

Fondul Proprietatea – Q1 2019 Results Conference Call

15 May 2019



Fund Information



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The Fund – Key Facts



Fund Details¹

	RON	USD
NAV	9.65 bn	2.27 bn²
NAV/Share	1.3527	0.3188²
Price/Share	0.9780	0.2304²
Price/GDR	47.96	11.30
Market Capitalization as at 14 May 2019 ³	6.77 bn	1.60 bn³
Discount/Share as at 14 May 2019	33.05%	
Discount/GDR as at 14 May 2019	32.52%	
Number of Paid Shares less Treasury Shares ⁴	7,128,223,218	
Investment Objective		
2018 FY Dividend/Share ⁵	RON 0.0903	
Dividend Yield for 2018 FY ⁵	9.51%	

Maximization of returns to shareholders and increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities

Source: BVB, FP Report as at 30 April 2019 report.

1. As at 30 April 2019. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 30 April 2019.

3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 10 May 2019. Computed using the NBR USD/RON FX rate as at 14 May 2019.

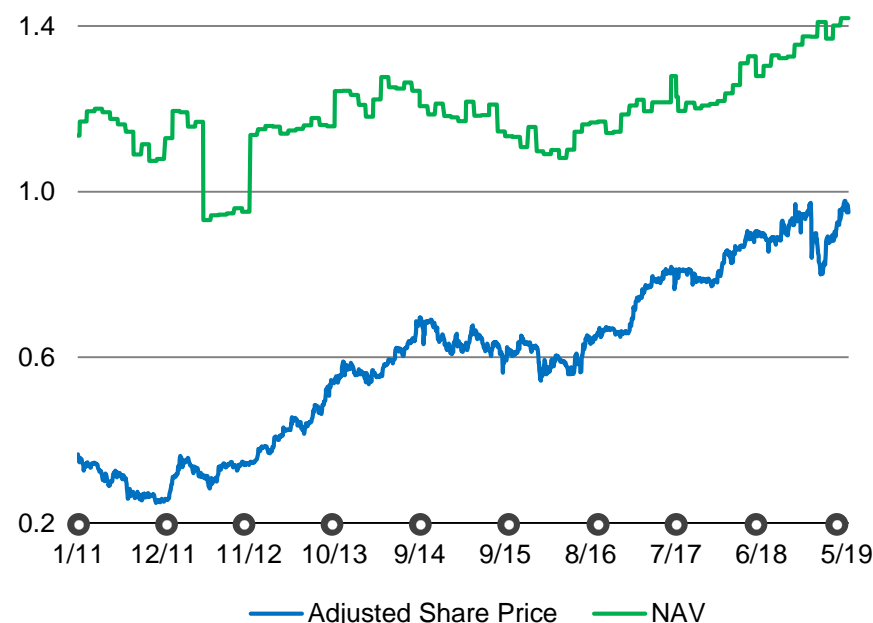
4. As at 10 May 2019.

5. Dividend approved by shareholders during the 4 April 2019 Annual GSM. Dividend yield calculated based on the BVB share price as at 14 May 2019.

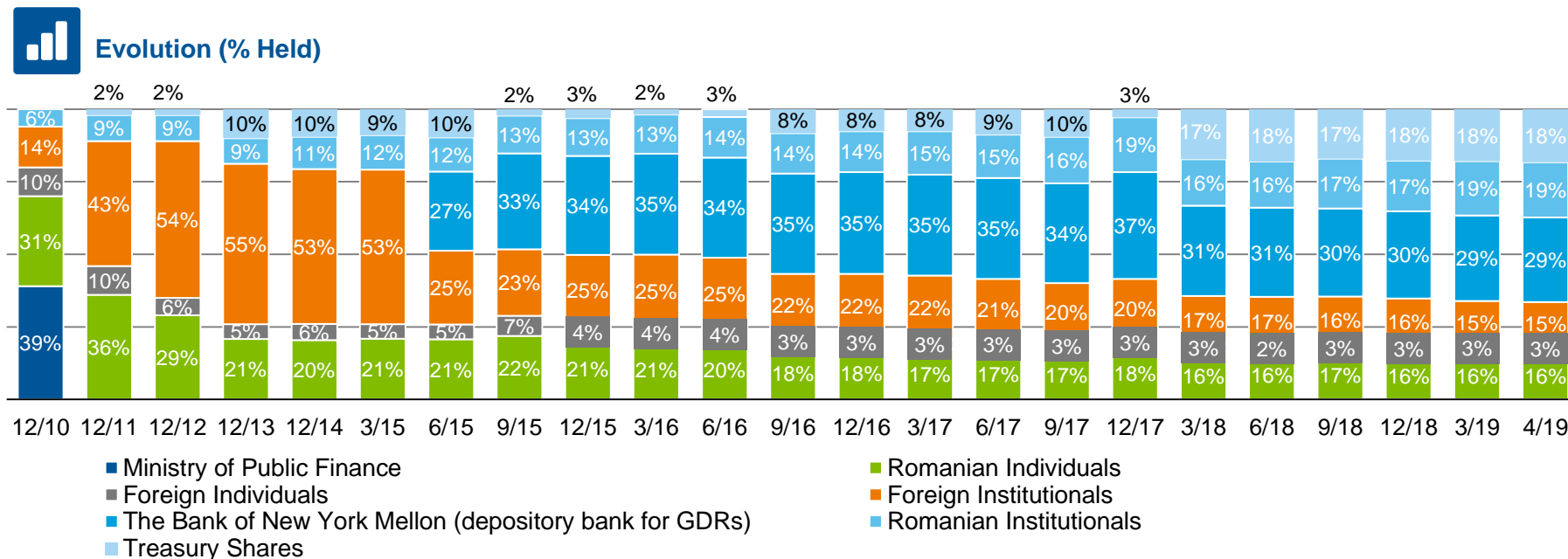
6. Source: Bloomberg, BVB, until 14 May 2019.



