

# Fondul Proprietatea

H1 2016 Results Conference Call  
– 12 August 2016



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The price of shares and income from them can go down as well as up and you may lose some or all of your capital invested. The previous results of a fund or company do not account for future performances. Currency fluctuations will affect the value of foreign investments. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. Stocks and other equities representing an ownership interest in a corporation have historically outperformed other asset classes over the long term but tend to fluctuate more dramatically over the shorter term. Small or relatively new companies can be particularly sensitive to changing economic conditions due to factors such as relatively small revenues, limited product lines, and small market share. Smaller company stocks have historically exhibited greater price volatility than larger company stocks, particularly over the short term. The significant growth potential offered by Emerging Markets remains accompanied by heightened risks when compared to developed markets, including risks related to market and currency volatility, adverse social and political developments, and the relatively small size and lesser liquidity of these markets.

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 9,320,973,180.85 and paid up share capital is RON 9,011,732,683.35.

Starting with 1 April 2016, in view of complying with the AIFMD, implemented in the Romanian legislation through Law no. 74/2015 on managers of alternative investment funds and Regulation no. 10/2015 on alternative investment fund management, Fondul Proprietatea SA, qualifying as an alternative investment fund, is managed by Franklin Templeton Investment Services S.À R.L. ("FTIS"), a société à responsabilité limitée qualifying 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.

This presentation herein is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with the FSA under no. PJM01SFIM/400005/14 September 2009, which is authorized and regulated in the UK by the Financial Conduct Authority, registered therein under the number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission, acting through its Romanian branch having its registered office at Premium Point, 78-80 Buzesti Str., 7-8th floors, 1st. District, Bucharest, Romania.

FTIML acts herein as a delegate of FTIS with respect to the portfolio management functions as well as administration services over the Fund.

August 2016

# Fund Information



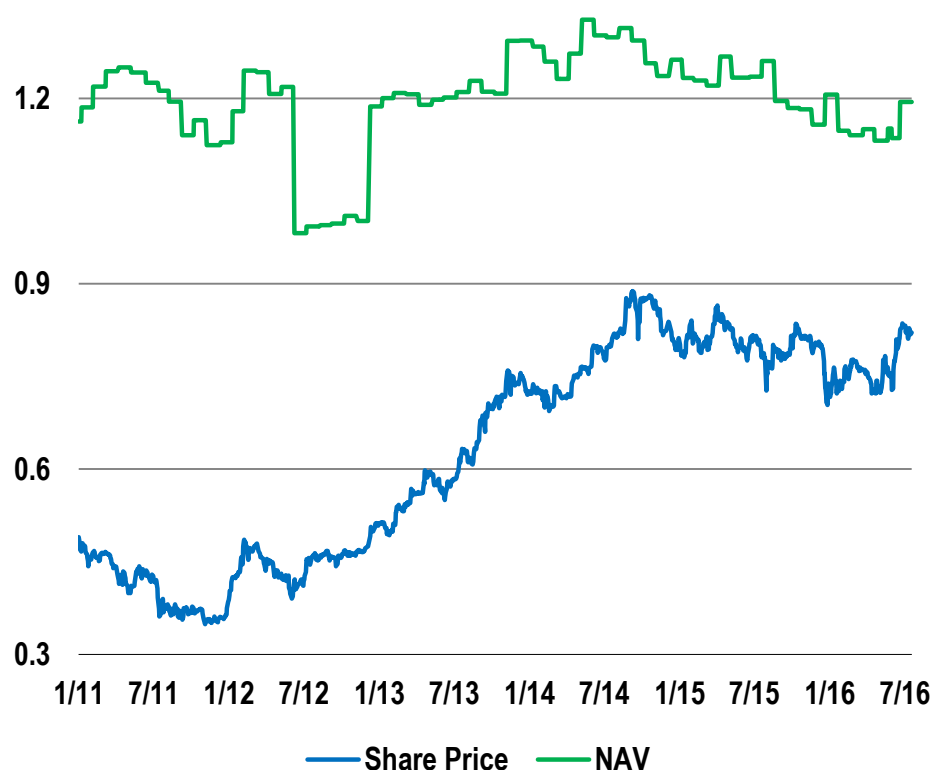
# The Fund – Key Facts

Fund Details as at 29 July 2016 <sup>1</sup>	RON	USD <sup>2</sup>
NAV	11.99 bn	2.98 bn
NAV/Share	1.1628	0.2892
Price/Share	0.7750	0.1928
Price/GDR	40.08	9.97
Market Capitalization as at 11 August 2016 <sup>3</sup>	7.95 bn	1.99 bn
Discount per Share as at 11 August 2016	32.63%	
Discount per GDR as at 11 August 2016	30.43%	
Number of Shares in Issue <sup>5</sup>	10,965,850,801	
Number of Paid Shares <sup>5</sup>	10,602,038,451	
Number of Paid Shares less Treasury Shares <sup>3</sup>	10,313,668,344	

## 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 Report as at 29 July 2016 report.

1. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 29 July 2016.

