

Fund Administrator: Franklin Templeton Investment Management Limited UK,  
Bucharest Branch  
Administrator Code: PJM05SSAM/400001  
Fund: Fondul Proprietatea SA  
Fund Code: PJR09SIIR/400006  
Reporting date: 30.09.2012

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

	Lei
<b>1. Non-current Assets</b>	<b>6,334,815,878.71</b>
1.1. Intangible assets	161,169.12
1.2. Tangible assets	0.00
1.3. Financial assets	6,334,654,709.59
1.3.1 Listed shares	16,373,401.73
1.3.2 Unlisted shares*	6,318,280,816.45
1.3.3 Government securities	0.00
1.3.4 Certificates of deposits	0.00
1.3.5 Bank deposits	0.00
1.3.6 Municipal bonds	0.00
1.3.7 Corporate bonds	0.00
1.3.8 Newly issued securities	0.00
1.3.9 Participation titles of UCITS and/or of OCIU	0.00
1.3.10 Other financial assets	491.41
<b>2. Current assets</b>	<b>6,417,245,318.12</b>
2.1 Inventory	0.00
2.2 Receivables out of which:	16,059,978.23
- commercial papers	0.00
2.3 Cash	2,192,455.74
2.4 Short term financial investments	5,626,907,119.92
2.4.1 Listed shares	5,626,907,119.92
2.4.2 Unlisted shares	0.00
2.4.3 Municipal bonds	0.00
2.4.4 Corporate bonds	0.00
2.4.5 Participation titles of UCITS and/or of OCIU	0.00
2.5 Newly issued securities	0.00
2.6 Government securities	262,932,640.02
2.7 Bank deposits	509,153,124.21
2.8 Certificates of deposits	0.00
2.9 Other current assets	0.00

<b>3. Derivatives</b>	<b>0.00</b>
<b>4. Prepaid expenses</b>	<b>64,826.19</b>
<b>5. Total assets</b>	<b>12,752,126,023.02</b>
<b>6. Total liabilities</b>	<b>26,686,117.98</b>
6.1 Borrowings from bond issues	0.00
6.2 Amounts due to credit institutions	0.00
6.3 Advance payments to customer accounts	0.00
6.4 Payables	8,620,062.29
6.5 Commercial papers due	0.00
6.6 Amounts due to group companies	0.00
6.7 Amounts due to related parties	0.00
6.8 Other debts	18,066,055.69
<b>7. Provisions</b>	<b>14,747,044.40</b>
<b>8. Deferred income out of which:</b>	<b>0.00</b>
8.1 Subsidies for investments	0.00
8.2 Deferred income	0.00
<b>9. Shareholders' equity out of which:</b>	<b>12,710,692,860.64</b>
9.1 Share capital	13,778,392,208.00
9.2 Share capital premiums	0.00
9.3 Revaluation differences	332,884,376.95
9.4 Reserves	-2,058,389,331.29
9.5 Retained earnings	83,251,853.05
9.6 Period result	574,553,753.93
9.7 Profit appropriation	0.00
<b>10. Total liabilities and Shareholders' equity</b>	<b>12,752,126,023.02</b>
<b>11. Net Asset Value</b>	<b>12,710,692,860.64</b>
<b>12. No of shares issued **</b>	<b>13,412,780,166</b>
<b>13. Net asset value per share</b>	<b>0.9476</b>
14. Number of portfolio companies out of which:	69
14.1 Companies admitted to trading on a regulated market	25
14.1 Companies admitted to trading on an alternative regulated market	0
14.3 Companies not admitted to trading	44

Note:

\* = According to CNVM Regulation no. 4/2010 (art.19, paragraph (4)) applicable to Fondul Proprietatea, the shares of the companies under insolvency, reorganisation or bankruptcy procedure must be recorded with zero value when calculating NAV until the end of the respective procedure.