FP Share Price⁶ and NAV (RON)



Shareholders Structure



- All treasury shares repurchased by the Fund are being cancelled on a regularly basis.

Largest Shareholder¹

Anchorage Capital Group	6.70%
NN Group	5.02%
Total Number of Shareholders ²	6,371

1. Based on the total voting rights. Source: Ownership disclosures submitted by NN Group on 27 March 2017 and Anchorage Capital Group on 20 September 2018.

2. Shareholders structure as at 30 April 2019.

Note: Based on paid share capital starting 31 July 2011. Source: Central Depository.

NAV, Share price and GDR Performance



Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	Q1 2019	YTD ¹	Since Performance Inception ¹
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	0.67%	2.38%	84.48%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	3.62%	10.76%	164.97%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	2.86%	7.62%	32.71%



Average Annual Discount

2011	2012	2013	2014	2015	2016	2017	2018	YTD ²	Current Share Price Discount ³	Current GDR Price Discount ³
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	28.05%	29.54%	36.14%	33.05%	32.52%

Source: BVB, LSE, Bloomberg, FP NAV reports.

Note: The discount is calculated based on the latest published NAV available for the day of the calculation.

The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011, and for the GDRs is 29 April 2015.

1. As at 30 April 2019.

2. For the period 3 January – 14 May 2019.

3. As at 14 May 2019.

Attribution to NAV Performance for Q1 2019



Top Performers

Company	Status	Weight in total NAV ¹	% Change in NAV performance for Q1 2019	% Change in share price/ NAV per share in Q1 2019
OMV Petrom SA	Listed	19.9%	3.2%	19.4%
Nuclearelectrica SA	Listed	2.0%	0.3%	19.2%
BRD Groupe Societe Generale SA	Listed	1.6%	0.3%	14.0%



Bottom Performers

Company	Status	Weight in total NAV ¹	% Change in NAV performance for Q1 2019	% Change in share price/ NAV per share in Q1 2019
Hidroelectrica SA	Unlisted	38.9%	(3.14)%	(7.5)%
Alro SA	Listed	1.6%	(0.26)%	(26.6)%
Romaero SA	Listed	0.2%	(0.03)%	(12.6)%
Mecon SA	Listed	0.0%	(0.01)%	(73.7)%

TOTAL NAV PER SHARE CHANGE Q1 2019

0.7%

Note: The amounts are adjusted with the dividends declared by the companies, according with FP accounting policy.

1. FP NAV report as at 29 March 2019.

Portfolio

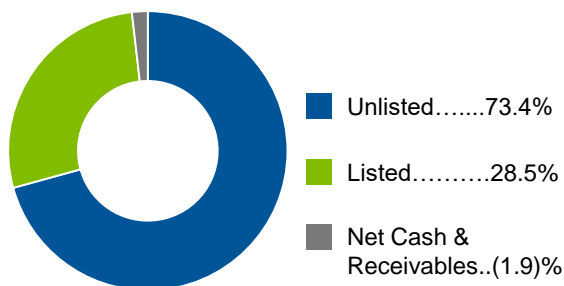


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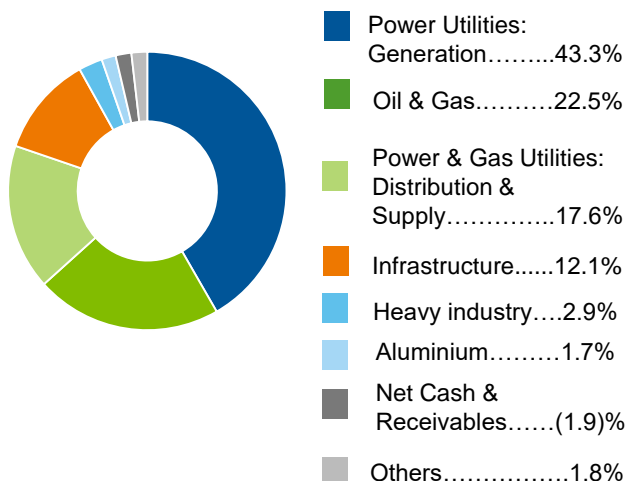
Portfolio Structure



