

# Fondul Proprietatea

H1 2017 Results Conference Call  
14 August 2017



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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 5,238,521,987.92 and paid up share capital is RON 5,049,339,565.92.

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.

# Fund Information



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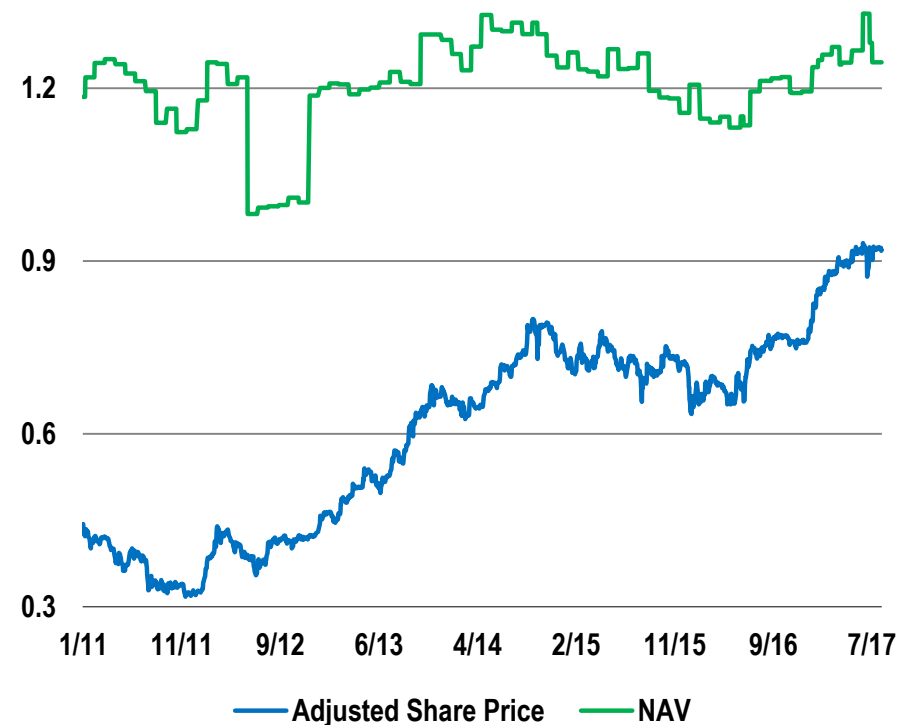
# The Fund – Key Facts

Fund Details <sup>1</sup>	RON	USD <sup>2</sup>
NAV	10.72 bn	2.76 bn <sup>2</sup>
NAV/Share	1.2151	0.3126 <sup>2</sup>
Price/Share	0.8720	0.2243 <sup>2</sup>
Price/GDR	43.15	11.10
Market Capitalization as at 11 August 2017 <sup>3</sup>	7.66 bn	1.97 bn <sup>3</sup>
Discount/Share as at 11 August 2017	27.30%	
Discount/GDR as at 11 August 2017	27.66%	
Number of Shares in Issue <sup>5</sup>	10,074,080,746	
Number of Paid Shares <sup>5</sup>	9,710,268,396	
Number of Paid Shares less Treasury Shares <sup>5</sup>	8,811,270,039	

## Investment Objective

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

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



Source: BVB, FP Report as at 31 July 2017 report.

1. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 31 July 2017.

