

Fund Administrator: Franklin Templeton International Services S.à r.l.  
 Administrator Code: PJM07.1AFIASMDLUX0037  
 Fund: Fondul Proprietatea SA  
 Fund Code: PJR09SIIR/400006  
 Reporting date: 29.12.2017

**Fondul Proprietatea SA 's Assets and Liabilities based on NAV calculation according with the CNVM Regulation No. 4 / 2010, as subsequently amended**

Lei

<b>1. Non-current Assets</b>	<b>6,852,093,782.71</b>
1.1. Intangible assets	756,603.69
1.2. Tangible assets	0.00
1.3. Financial assets	6,851,337,179.02
1.3.1 Listed shares**	10,095,916.20
1.3.2 Unlisted shares	6,841,241,262.82
1.3.3 Government securities	0.00
1.3.4 Certificates of deposits	0.00
1.3.5 Bank deposits	0.00
1.3.6 Municipal bonds	0.00
1.3.7 Corporate bonds	0.00
1.3.8 Newly issued securities	0.00
1.3.9 Participation titles of UCITS and/or of OCIU	0.00
1.3.10 Other financial assets	0.00
<b>2. Current assets</b>	<b>3,974,488,203.15</b>
2.1 Inventory	0.00
2.2 Receivables out of which:	9,692,616.26
- commercial papers	0.00
2.3 Cash	19,173,642.78
2.4 Short term financial investments	2,426,855,059.71
2.4.1 Listed shares**	2,426,855,059.71
2.4.2 Unlisted shares	0.00
2.4.3 Municipal bonds	0.00
2.4.4 Corporate bonds	0.00
2.4.5 Participation titles of UCITS and/or of OCIU	0.00
2.5 Newly issued securities	0.00
2.6 Government securities	242,163,978.45
2.7 Bank deposits	1,276,587,197.95
2.8 Certificates of deposits	0.00
2.9 Other current assets	15,708.00
<b>3. Derivatives</b>	<b>0.00</b>
<b>4. Prepaid expenses</b>	<b>245,882.23</b>
<b>5. Total assets</b>	<b>10,826,827,868.09</b>
<b>6. Total liabilities</b>	<b>35,553,287.07</b>
6.1 Borrowings from bond issues	0.00
6.2 Amounts due to credit institutions	0.00
6.3 Advance payments to customer accounts	0.00
6.4 Payables	14,045,095.94
6.5 Commercial papers due	0.00
6.6 Amounts due to group companies	0.00
6.7 Amounts due to related parties	0.00
6.8 Other debts	21,508,191.13

<b>7. Provisions</b>	<b>856,247.22</b>
<b>8. Deferred income out of which:</b>	<b>0.00</b>
8.1 Subsidies for investments	0.00
8.2 Deferred income	0.00
<b>9. Shareholders' equity out of which:</b>	<b>10,790,418,333.80</b>
9.1 Share capital	4,854,034,784.56
9.2 Share capital premiums	0.00
9.3 Revaluation differences	-9,105.86
9.4 Reserves	4,284,882,904.44
9.5 Retained earnings	425,934,390.13
9.6 Period result	1,290,079,326.87
9.7 Profit appropriation	-64,503,966.34
<b>10. Total liabilities and Shareholders' equity</b>	<b>10,826,827,868.09</b>
<b>11. Net Asset Value</b>	<b>10,790,418,333.80</b>
<b>12. No of shares issued*</b>	8,718,991,588
<b>13. Net asset value per share</b>	<b>1.2375</b>
14. Number of portfolio companies out of which:	37
14.1 Companies admitted to trading on a regulated market	5
14.1 Companies admitted to trading on an alternative regulated market***	5
14.3 Companies not admitted to trading	27

Legend:

\* = Represents the number of shares related to the paid-up subscribed share capital (according to provisions of Law 247/2005, Title VII, Art. 9<sup>2</sup>, alin. 5 "Subscribed unpaid shares are not taken into account for the computation of net asset value per share for Fondul Proprietatea") excluding (a) the Fund's own shares bought back (Treasury shares), according to provisions of CNVM Regulation no. 4/2010, as subsequently amended, and (b) the equivalent number of shares corresponding to the GDRs bought back

\*\* = Include also the value of holdings admitted to trading on AeRo market (alternative regulated market)

\*\*\* = Include the number of companies admitted to trading on AeRo market (alternative trading system)

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

Oana Truta  
Legal representative

Marius Nechifor  
Compliance Officer

BRD Groupe Societe Generale

Victor Strâmbei  
Manager Depositary Department

Claudia Ionescu  
Director

## **Annex - Valuation methods used for the securities and the monetary market instruments held by Fondul Proprietatea S.A. as at 29 December 2017**

The valuation methods used for the computation of the NAV as at 29 December 2017, for the securities and the monetary market instruments held by Fondul Proprietatea S.A. are the following:

1. Listed companies on BVB traded within last 30 trading days: Closing Price
2. Listed companies on AeRo market (alternative trading system) traded within last 30 trading days: Reference price – Average Price
3. Listed companies with no trades within last 30 trading days: Shareholders' equity / share (from the annual financial statements prepared in accordance to Romanian accounting regulations or in accordance to IFRS), Fair value/share;
4. Unlisted companies: Shareholders' equity / share (from the annual financial statements prepared in accordance to Romanian accounting regulations or in accordance to IFRS), Fair value / share;
5. Companies in insolvency or reorganisation: Valued either at zero or at the value provided by an independent valuator;
6. Companies in liquidation/dissolution/ bankruptcy: Valued at zero;
7. Companies with negative shareholders' equity, unlisted, or listed but not traded within the last 30 trading days: Valued at zero;
8. Companies for which the annual financial statements of the previous year were not available 90 days after the legal term: Valued at zero;
9. Treasury bills: Acquisition price cumulated with the accrued interest receivable calculated for the period elapsed since the date of acquisition;
10. Listed government bonds: Fair value (reference composite price, including the cumulated interest);
11. Bank deposits: Bank deposit amount cumulated with the accrued interest receivable calculated for the period elapsed since its creation date.

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

**Annex – Changes in the valuation methods used for the computation of the NAV of Fondul Proprietatea as at 29 December 2017**

For the computation of the NAV as at 29 December 2017 for Fondul Proprietatea SA, the valuation methods used for the investments in the companies presented below changed and/or have been updated:

**IOR SA**

For this holding, the valuation method has been changed from Fair value per share: adjusted trading price published by Reuters (respectively RON 0.4075 /share) to Reference price - Average price (respectively RON 0.30 /share) according to CNVM Regulation 4/2010, as subsequently amended, because the shares of this company were traded during the last 30 trading days. The total impact of this change of valuation method on the Fund's NAV was a decrease of RON 281,894.35.

**Hidroelectrica SA, CN Aeroporturi Bucuresti SA, E-Distributie Banat SA, Engie Romania SA, E-Distributie Muntenia SA, E-Distributie Dobrogea SA, CN Administratia Porturilor Maritime SA, Societatea Nationala a Sarii SA, Enel Energie SA, Enel Energie Muntenia SA, Posta Romana SA, Zirom SA, Aeroportul International Timisoara - Traian Vuia SA, Plafar SA, Aeroportul International Mihail Kogalniceanu - Constanta SA, Complexul Energetic Oltenia SA**

For these companies, the valuation method remained the same, respectively fair value (value as per valuation report)/ share, but the valuation was updated with the assistance of the independent valuer. The total impact of this change on the Fund's NAV was an increase of RON 170,576,067.83, detailed in the below table:

Company	Previous value per share (RON/share)	Previous value of the holding (RON)	Current value per share (RON/share)	Current value of the holding (RON)	Impact of the update of independent valuation on NAV (RON)
Hidroelectrica SA	37.8601	3,383,996,049.14	39.8963	3,565,994,848.81	181,998,799.67
CN Aeroporturi Bucuresti SA	264.6548	760,999,792.08	269.1759	773,999,957.42	13,000,165.34
E-Distributie Banat SA	65.0605	599,899,708.96	59.1065	544,999,994.59	-54,899,714.37
Engie Romania SA	189.6517	453,399,939.89	197.4318	471,999,809.40	18,599,869.51
E-Distributie Muntenia SA	138.0053	449,399,906.90	128.6698	418,999,822.04	-30,400,084.86
E-Distributie Dobrogea SA	56.2998	380,199,699.47	50.6432	341,999,961.29	-38,199,738.18

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Company	Previous value per share (RON/share)	Previous value of the holding (RON)	Current value per share (RON/share)	Current value of the holding (RON)	Impact of the update of independent valuation on NAV (RON)
CN Administratia Porturilor Maritime SA	81.2601	215,999,747.09	86.5270	229,999,841.46	14,000,094.37
Societatea Nationala a Sarii SA	90.2345	180,999,939.80	116.1582	232,999,874.85	51,999,935.05
ENEL Energie SA	44.9404	75,499,872.00	33.9285	56,999,880.00	-18,499,992.00
ENEL Energie Muntenia SA	158.3140	70,299,964.96	137.3706	60,999,964.41	-9,300,000.55
Posta Romana SA	3.0258	44,999,537.23	2.3534	34,999,640.07	-9,999,897.16
Zirom SA	4.4938	25,511,675.59	4.7276	26,838,977.59	1,327,302.00
Aeroportul International Timisoara - Traian Vuia SA	113.2558	3,625,997.69	687.1564	21,999,999.30	18,374,001.61
Plafar SA	16.2444	2,156,996.41	14.9867	1,989,993.97	-167,002.44
Aeroportul International Mihail Kogalniceanu - Constanta SA	73.2328	1,695,998.42	105.4017	2,440,997.97	744,999.55
Complexul Energetic Oltenia SA	0.0000	0.00	1.1683	31,997,330.30	31,997,330.30
<b>Total</b>		<b>6,648,684,825.63</b>		<b>6,819,260,893.46</b>	<b>170,576,067.83</b>

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