

Closed-end investment fund

FONDUL PROPRIETATEA (FP)

Looking for better times

Buy (12m)

Price **9/07/2012** Target Price
 RON 0.4650 RON 0.6089

Sector

Overweight
Neutral

Market Share

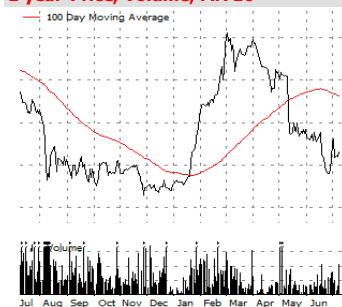
na
 Last Recommendation

Buy (TP RON 0.658, on 7 Oct'11)

NSC NAV* RON 1.1688

*as of 31 May 2012

1 year-Price, Volume, MA 10



Source: Factset, BRD GSG

Share data

RIC FP.BX, Bloomberg FP RO
 YOY-range 0.415 – 0.605

Fair NAV – Jul'12 (RONm) 10,209

Fondul Proprietatea
 on www.fondulproprietatea.ro

Performance (%)	1m	3m	12m
Ordinary shares	-2.9	-19.1	-13.2
Relative to BET	-6.5	-6.9	6.5
Relative to BET-FI	-7.8	-7.2	-3.8

*Figure based on end-May'12 Official NAV
 **YOY cumulative

v Update We have updated our Fair NAV calculation for Fondul Proprietatea (FP), following Hidroelectrica insolvency, incorporation of detailed investments as of end-Mar'12 and available 2011 financial results. We downgraded our Fair NAV per share by 7.5% to RON 0.7611 and our target price to RON 0.6089 per share from RON 0.6582 in our previous report. We kept unchanged our Buy recommendation, but there are significant downside risks difficult to be quantified for the time being, making us to state that our recommendation should be cautiously followed for the next 12 months, at least. Major changes of portfolio valuation compared with previous report are: lower by 38.96% of unlisted shares value, higher by 30.3% listed shares on local market value, and 28.2% decline of cash&cash equivalents as of end-Mar'12 vs. end-Aug'11. Moreover, now our worst case scenario (please see details in *Valuation methodology* section) has led to a target price of RON 0.476 slightly above market price. Downside risks are mainly related to current rising uncertainties regarding listing process of majority state-owned companies, part of FP's portfolio, because of Hidroelectrica on-going insolvency process and recent local political changes which might modify/delay the announced privatization strategy. Still, potential upside seen is 30.9% vs. 49.6% in our 7 Oct'11 report and trading discount is 38.9% (vs. 46.5% in our previous report) to our Fair NAV.

v Catalysts for the share price Quite difficult to assess positive triggers for the stock except the continuation of Fund's corporate actions related to Warsaw listing and buy-back program. Another major negative catalyst stems from the fact that FP's dividends distribution for 2012 profit is put at risk, as FP's official NAV is going below share capital as of end-Jun'12 because Hidroelectrica stake will be valued at RON 0. However, we may see a special interpretation in this case from NSC, so FP to be able to pay dividends next year.

v 12m target price and methodology The main change on our SOTP method was to value Hidroelectrica stake at RON 0 due to insolvency process and to increase the discount for valuing unlisted companies using peer group valuation from 30% to 40% to reflect the escalation of political risk compared with selected peer group that might delay privatization process and keep away foreign investors from Romanian assets from some time or might increase their risk premium expectations. Other changes made have a minor impact and are detailed in *Valuation methodology* section.

v Alternative scenarios and risk to our scenario Main short term risks are related to Hidroelectrica insolvency process and expected delays of state-owned companies listing. Persistent pressures on international financial markets might trigger waves of risk aversion towards risky assets leading to lower valuation of listed and unlisted stocks in FP portfolio.

v Next events Q2'12/H1'12 results to be released on 14 Aug'12.

Financial data (RONm)*	04/11	08/11	05/12	Data (RON/share)	04/11	08/11	05/12
Total assets	17,061.5	15,437.0	16,217.1	EPS**	0.0206	0.0409	0.0526
Listed shares	6,750.3	5,427.0	5,348.4	BV*	1.2004	1.1450	1.1688
Unlisted shares	9,217.1	9,382.0	9,742.1	Gross DPS	-	-	0.0385
Shareholders equity	16,539.9	15,350.3	15,991.7	Div. yield %	-	7.1	8.3
Cash and deposits	512.8	376.2	332.3	P/Fair NAV	0.49	0.53	0.61
Bonds & T-Bills	298.0	0.0	0.0	P/Off. NAV	0.42	0.38	0.40
Net profit*	283.4	548.9	607.0				

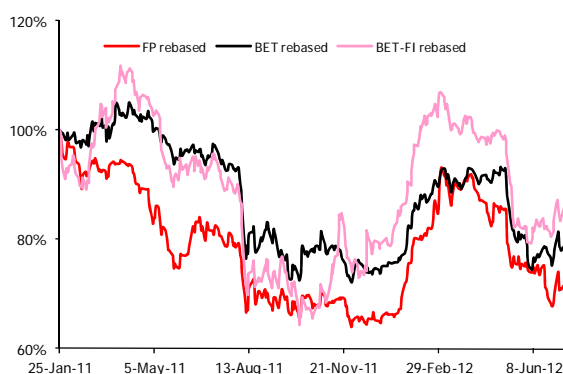
Source: FP RAS Individual Financial Statements. BSE. BRD-GSG

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Market performance

2012 started on positive sentiment for all local listed stocks, including FP stock and significant gains have been recorded before ex-dividend date. FP stock reached its maximum of RON 0.605 on 2 Mar'12 for the period 30 Sept'11-9 Jul'12. However, the usual downward evolution following ex-dividend date re-appeared this year, too, whilst increasing risk aversion took its toll on frontier markets assets.

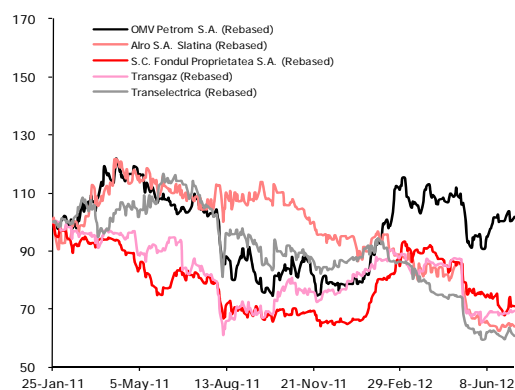
FP vs. BET, BET-FI performance, rebased



Source: Fondul Proprietatea, BRD-GSG

FP stock underperformed BET and BET-FI by 9.9% and by 11.3%, respectively on avg. for 25-Jan'11-9-Jul'12.

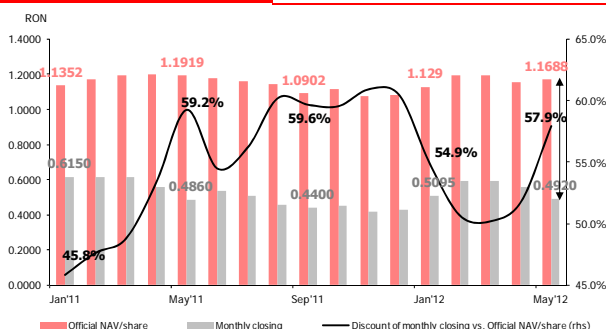
FP vs. SNP, TEL, TGN, ALR share price performance, rebased



Source: FactSet, BRD-GSG

SNP stock is the only stock which constantly overperformed (rebased terms) since the beginning of the year.

FP official NAV per share vs. end-month closing price

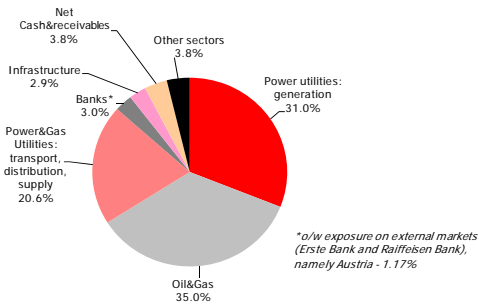


Source: Fondul Proprietatea, BRD-GSG

Discounts at which FP shares declined since the beginning of this year, mainly driven by positive market sentiment and by dividend expectations.

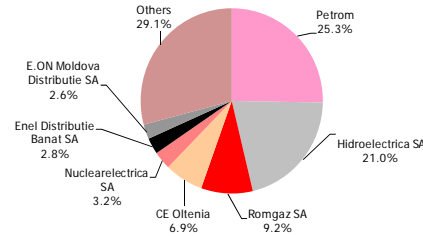
Company anatomy – portfolio overview

NSC NAV breakdown per sector (as of 31 May'12)



66.0% of NSC NAV stems from companies in oil&gas and power generation sectors as of 31 May'12.

NSC NAV breakdown per company (as of 31 May'12)

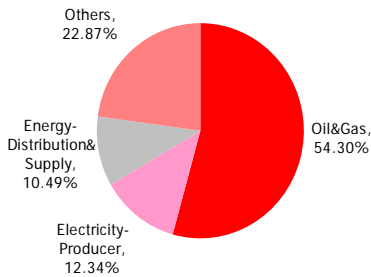


Petrom and Hidroelectrica stakes account for 46.3% of NSC NAV as of 31 May'12. Starting with Jun'12, Hidroelectrica is going to be valued at RON 0, according to NSC rules.

Source: Fondul Proprietatea, BRD-GSG

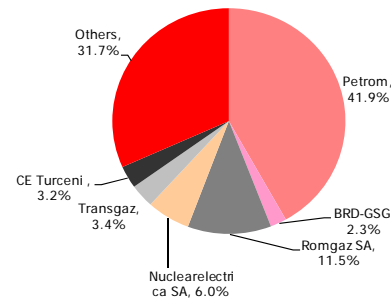
Source: Fondul Proprietatea, BRD-GSG

Fair NAV breakdown per sector (as of 31 Mar'12)



High exposure towards oil and gas and electricity producers confirmed by our Fair NAV calculation.