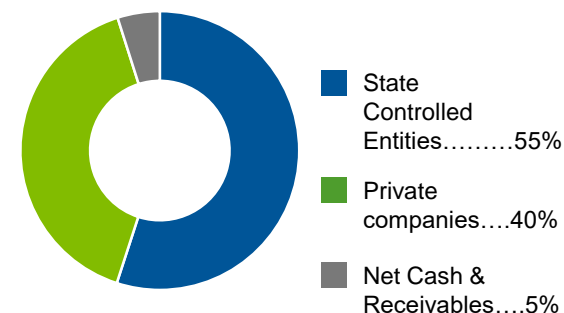
Listed vs Unlisted
as at 30 April 2019 (% NAV)¹



By Sector
as at 30 April 2019 (% NAV)¹



By Controlling Ownership
as at 29 March 2019²



- As at 30 April 2019, the portfolio included stakes in 35 companies (8 listed and 27 unlisted)
- Net cash and receivables position as at 30 April 2019 was USD (43.2) mn. The 30 April 2019 NAV is ex-dividend as the dividend distribution for FY 2018 approved by the Fund's shareholders on 4 April was recorded as a liability.

1. Source: FP 30 April 2019 Factsheet.

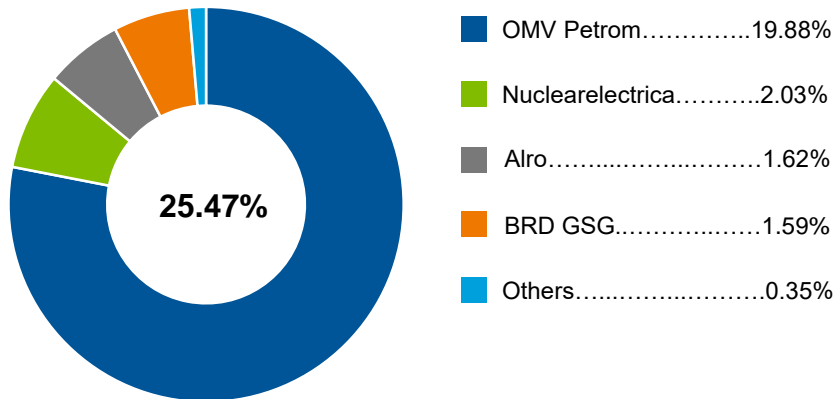
2. FP 29 March 2019 Detailed statement of Investments.

Portfolio Structure – Listed vs. Unlisted



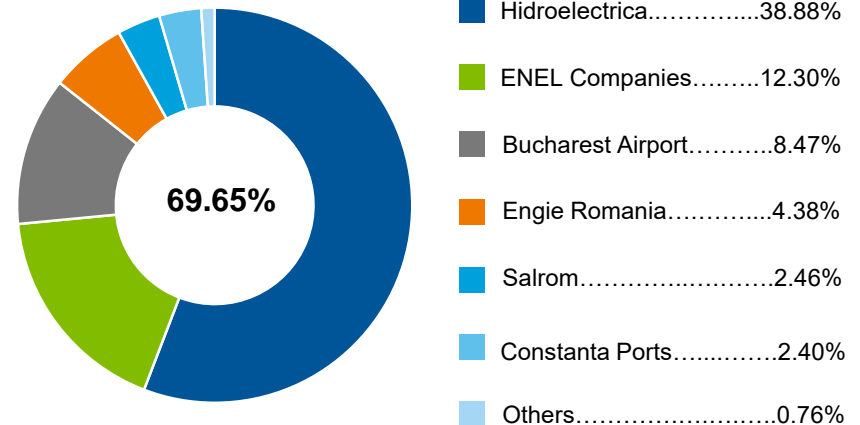
Listed Companies

(% of NAV as at 29 March 2019)



Unlisted Companies

(% of NAV as at 29 March 2019)



- According to the Fund's Investment Policy, the Fund cannot actively decrease the listed part of the portfolio under 20% of the NAV.

Source: FP 29 March 2019 Detailed statement of Investments.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 30 April 2019 (USD mn)	% in NAV as at 30 April 2019
Hidroelectrica	Unlisted	Romanian State	19.9%	931.90	40.98
OMV Petrom	Listed	OMV	9.9%	510.44	22.45
Bucharest Airports	Unlisted	Romanian State	20.0%	202.87	8.92
E-Distributie Banat	Unlisted	Enel Group	24.1%	111.22	4.89
Engie Romania	Unlisted	Engie	12.0%	104.85	4.61
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	91.66	4.03
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	67.86	2.98
Salrom	Unlisted	Romanian State	49.0%	58.91	2.59
Constanta Port	Unlisted	Romanian State	20.0%	57.49	2.53
Nuclearelectrica	Listed	Romanian State	7.1%	52.02	2.29
Top 10 Portfolio Holdings				2,189.22	96.27
NAV				2,273.90	100.00
NAV Per Share (USD)				0.3188	

Note: Values in USD calculated using the USD/RON FX rate as at 30 April 2019.

