

15 February 2012

PRELIMINARY RESULTS REPORT

for the financial year ended 31
December 2011

(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

- 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.

Stock Data (as at 31 December 2011)

BVB ¹ Symbol	FP
Market Price ²	RON 0.4270
Price Range ³	RON 0.3950 - RON 0.6750
NAV/ Share ⁴	RON 1.0788
Discount	60.4%
Par Value /Share	RON 1.0000
Shares in issue	13,778,392,208
Shares corresponding to paid in capital	13,407,569,096

Shareholder Structure⁵ (as at 31 December 2011)

Shareholder Categories	% of subscribed share capital
Foreign institutional shareholders	42.14%
Romanian private individuals	34.89%
Foreign private individuals	9.37%
Romanian institutional shareholders	9.15%
Ministry of Public Finance	0.02%
Treasury shares ⁶	1.74%
Unpaid shares ⁷	2.69%

There were 10,845 shareholders on 31 December 2011.

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

¹ Bucharest Stock Exchange (“BVB”)

² Source: BVB, closing price as at 31 December 2011

³ Source: BVB, for the period 25 January-31 December 2011

⁴ As at 31 December 2011

⁵ Source: Central Depository

⁶ 240,304,801 shares acquired by the Fund through buy backs

⁷ 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 preliminary results of the Fund for the year ended 31 December 2011, with audited net profit of RON 543.8 million, an increase of RON 87.6 million compared to the net profit for 2010 of RON 456.2 million. Total shareholders' equity was RON 11,120.7 million as at 31 December 2011, a drop of 8.4% compared to the value of RON 12,139.3 million at 31 December 2010.

The Fund reported a Net Asset Value ("NAV") of RON 14,465.4 million as at 31 December 2011 (a decrease of 5.6% since 31 December 2010) and a Net Asset Value per Share ("NAV/share") of RON 1.0788 (a decrease of 3.0% since 31 December 2010). Part of the fall in NAV/share of 3.0% is accounted for by 2010 dividends of RON 0.03141 per share distributed in 2011. The NAV is prepared in accordance with Romanian National Securities Commission ("CNVM") regulations.

The downward trend of Fund's NAV performance in the second half of 2011 was correlated with the overall conditions on the Bucharest Stock Exchange ("BVB"), which impacted the valuation of the listed holdings in the Fund's portfolio. In 2011, the Bucharest Stock Exchange performed better than the largest markets in Central Europe, as shown in the table below:

% change in 2011	in local currency	in EUR
BET-XT (Romania)	-13.8%	-14.5%
PX (Czech Republic)	-25.6%	-26.6%
BUX (Hungary)	-20.4%	-29.7%
WIG20 (Poland)	-21.9%	-30.7%
ATX (Austria)	-34.9%	-34.9%

The discount of the Fund's share price to NAV was 60.4% as at 31 December 2011. Since the Fund's listing in Bucharest on 25 January 2011, the discount has ranged between 41.6% and 62.8%.

The Fund Manager intends to recommend to shareholders an estimated gross dividend of RON 0.038 per share arising from 2011 profits, based on the dividend policy stated in the Fund's listing prospectus. The distribution of dividends is expected to start in June 2012.

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

	Note	Year ended 31 December 2011	Year ended 31 December 2010	Change %
Total Shareholders' Equity (RON million)	a	11,120.7	12,139.3	-8.4%
Net Asset Value (RON million)	b, g	14,465.4	15,328.2	-5.6%
Net Asset Value per Share (RON)	b, g	1.0788	1.1124	-3.0%
Net Asset Value Total Return	c	-0.5%	-	-
Share Price (RON)		0.4270	-	-
Share Price Total Return	c, d	-30.2%	-	-
Share Price – High	e	0.6495	-	-
Share Price – Low	e	0.4151	-	-
Gross Dividends Declared (RON per share)	f	0.03141	0.0816	n/a
Share Price Discount to Net Asset Value		60.4%	-	-

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

Notes:

- (a) Prepared on the basis of Romanian Accounting Regulations
- (b) Prepared on the basis of CNVM Regulations
- (c) Calculated with dividend reinvested, where applicable
- (d) For the period from listing on 25 January until 31 December
- (e) Closing prices quoted by the BVB
- (f) The dividends declared in 2010 include distributable profits of both 2008 and 2009
- (g) The difference in change (%) between total NAV and NAV per share is accounted for by the change in paid capital during 2011

The NAV (calculated according to CNVM Regulations) is higher than the Shareholders' Equity value (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 3 to this report

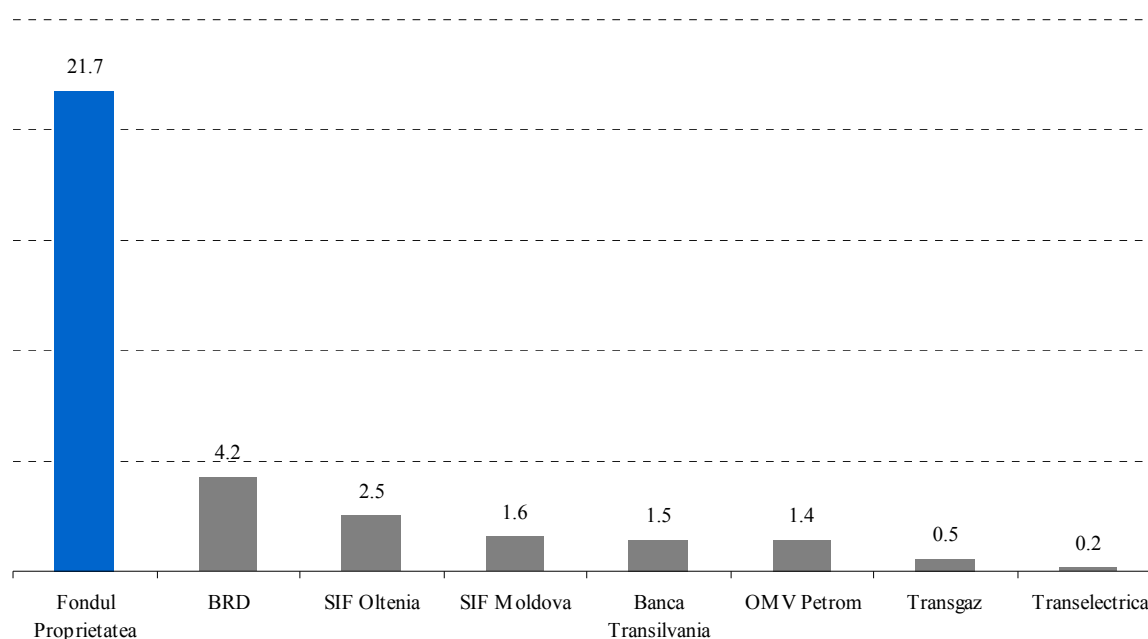
Significant Events

First Year after Listing on the Bucharest Stock Exchange

Fondul Proprietatea was listed on the BVB on 25 January 2011 and the benefits arising from this included:

- The Fund has the largest free float on the BVB at RON 5.7 billion (EUR 1.3 billion);
- 9.97 billion shares of the Fund were traded on the BVB in 2011, which is equivalent to over 74% of the Fund's paid share capital. During the fourth quarter, 1.8 billion shares of the Fund were traded on the BVB, compared to 3.6 billion shares in the third quarter and 2.3 billion shares in the second quarter. The value of all trades in the Fund's shares exceeded RON 5.1 billion (EUR 1.2 billion);
- The listing of the Fund on the BVB has attracted large foreign institutional investors into the Fund; these investors increased their holdings in Fondul Proprietatea from 10% at the end of 2010 to over 43% of the paid share capital by the end of 2011. During the last quarter of 2011, foreign institutional holdings increased by over 6 percentage points (over 840 million shares);
- The listing of the Fund led to a doubling of the average daily turnover on the exchange in 2011 in comparison to 2010. Fondul Proprietatea was by far the most traded share on the exchange with an average daily value amounting to 54% of the average daily turnover of the BVB in 2011.

Average Daily Turnover (RON million)



Fund's Share Price in Year ended 31 December 2011 (RON/share)**Investor Relations Update**

In order to raise the Fund's profile and visibility among a broader international institutional investor base, and to ensure a widespread understanding about the Fund's underlying portfolio, the Fund Manager organized several events during 2011, including: a Romanian Day in London (April) in partnership with the Bucharest Stock Exchange; three extensive road-shows in the main financial centers of Europe (January, June, and December) plus two in the USA (July and December); and participated in five global and regional emerging market conferences to continue to update investors about Fondul Proprietatea. In addition to the quarterly results conference calls held in May, August, and November, the Fund Manager organised an Investors' Day event in October for analysts and institutional investors to meet with the Fund Manager, the management teams of the top portfolio companies and organised site visits to Hidroelectrica and Nuclearelectrica.

One of the key objectives for 2011 was to increase transparency at the portfolio level. The Fund published the annual reports, detailed financial statements and auditors' reports for its top 20 portfolio companies, which account for almost 90% of the NAV, in order to facilitate a deeper understanding of the intrinsic value of the underlying holdings.

Communication between the Fund Manager and investors remains a top priority in order to ensure investors are informed about the latest developments and obtain their feedback as we continue to strive to maximise shareholder value.

Secondary Listing Update

In July 2011, after detailed analysis and following discussions with eight leading investment banks, the Fund Manager announced its recommendation for the secondary listing of the Fund on the Warsaw Stock Exchange (the "WSE") in early 2012. In order to progress with the preparation of a proposal to list the Fund on the WSE, the Fund Manager initiated the selection process for the investment banks interested in sponsoring the transaction and met with the market regulators in Romania and Poland as well as the central depositories in Bucharest and Warsaw.

To facilitate investor demand, the Fund Manager recommended that the secondary listing should be combined with an offering of 10% of the existing shares of the Fund and various methods to accumulate the shares for the placement were considered, including acquiring shares through a tender offer, a buy-back or by other means.

The feasibility of applying these innovative methods is dependent on positive interpretation of the Romanian laws and regulations from the CNVM. Given that such structures have not been previously applied to a similar transaction in Romania, based on initial feedback received from CNVM, it appears that there are more obstacles than previously envisaged. However, discussions are ongoing and the Fund Manager remains committed to working with the regulator to reach a positive outcome.

The Fund Manager expect to further progress with the project in the first half of 2012.

The secondary listing transaction would be a major step forward for the development of the Fund and the Fund Manager believes it is in the best long-term interest of all shareholders. In addition, the secondary listing would be a major milestone in the development of the Romanian market as it would increase coverage from analysts, attract a diversified pool of institutional investors, raise the awareness and understanding of the Fund and especially the portfolio companies listed on the Romanian market.

Buy-Back Program

At the September 2010 General Shareholders' Meeting, the Fund's shareholders authorised the Fund Manager to repurchase up to 10% of the outstanding shares before 1 March 2012, at a price per share within the RON 0.2 to RON 1.5 range. The Fund only had RON 120.3 million in available reserves to use for the share buy-backs (this figure derives from the 31 December 2010 financial statements in accordance with Romanian Accounting Regulations).

In an effort to enhance the intrinsic value per share of the Fund, the Fund Manager initiated the buy-back program in the first half of 2011 and had completed it by the end of the third quarter. During the program, 240.3 million shares, equivalent to 1.74% of the Fund's share capital were repurchased, at an average price of RON 0.4994, for a total amount of RON 120.3 million.

At the General Shareholders Meetings on 23/25 November 2011, the Fund Manager proposed to cancel the treasury shares, but the proposal was not voted due to the lack of a quorum (at least 50% of the paid share capital is required for such a decision). The proposal to cancel these shares will be carried forward to the 2012 shareholder meetings.

New Depository Bank

On 18 August 2011, ING Bank N.V. Amsterdam, Bucharest Branch, was appointed as the new depository bank of the Fund, replacing Bancpost SA.

