

QUARTERLY REPORT

for the quarter ended
31 March 2013

Prepared in accordance with CNVM
Regulation no 1/2006

(This is a translation from the official Romanian
version)

FONDUL
PROPRIETATEA



S.C. Fondul Proprietatea S.A.



FRANKLIN TEMPLETON
INVESTMENTS

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Company Information

The Company

- S.C. Fondul Proprietatea S.A. (“the Fund” or “Fondul Proprietatea”) was incorporated on 28 December 2005 as a joint stock company operating as a closed-end investment company.
- The Fund is registered with the Bucharest Trade Registry, under the number J40/21901/2005 and has the sole registration code 18253260.
- The Fund’s Investment Objective is long-term capital appreciation via investment primarily in Romanian equities with strict adherence to the principles of value investing.
- The Sole Administrator of the Fund is Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch (“FTIML” or “Fund Manager”), effective since 29 September 2010.
- Since 25 January 2011 the Fund’s shares have been listed on the Bucharest Stock Exchange.

The following table shows a summary of the financial position of the Fund:

NAV and Share Price Developments	Q1 2013	Q1 2012	YE 2012
Total Shareholders’ Equity (RON million)	12,075.6	12,582.6	11,836.8
Total NAV (RON million)	15,238.5	15,991.7	14,979.2
NAV per Share (RON)	1.1568	1.1922	1.1371
NAV per Share change in the period (%)	+1.7%	+10.5%	+5.4%
NAV per Share Total Return	+1.7%	+10.5%	+8.9%
Share Price (RON)	0.6315	0.5940	0.5495
Share Price Low (RON) ¹	0.5705	0.4270	0.4270
Share Price High (RON) ¹	0.6375	0.6050	0.6050
Share Price change in the period (%)	+14.9%	+39.1%	+28.7%
Share Price Total Return	+14.9%	+39.1%	+38.3%
Discount to NAV	45.4%	50.2%	51.7%
Average Discount for the period	47.7%	53.8%	50.2%
Total Shares Turnover (RON million)	783.5	952.4	3,218.8
Average Daily Turnover (RON million)	12.6	15.1	13.0

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch and BVB

Share Capital Information	31 March 2013	31 March 2012	31 December 2012
Issued Share Capital (RON)	13,778,392,208	13,778,392,208	13,778,392,208
Paid Share Capital (RON)	13,412,803,666	13,412,554,856	13,412,780,166
Number of Shares in Issue	13,778,392,208	13,778,392,208	13,778,392,208
Number of Paid Shares	13,412,803,666	13,412,554,856	13,412,780,166

¹ Closing prices quoted by the BVB

Share Information	
Listing	Bucharest Stock Exchange
Since	25 January 2011
Bucharest Stock Exchange Symbol	FP
Bloomberg	FP RO
Reuters	FP.BX
ISIN	ROFPTAACNOR5
CNVM Register No	PJR09SIIR/400006/18.08.2010
CIVM Registration No	AC-3632-5/03.09.2012

Shareholder Structure² (as at 31 March 2013)

Shareholder Categories	% of subscribed share capital	% of voting rights
Foreign institutional shareholders	55.904%	58.476%
Romanian private individuals	24.273%	25.390%
Romanian institutional shareholders	9.407%	9.840%
Foreign private individuals	5.997%	6.272%
Ministry of Public Finance ³	0.022%	0.022%
Treasury shares ⁴	1.744%	-
Unpaid shares ⁵	2.653%	-

There were 8,607 shareholders on 31 March 2013.

Contact Details

Address: 78-80 Buzesti Street (7th floor), District 1,
Postal Code 011017, Bucharest, Romania.

Web: www.fondulproprietatea.ro

E-mail: investor.relations@fondulproprietatea.ro

Telephone: +40 21 200 9600

Fax: +40 21 200 9631/32

² Source: Central Depository

³ The percentage represents the paid shares; the percentage of subscribed share capital of Ministry of Public Finance is 2.67%, including the Unpaid shares

⁴ 240,304,801 shares acquired by the Fund through buybacks

⁵ Shares unpaid by Romanian State represented by Ministry of Public Finance

Overview

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, as Sole Administrator and Fund Manager of Fondul Proprietatea presents the results of the Fund for the first quarter of 2013, with an unaudited net loss of RON 5.6 million (net loss for the quarter ended 31 March 2012 was RON 1.5 million). Total shareholders' equity was RON 12,075.6 million as at 31 March 2013, an increase of 2.0% compared to the value of RON 11,836.6 million at 31 December 2012.

The main factor behind the loss in the first quarter of 2013 was the lack of dividend income, which was expected given that the dividend stream from portfolio companies follows the normal pattern for Romanian companies, where dividends are usually approved in the second quarter of the year.

The Fund reported a Net Asset Value ("NAV") of RON 15,238.5 million as at 31 March 2013 and a Net Asset Value per Share ("NAV/share") of RON 1.1568 (a NAV per Share total return of 1.7%). The NAV is prepared in accordance with Romanian National Securities Commission ("CNVM") regulations.

The overall upwards trend of the Fund's NAV performance in 2013 was correlated with the overall conditions on the Bucharest Stock Exchange ("BVB"), which positively impacted the valuation of the listed holdings in the Fund's portfolio. In 2013, the Bucharest Stock Exchange outperformed the largest markets in Central Europe in both local currency and EUR terms, as shown in the table below:

% change in Q1 2013	in local currency	in EUR
BET-XT (Romania)	8.2%	8.8%
BUX (Hungary)	-1.7%	-6.2%
ATX (Austria)	-2.0%	-2.0%
PX (Czech Republic)	-7.3%	-9.7%
WIG20 (Poland)	-8.2%	-10.5%

The discount of the Fund's share price to NAV was 45.4% as at 31 March 2013. In 2013, the discount ranged between 45.0% and 50.2%.

The following table shows a summary of the financial position of the Fund:

	Note	Q1 2013	Q1 2012	YE 2012	Change %	
					Q1 2013 vs. Q1 2012	Q1 2013 vs. YE 2012
Total Shareholders' Equity (RON million)	a	12,075.6	12,582.6	11,836.8	-4.0%	2.0%
Net Asset Value (RON million)	b, d	15,238.5	15,991.7	14,979.2	-4.7%	1.7%
NAV per Share (RON)	b, d	1.1568	1.1922	1.1371	-3.0%	1.7%
NAV per Share Total Return	c	+1.7%	+10.5%	+8.9%		
Share Price (RON)		0.6315	0.5940	0.5495	6.3%	14.9%
Share Price Total Return	c	+14.9%	+39.1%	+38.3%		
Gross Dividends Declared (RON per share)		-	-	0.03854		
Share Price Discount to Net Asset Value		45.4%	50.2%	51.7%		

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch and BVB

Notes:

- Prepared on the basis of Romanian Accounting Regulations
- Prepared on the basis of CNVM Regulations
- Calculated with dividend reinvested, where applicable

- (d) The difference in change (%) between total NAV and NAV per share is accounted for by the change in paid capital during the period and by the change in NAV per share computation methodology with effect from 31 December 2012 (treasury shares acquired through buybacks are excluded from the number of shares used in the computation of NAV per share)

The NAV (calculated according to CNVM Regulations) is higher than the value of Shareholders' Equity (calculated according to Romanian Accounting Regulations), principally due to the different valuation methodologies applied to financial assets, as illustrated in the following table:

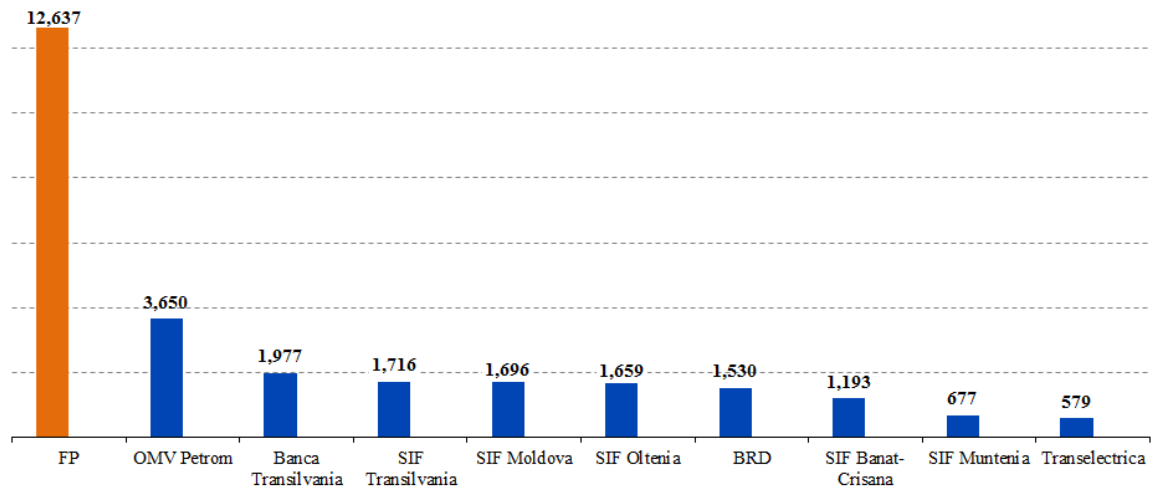
	CNVM Regulations*	Romanian Accounting Regulations
Listed securities	Valued at closing market prices	Valued at cost less adjustments for impairment
Unlisted or illiquid listed securities	Valued as per latest issued audited financial statements (proportionally with the stake held) or using fair valuation methodologies	Valued at cost less adjustments for impairment

* details on the valuation methods used for each company are presented in the Annex 2 to this report; with effect from 31 December 2012, the shares of companies under insolvency or reorganisation procedure are valued either at zero or at a value assessed by an independent authorized valuer, using valuation methods in accordance with International Valuation Standards (fair value principles). The shares of companies under judicial liquidation procedure, or any other liquidation procedures, as well as of companies under temporary or final suspension of operations, must be valued at zero until the respective procedures are completed.

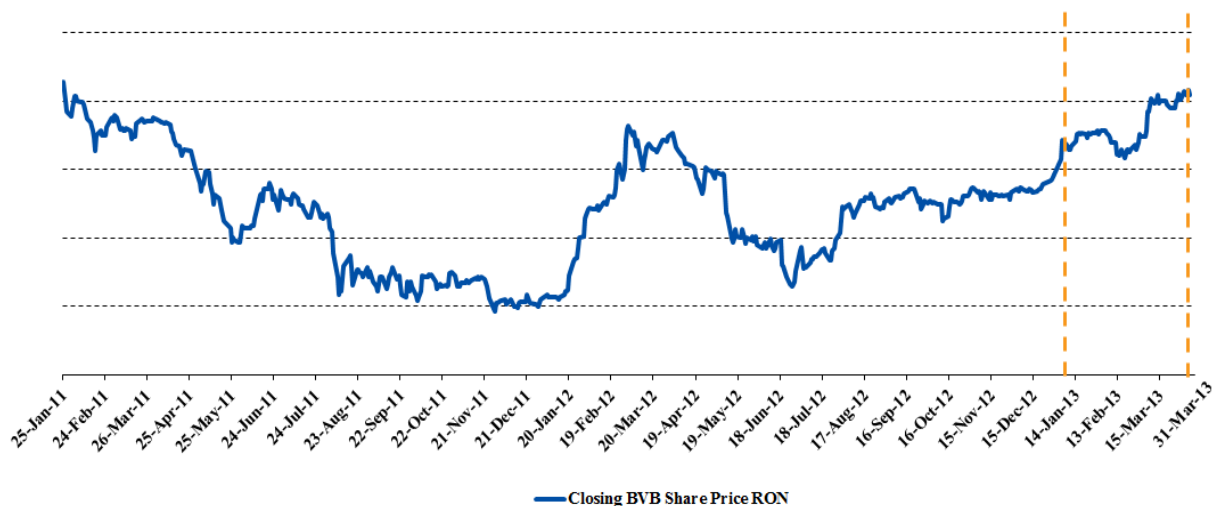
Significant Events

BVB Trading

Average Daily Turnover in the first quarter of 2013 (RON thousands)



Fund's Share Price History (RON/share)



Source BVB

Investor Relations Update

In the first quarter of 2013, the Fund Manager continued its efforts to raise the Fund's profile and visibility among a much broader institutional investor base and to update the current shareholders on the latest developments of the Fund and its underlying holdings. During the quarter, we organised six road-shows in eight financial centres in Europe, the Middle East, and the USA to meet with prospective investors as well as current shareholders of the Fund. In addition to the road-shows, we presented the equity story of Fondul Proprietatea in individual and group meetings with investment analysts and portfolio managers during the Erste Emerging Europe Conference and the Edmund de Rothschild Emerging Markets Funds Conference in London. We also organised the 2012 preliminary annual results conference calls with analysts and investors.

Overall, in the first quarter 2013, the Fund Manager held 87 individual and group meetings and 27 conference calls with institutional investors. Also, as part of our ongoing efforts to ensure a broader understanding of the Fund and the underlying holdings, we organised in March the second Analyst Day, an event dedicated to the analysts covering Fondul Proprietatea.

Communication between the Fund Manager and investors remains a top priority as we aim to ensure that investors are informed about the latest developments and obtain their feedback as we continue to focus on maximising shareholder value.

Secondary Listing Update

As underlined in our previous reports, in order to achieve a successful secondary listing of the Fund on the Warsaw Stock Exchange, the shares have to be fully fungible across the two markets, and this requires the establishment of a direct or indirect link between the depository systems of the two markets. The establishment of the link between the two national depositories requires some changes to the National Securities Commission (“CNVM”) regulations. In December 2012, CNVM published the drafts of the necessary amendments to the current regulation for public consultation, which ended in January 2013. However, final approval from CNVM of these changes necessary for the Romanian and Polish National Securities Depositories to establish a link to facilitate the Fund’s listing in Warsaw has been delayed. Therefore, in April 2013, the Fund’s shareholders approved an extension of the deadline for the completion of the secondary listing until 31 December 2013.

It is important to note that timing of the establishment of the link is outside of the control of the Fund, however, the Fund Manager and the Consortium (JP Morgan and UniCredit Group as co-managers, and KBC Securities as co-advisor) are committed to working with all the stakeholders to ensure the successful completion of the secondary listing in Warsaw as soon as possible.

Share Cancellation and Buyback Programme

The execution of the second Buyback programme approved by the Fund’s shareholders in April 2012, which authorised the Fund Manager to repurchase up to 1.1 billion shares or 7.9% of the Fund’s share capital within 18 months from the publication of the shareholders resolution in the Official Gazette, was delayed by a litigation started by a minority shareholder of the Fund. On 5 March 2013, the Bucharest Court issued a decision in favour of the Fund and rejected the request of the minority shareholder, ordering the Trade Register to register the shareholder resolution and to publish it in the Official Gazette.

The decision was published in the Official Gazette on 10 April 2013 and the execution of the second Buyback program has started. Following the evaluation of the offers submitted in the brokers’ selection process, Wood & Company Financial Services a.s. and Banca Comerciala Romana SA have been selected to provide services for the second buy-back programme. In accordance with the legislation in force, the Fund is allowed to buy back daily up to 25% of the average daily volume of the shares on the regulated market on which the purchase is carried out, and while the discount remaining high the Fund is likely to fully exploit this.

