



FONDUL PROPRIETATEA

Fund Administrator: Franklin Templeton Investment Management Limited UK, Bucharest
Branch
Administrator Code: PJM05SSAM/400001
Fund: Fondul Proprietatea SA
Fund Code: PJR09SHR/400006
Reporting date: 31.12.2010

Fondului 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

	Lei
1. Non-current Assets	9,175,899,946.69
1.1. Intangible assets	0.00
1.2. Tangible assets	0.00
1.3. Financial assets	9,175,899,946.69
1.3.1 Listed shares	30,800,181.24
1.3.2 Unlisted shares	9,145,014,928.04
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	84,837.41
2. Current assets	6,235,948,392.49
2.1 Inventory	0.00
2.2 Receivables out of which:	5,979,119.70
- commercial papers	0.00
2.3 Cash	7,207,864.71
2.4 Short term financial investments	4,903,476,207.29
2.4.1 Listed shares	4,903,476,207.29
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	248,021,474.90
2.7 Bank deposits	1,071,263,725.89
2.8 Certificates of deposits	0.00
2.9 Other current assets	0.00
3. Derivatives	0.00
4. Prepaid expenses	31,004.00
5. Total assets	15,411,879,343.18
6. Total liabilities	69,287,396.20

1

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

S.C. FONDUL PROPRIETATEA S.A., societate administrată în sistem unitar, în condițiile stabilite de Legea nr. 247/2005 privind reformarea în domeniile proprietății și justiției, precum și unele măsuri adiacente, cu modificările și completările ulterioare,

sediu social: str. Buzesti nr. 78-80, etaj 7, sector 1, Bucuresti

CUI: 18253260, înregistrată în Registrul Comerțului: J40/21901/2005,

Capital social vărsat și subscris: 13.778.392.208 RON

tel.: (021) 200 9600; fax: (021) 200 9631; office@fondulproprietatea.ro

www.fondulproprietatea.ro



FONDUL PROPRIETATEA

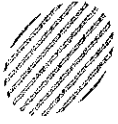
6.1 Borrowings from bond issues	0.00
6.2 Amounts due to credit institutions	0.00
6.3 Advance payments to customer accounts	0.00
6.4 Payables	25,529,058.45
6.5 Commercial papers due	0.00
6.6 Amounts due to group companies	0.00
6.7 Amounts due to related parties	0.00
6.8 Other debts	43,758,337.75
7. Provisions	14,424,098.40
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:	15,328,167,848.58
9.1 Share capital	13,778,392,208.00
9.2 Share capital premiums	0.00
9.3 Revaluation differences	3,188,768,385.42
9.4 Reserves	-2,146,209,926.61
9.5 Retained earnings	74,278,644.53
9.6 Period result	456,307,908.41
9.7 Profit appropriation	-23,369,371.17
10. Total liabilities and Shareholders' equity	15,411,879,343.18
11. Net Asset Value	15,328,167,848.58
12. No of shares issued	13,778,392,208
13. Net asset value per share	1.1124
14. Number of portfolio companies out of which:	83
14.1 Companies admitted to trading on a regulated market	28
14.1 Companies admitted to trading on an alternative regulated market	0
14.3 Companies not admitted to trading	55

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

For Grzegorz Maciej Konieczny

Oana Truță

Empowered through the Decision no 6/12.01.2011 of the sole director of S.C. FONDUL PROPRIETATEA S.A., Franklin Templeton Investment Management Ltd United Kingdom Bucuresti Branch

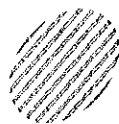


Marius Nechifor
Compliance Officer

Bancpost S.A.

Cecilia Vlăsceanu
Manager of Securities Services Division

Ionut Vlad
Chief of Securities Services Division



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Annex - Valuation methods used for the securities and the monetary market instruments held by Fondul Proprietatea S.A. as at 31 December 2010

The valuation methods used for the computation of the NAV as at 31 December 2010, 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, Fair value/share;
3. Unlisted companies: Shareholders' equity / share, Fair value / share;
4. Companies in liquidation/dissolution/ bankruptcy/with negative shareholders' equity: Priced at zero;
5. Government securities: Acquisition price cumulated with the accrued interest receivable calculated for the period elapsed from the date of acquisition;
6. Bank deposits: Bank deposit amount cumulated with the accrued interest receivable calculated for the period elapsed from its starting date.

