

# Fondul Proprietatea

H1 2015 Results Conference Call  
– 13 August 2015



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The headquarters of Fondul Proprietatea SA are at 78-80 Buzesti Str, 7th Floor, Bucharest District 1, 011017, Romania. Fondul Proprietatea's Fiscal Identification Code (CIF) is 18253260 and Trade Registry registration no is J40/21901/2005. The subscribed share capital is RON 10,965,850,800.30 and paid up share capital is RON 10,638,419,685.30 . This presentation is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with ASF under no. PJR09SIIR/400006/18.08.2010, which is authorized and regulated in the UK by the Financial Conduct Authority with Register Number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission, and the Romanian branch is regulated by the Romanian Financial Supervisory Authority.

# Fund Information



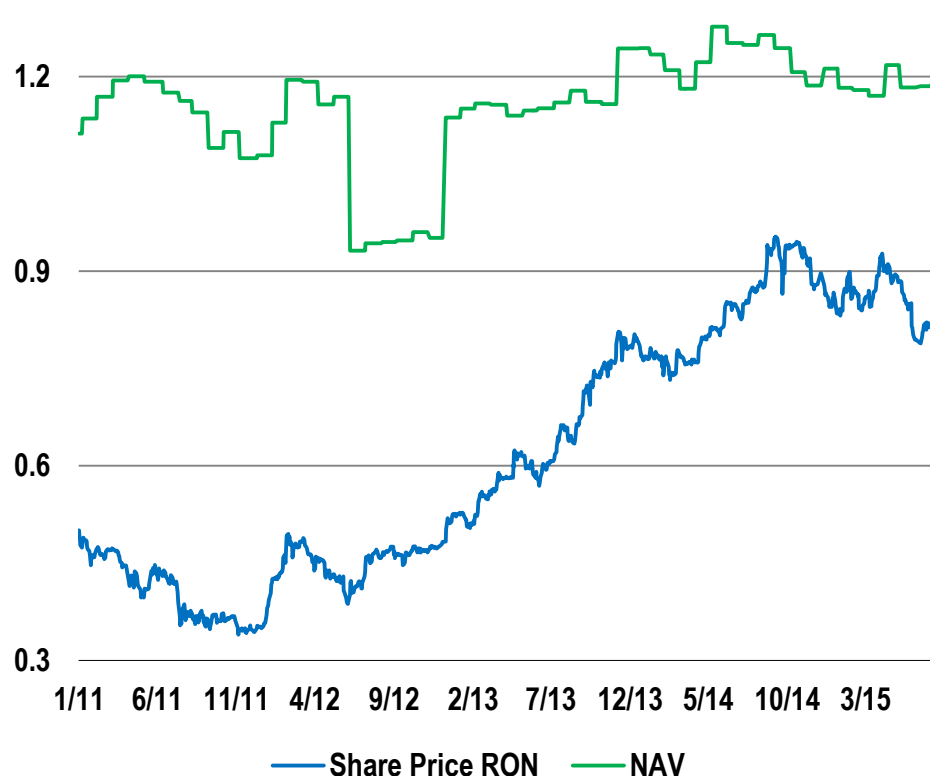
# The Fund – Key Facts

Fund Details as at 31 July 2015 <sup>1</sup>	RON	EUR
NAV	12.83 bn	2.91 bn <sup>2</sup>
NAV/Share	1.2105	0.2747 <sup>2</sup>
Price/Share <sup>3</sup>	0.8150	0.1849
Discount per Share <sup>3</sup>	32.67%	
Price/GDR <sup>3</sup> (USD)	10.20	
Discount/GDR <sup>3</sup>	32.32%	
Number of Shares in Issue	12,184,278,667	
Number of Paid Shares	11,820,466,317	
Number of Paid Shares less Treasury Shares <sup>3</sup>	10,602,038,451	

## Investment Objective

Maximization of returns and per-share capital appreciation via investments mainly in Romanian equities and equity-linked securities.

FP Share Price<sup>4</sup> and NAV



Source: BVB, FP NAV report as at 31 July 2015.

1. Based on local regulator methodology.

2. Computed using the NBR EUR/RON FX rate as at 31 July 2015.

3. Treasury shares acquired until 29 July 2015.

4. Source: BVB, until 12 August 2015.

# NAV, Share Price and GDR Performance

## Cumulative Performance (RON)

	2011	2012	2013	2014	Q1 2015	H1 2015	YTD <sup>1</sup>	Since Performance Inception <sup>2</sup>
NAV	(0.47)%	8.91%	13.29%	1.39%	(3.46)%	1.87%	4.05%	26.85%
Ordinary Share Price	(30.32)%	38.30%	61.34%	14.53%	(3.63)%	(5.83)%	(3.46)%	67.69%
GDR	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(6.11)%

## Average Annual Discount

2011	2012	2013	2014	YTD <sup>3</sup>	Current Share Price Discount <sup>4</sup>	Current GDR Price Discount <sup>4</sup>
55.67%	50.20%	41.30%	30.57%	28.27%	35.36%	33.57%

Source: BVB, LSE, FP NAV reports.

1. As at 31 July 2015.

2. 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.

3. For the period: 5 January – 12 August 2015.

4. As at 12 August 2015.

# Contributors to NAV Performance for Q2 2015

## TOP PERFORMERS

Company	Status	% in Total NAV <sup>1</sup>	% change in NAV performance for Q2 2015	Change in NAV per share (RON)
OMV Petrom SA	Listed	32.1%	1.16%	0.0137
Romgaz SA	Listed	11.1%	0.41%	0.0049
BRD Groupe Societe Generale SA	Listed	2.2%	0.31%	0.0036
Alro SA	Listed	0.7%	0.09%	0.0010
Nuclearelectrica SA	Listed	1.6%	0.04%	0.0005

## BOTTOM PERFORMERS

Company	Status	% in Total NAV <sup>1</sup>	% change in NAV performance for Q2 2015	Change in NAV per share (RON)
Forsev SA <sup>2</sup>	Listed	0.0%	(0.05)%	(0.0005)
Romaero SA	Listed	0.1%	(0.04)%	(0.0005)
Primcom SA	Listed	0.1%	0.00%	(0.0001)
CN Administratia Porturilor Dunarii Fluviale SA	Unlisted	0.0%	0.00%	(0.0001)
Oil Terminal SA	Listed	0.0%	0.00%	(0.0000)

**TOTAL NAV VARIANCE Q2 2015**

**0.0145**

1. Source: Detailed Statement of Investments as at 30 June 2015.

2. Holding subject of withdrawal procedure in accordance with the Law 151/2014.

# Contributors to NAV Performance for H1 2015

## TOP PERFORMERS

Company	Status	% in Total NAV <sup>1</sup>	% change in NAV performance for H1 2015	Change in NAV per share (RON)
BRD Groupe Societe Generale SA	Listed	2.2%	0.39%	0.0048
Romgaz SA	Listed	11.1%	0.30%	0.0038
Banca Transilvania SA	Listed	1.3%	0.13%	0.0016
Conpet SA	Listed	0.3%	0.06%	0.0007
Alcom SA	Listed	0.1%	0.05%	0.0006

## BOTTOM PERFORMERS

Company	Status	% in Total NAV <sup>1</sup>	% change in NAV performance for H1 2015	Change in NAV per share (RON)
OMV Petrom SA	Listed	32.1%	(2.53)%	(0.0314)
Salubriserv SA <sup>2</sup>	Unlisted	0.0%	(0.08)%	(0.0010)
Nuclearelectrica SA	Listed	1.6%	(0.05)%	(0.0007)
Forsev SA <sup>3</sup>	Listed	0.0%	(0.04)%	(0.0005)
Romaero SA	Listed	0.1%	(0.03)%	(0.0003)

**TOTAL NAV VARIANCE H1 2015**

**(0.0274)**

1. Source: Detailed Statement of Investments as at 30 June 2015.

2. Company in insolvency procedure starting 2015.

3. Holding subject of withdrawal procedure in accordance with the Law 151/2014.

# Performance Objectives





# Performance Objectives – NAV

- **Objective**
  - The Adjusted NAV<sup>1</sup> per share as at 30 June 2015, to be higher than the NAV per share as at 30 September 2013 (RON 1.1610 / share)
- **Monthly Monitoring – 30 June 2015**
  - Adjusted NAV as at 30 June 2015 is higher than the NAV per share as at 30 September 2013

NAV Objective	Amount RON	Comments
<b>Total NAV as at 30 June 2015</b>	<b>12,645,915,882</b>	
2014 Return of capital to shareholders	601,325,852	2014 Return of capital (Liability to shareholders was recorded in June 2014 when the share capital decrease was approved and recorded; payment started in July 2014)
Costs related to the <b>2014 return of capital</b> after <b>30 Sep 2013</b> , until <b>30 June 2015</b>	47,617	Fee charged by the distribution bank for the 2014 return of capital
2015 Return of capital to shareholders	534,322,868	2015 Return of capital (Liability to shareholders was recorded in May 2015 when the share capital decrease was approved and recorded; payment started in June 2015)
Costs related to the <b>2015 return of capital</b> until <b>30 June 2015</b>	18,031	Accrual for the fees charged by Central Depository and Paying Agent for the payments performed in June 2015
Costs related to <b>buybacks</b> after 30 Sep 2013, until <b>30 June 2015</b>	27,037,687	Fees related to: Second buyback programme after 30 Sept 2013 (including FSA and BVB fees for the Tender offer), Third buyback programme, Fourth buyback programme (including FSA and BVB fees for the Tender offer) and fifth buyback programme (before 30 June 2015).
Distribution fees	12,564,983	Accrual for FTIML distribution fees for non-dividend distributions to shareholders in the period from 20 March 2015 to 30 June 2015
<b>Total Adjusted NAV as at 30 June 2015</b>	<b>13,821,232,920</b>	
Number of Fund's paid shares, less Treasury shares as at <b>30 June 2015</b>	10,670,555,366	
<b>Adjusted NAV per share as at 30 June 2015</b>	<b>1.2952</b>	
<b>NAV per share as at 30 September 2013</b>	<b>1.1610</b>	
<b>Difference</b>	<b>0.1342</b>	
<b>%</b>	<b>11.6%</b>	

Source: Fund Manager.

