

Fund Administrator: Franklin Templeton Investment Management Limited UK,  
Bucharest Branch  
Administrator Code: PJM05SSAM/400001  
Fund: Fondul Proprietatea SA  
Fund Code: PJR09SIIR/400006  
Reporting date: 30.06.2012

**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>6,327,268,818.11</b>
1.1. Intangible assets	0.00
1.2. Tangible assets	0.00
1.3. Financial assets	6,327,268,818.11
1.3.1 Listed shares	23,482,949.30
1.3.2 Unlisted shares*	6,303,785,377.40
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>6,610,680,110.99</b>
2.1 Inventory	0.00
2.2 Receivables out of which:	122,348,826.05
- commercial papers	0.00
2.3 Cash	30,967,072.68
2.4 Short term financial investments	5,418,240,267.10
2.4.1 Listed shares	5,418,240,267.10
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	139,843,896.04
2.7 Bank deposits	895,682,709.54
2.8 Certificates of deposits	0.00
2.9 Other current assets **	3,597,339.58

<b>3. Derivatives</b>	<b>0.00</b>
<b>4. Prepaid expenses</b>	<b>112,722.45</b>
<b>5. Total assets</b>	<b>12,938,061,651.55</b>
<b>6. Total liabilities</b>	<b>425,887,369.18</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	9,124,699.47
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	416,762,669.71
<b>7. Provisions</b>	<b>14,804,975.40</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>12,497,369,306.97</b>
9.1 Share capital	13,778,392,208.00
9.2 Share capital premiums	0.00
9.3 Revaluation differences	320,990,772.23
9.4 Reserves	-2,259,121,661.29
9.5 Retained earnings	83,251,853.05
9.6 Period result	573,856,134.98
9.7 Profit appropriation	0.00
<b>10. Total liabilities and Shareholders' equity</b>	<b>12,938,061,651.55</b>
<b>11. Net Asset Value</b>	<b>12,497,369,306.97</b>
<b>12. No of shares issued ***</b>	<b>13,412,780,166</b>
<b>13. Net asset value per share</b>	<b>0.9317</b>
14. Number of portfolio companies out of which:	70
14.1 Companies admitted to trading on a regulated market***	26
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 temporary 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 value of bonus shares distributed by Banca Transilvania following the share capital increase from incorporation of reserves, shares recorded by Fondul Proprietatea according to CNVM Disposal of Measures no. 21/2010, in the first day when the investors who would buy Banca Transilvania shares could not longer be able to participate in the share capital increase; these shares have not been yet registered with the Central Depository.

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

The valuation methods used for the computation of the NAV as at 30 June 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 30 June 2012**

For the computation of NAV as at 30 June 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) IOR SA**

Franklin Templeton Investment Management decided to value the investment in this company at the last available trading price (respectively 0.61 lei/share), as it was considered to reflect better the fair value of this investment than the shareholders' equity per share (respectively 0.1509 lei/share), even though the shares of this company have not been traded in the last 30 days.

### **2) Mecanoenergetica SA**

For this company, the valuation method has been changed from the last available trading price (respectively 0.0600 lei/share) to Closing Price (respectively 0.0500 lei/share), 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 impact of this change of valuation method on Fund's net asset value was a decrease of Lei 16,209.75.

### **3) Romgaz SA, CN Administratia Porturilor Maritime SA, Electrica Distributie Muntenia Nord SA, Aeroportul International Timisoara – Traian Vuia SA, CN Administratia Porturilor Dunarii Fluviale SA, CN Administratia Canalelor Navigabile SA, CN Administratia Porturilor Dunarii Maritime SA, Ciocarlia SA**

Franklin Templeton Investment Management decided to value the investments in the above-mentioned unlisted companies based on the shareholders' equity adjusted with the value of dividends declared by these companies, as the dividends due to Fondul Proprietatea from these companies were already recorded as dividend receivables in Fund's accounting at the date when the General Shareholders Meetings of these companies approved dividends distributions. The total impact of this change of valuation method on Fund's net asset value was a decrease of Lei 152,121,417.88.

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

#### 4) Hidroelectrica SA

For this company, the valuation method has been changed from Shareholders' equity / share to valuation at zero, according to CNVM Regulation no. 4/ 2010 (art. 19, paragraph (2)), because this company entered insolvency in June 2012. According to the above-mentioned regulation Hidroelectrica holding will be temporary valued at zero, until the finalisation of the insolvency procedure. The impact of this change of valuation method on Fund's net asset value was a decrease of Lei 3,288,707,391.57.

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