Fair NAV breakdown per company (as of 31 Mar'12)

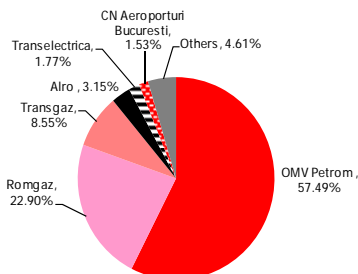


Petrom (RON 4.28bn) and Romgaz (RON 1.18bn) remain the most valuable assets according to our Fair NAV calculation since Hidroelectrica is valued at RON 0.

Source: Fondul Proprietatea, BRD-GSG

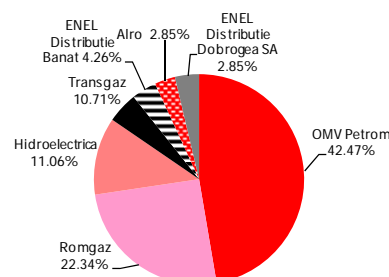
Source: Fondul Proprietatea, BRD-GSG

Breakdown of 2011 Dividends received



Petrom remains the largest dividend payer for the Fund with RON 353.13m.

Breakdown of 2010 Dividends received



Petrom is the largest contributor to Fund's dividend revenues with RON 201.5m.

Source: Fondul Proprietatea, BRD-GSG

Source: Fondul Proprietatea, BRD-GSG

Company anatomy – valuation summary

Fondul Proprietatea Fair NAV according to base scenario assumptions*

*For details regarding the base scenario assumptions please see next pages

Indicator	Value (RONm) ¹	Value (EURm) ¹	% NAV
Listed companies (incl. external assets)	5,695.66	1,258.01	55.79%
Un-listed companies	4,026.76	889.40	39.44%
Cash and cash equivalents [#]	270.16	59.67	2.65%
Receivables [#]	250.56	55.34	2.45%
(-)Total liabilities (incl.debt, provisions [#])	34.57	7.63	0.34%
Fair NAV	10,208.58	2,254.79	
No of shares subscribed and paid	13,412.78	13,412.78	
NAV per share (RON)	0.7611	0.1681	
<i>discount for closed-end funds</i>	20%	20%	
Target price per share (RON)	0.6089	0.1345	

[#] NSC NAV calculation as of 31 March 2012 based on RAS figures

¹except values per share, FX rate (EUR RON 4.5275) as of 9 Jul'12

Source: BRD-GSG, Fondul Proprietatea

Fondul Proprietatea Fair NAV according to worst case scenario

*For details regarding the worse scenario assumptions please see next pages

Indicator	Value (RONm) ¹	Value (EURm) ¹	% NAV
Listed companies (Petro, Transgaz, Transelectrica, Alro, BRD-GSG, Banca Transilvania, Oil Terminal, Conpet, Erste, Raiffeisen)	5,475.36	1,209.36	68.66%
Un-listed companies (50% of base case scenario)	2,013.38	444.70	25.25%
Cash and cash equivalents [#]	270.16	59.97	3.39%
Receivables [#]	250.56	60.90	3.14%
(-)Total liabilities (incl.debt, provisions [#])	34.57	7.63	0.43%
Fair NAV	7,974.90	1,761.43	
No of shares subscribed and paid	13,412.78	13,412.78	
NAV per share	0.5946	0.1313	
<i>discount for closed-end funds</i>	20%	20%	
Target price per share	0.4757	0.1051	

[#] NSC NAV calculation as of 31 March 2012 based on RAS figures

¹except values per share, FX rate (EUR RON 4.5275) as of 9 Jul'12

Source: BRD-GSG, Fondul Proprietatea

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Valuation methodology

We have updated our Fair NAV calculation for Fondul Proprietatea (FP), following Hidroelectrica insolvency, incorporation of detailed investments statement as of end-Mar'12 and available 2011 financial results. We downgraded our Fair NAV per share by 7.5% to RON 0.7611 and our target price to RON 0.6089 per share from RON 0.6582 in our previous report. We kept unchanged our Buy recommendation, but there are significant downside risks difficult to be quantified for the time being, making us to state that our recommendation should be cautiously followed for the next 12 months, at least.

The 7.5% decline in our Fair NAV compared with our October report stems from: 38.96% reduction of the unlisted companies value as detailed below, 28.2% reduction of cash&cash equivalents as of end-Mar'12 vs. end-Aug'11, 30.3% rise of the value of listed shares on local market, 0.05% increase of number of shares of FP due to share capital changes and no major change of listed banks (Erste Bank and Raiffeisen Bank International) on external market value.

We haven't modified our methodology to value listed shares. Thus, we have filled in closing prices as of 9 Jul'12 (previously 30 Sep'11) for all BSE and Vienna listed companies that have been traded within the last 30 trading days. The same methodology is followed by NSC for listed companies to calculate the official NAV. For the companies whose shares were not traded in the past 30 days we have used their book value adjusted with a discount of 20% to account for low liquidity compared with NSC regulation which uses the book value of the company as a proxy for its fair value. Moreover, we have used the EURRON NBR rate of 4.5275 as of 9 Jul'12 (vs. 4.3533 as of 30 Sep'11) to make the price conversion from EUR to RON.

However, we made major changes to unlisted companies' stakes methodology compared with previous report to incorporate latest events. Thus, we have valued 20% of Hidroelectrica at RON 0 from RON 1.62bn in Oct'11 report, as a result of on-going insolvency process. For the other unlisted shares, we have used peers valuation multiples updated for prices as of 9 Jul'12. We have considered different combination of P/BV'11 (or P/BV'10), EV/EBITDA'11 (or EV/EBITDA'10) and Marcap/Sales'11 (or Marcap/Sales'10) depending on the availability of 2011 financial reports and the company's sector features. Compared with our previous method, we have increased the discount to 40% from 30% to reflect higher uncertainty in listing majority state-owned companies included in FP's portfolio given the Hidroelectrica insolvency and current local political unrests that might keep away foreign investors from Romanian assets for the next period. Even if investors express their willing to acquire local assets, they will increase their risk premiums which should cause lower valuation for local assets. We remind you that the 30% discount was used to reflect lower liquidity of unlisted companies in FP's portfolio, regulatory risk for companies in energy and utilities sector and smaller size of the companies compared to their international peers. Detailed values for major unlisted companies are showed in *Appendix 1 – Unlisted companies implied value (base scenario)*. The valuation multiples (P/BV'10/'11, EV/EBITDA'10/'11 and Marcap/Sales'10/'11) for selected peers used to value unlisted companies are presented in *Appendix 2 – Peers' multiples*.

Another difference made on the valuation process compared with previous report, is the assignment of 0.7 of BV for valuing companies which have presented only financial information for 2009, instead of using peer group valuation method as we did in our Oct'11 report.

For unlisted companies with no data available for 2009 shareholders equity we have conservatively used zero value. Also, we assigned zero value for companies with negative

shareholders' equity, companies under insolvency procedure, companies running a judicial re-organization and companies that don't recognize FP as their shareholder. Additionally, we have assigned zero value to Electrica Furnizare which is the result of the merger between Electrica Furnizare Transilvania Nord, Electrica Furnizare Transilvania Sud and Electrica Furnizare Muntenia Nord, because of lack of financial data. End-Mar'12 official NAV incorporates zero value for Fund's stake in Electrica Furnizare, too. Indeed, in our previous report we value the stakes in each separate company as follows: Electrica Furnizare Transilvania Nord – RON 57.18m, Electrica Furnizare Transilvania Sud – RON 65.45m and Electrica Furnizare Muntenia Nord – RON 63.11m.

We kept unchanged our SOTP methodology to calculate our Fair NAV, applying the 20% discount for closed-end investment funds to derive the target price. In our Fair NAV per share calculation we input 13.412780bn shares as the number of shares afferent to the paid-up share capital compared to total number of shares (13.40586bn shares) in our previous report.

Thus, we have derived a Fair NAV of RON 0.7611 (down 7.5% from our previous report), resulting in a target price of RON 0.6089. The summarized results are presented in the table below. It is for the first time since our coverage the largest part of Fair NAV (55.79%) stems from listed companies worth RON 5.7bn (EUR 1.26bn), whilst 39.44% from unlisted ones worth RON 4.03bn (EUR 0.89bn). As we have mentioned above the largest stake is OMV Petrom valued at RON 4.277bn (EUR 0.944bn), higher by 32.7% than in our Oct'11 report, followed by Romgaz worth RON 1.18bn (EUR 0.26bn), slightly up by 3.3% compared with our previous report.

Indicator	Fair Value (RON)	% NAV
Listed companies (incl. external assets)	5,695,660,853	55.79%
Un-listed companies	4,026,761,696	39.44%
Cash and cash equivalents [#]	270,155,356	2.65%
Receivables [#]	250,564,773	2.45%
(-)Total liabilities (incl.debt, provisions [#])	34,566,914	0.34%
Fair NAV	10,208,575,762	
No of shares subscribed and paid	13,412,780,166	
NAV per share	0.7611	
<i>discount for closed-end funds</i>	<i>20%</i>	
Target price per share	0.6089	

[#] NSC NAV calculation as of 31 March 2012 based on RAS figures
 Source: BRD-GSG, Fondul Proprietatea

Please see below the values estimated under our methodology (Market Value BRD-GSG) and the value estimated according to NSC rules (NSC Value as of end-Mar'12) for each company in FP's portfolio:

Company	Sector	FP stake	Valuation method	ClosingPrice/ Implied Price (RON)	Market Value BRD-GSG (RONm)	NSC Value as of end-Mar'12 (RONm)	%Total value of listed and unlisted shares	% Fair NAV
Petrom	Oil&Gas	20.10%	mark to market	0.3755	4,277.37	4,726.18	43.99%	41.90%
Transelectrica Bucuresti	Utilities-Electricity	13.49%	mark to market	12.2200	120.92	157.23	1.24%	1.18%
Alro Slatina	Non-Energy Minerals	10.21%	mark to market	2.2010	160.42	214.86	1.65%	1.57%
Transgaz	Energy-Natural gas	14.98%	mark to market	194.5000	343.22	432.24	3.53%	3.36%
BRD-GSG	Banks	3.64%	mark to market	9.0500	229.76	270.38	2.36%	2.25%
Romaero	Aircraft manufacturer	20.99%	mark to market	13.5000	17.71	13.90	0.18%	0.17%
Conpet SA	Transport via pipeline	29.70%	mark to market	31.5500	81.13	92.57	0.83%	0.79%
Oil Terminal SA	Cargo handling	8.45%	mark to market	0.1316	6.48	8.25	0.07%	0.06%
Banca Transilvania	Banks	2.93%	mark to market	0.9300	48.38	59.35	0.50%	0.47%
Severnav SA	Building of ships and floating structures	39.10%	0.8xBV'11	15.3968	30.36	3.18	0.31%	0.30%
Azomures SA	Fertilizers	11.12%	mark to market	2.0870	122.15	117.06	1.26%	1.20%
Palace SA (Sinaia)	HoReCa	15.42%	0.8xBV'10	0.2741	1.60	1.75	0.02%	0.02%
Mecanoenergetica SA	Manufacturer of metal structures and part of metal structures	10.07%	mark to market	0.0500	0.08	0.07	0.00%	0.00%
Alcom SA Timisoara	Retail sales (food, beverages)	71.89%	0.8xBV'11	61.0716	5.45	1.65	0.06%	0.05%
Mecon SA Brasov	Manufacturer of metal structures and part of metal structures	12.51%	0.8xBV'11	36.5796	2.20	0.60	0.02%	0.02%
IOR SA	Manufacturer of optical instruments	2.81%	0.8xBV'11	0.1207	0.32	1.02	0.00%	0.00%
Comcereal Cluj SA	Agriculture	11.36%	0.8xBV - Mar'12	3.4290	0.88	1.06	0.01%	0.01%
Comcereal Fundulea SA	Farming	5.35%	0.8xBV'11	2.3215	0.14	0.16	0.00%	0.00%
Forsev SA	Forging, pressing, stamping and roll-forming of metal; powder metallurgy	28.14%	0.8xBV'11	5.2894	5.05	6.81	0.05%	0.05%
Romplumb SA	Manufacturer of lead, zinc and tin bullions	51.00%	0.8xBV'11	3.8305	6.11	0.00	0.06%	0.06%
Transilvania Com SA	Retail sales (textiles)	39.99%	0.8xBV'11	16.3947	1.27	1.27	0.01%	0.01%
Turdapan SA	Real estate	44.06%	0.8xBV'11	0.5416	0.08	0.11	0.00%	0.00%
Primcom SA	Real estate	75.48%	mark to market	16.0000	24.99	28.90	0.26%	0.24%
Telerom Proiect SA	Architectural consultancy	68.63%	mark to market	2.8500	1.92	2.22	0.02%	0.02%
Resib SA	Real estate	2.87%	negative sh.equity	0.0000	0.00	0.00	0.00%	0.00%
SubTotal Listed Companies on BSE		na	na	na	5,487.97	6,140.84	56.45%	53.76%

Source: BRD-GSG estimates, Fondul Proprietatea

Company	Sector	FP stake	Valuation method	ClosingPrice/ Implied Price (EUR)	Market Value BRD-GSG (RONm)	NSC Value as of end-Mar'12 (RONm)	%Total value of listed and unlisted shares	% Fair NAV
Erste Group Bank AG	Banks	0.32%	mark to market	14.5500	80.89	92.97	0.83%	0.79%
Raiffeisen Bank International AG	Banks	0.55%	mark to market	25.8000	126.81	125.98	1.30%	1.24%
SubTotal Listed Companies on External Markets		na	na	na	207.70	218.95	2.14%	2.03%

*FX rate EUR RON (4.5275) as of July 9, 2012

Source: BRD-GSG estimates, Fondul Proprietatea

Company	Sector	FP stake	Valuation method	ClosingPrice/ Implied Price (RON)	Market Value BRD-GSG (RONm)	NSC Value as of end-Mar'12 (RONm)	%Total value of listed and unlisted shares	% Fair NAV
Hidroelectrica SA	Energy-Producer	19.94%	insolvency	0.00	0.00	3,340.40	0.00%	0.00%
Nuclearelectrica SA	Energy-Producer	9.72%	P/BV'11	24.91	614.76	507.05	6.32%	6.02%
Romgaz SA	Energy-Natural gas producer	14.99%	avg. (P/BV'11, Marcap/Sales'11)	205.26	1,178.66	1,220.24	12.12%	11.55%
Complexul Energetic Turceni SA	Energy-Producer	24.78%	avg. (EV/EBITDA'11, P/BV'11, Marcap/Sales'11)	23.63	329.66	522.60	3.39%	3.23%
Complexul Energetic Craiova SA	Energy-Producer	24.35%	avg. (EV/EBITDA'11, P/BV'11, Marcap/Sales'11)	25.56	161.07	266.80	1.66%	1.58%
Electrica Distributie Muntenia Nord SA	Energy-Distribution	21.99%	avg. (EV/EBITDA'11, P/BV'11)	11.94	93.10	238.10	0.96%	0.91%
ENEL Distributie Banat SA	Energy-Distribution	24.12%	avg. (EV/EBITDA'11, P/BV'11)	21.48	197.97	316.72	2.04%	1.94%
E.ON Moldova Distributie SA	Energy-Distribution	22.00%	0.7xBV'09	8.87	97.52	220.77	1.00%	0.96%
Complexul Energetic Rovinari SA	Energy-Producer	23.60%	avg. (EV/EBITDA'11, P/BV'11, Marcap/Sales'11)	27.86	153.93	290.23	1.58%	1.51%
Electrica Distributie Transilvania Sud SA	Energy-Distribution	21.99%	avg. (EV/EBITDA'11, P/BV'11)	5.80	54.07	183.55	0.56%	0.53%
ENEL Distributie Dobrogea SA	Energy-Distribution	24.09%	avg. (EV/EBITDA'11, P/BV'11)	16.05	108.36	218.67	1.11%	1.06%
Aeroportul International Henri Coanda Bucuresti SA (2008)/CN Aeroporturi Bucuresti 2009	Airport	20.00%	avg. (EV/EBITDA'11, Marcap/Sales'11)	44.56	128.12	322.41	1.32%	1.26%
Electrica Distributie Transilvania Nord SA	Energy-Distribution	22.00%	avg. (EV/EBITDA'11, P/BV'11)	6.55	53.49	170.85	0.55%	0.52%
Enel Distributie Muntenia SA	Energy-Distribution	12.00%	avg. (EV/EBITDA'11, P/BV'11)	48.60	158.27	337.24	1.63%	1.55%
Posta Romana SA	National Post Office	25.00%	avg. (P/BV'10, Marcap/Sales'10)	8.65	127.74	139.60	1.31%	1.25%
Societatea Nationala a Sarii SA	Salt production	48.99%	0.7xBV'09	13.50	91.14	86.79	0.94%	0.89%
E.ON Gaz Distributie SA	Energy-Distribution	11.99%	0.7xBV'09	4.92	64.80	115.57	0.67%	0.63%
GDF Suez Energy Romania (ex Distrigaz Sud SA by 2009)	Energy-Distribution	12.00%	avg. (EV/EBITDA'11, P/BV'11, Marcap/Sales'11)	97.24	206.92	338.71	2.13%	2.03%
CN Administratia Porturilor Maritime SA	Port	19.99%	0.7xBV'09	26.50	36.28	61.77	0.37%	0.36%
Zirom SA	Manufacturer of titanium and titanium alloy ingots	100.00%	0.7xBV'09	5.75	20.83	52.82	0.21%	0.20%
Electromecanica Ploiesti SA	Manufacturer of military and civil equipments	49.00%	FP is not recogn. as shareholder	0.00	0.00	0.00	0.00%	0.00%
Uzina Mecanica Bucuresti SA	Defense industry	36.59%	FP is not recogn. as shareholder	0.00	0.00	0.00	0.00%	0.00%
CN Administratia Canalelor Navigabile SA	Port	20.00%	0.7xBV'09	46.43	9.43	15.68	0.10%	0.09%
Plafar SA - insolvency	Health care	48.99%	insolvency	0.00	0.00	0.00	0.00%	0.00%
Petrotel - Lukoil SA	Refinery	1.78%	negative sh.equity	0.00	0.00	0.00	0.00%	0.00%
Aeroportul Int'l Timisoara - Traian Vuia SA	Airport	20.00%	0.7xBV'09	92.13	2.95	7.82	0.03%	0.03%
Aeroportul Int'l Mihail Kogalniceanu SA	Airport	20.00%	0.7xBV'09	64.72	1.50	2.49	0.02%	0.01%
CN Administratia Porturilor Dunarii Maritime SA	Port	20.00%	0.7xBV'09	47.69	1.01	2.08	0.01%	0.01%
Carom - Broker Asigurare SA	Insurance	70.00%	0.7xBV'09	0.00	0.00	1.04	0.00%	0.00%
CN Administratia Porturilor Dunarii Fluviale SA	Port	20.00%	0.7xBV'09	92.28	2.54	3.98	0.03%	0.02%
Gerovital Cosmetics SA - insolvency	Health care	9.76%	insolvency	0.00	0.00	0.00	0.00%	0.00%
Electroconstructia Elco Cluj SA	Montaj Instalatii	7.61%	0.7xBV'09	1.00	0.32	0.54	0.00%	0.00%
Celuloza si Otel SA (absorbition of Remat Timis SA)	Recycling	8.62%	0.7xBV'09	72.78	0.28	0.87	0.00%	0.00%
Salubriserv SA	Waste collection	17.48%	0.7xBV'09	103.48	4.48	7.58	0.05%	0.04%
Commetex SA	Ceramics products wholesale	15.99%	0.7xBV'09	1.92	0.13	0.22	0.00%	0.00%
Comsig SA	Retail (food)	69.94%	0.7xBV'09	0.00	0.00	0.16	0.00%	0.00%
Cetatea SA	Real Estate Agent	20.43%	0.7xBV'09	0.00	0.00	0.43	0.00%	0.00%
World Trade Center Bucuresti SA	HoReCa	19.90%	negative sh.equity	0.00	0.00	0.00	0.00%	0.00%
Ciocarla SA	HoReCa	1.68%	0.7xBV'09	0.00	0.00	0.42	0.00%	0.00%
World Trade Hotel SA	HoReCa	19.90%	0.7xBV'09	0.60	0.01	0.02	0.00%	0.00%
E.ON Energie Romania (ex. E.ON Gaz Romania)	Energy-Natural gas&Electricity supplier	13.39%	0.7xBV'09	9.19	91.05	94.32	0.94%	0.89%
Electrica Furnizare SA	Energy- Electricity supply	22.00%	value according to official NAV	0.00	0.00	0.00	0.00%	0.00%
ENEL Energie SA	Energy-Electricity supply	12.00%	0.7xBV'09	8.43	14.17	19.72	0.15%	0.14%
Enel Energie Muntenia SA	Energy-Electricity supply	12.00%	0.7xBV'09	50.04	22.22	37.34	0.23%	0.22%
Bat Service SA - insolvency	Transportation via road	33.00%	insolvency	0.00	0.00	0.00	0.00%	0.00%
Carbid Fox SA - bankruptcy		7.96%	bankruptcy	0.00	0.00	0.00	0.00%	0.00%
Simtex SA - insolvency	Design of machine tools	30.00%	insolvency	0.00	0.00	0.00	0.00%	0.00%
FECE SA -judicial reorganization	Nuclear power plant equipment factory	12.12%	judicial reorganization	0.00	0.00	0.00	0.00%	0.00%
SubTotal Unlisted Companies		na			4,026.76	9,145.59	41.42%	39.44%
Total Listed and Unlisted Companies					9,722.42	15,286.44	100.00%	95.24%