1. The adjusted NAV for a given date will be calculated as the sum of: the reported NAV as at the end of reporting period, any returns to shareholders, following reductions of the share capital (return of nominal) implemented after 30 September 2013, and any Distribution Fees and any transaction costs relating to non-dividend distributions including buy-backs executed after 30 September 2013. The adjusted NAV per share will be equal to the adjusted NAV divided by the total number of the Fund's paid shares, less treasury shares, on the last day of the reporting period.

# Contributors to Change in the NAV for the period **FONDUL** 30 September 2013 – 30 June 2015 **PROPRIETATEA**

## TOP PERFORMERS

Company	Status	% in Total NAV <sup>2</sup>	% change in NAV performance	Change in NAV per share (RON) <sup>1</sup>
Romgaz SA <sup>4</sup>	Listed	11.1%	4.75%	0.0664
Hidroelectrica SA	Unlisted	17.2%	1.19%	0.0166
ENEL Distributie Banat SA	Unlisted	5.1%	1.04%	0.0145
Electrica Furnizare SA	Unlisted	1.0%	0.85%	0.0118
GDF Suez Energy Romania SA	Unlisted	3.6%	0.77%	0.0108

## BOTTOM PERFORMERS

Company	Status	% in Total NAV <sup>2</sup>	% change in NAV performance	Change in NAV per share (RON) <sup>1</sup>
Complexul Energetic Oltenia SA	Unlisted	0.9%	(5.17)%	(0.0723)
OMV Petrom SA	Listed	32.1%	(5.13)%	(0.0717)
Nuclearelectrica SA <sup>4</sup>	Listed	1.6%	(0.68)%	(0.0096)
E.ON Distributie Romania SA <sup>3</sup>	Unlisted	3.5%	(0.37)%	(0.0051)
Electrica Distributie Muntenia Nord SA	Unlisted	1.9%	(0.28)%	(0.0040)

## TOTAL NAV VARIANCE

**0.0241**

1. Calculated based on the number of shares, excluding treasury shares as at 30 June 2015
2. Detailed Statement of Investments as at 30 June 2015.
3. E.ON Distributie Romania resulted from the merger of E.ON Gaz Distributie SA (the absorbing company, whose name was changed) and E.ON Moldova Distributie SA (the absorbed company). The merger was effective as at 31 December 2014
4. Romgaz SA and Nuclearelectrica SA were listed on the BVB in November 2013



# Discount Objective

- **Objective**

- The discount between the closing price and the last reported NAV per share to be equal to or lower than 15%, in at least 2/3 of the trading days in the period 1 October 2014 – 30 June 2015

- **Monthly Monitoring – 30 June 2015**

- In the period 1 October 2014 – 30 June 2015, discount was higher than 15%, for both shares and GDRs.

- **Discount Evolution**

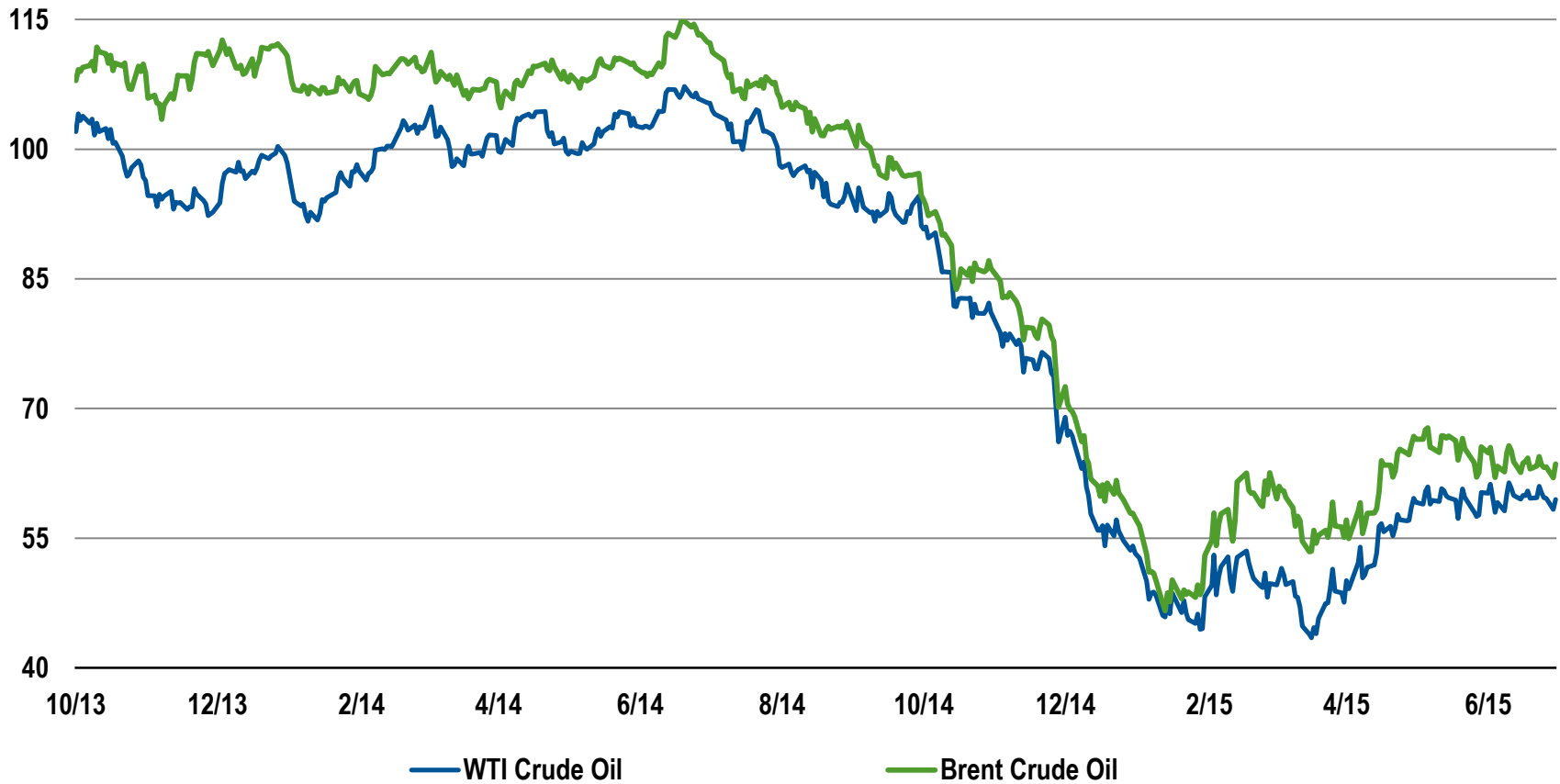
Discount at the Beginning of the Reporting Period – 1 October 2014	Discount at the End of the Reporting Period – 30 June 2015	Minimum Discount (on 27 April 2015)	Maximum Discount (on 30 June 2015)	Average Discount for the Reporting Period	Discount Range for the Reporting Period
23.46%	32.92%	20.81%	32.92%	26.22%	20.81% - 32.92%

Source: Fund Manager.

# Summary of Key Challenges

- FSA not approving the DI regulation required to complete the Fund's listing in London in December 2014
- Significant work undertaken to list the Fund on the London Stock Exchange via GDRs
- Delays in the implementation of the Corporate Governance Legislation (OUG 109/2011)
- Delays in the IPO calendar of the SOEs
- Hidroelectrica re-entering the insolvency procedure
- Introduction of the infrastructure tax of 1.5% (estimated impact on the Fund portfolio companies in 2014: around RON 1.0 billion)
- Delays in the gas price liberalization for households
- Reduction of the regulated rate of return of the electricity distribution companies from 8.5% to 7.7% of the Regulated Asset Base
- Delays in publication of the new law on taxation of the oil and gas sector
- Significant decrease in oil prices
- Negative impact on the global market sentiment due to the recent events in Ukraine and Greece
- Underperformance of the Romanian market compared to the MSCI Frontier and MSCI World indices