Subsequent Events

25 April GSM Decisions

The main decisions of the shareholders during the 25 April 2013 Extraordinary General Shareholders Meeting (“EGM”) were the following:

- The extension until 31 December 2013 of the authorisation of FTIML to list the Fund on the Warsaw Stock Exchange;
- The ratification and approval of any and all of the other resolutions taken by the EGM during the period commencing on 6 September 2010 and ending on the day of this EGM;

- Amendments to the Constitutive Act proposed by the Fund Manager or by a shareholders owning more than 5% of the share capital (Elliott Associates):
 - The share capital decrease as a result of the first buy-back programme;
 - Some changes in the Constitutive Act in order:
 - to have a better communication between the Fund Manager and the Board of Nominees;
 - to clarify the rules regarding the organisation of the General Meetings of the Shareholders and the meetings of Board of Nominees.
 - Eliminate the current provision of the Constitutive Act which permits the revocation of the members of the Board of Nominees and the fund manager by a majority of at least 2/3 of the voting rights. The change would mean such decisions would only require a simple majority of shareholders voting to be effective;
 - Change (clarify) the provisions regarding the appointment of the fund manager: new wording to state that the fund manager will be appointed by the shareholders based on an international tender organised by the Board of Nominees;
 - Changes to the organisation of the GSM for reappointing / initiating the tender for selection of the fund manager (the GSM will be convened 6 months before the expiration of the current mandate);

The main decisions of the shareholders during the 25 April 2013 Ordinary General Shareholders Meeting (“OGM”), were the following:

- Approval of the Annual Report of the Sole Administrator of the Fund including the financial statements as at 31 December 2012 prepared in accordance with Romanian Accounting Regulations
- Approval of the 2012 gross dividend of RON 0.04089 (registration date: 15 May 2013). Dividend payment to commence on 28 June 2013;
- Reappointment of Mr Sorin -Mihai Mindrutescu and appointment of Mr Mark Henry Gitenstein as members of the Board of Nominees, beginning with 30 September 2013;
- Increasing the gross monthly remuneration for each member of the Board of Nominees to RON 15,000;
- The ratification and approval of any and all of the other resolutions taken by the OGM during the period commencing on 6 September 2010 and ending on the day of this OGM;
- The ratification and re-adoption of the appointment of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch as Sole Administrator and Fund Manager of SC Fondul Proprietatea SA;
- Addendum 3 of the Investment Management Agreement.

Changes in the Board of Nominees composition:

On 19 April 2013, Mr Cristian Buşu resigned from his position of member of the Fund’s Board of Nominees (“BON”). The resignation was communicated to the Fund on 22 April 2013, date when it has become effective. The Board of Nominees decided to appoint Mr Mark Henz Gitenstein as interim member of the Board of Nominees (Decision no. 13/23 April 2013). The appointment shall become effective upon its registration with the Trade Registry.

As the mandates of two BON members (Mr Sorin-Mihai Mîndruţescu and respectively Mr Cristian Busu) were due to expire on 29 September 2013, on 25 April 2013, the Ordinary General Shareholders Meeting, elected Mr Mark Henry Gitenstein as a member of the Fund’s BON and re-elected Mr Sorin-Mihai Mîndruţescu for three years mandates, starting 30 September 2013.

Analysis of the Activity of the Fund

Analysis of the Portfolio of the Fund

Net Asset Valuation

The key performance indicator of the Fund is its Net Asset Value (“NAV”). The Fund is required to publish a monthly net asset value per share in accordance with CNVM regulations no later than 15 calendar days after the reporting month end.

All NAVs are published on the Fund’s website at www.fondulproprietatea.ro, together with share price and discount information.

NAV Methodology

CNVM Regulation no 4/2010 amended by the CNVM Regulation no 11/2012 allows NAV calculation based on best international practice suitable for a closed-end listed fund.

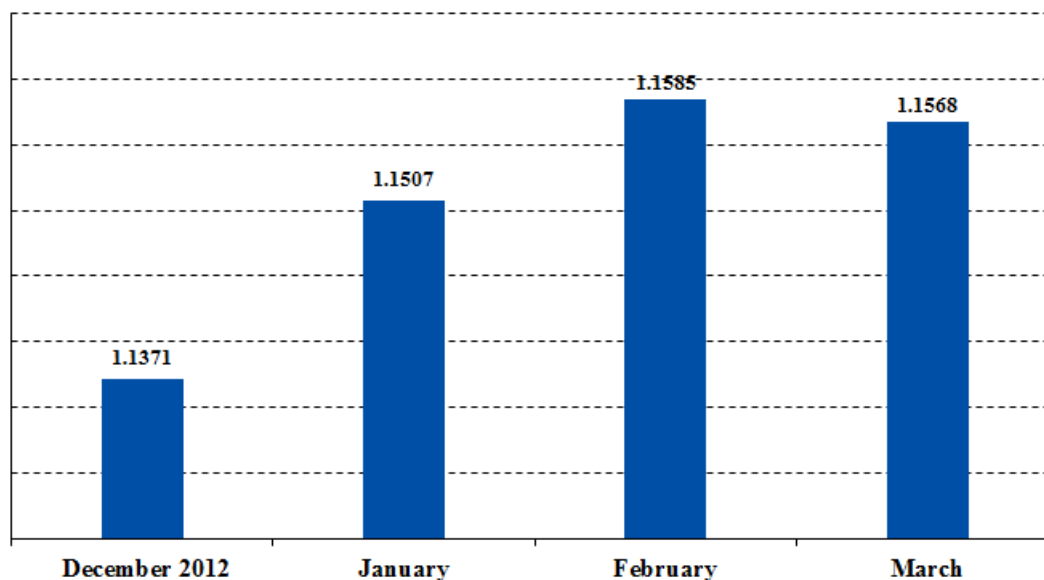
Listed securities are valued at closing market prices, while illiquid or unlisted securities are valued using either shareholders’ equity value per latest annual financial statements, proportionally with the stake held, or according to international valuation standards which permit fair valuation.

With effect from December 2012, the shares in companies going through an insolvency or reorganisation procedure are valued either at zero or at the value provided by an independent valuer, using valuation methods in accordance with international valuation standards which permit fair valuation (previously they were valued at zero, until the procedure is finalised). The shares in companies under judicial liquidation procedure, or any other liquidation procedures, as well as in companies under temporary or final suspension of operation, are valued at zero until the procedure is finalised.

With effect from December 2012, treasury shares acquired through buybacks are excluded from the number of shares used in NAV per share computation.

The following chart shows information on the monthly published NAVs per share for the period 31 December 2012 to 31 March 2013:

NAV/share (RON/share)



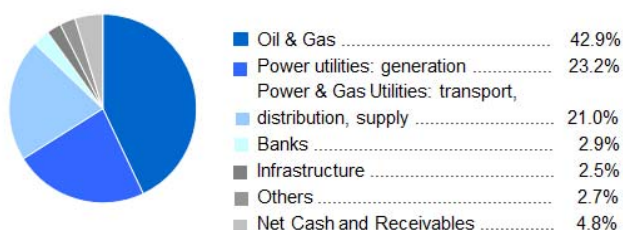
* Source FTIML

The increase of NAV in the first quarter of 2013 was mainly due to the positive share price trend of the Fund’s listed holdings, principally OMV Petrom (its impact on total NAV was RON 256.3 million and RON 0.0195 on NAV per share).

Investment Strategy and Portfolio Analysis

The Fund's investment objective is long-term capital appreciation, primarily through investments in Romanian equity and equity-linked securities. The equity exposure amounted 95.2% of the Fund's NAV as at 31 March 2013. As at that date, the portfolio included holdings in 67 companies (25 listed and 42 unlisted), a combination of privately held and state-controlled entities.

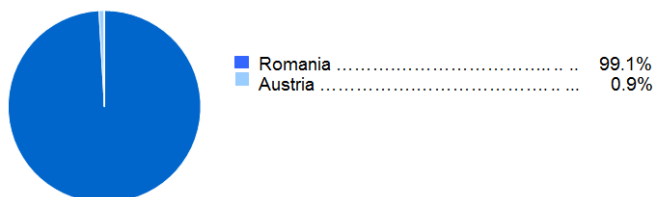
Portfolio Structure - by Sector



- The portfolio remained heavily weighted in power, oil and gas sectors (approx. 87.1% of the NAV), through a number of listed and unlisted Romanian companies.
- Net cash and receivables includes bank deposits, current bank accounts, treasury bills, dividend receivables, as well as other current assets, net of all liabilities and provisions

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, data as at 31 March 2013, based on NAV submitted to CNVM.

Portfolio Structure - by Country



- Exposure to Austria includes holdings in Erste Group Bank AG and Raiffeisen Bank International AG.

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, data as at 31 March 2013, based on NAV submitted to CNVM.

Portfolio Structure – Equity Investments - Listed Versus Unlisted



- The largest unlisted company is Hidroelectrica (24.7% of the total value of unlisted companies in the portfolio).
- The largest listed company is OMV Petrom (80.3% of total value of listed companies in the portfolio).

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, data as at 31 March 2013, based on NAV submitted to CNVM.

Top 20 Equity Investments

No	Name	Fund's Stake (%)	Value as at 31 March 2013 (RON million)	% of NAV
1	OMV Petrom SA	20.10%	5,132.8	33.7%
2	Hidroelectrica SA	19.94%	2,001.0	13.1%
3	Romgaz SA	14.99%	1,296.3	8.5%
4	Complexul Energetic Oltenia SA	21.53%	880.0	5.8%
5	Nuclearelectrica SA	9.72%	648.0	4.3%
6	ENEL Distributie Banat SA	24.12%	445.5	2.9%
7	Transgaz SA	14.98%	379.4	2.5%
8	ENEL Distributie Muntenia SA	12.00%	344.0	2.3%
9	GDF Suez Energy Romania	12.00%	339.6	2.2%
10	E.ON Moldova Distributie SA	22.00%	324.0	2.1%
11	ENEL Distributie Dobrogea SA	24.09%	301.4	2.0%
12	Electrica Distributie Muntenia Nord SA	21.99%	274.9	1.8%
13	CN Aeroporturi Bucuresti SA	20.00%	272.0	1.8%
14	BRD-Groupe Societe Generale SA	3.64%	223.4	1.5%
15	Electrica Distributie Transilvania Sud SA	21.99%	202.6	1.3%
16	Electrica Distributie Transilvania Nord SA	22.00%	189.0	1.2%
17	E.ON Gaz Distributie SA	11.99%	143.3	0.9%
18	Transelectrica SA	13.49%	135.6	0.9%
19	Alro SA	10.21%	133.4	0.9%
20	Conpet SA	29.70%	100.3	0.7%
Top 20 portfolio holdings			13,766.5	90.4%
Total financial assets (portfolio holdings)			14,503.9	95.2%
Net cash and receivables			734.6	4.8%
Total NAV			15,238.5	100.0%

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, data as at 31 March 2013, based on NAV submitted to CNVM.

Key Portfolio Developments in the Period**Acquisitions and Disposals**

During the first quarter of 2013, the Fund sold its entire holding in Carom Broker de Asigurare and finalised the disposal of its holding in Commetex.

In the same period, the Fund received 2,350 shares in Romgaz (having a nominal value of RON 23,500) following a share capital increase by that company, accounted for as contributions in kind to the share capital of the Fund.

Hidroelectrica's Insolvency

On 20 June 2012, the Bucharest Court admitted the request filed by Hidroelectrica SA for opening its insolvency procedure.

According to CNVM Regulation no. 4/2010 (art.19, paragraph (4)) applicable to Fondul Proprietatea at that time, the valuation of the shares of the companies under insolvency, reorganisation or liquidation procedure had to be reflected at zero value in the NAV until the end of the respective procedure. With effect from December 2012, the shares in companies going through an insolvency or reorganisation procedure can be valued either at zero or at the value provided by an independent

valuer, using valuation methods in accordance with International Valuation Standards, which permit fair valuation.

Energy Sector Regulatory Changes

On 22 January 2013 the Romanian Government passed the Ordinance no. 5/2013 through which it imposed additional taxes for monopoly activities in the sector of gas and electricity distribution and transport.

Starting 1 February 2013, the Government imposed new taxes in the energy sector, applicable until end of 2014:

- Taxes for gas and electricity distributors and transmission/transport operators, charged per MWh, as follows (according to Government Ordinance no 5/22 January 2013):

Explanations	Tax value (RON /MWh)	
Gas	Quantity transferred to distribution system	0.1
	Distributed quantity	0.75
	Quantity transferred only through transportation system	0.85
Energy	Quantity extracted from the transmission system	0.1
	Quantity distributed to final consumer	0.75
	Quantity extracted from the transmission system and delivered to the final consumer or exported	0.85

- Taxes imposed following the gas market liberalisation: companies performing both natural gas extraction and distribution in Romania, will be charged 60% of additional revenues less investments in upstream activity (up to 30% of additional revenues) and less royalties (according to Government Ordinance no 7/23 January 2013);
- Special tax of 0.5% for revenues from exploration of natural resources other than natural gas (according to Government Ordinance no 6/22 January 2013).

Implementation of Emergency Government Ordinance no. 109/2011 on Corporate Governance in State Owned Enterprises

None of the state owned companies in Fund's portfolio has yet fully implemented Emergency Government Ordinance 109/2011 ("EGO 109/2011") regarding corporate governance in state owned enterprises, which includes provisions regarding the selection of independent boards and professional management.

Update on the Largest Portfolio Companies

Alro

RON million	2011*	2012*	2013***
Turnover	2,330.1	2,348.9	2,164.5
Operating profit	452.1	208.7	50.3
Net profit/(loss)	242.9	(240.2)	(24.8)
Dividends**	225.9	-	

*Based on consolidated IFRS financial statements

**Based on the financial statements prepared in accordance with Romanian Accounting Regulations (for 2011)

***Budget figures based on BNR RON/USD as at 31 March 2013 – RON 3.4455/USD

BRD – Groupe Societe Generale

RON million	2011*	2012*	2013***
Net Banking Income	3,242.0	3,045.6	Around +2%
Gross Operating Income	1,777.3	1,613.5	
Net Risk Cost	1,222.5	1,943.0	Material decrease
Net profit / (loss)	498.5	(290.6)	Positive
Dividends**	116.3	-	

*Based on consolidated IFRS financial statements

** Based on the financial statements prepared in accordance with Romanian Accounting Regulations

***Unconsolidated budgeted indications (for the BRD bank only)

CN Aeroporturi Bucuresti

RON million	2011	2012*	2013**
Turnover	474.3	580.2	643.5
Operating profit	88.5	70.6	37.6
Net profit	52.6	51.1	19.1
Dividends	47.1	n/a	

*Preliminary results

**Budgeted figures

April: The General Shareholders Meeting appointed a new Board of Directors following a selection process conducted as per provisions of Government Ordinance 109/2011. The new Board subsequently appointed Mr Liviu Radu as the new General Manager. Mr Radu is also a member of the new Board at Bucharest Airports as well as several other State Owned companies, including CFR Marfa and Salrom.

Complex Energetic Oltenia

RON million	2011*	2012**	2013**
Operating revenues	4,026.5	6,003.8	6,081.0
Operating profit	348.0	256.1	248.9
Net profit	179.9	90.4	151.2
Dividends	n/a ***	0.8	59.5

* Based on combined IFRS financial statements of Complexul Energetic Craiova SA, Complexul Energetic Rovinari SA, Complexul Energetic Turceni SA and Societatea Nationala a Lignitului Oltenia

** Budgeted figures

*** CE Oltenia was created in 2012, through the merger of CE Craiova, CE Rovinari, CE Turceni and SNLO; Dividends distributed by the merged companies to the Fund were: 2011 (CE Rovinari RON 6.5 million, CE Craiova RON 0.03 million), 2010 (CE Rovinari RON 0.02 million, CE Craiova RON 0.01 million),

March: The General Shareholders Meeting approved to start the procedures for an initial public offering (IPO) through a share capital increase of 15.29% stake. The deadline for receiving offers from the investment banks interested to advise the company on the IPO transaction is 15 April.

Conpet SA

RON million	2011	2012	2013*
Turnover	341.8	334.6	341.2
Operating profit	26.8	29.0	13.3
Net profit	28.6	30.9	19.8
Dividends	22.3	28.3	

* Budgeted figures

E.ON Gaz Distributie SA ("EGD")

RON million	2011	2012**	2013*
Operating Revenues	819.5	764.5	833.0
Operating profit	264.8	82.7	110.0
Net profit	230.5	73.0	100.0
Dividends	-	n/a	

* Budgeted figures

**Audited financials, subject to shareholders approval

April: The shareholders of EGD approved the increase of the share capital by issuing additional 3,326,368 shares (c. 3% of the current number of shares) with an issue price equal to the face value of RON 2.5 / share. The share capital increase procedures have not been finalized yet.