Source: BRD-GSG estimates, Fondul Proprietatea

In our report, the worst case scenario considers the market value of Petrom, Transgaz, Transelectrica, Alro, BRD-GSG, Banca Transilvania, Conpet, Oil Terminal, Erste Bank and Raiffeisen Bank International, while applying a 50% discount for un-listed companies' value considered in the base case scenario and keeping unchanged all the other elements. The resulting Fair NAV is RON 0.5946, higher by 5.8% compared to our previous Fair NAV due to higher value of listed shares and target price of RON 0.4757.

Indicator	Fair Value (RON)	% NAV
Listed companies	5,475,362,453	68.66%
Un-listed companies	2,013,380,848	25.25%
Cash and cash equivalents [#]	270,155,356	3.39%
Receivables [#]	250,564,773	3.14%
(-)Total liabilities (incl.debt, provisions [#])	34,566,914	0.43%
Fair NAV	7,974,896,515	
No of shares subscribed and paid	13,412,780,166	
NAV per share	0.5946	
<i>discount for closed-end funds</i>	<i>20%</i>	
Target price per share	0.4757	

[#] NSC NAV calculation as of 31 March 2012 based on RAS figures
 Source: BRD-GSG, Fondul Proprietatea

Main risks to our valuation

Main risks to our Fair NAV calculation that might trigger further restatements on our valuation methodology arises from:

- **Arbitrary decisions of the Government as majority shareholder of unlisted energy companies** that might be against minority shareholders' interest and value creation process;
 - **Delays in listing major state-owned companies included in FP's portfolio** with negative impact on FP's unlocking value potential and on investors' perception towards local assets, as new Government appointed might have a different view on already announced privatization strategy;
 - **Further declines experienced by local listed companies** driven by mounting uncertainties regarding Eurozone sovereign debt, banks' profitability and solvency, and poor economic outlook perspectives;
 - **Higher/Lower market prices and associated trading multiples for companies included in FP's portfolio.** Given the current situation on capital markets, is very probable to see significant volatility which can adjust our valuation multiples and consequently our Fair NAV calculation;
 - **Changes to FP's portfolio structure subsequent to Government decision regarding energy sector restructuring.** The official NAV of the Fund announced for end-May'12 integrates CE Oltenia (accounting for 6.86% of Official NAV) which is the company resulted from the merger of CE Craiova, CE Rovinari and CE Turceni, effective since 30 Apr'12. We have incorporated in our Fair NAV calculation the detailed portfolio structure announced for end-Mar'12, so we have estimated market values for each of the three companies, CE Craiova, CE Rovinari and CE Turceni, because we haven't detailed financial statements for new company.
- This merger signals that the two energy giants project has been stopped and Fund Manager along with other authorities succeed to convince Romanian state that the two energy giants foundation is economically inefficient.

■ **Changes to FP's portfolio structure subsequent to our Fair NAV calculation.**

On 29 Jun'12, FP's Fund Manager announced that it sold its entire stake held in Azomures (11.12% of Azomures share capital, 58.53m shares) within the mandatory takeover bid run by Pelican Fertilizers for 24.12% of Azomures shares between 5 Jun'12 and 25 Jun'12, at RON 2.22 per share. Thus, the Fund should cash RON 129.94m, which are going to be used for buy-back program approved by FP's shareholders, according to Fund's Manager official statements. Consequently, the overall impact of Fund's exit from Azomures shareholding structure is expected to be marginal on Fair NAV calculation. Moreover, in our worst case scenario we haven't include Azomures stake and not even in cash&cash equivalents line, as we don't know accurately what is going to be the cash remained at Fund's disposal.

Hidroelectrica insolvency procedure story

■ ***Fact***

On 20 Jun'12 Bucharest Court accepted Hidroelectrica insolvency request filed on 15 Jun'12. Hidroelectrica is the largest local energy producer (approx. 25-33% of total energy production), and requested its insolvency because of liquidities issues experienced in the past months. Please refer to *Appendix 4 (pag. 21)* dedicated to *Hidroelectrica* for more details regarding company's financials, key risks.

■ ***Official justification***

The official motivation presented on company's website includes: 2011 turnover decline (-10% yoy) due to the drought seen in Romania in 2011 and beginning of 2012; 27% cash-flow reduction in 2012; financial losses as a result of RON depreciation in amount of RON 121m in 2011 and of RON 112m in 2012, respectively; increase of outstanding debts (higher than 90 days) to RON 470m.

■ ***Liquidities issues might have been foreseen, as auditors' released qualified opinion on 2010 and 2011 RAS financial statements***

Although, company's insolvency application has been perceived as a surprise by many market participants, this request might have been foreseen to some extent. Hidroelectrica's auditor opinion on 2011 unconsolidated RAS financial statements was a "qualified opinion", according to company's auditor's report published on Fondul Proprietatea (FP) website almost two months ago. The main rationale for the qualified opinion expressed by the auditor was related to debt covenants agreed with several banks to be met by Hidroelectrica. Debt covenants specified in loans agreement were computed based on IFRS consolidated results, which weren't available at the moment of auditors' report issuance. However, if Hidroelectrica misses those debt covenants, the banks are allowed to ask the reimbursement of LT debt in advance. Thus, some of company's LT debt should have been classified as short-term debt in 2011, according to auditors' opinion. Similar qualified opinion and justification were given on 2010 RAS unconsolidated report by the company's auditor.

■ ***Other solutions might have been followed, given the strategic importance of Hidroelectrica for domestic economy***

Nevertheless, given the strategic importance of the company for entire domestic economy, we believe it should have been necessary a thoroughly analysis together with financing banks for attainment a solution to solve liquidities problems of the company. The insolvency procedure is

quite an extreme solution with many negatives on general perception towards Romanian assets and economy. Furthermore, during insolvency procedures no decision maker has the responsibility to protect shareholders' value.

▪ ***Some negative implications of insolvency process of Hidroelectrica***

Some negative implications of insolvency process of Hidroelectrica for FP mainly, and for other market participants are listed below:

- FP's official NAV is going below FP's share capital once Hidroelectrica is valued at RON 0, impeding FP to distribute dividends next year, according to NSC regulations. However, is likely NSC to give a favourable interpretation allowing FP to distribute dividends in 2013.
- Questions marks might arise regarding the future development of other state-owned companies with low performance and which are included in FP's portfolio. Since Hidroelectrica, one of the major local company, is undergoing an insolvency process then what are the chances for other state-owned companies to experience same reorganization process. Consequently, we see that main positive catalyst for investing in FP shares, namely value potential un-lock once state-owned companies are listed, is suspended on short-run, at least;
- The insolvency procedure might make more difficult selling the equity story in case the IPO for the company is still in the cards;
- Capital market potential development – foreign investors' reluctance in investing in local listed companies is very probable to increase and is less likely to see local market in emerging markets category on short-medium run;
- FP's listed local banks value might decline, if the banks book provisions related to Hidroelectrica exposure. Is very likely the banks to be exempted by NBR from registering provisions expenses related to entire exposure, so we see the negative impact as marginal and manageable. Government' representatives as well as those of the judicial administrator stated that they are committed to pay interest and reimburse principal related to Hidroelectrica loans;

▪ ***Expectations for improved financial standing of the company and the risk of not meeting them***

All the above mentioned negatives might be tackled in case the re-organization process will bring Hidroelectrica to an improved and sustainable financial position. However, the positive results of this process might take a while, as an insolvency process spans usually between 12 and 18 months. For the time being, is rather impossible to gauge the positive implications of this process as other "surprises" might appear leading to extension of the process. Additionally, the shareholders have no decision power during the judicial administration, so there is no decision maker to protect shareholders' value.

▪ ***Local market speculations***

There are speculations on the market that one of the major reason for insolvency request of the company is the need to cancel the contracts with so called "smart guys" whose companies are receiving energy at prices below market ones. But, these contracts are under the analysis of European Commission because of state-aid suspicions. So, if the European Commission confirms the state-aid, Hidroelectrica is going to annul them.

- ***Reorganization principles***

The main principles of the reorganization plan were stated by the judicial administrator appointed by the Bucharest Court on 20 Jun'12, such as: implementation of commercial policy in order to assure the free access of the participants on energy competitive market and to ensure the optimal use of other energy producers (coal fire plant), increasing efficiency in producing energy, the capitalization of the unimproved hidro potential. Also, the judicial administrators stated that no asset will be sold or employees will be sacked.

During the reorganization process it has been established Creditors' meeting on 29 Aug'12 whilst the next hearing in front of the Court is set on 12 Dec'12, when the judicial administrator will present the already undertaken measures.

The judicial administrator is entitled to denounce any contract concluded by the company with its clients at prices below competitive market and/or production costs. However, there are risks that contracts to deliver energy on regulated market might increase electricity prices for population with social negative implications.