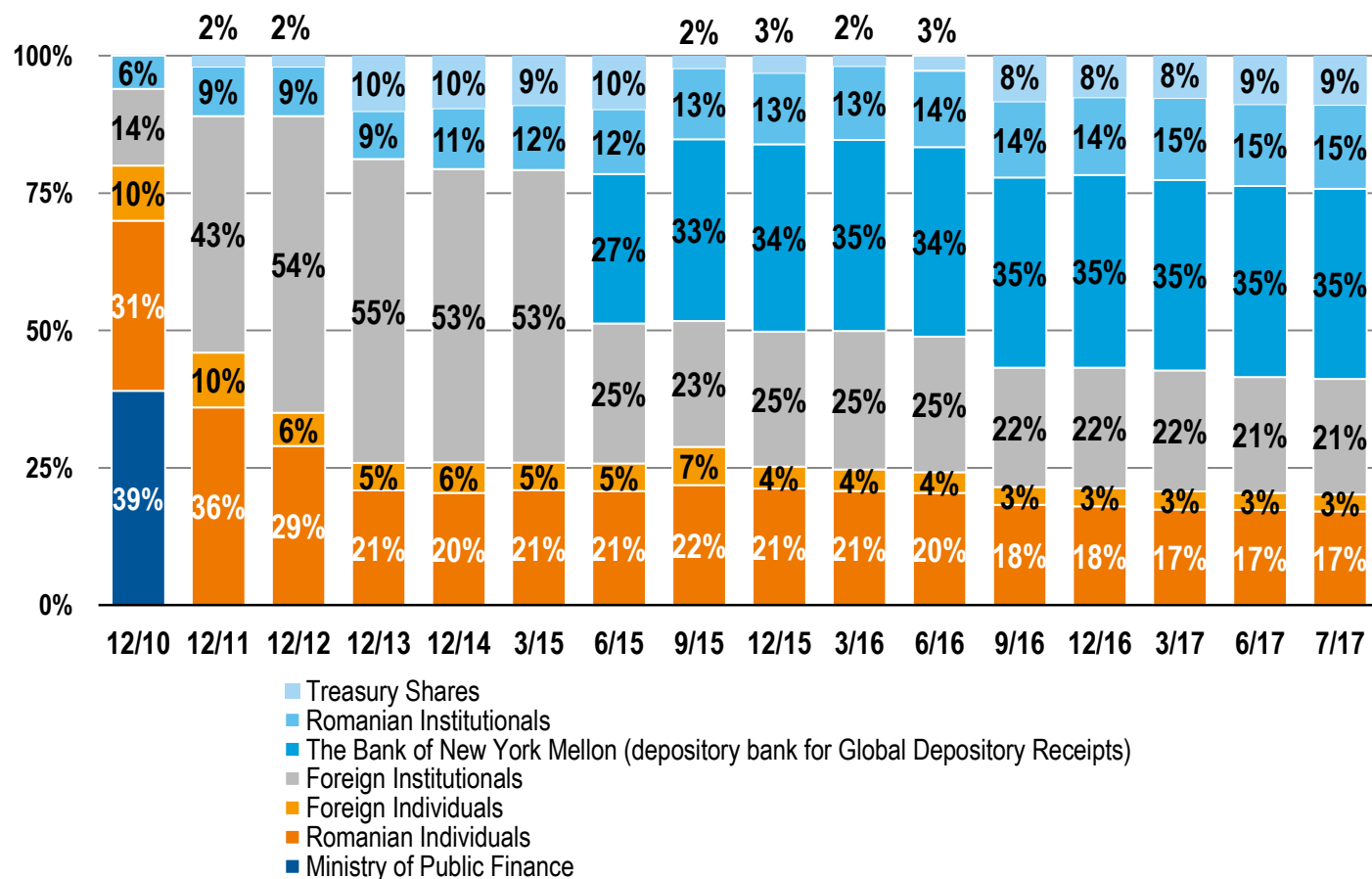
3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 11 August 2017. Using the NBR USD/RON FX rate as at 11 August 2017.

4. Source: BVB, Bloomberg, until 11 August 2017.

5. As at 11 August 2017.

# Shareholders Structure

## Evolution (% Held)<sup>1</sup>



## Largest Shareholders<sup>2</sup>

Elliott Associates	19.89%
City of London Investment Mgmt.	5.04%
NN Group	5.02%
Total Number of Shareholders <sup>1</sup>	6,665

1. Shareholders structure as at 31 July 2017. Based on paid share capital starting 31 July 2011. Source: Central Depository.

2. Based on the total voting rights. Source: Ownership disclosures submitted by Elliott Associates on 24 May 2017, City of London Investment Management Company Ltd. on 5 April 2016, and NN Group on 27 March 2017.

# NAV, Share Price and GDR Performance

## Cumulative Performance

	2011	2012	2013	2014	2015	2016	Q2 2017	H1 2017	YTD <sup>1</sup>	Since Performance Inception <sup>1</sup>
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	4.16%%	9.24%	11.05%	47.52%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	(1.17)%	16.68%	22.59%	119.70%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	4.62%	23.42%	31.73%	21.91%

## Average Annual Discount

2011	2012	2013	2014	2015	2016	2017 - YTD <sup>2</sup>	Current Share Price Discount <sup>3</sup>	Current GDR Price Discount <sup>3</sup>
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	27.06%	27.30%	27.66%

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 31 July 2017.