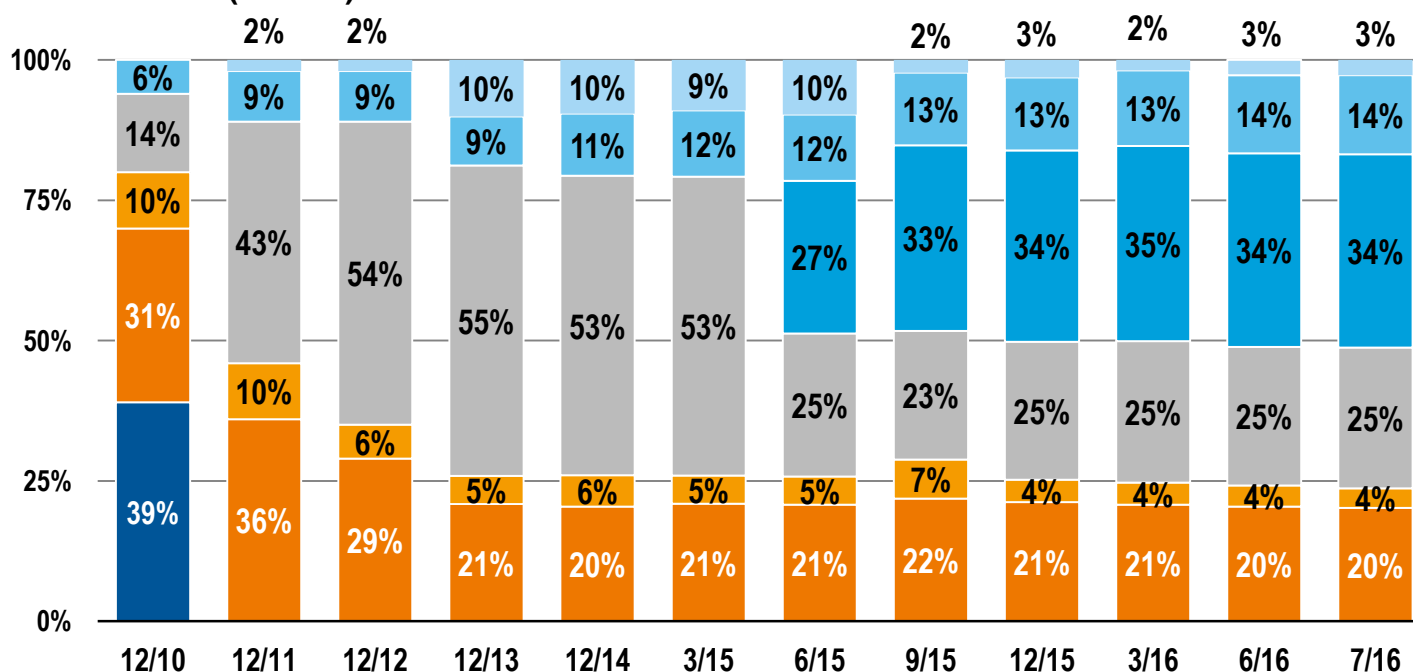
3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 24 June 2016.

4. Source: BVB, Bloomberg, until 11 August 2016.

5. As at 11 August 2016.

# Shareholders Structure

## Evolution (% Held)



- Treasury Shares
- Romanian Institutionals
- The Bank of New York Mellon (depository bank for Global Depository Receipts)<sup>3</sup>
- Foreign Institutionals
- Foreign Individuals
- Romanian Individuals
- Ministry of Public Finance

## Largest Shareholders<sup>1</sup>

Elliott Associates	21.06%
City of London Investment Mgmt.	5.04%
Total Number of Shareholders <sup>2</sup>	7,741

1. Based on the total voting rights. Source: Ownership disclosures submitted by Elliott Associates on 21 October 2015, and by City of London Investment Management Company Ltd. on 5 April 2016.

2. Shareholders structure as at 31 July 2016, based on paid share capital starting 31 July 2011. Source: Central Depository.

3. The Bank of New York Mellon holding includes 1,125,000 shares equivalent of the 22,500 GDRs acquired by the Fund during the sixth buy-back program.

# NAV, Share Price and GDR Performance

## Cumulative Performance (RON)

	2011	2012	2013	2014	2015	H1 2016	YTD <sup>1</sup>	Since Performance Inception <sup>1</sup>
NAV	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	3.53%	5.18%	48.95%
Ordinary Share Price	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	(4.21)%	2.26%	74.71%
GDR	N/A	N/A	N/A	N/A	N/A	(3.05)%	3.05%	(1.20)%

## Average Annual Discount

2011	2012	2013	2014	2015	YTD <sup>2</sup>	Current Share Price Discount <sup>3</sup>	Current GDR Price Discount <sup>3</sup>
55.67%	50.20%	41.30%	30.71%	28.92%	35.59%	32.63%	30.43%

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, and adjusted share prices.

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 29 July 2016.

2. For the period: 4 January – 11 August 2016, based on adjusted share prices.

3. As at 11 August 2016, based on adjusted GDR prices.

# Updated Independent Fair Valuations

Portfolio Company	Value in 30 June 2016 NAV (RON mn)	Value in 31 May 2016 NAV (RON mn)	Impact on Total NAV (RON mn)	% Change	Valuation Method
Hydroelectrica SA	3,268.99	2,654.13	614.86	23.17%	Fair value (value as per independent valuer's report)/ share
CN Aeroporturi Bucuresti SA	632.48	497.84	134.64	27.04%	Fair value (value as per independent valuer's report)/ share
CN Administratia Porturilor Maritime SA	211.30	175.11	36.19	20.67%	Fair value (value as per independent valuer's report)/ share
<b>Total</b>	<b>4,112.77</b>	<b>3,327.08</b>	<b>785.69</b>	<b>23.62%</b>	

Source: NAV report as at 30 June 2016.

# Attribution to NAV Performance for Q2 2016<sup>1</sup>

## TOP PERFORMERS

Company	Status	Weight in total NAV <sup>2</sup>	Change in share price or NAV value per share in Q2 2016	Total effect for Q2 2016
Hidroelectrica S.A.	Unlisted	27.7%	23.2%	5.37%
CN Aeroporturi Bucuresti S.A.	Unlisted	5.4%	27.0%	1.18%
CN Administratia Porturilor Maritime S.A.	Unlisted	1.8%	20.3%	0.32%
CN Administratia Porturilor Dunarii Fluviale S.A.	Unlisted	0.0%	N/A <sup>3</sup>	0.03%
Comsig S.A.	Unlisted	0.0%	14.4%	0.00%

## BOTTOM PERFORMERS

Company	Status	Weight in total NAV <sup>2</sup>	Change in share price or NAV value per share in Q2 2016	Total effect for Q2 2016
Romgaz S.A <sup>4</sup>	Listed	0.0%	N/A <sup>4</sup>	(0.58)%
Banca Transilvania S.A.	Listed	0.1%	(22.7)%	(0.17)%
BRD Groupe Societe Generale S.A.	Listed	2.1%	(6.5)%	(0.15)%
Alro S.A.	Listed	0.6%	(12.3)%	(0.09)%
Nuclearelectrica S.A.	Listed	1.2%	(6.0)%	(0.08)%

### TOTAL NAV PER SHARE VARIANCE Q2 2016

**4.01%**

1. Due to the strict confidentiality clauses in the sale agreement, the analysis excludes E.ON Distributie Romania SA and E.ON Energie Romania SA.

