

Fund Administrator: Franklin Templeton International Services S.à r.l.
 Administrator Code: PJM07.1AFIASMDLUX0037
 Fund: Fondul Proprietatea SA
 Fund Code: PJR09SIIR/400006
 Reporting date: 30.12.2016

**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	7,556,829,362.84
1.1. Intangible assets	548,806.76
1.2. Tangible assets	0.00
1.3. Financial assets	7,556,280,556.08
1.3.1 Listed shares**	10,133,492.11
1.3.2 Unlisted shares	7,546,147,063.97
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
2. Current assets	3,918,451,553.99
2.1 Inventory	0.00
2.2 Receivables out of which:	20,101,552.94
- commercial papers	0.00
2.3 Cash	5,781,686.46
2.4 Short term financial investments	2,477,213,080.14
2.4.1 Listed shares**	2,477,213,080.14
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	1,110,020,073.24
2.7 Bank deposits	305,335,161.21
2.8 Certificates of deposits	0.00
2.9 Other current assets	0.00
3. Derivatives	0.00
4. Prepaid expenses	77,807.21
5. Total assets	11,475,358,724.04
6. Total liabilities	47,151,096.35
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	25,806,455.14
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	21,344,641.21
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:	11,427,351,380.47
9.1 Share capital	9,168,314,116.70
9.2 Share capital premiums	0.00
9.3 Revaluation differences	41,310,392.39
9.4 Reserves	4,264,865,079.53
9.5 Retained earnings	-2,471,844,444.31
9.6 Period result	447,059,195.96
9.7 Profit appropriation	-22,352,959.80
10. Total liabilities and Shareholders' equity	11,475,358,724.04
11. Net Asset Value	11,427,351,380.47
12. No of shares issued*	9,630,931,675
13. Net asset value per share	1.1865
14. Number of portfolio companies out of which:	45
14.1 Companies admitted to trading on a regulated market	7
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 and held

** = 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

Oana Truța
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 30 December 2016

The valuation methods used for the computation of the NAV as at 30 December 2016, 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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Annex – Changes in the valuation methods used for the computation of the NAV of Fondul Proprietatea as at 30 December 2016

For the computation of the NAV as at 30 December 2016 for Fondul Proprietatea SA, the valuation methods used for the investments in the companies presented below changed and/or have been updated:

1) Mecon SA

For this holding, the valuation method has been changed from Fair value (Last available trading price) (respectively Lei 2.4 /share) to Reference price - Average price (respectively Lei 3 /share) according to CNVM Regulation 4/2010, as subsequently amended, because the shares of this company were traded during the last 30 trading days. The total impact of this change of valuation method on the Fund's NAV was an increase of Lei 36,032.40.

2) Hidroelectrica SA, CN Aeroporturi Bucuresti SA, Enel Distributie Banat SA, Engie Romania SA, Enel Distributie Muntenia SA, Enel Distributie Dobrogea SA, Electrica Distributie Muntenia Nord SA, Electrica Distributie Transilvania Sud SA, CN Administratia Porturilor Maritime SA, Electrica Furnizare SA, Electrica Distributie Transilvania Nord 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 (value as per independent valuer's report)/ share, but the independent valuation was updated. The total impact of this change on the Fund's NAV was an increase of Lei 174,306,677.41, 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 update of independent valuation on NAV (RON)
Hidroelectrica SA	36.5748	3,268,991,069.48	37.8615	3,383,994,044.45	115,002,974.97
CN Aeroporturi Bucuresti SA	219.9591	632,479,854.38	264.6548	760,999,792.08	128,519,937.70
Enel Distributie Banat SA	67.6742	623,999,706.18	65.0605	599,899,708.96	-24,099,997.22
Engie Romania SA	186.5982	446,099,943.54	189.6517	453,399,939.89	7,299,996.35
Enel Distributie Muntenia SA	139.8478	455,399,816.53	138.0053	449,399,906.90	-5,999,909.63
Enel Distributie Dobrogea SA	59.4095	401,199,898.51	56.2998	380,199,699.47	-21,000,199.04

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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 update of independent valuation on NAV (RON)
Electrica Distributie Muntenia Nord SA	32.5678	253,899,285.29	32.7346	255,199,661.76	1,300,376.47
Electrica Distributie Transilvania Sud SA	23.8333	222,299,910.09	26.3956	246,199,204.76	23,899,294.67
CN Administratia Porturilor Maritime SA	79.4920	211,299,910.98	81.2601	215,999,747.09	4,699,836.11
Electrica Furnizare SA	109.4838	149,599,978.13	122.7470	167,722,973.76	18,122,995.63
Electrica Distributie Transilvania Nord SA	26.3962	215,599,225.51	25.5025	208,299,651.03	-7,299,574.48
Societatea Nationala a Sarii SA	88.4492	177,418,835.09	90.2345	180,999,939.80	3,581,104.71
Enel Energie SA	45.5952	76,599,936.00	44.9404	75,499,872.00	-1,100,064.00
Enel Energie Muntenia SA	144.1266	63,999,993.24	158.3140	70,299,964.96	6,299,971.72
Posta Romana SA	3.9468	58,696,600.42	2.8913	42,999,260.36	-15,697,340.06
Zirom SA	4.3061	23,274,827.91	4.7200	25,511,991.76	2,237,163.85
Aeroportul International Timisoara - Traian Vuia SA	81.6466	2,613,997.55	113.2558	3,625,997.69	1,012,000.14
Plafar SA	14.3993	1,911,996.65	16.2444	2,156,996.41	244,999.76
Aeroportul International Mihail Kogalniceanu - Constanta SA	67.9649	1,573,999.12	73.2328	1,695,998.42	121,999.30
Complexul Energetic Oltenia SA	2.2944	62,838,889.54	0.0000	0.00	-62,838,889.54
Total		7,349,797,674.14		7,524,104,351.55	174,306,677.41

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