

Fund Administrator: Franklin Templeton Investment Management Limited UK,  
Bucharest Branch  
Administrator Code: PJM05SSAM/400001  
Fund: Fondul Proprietatea SA  
Fund Code: PJR09SIIR/400006  
Reporting date: 31.07.2015

**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>6,474,886,560.28</b>
1.1. Intangible assets	760,217.45
1.2. Tangible assets	0.00
1.3. Financial assets	6,474,126,342.83
1.3.1 Listed shares**	0.00
1.3.2 Unlisted shares	6,474,126,116.04
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>6,900,600,579.69</b>
2.1 Inventory	0.00
2.2 Receivables out of which:	82,416,225.77
- commercial papers	0.00
2.3 Cash	543,086.30
2.4 Short term financial investments	6,414,566,101.67
2.4.1 Listed shares**	6,414,566,101.67
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	82,608,810.70
2.7 Bank deposits	320,110,850.19
2.8 Certificates of deposits	0.00
2.9 Other current assets	355,505.06
<b>3. Derivatives</b>	<b>0.00</b>

<b>4. Prepaid expenses</b>	<b>165,778.39</b>
<b>5. Total assets</b>	<b>13,375,652,918.36</b>
<b>6. Total liabilities</b>	<b>524,263,076.87</b>
6.1 Borrowings from bond issues	0.00
6.2 Amounts due to credit institutions	450,144,000.00
6.3 Advance payments to customer accounts	0.00
6.4. Payables	36,920,439.58
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	37,198,637.29
<b>7. Provisions</b>	<b>17,113,098.23</b>
<b>8. Deferred income out of which:</b>	<b>0.00</b>
8.1 Subsidies for investments	0.00
8.2 Deferred income	0.00
<b>9. Shareholders' equity out of which:</b>	<b>12,834,276,743.26</b>
9.1 Share capital	10,965,850,800.30
9.2 Share capital premiums	0.00
9.3 Revaluation differences	4,090,303,466.30
9.4 Reserves	-4,396,180,572.38
9.5 Retained earnings	1,694,923,657.82
9.6 Period result	479,379,391.22
9.7 Profit appropriation	0.00
<b>10. Total liabilities and Shareholders' equity</b>	<b>13,375,652,918.36</b>
<b>11. Net Asset Value</b>	<b>12,834,276,743.26</b>
<b>12. No of shares issued*</b>	<b>10,602,038,451</b>
<b>13. Net asset value per share</b>	<b>1.2105</b>
14. Number of portfolio companies out of which:	49
14.1 Companies admitted to trading on a regulated market***	11
14.1 Companies admitted to trading on an alternative regulated market****	4
14.3 Companies not admitted to trading	34

**Note:** 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 in 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 the Fund's own shares bought back (Treasury shares), according to provisions of CNVM Regulation no.11/2012.

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

\*\*\* = Include also the number of companies admitted to trading on Rasdaq 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

Adrian Cighi  
Legal representative

Marius Nechifor  
Compliance Officer

BRD Groupe Societe Generale

Victor Strâmbei  
Manager Depository Department

Claudia Ionescu  
Director

## **Annex - Valuation methods used for the securities and the monetary market instruments held by Fondul Proprietatea S.A. as at 31 July 2015**

The valuation methods used for the computation of the NAV as at 31 July 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 Rasdaq RGBS traded within last 30 trading days: Reference price - Closing Price (*according with the letter received from Financial Supervision Authority in December 2013*)
3. Listed companies on Rasdaq XMBS and UNLS traded within last 30 trading days: Reference price - Average Price (*according with the letter received from Financial Supervision Authority in December 2013*)
4. Listed companies on AeRo market (alternative trading system) traded within last 30 trading days: Reference price – Average Price
5. 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;
6. 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;
7. Companies in insolvency or reorganisation: Valued either at zero or at the value provided by an independent valuator;
8. Companies in liquidation/dissolution/ bankruptcy: Valued at zero;
9. Companies with negative shareholders' equity, unlisted, or listed but not traded within the last 30 trading days: Valued at zero;
10. Companies for which the annual financial statements of the previous year were not available 90 days after the legal term: Valued at zero;
11. Treasury bills: Acquisition price cumulated with the accrued interest receivable calculated for the period elapsed since the date of acquisition;
12. Listed government bonds: Closing price (Gross price);

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

13. Bank deposits: Bank deposit amount cumulated with the accrued interest receivable calculated for the period elapsed since its creation date.

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Adrian Cighi  
Legal Representative

Marius Nechifor  
Compliance Officer

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## **Annex – Changes in the valuation methods used for the computation of the NAV of Fondul Proprietatea as at 31 July 2015**

For the computation of the NAV as at 31 July 2015 for Fondul Proprietatea S.A., Franklin Templeton Investment Management changed the valuation methods used for the investments in the companies presented below:

### **1) IOR SA**

For this company, the valuation method was changed from Fair value (Last available trading price) (Lei 0.21/share) to Reference price – Average price (Lei 0.21/share) according to CNVM Regulation 4/2010, as subsequently amended and FSA letter received in December 2013 (regarding valuation of shares listed on Rasdaq market), because the shares of this company were traded during the last 30 trading days. This change of valuation method did not have any impact on the Fund's NAV.

### **2) Mecon SA**

For this company, the valuation method has been changed from Fair value (Last available trading price) (respectively Lei 4.00/share) to Reference price - Closing price (respectively Lei 4.00/share) according to CNVM Regulation 4/2010, as subsequently amended and FSA letter received in December 2013 (regarding valuation of shares listed on Rasdaq market), because the shares of this company were traded during the last 30 trading days.

Mecon SA was transferred to AeRO market (alternative trading system) starting 29 July 2015, but no trade took place on this market until 31 July 2015. However, on 14 July 2015, the shares of the company were traded on Rasdaq, RGSB section, where the company was listed before transfer to AeRO. In consequence, the holding of Fondul Proprietatea in the company was valued at Reference price - Closing Price.

This change of valuation method did not have any impact on the Fund's NAV.

### **3) Alcom SA**

For this company, the valuation method has been changed from Shareholders' equity adjusted with dividends declared per share (respectively 116.6335 Lei/share) to Reference price - Average price (respectively Lei 44.00 /share) according to CNVM Regulation 4/2010, as subsequently amended (please refer to the provisions of the article 19 regarding the valuation of shares admitted to trading on the alternative trading system), because the shares of this company were traded during the last 30 trading days.

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# FONDUL PROPRIETATEA

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The total impact of this change of valuation method on the Fund's NAV was a decrease of Lei 6,482,467.24.

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