

Fund Administrator: Franklin Templeton Investment Management Limited UK,
Bucharest Branch
Administrator Code: PJM05SSAM/400001
Fund: Fondul Proprietatea SA
Fund Code: PJR09SIIR/400006
Reporting date: 31.07.2012

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
1. Non-current Assets	6,324,726,984.58
1.1. Intangible assets	0.00
1.2. Tangible assets	0.00
1.3. Financial assets	6,324,726,984.58
1.3.1 Listed shares	9,777,368.37
1.3.2 Unlisted shares*	6,314,949,124.80
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
2. Current assets	6,432,003,636.81
2.1 Inventory	0.00
2.2 Receivables out of which:	45,930,808.39
- commercial papers	0.00
2.3 Cash	8,342,551.51
2.4 Short term financial investments	5,573,231,205.01
2.4.1 Listed shares	5,573,231,205.01
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	263,104,333.43
2.7 Bank deposits	541,394,738.47
2.8 Certificates of deposits	0.00
2.9 Other current assets	0.00

3. Derivatives	0.00
4. Prepaid expenses	97,115.25
5. Total assets	12,756,827,736.64
6. Total liabilities	94,482,533.02
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	11,191,930.66
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	83,290,602.36
7. Provisions	14,806,567.40
8. Deferred income out of which:	0.00
8.1 Subsidies for investments	0.00
8.2 Deferred income	0.00
9. Shareholders' equity out of which:	12,647,538,636.22
9.1 Share capital	13,778,392,208.00
9.2 Share capital premiums	0.00
9.3 Revaluation differences	470,003,119.03
9.4 Reserves	-2,259,111,713.29
9.5 Retained earnings	83,251,853.05
9.6 Period result	575,003,169.43
9.7 Profit appropriation	0.00
10. Total liabilities and Shareholders' equity	12,756,827,736.64
11. Net Asset Value	12,647,538,636.22
12. No of shares issued **	13,412,780,166
13. Net asset value per share	0.9429
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. 9², 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

ING Bank N.V. Amsterdam –Bucharest Branch

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Head of Settlements and Trade Department

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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 31 July 2012

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

For the computation of NAV as at 31 July 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) Alcom SA and Palace SA

For these companies, the valuation method has been changed from the shareholders' equity per share method to Closing Price method 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 5,211,946.27.

2) IOR SA and Severnav SA

For these companies, the valuation method has been changed from fair value (the last available trading price) to Closing Price 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 3,063,230.21.

3) Mecanoenergetica SA

Franklin Templeton Investment Management decided to value the investment in this company at the last available trading price in the main market of this share in terms of liquidity (respectively 0.0500 lei/share), as it was considered to reflect better the fair value of this investment than the shareholders' equity per share (respectively 0.4002 lei/share), even though the shares of this company have not been traded in the main market of this share in terms of liquidity in the last 30 days.

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4) Societatea Nationala a Sarii SA

Franklin Templeton Investment Management decided to value the investment in this unlisted company based on the shareholders' equity adjusted with the value of dividends declared by this company, as the dividends due to Fondul Proprietatea by this company were already recorded as dividend receivables in Fund's accounting at the date when the General Shareholder Meeting of this company approved dividends distributions, respectively in July 2012. The total impact of this change of valuation method on Fund's net asset value was a decrease of Lei 11,163,747.40.

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