E.ON Moldova Distributie (“EMOD”)

RON million	2011	2012**	2013*
Operating Revenues	661.2	688.8	674.0
Operating profit	22.0	83.8	93.0
Net profit	7.2	71.3	86.0
Dividends	-	n/a	

* Budgeted figures

** Audited financials, subject to shareholders approval

Electrica Distributie Muntenia Nord (“EDMN”)

RON million	2011	2012*	2013**
Total revenues	712.8	754.3	807.0
Operating profit	72.4	81.5	87.6
Net profit	67.4	68.5	73.6
Dividends	8.2	n/a	.

* Preliminary figures

** Budgeted figures

Electrica Distributie Transilvania Nord (“EDTN”)

RON million	2011	2012*	2013**
Total revenues	570.1	599.3	640.6
Operating profit	40.2	47.3	50.8
Net profit	29.1	31.6	34.0
Dividends	-	n/a	

* Preliminary figures

** Budgeted figures

Electrica Distributie Transilvania Sud (“EDTS”)

RON million	2011	2012*	2013**
Total revenues	638.8	666.4	696.9
Operating profit	27.8	42.0	42.8
Net profit	19.6	29.0	31.0
Dividends	-	n/a	

* Preliminary figures

** Budgeted figures

ENEL Distributie Banat (“EDB”)

RON million	2011	2012	2013*
Turnover	585.8	603.2	580.2
Operating profit	238.3	181.1	209.0
Net profit	220.5	167.2	168.5
Dividends	-	-	

* Budgeted figures

ENEL Distributie Dobrogea (“EDD”)

RON million	2011	2012	2013*
Turnover	459.0	480.3	454.4
Operating profit	126.4	103.0	135.3
Net profit	108.9	94.5	103.6
Dividends	-	-	

* Budgeted figures

ENEL Distributie Muntenia (“EDM”)

RON million	2011	2012	2013*
Turnover	705.9	869.9	972.5
Operating profit	51.6	172.4	278.7
Net profit	50.5	206.3	231.0
Dividends	-	-	

* Budgeted figures

GDF Suez Energy Romania

RON million	2011*	2012*	2013**
Turnover	4,087.7	4,315.8	4,359.0
Operating profit	138.1	299.9	258.0
Net profit	192.1	379.4	302.0
Dividends	-	190.0	

* IFRS separate financial statements

** Budgeted figures, separate financial statements

February: Gas tariffs for industrial consumers were increased by approximately 5%.

Hidroelectrica

RON million	2011	2012*	2013*
Turnover	3,020.6	2,564.0	2,710.0
Operating profit	161.2	(1.0)	601.1
Net profit	6.5	(167.6)	367.7
Dividends	-	-	

* Preliminary figures

** Budgeted figures

During the first 3 months of 2013, the company recorded a gross profit of RON 144.0 million compared to the loss of RON 136.0 million recorded in the same period from 2012.

Nuclearelectrica

RON million	2011	2012	2013*
Sales	1,615.3	1,675.8	2,090.4
Operating profit	162.6	152.7	438.0
Net profit	95.0	34.4	131.9
Dividends	-	28.5	105.4

* Budgeted figures

January: On the 31 January the General Shareholders Meeting approved the intermediary contract for the IPO transaction signed with the consortium made of SSIF Swiss Capital S.A. and S.C. BT Securities S.A.

April: After a selection process ran by Transearch and Quest Advisors on the 25 April the General Shareholders Meeting approved the new members of the Board of Directors: Mrs Daniela Lulache, Mr Ionel Bucur, Mr Dragos Paul Popescu, Mr Alexandru Alexe, Mrs Carmen Radu, Mr Dan Popescu and Mr Alexandru Sandulescu.

OMV Petrom

RON million	2011	2012*	2013**
Sales	22,613.7	26,258.1	n/a
Operating profit	4,935.8	5,662.0	5,129.0
Net profit	3,758.6	3,946.1	4,430.0
Dividends	1,756.0	1,586.0	

* Based on audited consolidated IFRS financial statements

** Budgeted figures

February: OMV Petrom and ExxonMobil signed an option agreement for Romgaz to participate in operations in the Midia offshore block. Exercise of the option is subject to closing of the agreement for transferring the exploration and production rights from Sterling Resources and Petro Ventures Europe, the existing titleholders.

February: OMV Petrom and Repsol signed an agreement for the joint exploration of four deep onshore blocks in South Romania. Total investments are estimated at EUR 50 million over the next two years. Repsol will have a 49% working interest in the agreement.

March: Mr. Gabriel Selischi was appointed as member of the Executive Board of OMV Petrom, in charge of Exploration and Production starting 1 September 2013, following Mr. Johann Pleininger's move to the new position of Senior Vice President for the Central Eastern Europe region in OMV's exploration and production division.

March: The company announced an investment program of EUR 200 million over 2013 - 2015 in mature field redevelopment at the Suplacu de Barcau site, with the aim to unlock additional oil reserves.

Romgaz

RON million	2011	2012*	2013***
Sales	4,211.1	4,339.1	4,843.7
Operating profit	1,264.5	1,432.5	1,394.0
Net profit	1,031.7	1,244.0	1,175.5
Dividends	938.0	1,235.7**	n/a

*Audited financials, subject to shareholders approval

**Dividends proposed by the Board of Directors, subject to shareholders approval

*** Budgeted figures, subject to shareholders approval

January: Romgaz officially took over the Iernut gas fired powerplant from Electrocentrale Bucuresti in exchange for overdue receivables of approximately RON 650 million. The facility has an installed capacity of 800MW.

January: Romgaz has negotiated an option agreement with OMV Petrom and ExxonMobil for acquiring a 10% stake in the exploration of the Midia deep water offshore perimeter in the Black Sea. The option can be exercised once initial exploration of the field has proven its commercial viability.

April: The General Shareholders Meeting appointed a new Board of Directors, following a selection process which aimed to follow provisions of Government Ordinance 109/2011. The new Board members are Virgil Metea, Adrian Volintiru, Dragos Doros, Aurora Negrut and Eufemia Musat.

Transelectrica

RON million	2011*	2012*	2013**
Turnover	3,152.3	2,801.0	2,787.9
Operating profit	209.4	112.8	113.8
Net profit	135.5	47.9	29.0
Dividends***	80.6	29.6	

* Based on consolidated IFRS financial statements

**Budgeted figures based on individual financial statements

***Dividends based on individual financial statements

February: The Supervisory Board dismissed the general manager and appointed Mr. Stefan Gheorghe in the position. The board made no comments regarding the reasons for the change. The Supervisory Board also decided to increase the number of the members in the Directorate from 3 to 5 and it dismissed one member and selected 3 new ones.

March: The HR companies selected by the Romanian Privatization Office (OPSPI), Quest Advisors and Transearch International, initiated the recruitment process for the members of the Supervisory Board in accordance with corporate governance EGO 109/2011 for state owned enterprises.

Transgaz

RON million	2011	2012*
Turnover	1,343.3	1,328.0
Operating profit	442.5	364.9
Net profit	379.5	281.0
Dividends	350.4	250.7

* Based on unaudited unconsolidated IFRS financial statements

April: The Ministry of Economy sold a 15% stake in the company through a secondary offering. The placement took place between 4 April 2013 – 16 April 2013 and was priced at 179 RON/share for the institutional and large retail tranches (total placement value of EUR 72 million).

Corporate Governance of the Fund

Changes affecting the capital of the Fund

On 25 January 2013, the paid-up share capital of the Fund increased by RON 23,500 to RON 13,414,803,666, while its subscribed capital remained unchanged at RON 13,778,392,208. The increase in the paid-up share capital reflects a reduction in the unpaid share capital held by the Romanian state due to the receipt by the Fund of 2,350 shares in Romgaz following a share increase by the company relating to the value of land for which Romgaz obtained title deeds.

Addendum no. 2 to the Investment Management Agreement

On 23 January 2013, CNVM notified the Fund that it had issued the Decision no. 48/22.01.2013, deciding not to endorse the Addendum 2 to the Investment Management Agreement (“IMA”) approved by shareholders on 4 April 2012.

On 4 April 2012, the Fund’s shareholders approved the amendment of the IMA concluded between FTIML and Fondul Proprietatea, establishing an additional fee equivalent to a fixed percentage of the value of the Excess Distribution as follows:

For Excess Distributions that are executed before 31 December 2012	1.5% of the Excess Distribution
For Excess Distributions that are executed in calendar year 2013	1.5% of the Excess Distribution
For Excess Distributions that are executed after calendar year 2013 and before termination of the IMA	1.0% of the Excess Distribution

According to CNVM Regulation 4/2010 any changes to the IMA must be endorsed by CNVM, and as a result the Fund asked for CNVM’s endorsement in April 2012. After 9 months, CNVM communicated their decision with the following statements:

- the structure of fees (fixed fee, performance fee) provided in the final offer document of FTIML submitted in the international tender for appointing the portfolio manager of the Fund should remain the same after the appointment;
- the fees provided in the Addendum no. 2 to the IMA were not set in accordance with the Regulation for organising the international tender for appointing the portfolio manager of the Fund;
- providing supplemental distribution through special dividend does not meet the objective proposed by FTIML in the international tender for appointing the portfolio manager of the Fund.

In response, the Fund Manager submitted an official complaint to CNVM, requesting it to revoke Decision 48/2013 and consequently to approve Addendum no. 2 to the IMA.

However, on 25 April 2013, the Fund received CNVM’s Decision no. 374/25 April 2013 whereby the official complaint mentioned above was dismissed and the provisions of the challenged decision, maintained.

The reasoning was similar with that of the previous decision, in the sense that a supplemental distribution through special dividend does not meet the objective proposed by FTIML in course of the international tender for appointing the portfolio manager of the Fund, exceeding, in CNVM’s opinion FTIML’s proposed fee structure which led to the acceptance of the offer and execution of the IMA.

As CNVM’s Decision no. 374/25 April 2013 exhausts the available administrative options, and given that the IMA and subsequent addendums are approved by the Fund’s shareholders and concluded between the Fund and the Fund Manager, the Fund Manager will carefully consider further steps that may be appropriate and will update investors of any further material developments.

Shareholder's Request to Amend Voting Rules for Revoking and Appointing the Board of Nominees and fund manager

On 29 March 2013, FTIML received a request from one of the Fund's shareholders, namely Manchester Securities Corporation (managed by Elliott Associates), for supplementing the agenda of the Extraordinary General Shareholders' Meeting scheduled for 25 April 2013 with additional proposals to change the Constitutive Act of the Fund, as follows:

- Eliminate the current provision of the Constitutive Act which permits the revocation of the members of the Board of Nominees and the fund manager by a majority of at least 2/3 of the voting rights. The change would mean such decisions would only require a simple majority of shareholders voting to be effective;
- Change (clarify) the provisions regarding the appointment of the fund manager: new wording to state that the fund manager will be appointed by the shareholders based on an international tender organised by the Board of Nominees;
- Changes to the organisation of the GSM for reappointing / initiating the tender for selection of the fund manager (the GSM will be convened 6 months before the expiration of the current mandate).

Financial Statements Analysis

The unaudited Balance Sheet and Income Statement for the three month period ended 31 March 2013 prepared in compliance with Romanian Accounting Regulations are included in full in Annex 1 to this Report.

This section provides a commentary on the principal elements of the Fund's financial position and results for the quarter ended 31 March 2013.

Balance Sheet

RON million	31 December 2012	31 March 2013
	Audited	Unaudited
Intangible assets	0.3	0.4
Financial assets	11,097.8	11,341.1
Non-current assets - total	11,098.1	11,341.5
Current assets - total	776.5	770.6
Prepaid expenses	0.1	0.2
Payables within one year	21.1	19.9
Total assets less current liabilities	11,853.6	12,092.4
Provisions	16.8	16.8
Shareholders' equity	11,836.8	12,075.6

As at 31 March 2013, **intangible assets** included the value of the licences for a new specialised accounting and reporting software and part of the implementation costs. The Fund will start using the software in the second quarter of 2013, after the implementation is completed.

Financial assets include the Fund's listed and unlisted equity investments. According to Romanian Accounting Regulations, both listed and unlisted equity investments are valued at cost (or their initial value) less any adjustments for impairment.

For listed investments, the impairment adjustment is any adverse difference between cost and closing price (an impairment adjustment is booked if closing price is lower than cost). For unlisted or illiquid listed equity investments, the impairment test compares the cost to the Fund's share of shareholders' equity as per the portfolio companies' latest available financial statements or using values assessed by an independent valuer, and any adverse result is booked as impairment. In performing the impairment test the financial information from the most recent financial statements of the companies is corroborated with the most recent public available qualitative and quantitative information regarding the assets.

In the first quarter of 2013, the value of the financial assets increased by RON 243.3 million mainly due to the reversal of impairment adjustments for equity investments recorded in previous years, principally for OMV Petrom (impact of RON 256.3 million).

Income Statement

RON million	31 March 2012	31 March 2013
	Unaudited	Unaudited
Revenues from current activity, out of which:	13.4	11.9
Interest income	7.0	10.5
Reversal of impairment adjustments & provisions	5.0	0.2
Revenues from disposal of financial assets	0.1	1.0
Other income from current activity	1.3	0.2
Expenses from current activity, out of which:	14.9	17.5
Expenses from disposal of financial assets	0.1	1.4
Depreciation, provisions, losses from receivables and sundry debtors	-	0.2
Commissions and fees	4.4	4.4
Other expenses from current activity*	10.4	11.5
Gross profit / (loss)	(1.5)	(5.6)
Income tax expense	-	-
Net profit / (loss)	(1.5)	(5.6)

* Other expenses from current activity include bank charges, material and utilities expenses, salary costs, third party expenses as well as duties and other taxes.

Interest income arose from deposits held with banks and treasury bills. The higher level of income in the first quarter of 2013 compared to the same period in 2012 is a reflection of a higher average level of deposits and treasury bills during 2013, despite slightly lower interest rates.

The reversal of impairment adjustments & provisions in the first quarter of 2013 was mainly accounted for by the reversal of the impairment adjustments for financial assets recorded in 2007 through the income statement.

The reversal of impairment adjustments & provisions in the first quarter of 2012 was mainly accounted for by the reversal of an impairment adjustment for receivables of RON 4.9 million, related to the share capital unpaid by the Romanian State. During the first quarter of 2012, the Fund received 498,576 shares in Hidroelectrica (following a share capital increase by that company relating to the value of land for which Hidroelectrica obtained title deeds) whose nominal value was set off against the receivable related to the unpaid share capital, with a corresponding decrease of impairment adjustment related to that receivable.

Revenues from disposal of financial assets (RON 1.0 million) represent the proceeds from the sales of portfolio company holdings, while the **Expenses from disposal of financial assets** (RON 1.4 million) represent the cost or carrying value that these investments were held at prior to disposals.

Commissions and fees mainly include CNVM's 0.1% per annum fee, calculated on the basis of the Fund's NAV, amounting to RON 3.8 million in the quarter ended 31 March 2013 (quarter ended 31 March 2012: RON 3.9 million), and the depositary bank's fees of RON 0.5 million (quarter ended 31 March 2012: RON 0.4 million).

Other expenses from current activity can be analysed as follows:

RON million	31 March 2012	31 March 2013
	Unaudited	Unaudited
FTIML investment management and administration fees	8.7	9.8
Salaries and similar expenses	0.1	0.2
Other expenses	1.6	1.5
Other expenses from current activity	10.4	11.5

During the first quarter of 2013, **other expenses from current activity** increased by RON 1.1 million due to the increase of the FTIML investment management and administration fees, following the increase of the share price of the Fund.