Source: FP 30 April 2019 Factsheet.

1. Based on the FP 31 March 2019 Detailed Statement of Investments.

Top Portfolio Holdings – Q1 2019 financials

Company	EBITDA (RON mn)			Net profit (RON mn)		
	Q1 2018	Q1 2019	%yoy	Q1 2018	Q1 2019	%yoy
Hidroelectrica	720.5	740.3	2.7%	485.2	497.6	2.6%
OMV Petrom	1,859.7	2,046.2	10.0%	854.1	1,151.2	34.8%
BRD Groupe Societe Generale	-	-	-	414.3	301.1	(27.3)%
Alro	132.9	94.7	(28.7)%	124.6	(9.1)	(107.3)%
Nuclearelectrica	335.7	422.6	25.9%	177.0	219.3	23.9%
Total	3,048.8	3,303.8	8.4%	2,055.2	2,160.1	5.1%
Weighted Total¹	366.9	391.7	6.8%	217.3	236.1	8.7%

Source: OMV Petrom, BRD GSG, Alro, Nuclearelectrica Q1 2019 financial statements, Hidroelectrica preliminary unaudited figures presented by the management.

Note: EBITDA is calculated as Operational result + Depreciation and Amortization.

1. Weighted for the Fund's stake in the companies as at 31 March 2019.



Q1 2019 Financials:

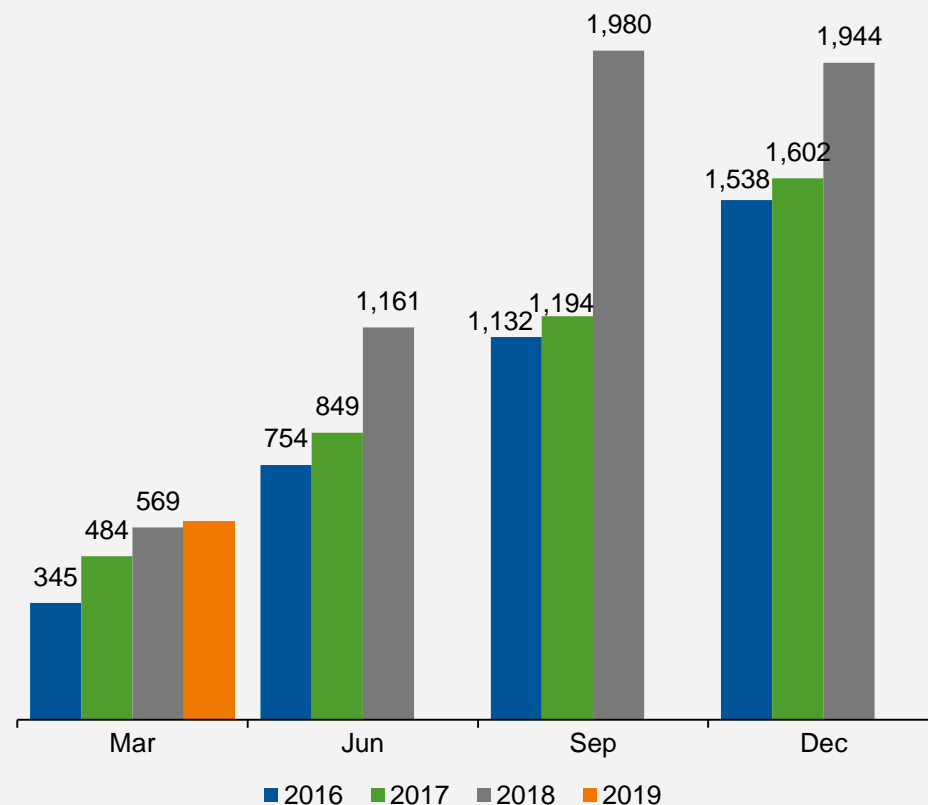
- Preliminary net profit increased by 2.6% to RON 497.6 million in Q1 2019 compared to the same period last year.
- Turnover increased by over 2% to RON 989.8 million, compared to RON 969.6 million in Q1 2018.
- The production decreased by 21.8% to 3.3 TWh, determined by a more prudent utilization of the water in the reservoirs in the context of winter weather, uncertainties due to the OUG 114 / 2018 and lower water flows on the interior rivers.



Corporate Governance:

- A 7 member Board, with a 4-year mandate was appointed on 5 February 2019. FP retains one board seat.
- The selection process for the company's management is ongoing and expected to be finalized by the end of Q2 2019.

Pre-tax Cumulated Profit (RON mn)



Source: Hidroelectrica 2009 – 2017 Annual reports and financial statements, Hidroelectrica monthly press releases, reports, and presentations, press articles, management estimations.