2. Source: Detailed Statement of Investments as at 30 June 2016.

3. Valued at zero as at 31 March 2016.

4. Holding disposed of in April 2016.



# Attribution to NAV Performance for H1 2016<sup>1</sup>

## TOP PERFORMERS

Company	Status	Weight in total NAV <sup>2</sup>	Change in share price or NAV value per share in H1 2016	Total effect for H1 2016
Hidroelectrica S.A.	Unlisted	27.7%	23.2%	5.09%
CN Aeroporturi Bucuresti S.A.	Unlisted	5.4%	27.0%	1.11%
CN Administratia Porturilor Maritime S.A.	Unlisted	1.8%	20.3%	0.30%
Banca Transilvania S.A.	Listed	0.1%	(14.4)%	0.03%
CN Administratia Porturilor Dunarii Fluviale S.A.	Unlisted	0.0%	N/A <sup>3</sup>	0.02%

## BOTTOM PERFORMERS

Company	Status	Weight in total NAV <sup>2</sup>	Change in share price or NAV value per share in H1 2016	Total effect for H1 2016
OMV Petrom S.A.	Listed	21.9%	(17.2)%	(4.45)%
Romgaz S.A <sup>4</sup>	Listed	0.0%	N/A <sup>4</sup>	(0.60)%
BRD Groupe Societe Generale S.A.	Listed	2.1%	(19.0)%	(0.48)%
Nuclearelectrica S.A.	Listed	1.2%	(21.8)%	(0.32)%
Alro S.A.	Listed	0.6%	(21.6)%	(0.17)%
<b>TOTAL NAV PER SHARE VARIANCE H1 2016</b>				<b>(1.03)%</b>

1. Due to the strict confidentiality clauses in the sale agreement, the analysis excludes E.ON Distributie Romania SA and E.ON Energie Romania SA.

2. Source: Detailed Statement of Investments as at 30 June 2016.

3. Valued at zero as at 31 December 2015.

4. Holding disposed of in April 2016.

# Performance Objectives



# NAV Objective

- **Objective**

- The Adjusted NAV per share as at 30 June 2016, to be higher than the NAV per share as at 30 June 2015 (RON 1.1851 per share)

- **Monthly Monitoring – 30 June 2016**

- Adjusted NAV as at 30 June 2016 is higher than the NAV per share as at 30 June 2015

NAV Objective	Amount RON	Comments
Total NAV as at 30 June 2016	11,804,505,872	
Costs related to the 2015 and 2016 returns of capital after 30 June 2015, until 30 June 2016	18,718	Fees charged by Central Depository and Paying Agent for the payments performed after 30 June 2015 (for the 2015 and 2016 return of capital)
Costs related to buy-backs after 30 June 2015, until 30 June 2016	316,965	Fees related to fifth buy-back programme after 30 June 2015 and sixth buy-back programme up to 30 June 2016
Distribution fees after 30 June 2015, until 30 June 2016	14,800,023	FT distribution fees for distributions to shareholders (buy-backs and 2016 return of capital) after 30 June 2015
2016 Return of capital to shareholders	516,886,344	
<b>Total Adjusted NAV as at 30 June 2016</b>	<b>12,336,527,922</b>	
Number of Fund's paid shares, less treasury shares and GDRs held as at 30 June 2016	10,313,668,344	
<b>Adjusted NAV per share as at 30 June 2016</b>	<b>1.1961</b>	
<b>NAV per share as at 30 June 2015</b>	<b>1.1851</b>	
<b>Difference</b>	<b>0.0110</b>	
<b>%</b>	<b>0.93%</b>	

Source: FP Report.

1. The adjusted NAV for a given date is calculated as the sum of: (1) the reported NAV as at the end of the reporting period, (2) any returns to shareholders, following reductions of the share capital (return of nominal value) implemented after 30 June 2015, and (3) any distribution fee and any transaction costs relating to non-dividend distributions including buy-backs of shares and/ or GDRs executed after 30 June 2015. The adjusted NAV per share is equal to the adjusted NAV divided by: the total number of the Fund's paid shares, less treasury shares (FP ordinary shares bought back) and less equivalent in FP ordinary shares of FP GDRs acquired and not yet converted into FP ordinary shares, on the last day of the reporting period.

# Attribution to NAV Performance for the Reporting Period (30 June 2015 – 30 June 2016)<sup>1</sup>

## TOP PERFORMERS

Company	Status	Weight in total NAV <sup>2</sup>	Change in share price or NAV value per share for the period 30.6.2015 – 30.6.2016	Total effect for the period 30.6.2015 – 30.6.2016
Hidroelectrica S.A.	Unlisted	27.7%	50.1%	8.63%
CN Aeroporturi Bucuresti S.A.	Unlisted	5.4%	90.3%	2.37%
CN Administratia Porturilor Maritime S.A.	Unlisted	1.8%	58.9%	0.62%
Banca Transilvania S.A.	Listed	0.1%	(2.3)%	0.44%
SN a Sarii SA (Salrom)	Unlisted	0.0%	24.2%	0.27%

## BOTTOM PERFORMERS

Company	Status	Weight in total NAV <sup>2</sup>	Change in share price or NAV value per share for the period 30.6.2015 – 30.6.2016	Total effect for the period 30.6.2015 – 30.6.2016
OMV Petrom S.A.	Listed	21.9%	(36.3)%	(11.65)%
Romgaz S.A. <sup>3</sup>	Listed	0.0%	N/A <sup>3</sup>	(3.21)%
Nuclearelectrica S.A.	Listed	1.2%	(32.9)%	(0.53)%
Complexul Energetic Oltenia S.A.	Unlisted	0.5%	(42.1)%	(0.36)%
BRD Groupe Societe Generale S.A.	Listed	2.1%	(9.1)%	(0.20)%

## TOTAL NAV VARIANCE

**(3.43)%**

1. Due to the strict confidentiality clauses in the sale agreement, the analysis excludes E.ON Distributie Romania SA and E.ON Energie Romania SA