Other expenses included mainly advisory (legal and tax), audit fees and investor relations expenses.

Financial Ratios

				31 March 2013
1.	Current Liquidity ratio			
	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$		=	38.7
2.	Debt-to-Equity ratio (%)			
	$\frac{\text{Borrowings*}}{\text{Shareholders' Equity}} \times 100$	x 100	=	0
	*The Fund had no borrowings at the quarter end therefore this ratio is nil			
3.	Debt Turnover ratio (number of days)			
	$\frac{\text{Average balance of debtors}}{\text{Turnover or sales}} \times 365$	x 365	=	n.a.
	This ratio is not applicable to an investment fund and cannot be calculated.			
4.	Turnover of Non-current Assets			
	$\frac{\text{Gross turnover*}}{\text{Non-current assets}}$		=	0.001
	*Total Revenues from current activity have been used in computation of this ratio. This ratio has no real significance for an investment fund.			

Signatures:

Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch acting in the capacity of Sole Administrator of S.C. Fondul Proprietatea S.A.

Oana Truța
Legal Representative
14 May 2013

Prepared by
Mihaela Moleavin
Financial Reporting Manager

Annex 1

**S.C. FONDUL PROPRIETATEA S.A.
BALANCE SHEET, INCOME STATEMENT
AND INFORMATIVE DATA
FOR THE QUARTER ENDED 31 MARCH 2013**

Prepared in accordance with the National Securities Commission (“CNVM”) Regulation no. 4/2011 regarding accounting regulations compliant with EEC Directive IV, applicable to the entities authorised, regulated and monitored by the National Securities Commission, approved by CNVM Order no. 13/2011 (“Romanian Accounting Regulations”)

(This is a translation from the official Romanian version)

S.C. FONDUL PROPRIETATEA S.A.
BALANCE SHEET
AS OF 31 MARCH 2013
FORM CODE 10

(all amounts are expressed in RON, unless otherwise specified)

The format of the Financial Statements as at 31 March 2013 for the entities authorised, regulated and monitored by the National Securities Commission (CNVM), for the closed-end funds (AOPC) set up under articles of association

Type of financial statement: SI

County: Bucharest

Legal entity: S.C. Fondul Proprietatea S.A.

Address: Bucharest, District 1,

78-80, Buzeşti Street, 7th Floor

Telephone: 021/200 96 00, fax: 021/200 96 31

Trade Register no.: J40/21901/2005

Ownership type: 22

Main activity:

(CAEN group): 643

CAEN class: 6430

Sole Registration Code: 18253260

A	Row	Balance	
		1 January 2013 Audited	31 March 2013 Unaudited
	B	1	2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
5. Advances and intangible assets in progress (acc. 233+234-2933)	05	323,413	439,979
TOTAL: (rows 01 to 05)	06	323,413	439,979
III. FINANCIAL ASSETS			
1. Shares held in subsidiaries (acc. 261 - 2961)	12	65,404,757	59,519,193
3. Investments in associates (acc. 263 - 2963)	14	4,876,542,832	5,132,843,261
5. Other investments held as financial assets (acc. 262 + 264 + 265 + 266 - 2696 - 2962 - 2964)	16	6,155,793,871	6,148,686,769
TOTAL: (rows 12 to 17)	18	11,097,741,460	11,341,049,223
NON-CURRENT ASSETS - TOTAL (rows 06 + 11 + 18)	19	11,098,064,873	11,341,489,202
B. CURRENT ASSETS			
II. RECEIVABLES			
1. Trade receivables (acc. 2675 + 2676 + 2678 + 2679 - 2966 - 2969 + 4092 + 411 + 413 + 418 - 491)	24	394	38,019
4. Other receivables (acc. 425 + 4282 + 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482 + 4582 + 461 + 473 - 496 + 5187)	27	3,919,151	3,651,914
TOTAL: (rows 24 to 28)	29	3,919,545	3,689,933
III. SHORT TERM INVESTMENTS			
2. Other short term investments (acc. 5031 + 5032 + 505 + 5061 + 5062 + 5071 + 5072 + 5081 + 5082 + 5088 + 5089 - 593 - 595 - 596 - 597 - 598 + 5113 + 5114)	31	454,732,856	533,535,641
TOTAL: (rows 30 to 31)	32	454,732,856	533,535,641
IV. CASH AND BANK ACCOUNTS			
(acc. 5112 + 5121 + 5122 + 5123 + 5124 + 5125 + 5311 + 5314 + 5321 + 5322 + 5323 + 5328 + 5411 + 5412 + 542)	33	317,885,969	233,445,705
CURRENT ASSETS - TOTAL (rows 23 + 29 + 32 + 33)	34	776,538,370	770,671,279

This is a translation from the official Romanian version.

A	Row	Balance	
		1 January 2013 Audited	31 March 2013 Unaudited
	B	1	2
C. PREPAID EXPENSES (acc. 471)	35	27,199	167,664
D. PAYABLES WITHIN ONE YEAR			
3. Advance from customers (acc. 419)	38	160,000	-
4. Trade payables (acc. 401 + 404 + 408)	39	10,135,208	10,163,666
8. Other payables, including tax and social security payables (acc. 1623 + 1626 + 167 + 1687 + 2698 + 421 + 423 + 424 + 426 + 427 + 4281 + 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481 + 4551 + 4558 + 456 + 457 + 4581 + 462 + 473 + 509 + 5186 + 5193 + 5194 + 5195 + 5196 + 5197)	43	10,768,970	9,727,616
TOTAL: (rows 36 to 43)	44	21,064,178	19,891,282
E. NET CURRENT ASSETS OR NET CURRENT LIABILITIES (rows 34 + 35 - 44 - 60.2)	45	755,501,391	750,947,661
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rows 19 + 45)	46	11,853,566,264	12,092,436,863
H. PROVISIONS			
2. Provisions for taxes (acc. 1516)	57	16,798,226	16,798,226
TOTAL PROVISIONS (rows 56 +57 + 58)	59	16,798,226	16,798,226
J. SHARE CAPITAL AND RESERVES			
I. SHARE CAPITAL (rows 62 to 63) out of which:	61	13,778,392,208	13,778,392,208
- subscribed unpaid share capital (acc. 1011)	62	365,612,042	365,588,542
- subscribed paid in capital (acc. 1012)	63	13,412,780,166	13,412,803,666
IV. RESERVES (rows 68-69+70+71+72+73+74)	67	(2,443,247,819)	(2,198,805,988)
1. Legal reserves (acc. 1061)	68	158,151,474	158,151,474
2. Reserves related to impairment adjustments of financial assets (acc.1062 - <i>debit balance</i>)	69	2,738,430,054	2,493,988,223
4. Reserves for financial assets received free of charge (acc.1065)	71	16,731,205	16,731,205
7. Other reserves (acc.1068)	74	120,299,556	120,299,556
TREASURY SHARES (acc.109 – <i>debit balance</i>)	75	120,268,583	120,268,583
V. RETAINED EARNINGS (acc. 117)			
Credit balance	78	83,251,853	621,892,232
VI. RESULT FOR THE YEAR (acc. 121)			
Credit balance	80	566,988,651	-
Debit balance	81	-	5,571,232
Profit allocation (acc. 129 – <i>debit balance</i>)	82	28,348,272	-
TOTAL SHAREHOLDERS' EQUITY (rows 61 + 64 + 65 - 66 + 67 -75+76-77+78 -79+80-81-82)	83	11,836,768,038	12,075,638,637

This is a translation from the official Romanian version.

S.C. FONDUL PROPRIETATEA S.A.
INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2013
FORM CODE 20

(all amounts are expressed in RON, unless otherwise specified)

A	Row	Quarterly ended	
		31 March 2012	31 March 2013
		Unaudited	Unaudited
	B	1	2
A. REVENUES FROM CURRENT ACTIVITY – TOTAL (rows 02 to 11)	01	13,424,916	11,911,903
1. Revenues from financial assets (acc. 761)	02	-	22,393
4. Revenues from disposal of financial assets (acc.758(part)+764)	05	65,171	964,550
6. Revenues from provisions, receivables previously written off and sundry debtors (acc.754+781+786)	07	4,992,005	221,417
7. Revenues from foreign exchange differences (acc.765)	08	13,962	10,144
8. Interest income (acc.766)	09	7,026,219	10,516,873
10. Other income from current activity (acc. 705+706+708+741+758(part)+767+768 +7815)	11	1,327,559	176,526
B. EXPENSES FROM CURRENT ACTIVITY – TOTAL (rows 13 to 20)	12	14,950,145	17,483,135
12. Expenses from disposal of financial assets (acc. 658(part) +664)	14	48,430	1,355,486
13. Expenses from foreign exchange differences (acc. 665)	15	3,835	11,608
15. Commissions and fees (acc.622)	17	4,420,543	4,374,906
16. Expenses for bank services and similar expenses (acc.627)	18	4,131	6,532
17. Depreciation and amortisation, provisions, losses from receivables and sundry debtors (acc.654+681+686)	19	-	188,453
18. Other expenses from current activity (rows 21+22+23+26+27)	20	10,473,206	11,546,150
c. Salary expenses (rows 24+25), of which:	23	150,840	170,168
c1. Salaries (acc.621+641+642 +644)	24	119,571	135,000
c2. Social security contributions (acc. 645)	25	31,269	35,168
d. Third party expenses (acc.611+612+613+614+623+624+625+626+628+658(part)+ 667 +668)	26	10,305,248	11,371,501
e. Other taxes, duties and similar expenses (acc. 635)	27	17,118	4,481
C. CURRENT RESULT			
- Loss (row 12-01)	29	1,525,229	5,571,232
19. TOTAL REVENUE (rows 01+30)	34	13,424,916	11,911,903
20. TOTAL EXPENSES (rows 12+31)	35	14,950,145	17,483,135
G. GROSS PROFIT:			
- Loss (row 35 - 34)	37	1,525,229	5,571,232
21. INCOME TAX EXPENSE			
- Income tax expense (acc.691)	38	(23,214)	-
H. RESULT FOR THE YEAR			
- Loss (row 37 + 38 + 39) or (row 38 + 39 – 36)	41	1,502,015	5,571,232

This is a translation from the official Romanian version.

S.C. FONDUL PROPRIETATEA S.A.
INFORMATIVE DATA
AS AT 31 MARCH 2013
FORM 30

(all amounts are expressed in RON, unless otherwise specified)

Informative Data

I. Data regarding the financial result	No Row	No of units 1	Amounts (RON) 2
Units that incurred profit	01	-	-
Units that incurred losses	02	1	5,571,232

II. Data regarding the overdue payments A	No row B	Total Col.2+3 1	Of which:	
			For the current activity 2	For the investment activity 3
Overdue Liabilities-total (row 04+08+14 to 18+22), of which:	03	11,760	11,760	-
Overdue Suppliers – total (row 05 to 07), of which:	04	11,760	11,760	-
- over 30 days	05	-	-	-
- over 90 days	06	-	-	-
- over 1 year	07	11,760	11,760	-

III. Average number of employees A	No row B	31.03.2012 1	31.03.2013 2
Average number of employees	23	1	-

IV. Payments of interest, dividends and royalties A	No row B	Amounts 1
Gross dividends income paid by Romanian juridical persons to non-residents, of which:	32	1,284,343
- taxes owed to the state budget	33	-

V. Lunch vouchers A	No row B	Amounts 1
Total value of the lunch vouchers given to the employees	38	-

This is a translation from the official Romanian version.

VIII. Other information	No row	31.03.2012	31.03.2013
A		1	2
Financial assets, gross values (row 52 + 61), of which:	51	14,019,663,722	13,842,714,387
Shares held in subsidiaries, investments in associates, other non-current investments and bonds, gross values (row 53 to 60), of which::	52	14,019,663,722	13,842,714,387
- listed shares issued by residents	53	6,946,690,343	6,927,484,273
- unlisted shares issued by residents	54	6,685,334,181	6,699,587,224
- shares and social parts issued by non-residents	59	387,639,198	215,642,890
Trade receivables, advances to suppliers and other similar accounts, gross values (account 4092 + 411 + 413 + 418), of which:	64	1,020,860	39,604
- external trade receivables, advances to foreign suppliers and other similar accounts, gross values (from account 4092 + from account 411 + from account 413 + from account 418)	65	8,758	-
Receivables from social security and state budget (account 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (row 68 to 72), of which:	67	353,431	1,609,186
- receivables from social securities (account 431 + 437 + 4382)	68	38,305	38,305
- fiscal receivables from state budget (account 441 + 4424+ 4428 + 444 + 446)	69	315,126	1,570,876
- other receivables from state budget (account 4482)	72	-	5
Other receivables (account 452 + 456 + 4582 + 461 + 471 + 473), of which:	74	55,970,426	53,747,309
- settlements from equity investments, settlements with shareholders related to share capital, settlement related to joint ventures (from account 452 + 456 + 4582)	75	5,015,544	4,766,734
- other receivables from individuals and legal entities, other than receivables from public institutions, (from account 461 + from account 471 + from account 473)	76	50,954,882	48,980,575
Interests receivables (account 5187), of which	77	973,748	1,152,386
- from non-residents	78	-	-
Short term investments, in gross amounts (account 501 + 503 + 505 + 506 + 507+ from the account 508) (row 80 to 88), of which:	79	199,044,687	533,535,641
- treasury bonds issued by residents	83	199,044,687	533,535,641
Petty cash in RON and currency (row 91 + 92), of which:	90	1,791	2,080
- in RON (account 5311)	91	1,791	2,080
Bank accounts, in RON and currency (row 94 + 96), of which:	93	269,179,816	233,443,625
- in RON (account 5121)	94	269,176,046	233,443,085
- in currency (account 5124)	96	3,770	540
Liabilities (row 102 + 105 + 108 + 111 + 114 + 117 + 120 + 123 + 126 + 128 + 131 + 132 + 135 + 137 + 138 + 143 + 144 + 145 + 150), of which:	101	20,369,086	19,891,282

This is a translation from the official Romanian version.

VIII. Other information (continued)	No row	31.03.2012	31.03.2013
Trade payables, advances from clients and other similar accounts, gross values (account 401 + 403 + 404 + 405 + 408 + 419), of which:	136	9,209,528	10,163,666
- external trade payables, advances from foreign clients and other similar accounts, gross values (from account 401 + from account 403 + from account 404 + from account 405 + from account 408 + from account 419)	137	24,698	15,666
Liabilities to employees and similar accounts (account 421 + 423 + 424 + 426 + 427 + 4281)	138	25,400	38,100
Liabilities to social security and state budget (account 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481), row 140 to 143), of which:	139	1,363,833	1,300,468
- liabilities to social securities (account 431 + 437 + 4381)	140	15,174	18,900
- fiscal liabilities to state budget (account 441 + 4423+ 4428 + 444 + 446)	141	1,348,659	1,281,568
Other liabilities (account 452 + 456 +457 + 4581+ 462 + 472 + 473 + 269 + 509), of which:	146	9,770,325	8,389,048
- settlements from equity investments, settlements with shareholders related to share capital, settlement related to joint ventures (from account 452 + 456 + 457 + 4581)	147	9,770,325	8,389,048
Subscribed paid in share capital (account 1012) (row 153 to 156), of which:	152	13,412,554,856	13,412,803,666
- listed shares	153	13,412,554,856	13,412,803,666
Subscribed paid in share capital (account 1012) (row 158 + 161 to 164)	157	13,412,554,856	13,412,803,666
- share capital owned by public institutions, of which:	158	570,493	2,919,301
- public institution with Central subordination	159	570,493	2,919.301
- owned by companies with private capital	162	7,761,239,627	8,929,500,420
- owned by individuals	163	5,308,419,254	4,170,739,870
- owned by other entities	164	342,325,482	309,644,075
Brevets and licences (from account 205)	165	5,139	5,139

Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch acting in the capacity of Sole Director of S.C. Fondul Proprietatea S.A.