Franklin Templeton Investment Management (FTIM) future corporate actions

- ***Secondary technical listing on Warsaw Stock Exchange***

On 27 Jun'12 FP shareholders decided the secondary technical listing of the Fund on Warsaw Stock Exchange main market and the registration of the shares within Poland Central Depository. The shareholders appointed the brokerage consortium formed by JP Morgan, Unicredit and KBC Securities to list the Fund on Warsaw Stock Exchange. The expenses related to the listing were budgeted at RON 10.76m, but are subject to further revisions in case the initial assumptions aren't met. The Consortium has to prepare, among others, the Listing Memorandum for FP shares listing on Warsaw Stock Exchange. The Fund's manager has been empowered to make all the necessary steps for FP listing on Warsaw Stock Exchange, including solving technical issues related to Romanian and Polish Central Depository connection for the settlement of the trades. The technical listing should be concluded in about 13 weeks since the publication of the decision in Official Gazette. During the Ordinary GSM, FP's shareholders approved 2012 Revenues and Expenses Budget adjustments as a result of changes in Fund's Manager fees decided on 4 Apr'12 together with fee related to redemption program and incorporation of estimated expenses related to secondary technical listing on Warsaw Stock Exchange.

Also, FTIM is going to select independent valuers for valuing portfolio unlisted companies, whilst the resulted values are going to be included in NAV calculation and the results of impairment tests will be reflected in IFRS financial results. The shareholders approved independent valuers to be appointed on the expense of the Fund. Beforehand, an approval of Board of Representatives is required but not necessary.

- ***Buy-back program for maximum of 1.10bn FP shares (8.1% of the new subscribed share capital)***

On 25 Apr'12, FP's shareholders decided to authorize FTIM to buy-back a maximum of 1.10bn FP shares (8.1% of the new subscribed share capital) at prices between RON 0.2 and RON 1.5 within 18 months since the publication of shareholders decision in the Official Gazette. The execution of the buy-back program will depend on the availability of Fund's liquidities.

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BRD-GSG rating system (July 2012)

Premium List

Selected from stocks expected to outperform the market by over 25%.

Buy

Expected to outperform the market by at least 10%.

Hold

Expected to perform in line with the market +/-10%.

Sell

Expected to underperform the market by at least 10%.

Assumptions

12 month time horizon and flat market over forecast period.

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Appendices

Appendix 1 – Unlisted companies implied value (base scenario). Sector multiples are detailed in Appendix 2 – Peers' Multiples*

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Oil&Gas	Romgaz SA (2011)	Energy-Natural gas producer	4,211.15	1,867.62	(2,511.33)	250.22	0.91	5.78	1.67	226.53	347.58	183.98	1,300.93	1,995.71	1,056.38
	Petrotel - Lukoil SA (2009)	Refinery	3,320.93	(180.13)	63.78	(3.69)	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Electricity generation	Hidroelectrica SA (2011)	Energy-Producer	3,020.59	899.05	2,428.99	37.22	0.80	3.83	0.60	na	na	na	na	na	na
	Nuclearelectrica SA (2011)	Energy-Producer	1,588.35	553.70	1,648.76	31.18	0.80	3.83	0.60	24.91	1.85	3.78	614.76	45.62	93.19
	Complexul Energetic Turcenti SA (2011)	Energy-Producer	1,529.90	380.40	858.52	47.31	0.80	3.83	0.60	37.80	12.99	20.10	430.50	147.85	228.83
	Complexul Energetic Craiova SA (2011)	Energy-Producer	1,228.00	122.28	92.36	41.97	0.80	3.83	0.60	33.53	14.51	28.65	211.31	91.42	180.49
	Complexul Energetic Rovinari SA (2011)	Energy-Producer	1,017.70	197.63	423.82	54.00	0.80	3.83	0.60	43.15	14.19	26.24	238.41	78.40	144.97

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Electricity distribution	Electrica Distributie Muntenia Nord SA (2011)	Energy-Distribution	685.74	137.00	(178.14)	35.49	0.31	2.00	0.17	11.11	12.77	3.28	86.65	99.55	25.54
	ENEL Distributie Banat SA (2011)	Energy-Distribution	585.78	316.11	(429.81)	48.31	0.31	2.00	0.17	15.13	27.82	2.60	139.48	256.47	23.93
	E.ON Moldova Distributie SA (2009)	Energy-Distribution	626.20	143.66	15.12	14.78	na	na	na	na	na	na	na	na	na
	Electrica Distributie Transilvania Sud SA (2011)	Energy-Distribution	598.51	137.91	66.51	21.22	0.31	2.00	0.17	6.65	4.95	2.39	61.98	46.15	22.29
	ENEL Distributie Dobrogea SA (2011)	Energy-Distribution	459.00	186.40	(147.72)	43.10	0.31	2.00	0.17	13.50	18.60	2.77	91.14	125.57	18.73
	Electrica Distributie Transilvania Nord SA (2011)	Energy-Distribution	535.41	132.30	47.84	23.14	0.31	2.00	0.17	7.25	5.85	2.44	59.18	47.80	19.95
	ENEL Distributie Muntenia SA (2011)	Energy-Distribution	705.88	212.49	(1,314.25)	105.65	0.31	2.00	0.17	33.08	64.12	4.41	107.73	208.81	14.35

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Materials	Societatea Nationala a Sarii SA (2009)	Salt production	188.41	19.48	(5.41)	39.14	na	na	na	na	na	na	na	na	na
	Zirom SA (2009)	Manufacturer of titanium and titanium alloy ingots	7.29	(0.58)	(2.96)	9.58	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Transportation	CN Aeroporturi Bucuresti (2011)	Airport	474.34	218.14	162.12	347.43	0.48	4.41	1.01	166.46	55.71	33.41	478.65	160.19	96.06
	Aeroportul Int'l Timisoara - Traian Vuia SA (2009)	Airport	41.07	9.27	4.31	153.54	na	na	na	na	na	na	na	na	na
	Aeroportul Int'l Mihail Kogalniceanu SA (2009)	Airport	14.07	0.46	(0.74)	107.86	na	na	na	na	na	na	na	na	na
	CN Administratia Porturilor Maritime SA (2009)	Port	209.79	41.12	54.72	44.16	na	na	na	na	na	na	na	na	na
	CN Administratia Canalelor Navigabile SA (2009)	Port	36.15	6.66	(9.70)	77.39	na	na	na	na	na	na	na	na	na
	CN Administratia Porturilor Dunarii Maritime SA (2009)	Port	9.33	(0.17)	(0.13)	79.48	na	na	na	na	na	na	na	na	na
	CN Administratia Porturilor Dunarii Fluviale SA (2009)	Port	18.64	5.24	(3.27)	153.81	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Other services	Posta Romana SA (2010)	National Post Office	1,376.85	(66.48)	28.32	9.57	1.14	3.56	0.27	10.92	na	6.38	162.33	na	93.14
	Electroconstructia Elco Cluj SA (2009)	Installations assembly	7.00	nav	0.16	1.67	na	na	na	na	na	na	na	na	na
	Celuloza si Otel SA (2009)	Recycling	18.95	0.70	1.20	121.29	na	na	na	na	na	na	na	na	na
	Salubriserv SA (2009)	Waste collection	25.51	10.46	37.88	172.46	na	na	na	na	na	na	na	na	na
	World Trade Center Bucuresti SA (2009)	HoReCa	46.30	5.27	(30.95)	(113.39)	na	na	na	na	na	na	na	na	na
	World Trade Hotel SA (2009)	HoReCa	nav	(0.00)	(0.09)	1.00	na	na	na	na	na	na	na	na	na
	Ciocarla SA (2009)	HoReCa	5.67	nav	nav	nav	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Natural gas distribution	E.ON Gaz Distributie SA (2009)	Energy-Distribution	724.46	201.32	74.07	8.21	na	na	na	na	na	na	na	na	na
	GDF Suez Energy Romania (ex Distrigaz Sud SA) (2011)	Energy-Distribution	3,862.38	411.73	41.39	169.43	0.77	4.05	0.32	130.85	91.73	69.14	278.44	195.19	147.12

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Electricity supply	Electrica Furnizare SA	Energy- Electricity supply	nav	nav	nav	nav	na	na	na	na	na	na	na	na	na
	ENEL Energie SA (2009)	Energy-Electricity supply	1,849.63	(114.57)	(159.06)	14.06	na	na	na	na	na	na	na	na	na
	Enel Energie Muntenia SA (2009)	Energy-Electricity supply	1,919.52	(20.65)	(372.79)	83.40	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Natural gas supply	E.ON Energie Romania (ex. E.ON Gaz Romania) (2009)	Energy-Natural gas&Electricity supply	2,557.67	(39.03)	974.12	15.32	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Capital goods	Electromecanica Ploiesti (2009)	Manufacturer of military and civil equipments	5.48	nav	nav	nav	na	na	na	na	na	na	na	na	na
	Uzina Mecanica Bucuresti SA (2009)	Defense industry	23.01	nav	nav	nav	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)		
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales
Retail	Comsig SA (2009)	Retail (food)	0.11	nav	nav	nav	na	na	na	na	na	na	na	na	na
	Commetex SA (2009)	Ceramics products wholesale	0.93	0.05	(0.07)	3.20	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG



General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)			
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales	
Financial services	Carom - Broker Asigurare SA (2009)	Insurance	1.13	(0.00)	1.57	nav	na	na	na	na	na	na	na	na	na	na
	Cetatea SA (2009)	Real Estate Agent	0.20	0.06	2.08	0.00	na	na	na	na	na	na	na	na	na	na

Source: FactSet, BRD-GSG

General sector	Company	Sector detail	Sales (RONm)	EBITDA (RONm)	Net debt (RONm)	BV	P/BV	EV/EBITDA	MkCap/Sales	Implied Price (RON)			Implied value (RONm)			
										P/BV	EV/EBITDA	MkCap/Sales	P/BV	EV/EBITDA	MkCap/Sales	
Insolvency procedures	Carbid Fox SA - in insolventa	Chemical	nav	nav	nav	na	na	na	na	na	na	na	na	na	na	na
	BAT Service SA - dissolution															
	Simtex SA - in insolventa	na	nav	nav	nav	na	na	na	na	na	na	na	na	na	na	na
	FECNE SA - in insolventa	na	nav	nav	nav	na	na	na	na	na	na	na	na	na	na	na
	Plafar SA - in insolventa	na	3.44	(2.38)	10.48	na	na	na	na	na	na	na	na	na	na	na
	Retizoh SA - insolvency	Other special construction	nav	nav	nav	na	na	na	na	na	na	na	na	na	na	na
Gerovital Cosmetics SA - insolvency	Health care	nav	nav	nav	na	na	na	na	na	na	na	na	na	na	na	

