

Fund Administrator: Franklin Templeton Investment Management Limited UK,  
Bucharest Branch  
Administrator Code: PJM05SSAM/400001  
Fund: Fondul Proprietatea SA  
Fund Code: PJR09SIIR/400006  
Reporting date: 27.11.2015

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

Lei

<b>1. Non-current Assets</b>	<b>6,553,981,078.58</b>
1.1. Intangible assets	820,169.11
1.2. Tangible assets	0.00
1.3. Financial assets	6,553,160,909.47
1.3.1 Listed shares**	10,649,639.24
1.3.2 Unlisted shares	6,542,511,043.44
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	226.79
<b>2. Current assets</b>	<b>5,111,134,990.93</b>
2.1 Inventory	0.00
2.2 Receivables out of which:	26,843,703.42
- commercial papers	0.00
2.3 Cash	9,375,052.41
2.4 Short term financial investments	4,776,808,534.79
2.4.1 Listed shares**	4,776,808,534.79
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	160,620,930.28
2.7 Bank deposits	137,127,984.27
2.8 Certificates of deposits	0.00
2.9 Other current assets	358,785.76
<b>3. Derivatives</b>	<b>0.00</b>
<b>4. Prepaid expenses</b>	<b>98,503.88</b>

<b>5. Total assets</b>	<b>11,665,214,573.39</b>
<b>6. Total liabilities</b>	<b>38,041,110.19</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	10,122,666.17
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	27,918,444.02
<b>7. Provisions</b>	<b>17,163,475.69</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>11,610,009,987.51</b>
9.1 Share capital	10,074,080,745.90
9.2 Share capital premiums	0.00
9.3 Revaluation differences	3,097,348,240.00
9.4 Reserves	-4,049,383,130.41
9.5 Retained earnings	1,694,923,657.82
9.6 Period result	793,040,474.20
9.7 Profit appropriation	0.00
<b>10. Total liabilities and Shareholders' equity</b>	<b>11,665,214,573.39</b>
<b>11. Net Asset Value</b>	<b>11,610,009,987.51</b>
<b>12. No of shares issued*</b>	<b>10,483,982,493</b>
<b>13. Net asset value per share</b>	<b>1.1074</b>
14. Number of portfolio companies out of which:	48
14.1 Companies admitted to trading on a regulated market	8
14.1 Companies admitted to trading on an alternative regulated market***	6
14.3 Companies not admitted to trading	34

**Notes:**

**1) Buybacks via Global Depository Receipts (“GDRs”):** In September 2015, Fondul Proprietatea started the sixth buyback programme which is carried out by the Fund both through buying ordinary shares from Bucharest Stock Exchange and through buying GDRs from London Stock Exchange.

From accounting point of view the GDRs bought back by the Fund are accounted for exactly as the own ordinary shares bought back, as a deduction in shareholders' equity (in an account with debit balance in shareholders' equity, being reflected in caption “9.4 Reserves” above). This is the result of the application of substance over form principle, due to the fact that buyback via GDRs is only a technical/legal form of the transaction, the substance of the transaction being that the Fund buys back its own shares, giving the same rights to both holders of Fund's ordinary shares and of Fund's GDRs to take part in the buyback programmes carried out by the Fund.

*According to CNVM Regulation no. 4/2010, as subsequently amended (art. 18(3)), in the computation of the NAV per share, the number of own shares bought back by the Fund, held at the NAV reporting date, should be deducted from the number of shares issued and paid-up.*

*Due to the fact that in substance the Fund's GDRs are similar with the ordinary shares to which they correspond, in the computation of the number of shares used in the calculation of NAV per share, the equivalent number of shares corresponding to the GDRs bought back and held by the Fund as at NAV reporting date are also deducted (together with the number of the ordinary own shares bought back and held).*

**2) Official accounting regulations in 2015:** *As at 19 May 2015, the FSA Instruction no 1 / 2015 stating that the adoption of IFRS as statutory accounting basis (official accounting regulations) was postponed until 1 January 2016 entered into force. Consequently, starting with the NAV report for 29 May 2015, the accounting records under Romanian Accounting Regulations (CNVM Regulation no. 4/2011) were used for the computation of NAV for non-portfolio items. In the previous period, starting with 1 January 2015, the FSA Instruction no. 2/2014 was in force stating that the IFRS should be the statutory accounting basis and consequently for the NAV reports as at 30 January 2015, 27 February 2015, 31 March 2015 and 30 April 2015, the accounting records under IFRS were used for the computation of NAV for non-portfolio items.*

**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 and held (please see Note (1) above).*

*\*\* = 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 sole administrator 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 27 November 2015**

The valuation methods used for the computation of the NAV as at 27 November 2015, 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: Closing price (Gross price);
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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Oana Truta  
Legal Representative

Marius Nechifor  
Compliance Officer

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

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## **Annex – Changes in the valuation methods used for the computation of the NAV of Fondul Proprietatea as at 27 November 2015**

For the computation of the NAV as at 27 November 2015 for Fondul Proprietatea S.A., Franklin Templeton Investment Management changed the valuation method used for the investment in the below company:

### **IOR SA**

For this company, the valuation method was changed from Fair value (Last available trading price) (Lei 0.3002/share) to Reference price – Average price (Lei 0.4390/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 an increase of Lei 363,971.50.

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Oana Truța  
Legal representative

Marius Nechifor  
Compliance Officer

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