Oana Truța
Legal Representative

Prepared by
Mihaela Moleavin
Financial Reporting Manager

Annex 2

STATEMENT OF ASSETS AND OBLIGATIONS AS AT 31 MARCH 2013 PREPARED IN ACCORDANCE WITH CNVM REGULATION NO. 4/2010 (ANNEX NO. 4)

Item	31 December 2012				31 March 2013				Differences	
	% of the net asset	% of the total asset	Currency	Lei	% of the net asset	% of the total asset	Currency	Lei	Lei	Lei
I. Total assets	100.2527%	100.0000%		15,017,064,409.30	100.2408%	100.0000%		15,275,229,826.19	258,165,416.89	
1 Securities and money market instruments, out of which:	40.8826%	40.7796%		6,123,898,146.23	41.9263%	41.8256%		6,388,962,268.44	265,064,122.21	
1.1 securities and money market instruments admitted or traded on a regulated market from Romania, out of which:	39.8068%	39.7065%		5,962,749,939.79	41.0206%	40.9221%		6,250,939,141.50	288,189,201.71	
1.1.1 listed shares traded in the last 30 days	39.5731%	39.4733%		5,927,734,779.24	40.9345%	40.8362%		6,237,822,159.68	310,087,380.44	
1.1.2 listed shares not traded in the last 30 days	0.2337%	0.2332%		35,015,160.55	0.0861%	0.0859%		13,116,981.82	(21,898,178.73)	
1.2 securities and money market instruments admitted or traded on a regulated market from a member state, out of which:	1.0758%	1.0731%	EUR 36,387,261.12	161,148,206.44	0.9058%	0.9036%	EUR 31,259,494.06	138,023,126.94	(23,125,079.50)	
1.2.1 listed shares traded in the last 30 days	1.0758%	1.0731%	EUR 36,387,261.12	161,148,206.44	0.9058%	0.9036%	EUR 31,259,494.06	138,023,126.94	(23,125,079.50)	
1.2.2 listed shares not traded in the last 30 days	-	-	-	-	-	-	-	-	-	
1.3 securities and money market instruments admitted on a stock exchange from a state not a member or negotiates on another regulated market from a state not a member, that operates on a regular basis and is recognized and opened to the public, approved by the National Commission of Securities (C.N.V.M.)	-	-	-	-	-	-	-	-	-	
2 New issued securities	-	-	-	-	-	-	-	-	-	
3 Other securities and money market instruments mentioned at art. 187 letter a) of the Regulation no.15/2004, out of which:	54.1836%	54.0470%		8,116,277,279.82	53.2531%	53.1251%		8,114,988,636.29	(1,288,643.53)	
- shares not admitted at trading	54.1836%	54.0470%		8,116,277,279.82	53.2531%	53.1251%		8,114,988,636.29	(1,288,643.53)	
4 Bank deposits, out of which:	2.1183%	2.1130%		317,309,451.54	1.5314%	1.5278%		233,369,935.38	(83,939,516.16)	
4.1 bank deposits made with credit institutions from Romania	2.1183%	2.1130%		317,309,451.54	1.5314%	1.5278%		233,369,935.38	(83,939,516.16)	
4.2 bank deposits made with credit institutions from an EU state	-	-	-	-	-	-	-	-	-	
4.3 bank deposits made with credit institutions from an non-EU state	-	-	-	-	-	-	-	-	-	
5 Derivatives financial instruments traded on a regulated market	-	-	-	-	-	-	-	-	-	
6 Current accounts and petty cash out of which:	0.0124%	0.0124%		1,857,627.12	0.0081%	0.0080%		1,228,156.06	(629,471.06)	
- in lei	0.0124%	0.0123%		1,851,973.75	0.0081%	0.0080%		1,228,129.57	(623,844.18)	
- in euro	0.0000%	0.0000%	EUR 1,276.53	5,653.37	0.0000%	0.0000%	EUR 6.00	26.49	(5,626.88)	
7 Money market instruments, others than those traded on a regulated market, according to art. 101 par. (1) letter g) of Law no. 297/2004 regarding the capital market, with subsequent additions and amendments, out of which:	3.0358%	3.0281%		454,732,856.81	3.5012%	3.4928%		533,535,640.51	78,802,783.70	
- Treasury bills with original maturities of less than 1 year	3.0358%	3.0281%		454,732,856.81	3.5012%	3.4928%		533,535,640.51	78,802,783.70	
8 Participation titles of UCITS and/or of OCIIU (A.O.P.C./ O.P.C.V.M.)	-	-	-	-	-	-	-	-	-	
9 Other assets out of which:	0.0200%	0.0199%		2,989,047.78	0.0206%	0.0206%		3,145,189.51	156,141.73	
- net dividend receivable from Romanian companies	0.0053%	0.0053%		799,994.00	0.0001%	0.0001%		22,392.66	(777,601.34)	
- dividend withholding tax to be recovered from Austrian Tax Authorities	0.0054%	0.0054%	EUR 181,517.91	803,888.37	0.0053%	0.0052%	EUR 181,517.91	801,474.18	(2,414.19)	
- tax on dividends to be recovered from the State Budget	0.0013%	0.0013%		198,044.00	0.0074%	0.0074%		1,133,956.00	935,912.00	
- tax on profit to be recovered from the State Budget	0.0029%	0.0029%		436,920.00	0.0029%	0.0029%		436,920.00	-	
- receivables from penalties levied for late payment of dividends	0.0024%	0.0024%		360,106.88	0.0000%	0.0000%		-	(360,106.88)	
- other debts	0.0003%	0.0003%		39,482.51	0.0009%	0.0009%		142,803.85	103,321.34	
- advance payments intangible assets	0.0022%	0.0022%		323,413.45	0.0029%	0.0029%		439,979.19	116,565.74	
- prepaid expenses	0.0002%	0.0002%		27,198.57	0.0011%	0.0011%		167,663.63	140,465.06	
II. Total liabilities	0.2528%	0.2521%		37,862,403.66	0.2408%	0.2402%		36,689,505.67	(1,172,897.99)	
1 Liabilities in relation with the payments of fees due to the investment management company (S.A.I.)	0.0592%	0.0590%		8,862,463.06	0.0643%	0.0642%		9,801,265.82	938,802.76	
2 Liabilities related to the fees payable to the depositary bank	0.0010%	0.0010%		144,251.80	0.0010%	0.0010%		149,733.26	5,481.46	
3 Liabilities related to the fees payable to intermediaries	-	-	-	-	-	-	-	-	-	
4 Liabilities related to commissions and other bank services	-	-	-	-	-	-	-	-	-	
5 Interest payable	-	-	-	-	-	-	-	-	-	
6 Issuance expense	-	-	-	-	-	-	-	-	-	
7 Liabilities in relation with the fees/commissions to C.N.V.M.	0.0082%	0.0082%		1,230,482.00	0.0083%	0.0083%		1,271,768.00	41,286.00	
8 Audit fees	-	-	-	-	0.0000%	0.0000%	-	-	-	
9 Other Liabilities, out of which:	0.1844%	0.1840%		27,625,206.80	0.1671%	0.1667%		25,466,738.59	(2,158,468.21)	
- payable dividends	0.0633%	0.0631%		9,481,720.07	0.0551%	0.0549%		8,389,046.93	(1,092,673.14)	
- tax on dividends	0.0000%	0.0000%		0.00	0.0000%	0.0000%		-	-	
- provisions for risks and expenses	0.1121%	0.1119%		16,798,225.40	0.1102%	0.1100%		16,798,225.40	-	
- salaries and related contributions	0.0004%	0.0004%		56,768.00	0.0004%	0.0004%		63,050.00	6,282.00	
- VAT payable to State Budget	-	-	-	-	0.0000%	0.0000%		3,749.54	3,749.54	
- other liabilities out of which:	0.0086%	0.0086%		1,288,493.33	0.0014%	0.0014%		212,666.72	(1,075,826.61)	
- in lei	0.0071%	0.0071%		1,065,905.54	0.0013%	0.0013%		197,000.35	(868,905.19)	
- in euro	0.0015%	0.0015%	EUR 50,260.30	222,587.79	0.0001%	0.0001%	EUR 3,548.12	15,666.37	(206,921.42)	
III. Net Asset Value (I - II)	100.0000%	99.7479%		14,979,202,005.64	100.0000%	99.7598%		15,238,540,320.52	259,338,314.88	

Unitary Net Asset Value

Item	31 March 2013	31 December 2012	Differences
Net Asset Value	15,238,540,320.52	14,979,202,005.64	259,338,314.88
Number of outstanding shares	13,172,498,865	13,172,475,365	23,500
Unitary net asset value	1.1568	1.1371	0.0197

DETAILED STATEMENT OF INVESTMENTS AS AT 31 MARCH 2013

Securities admitted or traded on a regulated market in Romania, out of which:

1.1 listed shares traded in the last 30 days

Issuer	Symbol	Date of the last trading session	No. of shares held	Nominal value	Share value	Total value	Stake in the issuer's capital	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Evaluation method
Alcom SA	ALCQ	28/Mar/2013	89,249	2.5	31.0000	2,766,719.00	71.89%	0.0181%	0.0182%	Closing price
Alro Slatina SA	ALR	29/Mar/2013	72,884,714	0.5	1.8300	133,379,026.62	10.21%	0.8732%	0.8753%	Closing price
Compet SA	COTE	29/Mar/2013	2,571,461	3.3	39.0000	100,286,979.00	29.70%	0.6565%	0.6581%	Closing price
IOR SA	IORB	29/Mar/2013	2,622,273	0.1	0.4300	1,127,577.39	2.81%	0.0074%	0.0074%	Closing price
Mecanoenergetica SA	MEGU	28/Mar/2013	1,620,975	0.3	0.0695	112,657.76	10.07%	0.0007%	0.0007%	Closing price
Oil Terminal SA	OIL	29/Mar/2013	49,216,526	0.1	0.1500	7,382,478.90	8.45%	0.0483%	0.0484%	Closing price
Palace SA	PACY	28/Mar/2013	5,832,482	0.1	0.1900	1,108,171.58	15.42%	0.0073%	0.0073%	Closing price
Primcom SA	PRIB	27/Mar/2013	1,561,981	2.5	14.5000	22,648,724.50	75.48%	0.1483%	0.1486%	Closing price
Romaero SA	RORX	26/Mar/2013	1,311,691	2.5	12.0000	15,740,292.00	20.99%	0.1030%	0.1033%	Closing price
OMV Petrom SA	SNP	29/Mar/2013	11,391,130,186	0.1	0.4506	5,132,843,261.81	20.10%	33.6024%	33.6833%	Closing price
Telerom Proiect INPPT SA	TEBV	27/Mar/2013	673,862	0.11	2.4000	1,617,268.80	68.63%	0.0106%	0.0106%	Closing price
Transelectrica SA	TEL	29/Mar/2013	9,895,212	10	13.7000	135,564,404.40	13.49%	0.8875%	0.8896%	Closing price
Transgaz SA	TGN	29/Mar/2013	1,764,620	10	215.0000	379,393,300.00	14.98%	2.4837%	2.4897%	Closing price
BRD-Groupe Societe Generale SA	BRD	29/Mar/2013	25,387,456	1	8.8000	223,409,612.80	3.64%	1.4626%	1.4661%	Closing price
Banca Transilvania SA	TLV	29/Mar/2013	55,823,515	1	1.4410	80,441,685.12	2.93%	0.5266%	0.5279%	Closing price
Total						6,237,822,159.68		40.8362%	40.9345%	

1.2 listed shares but not traded in the last 30 days

Issuer	Symbol	Date of the last trading session	No. of shares held	Nominal value	Share value	Total value	Stake in the issuer's capital	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Evaluation method
Comercereal Cluj SA	COCL	6/Aug/2010	256,116	2.5	4.2853	1,097,533.89	11.36%	0.0072%	0.0072%	Shareholders equity/share
Forsev SA	FORS	26/Nov/2009	954,376	2.5	6.6116	6,309,952.36	28.14%	0.0413%	0.0414%	Shareholders equity/share
Mecon SA	MECP	23/Oct/2012	60,054	11.6	1.3000	78,070.20	12.51%	0.0005%	0.0005%	Fair value/share: Last trading price
Severnav SA	SEVE	22/Jan/2013	1,971,566	2.5	2.0000	3,943,132.00	39.10%	0.0258%	0.0259%	Fair value/share: Last trading price
Resib SA	RESI	3/Jun/2004	894,600	0.10	0.0000	0.00	2.87%	0.0000%	0.0000%	Priced at zero (negative equity)
Romplumb SA	ROMR	5/Oct/2001	1,595,520	2.5	0.0000	0.00	33.26%	0.0000%	0.0000%	Priced at zero (company in insolvency)
Transilvania-Com SA	TRVC	15/Aug/2007	77,234	2.5	20.4933	1,582,779.53	39.99%	0.0104%	0.0104%	Shareholders equity/share
Turdapan SA	TUSB	29/Dec/2010	155,855	2.5	0.6770	105,513.84	44.06%	0.0007%	0.0007%	Shareholders equity/share
Total						13,116,981.82		0.0859%	0.0861%	

Securities admitted or traded on a regulated market from a member state:

Issuer	Symbol	Date of the last trading session	No. of shares held	Nominal value *	Share value	Total value in Euro	Total value in LEI	Stake in the issuer's capital	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Evaluation method
ERSTE GROUP BANK AG	EBS	29/Mar/2013	397,020	EUR 32.5800	EUR 21.7300	8,627,244.60	38,092,719.13	0.10%	0.2494%	0.2500%	Closing price
RAIFFEISEN BANK INTERNATIONAL AG	RBI	29/Mar/2013	853,564	EUR 52.5680	EUR 26.5150	22,632,249.46	99,930,407.81	0.43%	0.6542%	0.6558%	Closing price
Total						31,259,494.06	138,023,126.94		0.9036%	0.9058%	

* = shareholders equity / share as at 31 March 2013

Instruments mentioned at art. 187 letter a) of the Regulation no.15/2004 (unlisted shares)