Q1 2019 results¹

- Sales reached RON 5.42 bn in Q1 2019, over 11% higher compared to the same period of 2018, on the back of higher gas and power prices, favorable FX developments and lower operating costs
- Operating profit was RON 1.29 bn, 19% higher compared to Q1 2018, while the net profit was RON 1.15 bn, 35% higher compared to the same period of the previous year

Financial and Operational highlights	Q1 18	Q1 19	%YoY
Sales (mn RON)	4,875	5,420	11%
• Downstream Oil	3,391	3,793	12%
• Downstream Gas	1,357	1,532	13%
Clean CCS Operating Result	958	1,227	28%
Operating Result (mn RON)	1,080	1,288	19%
• Upstream	632	875	38%
• Downstream	447	567	27%
• Corporate and consolidation	1	(153)	-
Clean CCS net income	752	1,056	40%
Net income (mn RON)	854	1,151	35%
Hydrocarbon production (mn boe)	14.59	13.79	(5)%
Average Group realized crude price (\$/bbl)	57.36	55.66	(3)%
OPEX (\$/boe)	11.89	11.66	(2)%
Refining margin (USD/bbl)	6.56	3.62	(45)%
Refinery utilisation (%)	94	96	2%
Refined product sales (million tons)	1.12	1.18	5%
Gas sales volume (TWh)	14.20	12.23	(14)%
Net electrical output (TWh)	0.89	1.08	21%

Source: Group's quarterly historical IFRS figures presentation from OMV Petrom's website.

C.N. Aeroporturi Bucuresti – Update

Financial Performance	2016	2017	2018	%yoy
Operating revenues (mn RON)	754.7	890.9	992.5	11.4%
Operating profit (mn RON)	263.6	337.6	445.9	32.0%
Net Income (mn RON)	224.7	290.7	371.8	27.9%
Number of passengers (mn)	10.99	12.84	13.84	7.8%



Traffic

- Passenger traffic increased by 7.8% in 2018 compared to the previous year, reaching 13.84 million passengers.
- Aircraft movements increased in 2018 by 31.8% to 137.78 thousands
- Cargo traffic increased in 2018 by 34.5%, to 39.53 thousands tons
- **Passenger traffic continued to increase in Q1 2019 as well, by 8.6% compared to Q1 2018**



2018 Financials

- Operating revenues reached RON 992.5 million, and the Operating profit RON 445.9 million.
- Net income increased to RON 371.8 million, approx. 28% higher compared to the previous year.
- The figures are based on IFRS.



Board and Management

- The interim Board appointed in April 2019 an interim General manager for a 4-month mandate.

Enel companies – Update (I)

2014 – 2018 (3 rd Regulatory Period)	2019 – 2023 (4 th Regulatory Period)
Regulated rate of return	
<ul style="list-style-type: none"> 7.70% 	<ul style="list-style-type: none"> 6.9% for current regulated asset base
Regulated Asset Base (RAB)	
Initial RAB at the privatization + Follow on investments after privatization + Scheduled estimated in the new regulatory period	Initial RAB at the privatization – Undepreciated value of the existing assets at the privatization which were sold/ idled + Follow on investments after privatization + Scheduled estimated in the new regulatory period
Regulated revenues and controllable costs	
<ul style="list-style-type: none"> Reference controllable costs at the beginning of the regulatory period are based on the actual costs in the last year of the previous regulated period after deducting half of the average efficiency gains from the previous regulated period 	<ul style="list-style-type: none"> In determining the regulated revenues, the following type of costs are no longer recognized¹: <ul style="list-style-type: none"> salary expenses for management/ board of directors representing bonuses; compensatory salary expenses with management and board members (expenses related to laying offs resulted from a restructuring program are still recognized) financial costs Reference controllable costs at the beginning of the regulatory period are based on a comparative analysis between the distribution companies in the previous regulated period and adjusted for each individual company (elements considered: length of the network, number of users etc.)

Source: Fondul Proprietatea, based on ANRE Order 72/ 2 October 2013, ANRE Order 168/ 17 September 2018, Order 169/ 18 September 2018, and ANRE press release dated 17 September 2018.

1. The list is not exhaustive.

Enel companies – Update (II)

2014 – 2018 (3rd Regulatory Period)

2019 – 2023 (4th Regulatory Period)

Technological losses (non-controllable costs)

- | | |
|---|---|
| <ul style="list-style-type: none"> • Set by ANRE • 50% of efficiency gains on low voltage grid and 25% for the high and medium voltage grid above the target stay with the company if the actual technological losses are lower than approved losses • Acquisition cost of the energy used to cover the losses is estimated using the acquisition cost | <ul style="list-style-type: none"> • Set by ANRE based on the current grid losses for each distributor (different targets if the losses are currently > 15%, between 14-15%, between 13-14%) • 50% of efficiency gains on low voltage grid and 25% for the high and medium voltage grid above the target stays with the company if the actual technological losses are lower than approved losses • Acquisition cost of the energy used to cover the losses is estimated using the same reference price for all distributors = an average of the acquisition cost for the distributors and the transporter for the previous 12 months, after eliminating the 2 extreme values |
|---|---|

