

Fund Administrator: Franklin Templeton Investment Management Limited UK,
Bucharest Branch
Administrator Code: PJM05SSAM/400001
Fund: Fondul Proprietatea SA
Fund Code: PJR09SIIR/400006
Reporting date: 31.12.2012

**Fondul Proprietatea SA 's Assets and Liabilities based on NAV calculation according with the
Regulation No. 4 / 2010, as amended by the Disposal of Measures No. 17/25.11.2010 and
Regulation No. 11 / 2012**

	Lei
1. Non-current Assets	8,151,616,080.61
1.1. Intangible assets	323,413.45
1.2. Tangible assets	0.00
1.3. Financial assets	8,151,292,667.16
1.3.1 Listed shares	35,015,160.55
1.3.2 Unlisted shares*	8,116,277,279.82
1.3.3 Government securities	0.00
1.3.4 Certificates of deposits	0.00
1.3.5 Bank deposits	0.00
1.3.6 Municipal bonds	0.00
1.3.7 Corporate bonds	0.00
1.3.8 Newly issued securities	0.00
1.3.9 Participation titles of UCITS and/or of OCIU	0.00
1.3.10 Other financial assets	226.79
2. Current assets	6,865,421,130.12
2.1 Inventory	0.00
2.2 Receivables out of which:	2,638,208.97
- commercial papers	0.00
2.3 Cash	1,857,627.12
2.4 Short term financial investments	6,088,882,985.68
2.4.1 Listed shares	6,088,882,985.68
2.4.2 Unlisted shares	0.00
2.4.3 Municipal bonds	0.00
2.4.4 Corporate bonds	0.00
2.4.5 Participation titles of UCITS and/or of OCIU	0.00
2.5 Newly issued securities	0.00
2.6 Government securities	454,732,856.81
2.7 Bank deposits	317,309,451.54
2.8 Certificates of deposits	0.00
2.9 Other current assets	0.00

3. Derivatives	0.00
4. Prepaid expenses	27,198.57
5. Total assets	15,017,064,409.30
6. Total liabilities	21,064,178.26
6.1 Borrowings from bond issues	0.00
6.2 Amounts due to credit institutions	0.00
6.3 Advance payments to customer accounts	0.00
6.4 Payables	10,135,208.19
6.5 Commercial papers due	0.00
6.6 Amounts due to group companies	0.00
6.7 Amounts due to related parties	0.00
6.8 Other debts	10,928,970.07
7. Provisions	16,798,225.40
8. Deferred income out of which:	0.00
8.1 Subsidies for investments	0.00
8.2 Deferred income	0.00
9. Shareholders' equity out of which:	14,979,202,005.64
9.1 Share capital	13,778,392,208.00
9.2 Share capital premiums	0.00
9.3 Revaluation differences	3,142,433,966.90
9.4 Reserves	-2,563,516,401.44
9.5 Retained earnings	83,251,853.05
9.6 Period result	566,988,650.98
9.7 Profit appropriation	-28,348,271.85
10. Total liabilities and Shareholders' equity	15,017,064,409.30
11. Net Asset Value	14,979,202,005.64
12. No of shares issued **	13,172,475,365
13. Net asset value per share	1.1371
14. Number of portfolio companies out of which:	69
14.1 Companies admitted to trading on a regulated market	25
14.1 Companies admitted to trading on an alternative regulated market	0
14.3 Companies not admitted to trading	44

Note:

* = Starting with 31 December 2012 net asset value report, according to the provision of CNVM Regulation no.11/2012, the holding in Hidroelectrica SA is valued at the fair value assessed by an independent valuator (previously, since the opening of insolvency procedure for this company, this holding was valued at zero).

Complexul Energetic Oltenia SA, C.N. Aeroporturi București SA, E.ON Moldova Distribuție SA, Hidroelectrica SA, Nuclearelectrica SA, Poșta Română SA, Zirom SA are valued at the value assessed by an independent valuator.

** = Represents the number of shares related to the paid in subscribed share capital (according to provisions of Law 247/2005, Title VII, Art. 9², alin. 5 "Subscribed unpaid shares are not taken into account for the computation of net asset value per share for Fondul Proprietatea") excluding the Fund's own shares bought back (Treasury shares), according to provisions of CNVM Regulation no.11/2012.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as sole administrator on behalf of S.C. FONDUL PROPRIETATEA S.A

Oana Truta
Legal representative

Marius Nechifor
Compliance Officer

ING Bank N.V. Amsterdam –Bucharest Branch

Cristina Bulata
Head of Settlements and Trade Department

Mihaela Savu
Economist

Annex - Valuation methods used for the securities and the monetary market instruments held by Fondul Proprietatea S.A. as at 31 December 2012

The valuation methods used for the computation of the NAV as at 31 December 2012, for the securities and the monetary market instruments held by Fondul Proprietatea S.A. are the following:

1. Listed companies traded within last 30 days: Closing Price;
2. Listed companies with no trades within last 30 days: Shareholders' equity / share (from the annual financial statements prepared in accordance to Romanian accounting regulations or in accordance to IFRS), Fair value/share;
3. Unlisted companies: Shareholders' equity / share (from the annual financial statements prepared in accordance to Romanian accounting regulations or in accordance to IFRS), Fair value / share;
4. Companies in insolvency or reorganisation: Valued either at zero or at the value provided by an independent valuator;
5. Companies in liquidation/dissolution/ bankruptcy: Valued at zero;
6. Companies with negative shareholders' equity, unlisted, or listed but not traded within the last 30 days: Valued at zero;
7. Government securities: Acquisition price cumulated with the accrued interest receivable calculated for the period elapsed since the date of acquisition;
8. Bank deposits: Bank deposit amount cumulated with the accrued interest receivable calculated for the period elapsed since its creation date.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as sole administrator on behalf of S.C. FONDUL PROPRIETATEA S.A

Oana Truța
Legal representative

Marius Nechifor
Compliance Officer

[English translation of the original report in Romanian - for information purposes only]

Annex – Changes in the valuation methods used for the computation of the NAV of Fondul Proprietatea as at 31 December 2012

For the computation of the NAV as at 31 December 2012 for Fondul Proprietatea S.A., Franklin Templeton Investment Management elected to change the valuation methods used for the investments in the companies listed below:

1) Primcom SA

Franklin Templeton Investment Management elected to value the investment in this company at the last available trading price (Lei 14.99/share), as it was considered to reflect better the fair value of this investment than shareholders' equity per share (Lei 20.4120 /share), even though the shares of this company have not been traded in the last 30 days. This change of valuation method did not have any impact on the Fund's NAV.

2) Alcom SA

For this company, the valuation method has been changed from shareholders' equity/share to closing price according to CNVM Regulation 4/2010 amended by CNVM Regulation 11/2012, because the shares of this company have been traded during the last 30 days. The total impact of this change of valuation method on the Fund's NAV was a decrease of Lei 4,135,745.11.

3) Hidroelectrica SA

According to CNVM Regulation no. 4/ 2010 (art. 19, paragraph (2)), the holding in Hidroelectrica was previously valued at zero because of this company insolvency. With effect from December 2012, according to CNVM Regulation no. 11/ 2012 which amends CNVM Regulation no. 4/2010, holdings in companies under insolvency or reorganisation procedures can be valued either at zero or at the value provided by an independent valuer. Consequently, the valuation method for this company has been changed from valued at zero to fair value (value as per independent valuer's report)/ share (respectively Lei 22.4172 /share). The total impact of this change of valuation method on the Fund's NAV is an increase of Lei 2,000,999,129.78.

4) E.ON Moldova Distributie SA, Posta Romana SA and Zirom SA

For these companies, the valuation method has been changed from shareholders' equity/share to fair value (value as per independent valuer's report)/ share (respectively E.ON Moldova Distributie SA: Lei 29.4694/share, Posta Romana SA: Lei 5.4345 /share and Zirom SA: Lei 10.0131/share), as it was considered to reflect better the fair value of these investments than shareholders' equity per share (respectively E.ON Moldova

[English translation of the original report in Romanian - for information purposes only]

Distributie SA: Lei 36.3614/share, Posta Romana SA: Lei 6.4831/share and Zirom SA: Lei 14.5729/share). The total impact of this change of valuation method on the Fund's NAV was a decrease of Lei 107,894,924.11.

5) Complexul Energetic Oltenia SA

For this company, the valuation method has been changed from shareholders' equity as per combined IFRS financial statements/ share (Lei 39.2920 /share) to fair value (value as per independent valuer's report)/ share (respectively Lei 32.1625 /share), as it was considered to reflect better the fair value of this investment than shareholders' equity per share. The total impact of this change of valuation method on the Fund's NAV was a decrease of Lei 195,070,506.16.

6) Nuclearelectrica SA

For this company, the valuation method has been changed from adjusted shareholders' equity/ share (Lei 20.1662/share) to fair value (value as per independent valuer's report)/ share (respectively Lei 26.2601/share), as it was considered to reflect better the fair value of this investment than shareholders' equity per share. The total impact of this change of valuation method on the Fund's NAV was an increase of Lei 150,374,182.48.

7) C.N. Aeroporturi Bucuresti SA

For this company, the valuation method has remained the same, which is fair value (value as per independent valuer's report)/ share, but an updated valuer's report has been used. The total impact of this change on the Fund's NAV was a decrease of Lei 50,411,404.04.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as sole administrator on behalf of S.C. FONDUL PROPRIETATEA S.A.

Oana Truța
Legal representative

Marius Nechifor
Compliance Officer

[English translation of the original report in Romanian - for information purposes only]