

Fund Administrator: Franklin Templeton Investment Management Limited UK,
Bucharest Branch
Administrator Code: PJM05SSAM/400001
Fund: Fondul Proprietatea SA
Fund Code: PJR09SIIR/400006
Reporting date: 31.10.2013

Fondul Proprietatea SA 's Assets and Liabilities based on NAV calculation according with the Regulation No. 4 / 2010, as amended by the Regulation No. 11 / 2012

	Lei
1. Non-current Assets	8,070,068,250.30
1.1. Intangible assets	752,623.58
1.2. Tangible assets	0.00
1.3. Financial assets	8,069,315,626.72
1.3.1 Listed shares	9,144,269.90
1.3.2 Unlisted shares	8,060,171,130.03
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
2. Current assets	6,866,679,070.44
2.1 Inventory	0.00
2.2 Receivables out of which:	17,066,599.87
- commercial papers	0.00
2.3 Cash	1,770,761.87
2.4 Short term financial investments	6,000,835,578.97
2.4.1 Listed shares*	6,000,835,578.97
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	473,041,057.67
2.7 Bank deposits	373,965,072.06
2.8 Certificates of deposits	0.00

2.9 Other current assets	0.00
3. Derivatives	0.00
4. Prepaid expenses	61,867.95
5. Total assets	14,936,809,188.69
6. Total liabilities	31,812,828.03
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	15,907,588.16
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	15,905,239.87
7. Provisions	29,266,916.25
8. Deferred income out of which:	0.00
8.1 Subsidies for investments	0.00
8.2 Deferred income	0.00
9. Shareholders' equity out of which:	14,875,729,444.41
9.1 Share capital	13,778,392,208.00
9.2 Share capital premiums	0.00
9.3 Revaluation differences	3,381,391,525.11
9.4 Reserves	(2,910,890,772.45)
9.5 Retained earnings	85,455,026.32
9.6 Period result	541,381,457.43
9.7 Profit appropriation	0.00
10. Total liabilities and Shareholders' equity	14,936,809,188.69
11. Net Asset Value	14,875,729,444.41
12. No of shares issued **	12,850,802,085
13. Net asset value per share	1.1575
14. Number of portfolio companies out of which:	66
14.1 Companies admitted to trading on a regulated market	24
14.1 Companies admitted to trading on an alternative regulated market	0
14.3 Companies not admitted to trading	42

Notes:

* = Includes the value of the 2,732,159 allotment rights received by Fondul Proprietatea following exercising the preemption right in the share capital increase of Nuclearelectrica S.A.

** = Represents the number of shares related to the paid in subscribed share capital (according to provisions of Law 247/2005, Title VII, Art. 9², 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.

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

Oana Truta
Legal representative

Marius Nechifor
Compliance Officer

ING Bank N.V. Amsterdam –Bucharest Branch

Cristina Bulata
Head of Settlements and Trade Department

Mihaela Savu
Economist

Annex - Valuation methods used for the securities and the monetary market instruments held by Fondul Proprietatea S.A. as at 31 October 2013

The valuation methods used for the computation of the NAV as at 31 October 2013, for the securities and the monetary market instruments held by Fondul Proprietatea S.A. are the following:

1. Listed companies traded within last 30 trading days: Closing Price;
2. 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;
3. 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;
4. Companies in insolvency or reorganisation: Valued either at zero or at the value provided by an independent valuator;
5. Companies in liquidation/dissolution/ bankruptcy: Valued at zero;
6. Companies with negative shareholders' equity, unlisted, or listed but not traded within the last 30 trading days: Valued at zero;
7. Allotment rights (after their admission at trading): Closing Price;
8. Treasury bills: Acquisition price cumulated with the accrued interest receivable calculated for the period elapsed since the date of acquisition;
9. Listed government bonds: Closing price (Gross price);
10. 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 31 October 2013

For the computation of the NAV as at 31 October 2013 for Fondul Proprietatea S.A., Franklin Templeton Investment Management changed the valuation methods used for the investments in the companies listed below:

1) Comcereal Cluj SA and Palace SA

For these companies, the valuation method has been changed from Shareholder equity /share to Closing price, because the shares of these companies have been 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 Lei 989,322.74.

2) Mecon SA

Franklin Templeton Investment Management elected to value the investment in this company at the last available trading price (Lei 2.41/share), as it was considered to reflect better the fair value of this investment than shareholders' equity per share (Lei 43.9246/share), even though the shares of this company have not been traded in the last 30 trading days. This change of valuation method did not have any impact on the Fund's NAV.

3) Nuclearelectrica SA

Following the listing of the allotment rights related the Initial Public Offering of Nuclearelectrica on Bucharest Stock Exchange, the valuation method for this company has been changed from Acquisition price of shares subscribed by Fondul Proprietatea, by exercising the preemption right in the share capital increase related to the Initial Public Offering of Nuclearelectrica (Lei 11.2/share) to Fair value (Closing Price of Allotment rights) (Lei 10.97/share). The total impact of this change of valuation method on the Fund's NAV was a decrease of Lei 5,675,531.06.

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