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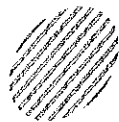
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Marius Nechifor

Compliance Officer



FONDUL PROPRIETATEA

Annex – Change in the valuation methods used for the computation of NAV of Fondul Proprietatea as at 31 December 2010

For the computation of NAV as at 31 December 2010 for Fondul Proprietatea S.A., Franklin Templeton Investment Management decided to change the valuation methods used for the investment in the companies listed below:

1) Compania Nationala Aeroporturi Bucuresti SA

For the valuation of the shares in Compania Nationala Aeroporturi Bucuresti SA, the method used for the computation of NAV of Fondul Proprietatea in the previous month was Shareholders' equity / share (Shareholders' equity as reflected in the audited statutory financial statements as of 31 December 2009).

Franklin Templeton Investment Management decided to change the valuation method to fair value per share, using the report issued by an independent evaluator (KPMG Romania SRL, member ANEVAR), because company's land was considered to be overvalued in the company shareholder equity.

The change of the valuation method for the shares of this company resulted in a decrease of the total NAV of Fondul Proprietatea by 683.2 million lei.

2) Electrica Furnizare Muntenia Nord SA, Electrica Furnizare Transilvania Nord SA, Electrica Furnizare Transilvania Sud SA

The companies Electrica Furnizare Muntenia Nord SA, Electrica Furnizare Transilvania Nord SA, Electrica Furnizare Transilvania Sud SA have initiated the merger procedures intended to be finalized in 2011. For this purpose, each of the three companies prepared financial statements as of 31 August 2010, which is the reference date of the merger.

For all three companies, the method used for the computation of NAV of Fondul Proprietatea in the previous month was Shareholders' equity / share (shareholders' equity as reflected in the audited statutory financial statements as of 31 December 2009).

Franklin Templeton Investment Management decided to change the valuation method, valuing, for prudence reasons, these companies at zero in the computation of NAV in current month, because the audited financial statements as of 31 August 2010 of all these three companies reflect negative shareholders' equity.

The change of the valuation method for the shares of these companies resulted in a total decrease of the total NAV of Fondul Proprietatea by 18.48 million lei (Electrica Furnizare Muntenia Nord SA – 3.13 million lei, Electrica Furnizare Transilvania Nord SA – 6.48 million lei, Electrica Furnizare Transilvania Sud SA – 8.87 million lei).



3) E.ON Energie Romania S.A.

E.ON Gaz Romania and E.ON Moldova Furnizare merged by absorption before 31 December 2010. E.ON Gaz Romania absorbed E.ON Moldova Furnizare and changed its name to E.ON Energie Romania SA.

For the valuation of the shares in E.ON Gaz Romania and E.ON Moldova Furnizare, the method used for the computation of NAV in the previous month was Shareholders' equity / share (Shareholders' equity as reflected in the audited financial statements as of 31 December 2009).

Franklin Templeton Investment Management decided to value the shares in E.ON Energie Romania SA, on the basis of shareholders' equity from the post-merger balance sheet, as of 31 December 2009 (merger reference date), as presented in the approved merger project. The post-merger balance sheet has been prepared based the audited statutory financial Statements of the two entities, E.ON Gaz Romania and E.ON Moldova Furnizare. The financial statements of E.ON Energie Romania SA at 31 Decembrie 2010 (the effective date of the merger) are not yet available.

The change mentioned above, resulted in a decreased of the total NAV of Fondul Proprietatea by 1.25 million lei.

4) E.ON Moldova Distributie SA

For the valuation of the shares in E.ON Moldova Distributie, the method used for the computation of NAV in the previous month was Shareholders' equity / share (shareholders' equity as reflected in the audited statutory financial statements as of 31 December 2009).

Franklin Templeton Investment Management decided to change the valuation method and apply fair value per share. Shareholders' Equity as per company's IFRS as at 31 December 2009 financial statements has been used as a proxy of fair value. Taking into account that as at 31 December 2009 both statutory and IFRS financial statements were available, Franklin Templeton Investment Management decided to use the latter because there were considered to reflect better the fair value of the company. It is worth noting that IFRS are the reporting standards preferred by international investors.

The change of the valuation method for the shares of this company resulted in a decrease of the total NAV of Fondul Proprietatea by 18.37 million lei.

5) Palace SA Sinaia

Even though the shares of Palace SA Sinaia have not been traded in the last 30 days, Franklin Templeton Investment Management decided to value the investment in this company at the last available trading price, 0.7 lei/share, as it was considered to reflect better the real value of the company than the shareholders' equity per share (0.34 lei/share).



FONDUL PROPRIETATEA

6) Severnav, Turdapan SA Turda, Telerom Proiect Inppt Bucuresti, Mecanoenergetica SA Drobeta Turnu Severin

For these companies, the valuation method has been changed from Shareholders' equity / share to Closing Price according to the Disposal of measures 17/25.11.2010, because the shares of all these companies have been traded during the last 30 days of December 2010.

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

For Grzegorz Maciej Konieczny

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Marius Nechifor

Compliance Officer