2. Source: Detailed Statement of Investments as at 30 June 2016.

3. Holding disposed of in April 2016.

# Discount Objective

- **Objective**

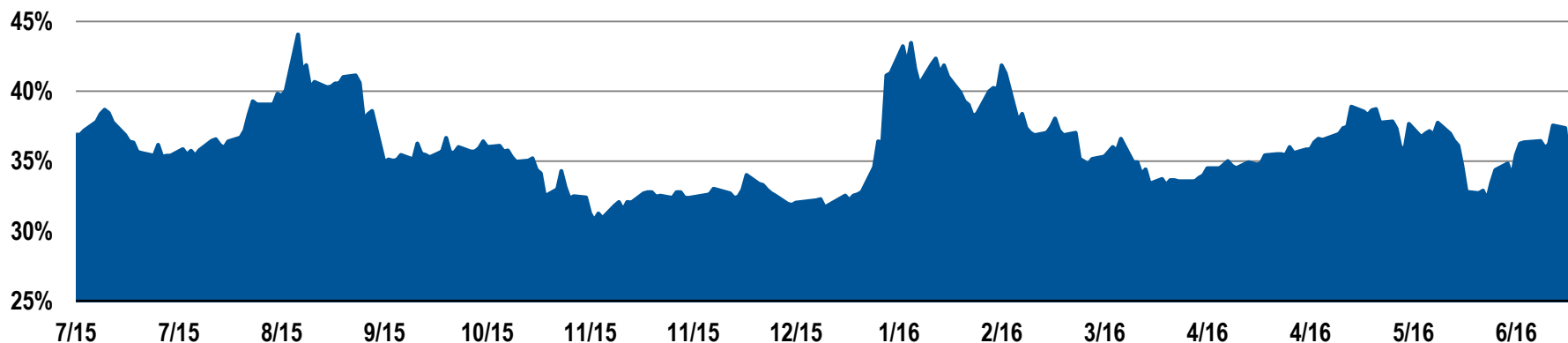
- The discount between closing price and last reported NAV per share to be equal to or lower than 15%, in at least 2/3 of the trading days in the period 1 July 2015 – 30 June 2016

- **Monthly Monitoring – 30 June 2016**

- In the period 1 July 2015 – 30 June 2016, discount was higher than 15%, for both shares and GDRs.

## Discount Evolution

Discount at the Start of the Reporting Period – 1 July 2015	Discount as at 30 June 2016	Average for the Reporting Period	Discount Range for the Reporting Period
32.4%	33.1%	31.8%	25.9% - 40.1%



Source: Fondul Proprietatea Report, Investment Manager calculations.

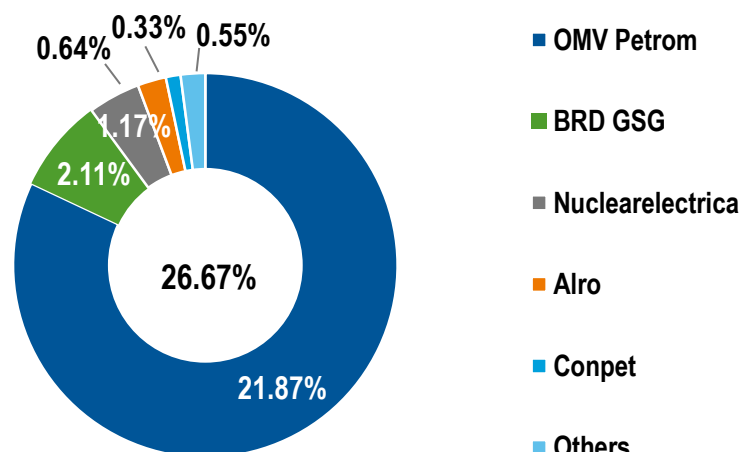
Note: The discount is calculated based on the latest published NAV/share at the date of the calculation.

# Portfolio

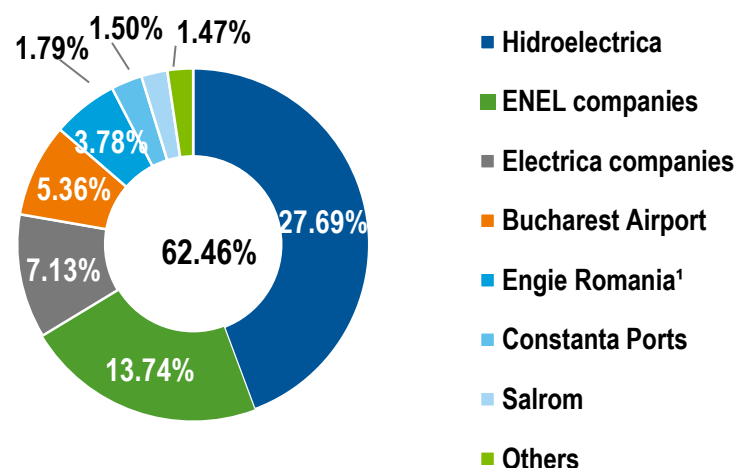


# Portfolio Structure – Listed vs. Unlisted

**Listed Companies**  
(% of NAV as at 30 June 2016)



**Unlisted Companies**  
(% of NAV as at 30 June 2016)



- As at 30 June 2016, the portfolio included stakes in 45 companies (13 listed and 32 unlisted)
- Net cash and receivables position as at 30 June 2016 was RON 1,284.1 mn / USD 316.1 mn and RON 1,277.5 / USD 317.8 as at 29 July 2016
- The Fund Manager contracted a revolving credit facility for a maximum committed amount of RON 1 billion from BRD - Groupe Societe Generale SA.. The purpose of this credit facility is for general corporate use, including share buybacks, but excluding investments, and it replaces the previous financing arrangement concluded by the Fund with Citibank Europe Plc, that has been terminated on 8 July 2016.

Source: FP 30 June 2016 Detailed Statement of Investments, FP 29 July 2016 NAV report.

