

Fund Administrator: Franklin Templeton International Services S.à r.l.  
 Administrator Code: PJM07.1AFIASMDLUX0037  
 Fund: Fondul Proprietatea SA  
 Fund Code: PJR09SIIR/400006  
 Reporting date: 28.12.2018

**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>7,418,744,494.04</b>
1.1. Intangible assets	336,522.13
1.2. Tangible assets	0.00
1.3. Financial assets	7,418,407,971.91
1.3.1 Listed shares**	12,832,631.77
1.3.2 Unlisted shares	7,405,575,340.14
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>2,848,878,759.96</b>
2.1 Inventory	0.00
2.2 Receivables out of which:	137,856,230.51
- commercial papers	0.00
2.3 Cash	19,655,779.96
2.4 Short term financial investments	2,321,826,091.22
2.4.1 Listed shares**	2,321,826,091.22
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	181,210,795.30
2.7 Bank deposits	188,329,862.97
2.8 Certificates of deposits	0.00
2.9 Other current assets	0.00
<b>3. Derivatives</b>	<b>0.00</b>
<b>4. Prepaid expenses</b>	<b>149,856.89</b>
<b>5. Total assets</b>	<b>10,267,773,110.89</b>
<b>6. Total liabilities</b>	<b>34,718,560.02</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	12,096,564.65
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	22,621,995.37
<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>10,232,198,303.65</b>
9.1 Share capital	4,733,020,898.32
9.2 Share capital premiums	0.00
9.3 Revaluation differences	-1,778.05
9.4 Reserves	-1,162,969,641.64
9.5 Retained earnings	5,323,909,728.76
9.6 Period result	1,338,239,096.26
9.7 Profit appropriation	0.00
<b>10. Total liabilities and Shareholders' equity</b>	<b>10,267,773,110.89</b>
<b>11. Net Asset Value</b>	<b>10,232,198,303.65</b>
<b>12. No of shares issued*</b>	7,250,835,817
<b>13. Net asset value per share</b>	<b>1.4111</b>
14. Number of portfolio companies out of which:	35
14.1 Companies admitted to trading on a regulated market	4
14.1 Companies admitted to trading on an alternative regulated market***	4
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 International Services S.à r.l acting in the capacity of Sole Director of Fondul Proprietatea SA

Dan Gheorghe  
Permanent 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 28 December 2018**

The valuation methods used for the computation of the NAV as at 28 December 2018, 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: 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 28 December 2018**

For the computation of the NAV as at 28 December 2018 for Fondul Proprietatea SA, the valuation methods used for the investments in the companies presented below changed and/or have been updated:

**CN Administratia Canalelor Navigabile SA, CN Administratia Porturilor Dunarii Fluviale SA and CN Administratia Porturilor Dunarii Maritime SA**

For these holdings, the valuation method has been changed from Fair value / share (Shareholders' equity as of 31 December 2017 adjusted with dividends declared) to Fair value / share (Value based on valuation report as at 30 September 2018), as it was considered that this method reflects better the fair value of these investments in the Fund's NAV. The total impact of this change on the Fund's NAV was a decrease of RON 1,701,364.74, 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 valuation method change on NAV (RON)	Impact of the valuation method change on NAV %
CN Administratia Canalelor Navigabile SA	78.9335	16,036,129.86	71.8800	14,603,140.80	-1,432,989.06	-0.01%
CN Administratia Porturilor Dunarii Fluviale SA	133.3266	3,673,681.14	63.3599	1,745,818.68	-1,927,862.46	-0.02%
CN Administratia Porturilor Dunarii Maritime SA	110.9691	2,356,650.78	189.1104	4,016,137.56	+1,659,486.78	+0.02%
<b>Total</b>		<b>22,066,461.78</b>		<b>20,365,097.04</b>	<b>-1,701,364.74</b>	<b>-0.01%</b>

**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 / share (Value based on valuation report), 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 576,648,350.77, detailed in the below table:

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

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 valuation update on NAV (RON)	Impact of the valuation update on NAV %
Hydroelectrica SA	39.4982	3,530,997,083.97	47.8319	4,275,999,904.32	+745,002,820.35	+7.47%
CN Aeroporturi Bucuresti SA	275.0880	790,999,863.98	299.4321	860,999,935.92	+70,000,071.94	+0.70%
E-Distributie Banat SA	59.1065	544,999,994.59	51.1894	471,999,233.97	-73,000,760.62	-0.73%
Engie Romania SA	197.4318	471,999,809.40	186.1381	444,999,983.39	-26,999,826.01	-0.27%
E-Distributie Muntenia SA	128.6698	418,999,822.04	119.4572	388,999,948.25	-29,999,873.79	-0.30%
E-Distributie Dobrogea SA	50.6432	341,999,961.29	42.6469	287,999,931.86	-54,000,029.43	-0.54%
CN Administratia Porturilor Maritime SA	86.5270	229,999,841.46	91.7939	243,999,935.82	+14,000,094.36	+0.14%
Societatea Nationala a Sarii SA	128.6215	257,999,808.91	124.6333	249,999,942.34	-7,999,866.57	-0.08%
ENEL Energie SA	33.9285	56,999,880.00	26.1904	43,999,872.00	-13,000,008.00	-0.13%
ENEL Energie Muntenia SA	137.3706	60,999,964.41	130.6147	57,999,979.99	-2,999,984.42	-0.03%
Posta Romana SA	1.1632	17,299,048.75	0.4505	6,699,812.12	-10,599,236.63	-0.11%
Zirom SA	4.5396	26,838,491.99	4.5887	27,128,775.26	+290,283.27	+0.00%
Aeroportul International Timisoara - Traian Vuia SA	687.1564	21,999,999.30	624.6876	19,999,998.20	-2,000,001.10	-0.02%
Plafar SA	14.9867	1,989,993.97	21.9604	2,915,989.75	+925,995.78	+0.01%
Aeroportul International Mihail Kogalniceanu - Constanta SA	105.4017	2,440,997.97	63.3447	1,466,999.91	-973,998.06	-0.01%
Complexul Energetic Oltenia SA	1.1683	31,997,330.30	0	0	-31,997,330.30	-0.32%
<b>Total</b>		<b>6,808,561,892.33</b>		<b>7,431,210,142.49</b>	<b>+576,648,350.77</b>	<b>+5.78%</b>

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## IOR SA and Mecon SA

For these holdings, the valuation method has been changed from Fair value (Last available trading price) (respectively IOR SA: RON 0.0840 /share and Mecon SA: RON 9.2000 /share) to Reference price - Average price (respectively IOR SA: RON 0.1100 /share and Mecon SA: RON 22.8000 /share) according to CNVM Regulation 4/2010, as subsequently amended, because the shares of these companies were traded during the last 30 trading days. The total impact of this change on the Fund's NAV was an increase of RON 884,913.50, 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 valuation method change on NAV (RON)	Impact of the valuation method change on NAV %
IOR SA	0.0840	220,270.93	0.1100	288,450.03	+ 68,179.10	+ 0.00%
Mecon SA	9.2000	552,496.80	22.8000	1,369,231.20	+ 816,734.40	+ 0.01%
<b>Total</b>		<b>772,767.73</b>		<b>1,657,681.23</b>	<b>+ 884,913.50</b>	<b>+ 0.01%</b>

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