Subsequent Events

Voting rights restriction cancellation

On 23 November 2011 the Extraordinary General Shareholders Meeting approved a number of amendments to the Constitutive Act, one of the most important being the cancellation of the restriction of voting rights. The new Constitutive Act with the restriction rights cancelled was approved by CNVM on 12 January 2012.

Since 13 January 2012, when the new Constitutive Act became effective, the restrictions of the voting rights related to the number of shares owned by the Fund's shareholders were eliminated and the principle of one paid share is equal to one voting right is now applied.

As at 31 January 2012, the largest shareholders holding more than 5% of the paid share capital were the following, according to the information provided by Central Depository:

Shareholder's name	Number of shares	% of subscribed share capital	% of the paid share capital	Voting rights	% of voting rights
Manchester Securities Corp.*	1,612,891,498	11.71%	12.03%	1,612,891,498	12.25%
Palade van Dusen Georgia	844,465,112	6.13%	6.30%	844,465,112	6.41%

Source: Central Depository
*managed by Elliott Associates L.P.

According to the ownership disclosures submitted by the shareholders in January 2012 (following the approval of the new Constitutive Act of the Fund whereby the restrictions of the voting rights were eliminated), the largest shareholders holding more than 5% of the paid share capital were the following:

Shareholder's name	Date of disclosure	Number of shares	% of		Voting rights	% of voting rights
			subscribed share capital	% of the paid share capital		
Manchester Securities Corp.*	18-Jan-12	1,479,991,498	10.74%	11.04%	1,479,991,498	11.04%
Beresford Energy Corporation*	18-Jan-12	251,700,500	1.83%	1.88%	251,700,500	1.88%
City of London	19-Jan-12	966,684,299	7.03%	7.21%	966,684,299	7.21%
Palade van Dusen Georgia	23-Jan-12	876,465,112	6.36%	6.54%	876,465,112	6.54%

Source: Reports submitted by shareholders
*managed by Elliott Associates L.P.

A new permanent legal representative of the Fund

On 23 November 2011 the Extraordinary General Shareholders Meeting approved Oana Valentina Truța as the third permanent legal representative of the Fund. The other two permanent legal representatives are Grzegorz Maciej Konieczny and Adrian Cighi, appointed by shareholders on September 2010.

The appointment is effective beginning with 19 January 2012, the date of the registration with the Trade Register.

The addendum to the Investment Management Agreement

On 23 November 2011 the Ordinary General Shareholders Meeting approved the Addendum to the Investment Management Agreement. The change refers to the payment of Fund Manager's fees on a quarterly basis, starting 1 January 2012 (previously the fees were paid annually). The calculation of the fees are based on the number shares in issue multiplied by the average market price of the Fund's shares calculated for the respective quarter.

The change of the paid-up capital of the Fund

Since 2 February 2012, the paid-up capital of the Fund increased by RON 4,985,760 to RON 13,412,554,856, while its subscribed capital remained unchanged at RON 13,778,392,208. The increase in the paid-up capital reflects a reduction in the unpaid share capital held by the Romanian state due to the receipt by the Fund of 498,576 shares in Hidroelectrica following a share increase by that company relating to the value of land for which Hidroelectrica obtained title deeds.

Update regarding the Chairman of the Board of Nominees

On 9 February 2012 Mr. Bogdan Alexandru Drăgoi, the Chairman of the Board of Nominees, has resigned from his position as member of Fondul Proprietatea's Board of Nominees as a result of his appointment as a member of the Romanian Government, as the Minister of Public Finance.

According to the Constitutive Act of the Fund: "In case of vacancy arising for the position of one or more members of the Board of Nominees, the General Shareholders Meeting shall immediately be convoked for the appointment of new members. For the period until the decision of the General Shareholders Meeting, the other members of the Board of Nominees will nominate interim members to fulfil any vacant positions. The decision of the Board of Nominees on nominating interim members will be communicated to the Fund Manager and the auditor, and will be filed with the Trade Register".

Request for calling the General Shareholders' Meeting of the Fund

On 8 February 2012, the Fund received a request from Georgia Palade van Dusen, Philipe Palade, Grantelast Limited and POAH One Acquisition Holdings IV Limited, as shareholders of the Fund owning together more than 5%, to call a General Shareholders Meeting of the Fund, with the following points on the agenda:

- The approval in principle of the secondary listing of the Fund on the Warsaw Stock Exchange;
- The approval of an instruction to the Fund Manager, to present a specific plan to shareholders no later than 31 May 2012 setting forth all formalities necessary for listing on the Warsaw Stock Exchange, and to schedule a shareholders meeting to vote on all such necessary matters not later than 30 June 2012;'
- The recalling of all members of the Board of Nominees;
- The appointment of members of the Board of Nominees.

Pursuant to the provisions of Article 119 paragraphs (1) and (2) of Law no. 31/1990 on trade companies, republished, with subsequent amendments, the Fund Manager has the obligation to call the general shareholders meeting no later than 30 days after receiving the request and to hold the GSM no later than 60 days of its receipt.

Given the aforementioned, the Fund Manager will perform the procedures for convening the Fund's General Shareholders Meeting in respect of the legal provisions in force.

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.

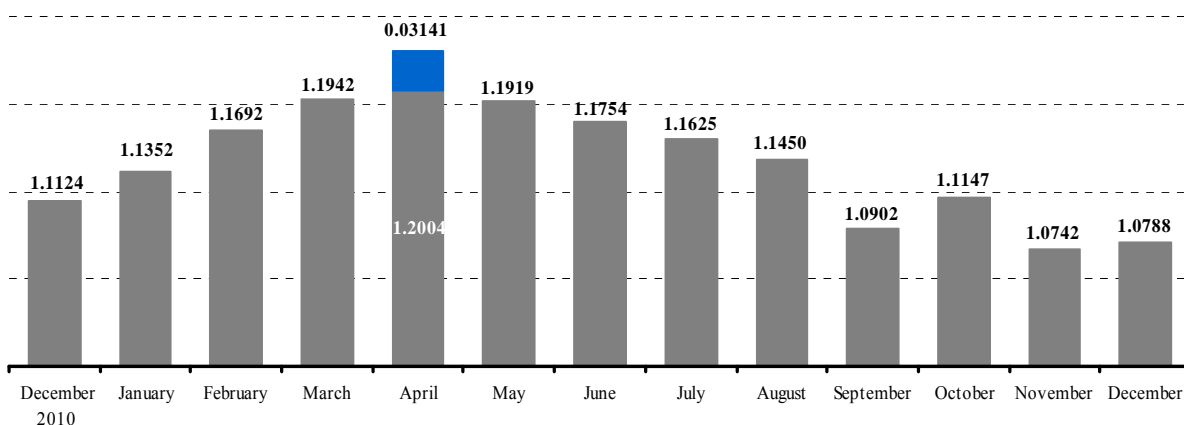
NAV Methodology

In November 2010, CNVM Regulation 4/2010 was amended by the Disposal of Measures no. 17 based on best international practice suitable for a closed-end listed fund.

In 2011 listed securities have been valued at closing market prices, while illiquid or unlisted securities are valued using either shareholders’ equity value per latest financial statements, proportionally with the stake held, or according to international valuation standards which permit fair valuation.

The following chart shows information on the monthly published NAVs per share for the period 31 December 2010 to 31 December 2011:

NAV/share (RON/share)



The blue section within April 2011 NAV represents the value per share of the dividend distribution approved in April 2011, which was recorded in that month, with a corresponding reduction in NAV.

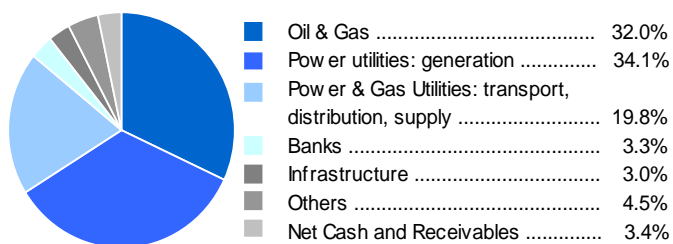
After the overall increase of Fund’s NAV per share in the first half of 2011 (despite the reduction of NAV due to dividends declared in April), the Fund’s NAV decrease in the second half of the year was principally due to the fall in the prices of listed securities in the portfolio, mainly OMV Petrom, following the general trend of regional markets.

A specific reason for part of the decrease of the NAV in November was the change in valuation method used for Nuclearelectrica, from shareholders’ equity per share to adjusted shareholders’ equity per share. The decision to change the valuation method for this holding related to the fact that the company’s shareholders’ equity includes certain amounts representing Romanian State contributions to Nuclearelectrica in the period 2006 – 2010, granted for the acquisition of heavy water, with the intent to increase the share capital of the company by those amounts, in favour of Romanian State.

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 to 96% of the Fund’s NAV as at 31 December 2011. As at that date the portfolio included holdings in 75 companies (29 listed and 46 unlisted), a combination of privately-held and state-controlled entities. During 2011, the percentage share which the Fund held in its investments ranged from less than 1% up to 100%.

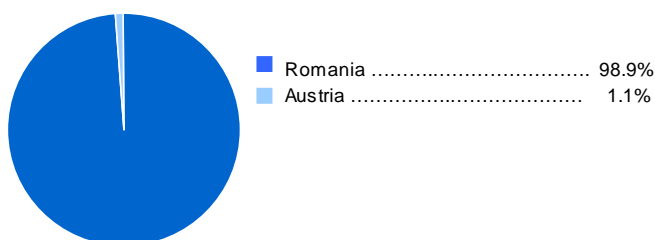
Portfolio Structure - by Sector



- The portfolio remained heavily weighted in power, oil and gas sectors (approx. 85.8% 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 December 2011, based on NAV submitted to CNVM.

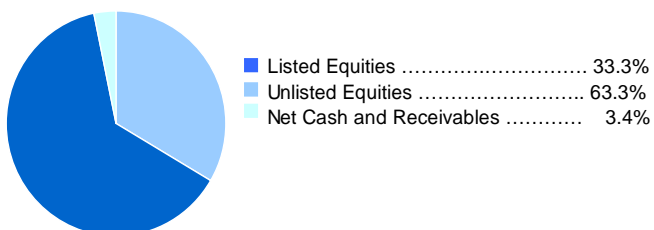
Portfolio Structure - by Country



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

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, data as at 31 December 2011, based on NAV submitted to CNVM.

Portfolio Structure – by Asset Type



- The largest unlisted company is Hidroelectrica (36.5% of the total value of unlisted companies in the portfolio).
- The largest listed company is OMV Petrom (68.5% of total value of listed companies in the portfolio).

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, data as at 31 December 2011, based on NAV submitted to CNVM.

Top 20 Equity Investments

No	Name	Fund's Stake (%)	Value as at 31 December 2011 (RON million)	% of NAV
1	Hidroelectrica SA	19.94%	3,340.4	23.1%
2	OMV Petrom SA	20.10%	3,303.4	22.8%
3	Romgaz SA	14.99%	1,220.2	8.4%
4	Complexul Energetic Turceni SA	24.78%	522.6	3.6%
5	Nuclearelectrica SA	9.72%	507.0	3.5%
6	Transgaz SA	14.98%	394.1	2.7%
7	GDF Suez Energy Romania S.A.	12.00%	338.7	2.3%
8	ENEL Distributie Muntenia S.A.	12.00%	337.2	2.3%
9	CN Aeroporturi Bucuresti S.A.	20.00%	322.4	2.2%
10	ENEL Distributie Banat S.A.	24.12%	316.7	2.2%
11	Complexul Energetic Rovinari S.A.	23.60%	290.2	2.0%
12	BRD – Groupe Societe Generale S.A.	3.60%	271.9	2.0%
13	Complexul Energetic Craiova SA	24.35%	266.8	1.9%
14	Electrica Distributie Muntenia Nord SA	22.00%	238.1	1.7%
15	Alro SA	10.20%	236.9	1.6%
16	E.ON Moldova Distributie SA	22.00%	220.8	1.5%
17	ENEL Distributie Dobrogea SA	24.09%	218.7	1.5%
18	Electrica Distributie Transilvania Sud SA	21.99%	183.5	1.3%
19	Transelectrica SA	13.49%	172.2	1.2%
20	Electrica Distributie Transilvania Nord SA	22.00%	170.9	1.2%
Top 20 portfolio holdings			12,872.7	89.0%
Total financial assets (portfolio holdings)			13,972.6	96.6%
Net cash and receivables			492.8	3.4%
Total NAV			14,465.4	100.0%

Source: Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, data as at 31 December 2011, based on NAV submitted to CNVM.

