

Fund Administrator: Franklin Templeton Investment Management Limited UK,  
Bucharest Branch  
Administrator Code: PJM05SSAM/400001  
Fund: Fondul Proprietatea SA  
Fund Code: PJR09SIIR/400006  
Reporting date: 31.05.2014

**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>6,378,045,533.56</b>
1.1. Intangible assets	658,696.96
1.2. Tangible assets	0.00
1.3. Financial assets	6,377,386,836.60
1.3.1 Listed shares**	21,772,639.20
1.3.2 Unlisted shares	6,355,613,970.61
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>8,916,939,002.16</b>
2.1 Inventory	0.00
2.2 Receivables out of which:	617,452,645.28
- commercial papers	0.00
2.3 Cash	1,130,103.95
2.4 Short term financial investments	7,817,929,295.49
2.4.1 Listed shares**	7,817,929,295.49
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	389,725,277.14
2.7 Bank deposits	72,645,640.05
2.8 Certificates of deposits	0.00
2.9 Other current assets	18,056,040.25

<b>3. Derivatives</b>	<b>0.00</b>
<b>4. Prepaid expenses</b>	<b>186,801.75</b>
<b>5. Total assets</b>	<b>15,295,171,337.47</b>
<b>6. Total liabilities</b>	<b>33,841,777.93</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	9,365,188.27
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	24,476,589.66
<b>7. Provisions</b>	<b>14,922,774.28</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>15,246,406,785.26</b>
9.1 Share capital	13,538,087,407.00
9.2 Share capital premiums	0.00
9.3 Revaluation differences	4,378,150,622.62
9.4 Reserves	-3,960,497,725.24
9.5 Retained earnings	733,501,705.27
9.6 Period result	557,164,775.61
9.7 Profit appropriation	0.00
<b>10. Total liabilities and Shareholders' equity</b>	<b>15,295,171,337.47</b>
<b>11. Net Asset Value</b>	<b>15,246,406,785.26</b>
<b>12. No of shares issued*</b>	<b>11,937,832,531</b>
<b>13. Net asset value per share***</b>	<b>1.2771</b>
14. Number of portfolio companies out of which:	58
14.1 Companies admitted to trading on a regulated market**	20
14.1 Companies admitted to trading on an alternative regulated market	0
14.3 Companies not admitted to trading	38

Notes:

\* = 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 / number of companies admitted to trading on Rasdaq market

\*\*\* = Fondul Proprietatea's NAV and NAV per share were not adjusted for the share capital decrease of RON 0.05 / share (for which registration date was 30 April 2014). This share capital decrease will be recorded in Fondul Proprietatea's books and will be reflected in the Net Asset Value at the date when it will be endorsed by FSA.

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 31 May 2014**

The valuation methods used for the computation of the NAV as at 31 May 2014, 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
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 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;
5. 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;
6. Companies in insolvency or reorganisation: Valued either at zero or at the value provided by an independent valuator;
7. Companies in liquidation/dissolution/ bankruptcy: Valued at zero;
8. Companies with negative shareholders' equity, unlisted, or listed but not traded within the last 30 trading days: 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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Legal Representative

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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 31 May 2014**

For the computation of the NAV as at 31 May 2014 for Fondul Proprietatea S.A., Franklin Templeton Investment Management changed the valuation methods used for the investments in the companies presented below:

### **1) Alcom SA and Aeroportul International Timisoara – Traian Vuia SA**

Following the decisions of General Shareholders Meetings of these companies to approve the financial statements for the financial year ended 31 December 2013 and do not distribute dividends, the valuation method for these companies has been changed from Shareholders' equity (as of 31 December 2012) adjusted with dividends declared per share to Shareholders' equity (as of 31 December 2013) per share. The total impact of this change of valuation method on the Fund's NAV was a decrease of Lei 4,553,392.36.

### **2) IOR SA and Severnav SA**

Franklin Templeton Investment Management elected to value the investments in these companies at the last available trading price (respectively IOR SA: Lei 0.33/share and Severnav SA: Lei 2.50/share), as it was considered to reflect better the fair value of these investments than shareholders' equity per share (respectively IOR SA: Lei 0.1293 /share and Severnav SA: Lei 18.8976 /share), even though the shares of these companies have not been traded in the last 30 days. This change of valuation method did not have any impact on the Fund's NAV.

### **3) Electrica Furnizare SA**

For this company, the valuation method was changed from Fair value/share (zero value) to Fair value (value as per independent valuer's report)/ share as it was considered that this method reflects better the fair value of this investment in the Fund's NAV since the company received in May the unpaid receivables for the energy consumed by their biggest client. The total impact of this change of valuation method on the Fund's NAV was an increase of 88,049,949.59 Lei.

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