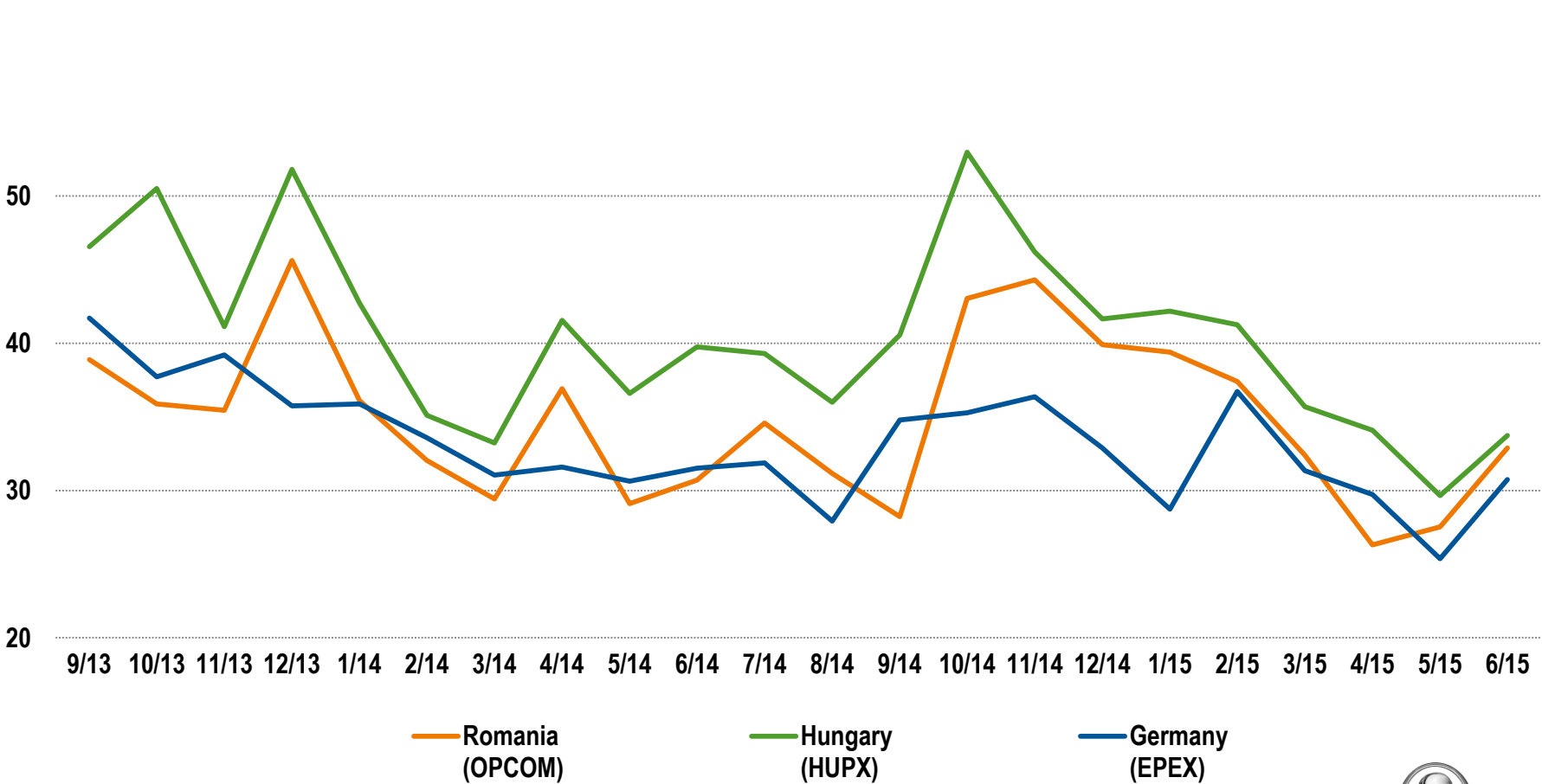
# Oil Prices



Source: Bloomberg, for the period 1 October 2013 – 30 June 2015.

# Electricity Prices

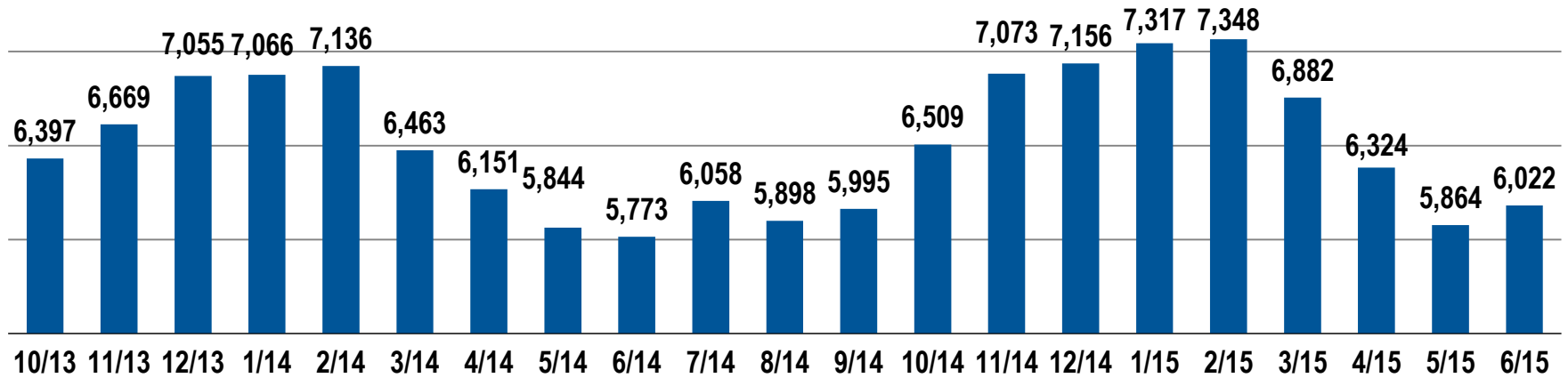
Electricity prices (EUR/MWh)



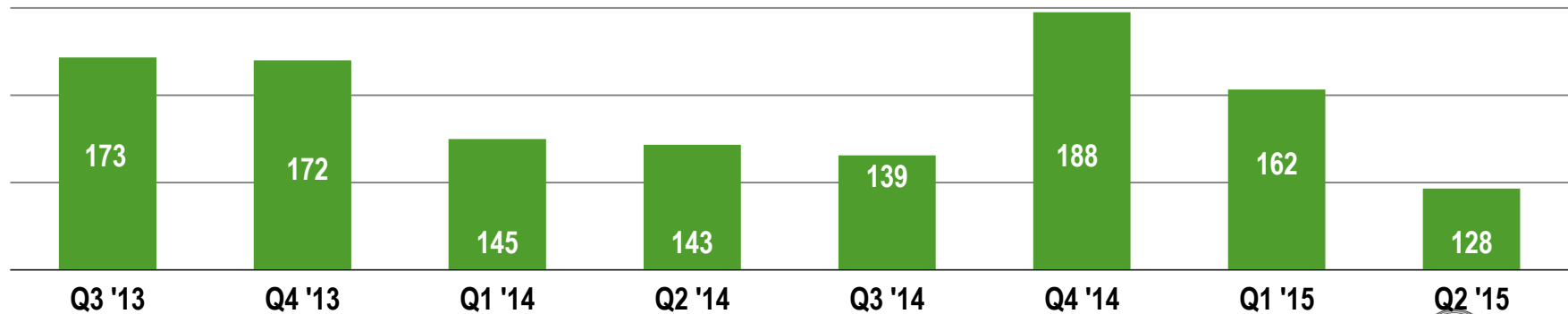
Source: Hidroelectrica, Bloomberg.  
Note: Base load prices.



## Consumption (average hourly values)



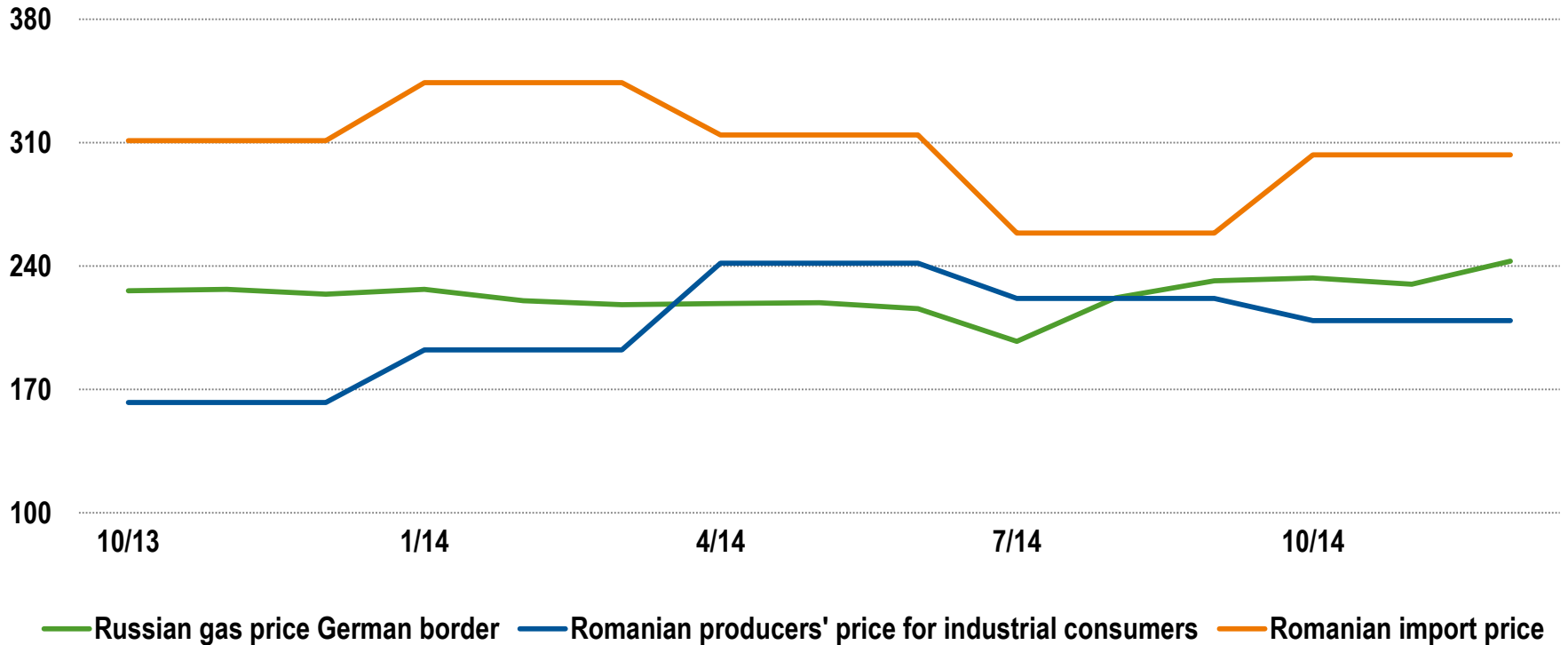
## Day Ahead Market Prices (RON/MWh)



Source: Hidroelectrica.