Key Portfolio Developments in the Period

Acquisitions and Disposals

During 2011, the Fund increased its exposure to **Alro SA**, **Azomures SA**, **BRD Groupe Societe Generale SA** and **Conpet SA**. The Fund also added three new holdings to its portfolio: **Erste Group Bank AG**, **Raiffeisen Bank International AG** and **Banca Transilvania SA**.

The Fund sold its entire holdings in **Familial Restaurant SA**, **Laromet SA**, **Marlin SA**, **Zamur SA** and **Vitacom SA** through public auctions, at prices equal to or above the values carried in the NAV of the Fund and part of its holding in **Oil Terminal SA** on the open market.

The Fund submitted a request to dispose of its shares held in **Comcereal Harghita SA** at the price approved by the General Shareholders Meeting of the company during the delisting process from the Bucharest Stock Exchange and the disposal was registered in the Fund's books in October 2011, upon the completion of registration with the Trade Register.

Retizoh SA was a company in the process of liquidation. The liquidation proceeds for the investment in Retizoh were received by the Fund in May 2011 and the company was removed from the Trade Register and consequently from the Fund's portfolio in August 2011.

Mergers

In November 2010, the General Shareholders Meetings of **Electrica Furnizare Transilvania Nord SA, Electrica Furnizare Muntenia Nord SA** and **Electrica Furnizare Transilvania Sud SA** approved the merger of the three companies and delegated the responsibility for the merger project planning to the companies' Boards of Directors. The registration of the new company Electrica Furnizare was completed by the Trade Registry on 22 July 2011.

In November 2011, the General Shareholders Meetings of **Primcom SA, Delfincom SA** and **Prestari Servicii SA** approved the merger of the three companies, with Primcom SA as absorbing company, while Delfincom SA and Prestari Servicii SA were the absorbed companies. This merger was completed in January 2012.

Legislation Changes

At the end of November 2011 the Government approved Emergency Ordinance 109/2011 on corporate governance principles to be applied by the State-Owned Enterprises. The new regulation which is in line with OECD principles of corporate governance reinforces the separation between the State's capacity as shareholder and the responsibilities and duties of company directors and executive management. The regulation establishes transparent criteria and procedures for selecting the candidates proposed to sit on the Boards of Directors / Supervisory Boards of State-Owned Enterprises and confirms the Board's role in selecting and supervising the performance of Executive management. At the same time, the new regulation significantly improves minority shareholders rights in State-Owned Enterprises by allowing shareholders to request the application of cumulative voting for the election of the Board of Directors/ Supervisory Board and increasing the overall transparency and level of disclosure of State-Owned Enterprises towards shareholders and the general public.

In December 2011, the Parliament approved and the President signed the Law 302/2011 that sets the obligation for State-Owned Enterprises from Fondul Proprietatea's portfolio to be listed by the end of 2012. The law was published in the Official Gazette on 9 January 2012. According to the Law, a total of 19 State-owned companies accounting for over 51% of Fund's portfolio should be listed by the end of 2012.

Update on the Largest Portfolio Companies

Alro

RON million	2009	2010	2011*	9 months 2010	9 months 2011
Sales	1,410.5	1,812.2	-	1,336.6	1,702.8
Operating profit	61.9	289.4	309.2	227.6	332.4
Net profit	78.2	159.8	231.5	131.5	222.4
Dividends	133.9	159.8	-	-	-

*budgeted figures prepared in USD and converted at 3.04 RON/USD

In the second quarter of the year, Vimetco N.V, Alro's majority shareholder, announced their intention to conduct together with Conef SA a secondary public offering of up to 21% of the company's shares. On 30 June 2011, Vimetco announced their decision to postpone the offering due to adverse market conditions.

October 2011: Alro's management announced plans to adjust production as a result of energy shortages. At the end of September, following the severe drought affecting its operations, Hidroelectrica, Alro's major electricity supplier, activated the force majeure clause on all its power supply contracts.

BRD – Groupe Societe Generale

RON million	2009	2010	2011*	9 months 2010	9 months 2011
Net Banking Income	3,605	3,687	around +5%	2,652	2,404
Gross Operating Income	2,074	2,244	stable or slight increase	1,626	1,367
Net Risk Cost	1,134	1,598	stable or slight increase	1,053	904
Net profit	774	533	stable or slight increase	474	382
Dividends	195	125	-	-	-

* Budgeted guidance

From January 2012 Romanian banks will prepare financial statements only according to International Financial Reporting Standards (IFRS). While BRD has already been publishing annual IFRS financial statements along with the statutory statements, quarterly and semi-annual financial statements were still published only under local accounting standards.

CN Aeroporturi Bucuresti

RON million	2009	2010	2011*
Sales	396.5	460.1	546.6
Operating profit	82.5	54.2	111.9
Net profit	74.1	52.8	99.2
Dividends	37.0	49.7	-

* Budgeted figures

March 2011: The new terminal of Bucharest Henri Coanda International Airport became operational for passengers on 29 March 2011. The project was part of Phase III of the airport's Development and Modernisation Program. Work started in 2009 and total investment for this project amounted to EUR 60 million. The international departures terminal now has 14 air bridges, up from 5 previously and 24 boarding gates, up from 9 previously.

August 2011: The company reported an increase of 8.2% in the number of passengers serviced in the first six months of the year, to 3.4 million. It also announced gross income for the first six months reached RON 56.9 million, representing a 5.7% increase over the same period of 2010.

December 2011: The company opened the newly refurbished business aviation terminal at Aurel Vlaicu Airport, which is the first step towards its planned conversion into a "City" Airport. The company also announced plans to move most of the commercial traffic from Aurel Vlaicu to Henri Coanda beginning with March 2012.

Complexul Energetic Craiova

RON million	2009	2010	2011*
Sales	1,132.4	1,094.0	1,268.2
Operating profit	(0.70)	8.0	23.7
Net profit	0.3	0.2	2.4
Dividends	0.1	-	-

* Budgeted figures

During the first nine months of 2011 CE Craiova produced 4.05 TWh of electricity, a 15% increase compared with the first nine months of 2010. For the same period, the revenues increased by 12% to RON 1.05 billion.

October 2011: The Romanian Government repealed its previous decision regarding the reorganization of the electricity generation sector by creating "two champions": Electra and Hidroenergetica. The Government approved the Decision for the creation of CE Oltenia as an alternative plan for the restructuring of the electricity generation sector.

December 2011: The shareholders of the coal – fired power plants Complexul Energetic Craiova SA (“CE Craiova”), Complexul Energetic Turceni SA (“CE Turceni”), Complexul Energetic Rovinari SA (“CE Rovinari”) approved the creation of Complexul Energetic Oltenia (“CE Oltenia”) through the merger of the three companies with the lignite-producing company Societatea Nationala a Lignitului Oltenia SA (“SNLO”).

Based on the 31 December 2011 Net Asset Value (“NAV”) the Fund Manager estimates that CE Oltenia would represent around 7.5% of NAV and in this case would be the 4th largest holding in the Fund’s portfolio.

A Memorandum of Understanding between Fondul Proprietatea and the Ministry of Economy, Trade and Business Environment was signed on 29 November 2011 which outlines agreed terms for creating CE Oltenia through the merger of CE Craiova, CE Rovinari, CE Turceni and SNLO.

The main provisions of this Memorandum are as follows:

- Listing the company on the Bucharest Stock Exchange or a block sale of the majority stake to strategic investors within 24 months from the registration of the new company at the Trade Registry Office;
- The Company shall be managed in a two-tier system with a Supervisory Board and an Executive Board;
- The Supervisory Board will consist of seven members and Fondul Proprietatea will recommend two representatives;
- The Executive Board will consist of five members and Fondul Proprietatea will recommend one representative. The recruitment of the members of the Executive Board will be made in a transparent and competitive process of selection, with the help and support of an international head-hunting company;
- Fondul Proprietatea will have the right but not the obligation to sell its shares under the same terms and conditions at any time if the Ministry of Economy, Commerce and Business Environment sells a participation in the Company;
- The Supervisory Board and the Executive Board has the obligation to prepare a restructuring plan that includes an investment plan for the next five years in five months after the registration of the new Company at the Trade Registry Office. The above restructuring plan has to be approved in the General Shareholders Meeting by shareholders who together own minimum 90% of voting rights.

Complexul Energetic Rovinari

RON million	2009	2010	2011*
Sales	1,277.4	1,201.3	1,307.8
Operating profit	13.7	32.0	54.3
Net profit	5.6	0.6	1.7
Dividends	0.5	0.1	-

* Budgeted figures

During the first nine months of 2011 CE Rovinari produced 4.19 TWh of electricity, recording a 15% increase compared with the first half of 2010. For the same period, revenues reached RON 1.05 billion and a 17% increase compared with the first nine months of 2010.

Complexul Energetic Turceni

RON million	2009	2010	2011*
Sales	1,625.3	1,477.4	1,548.8
Operating profit	30.2	4.8	8.6
Net profit / (loss)	21.3	(69.3)	6.0

* Budgeted figures

During the first nine months of 2011, CE Turceni produced 5.78 TWh of electricity, recording a 35% increase compared with the first nine months of 2010. Revenues reached RON 1.53 billion, a 38% increase from the first nine months of 2010.

Electrica Distributie Muntenia Nord (“EDMN”)

RON million	2009	2010	2011*	6 months 2010	6 months 2011
Sales	611.5	596.1	698.9	298.0	337.3
Operating profit	27.7	27.1	30.8	24.2	43.9
Net profit	24.7	26.7	25.9	18.6	39.8

* Budgeted figures

Electrica Distributie Transilvania Nord (“EDTN”)

RON million	2009	2010	2011*
Sales	495.9	510.0	565.4
Operating profit	21.1	13.9	9.2
Net profit	14.0	8.5	7.2

Electrica Distributie Transilvania Sud (“EDTS”)

RON million	2009	2010	2011*
Sales	539.2	593.0	640.8
Operating profit	29.8	21.5	17.4
Net profit	23.2	11.9	15.5

While the tariffs of EDTS have decreased in 2011 compared to 2010 by an average of 3%, EDMN has experienced an average increase of 12%.

Tariffs for both companies are set by Romanian Energy Regulatory Authority (“ANRE”).