1. Former GDF Suez Energy Romania.

# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake <sup>1</sup>	NAV as at 29 July 2016 (USD mn)	% in NAV as at 29 July 2016
Hidroelectrica SA	Unlisted	Romanian State	19.9%	813.12	<b>27.26</b>
OMV Petrom SA	<b>Listed</b>	OMV	19.0%	685.08	<b>22.97</b>
CN Aeroporturi Bucuresti	Unlisted	Romanian State	20.0%	157.32	<b>5.27</b>
ENEL Distributie Banat	Unlisted	Enel Group	24.1%	155.21	<b>5.20</b>
ENEL Distributie Muntenia	Unlisted	Enel Group	12.0%	113.28	<b>3.80</b>
Engie Romania <sup>2</sup>	Unlisted	Engie	12.0%	110.96	<b>3.72</b>
ENEL Distributie Dobrogea	Unlisted	Enel Group	24.1%	99.79	<b>3.35</b>
Electrica Distributie Munteania Nord	Unlisted	Electrica Group	22.0%	63.15	<b>2.12</b>
BRD Groupe Societe Generale	<b>Listed</b>	Societe Generale Group	3.6%	61.70	<b>2.07</b>
Electrica Distributie Transilvania Sud	Unlisted	Electrica Group	22.0%	55.29	<b>1.85</b>
<b>Top 10 Portfolio Holdings</b>				<b>2,314.90</b>	<b>77.61</b>
<b>NAV</b>				<b>2,983.10</b>	<b>100.00</b>
<b>NAV Per Share (USD)</b>				<b>0.2892</b>	

Note: Values in USD calculated using the USD/RON FX rate as at 29 July 2016.

Source: FP Factsheet as at 29 July 2016.

1. Based on the FP 30 June 2016 Detailed Statement of Investments.

2. Former GDF Suez Energy Romania.



# Portfolio Holdings – Key Financials for H1 2016

	EBITDA (mn RON)		Net Profit (mn RON)	
	H1 2015	H1 2016	H1 2015	H1 2016
Hydroelectrica SA	1,213.4	1,086.2	596.9	567.9
OMV Petrom	3,127.7	2,307.6	1,041.4	408.3
CN Aeroporturi Bucuresti SA	165.9	201.3	90.4	122.2
BRD Groupe Societe Generale SA	-	-	231.3	378.0
Nuclearelectrica SA	248.9	211.7	2.9	-37.8
Alro SA	248.4	136.8	84.4	35.0
Posta Romana SA	37.8	35.7	15.5	15.8
Conpet SA	62.6	63.1	35.1	37.0
<b>Total</b>	<b>5,104.7</b>	<b>4,042.4</b>	<b>2,097.9</b>	<b>1,526.4</b>
<b>Weighted Total</b>	<b>930.3</b>	<b>741.0</b>	<b>358.2</b>	<b>235.3</b>

Source: Companies H1 2016 Financial statements.

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

1. Consolidated financial statements.

# Update on the Potential Disposals of Unlisted Power and Gas Distribution Companies

Company	FP Stake	NAV USD mn	% NAV
Enel Distributie Banat (EDB)	24%	153.6	5.3%
Enel Distributie Muntenia (EDM)	12%	112.1	3.9%
Enel Distributie Dobrogea (EDD)	24%	98.8	3.4%
Enel Energie (EE)	12%	18.9	0.7%
Enel Energie Muntenia (EEM)	12%	15.8	0.5%
<b>Total Enel</b>		<b>399.2</b>	<b>13.8%</b>
Electrica Distributie Muntenia Nord	22%	62.5	2.1%
Electrica Distributie Transilvania Sud	22%	54.7	1.9%
Electrica Distributie Transilvania Nord	22%	53.1	1.8%
Electrica Furnizare	22%	36.8	1.3%
<b>Total Electrica</b>		<b>207.1</b>	<b>7.1%</b>
<b>Engie Romania<sup>1</sup></b>	<b>12%</b>	<b>109.8</b>	<b>3.8%</b>
<b>TOTAL</b>		<b>716.1</b>	<b>24.7%</b>

## Background

- The total value of the holdings is USD 716.1 mn, or 24.7% of the NAV per the Fund's 30 June 2016 Detailed Statement of Investments.

## Status

- **Electrica:** No agreement has been reached until the deadline on 31 March, 2016. Discussion may resume after the appointment of a new CEO of Electrica.
- **Enel and Engie:** Ongoing discussions with controlling shareholders.
- **E.ON:** the Investment Manager announced on 29 June 2016 that it has sold the entire participations in the two companies.

Notes: Values in USD calculated using the USD/RON FX rate as at 30 June 2016.

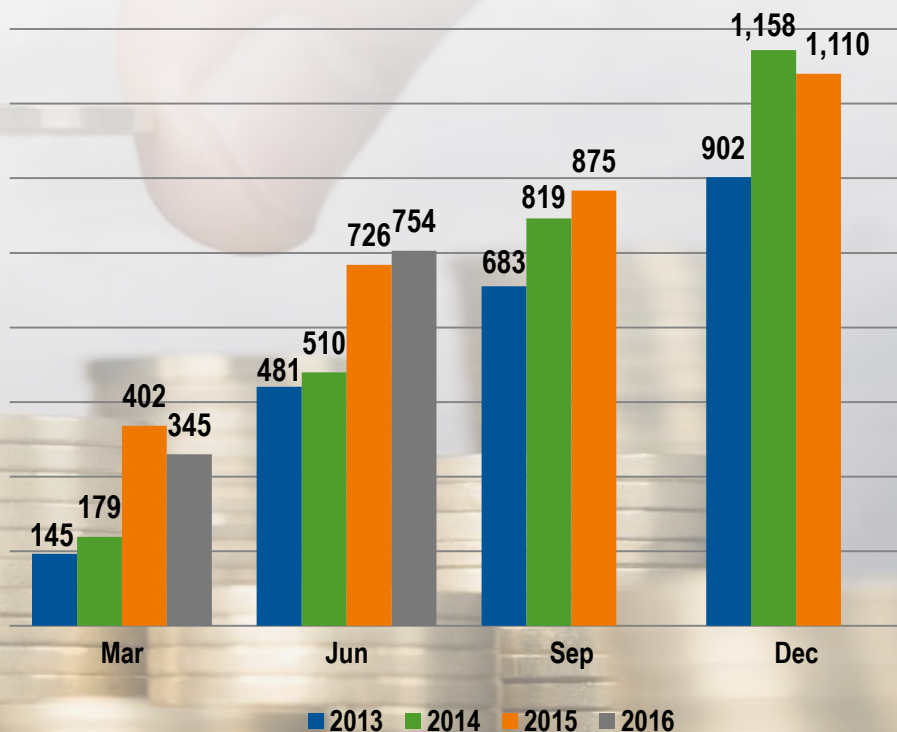
Source: FP 30 June 2016 Detailed Statement of Investments.