Issuer	No. of shares held	Date of acquisition *	Acquisition price (total price of acquisition of shares)	Share value	Total value	Stake in the issuer's capital	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Company status	Evaluation method
Aeroportul International Mihail Kogalniceanu - Constanta SA	23,159	19/Jul/2005	1,490,898	214.1274	4,958,976.46	20.00%	0.0325%	0.0325%	Unlisted companies, in function	Shareholders equity/share
Aeroportul International Timisoara - Traian Vuia SA	32,016	19/Jul/2005	2,652,588	198.5121	6,355,563.39	20.00%	0.0416%	0.0417%	Unlisted companies, in function	Fair value / share (Shareholders' equity adjusted with dividends declared/ share)
Celuloza si Otel SA (former Remat Timis)	3,814	19/Jul/2005	230,675	270.4939	1,031,663.73	8.62%	0.0068%	0.0068%	Unlisted companies, in function	Shareholders equity/share
Cetatea SA	354,468	19/Jul/2005	118,840	1.1474	406,716.58	20.43%	0.0027%	0.0027%	Unlisted companies, in function	Shareholders equity/share
Ciocarla SA	5,298	19/Jul/2005	37,125	70.6207	374,148.47	1.68%	0.0024%	0.0025%	Unlisted companies, in function	Fair value / share (Shareholders' equity adjusted with dividends declared/ share)
CN Administratia Porturilor Dunarii Fluviale SA	27,554	19/Jul/2005	675,810	127.4849	3,512,718.93	20.00%	0.0230%	0.0231%	Unlisted companies, in function	Fair value / share (Shareholders' equity adjusted with dividends declared/ share)
CN Administratia Canalelor Navigabile SA	203,160	19/Jul/2005	15,194,209	76.5186	15,545,518.78	20.00%	0.1018%	0.1020%	Unlisted companies, in function	Fair value / share (Shareholders' equity adjusted with dividends declared/ share)
CN Administratia Porturilor Dunarii Maritime SA	21,237	19/Jul/2005	1,351,671	0.0000	0.00	20.00%	0.0000%	0.0000%	Unlisted companies, in function	Fair value/share: NIL
CN Administratia Porturilor Maritime SA	2,651,113	19/Jul/2005	65,441,294	25.4353	67,431,854.49	19.99%	0.4414%	0.4425%	Unlisted companies, in function	Fair value / share (Shareholders' equity adjusted with dividends declared/ share)
CN Aeroporturi Bucuresti SA **	2,875,443	5/Feb/2010	131,168,263	94.5941	271,999,942.69	20.00%	1.7807%	1.7849%	Unlisted companies, in function	Fair value / share (Value as per independent valuator's report)
Complexul Energetic Oltenia SA****	27,361,036	31/May/2012	670,084,812	32.1625	879,999,320.35	21.53%	5.7610%	5.7748%	Unlisted companies, in function	Fair value / share (Value as per independent valuator's report)
Comsig SA	75,655	19/Jul/2005	132,633	23.0794	1,746,072.01	69.94%	0.0114%	0.0115%	Unlisted companies, in function	Shareholders equity/share
E.ON Gaz Distributie SA	13,158,040	19/Jul/2005	37,470,244	10.8906	143,298,950.42	11.99%	0.9381%	0.9404%	Unlisted companies, in function	Shareholders equity/share
E.ON Energie Romania SA	9,903,524	19/Jul/2005	45,765,358	6.9106	68,439,292.95	13.39%	0.4480%	0.4491%	Unlisted companies, in function	Shareholders equity/share
E.ON Moldova Distributie SA	10,994,457	19/Jul/2005	131,073,011	29.4694	324,000,051.12	22.00%	2.1211%	2.1262%	Unlisted companies, in function	Fair value / share (Value as per independent valuator's report)
Electrica Distributie Muntenia Nord SA	7,796,022	19/Jul/2005	165,221,141	35.2638	274,917,360.60	21.99%	1.7998%	1.8041%	Unlisted companies, in function	Fair value / share (Shareholders' equity adjusted with dividends declared/ share)
Electrica Distributie Transilvania Nord SA	8,167,813	19/Jul/2005	113,299,904	23.1392	188,996,658.57	22.00%	1.2373%	1.2403%	Unlisted companies, in function	Shareholders equity/share
Electrica Distributie Transilvania Sud SA	9,327,282	19/Jul/2005	125,918,629	21.7228	202,614,681.43	21.99%	1.3264%	1.3296%	Unlisted companies, in function	Shareholders equity/share
Electroconstructia Elco Cluj SA	322,530	19/Jul/2005	319,656	1.6750	540,237.75	7.61%	0.0035%	0.0035%	Unlisted companies, in function	Shareholders equity/share
ENEL Distributie Banat SA	9,220,644	19/Jul/2005	141,578,929	48.3105	445,453,921.96	24.12%	2.9162%	2.9232%	Unlisted companies, in function	Shareholders equity/share
ENEL Distributie Dobrogea SA	6,753,127	19/Jul/2005	114,760,053	44.6374	301,442,031.15	24.09%	1.9734%	1.9782%	Unlisted companies, in function	Shareholders equity/share
Enel Distributie Muntenia SA	3,256,396	19/Jul/2005	107,277,263	105.6497	344,037,260.48	12.00%	2.2523%	2.2577%	Unlisted companies, in function	Shareholders equity/share
Enel Energie Muntenia SA	444,054	19/Jul/2005	2,833,769	83.7404	37,185,259.58	12.00%	0.2434%	0.2440%	Unlisted companies, in function	Shareholders equity/share
ENEL Energie SA	1,680,000	19/Jul/2005	26,124,808	8.6566	14,543,088.00	12.00%	0.0952%	0.0954%	Unlisted companies, in function	Shareholders equity/share
GDF Suez Energie Romania (former Distrigaz Sud)	2,381,863	19/Jul/2005	62,522,462	142.5925	339,635,799.83	12.00%	2.2234%	2.2288%	Unlisted companies, in function	Shareholders equity/share
Nuclearelectrica SA	24,676,222	19/Jul/2005	967,926,936	26.2601	648,000,057.34	9.72%	4.2422%	4.2524%	Unlisted companies, in function	Fair value / share (Value as per independent valuator's report)
Plafar SA	132,784	28/Jun/2007	3,160,329	39.2487	5,211,599.38	48.99%	0.0341%	0.0342%	Unlisted companies, in function	Shareholders equity/share
Posta Romana SA	14,871,947	19/Jul/2005	84,664,380	5.4345	80,821,595.97	25.00%	0.5291%	0.5304%	Unlisted companies, in function	Fair value / share (Value as per independent valuator's report)
Romgaz SA	5,745,204	19/Jul/2005	416,324,944	225.6334	1,296,309,912.21	14.99%	8.4864%	8.5068%	Unlisted companies, in function	Fair value / share (Shareholders' equity adjusted with dividends declared/ share)
Salubriserv SA	43,263	19/Jul/2005	207,601	252.3518	10,917,495.92	17.48%	0.0715%	0.0716%	Unlisted companies, in function	Shareholders equity/share
Societatea Nationala a Sarii SA	2,005,884	28/Jun/2007	76,347,715	48.8339	97,955,138.67	48.99%	0.6413%	0.6428%	Unlisted companies, in function	Fair value (Shareholder equity adjusted with dividends declared/share)
World Trade Hotel SA	17,912	19/Jul/2005	17,912	0.8753	15,678.37	19.90%	0.0001%	0.0001%	Unlisted companies, in function	Shareholders equity/share
Zirom SA	3,624,346	28/Jun/2007	36,030,702	10.0131	36,290,938.93	100.00%	0.2376%	0.2382%	Unlisted companies, in function	Fair value / share (Value as per independent valuator's report)
Electrica Furnizare SA ***	1,366,412	22/Jul/2011	17,819,672	0.0000	0.00	22.00%	0.0000%	0.0000%	Unlisted companies, in function	Fair value/share: NIL
BAT Service SA	194,022	19/Jul/2005	656,686	0.0000	0.00	33.00%	0.0000%	0.0000%	Dissolution	Priced at zero
Carbid Fox SA	10,191,630	19/Jul/2005	927,357	0.0000	0.00	7.96%	0.0000%	0.0000%	Bankruptcy	Priced at zero
FECNE SA	778,442	19/Jul/2005	0	0.0000	0.00	12.12%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Gerovital Cosmetics SA	1,350,988	19/Jul/2005	340,996	0.0000	0.00	9.76%	0.0000%	0.0000%	Dissolution	Priced at zero
Hydroelectrica SA	89,261,778	19/Jul/2005	3,106,503,426	22.4172	2,000,999,129.78	19.94%	13.0996%	13.1312%	Insolvency	Fair value / share (Value as per independent valuator's report)
Petrotel - Lukoil SA	2,152,291	19/Jul/2005	2,787,316	0.0000	0.00	1.78%	0.0000%	0.0000%	Unlisted companies, in function	Priced at zero (negative equity)
Simtex SA	132,859	28/Jun/2007	3,059,858	0.0000	0.00	30.00%	0.0000%	0.0000%	Bankruptcy	Priced at zero
World Trade Center Bucuresti SA	198,860	19/Jul/2005	42,459	0.0000	0.00	19.90%	0.0000%	0.0000%	Insolvency	Priced at zero
Total			6,679,562,334		8,114,988,636.29		53.1251%	53.2531%		

Legend:

* = where the date of acquisition is shown as earlier than Fondul Proprietatea's date of incorporation (28 December 2005), the date of acquisition refers to the date of publishing in the Official Gazette of Law no. 247 / 19 July 2005, which determined that these investments would be transferred to Fondul Proprietatea on its future incorporation.

** = company formed as a result of the merger between CN Aeroportul International Henri Coanda - Bucuresti S.A. and SN Aeroportul International Bucuresti Baneasa - Aurel Vlaicu S.A.

*** = company formed as a result of the merger between S.C. Electrica Furnizare Transilvania Nord S.A., S.C. Electrica Furnizare Transilvania Sud S.A. and S.C. Electrica Furnizare Muntenia Nord S.A.

**** = company formed as a result of the merger between S.C. Complexul Energetic Turcenti S.A., S.C. Complexul Energetic Craiova S.A., S.C. Complexul Energetic Rovinari S.A., Societatea Nationala a Lignitului Oltenia S.A.

Note: Uzina Mecanica Bucuresti SA was not included in Fondul Proprietatea's portfolio because Ministry of Public Finance actually did not transfer to the fund the holding in this company.

Bonds or other debt instruments issued or guaranteed by the state or central public administration authorities

Treasury Bills with discount

Series and number of the bond	No of bonds	Date of acquisition	Maturity date	Initial value	Daily interest	Cumulative interest	Current value	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Intermediary Bank	Evaluation method
RO1213CTN010	2,600	5/Sep/2012	7/May/2013	24,983,984.63	4,164.00	866,111.46	25,850,096.09	0.1692%	0.1696%	Citi Bank	Acquisition price cumulated with the related interest since the acquisition date
RO1213CTN010	2,500	13/Mar/2013	7/May/2013	24,806,714.25	3,514.29	66,771.44	24,873,485.69	0.1628%	0.1632%	ING Bank	
RO1213CTN010	5,207	5/Sep/2012	7/May/2013	49,997,822.28	8,492.53	1,766,446.58	51,764,268.86	0.3389%	0.3397%	ING Bank	
RO1213CTN010	1,529	8/Jan/2013	7/May/2013	14,992,645.89	2,498.77	207,398.24	15,200,044.13	0.0995%	0.0997%	Citi Bank	
RO1213CTN010	2,550	9/Jan/2013	7/May/2013	25,008,172.58	4,168.03	341,778.38	25,349,950.96	0.1660%	0.1664%	Citi Bank	
RO1213CTN010	1,215	16/Jan/2013	7/May/2013	11,947,392.19	1,825.30	136,897.17	12,084,289.36	0.0791%	0.0793%	Citi Bank	
RO1213CTN0K6	2,819	12/Sep/2012	14/May/2013	27,090,871.90	4,504.62	905,429.30	27,996,301.20	0.1833%	0.1837%	ING Bank	
RO1213CTN0K6	1,260	4/Feb/2013	14/May/2013	12,408,902.86	1,930.27	108,095.35	12,516,998.21	0.0819%	0.0821%	BRD Groupe Societe Generale	
RO1213CTN0K6	1,531	8/Jan/2013	14/May/2013	14,995,102.85	2,499.18	207,432.25	15,202,535.10	0.0995%	0.0998%	Citi Bank	
RO1213CTN0K6	1,230	20/Mar/2013	14/May/2013	12,212,308.87	1,594.38	19,132.61	12,231,441.48	0.0801%	0.0803%	Citi Bank	
RO1213CTN0K6	1,300	28/Jan/2013	14/May/2013	12,790,974.17	1,971.94	124,232.33	12,915,206.50	0.0845%	0.0848%	ING Bank	
RO1213CTN0G4	2,603	16/Aug/2012	24/Apr/2013	24,999,680.54	4,104.86	935,907.72	25,935,588.26	0.1698%	0.1702%	ING Bank	
RO1213CTN0G4	2,043	28/Jan/2013	24/Apr/2013	20,160,299.89	3,136.05	197,571.01	20,357,870.90	0.1333%	0.1336%	Citi Bank	
RO1213CTN0M2	2,059	3/Oct/2012	3/Apr/2013	19,992,169.35	3,284.78	591,261.08	20,583,430.43	0.1348%	0.1351%	ING Bank	
RO1213CTN0M2	1,500	11/Feb/2013	3/Apr/2013	14,885,074.80	2,253.44	110,418.33	14,995,493.13	0.0982%	0.0984%	Raiffeisen Bank	
RO1213CTN0M2	2,000	16/Jan/2013	3/Apr/2013	19,767,457.80	3,020.03	226,502.14	19,993,959.94	0.1309%	0.1312%	Banca Comerciala Romana	
RO1213CTN0A7	504	12/Feb/2013	10/Apr/2013	4,996,881.08	756.47	36,310.67	5,033,191.75	0.0330%	0.0330%	Raiffeisen Bank	
RO1213CTN0A7	3,000	20/Mar/2013	10/Apr/2013	29,919,715.43	3,823.07	45,876.90	29,965,592.33	0.1962%	0.1966%	Raiffeisen Bank	
RO1213CTN0P5	4,245	7/Nov/2012	6/Nov/2013	39,991,975.20	6,752.82	979,158.23	40,971,133.43	0.2682%	0.2689%	ING Bank	
RO1213CTN0P5	1,139	4/Feb/2013	6/Nov/2013	10,918,749.80	1,713.64	95,963.68	11,014,713.48	0.0721%	0.0723%	BRD Groupe Societe Generale	
RO1213CTN0R1	2,000	5/Dec/2012	4/Dec/2013	18,805,520.00	3,281.54	383,940.00	19,189,460.00	0.1256%	0.1259%	RBS Bank	
RO1313CTN039	1,818	23/Jan/2013	24/Jul/2013	17,685,085.86	2,719.31	184,912.98	17,869,998.84	0.1170%	0.1173%	ING Bank	
RO1314CTN029	2,215	17/Jan/2013	15/Jan/2014	20,996,172.83	3,178.59	235,215.46	21,231,388.29	0.1390%	0.1393%	Raiffeisen Bank	
RO1314CTN045	5,278	6/Feb/2013	5/Feb/2014	49,996,224.46	7,647.74	412,977.69	50,409,202.15	0.3300%	0.3308%	ING Bank	
Total							533,535,640.51	3.4928%	3.5012%		

Term deposits

Name of the bank	Starting date	Maturity date	Initial value	Daily Interest	Cumulative interest	Current value	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Evaluation method	
Banca Comerciala Romana	4/Feb/2013	15/Apr/2013	RON 40,000,000.00	RON 5,777.78	RON 323,555.56	RON 40,323,555.56	0.2640%	0.2646%	Term deposit value cumulated with the related interest	
BRD Groupe Societe Generale	6/Feb/2013	2/May/2013	RON 23,000,000.00	RON 3,194.44	RON 172,500.00	RON 23,172,500.00	0.1517%	0.1521%		
BRD Groupe Societe Generale	4/Mar/2013	3/Jun/2013	RON 30,000,000.00	RON 4,166.67	RON 116,666.67	RON 30,116,666.67	0.1972%	0.1976%		
BRD Groupe Societe Generale	20/Mar/2013	28/Jun/2013	RON 25,000,000.00	RON 3,541.67	RON 42,500.00	RON 25,042,500.00	0.1639%	0.1643%		
ING Bank	25/Mar/2013	1/Apr/2013	RON 22,400,000.00	RON 2,737.78	RON 19,164.44	RON 22,419,164.44	0.1468%	0.1471%		
Raiffeisen Bank	6/Feb/2013	10/Apr/2013	RON 25,000,000.00	RON 3,750.00	RON 202,500.00	RON 25,202,500.00	0.1650%	0.1654%		
RBS Bank	8/Feb/2013	1/Apr/2013	RON 20,000,000.00	RON 2,666.67	RON 138,666.67	RON 20,138,666.67	0.1318%	0.1322%		
RBS Bank	6/Feb/2013	1/Apr/2013	RON 15,000,000.00	RON 1,979.17	RON 106,875.00	RON 15,106,875.00	0.0989%	0.0991%		
RBS Bank	20/Mar/2013	26/Jun/2013	RON 20,000,000.00	RON 2,222.22	RON 26,666.67	RON 20,026,666.67	0.1311%	0.1314%		
ING Bank	29/Mar/2013	1/Apr/2013	RON 4,571,240.08	RON 126.98	RON 380.94	RON 4,571,621.02	0.0299%	0.0300%		
ING Bank	29/Mar/2013	1/Apr/2013	EUR 116.27	EUR -	EUR -	RON 513.38	0.0000%	0.0000%		
BRD Groupe Societe Generale	29/Mar/2013	1/Apr/2013	RON 7,245,795.58	RON 970.13	RON 2,910.39	RON 7,248,705.97	0.0475%	0.0476%		
Total						233,369,935.38	1.5278%	1.5314%		

Evolution of the net asset and the net asset unitary value in the last 3 years

	Year T-2/ 31 Dec 2011	Year T-1 / 31 Dec 2012	Year T/ 31 Mar 2013
Net Asset	14,465,379,292.28	14,979,202,005.64	15,238,540,320.52
NAV/share	1.0788	1.1371	1.1568

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

ING Bank N.V. Amsterdam – Bucharest Branch

Cristina Bulata
Director Settlements & Trade Commercial Banking

Mihaela Savu
Economist

Annex 3

S.C. FONDUL PROPRIETATEA S.A.

**CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2013**

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013
(all amounts are in RON unless otherwise stated)

	<i>Note</i>	3 months ended 31 March 2013	3 months ended 31 March 2012
Gross dividend income		26.658	-
Interest income		10.516.874	7.026.217
Reversal of impairment losses on disposed equity investments		59.950	-
Reversal of impairment losses on receivables in respect of equity contributions		23.500	4.985.760
Gain/ (Loss) on disposal of equity investments		(390.937)	16.741
Impairment losses on other receivables		(188.453)	-
Net foreign exchange gains / (losses)		(1.465)	10.128
Other operating income		176.526	1.327.560
Net operating income		10.222.653	13.366.406
Personnel expenses		(170.168)	(150.840)
Other operating expenses	5	(15.757.420)	(14.747.040)
Operating expenses		(15.927.588)	(14.897.880)
Loss before income tax		(5.704.935)	(1.531.474)
Income tax benefit	6	890.653	1.031.542
Loss for the period		(4.814.282)	(499.932)
Other comprehensive income			
Net change in fair value of available-for-sale equity investments	7	259.384.917	1.528.602.207
Deferred tax on other comprehensive income	6	(41.501.587)	(244.576.354)
Total other comprehensive income		217.883.330	1.284.025.853
Total comprehensive income for the period		213.069.048	1.283.525.921
Basic and diluted earnings per share		(0,0003)	(0,0000)

The financial statements were authorised for issue on 14 May 2013 by:

Oana Truța

as Legal Representative on behalf of

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch
 acting in the capacity of Sole Director of S.C. Fondul Proprietatea S.A.

The notes on pages 42 to 57 are an integral part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013
(all amounts are in RON unless otherwise stated)

	<i>Note</i>	31 March 2013	31 December 2012
Assets			
Cash and current accounts		1,228,157	1,857,628
Deposits with banks		233,369,935	317,309,452
Treasury bills		533,535,641	454,732,857
Dividends receivable		22,393	799,994
Equity investments	7	11,527,857,219	11,269,744,338
Deferred tax assets	8	322,880,959	363,487,628
Other assets		3,122,796	2,189,053
Total assets		12,622,017,100	12,410,120,950
Liabilities			
Other liabilities	9	19,891,281	21,064,179
Total liabilities		19,891,281	21,064,179
Equity			
Share capital	10	13,778,392,208	13,778,392,208
Fair value reserve on available-for-sale financial assets	10	2,712,202,773	2,494,319,443
Other reserves		278,451,031	278,451,031
Treasury shares	10	(120,268,583)	(120,268,583)
Accumulated losses		(4,046,651,610)	(4,041,837,328)
Total equity		12,602,125,819	12,389,056,771
Total liabilities and equity		12,622,017,100	12,410,120,950

The notes on pages 42 to 57 are an integral part of these financial statements.

**CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013
(all amounts are in RON unless otherwise stated)**

	Share capital	Fair value reserves on available-for-sale financial assets	Other reserves	Treasury shares	Accumulated losses	Total attributable to the equity holders of the Fund
Balance at 31 December 2012	13,778,392,208	2,494,319,443	278,451,031	(120,268,583)	(4,041,837,328)	12,389,056,771
Comprehensive income for the period						
Loss for the period	-	-	-	-	(4,814,282)	(4,814,282)
Other comprehensive income						
Net change in fair value of available-for-sale equity investments	-	259,384,917	-	-	-	259,384,917
Income tax on income and expense recognised directly in equity	-	(41,501,587)	-	-	-	(41,501,587)
Total other comprehensive income	-	217,883,330	-	-	-	217,883,330
Total comprehensive income for the period	-	217,883,330	-	-	(4,814,282)	213,069,048
Balance at 31 March 2013	13,778,392,208	2,712,202,773	278,451,031	(120,268,583)	(4,046,651,610)	12,602,125,819

The notes on pages 42 to 57 are an integral part of these financial statements.

**CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013**
(all amounts are in RON unless otherwise stated)

	Share capital	Fair value reserves on available-for-sale financial assets	Other reserves	Treasury shares	Accumulated losses	Total attributable to the equity holders of the Fund
Balance at 31 December 2011	13,778,392,208	1,240,275,189	250,102,759	(120,268,583)	(3,430,868,209)	11,717,633,364
Comprehensive income for the period						
Loss for the period	-	-	-	-	(499,932)	(499,932)
Other comprehensive income						
Net change in fair value of available-for-sale equity investments	-	1,528,602,207	-	-	-	1,528,602,207
Income tax on income and expense recognised directly in equity	-	(244,576,354)	-	-	-	(244,576,354)
Total other comprehensive income	-	1,284,025,853	-	-	-	1,284,025,853
Total comprehensive income for the period	-	1,284,025,853	-	-	(499,932)	1,283,525,921
Balance at 31 March 2012	13,778,392,208	2,524,301,042	250,102,759	(120,268,583)	(3,431,368,141)	13,001,159,285

The notes on pages 42 to 57 are an integral part of these financial statements.

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013
(all amounts are in RON unless otherwise stated)**

	3 months ended 31 March 2013	3 months ended 31 March 2012
Cash flows from operating activities		
Proceeds from sale of equity instruments	804.550	125.171
Acquisition of treasury bills, net	(76.290.890)	(175.673)
Interest received	8.136.613	3.979.584
Dividends received (net of withholding tax)	-	2.899.579
Realised foreign exchange loss on cash and cash equivalents	(869)	(2.750)
Collection of bank deposits maturing in more than 3 months, net	(45.000.000)	(166.000.000)
Interest received in relation with the dividends late payments	190.680	1.125.851
Other receipts	-	1.740.450
Salaries and related taxes paid	(163.886)	(130.444)
Suppliers and other taxes and fees paid	(15.887.872)	(34.108.703)
Acquisition of equity investments	-	(62.216)
Net cash flows from operating activities	(128.211.674)	(190.609.151)
Cash flows from financing activities		
Dividends paid (including related taxes)	(2.028.585)	(3.602.392)
Net cash flows used in financing activities	(2.028.585)	(3.602.392)
Net decrease in cash and cash equivalents	(130.240.259)	(194.211.543)
Cash and cash equivalents at the beginning of the period	317.885.971	297.393.152
Cash and cash equivalents at the end of the period	187.645.712	103.181.609
	31 March 2013	31 March 2012
Cash	1.228.157	1.507.882
Bank deposits with original maturities of less than three months	187.217.549	101.673.727
	188.445.706	103.181.609

The notes on pages 42 to 57 are an integral part of these financial statements.

**NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013
(all amounts are in RON unless otherwise stated)**

1. General information

Fondul Proprietatea S.A. (referred to as “Fondul Proprietatea” or “the Fund”) is an undertaking for collective investments, in the form of a closed end investment company, established in accordance with Law no. 247/2005 regarding the reform in property and justice, as well as certain adjacent measure, as amended (“Law 247/2005”) and Government Decision no. 1481/2005 and registered in Bucharest on 28 December 2005. The address of the Fund’s registered office is 78 - 80, Buzești Street, 7th Floor, District 1, Bucharest.

The Fund undertakes its activities in accordance with Law 247/2005, Law 297/2004 regarding the capital market, with subsequent amendments, and Law 31/1990 regarding companies, republished with subsequent amendments (“Law 31/1990”).

In accordance with its constitutive act, the main activity of the Fund is the management and administration of its portfolio.

The Fund was established to allow the payment in shares equivalent of compensations in respect of abusive expropriations undertaken by the Romanian State during the communist period, when properties were not returned in kind.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch (“Fund Manager”) was appointed on 29 September 2010 as the Fund Manager and Sole Director of the Fund.

Since 25 January 2011 Fondul Proprietatea has been a listed company on the spot regulated market managed by the Bucharest Stock Exchange in Tier I (Shares) of the Securities Sector of the market, under ISIN number ROFPTAACNOR5 with the market symbol “FP”.

These condensed separate financial statements for the three month period ended 31 March 2013 are not audited.

2. Basis of preparation

(a) Statement of compliance

These condensed separate financial statements for the three month period ended 31 March 2013 have been prepared in accordance with IAS 34 “Interim financial reporting”. The condensed separate interim financial statements should be read in conjunction with the annual separate financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards as adopted by European Union (“IFRS”).

The Fund has prepared these financial statements in order to provide users of the Fund’s financial reports with supplementary financial information on the Fund’s financial position. The Fund will not prepare consolidated financial statements for the three month period ended 31 March 2013.

**NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013
(all amounts are in RON unless otherwise stated)**

2. Basis of preparation (continued)

(b) Basis of measurement

The condensed separate interim financial statements have been prepared on the historical cost basis except for equity investments that are quoted on an active market and treasury bills, which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Romanian Lei (RON), which is the Fund's functional currency. All financial information presented in RON has been rounded to the nearest unit.

(d) Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 5 – Other operating expenses
- Note 7 – Equity investments;
- Note 8 – Deferred tax assets;
- Note 9 – Other liabilities;
- Note 11 – Contingencies.

3. Significant accounting policies

The accounting policies are consistent with those in the annual separate financial statements for the year ended 31 December 2012.

**NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS
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(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities

Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Fund's financial assets and financial liabilities:

	Loans and receivables	Held to maturity	Available-for-sale	Other amortised cost	Total carrying amount	Fair value
31 March 2013						
Cash and current accounts	1,228,157	-	-	-	1,228,157	1,228,157
Deposits with banks	233,369,935	-	-	-	233,369,935	233,369,935
Treasury bills	-	-	533,535,641	-	533,535,641	533,535,641
Dividends receivable	22,393	-	-	-	22,393	22,393
Equity investments at fair value	-	-	6,330,723,875	-	6,330,723,875	6,330,723,875
Equity investments at cost	-	-	5,197,133,344	-	5,197,133,344	Not available
Other receivables	3,122,796	-	-	-	3,122,796	3,122,796
Other liabilities	-	-	-	(19,891,281)	(19,891,281)	(19,891,281)
	237,743,281	-	12,061,392,860	(19,891,281)	12,279,244,860	Not available

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4. Financial assets and financial liabilities (continued)

	Loans and receivables	Held to maturity	Available-for-sale	Other amortised cost	Total carrying amount	Fair value
31 December 2012						
Cash and current accounts	1,857,628	-	-	-	1,857,628	1,857,628
Deposits with banks	317,309,452	-	-	-	317,309,452	317,309,452
Treasury bills	-	-	454,732,857	-	454,732,857	454,732,857
Dividends receivable	799,994	-	-	-	799,994	799,994
Equity investments at fair value	-	-	6,071,338,958	-	6,071,338,958	6,071,338,958
Equity investments at cost	-	-	5,198,405,380	-	5,198,405,380	Not available
Other receivables	2,189,053	-	-	-	2,189,053	2,189,053
Other liabilities	-	-	-	(21,064,179)	(21,064,179)	(21,064,179)
	322,156,127	-	11,724,477,195	(21,064,179)	12,025,569,143	Not available

As at 31 March 2013 and 31 December 2012, management estimated that the dividends receivable for which no impairment losses were recognised would be collected within a short period of time and therefore their carrying amount approximated fair value.

Equity investments carried at cost do not have reliably measurable fair values.

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5. Other operating expenses

	3 months ended 31 March 2013	3 months ended 31 March 2012
Investment management and administration fee	9,801,266	8,752,879
National Securities Commission fee	3,824,548	3,938,458
Depository fee	450,116	451,750
Third party services	1,572,005	1,276,012
Other operating expenses	109,485	327,941
	15,757,420	14,747,040

6. Income tax

	3 months ended 31 March 2013	3 months ended 31 March 2012
Current tax expense		
Current tax (16%)	-	-
Dividend withholding tax	4.265	-
Prior year income tax adjustment	-	(23.214)
	4.265	(23.214)
Deferred tax expense		
Impairment losses on equity investments	9.592	-
Fiscal loss carried forward	(904.510)	(1.008.328)
	(894.918)	(1.008.328)
Total income tax benefit	(890.653)	(1.031.542)

The effective tax rate used to calculate the deferred tax position of the Fund was 16% (standard tax rate).

	3 months ended 31 March 2013	3 months ended 31 March 2012
Reconciliation of effective tax rate		
Loss for the period	(4.814.282)	(499.932)
Income tax benefit	(890.653)	(1.031.542)
Loss excluding income tax	(5.704.935)	(1.531.474)
Income tax using the standard tax rate (16%)	(912.790)	(245.036)
Effect of:		
Other non-taxable income	(8.127)	(797.722)
Other non-deductible expenses	30.264	11.216
Total income tax benefit	(890.653)	(1.031.542)

**NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS
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6. Income tax (continued)

	3 months ended 31 March 2013	3 months ended 31 March 2012
Income tax recognised directly in equity:		
On equity investments carried at fair value	41,501,587	244,576,354

7. Equity investments

In accordance with Law 247/2005, as amended by Government Emergency Ordinance no.209/2005, the Fund received, at its establishment on 28 December 2005, shares in 117 companies as contribution in kind from the Romanian State, as sole shareholder.

In June 2007, Government Emergency Ordinance no. 81/2007 for the acceleration of the procedure for granting compensations for the property abusively nationalised (“GEO 81/2007”) came into force, in accordance with which:

- 32 new shareholdings were added to the Fund’s portfolio as contribution in kind to its share capital (21 shareholdings in companies already in the portfolio and 11 shareholdings in companies not previously in the portfolio);
- 39 shareholdings were removed from the Fund’s portfolio and transferred back to the State.

The valuation of the shares contributed by the Romanian state in December 2005 and June 2007 was performed in October 2007 by an independent evaluator (Finevex S.R.L. Constanta), who followed the valuation methodology set forth by Law 247/2005. The value of the shareholdings, as determined by the evaluator, represents the cost of the equity investments.

Equity investments are available-for-sale financial assets and are carried at fair value, except for the investments whose fair value cannot be reliably measured, which are carried at cost less impairment.

Fair values at 31 March 2013 and 31 December 2012 were determined by reference to published bid price quotations on the stock exchange where shares are traded, where applicable. Equity investments quoted on the Bucharest Stock Exchange which are not actively traded, and unquoted securities, are carried at cost less impairment.

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7. Equity investments (continued)

At 31 March 2013 and 31 December 2012, for equity investments carried at cost, no fair values could be determined using valuation techniques as the range of reasonable fair value estimates was significant and the probabilities of the various estimates could not be reasonably assessed.