RON/MWh	2010 ⁸		2011 ⁹	
Distribution tariffs	EDTS	EDMN	EDTS	EDMN
High Voltage	21	13.3	21	15.3
Medium Voltage	39.2	34.9	38.5	38.5
Low Voltage	119.4	120.9	114.8	136.3

ENEL Distributie Banat (“EDB”)

RON million	2009	2010	2011*	6 months 2010	6 months 2011
Sales	526.4	556.0	567.9	278.1	289.9
Operating profit	140.3	159.7	163.1	101.0	125.1
Net profit	150.7	148.4	140.2	95.9	114.5
Dividends	-	83.6	-	-	-

* budgeted figures

8 ANRE order 100/23.12.2009

9 ANRE order 44/23.12.2010

ENEL Distributie Dobrogea (“EDD”)

RON million	2009	2010	2011 *	6 months 2010	6 months 2011
Sales	391.5	408.0	436.5	200.8	220.4
Operating profit	85.0	107.2	103.8	59.0	65.1
Net profit	92.1	99.6	87.8	56.8	57.2
Dividends	-	56.2	N.A.	-	-

* budgeted figures

ENEL Distributie Muntenia (“EDM”)

RON million	2009	2010	2011*	6 months 2010	6 months 2011
Sales	732.7	733.8	730.6	368.6	348.5
Operating profit	122.9	76.0	69.4	69.1	30.1
Net profit	280.1	105.1	84	128.0	27.6

* budgeted figures

For both EDB and EDD, ANRE set higher distribution tariffs in 2011, while EDM experienced a decrease in distribution tariffs of about 6.3% on average.

RON/MWh	2010 ¹⁰			2011 ¹¹		
Distribution tariffs	EDM	EDB	EDD	EDM	EDB	EDD
High Voltage	9.4	21.0	21.0	8.9	21.0	21.0
Medium Voltage	28.1	42.0	42.0	26.4	42.0	42.0
Low Voltage	125.8	126.3	112.7	115.9	129.7	123.7

E.ON Moldova Distributie

RON million	2009	2010	2011*
Sales	630.1	626.2	615
Operating profit	81.0	190.1	103
Net profit	53.6	165.4	80

* budgeted figures

For 2011, ANRE approved higher distribution tariffs on the low-voltage segment for E.ON Moldova Distributie.

Distribution tariffs

RON/MWh	2010 ¹²	2011 ¹³
High Voltage	21.0	21.0
Medium Voltage	42.0	42.0
Low Voltage	125.2	133.2

GDF Suez Energy Romania

RON million	2009	2010	2011*	6 months 2010	6 months 2011
Sales	3,628.8	3,763.9	3,917.0	2,198.8	2,275.8
Operating profit	446.7	205.9	387.0	157.5	4.3
Net profit	380.4	199.4	326.0	141.4	6.0

* budgeted figures

10 ANRE order 100/23.12.2009

11 ANRE order 44/23.12.2010

12 ANRE Order 100/23.12.2009

13 ANRE Order 44/23.12.2010

On 6 December, 2011 ANRE issued a new order¹⁴ that came into effect starting with 2012 which set increased gas prices for industrial consumers by about 5%. This adds to the previous two hikes in tariffs for industrial consumers operated by ANRE in the second part of 2011. Since July 2011, gas prices for industrial consumers supplied on the regulated market have increased by c. 23%. For residential consumers tariff levels have been kept unchanged.

Hidroelectrica

RON million	2009	2010	2011*
Sales	2,420.8	3,273.7	2,906.8
Operating profit	162.0	502.7	85.0
Net profit	48.4	292.3	71.0
Dividends	32.6	263.1	-

*budgeted figures

In the first ten months of 2011, hydro power generation reached 13.7¹⁵ TWh, a 18% decrease from the first ten months of 2010 (Hidroelectrica produces more than 90% of the hydro power generated in Romania).

2011 financial figures are expected to be negatively affected by increased tariffs imposed for water used by power plants (estimated increase per MWh produced from 5 RON/MWh to 21 RON/MWh).

July 2011: The company signed a EUR 110 million loan with EBRD for the upgrade of the Stejaru-Bicaz power plant.

September 2011: Shareholders decided to increase the share capital of the company with RON 8,546,800 representing the value of land for which the company obtained property rights. Fondul Proprietatea received free shares worth RON 1.704.560. In December 2011 the Fund Manager decided to compensate the free shares received by the Fund from S.C. Hidroelectrica SA with part of the Fund's unpaid shares.

At the end of September 2011, due to a severe drought, the management decided to activate the force majeure clause on all its commercial contracts.

October 2011: The Government repealed its previous decision regarding the reorganization of the electricity generation sector by creating "two champions": Electra and Hidroenergetica.

December 2011: The company CEO, Mr. Trihenea Constantin resigned for personal reasons. Mr. Zachia Dragos, Deputy CEO took over the CEO responsibilities. Mr. Zachia graduated Polytechnic University in Bucharest majoring in Hydroelectricity Generation in 1982. Immediately after graduation he joined Hidroelectrica's Ramnicu Valcea Branch as an engineer. He subsequently held different positions within the company such as Head of Power Plant, Head Engineer, Head of Generation Department and since November 2010 he has been the company's Deputy CEO.

A process has been started to select a new CEO. To this purpose, an international executive search company is going to be hired.

According to the latest Letter of Intent signed by the Government with IMF the company will be listed in 2012.

¹⁴ ANRE order 48/06.12.2011

¹⁵ As reported by the National Institute of Statistics on 7 December 2011.

Nuclearelectrica

RON million	2009	2010	2011*
Sales	1,526.7	1,540.3	1,640.6
Operating profit	325.3	155.9	225.8
Net profit	49.4	13.1	13.6

* budgeted figures

During the first nine months of 2011, Nuclearelectrica's revenues reached RON 1.09 billion, a 3% increase from the first nine months of 2010. For the same period the gross profit increased to RON 127 million from RON 9 million recorded in the first nine months of 2010.

January 2011: GDF Suez, RWE and Iberdrola withdrew from the project to build reactors 3 and 4 at the Cernavoda nuclear facility. As a result, Nuclearelectrica increased its participation in the project to 84.7% by purchasing the shares previously owned by these three companies.

October 2011: The Government repealed its previous decision regarding the reorganization of the electricity generation sector by creating "two champions": Electra and Hidroenergetica.

November 2011: The Government published on the website of Ministry of Economy, Trade and Business Environment a draft of Emergency Ordinance regarding the future share capital increase of Nuclearelectrica with the value of heavy water bought for Reactors 3 and 4 using allocations from the State budget. According to the draft of Emergency Ordinance, since 2006 the Romanian State has transferred to Nuclearelectrica an amount of RON 1,442.5 million as State allocations for buying heavy water from Regia Autonomă pentru Activități Nucleare, a 100% state controlled company for Reactors 3 and 4. The amount received was registered by Nuclearelectrica as reserves in shareholders equity. The implementation of this Emergency Ordinance may result in the reduction of the value of the stake held by the Fund in Nuclearelectrica. Based on these facts in November the Fund decided to reduce the value of the stake held by the Fund in Nuclearelectrica by an amount of RON 228 million, resulting in a corresponding decrease of the Fund's NAV.

On 29 December 2011 an Emergency Ordinance published in the Official Gazette, stated that in the future the heavy water needed for reactors 3 and 4 would be purchased directly by the Romanian State and not by Nuclearelectrica. Consequently, as of January 2012 Nuclearelectrica will no longer receive budget allocations to purchase heavy water for nuclear reactors 3 and 4.

December 2011: Mr. Pompiliu Budulan, resigned from the position of CEO. Mr. Dumitru Dina, Head of Nuclear Safety Supervision Department took over the CEO responsibilities. Mr. Dina graduated from Polytechnic University in Bucharest in 1971, majoring in nuclear power plants. After graduation, he worked for the Institute for Studies and Power Engineering (Institutul de Studii si Proiectari Energetice) (design office for energy sector) holding different positions in the Nuclear Safety Department. He also worked for RENEL (former state owned holding company that included Nuclearelectrica) and since 2006 was the Head of the Nuclear Safety Supervision Department.

A process has been started to select a new CEO. To this purpose, an international executive search company is going to be hired.

According to the latest Letter of Intent signed by the Government with IMF the company will be listed in 2012..

OMV Petrom

RON million	2009	2010	9 months 2010	9 months 2011
Sales	16,089.7	18,615.7	13,158	16,224
Operating profit	1,620.5	2,985.5	2,012	3,754
Net profit	833.3	2,189.7	1,411	2,921
Dividends	-	1,002.6	-	-

March 2011: OMV Petrom announced the decision to permanently close the Arpechim refinery, which had been operational for only three months during 2010. A sale was deemed unfeasible, given excess refining capacity in Europe and lack of interest from potential buyers. The site will be partially converted into a crude and fuel storage facility and employees will benefit from severance payments.

May 2011: OMV Petrom announced the success of five key new wells which will contribute around 6% of OMV Petrom's daily gas production in Romania.

June 2011: The Company made the first deliveries of electricity to the grid from the newly built Brazi gas fired power plant.

July 2011: OMV Petrom announced a potentially significant gas discovery in southwestern Romania. Exploration well 4539 Totea was tested at a maximum rate of around 3,100 boe/day of gas and associated condensate.

July 2011: The Government's attempt to sell a 9.84% stake through a Secondary Public Offering on the Bucharest Stock Exchange was not subscribed at the minimum level necessary for the offering to be considered successful, namely 80%. Government officials have stated there will be another attempt to sell the same stake in the first quarter of 2012.

July 2011: OMV Petrom confirmed its decision to enter a new exploration phase of the Neptun block in the Black Sea, in partnership with Exxon Mobil Exploration and Production Ltd. The investment includes the drilling of the first deep-water exploration well in the Romanian waters of the Black Sea by the first quarter of 2012.

October 2011: OMV Petrom announced the start of commercial operations of wind park Dorobantu, which has an installed capacity of 45MW and is located in Dobrogea, southeast Romania. Total investment in this project was EUR 90 million.

October 2011: Oil price hedges were extended into 2012 for 30,000 bbl/d, locking in Brent a price of USD 101/bbl. The contracts expire at the end of 2012.

November 2011: The Company announced the launch into production of the largest onshore gas and condensate well in Romania on the Totea field, with an initial production of 3,200boe/day. Additional field appraisal was expected to confirm this as the most important onshore gas discovery in Romania in the past six years.

November 2011: The company received a statement of objections from the Romanian Competition Council concerning an alleged breach of antitrust regulations with respect to the withdrawal of the retail product Eco Premium (unleaded gasoline pre-mixed with lead substitute) from the Romanian fuels market. Subsequently in January 2012 the company received confirmation from the Competition Council about the result of the antitrust investigation, which resulted in a fine of 366.5 million RON on OMV Petrom and 137.3 million RON on OMV Petrom Marketing S.R.L., a 100% owned subsidiary of OMV Petrom. The company is of the opinion that the fines imposed are not justified and will challenge the Competition Council's decision in the courts.

December 2011: OMV Petrom announced it contracted a medium-term multi-currency revolving credit facility amounting to EUR 930 million with a tenor of three years and a possibility of extension for two more years. This credit facility will be used for general corporate purposes including financing current investments program.

Romgaz

RON million	2009	2010	2011*	6 months 2010	6 months 2011
Sales	3,193.5	3,852.9	3,950.2	2,170.6	2,247.4
Operating profit	716.9	812.2	821.8	366.9	607.9
Net profit	572.5	651.2	651.2	225.7	488.0
Dividends	572.5	720.1	-	-	-

* budgeted figures

Dividends for 2010 were higher than reported net profit due to Romgaz's Board of Directors proposal to distribute an additional special dividend from previous years' undistributed income of RON 134.1 million.

The Ministry of Economy initiated the process of listing Romgaz on the Bucharest Stock Exchange through an Initial Public Offering of 15% of shares of the natural gas producer. In January 2012 a consortium formed by Goldman Sachs, Erste-BCR and Raiffeisen Capital & Investment was selected to manage this transaction.

Transelectrica

RON million	2009	2010	2011*	9 months 2010	9 months 2011
Sales	2,485.1	2,545.7	2,433.8	1,814.6	1,955.9
Operating profit	100.0	79.6	62.7	56.7	215.8
Net profit	6.1	9.6	27.9	5.2	153.5
Dividends	3.7	8.5	-	-	-

* budgeted figures

In 2011, the transmission tariff approved by ANRE was 10.4% higher compared to 2010. There has been no announcement yet as regard a change in tariff for 2012.