1. Former GDF Suez Energy Romania.

# Hidroelectrica – Financial Performance

- On 21 June 21 2016 the company exited the insolvency procedure by the decision of the syndic judge.
- The company is run by an interim Supervisory Board composed of 7 members, and an interim Directorate, composed of 3 members.
- Selection of the Supervisory Board and the directorate based on Law 111/2016 will follow.
- Pending litigations are to be settled outside insolvency by the Court of Appeal (as final Court) starting this autumn.
- Listing preparation is ongoing, led by Morgan Stanley and Raiffeisen.
- While the production levels decreased 10% y-o-y in the first half of 2016 (9.2 TWh vs. 10.2 TWh), the pre-tax profits of the company increased 4% (RON 754mn vs. RON 725mn)

Pre-tax cumulated profit (RON mn)



Source: Hidroelectrica 2009 – 2015 Annual reports and financial statements, Hidroelectrica monthly press releases.

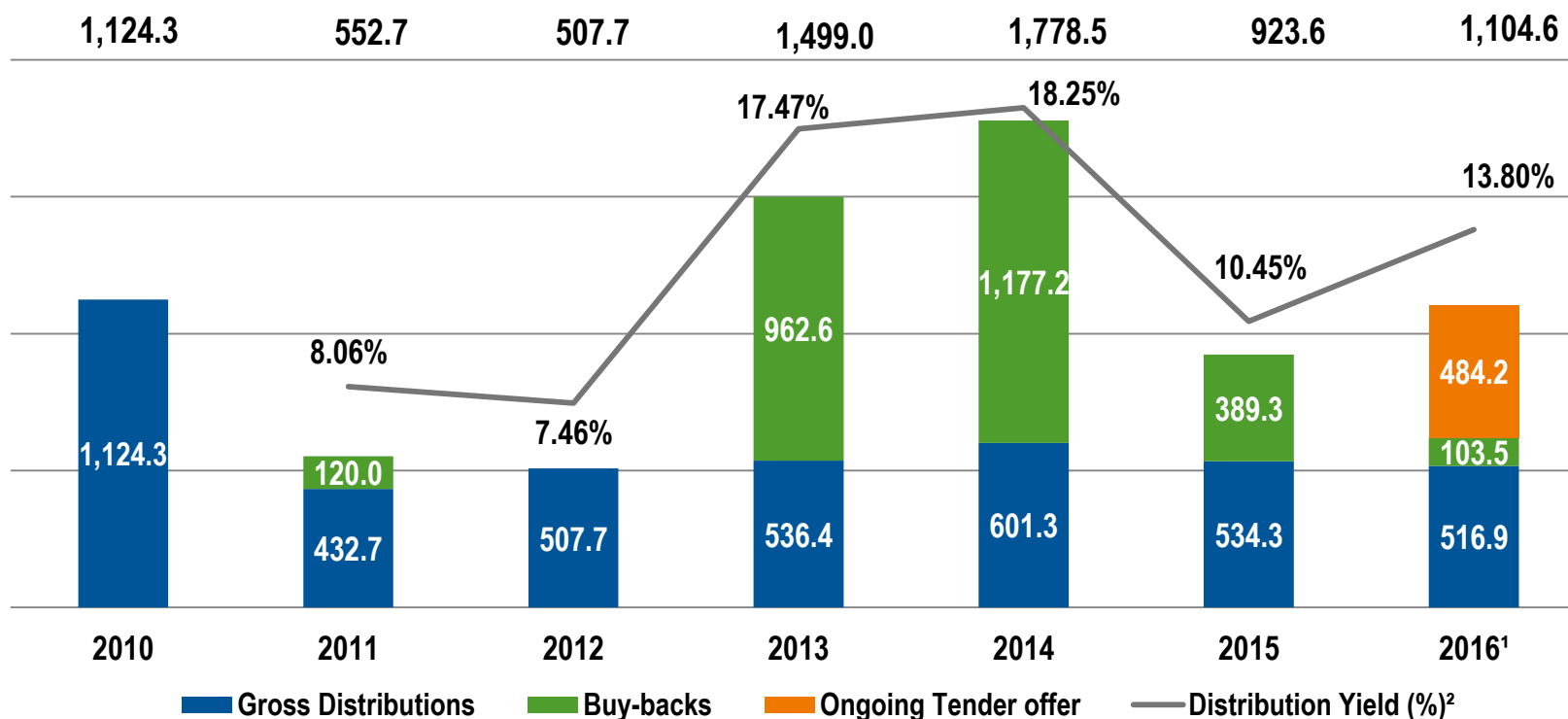
Note: For the Foregone profit figures assumed selling price were: 150 RON/MWh for 2009 and 2010, 220 RON/MWh in 2011, 217 RON/MWh in 2012, 210 RON/MWh in 2013, RON 164/MWh in 2014, and RON 161.8/MWh in 2015.

# Corporate Actions



# Distributions to Shareholders

## Annual Distributions to Shareholders (mn RON)



- The total distributions through buy-backs and cash amount to RON 7.49 bn<sup>1</sup> / USD 2.11 bn.

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2016, USD/RON FX as at 11 August.

1. Note: Considering the buy-backs as at 24 June 2016.

2. Based on the total annual distributions through buy-backs and cash, based on the average share price for the respective year and the average number of paid shares, excluding Treasury shares. For 2016, average share price as at 11 August.



# 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
Sixth	Started on 9 Sep 2015	32.34% Completed	891.8 mn/7.54%	0.7799 <sup>2</sup>	Wood & Co., Goldman Sachs Int.	Approval on 26 April 2016 of the cancellation of 179.6 mn shares
Seventh	-	Approved during the GSM on 29 October 2015	Up to 10% of the issued shares during the buyback execution period	-	Pending	-

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

2. As at 24 June 2016. Estimated value based on the 288,370,107 shares repurchased (239,871,207 ordinary shares and 48,498,900 equivalent shares of the GDRs repurchased).

# Third Tender Offer

Portfolio Company	Valuation Method
<b>Value of the Offer</b>	Up to 575,000,000 shares in the form of shares and GDRs
<b>Purchase price</b>	RON 0.8420 per share and the USD equivalent of RON 42.10 per GDR
<b>Subscription period</b>	3 August 2016 – 7 September 2016
<b>Allocation method</b>	Pro-rata
<b>Intermediary</b>	WOOD & Company Financial Services a.s
<b>Dealer managers</b>	Goldman Sachs International and WOOD & Company Financial Services a.s
<b>GDR Tender Agent</b>	The Bank of New York Mellon

Announcement date	Tender price (RON/share)	FP pre-announcement share price (RON/share)	Premium to pre-announcement share price (%)	Discount of offer price to 30 June 2016 NAV (%)
5 Jul 2016	0.8420	0.7380	14.09%	26.43%

Source: Investment Manager current report.