Efficiency gains (controllable costs)

- | | |
|--|--|
| <ul style="list-style-type: none"> • Efficiency factor is applied to all controllable costs • Efficiency factor is at least 1.5% • 50% of efficiency gains above the target stay with consumers | <ul style="list-style-type: none"> • Efficiency factor is applied to all controllable costs, except salary costs • Efficiency factor is maximum 2% • 50% of efficiency gains above the target stay with consumers |
|--|--|

Tariffs % in 2019¹

	EDM	EDB	EDD
High Voltage	1.7%	0.2%	(0.2)%
Medium Voltage	2.7%	1.1%	2.4%
Low Voltage	4.7%	2.4%	2.4%

Source: Source: Fondul Proprietatea, based on ANRE Order 72/ 2 October 2013, ANRE Order 168/ 17 September 2018, Order 169/ 18 September 2018, and ANRE press release dated 17 September 2018.

1. Tariffs include the adjustment for the extra taxation of revenues.

ENEL Distribution companies – Financials

2018 (mn RON)	E-Distributie Banat	E-Distributie Dobrogea	E-Distributie Muntenia
Operating revenue	533.7	483.7	909.6
EBITDA	207.8	190.3	354.1
<i>Impairment loss</i>	229.0	171.6	517.3
Net profit	(211.9)	(143.3)	(114.9)

- 2018 results are negatively impacted by the impairment losses related to the revaluation of the regulated asset base following the regulator's decision to decrease the regulated rate of return from 7.7% to 5.66% for 2019-2023.
- The RRR was subsequently approved through government decision at 6.9%.

Source: Companies 2019 Budget presentations.

EBITDA: figures presented by the companies and Fund Manager calculations.

Corporate actions

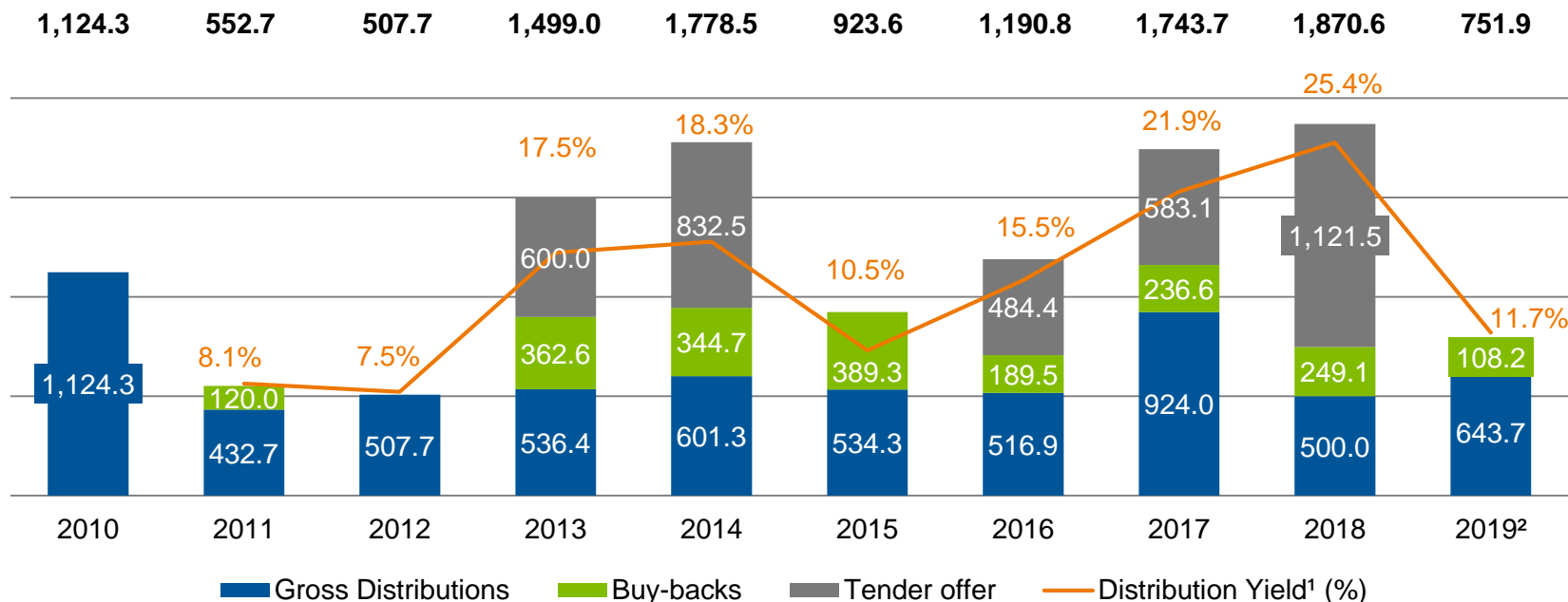


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Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 11.94 bn/USD 3.27 bn³

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2019, average USD/RON FX as at 14 May.