# Gas Prices

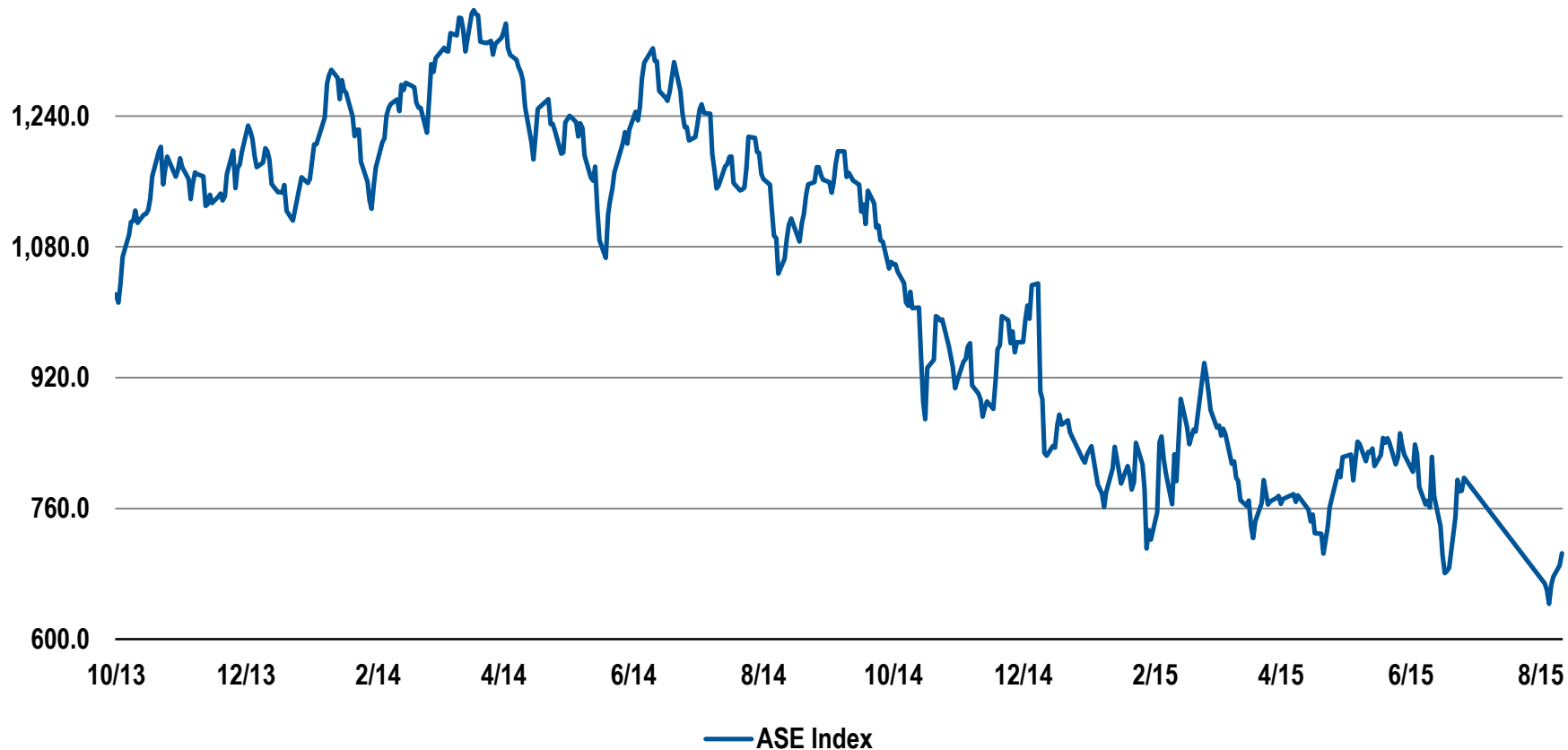
## Gas prices (EUR/cm)



Source: Wood & Co, Bloomberg for the period 1 October 2013 – 30 June 2015.



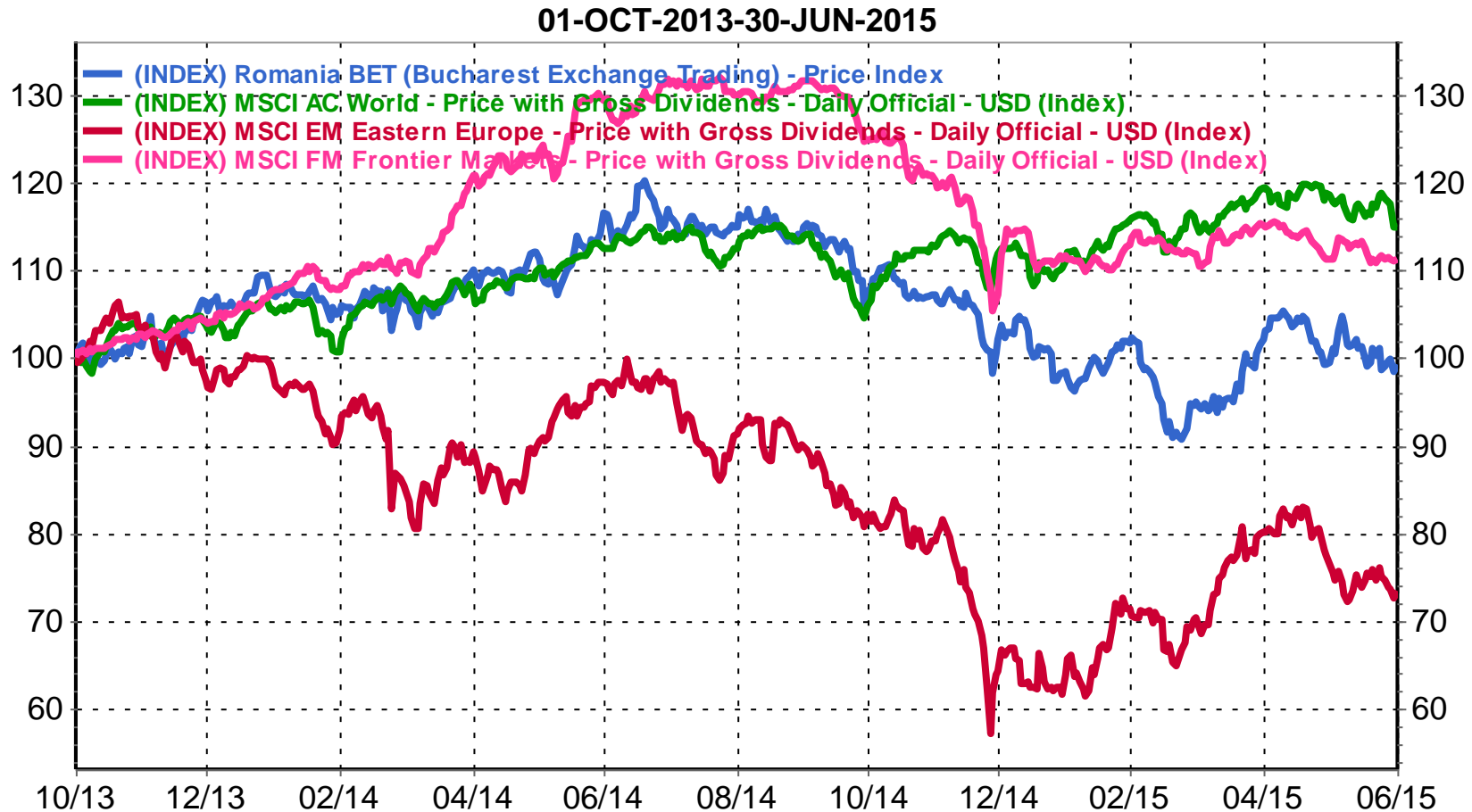
# Greece – Athens Stock Exchange Composite



Source: Bloomberg, for the period 1 October 2013 – 12 August 2015.