September/October 2011: The Ministry of Economy organized a tender offer to select the brokers for the offering to the market of an additional 15% of shares of Transelectrica. The outcome of the tender was the selection of a consortium of three brokers - Banca Comerciala Romana, Intercapital Invest and Swiss Capital - in charge of the offering. The placement is expected to take place in the first months of 2012.

Transgaz

RON million	2009	2010	2011*	9 months 2010	9 months 2011
Sales	1,187.4	1,313.0	1,253.7	915.7	940.5
Operating profit	345.1	443.7	-	331.0	327.9
Net profit	298.6	376.4	123.9	284.2	283.9
Dividends	153.3	338.7	-	-	-

* budgeted figures

July 2011: The company announced that the value of the Regulated Asset Base (RAB) at the beginning of the second regulatory period (2007 – 2012), was RON 1,860 billion and also made public the levels of the investments for each year until 2011. At the end of 2010, the estimated level of the RAB was RON 2,269.8 billion.

September 2011: The Company announced that Sibiu Court denied the request made by "Gaz Romania" Labour Union, which requested a presidential injunction in order to suspend the decision taken by shareholders on 10 June 2011 regarding the approval of the value of dividends to be paid during 2011 based on the profits recorded in 2010.

November/December 2011: The Ministry of Economy organized a tender offer to select the brokers for the offering to the market of an additional 15% of shares in Transgaz. A consortium formed by Raiffeisen Capital & Investment, Wood & Company Financial Services and BT Securities was selected to manage the transaction.

Changes affecting the capital of the Fund

Changes affecting the capital of the Fund

At the beginning of the year, the subscribed capital of the Fund was RON 13,778,392,208, and the paid-up capital was the same.

During 2011, there were some changes in the number of Fund's shares corresponding to paid-in share capital as follows:

- The Fund Manager issued the Decision 24/31 May 2011 and confirmed that the shareholder Romanian State represented by the Ministry of Public Finance did not fulfil the obligation of the transfer of 1,002,301 shares of Electromecanica Ploiesti SA, subsidiary of CN Romarm, to the Fund, evaluated at RON 21,436,245.
- The Fund Manager issued the Decision 34/23 August 2011 and acknowledged that the Romanian State consented to compensate the amount of RON 9,730,381 representing the amounts recovered from the forced execution of SC World Trade Center SA and from the increase of share capital of SC Plafar SA with the amount of RON 21,436,245 (representing the value of 21,436,245 shares of the Fund unpaid by the Romanian State represented by the Ministry of Public).
- The Fund Manager issued the Decision 35/23 August 2011 and confirmed that the shareholder Romanian State represented by the Ministry of Public Finance did not fulfil the obligation of the transfer of 2,951,053 shares of Uzina Mecanica Bucuresti SA, subsidiary of CN Romarm, to the Fund, evaluated at RON 20,024,890.
- The Fund Manager issued the Decision 36/23 August 2011 and confirmed that the shareholder Romanian State represented by the Ministry of Public Finance did not fulfil the obligation of the transfer of 19,226,031 shares of Nuclearelectrica to the Fund, with a value of RON 340,796,918.
- The Fund Manager issued the Decision 51/23 December 2011 and acknowledged that the Romanian State consented to compensate the amount of RON 1,704,560, representing the nominal value of the 170,456 shares in Hidroelectrica SA received by the Fund free of charge, according to GEO 81/2007 during 2011.

As a result of the five decisions above, the subscribed capital of the Fund remained unchanged at RON 13,778,392,208 and the paid-up capital decreased by RON 370,823,112 to RON 13,407,569,096.

There are ongoing litigations that may have effects on the unpaid share capital.

Changes in Board of Nominees

On 27 April 2011 the General Meeting of Shareholders (“GSM”) approved the following changes in the composition of the Fund’s Board of Nominees:

- The revocation of Mrs Monica Maurer-George as a member;
- The appointment of Mr Doru-Petru Dudaş as a member as a result of the revocation;
- The appointment of Mr Simion-Dorin Rusu as a member following Mr Corin-Ioan Trandafir’s resignation.

The Fund’s Board of Nominees currently consists of the following members:

- Mr Bogdan-Alexandru Drăgoi, President of the Board of Nominees, was appointed as a member of the Board of Nominees by Ordinary General Meeting of Shareholders resolution dated 6 September 2010 for a mandate of three years which commenced on 29 September 2010;
- Mr Cristian Buşu, Member, was appointed as a member of the Board of Nominees by Ordinary General Meeting of Shareholders resolution dated 6 September 2010 for a mandate of three years which commenced on 29 September 2010;
- Mr Sorin-Mihai Mîndruţescu, Member, was appointed as a member of the Board of Nominees by Ordinary General Meeting of Shareholders resolution dated 6 September 2010 for a mandate of three years which commenced on 29 September 2010;
- Mr Doru-Petru Dudaş, Member, was appointed as a member of the Board of Nominees by Ordinary General Meeting of Shareholders resolution dated 27 April 2011 for a mandate of three years which commenced on 28 April 2011;
- Mr Simion-Dorin Rusu, Member, was appointed as a member of the Board of Nominees by Ordinary General Meeting of Shareholders resolution dated 27 April 2011 for a mandate of three years which commenced on 28 April 2011.

Financial Analysis

The audited Balance Sheet and Income Statement for the year ended 31 December 2011 prepared in compliance with Romanian Accounting Regulations are included in full in Annex 1 to this Report. The financial statements prepared in compliance with Romanian Accounting Regulations will be submitted for shareholders' approval at the General Shareholders' Meeting expected to take place on 25 April 2012.

This section provides a commentary on the principal elements of the Fund's financial position and results in the year ended 31 December 2011.

Balance Sheet

	31 December 2010	30 December 2011
	Audited	Audited
	RON million	RON million
Financial assets	10,890.5	10,627.9
Non-current assets - total	10,890.5	10,627.9
Current assets - total	1,332.4	549.2
Payables within one year	69.3	42.2
Total assets less current liabilities	12,153.6	11,134.9
Provisions	14.4	14.2
Shareholders' equity	12,139.2	11,120.7

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, and any adverse result is booked as an impairment.

The value of financial assets decreased by RON 262.6 million in 2011. The decrease was mainly due to impairment adjustments recorded during the year for listed equity investments (principally for OMV Petrom) and for Nuclearelectrica holding (adjusted to take account of Nuclearelectrica's shareholders' equity contributions from the Romanian State in previous years, granted for the acquisition of heavy water, with the intent to increase the share capital of the company by those amounts, in favour of Romanian State). The decreased of financial assets was partially offset by the acquisitions of listed equity investments in Romania and Austria.

The drop in **current assets** of RON 783.2 million mainly related to the decrease of cash balances due to the acquisition of listed equity investments; the funding of buy-backs; and the payment of the 2010 dividend and related taxes. Cash was positively influenced however by dividends paid by the portfolio companies during the year.

Payables decreased by RON 27.1 million, mainly accounted for by the payment of the 2010 dividend and related taxes.

Income Statement

	2010	2011
	Audited	Audited
	RON million	RON million
Revenues from current activity, out of which:	576.6	617.9
Revenues from financial assets	179.0	519.1
Interest income	131.5	41.1
Reversal of impairment adjustments & provisions	217.4	30.5
Revenues from disposal of financial assets	-	13.4
Revenues from foreign exchange differences	47.7	1.6
Other income from current activity	1.0	12.2
Expenses from current activity, out of which:	109.2	72.3
Expenses from disposal of financial assets	-	4.6
Expenses from foreign exchange differences	56.9	0.9
Depreciation, provisions, losses from receivables and sundry debtors	0.2	11.7
Commissions and fees	6.0	17.2
Other expenses from current activity *	46.1	37.9
Gross profit	467.4	545.6
Income tax expense	11.2	1.8
Net profit	456.2	543.8

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

Revenues from financial assets represent dividend income earned from the Fund's portfolio companies. The income significantly increased in 2011 compared to 2010 (by RON 340.1 million), due to the higher level of dividend distributions from portfolio companies (mainly OMV Petrom RON 201.6 million; Romgaz RON 106 million; Hidroelectrica RON 52.5 million; and Transgaz RON 50.8 million).

Interest income arises from deposits held with banks and from treasury bills. The significantly lower level of income during the year 2011 compared to the year 2010 is a reflection of the lower level of interest yielding assets held during 2011, due to the payment of dividends (for 2008 and 2009, starting in October 2010 and for 2010, starting in June 2011), and the acquisition of equity investments.

Revenues from disposal of financial assets (RON 13.4 million in 2011) represent the proceeds from the sales of portfolio company holdings, while the expenses from disposal of financial assets (RON 4.6 million) represent the cost or carrying value of these investments prior to disposal. The pre-tax net gain in 2011 was RON 8.8 million; there were no such sales in the corresponding period of 2010.

In 2011, **other income from current activity** principally includes penalties levied by the Fund for late payment of dividends and litigation expenses recovered. During the year 2011, these mainly related to the 2005 Transgaz dividend receivable of RON 4.2 million and to the 2005 Romgaz dividend receivable of RON 5.8 million.

The **reversal of impairment adjustments & provisions** during 2011 was mostly accounted for by the reversal of impairment adjustments for the 2005 dividend receivables from Transgaz, of RON 9.6 million and Romgaz, of RON 18.7 million. The litigations against Transgaz and Romgaz for the recovery of these dividends and the related penalties for late payment were irrevocably ruled in the Fund's favour in 2011.

Commissions and fees for the year ended 31 December 2011 mainly included CNVM's 0.1% per annum fee, calculated on the basis of Fund's NAV, amounting to RON 15.6 million, and the depositary banks' fees of RON 1.6 million.

The expenses for **depreciation, provisions, losses from receivables and sundry debtors** were related to Electromecanica Ploiesti SA, because the Ministry of Public Finance did not transfer to the Fund the holding in this company. This expense category included the impairment loss adjustment in respect of the receivable related to the equity contribution of the Ministry of Public Finance. This receivable is the difference between the amount due from the Ministry following the cancellation of the contribution corresponding to the holding in Electromecanica Ploiesti (after the decision of the High Court of Cassation and Justice, which irrevocably rejected in May 2011 the request of the Fund to be registered as a shareholder of this company), amounting to RON 21.4 million, and the cash and equity received from Ministry of Public Finance, not converted into share capital, amounting to RON 9.7 million. The Fund recorded an impairment loss adjustment for the whole amount due by the Ministry of Public Finance in respect of equity contribution. In the fourth quarter of 2011, the Fund received a further contribution towards the above mentioned receivable via the nominal value of the 170,456 shares in Hidroelectrica SA received by the Fund free of charge, according to GEO 81/2007, which amounted to RON 1.7 million. The RON 1.7 million reversal of the impairment adjustment has been recorded in **reversal of impairment adjustments & provisions**.

Other expenses from current activity can be analysed as follows:

	2010	2011
	Audited RON million	Audited RON million
FTIML investment management and administration fees	18.3	32.1
Salaries and similar expenses	4.1	0.8
Stamp duties for litigations	5.3	0.1
Success fee due to Fund's advisor & related VAT	9.1	-
VAT for intra-EU services from previous years and related penalties for late payment	1.7	-
Other expenses	7.6	4.9
Other expenses from current activity	46.1	37.9

During the year 2011, these expenses decreased overall by RON 8.2 million compared to the previous year. This is mainly related to the recording in July 2010 of the success fee payable to the Fund's advisor for the selection of the fund manager (amounting to RON 7.4 million) and related irrecoverable VAT (amounting to RON 1.8 million) and to higher stamp duties for litigations and salaries and similar expenses recorded in 2010. However, FTIML's investment management and administration fees were higher in 2011 as compared to previous year, as their appointment only commenced in September 2010.