1. Based on the total annual distributions through buy-backs and cash, the average closing share price on BVB for the respective year and the average number of paid shares, excluding Treasury shares. For 2019, average closing share price as at 14 May.

2. Buy-backs as at 10 May and Gross dividend distribution estimated based on the RON 0.0903 gross dividend per share and the number of paid shares excluding treasury shares as at 10 May.

3. As at 10 May 2019, based on the USD/RON FX as at 14 May 2019.

Buy-back programs

Program	Period	Status	No. of shares to be repurchased/ % of the Fund's issued share capital	Average share price (RON/share)	Broker	Cancellation of shares ¹
Ninth	14 Nov 2017 – 31 Dec 2018	Finalized	1,488.0 mn/16.3%	0.9319	Wood & Co., Jefferies Internat.	Cancellation of shares approved during the 4 April 2019 Annual GSM
Tenth	1 Jan – 31 Dec 2019	Ongoing	750 mn/8.2%	0.8872 ²	Auerbach Grayson, BCR	The cancellation of shares will be subject to shareholders' approval in 2020
All buy-back programs			6,282.5 mn/45.6%³			4,676.4 mn cancelled shares

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.

2. As at 10 May 2019. Estimated value based on the 121,935,129 shares repurchased (97,226,629 ordinary shares and 24,708,500 equivalent shares of the GDRs repurchased).

3. Refers to all 9 buy-back programs executed by the Fund during the 2011 – 2018 period, and the 10th ongoing buy-back program as at 10 May 2019. Based on the Fund's issued share capital as at January 2011.

Annual dividend income – Top 10 portfolio companies

Top 10 Holdings ¹	Dividend Payout (%)				FP Net Dividend (RON mn)				
	2015	2016	2017	2018	2015	2016	2017	2018	2019
Hydroelectrica	80	90	90	90 ²	128.9	134.6	206.6	226.2	278.0 ²
OMV Petrom	-	94	46	N/A	120.5	-	106.8	107.6	145.3
Bucharest Airports	75	90	90	90 ²	10.2	27.4	41.2	61.2	68.0 ²
E-Distributie Banat	44	40	39	N/A	20.7	16.8	8.9	7.7	N/A
Engie Romania	-	30	50	N/A	24.0	-	13.3	20.2	N/A
E-Distributie Muntenia	-	-	-	N/A	-	-	-	-	N/A
E-Distributie Dobrogea	44	37	36	N/A	10.5	12.0	6.6	4.3	N/A
Salrom	-	90	100	90 ²	10.2	-	13.8	42.3	37.0 ²
Constanta Port	75	90	25	N/A	6.5	14.1	11.0	4.1	N/A
Nuclearelectrica	70	88	93	90	6.9	8.6	8.6	18.5	25.4
Total Top 10 Holdings (RON mn)					338.4	213.5	416.8	492.1	553.7

Note: Calculations based on the companies' annual financial statements. Dividends are distributed based on individual financial statements.

1. Source: 29 March 2019 Factsheet.

2. Assuming a 90% dividend payout ratio, similar to previous years, and using the 2018 preliminary unaudited figures presented by the management.

Total dividend income from portfolio companies

	FP Net Dividend (RON mn)					
	2013	2014	2015	2016	2017	2018
Total Dividends from Listed Companies (RON mn)	373.9	538.6	251.5	36.0	148.1	199.6
Total Dividends from Unlisted Companies (RON mn)	275.8 ²	143.5	315.9	315.2	404.5	366.9
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0794
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0280
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903⁸
Share Price (RON)	0.7640 ³	0.8130 ⁴	0.7200 ⁵	0.9180 ⁶	0.8990 ⁷	0.9500 ⁹
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	9.51% ⁹
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	

1. Calculation based on the number of paid shares at the registration date for each year excluding treasury shares at the same date. For 2018 and 2019, the calculation is based on the number of paid shares excluding treasury shares acquired as at 30 April 2019.

2. Includes dividends from Romgaz and Nuclearelectrica, which were unlisted at that time.

3. As at 30 April 2014.

4. As at 29 May 2015.

5. As at 9 June 2016.

6. As at 6 June 2017.

7. As at 11 June 2018.

8. Approved by shareholders during the 4 April 2019 Annual GSM.

9. As at 14 May 2019.



General principles:

- In accordance with the IPS, the Alternative Investment Fund Manager (the “Fund Manager”) may propose cash distributions for shareholders’ approvals. The level of such cash distributions is proposed by the Fund Manager by applying this policy and in correlation with the other on-going Discount Control Mechanism measures (e.g. buy-backs).
- The Fund Manager intends to recommend to shareholders for their approval a cash distribution of **at least RON 0.05 per share in cash, on an annual basis**, subject to applicable law and necessary approvals, to any restrictions under Romanian legal or tax regulations and subject to available financing sources.
- Under exceptional market conditions or circumstances (e.g. events that may significantly impact the discount), the Fund Manager may propose a change of the mix of cash distribution and share buy-backs to allocate more of the distributable cash towards share buy-backs, if it considers this to be in the best interest of the Fund’s shareholders to enhance shareholder value.
- ACDP does not limit additional cash distributions and share buy-backs that can be recommended by the Fund Manager separately, subject to available financing sources, regulatory and corporate approvals and depending on the discount level, in accordance with the IPS and the Discount Control Mechanism