# Romania vs. MSCI Eastern Europe vs. Frontier Markets vs. World: YTD Performance

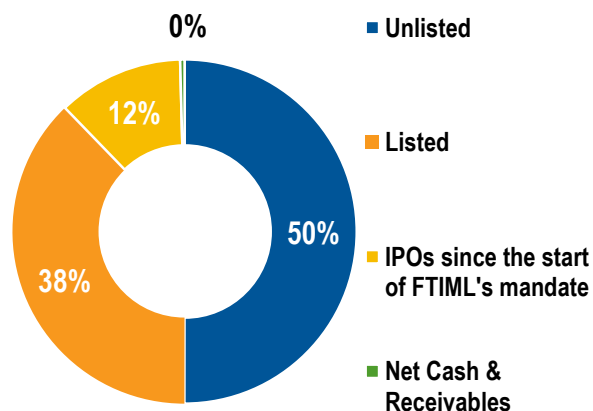


Source: MSCI.

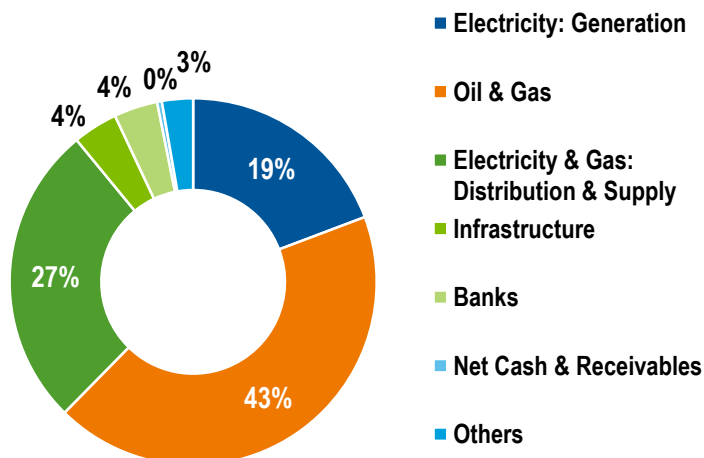
# Portfolio



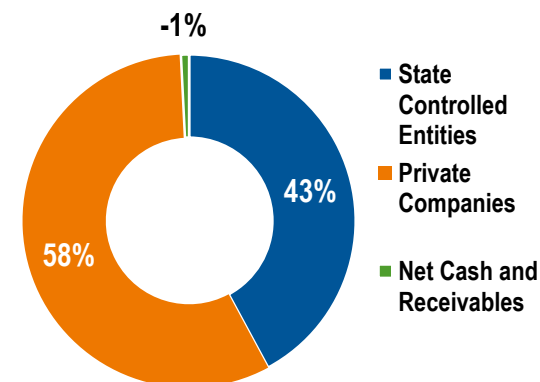
**Listed vs Unlisted  
as at 31 July 2015**



**By Sector  
as at 31 July 2015**



**By Controlling Ownership as  
at 30 June 2015**



- As at 31 July 2015, the portfolio included stakes in 49 companies (15 listed and 34 unlisted).
- Net cash and receivables position as at 31 July 2015 was EUR - 12.5 mn.
- Following the share capital increase of GDF Suez Energy Romania SA, effective as at 7 April 2015, the Fund subscribed 8,835 new shares, at the nominal value of RON 10 per share (RON 88,350 in total)
- In June, the Fund received 12,011,283 bonus shares (having a nominal value of RON 1 per share) in Banca Transilvania SA, as a result of the share capital increase of this company through incorporation of reserves.
- During the first six months of 2015 the Fund sold its entire holdings in Electroconstructia Elco Cluj SA, SIFI CJ Agro SA (Comcereal Cluj) and Forserv SA.
- In June, Fecne SA was erased from the Trade Register, at the end of the bankruptcy procedure.

Source: Monthly Factsheet prepared by the Fund Manager as at 31 July 2015, H1 2015 results report.

# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake <sup>1</sup>	NAV as at 31 July 2015 (EUR mn)	% in NAV as at 31 July 2015
OMV Petrom SA	Listed	OMV	19.0%	956.98	32.86
Hidroelectrica SA	Insolvency	Romanian State	19.9%	494.24	16.97
Romgaz SA	Listed	Romanian State	10.0%	300.42	10.32
ENEL Distributie Banat	Unlisted	Enel Group	24.1%	145.33	4.99
ENEL Distributie Muntenia	Unlisted	Enel Group	12.0%	105.69	3.63
GDF Suez Energy Romania	Unlisted	GDF Suez	12.0%	104.68	3.59
E.ON Distributie Romania <sup>2</sup>	Unlisted	E.ON Group	18.3%	101.18	3.47
ENEL Distributie Dobrogea	Unlisted	Enel Group	24.1%	90.06	3.09
CN Aeroporturi Bucuresti	Unlisted	Romanian State	20.0%	75.40	2.59
BRD Groupe Societe Generale SA	Listed	Groupe Societe Generale	3.6%	65.67	2.26
<b>Top 10 Portfolio Holdings</b>				<b>2,439.65</b>	<b>83.77</b>
<b>NAV</b>				<b>2,912.00</b>	<b>100.00</b>
<b>NAV Per Share (EUR)</b>				<b>0.2747</b>	

Note: Values in EUR calculated using the EUR/RON FX rate as at 31 July 2015.

Source: Monthly Factsheet prepared by the Fund Manager as at 31 July 2015.

1. Based on the 30 June 2015 Detailed Statement of Investments.

2. Formed through the merger of E.ON Gaz Distributie and E.ON Moldova Distributie, as at 31 December 2014.

# Update on the Unlisted Power and Gas Distribution Companies

Company	FP Stake	NAV EUR mn	% NAV
Enel Distributie Banat (EDB)	24%	143.2	5.1%
Enel Distributie Muntenia (EDM)	12%	104.1	3.7%
Enel Distributie Dobrogea (EDD)	24%	88.7	3.1%
Enel Energie Muntenia (EEM)	12%	14.6	0.5%
Enel Energie (EE)	12%	16.6	0.6%
<b>Total Enel</b>		<b>367.2</b>	<b>13.0%</b>
Electrica Distributie Muntenia Nord	22%	52.7	1.9%
Electrica Distributie Transilvania Sud	22%	46.2	1.6%
Electrica Distributie Transilvania Nord	22%	45.1	1.6%
Electrica Furnizare	22%	28.2	1.0%
<b>Total Electrica</b>		<b>188.8</b>	<b>6.7%</b>
E.ON Distributie Romania	18%	99.7	3.5%
E.ON Energie Romania	13%	29.9	1.1%
<b>Total E.ON</b>		<b>129.6</b>	<b>4.6%</b>
GDF Suez Energy Romania	12%	103.1	3.7%
<b>TOTAL</b>		<b>788.7</b>	<b>28.0%</b>

Notes: Values in EUR calculated using the EUR/RON FX rate as at 30 June 2015.  
Source: Detailed Statement of Investments as at 30 June 2015.

## Background

- The total value of the holdings is EUR 788.7 mn, or 28.0% of the NAV per the Fund's 30 June 2015 Detailed Statement of Investments.

## Status

- E.ON:** Following the GSM decisions adopted in November 2014, as of 31 December 2014, the gas distributor E.ON Gaz Distributie merged through absorption with the electricity distributor E.ON Moldova Distributie (absorbed company) and subsequently changed its name in E.ON Distributie SA. The Fund's stake in the merged entity is 18.3%. The controlling shareholder's stake in E.ON Distributie Romania is 61.8%. The Fund has requested the amendment of the convening notices of the annual GSMs of E.ON Distributie Romania and E.ON Energie Romania called at the end of May 2015, for shareholders to approve the initiation of court actions against their board members and managers of these companies in order to recover damages caused to the companies by approving, concluding and performing business strategy consultancy agreements with their majority shareholder E.ON Romania SRL (estimated cumulated value of RON 34.4mil in 2014).
- Enel:** In March 2015, Enel announced that the company has put on hold the sale of its operations in Romania.
- Electrica:** Negotiations have failed. The Fund has withdrawn its offer made to Electrica to sell the four subsidiaries. FP is waiting for an official re-start of the negotiations.
- GDF Suez Energy Romania:** According to media, GDF Suez Energy Romania has won in court a litigation against ANRE for recovering EUR 66 mn representing unrecognized revenues dating from 2008-2011. According to the regulator, a large amount was already recovered by the company from the industrial consumers by the end of 2014 and the rest will be recovered from households by the end of 2018. ANRE has the possibility to appeal the court's decision.



