,221,141	238,102,985
Electrica Distributie Transilvania Nord SA	113,299,904	170,851,862
Electrica Distributie Transilvania Sud SA	125,918,629	183,545,053
Electrica Furnizare SA	17,819,672	-
Electroconstructia Elco Cluj SA	319,656	538,690
ENEL Distributie Banat SA	141,578,929	316,723,589
ENEL Distributie Dobrogea SA	114,760,053	218,671,655
Enel Distributie Muntenia SA	107,277,263	337,238,882
Enel Energie Muntenia SA	2,833,769	37,340,945
ENEL Energie SA	26,124,808	19,719,504
Fecne SA	-	-
GDF Suez Energy Romania	59,982,622	338,708,332
Gerovital Cosmetics SA	340,996	-
Hidroelectrica SA	3,101,292,356	3,340,402,960
Nuclearelectrica SA	967,926,936	507,047,010
Petrotel – Lukoil SA	2,787,316	-
Plafar SA	3,160,329	-
Posta Romana SA	84,664,380	139,601,479

*Accounting gross book value as at 31 December 2011 as per statutory financial statements subject for GSM approval on 25 April 2012

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Gross Book Value and NAV– Unlisted Companies

Company	Gross Book Value (RON)*	NAV as at 31 December 2011 (RON)
Romgaz SA	416,301,444	1,220,241,044
Salubriserv SA	207,601	7,580,400
Simtex SA	3,059,858	-
Societatea Nationala a Sarii SA	76,347,715	86,791,391
World Trade Center Bucuresti SA	42,459	-
World Trade Hotel SA	17,912	16,305
Zirom SA	36,030,702	57,809,768
Total	6,660,323,530	9,150,586,030

*Accounting gross book value as at 31 December 2011 as per statutory financial statements subject for GSM approval on 25 April 2012
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



APPENDIX C – Update on Litigations

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



Litigations with Portfolio Companies

Romgaz donation:

- In August 2010 the Romanian Government enacted an Ordinance giving the “possibility” to Romgaz to “donate” RON 400 million to Romanian State. During the GSM on 30 November 2010 the State voted for the donation and the Fund voted against. The payment was made two days later. The Romanian courts have ruled against the Fund in three stages.
- Status:
 - the file was sent to the Supreme Court of Justice at the Fund’s request to involve the Constitutional Court – next hearing 11 September 2012;
 - we started a new case against Romgaz board members who proposed the GSM to approve the donation – next hearing 17 December 2012;
 - new cases: one against Romanian State for abuse on its duty as a shareholder, Constitutional Court case;
 - may consider international court case if Romanian courts irrevocably decide that the donation was legal.

Other cases:

- Cases against five companies (representing more than 25% of the NAV of the Fund) to block the creation of the two energy giants (Electra and Hidroenergetica) - success in suspension and cancellation of merger process.
- Case against Hidroelectrica board members for signing energy sale contracts at price far below market price. Next hearing 22 May 2012.
- Cases for recovering dividends due to the Fund from portfolio companies: 100% success to date. We recovered during 2011 more than EURO 10 million.
- Cases against portfolio companies in order to force them to respect company law and corporate governance principles: involved 8 companies to date, with 100% success.

Litigations with the Romanian State

Since the Fund's inception, there have been a series of litigations with the Romanian State to rectify failure by the State to properly transfer to the Fund certain assets, specified in the legislation creating the Fund, in exchange for shares in the Fund received by the State.

Many such cases have been resolved, but three issues remain:

- Nuclearelectrica case: RON 350 million claims outstanding. Appeal due to be heard by Supreme Court of Justice on 29 November 2012.
- Electromecanica case: irrevocable decision against the Fund. Although the law creating the Fund required the State to transfer 40% of Electromecanica to Fondul, in reality the State was not a shareholder in the company (owned 100% by Romarm).
- Uzina Mecanica case: irrevocable decision against the Fund. The same argumentation as for Electromecanica.

Since shares have been awarded to the State without the equivalent contribution-in-kind being received by the Fund, and in order to protect the rights of the Fund and other shareholders, the Sole Administrator issued a decision that the shares received by the State in relation to these assets shall be considered unpaid and registered as such with the Trade Register.

Litigations with Shareholders

- Most cases involve Ioana Sfiraiala. She claims alleged breach by the Fund's previous management of a requirement to publish a draft Constitutive Act in the Official Gazette with the first calling notice of the Fund's 6 September 2010 GSM.
- On 22 December 2011, Bucharest Court found in her favour to annul some of the decisions; the Fund appealed (so the decision is not currently effective) and the first hearing of the Bucharest Court of Appeal is set for 14 June 2012.
- In March 2012, she filed 10 more claims, some of a repetitive nature, and applied for 3 injunctions. All 3 injunctions were rejected; she has appealed.
- Numerous GSM decisions since 6 September 2010 have superseded or replaced many of the matters covered by the decisions in issue. The 25 April 2012 GSM agenda includes a resolution proposed by shareholders to ratify and/or approve the decisions in question and all subsequent decisions.
- We also note that the approval and execution of the Fund Manager's contract has never been challenged.
- We remain of the view that this litigation is unlikely to have a material effect on the management of the Fund.

THANK YOU!

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not intended for public use.

FONDUL
PROPRIETATEA



For further information please contact:
investor.relations@fondulproprietatea.ro