# Dividend Income – Top 20 Portfolio Companies

Top 20 Holdings <sup>1</sup>	DIVIDEND PAYOUT (%)						FP NET DIVIDEND (RON mn)					
	2010	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2016
Hydroelectrica SA	90	-	-	-	80	80	52.5	-	-	-	128.9	134.6
OMV Petrom SA	46	47	40	36	35	-	201.6	353.1	319.0	331.4	120.5	-
CN Aeroporturi Bucuresti SA	90	89	85	85	50	75	9.9	9.4	9.1	12.3	10.2	27.4
Enel Distributie Banat SA	56	-	-	-	50	44	20.2	-	-	-	20.7	16.8
Enel Distributie Muntenia SA	-	-	-	-	-	-	-	-	-	-	-	-
Engie Romania SA <sup>2</sup>	40	-	50	60	51	-	9.6	-	22.8	33.6	24.0	-
Enel Distributie Dobrogea SA	56	-	-	-	50	44	13.5	-	-	-	10.5	12.0
Electrica Distributie Muntenia Nord SA	-	12	84	83	85	85	-	1.8	16.2	23.2	24.7	26.9
BRD Groupe Societe Generale	25	25	-	-	-	50	2.1	3.6	-	-	-	7.7
Electrica Distributie Transilvania Sud SA	-	-	-	83	85	85	-	-	-	12.7	17.6	26.3
Electrica Distributie Transilvania Nord SA	-	-	-	83	85	85	-	-	-	11.7	16.7	28.0
CN Administratia Porturilor Maritime SA	-	71	75	78	50	75	-	6.6	5.4	10.1	6.5	14.1
Societatea Nationala a Sarii Salrom SA	90	90	92	85	85	-	0.8	0.1	9.3	19.8	10.2	-
Electrica Furnizare SA	-	-	46	88	85	85	-	-	9.3	19.6	38.3	24.5
Nuclearelectrica SA	-	-	83	81	68	70	-	-	2.3	27.9	6.9	8.6
Enel Energie SA	-	-	-	-	-	-	-	-	-	-	-	-

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

1. Based on the 30 June 2016 Detailed Statement of Investments.

2. Former GDF Suez Energy Romania.



# Dividend Income – Top 20 Portfolio Companies

Top 20 Holdings <sup>1</sup>	DIVIDEND PAYOUT (%)						FP NET DIVIDEND (RON mn)					
	2010	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2016
Alro SA	100	99	-	-	-	-	13.0	19.0	-	-	-	-
Enel Energie Muntenia SA	-	-	-	-	100	50	-	-	-	-	7.4	2.1
Complexul Energetic Oltenia SA <sup>9</sup>	1	80	85	-	-	-	0.0	6.5	10.3	-	-	-
Posta Romana SA	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Top 20 Holdings (RON mn)</b>							<b>323.2</b>	<b>400.1</b>	<b>403.7</b>	<b>502.3</b>	<b>443.1</b>	<b>332.0</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>36.0</b>
<b>Total Dividends from Unlisted Companies (RON mn)</b>							<b>215.1</b>	<b>168.9</b>	<b>275.8<sup>3</sup></b>	<b>143.5</b>	<b>315.9</b>	<b>313.5</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>349.5</b>
<b>Total Dividend Income per Share (RON)<sup>2</sup></b>							<b>0.05959</b>	<b>0.04699</b>	<b>0.04954</b>	<b>0.05674</b>	<b>0.05310</b>	<b>0.0339</b>
<b>Dividend / Distribution per Share (RON)</b>							<b>0.03854</b>	<b>0.04089</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.05000</b>	
<b>Share Price (RON)</b>							<b>0.5550<sup>4</sup></b>	<b>0.6600<sup>5</sup></b>	<b>0.7640<sup>6</sup></b>	<b>0.8130<sup>7</sup></b>	<b>0.7200<sup>8</sup></b>	
<b>Yield</b>							<b>6.94%</b>	<b>6.20%</b>	<b>6.54%</b>	<b>5.84%</b>	<b>6.94%</b>	
<b>Yield for Romanian companies (BET)</b>							<b>4.21%</b>	<b>5.09%</b>	<b>5.10%</b>	<b>3.50%</b>	<b>4.56%</b>	

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

1. Based on FP 30 June 2016 Detailed Statement of Investments.

2. Calculation based on the number of paid shares at the registration date for each year excluding treasury shares at the same date. For 2016, calculation based on the number of paid shares excluding treasury shares acquired as at 24 June 2016, and total dividends declared by the portfolio companies as at 31 July 2016.

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

4. As at 14 May 2012.

5. As at 15 May 2013.

6. As at 30 April 2014.

7. As at 29 May 2015.

8. As at 9 June 2016.

9. Company created in May 2012 through the merger of CE Craiova SA, CE Rovinari SA, CE Turceni SA and SNLO. Dividends distributed to FP by merged companies in 2012 (CE Rovinari RON 6.5 mn, CE Craiova RON 0.03 mn), and 2011 (CE Rovinari RON 0.02 mn, CE Craiova RON 0.01 mn).

# Investor Relations – Upcoming Events

HSBC EMEA Conference  
London

5-6  
Sep

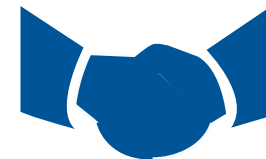
27-29  
Sep

Citi Annual Frontier Markets  
Symposium  
London



2016 FP Analyst and Investor Days  
Bucharest

7-9  
Sep



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

# 2016 FP Analyst and Investor Days – Welcome Reception / Site Visits

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## **Bucharest**

**Tuesday, 6 September 2016**

7:00 p.m.

Welcome reception, Radisson Blu Hotel, Blå Lounge Bar

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## **Bucharest / Mehedinti County**

**Wednesday, 7 September**

8:20 a.m.

Pick-up from Radisson Blu Hotel and departure to Otopeni Airport

10:00 a.m.