Cash distributions:

- Under current Romanian legislation and the Constitutive Act, each fully paid share gives its owner the right to receive cash distributions (in the form of dividends or other types of cash distributions, such as return of capital). Unpaid shares and treasury shares will not be entitled to receive cash distributions.
- Cash distributions are paid to the shareholders on a pro rata basis, proportionately to their participation in the paid share capital of the Fund.

– Dividend distributions

- In the absence of exceptional market conditions or circumstances, and subject to any restrictions under Romanian legal or tax regulations and subject to available financing sources, in case of dividend distributions (where permitted by applicable law), the distributable amount is calculated by the Fund Manager and proposed for shareholders' approval as sum of the following elements: **the Fund's annual dividend income from portfolio companies, except special cash distributions plus interest on cash balances less expenses and taxation and less compulsory allocations to reserves according to the regulations in force.**
- The Fund Manager may propose the dividend level up to the amount computed as above, by considering the ongoing measures imposed by Discount Control Mechanism and the available cash.
- Any dividend distribution will be based on audited financial statements.

– Return of capital

- In case of a return of capital, the distributable amount is subject to the restrictions under Romanian legal or tax regulations and to available funding and will be based on the Fund Manager's best estimate according to the latest available financial statements at the time of proposing the respective distribution for the shareholders' approval.

Investor relations – Upcoming events



More information about the Fund can be found on the website www.fondulproprietatea.ro



EGM agenda:

- Approval of an amendment to the Constitutive Act of Fondul Proprietatea
- The approval of the new Investment Policy Statement of Fondul Proprietatea



OGM agenda:

- The approval of the execution of an Addendum to the Management Agreement between Fondul Proprietatea S.A. and Franklin Templeton International Services S.à r.l. needed in the context of the UK exit from the EU
- The approval of the renewal of the mandate of Franklin Templeton International Services S.à r.l as the alternative investment fund manager of Fondul Proprietatea S.A. for a duration of two years starting with 1 April 2020, **or**
- The approval of the appointment of a new sole director of Fondul Proprietatea S.A. that will act as alternative investment fund manager for a mandate of two years starting with 1 April 2020

Financial results



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Statement of Financial Position

RON mn	31 March 2019 Unaudited	31 December 2018 Audited
Cash and current accounts	18.6	19.6
Deposits with banks	376.4	187.1
Treasury bills	-	49.6
Government bonds	66.4	131.6
Dividend receivables	-	137.0
Equity investments	9,674.9	9,337.4
Other assets	68.8	1.5
Total assets	10,205.1	9,863.8
Payables	14.9	14.8
Other liabilities	19.4	20.6
Total liabilities	34.3	35.4
Total equity	10,170.8	9,828.4
Total liabilities and equity	10,205.1	9,863.8

Source: FP Q1 2019 Results report.

Statement of Comprehensive Income

RON mn	3-month period ended 31 March 2019 Unaudited	3-month period ended 31 March 2018 Unaudited
Net gain from equity investments at fair value through profit or loss	392.4	309.8
Gross dividend income	34.7	-
Interest income	2.2	2.6
Other income/ (expenses), net ¹	-	(0.8)
Net operating income	429.3	311.6
Administration fees recognised in Profit and Loss	(9.3)	(11.2)
Other operating expenses	(5.4)	(6.8)
Operating expenses	(14.7)	(18.0)
Finance costs	(0.2)	-
Profit before income tax	414.4	293.6
Income tax	-	-
Profit for the period	414.4	293.6
Other comprehensive income	-	-
Total comprehensive income for the period	414.4	293.6

Source: FP Q1 2019 Results report.

1. Other income/ (expenses), net included mainly the net gain / (loss) from revaluation of government securities through profit or loss, net foreign exchange gain / (loss) and other operating income/ (expenses).

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The Fund's headquarters are located at 78-80 Buzesti Street, 7th Floor, Bucharest, 1st District, 011017, Romania. Fund's Fiscal Identification Code is 18253260 and Trade Registry registration number is J40/21901/2005. The subscribed share capital is RON 4,733,020,898.32 and paid up share capital is RON 4,543,838,476.32.

FTIS qualifies as an alternative investment fund manager under Article 5 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 36.979, registered with the Romanian Financial Supervisory Authority ("FSA") under number PJM07.1AFIASMDLUX0037/10 March 2016.

Since 30 March 2019, the management by FTIS of the Fund is carried out through its Romanian branch, Franklin Templeton International Services S.à r.l. Luxembourg, Sucursala Bucuresti notified to the Romanian Financial Surveillance Authority.

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