# Top Listed Portfolio Holdings – Key Financials

	EBITDA (mn RON)		Net Profit (mn RON)	
	H1 2015	H1 2014	H1 2015	H1 2014
OMV Petrom SA	3,128.00	4,245.00	1,041.36	1,386.54
BRD Groupe Societe Generale SA <sup>1</sup>	-	-	270.14	127.89
Banca Transilvania SA <sup>1</sup>	-	-	2,278.97	186.71
Conpet SA Ploiesti	62.55	56.67	35.08	30.94
<b>Total</b>	<b>3,190.55</b>	<b>4,301.67</b>	<b>3,625.55</b>	<b>1,732.08</b>
<b>Weighted Total</b>	<b>597.80</b>	<b>809.56</b>	<b>275.35</b>	<b>275.21</b>

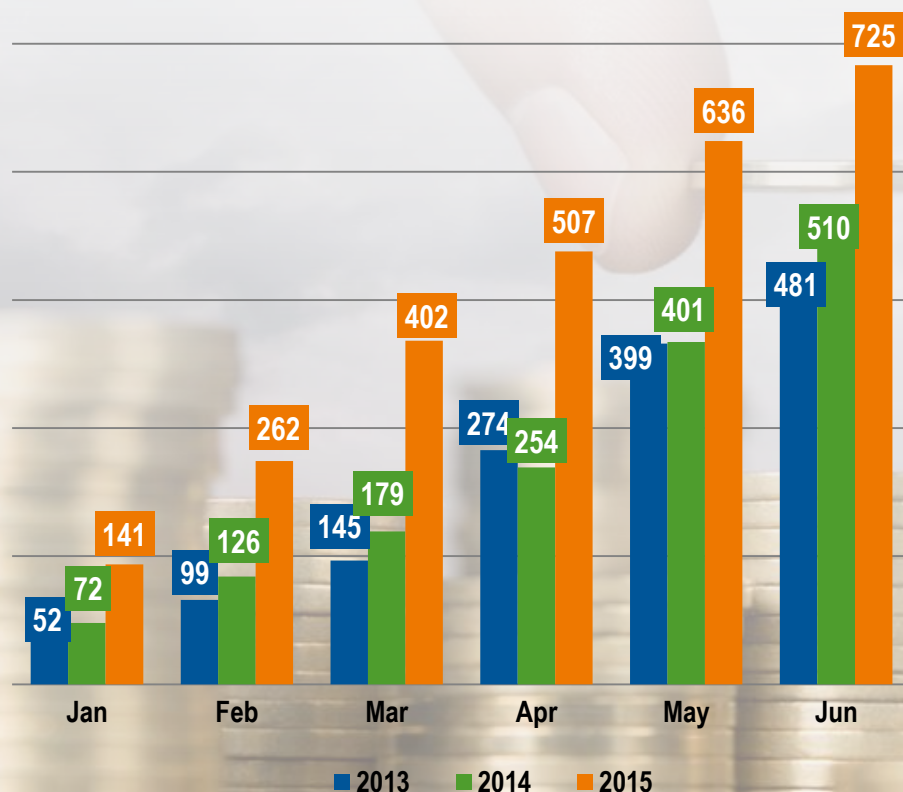
- Romgaz SA, Nuclearelectrica SA and Alro SA will publish the H1 2015 results on 14 August 2015.

Source: Companies H1 2015 Financial statements.

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

1. Consolidated financial statements.

## Pre-tax cumulated profit (RON mn)



- Pending litigations following the insolvency procedure
- Electricity generated in H1 2015: 10.20 TWh, vs. 8.76 TWh in H1 2014
- Electricity generated in July 2015: 1.1 TWh, vs. 1.6 TWh generated in July 2014.

Source: Company's financial statements, and press releases.

Note: Assumed selling price of 150 RON/MWh for 2009 and 2010, 220 RON/MWh in 2011, 217 RON/MWh in 2012, 210 RON/MWh in 2013, and RON 164/MWh in 2014.



## Romanian Government IPO Plans

On 29 April 2015, and also during the Government meeting on 3 June 2015, the Romanian Government reaffirmed its plans to continue in 2015 and 2016 the IPO and SPO program of SOEs:

- Majority State-owned companies and non-privatized (ex. Hidroelectrica, Constanta Port, Bucharest Airports, Salrom)
- Privatized companies, in which the State has a minority stake, but not listed (ex. Telekom, Enel, E.ON)
- Listed companies, in which the State has a majority or minority stake to increase free float (ex. Romgaz, Nuclearelectrica, OMV Petrom)

The Government approved the creation of a taskforce including the Ministry of Finance and the Financial Supervisory Authority to manage the coordination of the listing program.

## Citi Facility Agreement

On 4 May 2015, the Fund signed a credit facility agreement with Citibank Europe – Bucharest Branch for up to RON 500 million to be used mainly for corporate actions (buy-backs and return of capital). The credit facility is intended to be a short term overdraft facility that expires at the end of 2015.

## Gas price liberalization

Gas prices for non-household consumers are now considered fully liberalized given the obligation of producers to trade on regulated markets starting January 2015. For household consumers, the Government approved a new calendar that stipulates that the domestic gas price for households and the producers of thermal heating for population is due to increase by 13% to RON 60/MWh in July 2015, to RON 66/MWh in July 2016, and by RON 6/MWh annually starting April 2017 until RON 90/MWh in April 2020. The first step was implemented on 1<sup>st</sup> of July 2015, while the price increases starting April 2018 will be reassessed and the price would be set after an analysis of the market conditions at that time.

## Infrastructure Tax

The Romanian Parliament approved several changes to the Fiscal Code including the elimination of the infrastructure tax starting January 2016. Other significant changes: VAT rate to be reduced from 24% to 19%, and the dividend withholding tax reduced to 5%.



# Corporate Actions



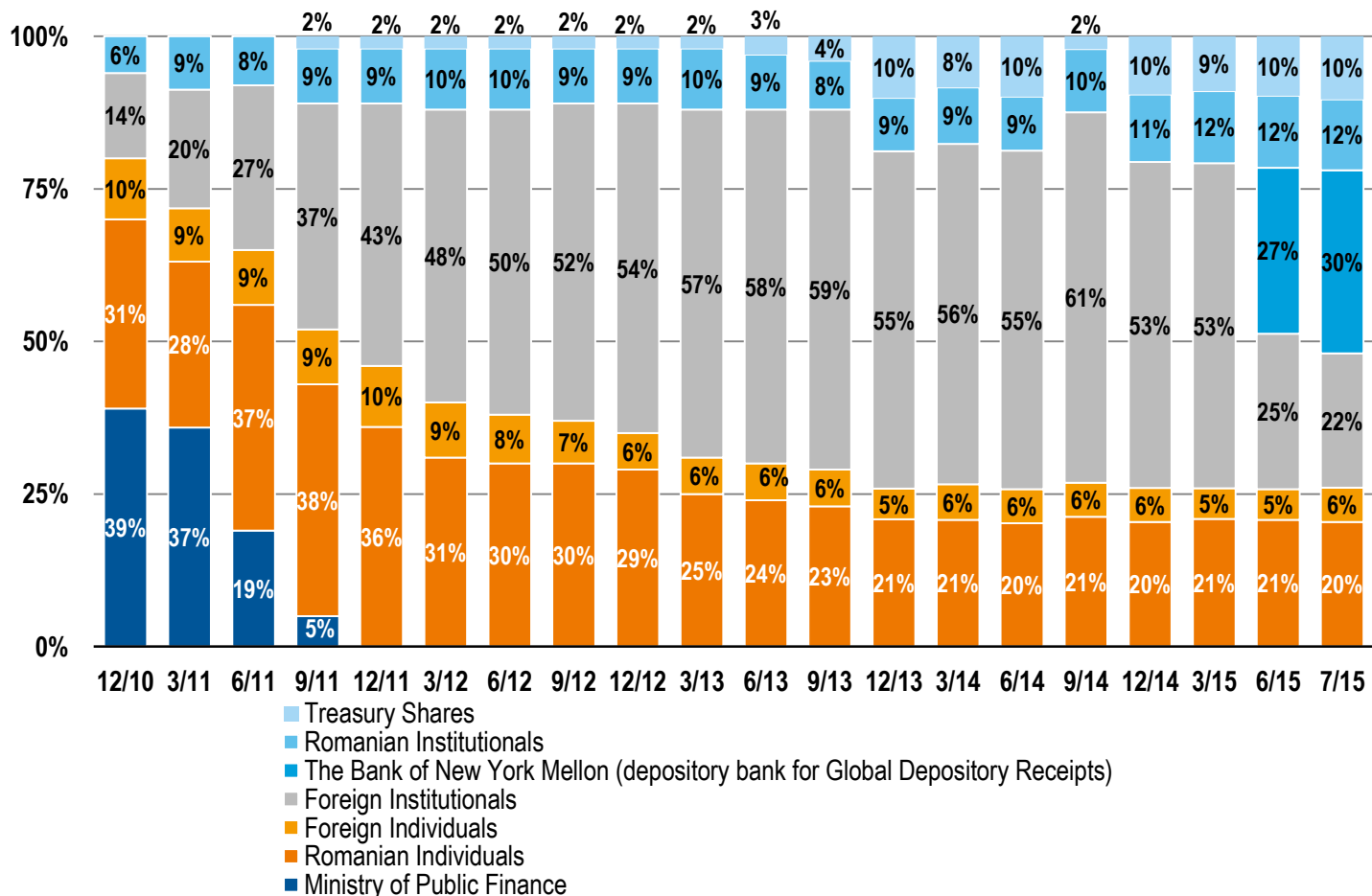
# LSE Listing – Top 10 Largest Funds by NAV

Fund	Symbol	Listing Currency	Total NAV (USD mn)	Premium / Discount to NAV (%)	% Listed Portfolio (approximately)	30 Days Avg. turnover (USD mn)	12 Mo Yield (%)
Scottish Mortgage Inv Tr Plc	SMT	GBP	5,119.47	6.30%	97.0	7.1	1.20%
Alliance Trust Plc	ATST	GBP	4,837.32	(12.10)%	93.0	4.3	2.80%
Foreign & Colonial Invest Tr	FRCL	GBP	4,190.37	(6.50)%	98.0	2.3	2.30%
Rit Capital Partners Plc	RCP	GBP	3,848.70	(0.20)%	39.0	2.5	2.10%
<b>FONDUL PROPRIETATEA (GDRs)</b>	<b>FP.</b>	<b>USD</b>	3,195.20	<b>(33.57)%</b>	<b>50.0</b>	<b>2.1</b>	<b>5.88%</b>
Mercantile Investment Trust	MRC	GBP	2,893.10	(10.20)%	89.0	1.6	2.70%
Hicl Infrastructure Co Ltd	HICL	GBP	2,824.06	11.40%	101.0	5.0	4.80%
Templeton Emerging Markets-o	TEM	GBP	2,514.35	(12.90)%	96.0	4.1	2.00%
Witan Investment Trust Plc	WTAN	GBP	2,416.17	0.20%	98.0	1.7	2.20%
Caledonia Investments Plc	CLDN	GBP	2,414.75	(17.30)%	63.0	1.4	2.40%

Source: Jefferies, Morningstar, Bloomberg, Company factsheets, LSE. Top 10 investment companies on LSEE by Total NAV, as per Morningstar, as at 10 August 2015. For Fondul Proprietatea, NAV as at 31 July 2015, discount as at 12 August 2015.