Departure to Craiova

10:50 p.m.

Departure to Portile de Fier II

1:00 p.m.

Lunch, Taverna Sarbului Restaurant, Severin

2:10 p.m.

Hidroelectrica, Portile de Fier II Power-plant Site Visit

4:00 p.m.

Transfer back to Craiova

6:00 p.m.

Transfer back to Bucharest

7:15 p.m.

Dinner, Isoletta Restaurant, Herastrau Park (Raiffeisen Bank)

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# 2016 FP Analyst and Investor Days – Conference – Agenda (I)

Bucharest

Thursday, 8 September 2016 – Radisson Blu Hotel, Atlas room

8:15 – 9:00 a.m.

Registration and Breakfast

9:00 – 9:05 a.m.

Welcome – Mr. Grzegorz Konieczny (CEO and Fund Manager of Fondul Proprietatea)

9:05 – 9:20 a.m.

President of Romania  
His Excellency, Mr. Klaus Iohannis, President of Romania (TBC)

## Panel 1: Macroeconomics

9:20 – 10:10 a.m.

**WOOD & Co:** Rafaela Tenconi, Chief Economist – Moderator

**NBR:** Liviu Voinea, Vice-Governor (TBC)

**Ministry of Public Finances:** Anca Dragu, Minister (TBC)

**Fiscal Council:** Ionut Dumitru, Chairman

*Q&A session*

## Panel 2: Energy

10:10 – 11:10 a.m.

**Fondul Proprietatea:** Grzegorz Konieczny , CEO and Fund Manager – Moderator

**Ministry of Energy:** Victor Vlad Grigorescu , Minister (TBC)

**ANRE:** Nicolae Havrilet, President (TBC)

**OMV Petrom:** Mariana Gheorghe, CEO

**Enel Romania:** Georgios Stassis, CEO (TBC)

**Hidroelectrica:** Petronel Chiriac, CFO

*Q&A session*

# 2016 FP Analyst and Investor Days – Conference – Agenda (II)

**Bucharest**                      **Thursday, 8 September 2016 – Radisson Blu Hotel, Atlas room**

11:10 – 11:20 a.m.              Coffee break

**Panel 3: Policies**

11:20 a.m. – 12:10 p.m.              **Aspen Institute:** Andrei Tarnea, Executive Director – Moderator  
**US Embassy:** Hans Klemm, Ambassador to Romania  
**UK Embassy:** Mr. Paul Brummell, Ambassador to Romania  
Radu Magdin, Political Consultant  
Alexandru Macoveiciuc, Political Consultant  
*Q&A session*

12:15 – 2.00 p.m.                  Lunch, Radisson Blu Hotel, Dacia Felix Restaurant

2.00 – 6.00 p.m.                  1on1 and Group meetings (***Frontier Days with WOOD & Company***)

6.00 p.m.                              Dinner, Radisson Blu Hotel, By the Pool (Wood & Co)

# 2016 FP Analyst and Investor Days – Conference – Agenda (III)

## Bucharest

Friday, 9 September 2016 – Radisson Blu Hotel, Atlas room

8:00 – 9:00 a.m.

Registration and Breakfast

9:00 a.m. – 1:00 p.m.

1on1 and Group meetings (*Frontier Days with WOOD & Company*)

1:00 – 2:00 p.m.

Lunch

1:00 p.m.

Departure to Salrom Salt Mine in Slanic Prahova

3:00 – 4:30 p.m.

Visit of the Salrom Salt Mine

4:30 p.m.

Transfer back to Bucharest

7:00 p.m.

Dinner (TBC)

# 2016 FP Analyst and Investor Days – Conference – Companies

<b>Alro</b>	<b>Hidroelectrica</b>
<b>Banca Transilvania</b>	<b>Nuclearelectrica</b>
<b>BRD Groupe Societe Generale</b>	<b>OMV Petrom</b>
<b>Bucharest Airports</b>	<b>Posta Romana</b>
Bucharest Stock Exchange	Romgaz
<b>CE Oltenia</b>	<b>Salrom</b>
<b>Conpet</b>	SIF 3 Transilvania
<b>Constanta Port</b>	Transelectrica
Electrica	Transgaz
<b>Fondul Proprietatea</b>	

# H1 2016 Results





# Statement of Financial Position

RON mn	30 June 2016 Unaudited	31 December 2015 Audited
Cash and current accounts	34.8	0.6
Deposits with banks	572.7	197.8
Treasury bills	59.9	20.0
Government bonds	20.9	59.0
Dividends receivable	312.9	-
Equity investments	10,499.9	11,800.7
Other assets	356.6	29.6
<b>Total assets</b>	<b>11,857.7</b>	<b>12,107.7</b>
Total liabilities	91.7	54.6
Total equity	11,766.0	12,053.1
<b>Total liabilities and equity</b>	<b>11,857.7</b>	<b>12,107.7</b>

Source: Fondul Proprietatea Semi-Annual Report for the six-month period ended 30 June 2016.

# Statement of Comprehensive Income

RON mn	30 June 2016 Unaudited	30 June 2015 Unaudited
Gross dividend income	346.9	434.5
Net loss from equity investments at fair value through profit or loss	(541.3)	(326.6)
Impairment losses on equity investments available for sale	(40.7)	(20.1)
Interest income	3.0	1.5
Gain / (Loss) on disposal of equity investments available for sale, net	913.1	-
Other items of income / (expense), net <sup>1</sup>	20.3	19.4
<b>Net operating income</b>	<b>701.3</b>	<b>108.7</b>
Operating expenses	(56.3)	(68.7)
Finance costs	(0.3)	(0.2)
<b>Profit before income tax</b>	<b>644.7</b>	<b>39.8</b>
Income tax expense	(104.0)	(129.4)
<b>Profit / (Loss) for the period</b>	<b>540.7</b>	<b>(89.6)</b>
Other comprehensive income	(189.0)	122.0
<b>Total comprehensive income for the period</b>	<b>351.7</b>	<b>32.4</b>

Source: Fondul Proprietatea Semi-Annual Report for the six-month period ended 30 June 2016.

1. Other items of income / (expense), net included the net foreign exchange gains / (losses), the (reversal of) impairment losses on receivables and other income.

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# FRANKLIN TEMPLETON INVESTMENTS