The change in the nature of the other expenses in this category is largely attributable to the different administration structures in place before and after September 2010. Prior to this date, the Fund was self-administered and had its own employees and infrastructure. Following the appointment of FTIML as sole administrator, the Fund no longer incurred these types of expenses, and instead incurred an administration fee.

The Fund Manager's investment management and administration agreement became effective on 29 September 2010. Until the listing of the Fund on 25 January 2011, the management fee of 0.379% and the administration fee of 0.1% per annum were based on the Fund's NAV, while afterwards the basis changed to the market capitalization of the Fund.

The higher charge in the prior period for stamp duties was related to actual litigation activity, principally the litigation with the Romanian State concerning the privatisation of BCR.

In 2011 **other expenses** included mainly audit and advisory fees (tax and legal) and investors relation expenses.

Income tax expense during the year ended at 31 December 2011 was significantly lower than during the year 2010. It is important to note that the revenues from financial assets (dividend income) are recorded net of any tax withheld at source (if applicable). Consequently these revenues are considered non-taxable in the computation of income tax expense.

Analysis of 2011 Income Statement by Quarters

Although this report is required to cover the year ended 31 December 2011, given that the Fund reports on a quarterly basis, the following split has been prepared to illustrate also the actual results per quarter in 2011.

	Quarter 1 2011	Quarter 2 2011	Quarter 3 2011	Quarter 4 2011	Year end 31 December 2011
	Audited				
	RON million	RON million	RON million	RON million	RON million
Revenues from current activity, out of which:	33.3	560.3	2.3	22.0	617.9
Revenues from financial assets	-	513.2	(3.7)	9.6	519.1
Interest income	17.3	11.8	5.4	6.6	41.1
Reversal of impairment adjustments & provisions	9.8	19.0	-	1.7	30.5
Revenues from disposal of financial assets	0.1	9.6	0.2	3.5	13.4
Revenues from foreign exchange differences	1.1	0.3	0.1	0.1	1.6
Other income from current activity	5.0	6.4	0.3	0.5	12.2
Expenses from current activity, out of which:	18.5	29.9	11.0	12.9	72.3
Expenses from disposal of financial assets	-	3.9	0.2	0.5	4.6
Expenses from foreign exchange differences	0.3	0.3	0.3	-	0.9
Depreciation, provisions, losses from receivables and sundry debtors	-	11.7	-	-	11.7
Commissions and fees	4.4	4.6	4.4	3.8	17.2
Other expenses from current activity *	13.8	9.4	6.1	8.6	37.9
Gross profit / (Loss)	14.8	530.4	(8.7)	9.1	545.6
Income tax expense	0.7	1.3	(0.8)	0.6	1.8
Net profit / (Loss)	14.1	529.1	(7.9)	8.5	543.8

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

Signatures:

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

Grzegorz Maciej Konieczny
Legal Representative

Mihaela Moleavin
Financial Reporting Manager

Annex 1

S.C. FONDUL PROPRIETATEA S.A.
BALANCE SHEET AND INCOME STATEMENT
AS AT 31 DECEMBER 2011

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 Order of the President of CNVM no. 13/2011 and with CNVM Instructions no. 2/2012 regarding the preparation and submission of annual financial statements (“Romanian Accounting Regulations”)

(This is a translation from the official Romanian version)

S.C. FONDUL PROPRIETATEA S.A.
BALANCE SHEET
AS OF 31 DECEMBER 2011
FORM CODE 10

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

The format of the Financial Statements as at 31 December 2011 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

Ownership type: 22

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

Main activity:

Address: Bucharest, District 1, (CAEN group): 643

78-80, Buzești Street, 7th Floor **CAEN class:** 6430

Telephone: 021/200 96 00, fax: 021/200 96 31 **Sole Registration Code:** 18253260

Trade Register no.: J40/21901/2005

A	Row	Balance	
		1 January 2011 Audited	31 December 2011 Audited
	B	1	2
A. NON-CURRENT ASSETS			
III. FINANCIAL ASSETS			
1. Shares held in subsidiaries (acc. 261 - 2961)	12	70,077,549	59,670,661
3 Investments in associates (acc. 263 - 2963)	14	3,816,028,612	3,303,427,753
5. Investments held as financial assets (acc. 262 + 264 + 265 + 266 - 2696 - 2962 - 2964)	16	7,004,416,770	7,264,779,666
TOTAL: (rows 12 to 17)	18	10,890,522,931	10,627,878,080
NON-CURRENT ASSETS - TOTAL (rows 06 + 11 + 18)	19	10,890,522,931	10,627,878,080
B. CURRENT ASSETS			
II. RECEIVABLES			
1. Trade receivables (acc. 2675 + 2676 + 2678 + 2679 - 2966 - 2969 + 4092 + 411 + 413 + 418 - 491)	24	85,547	1,476
4. Other receivables (acc. 425 + 4282 + 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482 + 4582 + 461 + 473 - 496 + 5187)	27	12,352,520	55,884,511
TOTAL: (rows 24 to 28)	29	12,438,067	55,885,987
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	248,021,476	195,919,673
TOTAL: (rows 30 to 31)	32	248,021,476	195,919,673
IV. CASH AND BANK ACCOUNTS			
(acc. 5112 + 5121 + 5122 + 5123 + 5124 + 5125 + 5311 + 5314 + 5321 + 5322 + 5323 + 5328 + 5411 + 5412 + 542)	33	1,071,973,391	297,393,152
CURRENT ASSETS - TOTAL (rows 23 + 29 + 32 + 33)	34	1,332,432,934	549,198,812
C. PREPAID EXPENSES			
(acc. 471)	35	31,004	28,412

A	Row	Balance	
		1 January 2011 Audited	31 December 2011 Audited
	B	1	2
D. PAYABLES WITHIN ONE YEAR			
3. Advance from customers (acc. 419)	38	-	50,000
4. Trade payables (acc. 401 + 404 + 408)	39	25,529,058	27,540,485
7. Payables related to financial assets (acc 1662 + 1686 + 2692 + 2693 + 4521 + 4528)	42	-	-
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	43,758,337	14,616,288
TOTAL: (rows 36 to 43)	44	69,287,395	42,206,773
E. NET CURRENT ASSETS OR NET CURRENT LIABILITIES (rows 34 + 35 - 44 - 60.2)			
	45	1,263,176,543	507,020,451
F. TOTAL ASSETS LESS CURRENT LIABILITIES (rows 19 + 45)			
	46	12,153,699,474	11,134,898,531
H. PROVISIONS			
2. Provisions for taxes (acc. 1516)	57	14,138,306	14,138,306
3. Other provisions (acc. 1511+1512+1513+1514+1518)	58	285,792	59,523
TOTAL PROVISIONS (rows 56 +57 + 58)	59	14,424,098	14,197,829
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	-	370,823,112
- subscribed paid in capital (acc. 1012)	63	13,778,392,208	13,407,569,096
IV. RESERVES (rows 68-69+70+71+72+73+74)			
	67	(2,146,209,927)	(3,128,333,293)
1. Legal reserves (acc. 1061)	68	102,524,308	129,803,202
2. Reserves related to impairment adjustments of financial assets (acc.1062 - <i>debit balance</i>)	69	2,369,140,506	3,378,542,766
4. Reserves for financial assets received free of charge (acc.1065)	71	106,715	106,715
7. Other reserves (acc.1068)	74	120,299,556	120,299,556
TREASURY SHARES (acc.109 - <i>debit balance</i>)	75	-	120,268,583
V. RETAINED EARNINGS (acc. 117)			
Credit balance	78	74,278,645	74,364,048
VI. RESULT FOR THE YEAR (acc. 121)			
Credit balance	80	456,183,821	543,825,216
Profit allocation (acc. 129 - <i>debit balance</i>)	82	23,369,371	27,278,894
TOTAL SHAREHOLDERS' EQUITY (rows 61 + 64 + 65 - 66 + 67 -75+76-77+78 -79+80-81-82)			
	83	12,139,275,376	11,120,700,702

S.C. FONDUL PROPRIETATEA S.A.
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011
FORM CODE 20

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

	Row	Financial year end	
		31 December 2010 Audited	31 December 2011 Audited
A	B	1	2
A. REVENUES FROM CURRENT ACTIVITY – TOTAL (rows 02 to 11)	01	576,629,495	617,888,992
1. Revenues from financial assets (acc. 761)	02	179,049,051	519,065,354
4. Revenues from disposal of financial assets (acc.758(part)+764)	05	-	13,375,649
6. Revenues from provisions, receivables previously written off and sundry debtors (acc.754+781+786)	07	217,362,939	30,514,774
7. Revenues from foreign exchange differences (acc.765)	08	47,734,665	1,616,566
8. Interest income (acc.766)	09	131,466,209	41,129,291
10. Other income from current activity (acc. 705+706+708+741+758(part)+767+768 +7815)	11	1,016,631	12,187,358
B. EXPENSES FROM CURRENT ACTIVITY – TOTAL (rows 13 to 20)	12	109,242,071	72,311,111
12. Expenses from disposal of financial assets (acc. 658(part) +664)	14	-	4,575,871
13. Expenses from foreign exchange differences (acc. 665)	15	56,899,816	915,724
14. Interest expense (acc. 666)	16	214	13
15. Commissions and fees (acc.622)	17	6,004,697	17,241,312
16. Expenses for bank services and similar expenses (acc.627)	18	130,168	57,490
17. Depreciation and amortisation, provisions, losses from receivables and sundry debtors (acc.654+681+686)	19	239,567	11,705,864
18. Other expenses from current activity (rows 21+22+23+26+27)	20	45,967,609	37,814,837
a. Materials expenses (acc.602+603+604)	21	155,975	332
b. Utilities expenses (water and energy) (acc.605)	22	27,062	-
c. Salary expenses (rows 24+25), of which:	23	4,068,409	848,729
c1. Salaries (acc.621+641+642 +644)	24	3,202,543	687,346
c2. Social security contributions (acc. 645)	25	865,866	161,383
d. Third party expenses (acc.611+612+613+614+623+624+625+626+628+658(part)+ 667 +668)	26	33,564,147	36,808,396
e. Other taxes, duties and similar expenses (acc. 635)	27	8,152,016	157,380
C. CURRENT RESULT			
- Profit (row 01 - 12)	28	467,387,424	545,577,881
19. TOTAL REVENUE (rows 01+30)	34	576,629,495	617,888,992
20. TOTAL EXPENSES (rows 12+31)	35	109,242,071	72,311,111
G. GROSS PROFIT:			
- Profit (row 34 - 35)	36	467,387,424	545,577,881
21. INCOME TAX EXPENSE			
- Income tax expense (acc.691)	38	11,203,603	1,752,665
H. RESULT FOR THE YEAR			
- Profit (row 36-38-39)	40	456,183,821	543,825,216

Annex 2

S.C. FONDUL PROPRIETATEA S.A.
STATEMENT OF COMPREHENSIVE INCOME
AND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

Prepared in accordance with International Financial Reporting Standards (“IFRS”),
extract from Separate IFRS financial statements

(This is a translation from the official Romanian version)

FONDUL PROPRIETATEA S.A.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011
(all amounts are in RON unless otherwise stated)

