

Fund Administrator: Franklin Templeton International Services S.à r.l.
 Administrator Code: PJM07.1AFIASMDLUX0037
 Fund: Fondul Proprietatea SA
 Fund Code: PJR09SIIR/400006
 Reporting date: 31.07.2017

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

Lei

1. Non-current Assets	7,434,177,514.23
1.1. Intangible assets	388,738.11
1.2. Tangible assets	0.00
1.3. Financial assets	7,433,788,776.12
1.3.1 Listed shares**	9,906,746.10
1.3.2 Unlisted shares	7,421,385,226.20
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	2,496,803.82
2. Current assets	3,347,976,293.00
2.1 Inventory	0.00
2.2 Receivables out of which:	129,422,205.09
- commercial papers	0.00
2.3 Cash	33,209,758.83
2.4 Short term financial investments	3,027,882,253.90
2.4.1 Listed shares**	3,027,882,253.90
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	69,998,831.25
2.7 Bank deposits	87,463,243.93
2.8 Certificates of deposits	0.00
2.9 Other current assets	0.00
3. Derivatives	0.00
4. Prepaid expenses	273,291.64
5. Total assets	10,782,427,098.87
6. Total liabilities	63,420,942.74
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	25,730,774.63
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	37,690,168.11
7. Provisions	856,247.22
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:	10,718,149,908.91
9.1 Share capital	5,238,521,987.92
9.2 Share capital premiums	0.00
9.3 Revaluation differences	51,382,009.98
9.4 Reserves	4,056,154,283.98
9.5 Retained earnings	425,934,390.13
9.6 Period result	946,157,236.90
9.7 Profit appropriation	0.00
10. Total liabilities and Shareholders' equity	10,782,427,098.87
11. Net Asset Value	10,718,149,908.91
12. No of shares issued*	8,820,765,542
13. Net asset value per share	1.2151
14. Number of portfolio companies out of which:	43
14.1 Companies admitted to trading on a regulated market	5
14.1 Companies admitted to trading on an alternative regulated market***	6
14.3 Companies not admitted to trading	32

Legend:

* = Represents the number of shares related to the paid-up 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 (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 Investment Management Ltd United Kingdom Bucharest Branch, acting as Investment Manager on behalf of FONDUL PROPRIETATEA S.A

Adrian Cighi
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 July 2017

The valuation methods used for the computation of the NAV as at 31 July 2017, 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: 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 31 July 2017

For the computation of the NAV as at 31 July 2017 for Fondul Proprietatea SA, the valuation methods used for the investments in the companies presented below changed and/or have been updated:

Electrica Furnizare SA, SDEE Muntenia Nord SA, SDEE Transilvania Nord SA and SDEE Transilvania Sud SA

On 14 July 2017 the Fund has publicly announced that it has signed a Memorandum of Understanding with Electrica SA for the disposal of its holdings in Electrica Furnizare SA, SDEE Muntenia Nord SA, SDEE Transilvania Nord SA and SDEE Transilvania Sud SA (“Electrica subsidiaries”). The parties plan to execute the transactional documents pertaining to the envisaged transaction after obtaining the necessary corporate and shareholders approvals at Electrica and its subsidiaries level by 31 October 2017. Consequently, for these holdings, the valuation method has been changed from Fair value (value as per independent valuer’s report) (respectively total amount of RON 877.4 million) to Fair value (Aggregated Transaction Value as per Memorandum of Understanding concluded with Electrica SA) (respectively total amount of RON 752 million). The total impact of this change of valuation on the Fund’s NAV was a decrease of RON 125.4 million.

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