Source: FactSet, BRD-GSG

* Calculations in the tables above are based on the latest available financial data (2009/2010/2011), as mentioned within the "Company" column

Appendix 2 - Peers' Multiples

Airport sector

Company	Country	Market Cap. (EURm)	Price/Book			Market capitalization/Sales			EV/EBITDA			EV (EURm)			Return on assets (ROA)			Return on equity (ROE)		
			2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Aeroporto di Firenze-A.d.F. S.p.A.	Italy	78				3.66	2.44	1.87												
Brisa-Autoestradas de Portugal S/A	Portugal	1,404	0.98	0.71	0.91	6.36	4.65	2.28	15.99	11.25	10.21	7,672.3	5,330.3	4,690.1	2.50%	14.56%	2.17%	9.84%	30.69%	6.73%
Derichebourg	France	312	1.52	1.23	0.88	0.22	0.28	0.11	14.41	7.06	4.03	1,467.3	1,736.5	1,140.3				-30.45%	27.00%	32.44%
Gemina S.p.A.	Italy	913	0.63	0.55	0.58	1.48	1.31	1.35	10.28	8.76	7.92	2,235.0	2,148.2	2,125.6		-0.28%	-0.13%	-0.39%	0.08%	0.20%
Kobenhavns Lufthavne A/S	Denmark	2,040				3.29	4.72									10.26%	7.59%	20.29%	22.00%	22.55%
Flughafen Wien AG	Austria	672	0.85	0.82	0.83	1.46	2.02	1.06	8.50	10.66	7.27	1,413.1	1,790.3	1,385.5	3.64%	3.75%	2.22%	8.44%	10.00%	8.43%
Shenzhen Airport Co. Ltd.	China	861		1.30		7.63	4.92	3.47							6.97%	8.47%		10.72%	13.84%	12.06%
Average			0.99	0.92	0.80	3.44	2.91	1.69	12.29	9.43	7.36				4.37%	7.35%	2.96%	3.07%	17.27%	13.74%

Source: FactSet

Electricity distribution sector

Company	Country	Market Cap (EURm)	Price/Book			Market capitalization/Sales			EV/EBITDA			Return on assets (ROA)			Return on equity (ROE)			
			2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	
IDGC of Centre JSC	Russia	508	0.64	0.49	0.40	0.61	0.81	0.34	4.49	4.70	2.63		6.70%	7.76%	5.74%	12.66%	16.73%	
Interregional Distribution Grid Co. of Siberia	Russia	199	1.16	0.48	0.53	0.52	0.47	0.25	6.12	8.99	3.48		-1.25%	-0.28%		-2.49%	-1.28%	
Interregional Distribution Grid Co. of South	Russia	65		0.21	0.23	0.48	0.39	0.13	7.45	5.18	3.47		-0.06%	0.92%			3.43%	
Interregional Distribution Grid Co. of the North-Wes	Russia	162		0.40	0.47	0.80	0.69	0.35	8.22	8.78	4.33		1.15%	0.64%			1.96%	
Interregional Distribution Grid Co. of Urals	Russia	397	1.12	0.53	0.55	0.52	0.55	0.23	5.26	3.95	2.15		5.40%	5.39%		9.28%	8.61%	
Interregional Distribution Grid Co. of Volga	Russia	264	0.72	1.03	0.96	0.72	0.82	0.40	6.51	7.75	3.99		3.22%	4.21%		3.54%	6.85%	
Average			0.9 x	0.5 x	0.5 x	0.6 x	0.6 x	0.3 x	6.3 x	6.6 x	3.3 x		na	2.53%	3.11%	5.74%	5.74%	6.05%

Source: FactSet

Oil & Gas production sector

Company	Country	Market Cap. (EURm)	Price/Book			Market capitalization/Sales			Ev/EBIDTA			Return on assets (ROA)			Return on Equity (ROE)		
			2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
JIX Oil & Gas PLC	Great-Britain	231	0.55	0.68	0.76	3.65	4.39	1.53	4.23	8.03	3.27	18.13%	11.07%	10.02%	19.15%	11.79%	15.12%
Lundin Petroleum AB	Sweden	5,018	6.67	7.08	6.29	1.80	5.04	6.18	9.14	7.84	8.83	0.82%	11.83%	5.97%	3.24%	6.63%	17.89%
Etablissements Maurel & Prom	France	1,377	1.45	1.72	1.68	8.39	3.70	3.82	26.48	10.18	6.24	4.46%	2.55%	10.51%	2.32%	4.39%	14.49%
Melrose Resources PLC	Great-Britain	179	0.78	0.78	0.63	2.25	1.71	0.72	5.52	6.05	2.54	1.24%	1.10%	6.11%	7.31%	2.73%	16.24%
PA Resources AB	Sweden	87	0.17	0.15	0.24	1.95	2.15	0.63	5.80	6.23	4.12	0.87%	-0.82%	-23.45%	1.66%	-1.65%	-48.71%
Premier Oil PLC	Great-Britain	2,387	2.96	2.41	2.14	3.29	4.65	3.19	7.44	9.13	7.08	4.42%	4.15%	4.33%	9.54%	11.61%	12.05%
Providence Resources PLC	Ireland	495				0.24		8.09	37.56		41.40			-9.10%			
Sefton Resources Inc.	Great-Britain	11			0.69	1.47		3.49			19.64						
Slavneft-Megionneftegaz JSC	Russia	1,311															
Total Gabon S.A.	France	1,470	1.37	1.08	1.16	1.50	1.39	1.10	2.65	2.05	1.35				14.48%	20.09%	19.87%
Yinggao Holdings PLC	Great-Britain																
Gazprom OAO	Russia	90,089	0.72	0.55	0.45	1.45	1.27	0.87	5.35	4.09	2.55	7.74%	9.27%	12.46%	11.43%	16.40%	18.50%
PGNG.	Poland	5,706	1.10	0.96	1.05	1.21	0.99	1.05	8.62	5.21	9.02	3.06%	5.44%	3.73%	4.55%	8.22%	5.32%
Average			1.8 x	1.7 x	1.5 x	2.5 x	2.8 x	2.8 x	11.3 x	6.5 x	9.6 x	5.09%	5.57%	2.29%	8.19%	8.91%	7.86%

Source: FactSet

Electricity generation

Company	Country	Market Cap. (EURm)	Price/Book			Market capitalization/Sales			Ev/EBIDTA			EV(EURm)			Return on assets (ROA)			Return on equity (ROE)		
			2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Cez A.S.	Czech Republic	14,897	1.92	1.68	1.65	2.37	2.12	2.02	6.41	6.29	6.70	21,268.0	23,321.3	22,973.6	9.82%	8.27%	7.17%	25.80%	23.08%	17.86%
Enea S.A.	Poland	1,591	0.73	0.64	0.68	1.32	1.33	0.82	7.45	5.60	3.74	2,246.6	2,478.1	1,214.4	5.21%	5.21%	5.46%		7.32%	6.69%
Enel S.p.A.	Italy	22,907	0.71	0.63	0.60	0.59	0.48	0.38	5.66	4.69	4.28	90,712.4	82,704.0	74,794.6	3.45%	3.02%	2.49%	16.02%	13.00%	11.04%
EnBW Energie Baden-Wuerttemberg AG	Germany	8,741	1.24			0.65	0.59	0.52	6.42		7.68	16,639.3	16,221.3	18,637.2			-0.93%	17.60%	13.11%	
International Power PLC	Great-Britain	27,167	1.97	1.82	1.41	1.28	2.00	1.27	7.85	6.07	7.71	11,577.9	13,656.6	34,604.6	2.96%	3.12%	3.12%	11.78%	8.60%	8.51%
Scottish & Southern Energy PLC	Great-Britain	16,907	4.24	3.57	2.86	0.50	0.40	0.38	8.95	7.84	9.38	18,556.5	20,700.4	22,481.0	6.32%	5.85%	4.60%	30.44%	28.35%	21.40%
Zespol Elektrociepłowni Wroclawskich Kog	Poland	259						1.21												
Elektrociepłownia Bedzin S.A.	Poland	20																		
Wholesale Generation Co.-5	Russia	1,482	1.05	0.94	0.88	1.75	1.91	1.07	12.08	12.09	7.11	2,109.7	2,999.8	2,098.1	3.49%	4.71%	7.01%	5.19%	7.98%	10.77%
PGE Polska Grupa Energetyczna S.A.	Poland	8,489	1.05	0.91	0.91	1.97	2.11	1.38	5.07	6.34	5.04	10,046.2	10,358.6	8,125.9	5.80%	9.41%		9.45%	10.93%	
Wholesale Generation Co.-1	Russia					0.67	0.98	0.79	6.56	4.97	4.70	903.1	943.2	925.5	4.05%	4.64%	6.70%	7.69%	1.63%	8.94%
Wholesale Generation Co.-3	Russia	1,219	0.52	0.53	0.53	1.76	2.03	0.89	3.70	17.97	2.02	536.8	941.3	423.4	4.82%	2.36%	2.43%	4.64%	2.54%	2.88%
Yakutskenergo	Russia	59																		
Yenisei Territorial Generating Co. (TGC-13)	Russia	161	0.23	0.22		0.87	1.06		11.55					496.8			-1.45%			0.00%
Photonike S.A.	Belgium																			
Tauron Polska Energia S.A.	Poland	1,753	0.54	0.47	0.49		0.75	0.45	4.13	4.22		2,980.2	2,238.9		3.78%	4.71%		6.82%	7.61%	
Yinggao Holdings PLC	Great-Britain																			
Aksa Enerji Uretim A.S.	Turkey	915		2.31	3.21		3.23	1.24	21.05	10.15		1,855.9	1,172.7		4.41%	-0.99%				11.01%
Energie Europe Service S.A.	France	30																		
Kea Petroleum PLC	Great-Britain	52											55.7	23.0						
Nopal AD	Serbia																			
Poltavahimmash	Ukraine																-4.42%			
Verbund AG	Austria	6,269	1.76	1.47	1.43	2.63	2.76	1.86	10.19	12.28	10.16	12,873.9	13,016.2	11,033.7	6.78%	4.14%	3.48%	21.14%	13.56%	9.51%
Average			1.3 x	1.3 x	1.3 x	1.4 x	1.6 x	1.0 x	7.3 x	9.3 x	6.4 x				4.39%	4.60%	3.80%	15.59%	11.29%	9.78%