The movement in the carrying amounts of equity investments is as follows:

	Equity investments at fair value	Equity investments at cost	Total equity investments
31 December 2011	4,768,466,068	5,963,176,400	10,731,642,468
Shares contributions in kind by State	-	4,985,760	4,985,760
Acquisitions	62,216	-	62,216
Disposals	(48,430)	-	(48,430)
Changes in fair value	1,528,602,207	-	1,528,602,207
31 March 2012	6,297,082,061	5,968,162,160	12,265,244,221
	Equity investments at fair value	Equity investments at cost	Total equity investments
31 December 2012	6,071,338,958	5,198,405,380	11,269,744,338
Shares contributions in kind by State	-	23,500	23,500
Disposals	-	(1,355,486)	(1,355,486)
Reversal of impairment loss on disposals	-	59,950	59,950
Changes in fair value	259,384,917	-	259,384,917
31 March 2013	6,330,723,875	5,197,133,344	11,527,857,219

In February 2013, the Fund sold its entire holding in Carom - Broker de Asigurare S.A. In March 2013, the disposal of the holding in Commetex S.A. was completed.

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7. Equity investments (continued)

The structure of the Fund's portfolio was the following:

	31 March 2013	31 December 2012
Equity investments at fair value		
OMV Petrom S.A.	5,132,843,262	4,876,542,833
Transgaz S.A.	379,393,300	384,687,160
BRD - Groupe Societe Generale S.A.	223,409,613	205,892,268
Alro Slatina S.A.	133,379,027	145,769,428
Transelectrica S.A.	135,564,404	125,570,240
Raiffeisen Bank International AG	99,930,408	118,905,477
Conpet S.A.	100,286,979	92,958,315
Erste Group Bank AG	38,092,719	42,242,729
Other	87,824,163	78,770,507
	6,330,723,875	6,071,338,958
Equity investments at cost		
Hidroelectrica S.A.	2,001,000,000	2,001,000,000
Complexul Energetic Oltenia S.A.	670,084,812	670,084,812
Nuclearelectrica S.A.	581,846,011	581,846,011
Romgaz S.A.	416,324,944	416,301,444
Electrica Distributie Muntenia Nord S.A.	165,223,950	165,223,950
Enel Distributie Banat S.A.	141,578,929	141,578,929
Aeroportul International Henri Coanda Bucuresti S.A.	131,168,262	131,168,262
E.ON Moldova Distributie S.A.	131,073,011	131,073,011
Electrica Distributie Transilvania Sud S.A.	125,918,628	125,918,628
Electrica Distributie Transilvania Nord S.A.	115,755,059	115,755,059
Enel Distributie Dobrogea S.A.	114,760,052	114,760,052
Enel Distributie Muntenia S.A.	107,277,263	107,277,263
Posta Romana S.A.	80,822,000	80,822,000
Other	414,300,423	415,595,959
	5,197,133,344	5,198,405,380
Total equity investments	11,527,857,219	11,269,744,338

None of the equity investments is pledged as collateral for liabilities.

Fair value hierarchy

The table below analyses equity investments carried at fair value, by valuation method.

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7. Equity investments (continued)

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 March 2013:

	Level 1	Level 2	Level 3	Total
Equity investments at fair value	6,330,723,875	-	-	6,330,723,875
Treasury bills	533,535,641	-	-	533,535,641
	6,864,259,516	-	-	6,864,259,516

At 31 December 2012:

	Level 1	Level 2	Level 3	Total
Equity investments at fair value	6,071,338,958	-	-	6,071,338,958
Treasury bills	454,732,857	-	-	454,732,857
	6,526,071,815	-	-	6,526,071,815

As at 31 March 2013, the equity investments classified as available for sale included equity investments valued at cost less impairment in amount of RON 5,197,133,344 (31 December 2012: RON 5,198,405,380).

8. Deferred tax assets

	31 March 2013	31 December 2012
<i>Temporary differences deductible (taxable)</i>		
Impairment losses on equity investments	5,237,901,556	5,237,961,506
Changes in fair values of equity investments	(3,228,812,825)	(2,969,427,906)
Fiscal loss carried forward	8,917,262	3,264,075
	2,018,005,993	2,271,797,675
Deferred tax assets at 16%	322,880,959	363,487,628
Total deferred tax assets	322,880,959	363,487,628

The effective tax rate used to calculate the deferred tax position of the Fund as at 31 March 2013 and as at 31 December 2012 was 16% (standard tax rate).

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9. Other liabilities

	31 March 2013	31 December 2012
Investment Management and Administration fees	9,801,266	8,862,463
Dividends payable	8,389,047	9,481,720
CNVM commission	1,271,768	1,230,482
Other liabilities	429,200	1,489,514
	19,891,281	21,064,179

10. Shareholders' equity

(a) Share capital

As of 31 March 2013, the authorised and issued share capital comprised 13,778,392,208 ordinary shares at a nominal value of RON 1 per share out of which 365,588,542 shares were unpaid.

Unpaid share capital represents the net value of certain contributions due from the Romanian State represented by the Ministry of Public Finance, as shareholder, to the Fund that were recorded in previous years as paid capital (based on Law 247/2005), during 2012 some of the paid capital being transferred to the unpaid share capital.

Holders of unpaid shares were not entitled to vote or to receive dividends.

At 31 December 2012, the authorised and issued share capital comprised 13,778,392,208 ordinary shares at a nominal value of RON 1 per share out of which 365,612,042 shares were unpaid.

By 31 March 2013, the State's share in Fund's issued capital was 2.68% (31 December 2012: 2.68%) out of which only 0.022% was paid.

(b) Fair value reserves on available-for-sale financial assets

The fair value reserves of RON 2,712,202,773 at 31 March 2013 (31 December 2012: RON 2,494,319,443) comprise the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

(c) Treasury shares

The Fund's General Shareholders Meeting in September 2010 approved a buyback programme of up to 10% of the Fund's share capital at prices ranging between 0.2 - 1.5 RON, which was valid until March 2012. The buyback programme started in May 2011 and by 30 September 2011 the Fund completed this programme by acquiring 240,304,801 shares equivalent to 1.74% of the Fund subscribed share capital for a total acquisition cost of RON 120,268,583.

At the General Shareholders Meeting on April 2012, the shareholders approved to cancel the treasury shares and to reduce the share capital, but the registration of the shareholders' decision with Trade Register was blocked at the request of one shareholder.

The same shareholders meeting approved a second buyback programme: subject to availability of cash, the Fund Manager was authorised to repurchase a maximum number of 1.1 billion shares within the next 18 months within the price range of RON 0.2 per share to RON 1.5 per share to be cancelled upon completion of the buyback programme.

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10. Shareholders' equity (continued)

(c) Treasury shares (continued)

The publication of this decision in the Official Gazette and, consequently, the beginning of the buyback programme, were also postponed by the litigations opened by one shareholder. The Court ruled in favor of the Fund on 5 March 2013, rejecting the litigant's request of intervention and approving the Fund's registration request with the Trade Register.

(d) Dividends

The distribution of a gross dividend of RON 0.04089 per share, in relation to 2012 statutory profits is subject for the Fund's General Shareholders Meeting approval in April 2013.

During 2012 the Fund's General Shareholders Meeting approved the distribution of a gross dividend of RON 0.03854 per share, in relation to 2011 statutory profits.

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11. Contingencies

As at 31 March 2013 the Fund was involved in certain litigations, either as defendant or claimant. According to the requirements of the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" the Fund discloses in the financial statements those which may have significant effects on the Fund's financial position or profitability. The most important litigations were as follows:

1. Some minority shareholders of the Fund (acting individually) have filed litigations against the Fund on various grounds, including some seeking the cancellation of certain resolutions of the General Shareholders Meeting ("GSM") and others seeking to block the registration of some resolutions with the Trade Register. These litigations are at various stages of process within the Romanian Court system and updates are frequently reported by management through the Stock Exchange news system.

In one of these cases, on 10 October 2012 the Bucharest Court of Appeal rejected the appeal filed by the Fund and upheld the decision of the Bucharest Court to partly admit a claim to annul certain resolutions from the 6 September 2010 GSM relating to (inter alia) approval of a new Constitutive Act and the first appointment of FTIML as the administrator of the Fund. This decision is now irrevocable. Based on legal opinions received, management notes that:

- the version of the Constitutive Act to which the Court decision relates is not the one currently in force, as new versions were adopted by the Fund's shareholders with vast majority during the 29 November 2010 GSM, the 23 November 2011 GSM, the 4 April 2012 GSM and the 23 November 2012 GSM;
- new resolutions passed during the 25 April 2012 GSM and 23 November 2012 GSM specifically ratified and re-approved the objects of all the resolutions to which this Court decision relates (these resolutions were proposed by a shareholder and approved with a significant majority).

Also, on 8 April 2013 the Court announced that in file regarding the annulment request filed by the same shareholder against the EGM Resolution for modifying the Constitutive Act approved by shareholders on 29 November 2010 (the next GSM after the one for each the courts annulled 4 decisions) it ruled in favour of the Fund, rejecting the Litigant's argumentation that the annulment of certain shareholder resolutions approved in September 2010 (see file described above) should retrospectively affect the validity of shareholders' resolutions approved after this date.

Therefore, FTIML as the Fund Manager of Fondul Proprietatea is liable to observe the current Constitutive Act and the shareholders' resolutions in force, and consequently will continue to manage the Fund in accordance with these and its management agreement.

The outcome of the ongoing cases cannot be determined with certainty at this stage. However, management intends to defend the interests of the Fund and its shareholders in all these cases in accordance with the applicable laws.

2. Other contingencies of the Fund included:

- i. The Fund is due to receive the following amounts from the Romanian State:
 - the amount resulted from the trading on the Romanian or foreign stock exchange markets of the first 3% of Romtelecom SA shares;
 - 20% of the amounts resulting from the privatization of Romtelecom SA;
 - 9.9% of the amounts resulting from the privatisation of C.E.C. SA.

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11. Contingencies (continued)

These amounts should be recorded as payments for the unpaid capital or as increases of the share capital by the Romanian State once they are collected, with the approval of shareholders, according to the legislation in force.

ii. The receivables from World Trade Center Bucharest SA:

Title II, Article 4 of GEO 81/2007 stipulates the transfer from the Authority for State Assets Recovery (“AVAS”) to the Fund of receivables from World Trade Center Bucharest SA amounting to USD 68,814,198 (including the original principal and related interest and penalties) on 29 June 2007.

Until 31 March 2013, the Fund recovered from World Trade Center Bucharest SA USD 510,131, EUR 148,701, RON 8,724,888.

Currently, World Trade Center Bucharest SA is the object of insolvency procedure, the next hearing being set for 26 June 2013.

Given the uncertainties regarding their recoverability, the World Trade Center Bucharest SA receivables were recognised on receipt basis in the Fund’s financial statements.

12. Related parties

(a) Key management

	3 months ended 31 March 2013	3 months ended 31 March 2012
Salaries		
Members of the Board of Nominees	135,000	119,571

There were no loans to or other transactions between the Fund and its management in 2012 and in the first three months of 2013.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch is both the Fund Manager and Sole Director of the Fund.

The transactions carried between the Fund and Fund Manager were as follows:

Transactions	3 months ended 31 March 2013	3 months ended 31 March 2012
Investment management fee	7,755,073	6,925,555
Administration fee	2,046,193	1,827,323
Rental expense	25,943	25,733
Operating cost	6,882	6,905
	9,834,091	8,785,517

During the first quarter of 2013, the Fund recorded also an amount of RON 126,158 representing expenses incurred by the Fund Manager on its behalf (31 March 2012: RON 156,397). The recharge of these expenses to the Fund followed the provisions of the Investment Management Agreement, and was subject to Board of Nominee approval.

As at 31 March 2013, the Fund owed an amount of RON 9,846,432 to the Fund Manager (31 December 2012: RON 9,146,226).

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12. Related parties (continued)

(b) Subsidiaries

The Fund has the following subsidiaries, all of which are incorporated in Romania:

	31 March 2013	31 December 2012
Ownership interest		
Alcom S.A. Timisoara	72%	72%
Comsig S.A. Sighisoara	70%	70%
Primcom S.A. Bucuresti	75%	75%
Telerom Proiect S.A. Bucuresti	69%	69%
Zirom S.A. Giurgiu	100%	100%
Carom - Broker de Asigurare S.A. Bucuresti*	-	70%

**In February 2013, the Fund sold its entire holding in Carom – Broker de Asigurare S.A.*

During first quarter of 2013 and 2012, the Fund did not carry out any transaction with its subsidiaries.

	31 March 2013	31 December 2012
Dividends receivable		
Carom - Broker de Asigurare S.A. Bucuresti	10,158	10,158
	10,158	10,158
Impairment loss allowance		
Carom - Broker de Asigurare S.A. Bucuresti	(10,158)	(10,158)
	(10,158)	(10,158)
	-	-

(c) Associates

The Fund has one associate, which is incorporated in Romania:

	31 March 2013	31 December 2012
Ownership interest		
OMV Petrom S.A.	20%	20%

The Fund did not carry out any transactions with OMV Petrom S.A. during the first quarter of 2013 and during the first quarter of 2012.

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13. Subsequent events

25 April GSM Decisions

The main decisions of the shareholders during the 25 April 2013 Extraordinary General Shareholders Meeting (“EGM”) were the following:

- The extension until 31 December 2013 of the authorisation of FTIML UK Bucharest Branch to list the Fund on the Warsaw Stock Exchange;
- The ratification and approval of any and all of the other resolutions taken by the EGM during the period commencing on 6 September 2010 and ending on the day of this EGM;
- The amendments of the Constitutive Act as follows:
 - Eliminate the current provision of the Constitutive Act which permits the revocation of the members of the Board of Nominees and the fund manager by a majority of at least 2/3 of the voting rights. The change would mean such decisions would only require a simple majority of shareholders voting to be effective;
 - Change (clarify) the provisions regarding the appointment of the fund manager: new wording to state that the fund manager will be appointed by the shareholders based on an international tender organised by the Board of Nominees;
 - Changes to the organisation of the General Shareholders Meeting for reappointing / initiating the tender for selection of the fund manager (the General Shareholders Meeting will be convened 6 months before the expiration of the current mandate);
 - Some changes in order to have a better communication between the Fund Manager and the Board of Nominees and to clarify the rules regarding the organisation of the General Meetings of the Shareholders and the meetings of Board of Nominees.

The main decisions of the shareholders during the 25 April 2013 Ordinary General Shareholders Meeting (“OGM”), were the following:

- Approval of the Annual Report of the Sole Administrator of the Fund, including the financial statements as at 31 December 2012 prepared in accordance with Romanian Accounting Regulations;
- Approval of the 2012 gross dividend of RON 0.04089 (registration date: 15 May 2013). Dividend payment will commence on 28 June 2013;
- The ratification and approval of any and all of the other resolutions taken by the OGM during the period commencing on 6 September 2010 and ending on the day of this OGM;
- The ratification and re-adoption of the appointment of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch as Sole Administrator and Fund Manager of SC Fondul Proprietatea SA.

Update regarding the Board of Nominees

On 19 April 2013, Mr Cristian Buşu resigned from his position of member of the Fund’s Board of Nominees (“BON”). The resignation was communicated to the Fund on 22 April 2013, date when it has become effective. The Board of Nominees decided to appoint Mr Mark Henz Gitenstein as interim member of the Board of Nominees (Decision no. 13/23 April 2013). The appointment shall become effective upon its registration with the Trade Registry.

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13. Subsequent events (continued)

As the mandates of two BON members (Mr Sorin-Mihai Mîndruțescu and Mr Cristian Busu) were due to expire on 29 September 2013, on 25 April 2013, the Ordinary General Shareholders Meeting, elected Mr Mark Henry Gitenstein as a member of the Fund's BON and re-elected Mr Sorin-Mihai Mîndruțescu for three years mandates, starting 30 September 2013.

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FRANKLIN TEMPLETON
INVESTMENTS

**Franklin Templeton Investment
Management Limited Bucharest
Branch**

Premium Point
78-80 Buzesti Street, 1st District
Bucharest 011017
Romania

**FONDUL
PROPRIETATEA**

S.C. Fondul Proprietatea S.A
Premium Point (7th Floor)
78-80 Buzesti Street, 1st District
Bucharest 011017
Romania