# Update on the GDR Facility

## Evolution (% Held)



## Largest Shareholders

Elliott Associates <sup>1</sup>	18.76%
Total Number of Shareholders <sup>2</sup>	8,627

1. Based on the total voting rights. Source: Ownership disclosures submitted by shareholders on 5 May 2015.

2. Shareholders structure as at 31 July 2015, based on paid share capital starting 31 July 2011. Source: Central Depository.

# Buy-Back Programs

Program	Period	Status	No. of shares to be repurchased / % of the Fund's issued share capital	Average share price (RON/share)	Total value of the buy-back program (RON mn) <sup>3</sup>	Broker	Cancellation of shares
Fourth	October 2014 – February 2015	Completed	991.0 mn/7.32%	1.0557 <sup>1</sup>	1,046.13	Raiffeisen	Approved by shareholders on 27 April 2015
Fifth	February – July 2015	Completed	227.6 mn/1.89%	0.8501 <sup>2</sup>	193.47	Wood & Co.	To be submitted for shareholders approval during the 29 October GSM
Sixth	-	Approved by shareholders on 27 April 2015	891.8 mn/7.54%	-	-	To be selected	-

1. Including the 750mn shares Tender Offer.

2. As at 29 July 2015, based on the 227,572,250 shares repurchased.

3. Excluding brokerage fees and other acquisition related costs.

# Dividend Income – Top 20 Portfolio Companies

Top 20 Holdings <sup>1</sup>	DIVIDEND PAYOUT (%)					FP NET DIVIDEND (RON mn)				
	2010	2011	2012	2013	2014	2011	2012	2013	2014	2015
OMV Petrom SA	46	47	40	36	35	201.6	353.1	319.0	331.4	120.5
Hidroelectrica SA	90	-	-	-	80	52.5	-	-	-	128.9
Romgaz SA	109	91	85	99	86	106.0	140.6	158.9	148.5	121.4
Enel Distributie Banat SA	56	-	-	-	50	20.2	-	-	-	20.7
Enel Distributie Muntenia SA	-	-	-	-	-	-	-	-	-	-
GDF Suez Energy Romania SA	40	-	50	60	51	9.6	-	22.8	33.6	24.0
E.ON Distributie Romania SA <sup>2</sup>	-	-	367	-	-	-	-	29.9	-	-
Enel Distributie Dobrogea SA	56	-	-	-	50	13.5	-	-	-	10.5
CN Aeroporturi Bucuresti SA	90	89	85	85	50	9.9	9.4	9.1	12.3	10.2
Electrica Distributie Muntenia Nord SA	-	12	84	83	85	-	1.8	16.2	23.2	24.7
BRD Groupe Societe Generale	25	25	-	-	-	2.1	3.6	-	-	-
Electrica Distributie Transilvania Sud SA	-	-	-	83	85	-	-	-	12.7	17.6
Electrica Distributie Transilvania Nord SA	-	-	-	83	85	-	-	-	11.7	16.7
Nuclearelectrica SA	-	-	83	81	68	-	-	2.3	27.9	6.9
Banca Transilvania SA	-	-	-	-	-	-	-	-	-	-
Societatea Nationala a Sarii Salrom SA	90	90	92	85	85	0.8	0.1	9.3	19.8	10.2

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

1. Based on the Detailed Statement of Investments as at 30 June 2015.

2. Formed through the merger of E.ON Gaz Distributie and E.ON Moldova Distributie, as at 31 December 2014.



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INVESTMENTS

# Dividend Income – Top 20 Portfolio Companies

Top 20 Holdings <sup>1</sup>	DIVIDEND PAYOUT (%)					FP NET DIVIDEND (RON mn)				
	2010	2011	2012	2013	2014	2011	2012	2013	2014	2015
E.ON Energie Romania SA	-	-	-	-	-	-	-	-	-	-
CN Administratia Porturilor Maritime SA	-	71	75	78	50	-	6.6	5.4	10.1	6.5
Electrica Furnizare SA	-	-	46	88	85	-	-	9.3	19.6	38.3
Complexul Energetic Oltenia SA <sup>2</sup>	-	-	85	-	-	-	-	10.3	-	-
<b>Total Top 20 Holdings (RON mn)</b>						<b>416.2</b>	<b>515.2</b>	<b>592.5</b>	<b>650.8</b>	<b>557.1</b>
<b>Total Dividends from Listed Companies (RON mn)</b>						<b>304.0</b>	<b>450.1</b>	<b>373.9</b>	<b>538.6</b>	<b>251.5</b>
<b>Total Dividends from Unlisted Companies (RON mn)</b>						<b>215.1</b>	<b>168.9</b>	<b>275.8<sup>4</sup></b>	<b>143.5</b>	<b>315.9</b>
<b>Total Dividend Income (RON mn)</b>						<b>519.1</b>	<b>619.0</b>	<b>649.7</b>	<b>682.1</b>	<b>567.4</b>
<b>Total Dividend Income per Share (RON)<sup>3</sup></b>						<b>0.05959</b>	<b>0.04699</b>	<b>0.04954</b>	<b>0.05674</b>	<b>0.05312</b>
<b>Dividend / Distribution per Share (RON)</b>						<b>0.03854</b>	<b>0.04089</b>	<b>0.05000<sup>6</sup></b>	<b>0.05000<sup>5</sup></b>	
<b>Share Price (RON)</b>						<b>0.5550<sup>7</sup></b>	<b>0.6600<sup>8</sup></b>	<b>0.7640<sup>9</sup></b>	<b>0.8130<sup>10</sup></b>	
<b>Yield</b>						<b>6.94%</b>	<b>6.20%</b>	<b>6.54%</b>	<b>5.84%<sup>10</sup></b>	
<b>Yield for Romanian companies (BET)</b>						<b>4.21%</b>	<b>5.09%</b>	<b>5.10%</b>	<b>3.50%</b>	

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

1. Based on the Detailed Statement of Investments as at 30 June 2015.

2. Created through the merger of CE Craiova SA, CE Rovinari SA, CE Turceni SA and SNLO; Dividends distributed to FP by merged companies:

3. Calculation based on the number of paid shares at the registration date for each year excluding treasury shares at the same date.

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

5. 2015 Return of capital. Payment started on 29 June 2015, following the decrease of the nominal value of the Fund's share from RON 0.95 to RON 0.90 per share

6. Paid as a return of capital in June 2014, following the decrease of the nominal value of the Fund's share from RON 1 to RON 0.95