Source: FactSet



Gas distributors sector

Company	Country	Market Cap. (EURm)	Price/Book			Market capitalization/Sales			Ev/EBIDTA			Return on assets (ROA)			Return on equity (ROE)		
			2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Acegas APS S.p.A.	Italy	192	0.56		0.52	0.47	0.40	0.31	6.65		5.29						3.32%
ACSM-AGAM S.p.A.	Italy	42						0.36									
Altergaz	France																
Aygaz A.S.	Turkey	1,068	1.34	1.12	1.22	0.44	0.53	0.48	4.63	7.52	8.93	10.90%	8.95%	11.87%	15.42%	15.92%	16.01%
Centrica PLC	Great-Britain	20,905	4.38	3.11	3.14	0.66	0.76	0.66	6.91	6.26	5.69		11.00%	6.72%	21.24%	29.06%	22.30%
Gas Natural SDG S.A.	Spain	9,718	0.79	0.77	0.74	0.93	0.54	0.62	8.58	6.53	6.54	2.86%	2.72%	3.03%	12.05%	10.01%	9.94%
GDF Suez S.A.	France	41,791	0.67	0.65	0.64	0.86	0.72	0.52	7.11	6.33	5.36	2.79%	2.62%	2.23%	7.91%	7.17%	6.06%
Latvijas Gaze AS	Latvia	361															
Leon Gas S.A.	France																
Lietuvos Dujos AB	Lithuania	261															
Rubis S.A.	France	1,292	1.86	1.54	1.47	0.70	0.83	0.58	7.71	10.77	8.71		4.91%	4.70%	10.29%	10.30%	8.99%
Vychodoceska Plynacenska a.s.	Czech Republic																
		Average	1.6 x	1.4 x	1.3 x	0.7 x	0.6 x	0.5 x	6.9 x	7.5 x	6.8 x	0.1 x	6.04%	5.71%	11.71%	14.49%	12.66%

Source: FactSet

Appendix 3 - FP's Financial Statements

Balance Sheet (RONm)	2008	2009	2010	2011	Q1'12
Intangible assets	0.00	0.01	0.00	0.00	0.00
Tangible Assets	0.76	0.50	0.00	0.00	0.00
Land and Buildings	0.10	0.00	0.00	0.00	0.00
Machinery and equipments	0.58	0.43	0.00	0.00	0.00
Others	0.08	0.07	0.00	0.00	0.00
Financial Assets	9,410.69	9,552.14	10,890.52	10,627.88	12,096.28
Securities held for LT term	9,410.55	9,552.01	7,004.42	7,264.78	7,304.74
Other claims	0.13	0.13	3,886.11	3,363.10	4,791.54
Total Fixed assets	9,411.45	9,552.64	10,890.52	10,627.88	12,096.28
Inventories	0.00	0.00	0.00	0.00	0.00
Receivables	569.83	515.55	12.44	55.89	52.49
commercial claims	0.01	0.00	0.09	0.00	1.02
other claims	8.56	18.13	12.35	55.88	51.47
share capital subscribed and not paid	561.27	497.42	0.00	0.00	0.00
Short term investments	397.65	0.00	248.02	195.92	199.04
Cash and current bank accounts	572.16	2,151.22	1,071.97	297.39	269.18
Deposits (in RON)	570.66	2,149.73	0.00	0.00	0.00
RON	409.33	963.68	1,064.77	0.00	0.00
EUR (in EUR)/FX	161.33	1,186.06	0.00	0.00	0.00
Current accounts, cash and Treasury advances	1.50	1.48	7.21	0.00	0.00
			0.00	0.00	0.00
Current Assets	1,539.64	2,666.77	1,332.43	549.20	520.72
Prepaid expenses	1.04	0.06	0.03	0.03	0.16
other assets	0.00	0.00	0.00	0.00	0.00
Total Assets	10,952.13	12,219.47	12,222.99	11,177.11	12,617.16
Liabilities to be paid within one year	9.18	7.38	69.29	42.21	20.37
Commercial liabilities	1.92	0.11	25.53	27.59	9.21
Liabilities related to financial assets			0.00	0.00	0.00
Other liabilities	7.26	7.27	43.76	14.62	11.16
Provisions expenses	16.09	15.06	14.42	14.20	14.20
provisions for taxes	14.12	14.12	14.14	14.14	14.14
other provisions	1.96	0.94	0.29	0.06	0.06
Capital	14,240.54	14,240.54	13,778.39	13,778.39	13,778.39
subscribed and not paid share capital	561.27	497.42	0.00	370.82	365.84
subscribed and paid share capital	13,679.27	13,743.12	13,778.39	13,407.57	13,412.55
Reserves	(3,832.13)	(3,242.11)	(2,146.21)	(3,128.33)	(1,664.94)
Legal reserves	29.16	79.15	102.52	129.80	129.80
Loss adjustments for financial assets	(3,981.59)	(3,441.56)	(2,369.14)	(3,378.54)	(1,915.15)
Other reserves	120.30	120.30	120.41	120.41	120.41
Treasury shares			0.00	(120.27)	(120.27)
Reported result	74.14	504.96	74.28	74.36	590.91
Net result	467.70	730.14	456.18	543.83	(1.50)
Profit repartization	23.39	36.51	23.37	27.28	0.00
Total Equity	10,926.86	12,197.03	12,139.28	11,120.70	12,582.60
Total Sh Equity and Liabilities	10,952.13	12,219.47	12,222.99	11,177.11	12,617.16

Source: FP's RAS financial statements, BRD-GSG

Profit and Loss Account (RONm)	2008	2009	2010	2011	Q1'12
Dividend revenues	384.75	118.17	179.05	519.07	0.00
Revenues from assets sold	0.00	980.24	0.00	13.38	0.07
Provision revenues	11.48	31.57	217.36	30.51	4.99
FX revenues	43.36	47.73	47.73	1.62	0.01
Interest revenues	84.45	142.47	131.47	41.13	7.03
Other current revenues	0.05	0.20	1.02	12.19	1.33
TOTAL OPERATING REVENUES	524.09	1,320.36	576.63	617.89	13.42
Losses from stakes held	0.06	0.00	0.00	0.00	0.00
Expenses with stakes sold	0.00	428.74	0.00	4.58	0.05
FX expenses	23.82	33.00	56.90	0.92	0.00
Interest expenses	0.00	0.00	0.00	0.00	0.00
Fees expenses	0.10	0.31	6.00	17.24	4.42
Banking services expenses	0.12	0.15	0.13	0.06	0.00
Depreciations, provisions and oth losses	3.09	0.64	0.24	11.71	0.00
Other operating expenses	15.88	23.33	45.97	37.81	10.47
Materials expenses	0.15	0.14	0.16	0.00	0.00
Utilities expenses	0.04	0.05	0.03	0.00	0.00
Personell expenses	6.61	13.51	4.07	0.85	0.15
Third parties expenses	8.85	8.81	33.56	36.81	10.31
Other tax expenses	0.24	0.82	8.15	0.16	0.02
TOTAL OPERATING EXPENSES	43.09	486.17	109.24	72.31	14.95
OPERATING RESULT	481.00	834.19	467.39	545.58	(1.53)
TOTAL REVENUES	524.09	1,320.36	576.63	617.89	13.42
TOTAL EXPENSES	43.09	486.17	109.24	72.31	14.95
GROSS PROFIT	481.00	834.19	467.39	545.58	(1.53)
Income tax expenses	13.30	104.05	11.20	1.75	-0.02
NET PROFIT	467.70	730.14	456.18	543.83	(1.50)

Source: FP's RAS financial statements, BRD-GSG

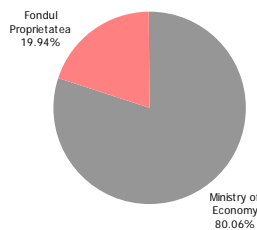
HIDROELECTRICA

Sector: Electricity Generation

Not Listed

Total no of shares	444.951m
Fair Value of FP's stake	RON 0
% Fair NAV	0%
2011 DPS	-
Dividends distributed to FP	-

Shareholders (as of end-2011)



Source: Hidroelectrica, BRD-GSG

Company Description

Hidroelectrica generates and sells hydro-electricity, renders system services for the National Energetic System (main provider), water management services and supports navigation on the Danube river through damming.

Similar Companies

Domestic market

Small hydro power plants

External market

Verbund, Rushydro, Tauron

Operational Data

Hidroelectrica, the largest electricity producer in Romania, is split into 13 regional branches and administrates 273 hydro power plants and pumping stations. Also, Hidroelectrica is the sole shareholder of HidroServ subsidiaries that render repairs and maintenance services for the company's power units.

Installed capacity as of end-2011 amounted to 6.44 GW which is almost 29.65% of total electricity capacity in Romania (21.72 GW in 2011). Portile de Fier power units have the highest installed capacity, 1.46 GW respectively (approx. 23% of the total) and generated 39.2% of the company's total electricity output in 2011.

