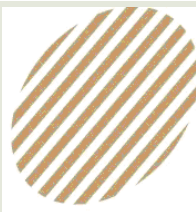




**FRANKLIN TEMPLETON
INVESTMENTS**



FONDUL PROPRIETATEA

MONTHLY REPORT

28 February 2011

INVESTMENT OBJECTIVE

Long-term capital appreciation via investments mainly in Romanian equity or equity-linked securities with strict adherence to the principles of value investing, supported by first-hand research, and a long-term time horizon.

FUND MANAGER

Franklin Templeton Investment Management Limited
UK, Bucharest Branch

HEAD LEGAL REPRESENTATIVE & PORTFOLIO MANAGER

Grzegorz Konieczny

FUND DETAILS AS AT 28 FEB 2011

Base Currency of Fund: Romanian Lei (RON)

Fund Size: 16.11 billion RON
€3.82 billion*

Date of Fund Launch: 28 December 2005

Performance Inception Date:

31 December 2010 for NAV
25 January 2011 for Ordinary Share Price

* Conversion date of 28 February 2011

VALUES

NAV/Share: 1.1691 RON

Ordinary Share Price: 0.6125 RON

Discount: 47.61%

Number of shares in issue: 13,778,392,208

The subscribed and paid capital:
RON 13,778,392,208

DIVIDENDS PAID: ANNUALLY

Ordinary Dividend: 0.0816 RON October 2010**

** This represents both 2008 and 2009 distribution

FUND IDENTIFIER

Bucharest Stock Exchange symbol: FP

Bloomberg: BBG000PLPSZ8

ISIN: ROFPTAACNOR5

CNVM Register No: PJR09SIIR/400006/18.08.2010

CIVM Registration No: AC-3587-1/22.12.2010

DESCRIPTION OF NAV BASIS

Net Asset Value is calculated according to regulations currently applying to Fondul Proprietatea in Romania (CNVM Regulation no. 4/2010, modified by Disposal of Measures no. 17/25.11.2010). Listed investments are valued using the last available closing price where there is trading activity in the last 30 days. Where there is no trading activity in the 30 day period for listed investments, the unlisted valuation approach applies. Investments in unlisted companies are valued using either shareholders equity value per latest financial statements (proportionally with the stake held) or by using valuation methods in accordance with International Valuation Standards (fair value principles). Any holding going through an insolvency or liquidation procedure is valued at zero until the procedure is finalised.

Contact Us

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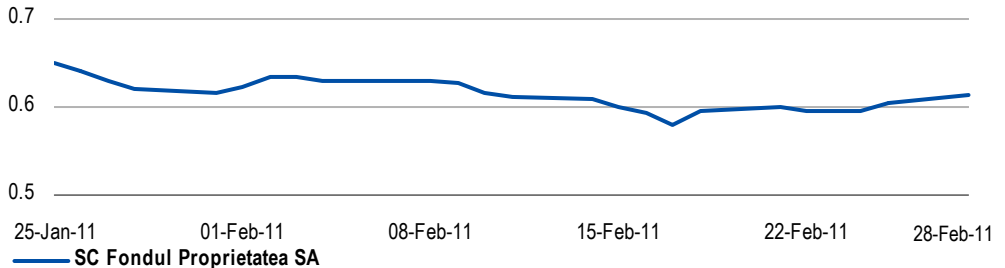
fax: +40 21 200 9631/32

email: investor.relations@fondulproprietatea.ro

web: www.fondulproprietatea.ro

Fund's headquarters are at 78-80 Buzesti Str, 7th Floor, Bucharest District 1, 011017, Romania. Fund's Fiscal Identification Code (CIF): 18253260 and Trade Registry registration no: J40/21901/2005

SHARE PRICE SINCE LISTING



CUMULATIVE PERFORMANCE %

	1-MO	3-MO	6-MO	1-YR	3-YR	5-YR	SINCE PERFORM. INCEPT.
NAV	2.99						5.10
Ordinary Share Price	-0.41						-5.70

ASSET ALLOCATION*

ASSET	%
Equity	93.72
Money Market Instruments**	6.26
Other	0.02

COUNTRY BREAKDOWN*

COUNTRY	%
Romania	98.35
Austria	1.65

SECTOR BREAKDOWN***

SECTOR	%
Oil & Gas	36.31
Power Utilities: generation	31.29
Power & Gas Utilities: transport, distribution, supply	17.61
Banks	2.70
Infrastructure	2.68
Aluminium	1.50
Postal Services	1.05
Heavy Industry	1.04
Others	0.36
Net Cash	5.46

TOP 10 HOLDINGS***

SECURITY NAME	%
OMV Petrom	28.14
Hydroelectrica	20.40
Romgaz	7.73
Nuclearelectrica	4.38
Complexul Energetic Turceni	3.29
Transgaz	2.97
Enel Distributie Muntenia	2.02
CN Aeroporturi Bucuresti	2.00
GDF Suez Energy Romania	1.88
ENEL Distributie Banat	1.73

*Percentages calculated based on total assets.

**Money market instruments include: time deposits, current accounts, and treasury bills.

***Percentages calculated based on net asset value (NAV).

SUBSTANTIAL SHAREHOLDERS

	%
Ministry of Public Finance	36.79
Romanian private individuals	30.78
Foreign institutional shareholders	18.06
Foreign private individuals	8.80
Romanian institutional shareholders	5.57

IMPORTANT INFORMATION AND DISCLAIMERS

The above portfolio information is calculated on the basis of the NAV. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the Top 10 Holdings list where the protection of such information is in the best interests of the Fund. The price of shares and income from them can go down as well as up and you may not get back the full amount that you invested. Past performance is no guarantee of future performance. In emerging markets, the risks can be greater than in developed markets. Investment in the Fund may not be suitable for all investors; we suggest investors seek guidance from a financial adviser. Read the issue prospectus before investing in this fund/investment firm. Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as sole administrator of SC Fondul Proprietatea SA issues quarterly, semi-annual and annual reports which are published on the Fund's website at www.fondulproprietatea.ro. This is a short summary for the information of existing shareholders only and is not intended to be used as the basis for investment decisions. Existing and potential investors should refer to the Fund's prospectus and amendment, available at www.fondulproprietatea.ro.

All information presented in the report is provided by Franklin Templeton Investments.

This report is issued in Romania by Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, at 78-80 Buzesti Str, Premium Point, 7th and 8th Floors, Bucharest 1, 011018, ROMANIA registered with CNVM under no. PJM05SSAM/400001/14.09.2009.