7. As at 14 May 2012.

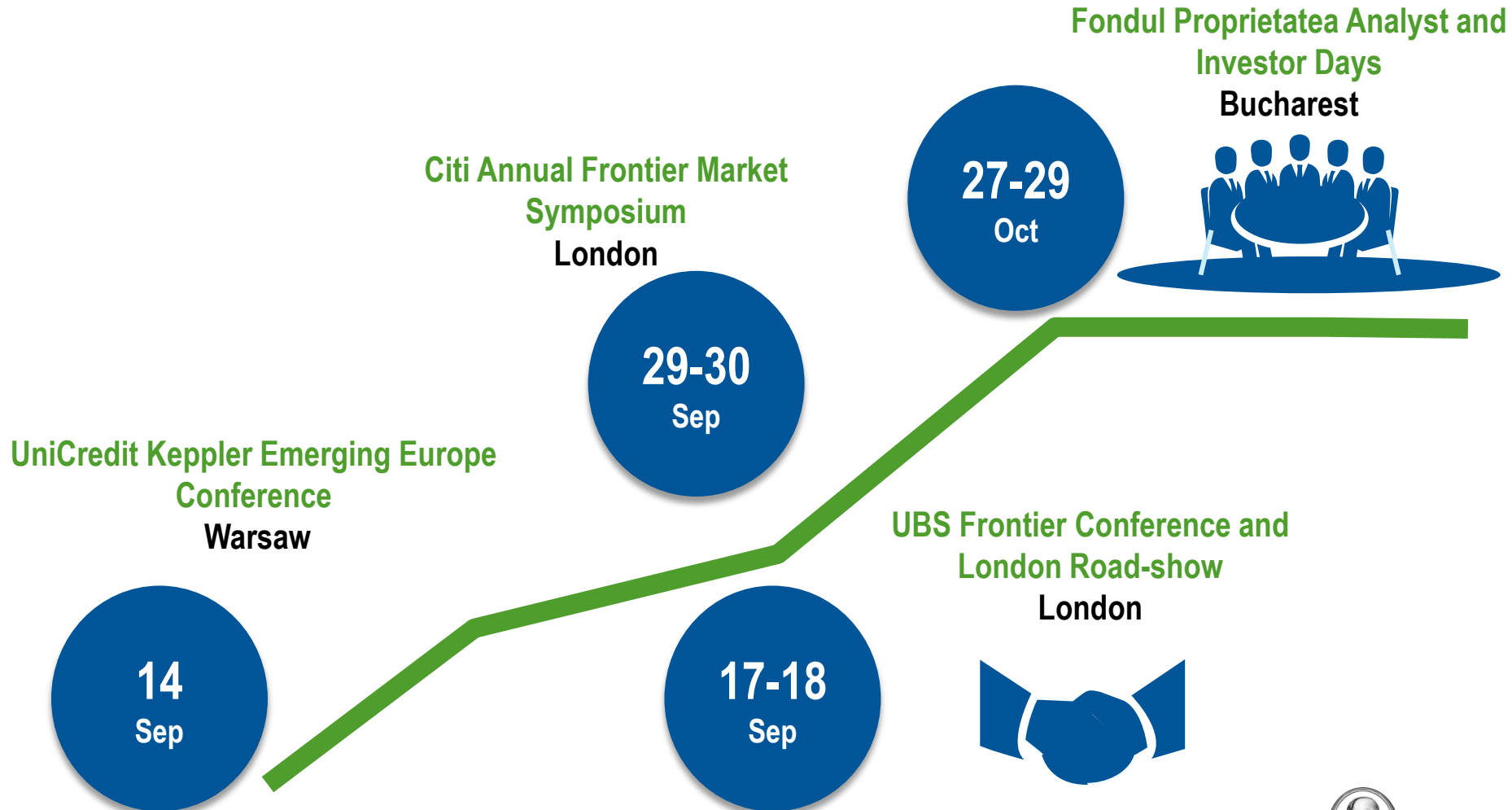
8. As at 15 May 2013.

9. As at 30 April 2014.

10. As at 29 May 2015.

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# Investor Relations – Upcoming Events



More information about the Fund can be found on the website [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)



# 2015 FP Analyst and Investor Days – Welcome Reception / Site Visits

## Bucharest

**Monday, 26 October 2015**

5:30 p.m.

Tour of the Cotroceni National Museum

8:00 p.m.

Welcome reception, JW Marriott Hotel, Champions Restaurant

## Bucharest / Olt County

**Tuesday, 27 October 2015**

9:00 a.m.

Pick-up from Marriott Hotel and departure to Alro Slatina

11:30 a.m.

Alro Slatina Presentation and Site Visit

1:00 p.m.

Lunch

2:00 p.m.

Departure to Hidroelectrica, Draganesti Olt Power-plant

2:45 p.m.

Hidroelectrica, Draganesti Olt Power-plant Site Visit

3:45 p.m.

Transfer back to Bucharest

7:00 p.m.

Dinner

# 2015 FP Analyst and Investor Days – Presentations (I) – Tentative Agenda (TBC)

<b>Bucharest</b>	<b>Wednesdays , 28 October 2015 – Marriott Hotel, BCD Room</b>
8:30 – 9:00 a.m.	Registration and Breakfast
9:00 – 9:10 a.m.	Welcome – Grzegorz Konieczny (CEO and Fund Manager of Fondul Proprietatea)
9:10 – 9:30 a.m.	<i>Keynote Speaker</i> – President of Romania His Excellency, Mr. Klaus Iohannis, President of Romania (TBC)
9:30 – 9:50 a.m.	Embassy of the United States of America His Excellency Mr. Dean Thompson, Chargé d'affaires (TBC)
9:50 – 10:10 a.m.	Embassy of the United Kingdom His Excellency Mr. Paul Brummell, Ambassador (TBC)
10:10 – 10:35 a.m.	National Bank of Romania Mr. Mugur Isarescu, Governor (TBC)
10:35 – 11:00 a.m.	Ministry of Finance Mr. Eugen Teodorovici, Minister (TBC)
11:00 – 11:25 a.m.	Ministry of Energy, SME, and Business Environment Mr. Andrei Gereau, Minister (TBC)
11:25 – 11:50 a.m.	International Monetary Fund Guillermo Tolosa, IMF Resident Representative in Romania (TBC)

# 2015 FP Analyst and Investor Days – Presentations (II) – Tentative Agenda (TBC)

**Bucharest**

**Wednesdays , 28 October 2015 – Marriott Hotel, BCD Room**

11:50 a.m. – 12:15 p.m.

Financial Supervisory Authority  
Mr. Misu Negritoiu, President (TBC)

12:15 – 12:40 p.m.

Regulatory Authority for Energy  
Mr. Nicolae Havrilet, President (TBC)

12:40 – 1:00 p.m.

Bloomberg  
Mr. Gavin Serkin, Editor in chief Emerging Markets (TBC)

1:00 – 2:00 p.m.

Lunch

2:00 – 2:30 p.m.

Fondul Proprietatea – Presentation and Q&A  
Mr. Grzegorz Konieczny, CEO and Fund Manager

2:30 – 3:00 p.m.

OMV Petrom - Presentation and Q&A  
Ms. Mariana Gheorghe, CEO (TBC)

3:00 – 3:30 p.m.

Romgaz – Presentation and Q&A  
Mr. Virgil Metea, CEO (TBC)

3:30 – 4:00 p.m.

Nuclearelectrica – Presentation and Q&A  
Ms. Daniela Lulache, CEO (TBC)

# 2015 FP Analyst and Investor Days – Presentations (III) – Tentative Agenda (TBC)

## Bucharest

Wednesdays , 28 October 2015 – Marriott Hotel, BCD Room

4:00 – 4:30 p.m.	Hidroelectrica – Presentation and Q&A Mr. Remus Borza, EURO INSOL SPRL (Judicial Administrator) (TBC)
4:30 – 5:00 p.m.	BRD – Presentation and Q&A Mr. Claudiu Cercel, Deputy CEO (TBC)
5:00 – 5:30 p.m.	Enel Romania – Presentation and Q&A Mr. Toni Volpe, CEO (TBC)
5:30 – 6:00 p.m.	Electrica – Presentation and Q&A Mr. Ioan Rosca, CEO (TBC)
6:00 p.m.	Dinner

# 2015 FP Analyst and Investor Days – One-on-One Meetings (Frontier Day with Wood & Co.)

## Bucharest

**Thursday, 29 October 2015 – Marriott Hotel, D Room**

8:30 – 9:00 a.m.	Registration and Breakfast
9:00 a.m. – 5:00 p.m.	One-on-one meetings
1:00 – 2:00 p.m.	Lunch
7:00 p.m.	Dinner

## Companies

Alro	Fondul Proprietatea
Banca Transilvania	Hidroelectrica
BRD Groupe Societe Generale	Nuclearelectrica
Bucharest Airports	OMV Petrom
Conpet	Posta Romana
Constanta Port	Romgaz
CE Oltenia	Salrom

# H1 2015 Results



# Balance Sheet

Ron mn	30 June 2015 Unaudited	31 December 2014 Audited
Intangible assets	0.8	0.8
Financial assets	8,798.4	9,075.2
<b>Non-current assets - total</b>	<b>8,799.2</b>	<b>9,076.0</b>
<b>Current assets - total</b>	<b>438.6</b>	<b>319.5</b>
Prepaid expenses	0.2	-
Payables within one year	544.5	41.4
<b>Total assets less current liabilities</b>	<b>8,693.5</b>	<b>9,354.1</b>
Provisions	17.1	15.1
<b>Shareholders' equity</b>	<b>8,676.4</b>	<b>9,339.0</b>

Source: Fondul Proprietatea Semi-Annual Report for the six-month period ended 30 June 2015.

# Income Statement

	30 June 2015 Unaudited	30 June 2014 Unaudited
<b>Revenues from current activity, out of which:</b>	<b>438.6</b>	<b>1,452.6</b>
Revenues from financial assets	433.2	649.8
Interest income	1.5	8.4
Reversal of impairment adjustments and provisions	0.2	30.0
Revenues from disposal of financial assets	1.9	762.4
Revenues from foreign exchange differences	0.3	1.3
Other income from current activity	1.5	0.7
<b>Expenses from current activity, out of which:</b>	<b>76.7</b>	<b>383.2</b>
Expenses from disposal of financial assets	5.0	328.2
Expenses from foreign exchange differences	0.4	2.1
Depreciation, provisions, losses from receivables and sundry debtors	2.2	2.0
Commissions and fees	9.2	14.1
Interest expenses	0.1	-
Other expenses from current activity <sup>1</sup>	59.8	36.8
<b>Gross profit</b>	<b>361.9</b>	<b>1,069.4</b>
Income tax expense	5.3	14.9
<b>Net profit</b>	<b>356.6</b>	<b>1,054.5</b>

Source: Fondul Proprietatea Semi-Annual Report for the six-month period ended 30 June 2015.

1. Other expenses from current activity include third party expenses, bank charges, utilities expenses, remuneration expenses, as well as other expenses, duties and other taxes.



Fondul Proprietatea  
Premium Point  
Buzesti Street 78-80, 1st District  
Bucharest 011017  
[www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)

# FONDUL PROPRIETATEA

Managed by Franklin Templeton Investment Management Ltd.