A	Financial year end	
	31 December 2011 Unaudited	31 December 2010 Audited
	1	2
Gross dividend income	522,433,185	181,244,262
Interest income	41,129,291	131,466,209
Reversal of impairment losses on dividends receivable	28,323,677	-
Reversal of impairment losses on disposed equity investments	21,545,871	-
Impairment losses on receivables in respect of equity contributions	(10,001,304)	-
Impairment losses on equity investments	(51,691,805)	(29,299,487)
Impairment losses on dividends receivable	-	(18,307)
Gains on disposal of equity investments	8,799,778	-
Net foreign exchange gains /(losses)	700,842	(9,165,151)
Other operating income	12,187,358	1,016,631
Net operating income	573,426,893	275,244,157
Personnel expenses	(644,081)	(4,068,409)
Other operating expenses	(54,243,301)	(47,488,391)
Operating expenses	(54,887,382)	(51,556,800)
Profit before tax	518,539,511	223,687,357
Income tax expense	(472,220)	(8,676,905)
Profit for the period	518,067,291	215,010,452
Other comprehensive income / (loss)		
Net change in fair value of available-for-sale equity investments	(846,265,840)	1,299,502,268
Income tax (expense)/benefit on other comprehensive income	135,402,535	(207,920,363)
Total other comprehensive income / (loss)	(710,863,305)	1,091,581,905
Total comprehensive income / (loss) for the period	(192,796,014)	1,306,592,357
Basic and diluted earnings per share	0.04	0.02

FONDUL PROPRIETATEA S.A.
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2011

(all amounts are in RON unless otherwise stated)

A	Balance	
	31 December 2011 Unaudited	31 December 2010 Audited
	1	2
Assets		
Cash and current accounts	1,912,808	7,207,864
Deposits with banks	296,356,801	1,071,263,726
Treasury bills	195,919,673	248,021,476
Dividends receivable	52,479,298	4,069,237
Equity investments	10,731,642,468	10,861,557,101
Deferred tax assets	479,029,966	338,979,156
Other assets	2,558,644	1,901,634
Total assets	11,759,899,658	12,533,000,194
Liabilities		
Payables in respect of equity contributions	-	9,730,381
Other liabilities	42,266,294	59,842,804
Total liabilities	42,266,294	69,573,185
Equity		
Share capital	13,778,392,208	13,778,392,208
Fair value reserve on available-for-sale financial assets	1,240,275,189	1,951,138,494
Other reserves	250,102,759	222,823,865
Treasury shares	(120,268,583)	-
Accumulated losses	(3,430,868,209)	(3,488,927,558)
Total equity	11,717,633,364	12,463,427,009
Total liabilities and equity	11,759,899,658	12,533,000,194

Annex 3

DETAILED STATEMENT OF INVESTMENTS AS AT 31 DECEMBER 2011 prepared in accordance with CNVM Regulation no. 4/2010 (Annex no. 4)

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
Alro Slatina SA	ALR	29/Dec/2011	72,884,714	0.5	3.2500	236,875,320.50	10.2100%	1.6312%	1.6375%	Closing price
Azomures SA	AZO	30/Dec/2011	58,530,066	0.1	1.3500	79,015,589.10	11.1200%	0.5441%	0.5462%	Closing price
Conpet SA	COTE	30/Dec/2011	2,571,461	3.3	34.9800	89,949,705.78	29.7000%	0.6194%	0.6218%	Closing price
IOR SA	IORB	20/Dec/2011	2,622,273	0.1	0.5600	1,468,472.88	2.8100%	0.0101%	0.0102%	Closing price
Mecanoenergetica SA	MEGU	29/Dec/2011	1,620,975	0.3	0.1150	186,412.13	10.0700%	0.0013%	0.0013%	Closing price
Oil Terminal SA	OIL	30/Dec/2011	49,216,526	0.1	0.1800	8,858,974.68	8.4500%	0.0610%	0.0612%	Closing price
Romaero SA	RORX	30/Dec/2011	1,311,691	2.5	10.5500	13,838,340.05	20.9900%	0.0953%	0.0957%	Closing price
OMV Petrom SA	SNP	30/Dec/2011	11,391,130,186	0.1	0.2900	3,303,427,753.94	20.1000%	22.7481%	22.8368%	Closing price
Palace SA	PACY	19/Dec/2011	5,832,482	0.1	0.2900	1,691,419.78	15.4200%	0.0116%	0.0117%	Closing price
Transelectrica SA	TEL	30/Dec/2011	9,895,212	10	17.4000	172,176,688.80	13.4900%	1.1856%	1.1903%	Closing price
Transgaz SA	TGN	30/Dec/2011	1,764,620	10	223.3500	394,127,877.00	14.9800%	2.7140%	2.7246%	Closing price
Primcom SA	PRIB	29/Dec/2011	1,154,234	2.5	15.2000	17,544,356.80	78.9700%	0.1208%	0.1213%	Closing price
BRD-Groupe Societe Generale SA	BRD	30/Dec/2011	25,387,456	1	10.7100	271,899,653.76	3.6400%	1.8724%	1.8797%	Closing price
Banca Transilvania SA	TLV	30/Dec/2011	52,018,905	1	0.8840	45,984,712.02	2.9300%	0.3167%	0.3179%	Closing price
Total						4,637,045,277.22		31.9317%	32.0562%	

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
Alcom SA	ALCQ	16/Aug/2011	89,249	2.5	31.0000	2,766,719.00	71.8900%	0.0191%	0.0191%	Fair value/share: Last trading price
Comercial Cluj SA	COCL	6/Aug/2010	256,116	2.5	4.1212	1,055,505.26	11.3600%	0.0073%	0.0073%	Shareholder equity/share
Comercial Fundulea SA	CCFD	24/Nov/2011	59,604	2.5	2.7593	164,465.32	5.3500%	0.0011%	0.0011%	Shareholder equity/share
Delfincom SA	DELFI	25/Nov/2011	645,647	2.5	6.0000	3,873,882.00	65.5000%	0.0267%	0.0268%	Fair value/share: Last trading price
Forsev SA	FORS	26/Nov/2009	954,376	2.5	7.1407	6,814,912.70	28.1400%	0.0469%	0.0471%	Shareholder equity/share
Mecon SA	MECP	10/Oct/2011	60,054	11.6	10.0000	600,540.00	12.5100%	0.0041%	0.0042%	Fair value/share: Last trading price
Prestari Servicii SA	PRVD	14/Nov/2011	200,170	2.5	0.0000	0.00	70.5500%	0.0000%	0.0000%	Priced at zero (negative equity)
Resib SA	RESI	3/Jun/2004	894,600	0.10	0.0000	0.00	2.8700%	0.0000%	0.0000%	Priced at zero (negative equity)
Romplumb SA	ROMR	5/Oct/2001	1,595,520	2.5	0.0000	0.00	51.0000%	0.0000%	0.0000%	Fair value/share: NIL
Severn SA	SEVE	22/Nov/2011	1,971,566	2.5	1.0500	2,070,144.30	39.1000%	0.0143%	0.0143%	Fair value/share: Last trading price
Telerom Proiect INPPT SA	TEBV	11/Oct/2011	673,862	0.11	0.0738	49,731.02	68.6300%	0.0003%	0.0003%	Shareholder equity/share
Transilvania-Com SA	TRVC	15/Aug/2007	77,234	2.5	16.5034	1,274,623.60	39.9900%	0.0088%	0.0088%	Shareholder equity/share
Turdapan SA	TUSB	29/Dec/2010	155,855	2.5	0.6740	105,046.27	44.0600%	0.0007%	0.0007%	Shareholder equity/share
Total						18,775,569.47		0.1293%	0.1298%	

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	30/Dec/2011	1,227,870	EUR 31.4060	EUR 13.5850	16,680,613.95	72,055,218.00	0.3200%	0.4962%	0.4981%	Closing price
RAIFFEISEN Bank International AG	RBI	30/Dec/2011	1,085,606	EUR 47.7740	EUR 20.0650	21,782,684.39	94,094,574.37	0.5500%	0.6480%	0.6505%	Closing price
Total						38,463,298.34	166,149,792.37		1.1441%	1.1486%	

* = shareholders equity / share as at 31 December 2011

S.C. FONDUL PROPRIETATEA S.A.