On 20 June 2012, the Court admitted the request filed by Hidroelectrica for its insolvency. Consequently, according to the above-mentioned regulation, the valuation of Fund's holding in Hidroelectrica has been valued at zero, until the finalisation of the insolvency procedure. As of 31 May 2012, the holding in Hidroelectrica was valued at RON 3,288.7 million or RON 36.8434 per share in Fund's net asset value.

\*\* = Represents the number of shares related to the paid in subscribed share capital, because according to provisions of Law 247/2005, Title VII, Art. 9<sup>2</sup>, alin. 5 "Subscribed unpaid shares are not taken into account for the computation of net asset value per share for Fondul Proprietatea"

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

Oana Truta  
Legal representative

Marius Nechifor  
Compliance Officer

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Economist

## **Annex - Valuation methods used for the securities and the monetary market instruments held by Fondul Proprietatea S.A. as at 30 September 2012**

The valuation methods used for the computation of the NAV as at 30 September 2012, for the securities and the monetary market instruments held by Fondul Proprietatea S.A. are the following:

1. Listed companies traded within last 30 days: Closing Price;
2. Listed companies with no trades within last 30 days: Shareholders' equity / share, Fair value/share;
3. Unlisted companies: Shareholders' equity / share, Fair value / share;
4. Companies in liquidation/dissolution/ bankruptcy/with negative shareholders' equity: Valued at zero;
5. Government securities: Acquisition price cumulated with the accrued interest receivable calculated for the period elapsed from the date of acquisition;
6. Bank deposits: Bank deposit amount cumulated with the accrued interest receivable calculated for the period elapsed from its starting date.

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Oana Truța  
Legal representative

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Compliance Officer

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

## **Annex – Changes in the valuation methods used for the computation of NAV of Fondul Proprietatea as at 30 September 2012**

For the computation of NAV as at 30 September 2012 for Fondul Proprietatea S.A., Franklin Templeton Investment Management decided to change the valuation methods used for the investment in the companies listed below:

### **1) Mecanoenergetica SA**

Franklin Templeton Investment Management decided to value the investment in this company at the last available trading price (0.0700 lei/share), as it was considered to reflect better the fair value of this investment than the shareholders' equity per share (0.4002 lei/share), even though the shares of this companies have not been traded in the last 30 days.

### **2) IOR SA and Mecon SA**

For these companies, the valuation method has been changed from the last available trading price (respectively IOR SA: 0.5200 lei/share and Mecon SA: 10 lei/share) to Closing Price (respectively IOR SA: 0.4500 lei/share and Mecon SA: 6 lei/share), according to the Disposal of measures 17/25.11.2010, because the shares of these companies have been traded during the last 30 days. The total impact of this change of valuation method on Fund's net asset value was a decrease of Lei 423,775.11.

### **3) Telerom Proiect INPPT SA**

For this company, the valuation method has been changed from the shareholders' equity/share method to Closing Price method according to the Disposal of measures 17/25.11.2010, because the shares of this company have been traded during the last 30 days. The total impact of this change of valuation method on Fund's net asset value was an increase of Lei 1,631,082.97.

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#### **4) Plafar SA**

For this company, the valuation method has been changed from valuation at zero to Shareholders' equity / share, according to CNVM Regulation no. 4/ 2010, because during September this company emerged from insolvency procedure. The impact of this change of valuation method on Fund's net asset value was an increase of Lei 5,211,599.38.

#### **5) CN Administratia Porturilor Dunarii Maritime SA**

Franklin Templeton Investment Management decided to value the investment in this company at zero due to the fact that for one of the litigations in which this company is involved there is an enforceable decision of the Court of Appeal Galati, through which the company is obliged to pay damages higher than its shareholders equity amount. Even that the company filed an appeal to the High Court of Cassation and Justice, it was considered that the Court decisions may have a significant negative impact on Administratia Porturilor Dunarii Maritime SA. The impact on Fund's net asset value of the change in the valuation method from Shareholder equity adjusted with dividends declared / share to zero value/share was a decrease of Lei 1,879,907.73.

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