Business Overview

- ✓ According to the company's management report, Hidroelectrica generated 14.71 TWh (-26.1% yoy) in 2011, which accounted for around 23.7% of the total domestic electricity output (61.93 TWh, +4.7% yoy). The electricity volume was lower by 15.46% compared to an avg. hydrologic year (17.4 TWh), as the weather conditions (droughty weather) were unfavorable compelling the company to announce the enforcement of the force majeure clause for all existing contracts with its clients starting with 30 Sep'11.
- ✓ In 2011 Hidroelectrica sold 18,269 GWh (-19% yoy), 32.8% of total electricity delivered on the domestic market by local producers (vs. 41% in 2010). 78.8% of the total energy (vs. 82% in 2010) was sold on the competitive segment (o/w 12,075 GWh, -19.4% yoy, to eligible consumers and licensed suppliers) and 816.7 GWh (-17.5% yoy) were exported. The remainder, 3,869 GWh (-5.4% yoy) was delivered on the regulated segment.
- ✓ During 2011, Hidroelectrica sold electricity to clients on the competitive market at an avg. price of 130.92 RON/MWh (+7.3% yoy) higher than the average annual cost production, but lower by 26.4-40.6% compared to the avg. price reported by ANRE for negotiated contracts (177.9 RON/MWh, +11.9% yoy) and day-ahead market (220.6 RON/MWh, +44.1% yoy). The main clients on the competitive segment were Alro (20% of total electricity delivered), Energy Holding (18%) and Arcelor Mittal (12%). On the regulated segment, Hidroelectrica sold electricity mainly to E.ON Energie (24%), Enel Energie (16%) and CEZ Vanzare (12%) at an avg. price of 86 RON/MWh (vs. 72 RON/MWh set by ANRE in 2010), below the average annual production cost at 108.74 RON/MWh in 2011. However, the average annual production cost of the electricity delivered (incl. the acquired energy) was 129.74 RON/MWh in 2011, according to company's management report.

Key drivers

- ✓ Due to ongoing insolvency process that might last between 12 and 18 months, any positive trigger has been suspended. Thus, we should wait and see the final results of the insolvency process.

Key risks

- ✓ Considering the economic strategic importance of the company, it was unthinkable to believe there are chances for insolvency risk to materialize in Hidroelectrica case. The judicial reorganization is quite an extreme solution to improve the short term financial standing of a strategic state-owned company. There is one more step, bankruptcy, but we think this is not going to happen on short run, at least. However, the outcome of the insolvency process might be different than the one stated at its beginning, as during the process company's shareholders have no decision power, so there is no decision maker to protect shareholders' value.

Financial highlights

- ✓ Sales declined by 7.7% yoy to RON 3.02bn in 2011, mostly driven by unfavourable weather conditions (significant drought) that diminished by 50% company's energy production in Q4'11. 2011 EBIT was reduced to RON 161.16m from RON 502.8m in 2010, as the company had to acquire energy to meet its contract terms by end-Sep'11, when the force majeure clause was enforced. So, the energy acquired worth RON 770.8m (+54.2% yoy) and the water bought worth RON 303.04m (+141.8% yoy) led to an increase of operating expenses by 3.6% yoy to RON 2.89bn, as the depreciation expenses has declined by 16.1% yoy due to changes in depreciation accounting method related to the force majeure enforcement. However, recalculation of amortization expenses will be done to recover these changes during coming years. Financial loss of RON 121.55m marginally increased from 2010 loss of RON 112.5m, and bottom line reached RON 6.44m vs. RON 292m in 2010.

Comparables' Data

MW (hydro capacity)

Installed capacity / company	2010	2011
Rushydro	25,500	35,200
Verbund	6,294	6,774
Iberdrola Group	9,643	9,731
Hidroelectrica	6,438	6,438

Source: Hidroelectrica, BRD-GSG

GWh (hydro production)

Electricity production / company	2010	2011
Rushydro	72,045	77,052
Verbund	23,825	21,648
Iberdrola Group	21,634	17,732
Hidroelectrica	19,852	14,710

Source: Hidroelectrica, BRD-GSG

Key Financial Data & Ratios

	2007	2008	2009	2010	2011
Balance Sheet (RONm)					
Long term assets	18,921.84	19,337.86	22,601.97	19,667.19	20,339.08
Current assets, o/w	540.23	608.32	387.30	476.48	611.86
Cash and current accounts	118.05	128.70	28.14	99.89	88.95
Total assets	19,471.97	19,946.95	22,989.89	20,144.46	20,950.94
Equity	13,891.10	13,951.18	16,554.59	16,822.36	16,529.01
Long term liabilities, o/w	4,111.91	4,026.13	4,385.01	1,280.02	1,507.59
Long term financial debt	556.71	453.12	804.00	1,200.34	1,418.92
Short term liabilities, o/w	1,210.45	1,708.11	1,795.64	1,728.95	2,639.16
Short term financial debt	455.67	567.82	677.01	701.07	1,099.02
Total Equity & Liabilities	19,213.46	19,685.42	22,735.24	19,831.33	20,675.76
Working capital	-670.22	-1,099.79	-1,408.34	-1,252.48	-2,027.30
Net debt(+)/cash(-)	894.33	892.24	1,452.87	1,801.51	2,428.99

Income Statement (RONm)

Sales	2,060.74	2,443.55	2,420.80	3,273.70	3,020.59
Operating expenses, o/w	1,943.81	2,401.62	2,304.23	2,784.28	2,885.89
Depreciation&amortization expenses	674.77	643.23	654.87	874.22	737.89
EBITDA	817.43	849.82	816.83	1,377.01	899.05
Operating profit/loss(EBIT)	142.66	206.59	161.96	502.79	161.16
Interest expenses	52.68	74.90	69.13	85.42	102.93
Net income	52.58	65.12	48.38	292.37	6.44

Indicator per share (RON/share)

Sales	4.65	5.51	5.45	7.37	6.79
EPS	0.11	0.15	0.10	0.66	0.015
BV	31.35	31.48	37.30	37.88	37.15

Ratios

Sales growth	na	18.6%	-0.9%	35.2%	-7.7%
Net profit growth	na	23.8%	-25.7%	504.3%	-97.8%
Total assets growth	na	2.4%	15.3%	-12.4%	4.0%
EBITDA margin	39.7%	34.8%	33.7%	42.1%	29.8%
EBIT margin	6.9%	8.5%	6.7%	15.4%	5.3%
Net income margin	2.6%	2.7%	2.0%	8.9%	0.2%
Interest coverage (x)	2.71	2.76	2.34	5.89	1.57
Net debt/equity (x)	0.06	0.06	0.09	0.11	0.15
ROE	0.4%	0.5%	0.3%	1.7%	0.0%
ROA	0.3%	0.3%	0.2%	1.5%	0.0%

Source: Hidroelectrica, BRD-GSG

2011 ST liabilities breakdown (RON 1.125bn)

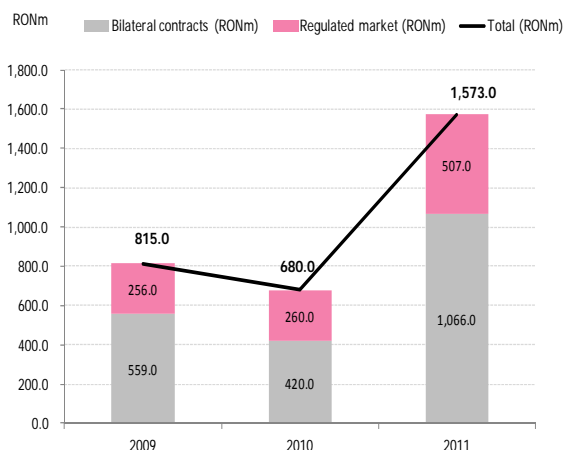
2011 Short-term liabilities	RON m
Apele Romane (water expenses)	209.2
SOEs	172.1
OMV Petrom	21.2
Suppliers of fixed assets	519.2
Others	204.1

2011 Debt breakdown (RON 2.52bn, o/w RON 1.1 bn on short term)

2011 Financial debt breakdown	RON m
BRD-GSG	393.9
ING Bank	359.1
Unicredit	306.1
Citi/Citibank Europe	283.3
IBRD	217.5
BCR	187.8
RBS Bank	124.5
EFG	89.7
Banca Transilvania	94.1
Alpha Bank	80
Libra Bank	13.2
UBS	7.7
EBRD	7.6

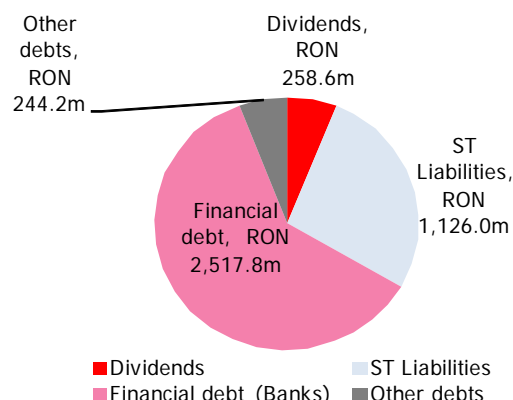
Source: 2011 Hidroelectrica Financial Statements, 21 Jun'12 FP's Presentation

Foregone profits from bilateral contracts and regulated market (RON 1.57bn in 2011)



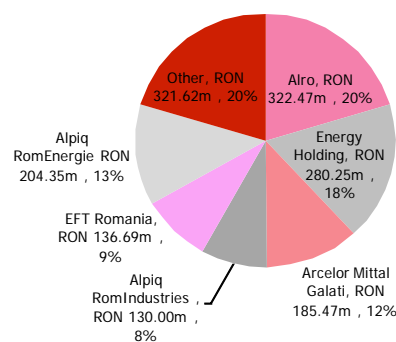
Source: 2011 Hidroelectrica Financial Statements, 21 Jun'12 FP's Presentation

2011 Total liabilities (incl. debt) breakdown (RON 4.15bn)



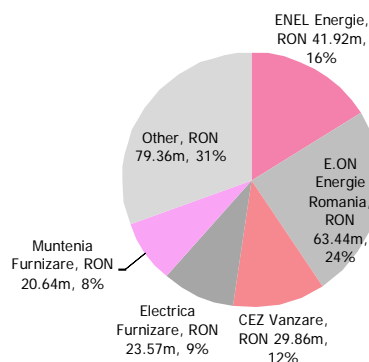
Source: 2011 Hidroelectrica Financial Statements, 21 Jun'12 FP's Presentation, BRD-GSG

2011 Accounts receivable breakdown related to electricity sold on competitive market (bilateral contracts) (RON 1.6bn)



Source: 2011 Hidroelectrica Financial Statements, 21 Jun'12 FP's Presentation, BRD-GSG

2011 Accounts receivable breakdown related to electricity sold on regulated market (RON 258.79m)



Source: 2011 Hidroelectrica Financial Statements, 21 Jun'12 FP's Presentation, BRD-GSG