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	107.7014	2,494,256.72	20.0000%	0.0172%	0.0172%	Unlisted companies, in function	Shareholder equity/share
Aeroportul International Timisoara - Traian Vuia SA	32,016	19/Jul/2005	2,652,588	244.1807	7,817,689.29	20.0000%	0.0538%	0.0540%	Unlisted companies, in function	Shareholder equity/share
Carom - Broker Asigurare SA	17,500	19/Jul/2005	1,161,986	59.4394	1,040,189.50	70.0000%	0.0072%	0.0072%	Unlisted companies, in function	Shareholder equity/share
Celuloza si Otel SA (former Remat Timis)	3,814	19/Jul/2005	230,675	229.2837	874,488.03	8.6200%	0.0060%	0.0060%	Unlisted companies, in function	Shareholder equity/share
Cetatea SA	354,468	19/Jul/2005	118,840	1.2092	428,622.71	20.4300%	0.0030%	0.0030%	Unlisted companies, in function	Shareholder equity/share
Ciocarlia SA	5,298	19/Jul/2005	37,125	79.6012	421,727.16	1.6800%	0.0029%	0.0029%	Unlisted companies, in function	Shareholder equity/share
CN Administratia Porturilor Dunarii Fluviale SA	27,554	19/Jul/2005	675,810	144.5292	3,982,357.58	20.0000%	0.0274%	0.0275%	Unlisted companies, in function	Shareholder equity/share
CN Administratia Canalelor Navigabile SA	203,160	19/Jul/2005	15,194,209	77.1863	15,681,168.71	20.0000%	0.1080%	0.1084%	Unlisted companies, in function	Shareholder equity/share
CN Administratia Porturilor Dunarii Maritime SA	21,237	19/Jul/2005	1,351,671	97.8493	2,078,025.58	20.0000%	0.0143%	0.0144%	Unlisted companies, in function	Shareholder equity/share
CN Administratia Porturilor Maritime SA	1,369,125	19/Jul/2005	52,621,414	45.1186	61,773,003.23	19.9900%	0.4254%	0.4270%	Unlisted companies, in function	Shareholder equity/share
CN Aeroporturi Bucuresti SA **	2,875,443	5/Feb/2010	131,168,263	112.1258	322,411,346.73	20.0000%	2.2202%	2.2288%	Unlisted companies, in function	Fair value / share (Value as per independent valuator's report)
Commex SA	67,533	19/Jul/2005	193,500	3.2000	216,105.60	15.9900%	0.0015%	0.0015%	Unlisted companies, in function	Fair value / share (Selling price)
Complexul Energetic Craiova SA	6,301,669	19/Jul/2005	250,169,153	42.3386	266,803,843.12	24.3500%	1.8373%	1.8444%	Unlisted companies, in function	Shareholder equity/share
Complexul Energetic Rovinari SA	5,525,167	19/Jul/2005	137,615,732	52.5279	290,225,419.66	23.6000%	1.9986%	2.0063%	Unlisted companies, in function	Shareholder equity/share
Complexul Energetic Turceni SA	11,387,991	19/Jul/2005	282,299,927	45.8901	522,596,045.79	24.7800%	3.5987%	3.6127%	Unlisted companies, in function	Shareholder equity/share
Comsig SA	75,655	19/Jul/2005	132,633	2.0656	156,272.97	69.9400%	0.0011%	0.0011%	Unlisted companies, in function	Shareholder equity/share
E.ON Gaz Distributie SA	13,158,040	19/Jul/2005	37,470,244	8.7833	115,571,012.73	11.9900%	0.7958%	0.7989%	Unlisted companies, in function	Shareholder equity/share
E.ON Energie Romania SA (former E.ON Gaz Romania SA)	9,903,524	19/Jul/2005	45,765,358	9.5236	94,317,201.17	13.3900%	0.6495%	0.6520%	Unlisted companies, in function	Shareholder equity/share
E.ON Moldova Distributie SA	10,994,457	19/Jul/2005	131,073,011	20.0797	220,765,398.22	22.0000%	1.5202%	1.5262%	Unlisted companies, in function	Shareholder equity/share
Electrica Distributie Muntenia Nord SA	7,796,022	19/Jul/2005	165,221,141	30.5416	238,102,985.52	21.9900%	1.6396%	1.6460%	Unlisted companies, in function	Shareholder equity/share
Electrica Distributie Transilvania Nord SA	8,167,813	19/Jul/2005	113,299,904	20.9177	170,851,861.99	22.0000%	1.1765%	1.1811%	Unlisted companies, in function	Shareholder equity/share
Electrica Distributie Transilvania Sud SA	9,327,282	19/Jul/2005	125,918,629	19.6783	183,545,053.38	21.9900%	1.2639%	1.2689%	Unlisted companies, in function	Shareholder equity/share
Electroconstructia Elco Cluj SA	322,530	19/Jul/2005	319,656	1.6702	538,689.61	7.6100%	0.0037%	0.0037%	Unlisted companies, in function	Shareholder equity/share
ENEL Distributie Banat SA	9,220,644	19/Jul/2005	141,578,929	34.3494	316,723,589.01	24.1200%	2.1810%	2.1895%	Unlisted companies, in function	Shareholder equity/share
ENEL Distributie Dobrogea SA	6,753,127	19/Jul/2005	114,760,053	32.3808	218,671,654.76	24.0900%	1.5058%	1.5117%	Unlisted companies, in function	Shareholder equity/share
Enel Distributie Muntenia SA	3,256,396	19/Jul/2005	107,277,263	103.5620	337,238,882.55	12.0000%	2.3223%	2.3314%	Unlisted companies, in function	Shareholder equity/share
Enel Energie Muntenia SA	444,054	19/Jul/2005	2,833,769	84.0910	37,340,944.91	12.0000%	0.2571%	0.2581%	Unlisted companies, in function	Shareholder equity/share
ENEL Energie SA	1,680,000	19/Jul/2005	26,124,808	11.7378	19,719,504.00	12.0000%	0.1358%	0.1363%	Unlisted companies, in function	Shareholder equity/share
GDF Suez Energy Romania (former Distrigaz Sud)	2,127,879	19/Jul/2005	59,982,622	159.1765	338,708,331.64	12.0000%	2.3324%	2.3415%	Unlisted companies, in function	Shareholder equity/share
Hydroelectrica SA	88,740,671	19/Jul/2005	3,101,292,356	37.6423	3,340,402,959.98	19.9400%	23.0027%	23.0924%	Unlisted companies, in function	Shareholder equity/share
Nuclearelectrica SA	24,676,222	19/Jul/2005	967,926,936	20.5480	507,047,009.66	9.7200%	3.4916%	3.5052%	Unlisted companies, in function	Adjusted shareholder equity/share
Posta Romana SA	14,871,947	19/Jul/2005	84,664,380	9.3869	139,601,479.29	25.0000%	0.9613%	0.9651%	Unlisted companies, in function	Shareholder equity/share
Romgaz SA	5,742,854	19/Jul/2005	416,301,444	212.4799	1,220,241,043.63	14.9900%	8.4028%	8.4356%	Unlisted companies, in function	Shareholder equity/share
Salubriserv SA	43,263	19/Jul/2005	207,601	175.2167	7,580,400.09	17.4800%	0.0522%	0.0524%	Unlisted companies, in function	Shareholder equity/share
Societatea Nationala a Sariei SA	2,005,884	28/Jun/2007	76,347,715	43.2684	86,791,391.27	48.9900%	0.5977%	0.6000%	Unlisted companies, in function	Shareholder equity/share
World Trade Hotel SA	17,912	19/Jul/2005	17,912	0.9103	16,305.29	19.9000%	0.0001%	0.0001%	Unlisted companies, in function	Shareholder equity/share
Zirom SA	3,624,346	28/Jun/2007	36,030,702	15.9504	57,809,768.44	100.0000%	0.3981%	0.3996%	Unlisted companies, in function	Shareholder equity/share
Electrica Furnizare SA ***	1,366,412	22/Jul/2011	17,819,672	0.0000	0.00	22.0000%	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	33.0000%	0.0000%	0.0000%	Dissolution	Priced at zero
Carbid Fox SA	10,191,630	19/Jul/2005	927,357	0.0000	0.00	7.9600%	0.0000%	0.0000%	Bankruptcy	Priced at zero
FECNE SA	778,442	19/Jul/2005	0	0.0000	0.00	12.1200%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Gerovital Cosmetics SA	1,350,988	19/Jul/2005	340,996	0.0000	0.00	9.7600%	0.0000%	0.0000%	Dissolution	Priced at zero
Plafar SA	132,784	28/Jun/2007	3,160,329	0.0000	0.00	48.9900%	0.0000%	0.0000%	Insolvency	Priced at zero
Petrotel - Lukoil SA	2,152,291	19/Jul/2005	2,787,316	0.0000	0.00	1.7800%	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	30.0000%	0.0000%	0.0000%	Bankruptcy	Priced at zero
World Trade Center Bucuresti SA	198,860	19/Jul/2005	42,459	0.0000	0.00	19.9000%	0.0000%	0.0000%	Insolvency	Priced at zero
Total			6,660,323,530		9,150,586,029.52		63.0128%	63.2585%		

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 S.N. "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.

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
RO1112CTN0P7	2,500	7/Sep/2011	5/Sep/2012	23,435,300.00	4,298.63	498,640.66	23,933,940.66	0.1648%	0.1655%	ING Bank	Acquisition price cumulated with the related interest since the acquisition date
RO1112CTN0P7	2,670	7/Sep/2011	5/Sep/2012	24,998,328.90	4,674.92	542,290.79	25,540,619.69	0.1759%	0.1766%	ING Bank	
RO1112CTN0T9	2,100	5/Oct/2011	5/Apr/2012	20,332,809.00	3,645.85	320,835.02	20,653,644.02	0.1422%	0.1428%	ING Bank	
RO1112CTN0U7	2,126	12/Oct/2011	10/Sep/2012	19,993,690.62	3,791.35	307,098.98	20,300,789.60	0.1398%	0.1403%	ING Bank	
RO1112CTN0V5	2,658	26/Oct/2011	24/Sep/2012	24,998,330.52	4,735.54	317,281.00	25,315,611.52	0.1743%	0.1750%	ING Bank	
RO1112CTN0Z7	380	28/Oct/2011	11/Jan/2012	3,752,391.55	634.78	41,260.66	3,793,652.21	0.0261%	0.0262%	BRD Groupe Societe Generale	
RO1112CTN0I9	1,600	31/Oct/2011	5/Jan/2012	15,824,480.16	2,659.39	164,882.27	15,989,362.43	0.1101%	0.1105%	BRD Groupe Societe Generale	
RO1112CTN0Y9	2,101	23/Nov/2011	22/Aug/2012	19,992,380.65	3,727.54	145,374.19	20,137,754.84	0.1387%	0.1392%	ING Bank	
RO1112CTN100	2,077	7/Dec/2011	6/Jul/2012	19,993,596.63	3,662.28	91,557.00	20,085,153.63	0.1383%	0.1388%	ING Bank	
RO1112CTN0B7	2,050	16/Dec/2011	4/Apr/2012	20,112,827.98	3,519.75	56,315.93	20,169,143.91	0.1389%	0.1394%	BRD Groupe Societe Generale	
Total						195,919,672.51		1.3491%	1.3544%		

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	12/Dec/2011	4/Jan/2012	RON 20,000,000.00	RON 3,416.67	RON 68,333.33	RON 20,068,333.33	0.1382%	0.1387%	Term deposit value cumulated with the related interest
Banca Comerciala Romana	28/Nov/2011	4/Jan/2012	RON 13,000,000.00	RON 2,238.89	RON 76,122.22	RON 13,076,122.22	0.0900%	0.0904%	
Banca Comerciala Romana	2/Dec/2011	12/Jan/2012	RON 25,000,000.00	RON 4,305.56	RON 129,166.67	RON 25,129,166.67	0.1730%	0.1737%	
Banca Comerciala Romana	14/Dec/2011	18/Jan/2012	RON 20,000,000.00	RON 3,372.22	RON 60,700.00	RON 20,060,700.00	0.1381%	0.1387%	
Banca Comerciala Romana	12/Dec/2011	24/Jan/2012	RON 5,000,000.00	RON 868.06	RON 17,361.11	RON 5,017,361.11	0.0346%	0.0347%	
BRD Groupe Societe Generale	23/Dec/2011	5/Jan/2012	RON 10,000,000.00	RON 1,527.78	RON 13,750.00	RON 10,013,750.00	0.0690%	0.0692%	
BRD Groupe Societe Generale	5/Dec/2011	5/Jan/2012	RON 21,000,000.00	RON 3,558.33	RON 96,075.00	RON 21,096,075.00	0.1453%	0.1458%	
BRD Groupe Societe Generale	7/Dec/2011	10/Jan/2012	RON 14,000,000.00	RON 2,294.44	RON 57,361.11	RON 14,057,361.11	0.0968%	0.0972%	
BRD Groupe Societe Generale	14/Dec/2011	24/Jan/2012	RON 13,800,000.00	RON 2,357.50	RON 42,435.00	RON 13,842,435.00	0.0953%	0.0957%	
CITI Bank	23/Dec/2011	5/Jan/2012	RON 8,000,000.00	RON 1,166.67	RON 10,500.00	RON 8,010,500.00	0.0552%	0.0554%	
RAIFFEISEN Bank	12/Dec/2011	4/Jan/2012	RON 10,000,000.00	RON 1,527.78	RON 30,555.56	RON 10,030,555.56	0.0691%	0.0693%	
RBS Bank Romania	12/Dec/2011	10/Jan/2012	RON 20,000,000.00	RON 3,333.33	RON 66,666.67	RON 20,066,666.67	0.1382%	0.1387%	
RBS Bank Romania	30/Dec/2011	1/Feb/2012	RON 17,000,000.00	RON 2,951.39	RON 5,902.78	RON 17,005,902.78	0.1171%	0.1176%	
RBS Bank Romania	28/Dec/2011	8/Feb/2012	RON 13,000,000.00	RON 2,347.22	RON 9,388.89	RON 13,009,388.89	0.0896%	0.0899%	
UNICREDIT TIRIAC Bank	28/Nov/2011	6/Jan/2012	RON 20,000,000.00	RON 3,611.11	RON 122,777.78	RON 20,122,777.78	0.1386%	0.1391%	
UNICREDIT TIRIAC Bank	19/Dec/2011	16/Jan/2012	RON 10,000,000.00	RON 1,875.00	RON 24,375.00	RON 10,024,375.00	0.0690%	0.0693%	
UNICREDIT TIRIAC Bank	28/Dec/2011	13/Feb/2012	RON 16,000,000.00	RON 2,977.78	RON 11,911.11	RON 16,011,911.11	0.1103%	0.1107%	
UNICREDIT TIRIAC Bank	19/Dec/2011	13/Feb/2012	RON 10,000,000.00	RON 1,944.44	RON 25,277.78	RON 10,025,277.78	0.0690%	0.0693%	
UNICREDIT TIRIAC Bank	30/Dec/2011	16/Jan/2012	RON 15,000,000.00	RON 2,604.17	RON 5,208.33	RON 15,005,208.33	0.1033%	0.1037%	
ING Bank	30/Dec/2011	4/Jan/2012	RON 4,950,194.78	RON 137.51	RON 275.01	RON 4,950,469.79	0.0341%	0.0342%	
ING Bank	30/Dec/2011	4/Jan/2012	EUR 27.09	EUR -	EUR -	RON 117.02	0.0000%	0.0000%	
BRD Groupe Societe Generale	30/Dec/2011	4/Jan/2012	RON 9,730,031.97	RON 1,156.79	RON 2,313.59	RON 9,732,345.56	0.0670%	0.0673%	
Total						296,356,800.71	2.0408%	2.0487%	



**Franklin Templeton Investment
Management Limited United Kingdom,
Bucharest Branch**
Premium Point (7th & 8th Floors)
78-80 Buzzești Street, 1st District
Bucharest 011017
Romania



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