2. For the period: 3 January – 11 August 2017.

3. As at 11 August 2017.



# Attribution to NAV Performance for Q2 2017

## TOP PERFORMERS

Company	Status	Weight in total NAV <sup>1</sup>	Change in share price or NAV per share in Q2 2017	Total effect for Q2 2017
Hidroelectrica SA	Unlisted	32.0%	0.0%	1.93%
BRD Groupe Societe Generale SA	Listed	3.2%	9.4%	0.44%
CN Aeroporturi Bucuresti SA	Unlisted	7.2%	0.0%	0.40%
Electrica Furnizare SA	Unlisted	1.6%	0.0%	0.33%
Alro SA	Listed	1.2%	16.6%	0.23%

## BOTTOM PERFORMERS

Company	Status	Weight in total NAV <sup>1</sup>	Change in share price or NAV per share in Q2 2017	Total effect for Q2 2017
OMV Petrom SA	Listed	19.1%	(6.3)%	(0.27)%
Primcom SA	Listed	0.1%	(12.8)%	(0.01)%
Conpet SA	Listed	0.5%	(15.0)%	(0.01)%
Comsig SA	Unlisted	0.0%	(100.0)%	0.00%
Alcom SA	Listed	0.1%	(2.2)%	0.00%

**TOTAL NAV PER SHARE CHANGE Q2 2017**

**0.08%**

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

1. NAV report as at 30 June 2017.

# Attribution to NAV Performance for H1 2017

## TOP PERFORMERS

Company	Status	Weight in total NAV <sup>1</sup>	Change in share price or NAV per share in H1 2017	Total effect for H1 2017
OMV Petrom SA	Listed	19.1%	8.6%	2.34%
Hidroelectrica SA	Unlisted	32.0%	0.0%	1.81%
BRD Groupe Societe Generale SA	Listed	3.2%	13.5%	0.51%
Nuclearelectrica SA	Listed	1.7%	33.0%	0.46%
Alro SA	Listed	1.2%	44.4%	0.39%

## BOTTOM PERFORMERS

Company	Status	Weight in total NAV <sup>1</sup>	Change in share price or NAV per share in H1 2017	Total effect for H1 2017
Primcom SA	Listed	0.1%	(6.7)%	(0.01)%
Comsig SA	Unlisted	0.0%	(100.0)%	0.00%
Alcom SA	Listed	0.1%	(2.2)%	0.00%
Palace SA	Listed	0.0%	(3.8)%	0.00%

## TOTAL NAV PER SHARE CHANGE H1 2017

**0.74%**

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

1. NAV report as at 30 June 2017.



# Performance Objectives



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# NAV Objective

- **Objective**
  - The Adjusted NAV per share as at 30 June 2017, to be higher than the NAV per share as at 30 June 2015 (RON 1.1851 per share)
- **Monthly Monitoring – 30 June 2017**
  - Adjusted NAV as at 30 June 2017 is higher than the NAV per share as at 30 June 2015

NAV Objective	Amount RON	Comments
Total NAV as at 30 June 2017	10,570,251,408	
Costs related to the 2015; 2016 and 2017 returns of capital after 30 June 2015, until 30 June 2017	57,414	Fees charged by Central Depositary and Paying Agent for the payments performed after 30 June 2015 (for the 2015; 2016 and 2017 returns of capital)
Costs related to buy-backs after 30 June 2015, until 30 June 2017	14,883,473	Fees related to fifth buy-back programme after 30 June 2015, sixth and seventh buy-back programmes (including the FSA fees of 1% of the tender offer value) and eight buy-back programme starting 30 May 2017
Distribution fees after 30 June 2015, until 30 June 2017	56,176,582	FT distribution fees for distributions to shareholders after 30 June 2015
2016 Return of capital to shareholders	516,886,344	2016 Return of capital (payment started in June 2016)
March 2017 Return of capital to shareholders	480,543,496	Payment started on 27 March 2017
June 2017 Return of capital to shareholders	443,502,747	Payment started on 30 June 2017
<b>Total Adjusted NAV as at 30 June 2017</b>	<b>12,082,301,465</b>	
Number of Fund's paid shares, less treasury shares and GDRs held as at 30 June 2017	8,842,846,464	
<b>Adjusted NAV per share as at 30 June 2017</b>	<b>1.3664</b>	
<b>NAV per share as at 30 June 2015</b>	<b>1.1851</b>	
<b>Difference</b>	<b>0.1813</b>	
<b>%</b>	<b>15.30%</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 period 30 June 2015 – 30 June 2017

## TOP PERFORMERS

Company	Status	Weight in Total NAV <sup>1</sup>	Change in share price or NAV per share	Total effect
Hidroelectrica SA	Unlisted	32.0%	55.4%	12.23%
CN Aeroporturi Bucuresti SA	Unlisted	7.2%	129.0%	3.95%
CN Administratia Porturilor Maritime SA	Unlisted	2.0%	62.5%	0.86%
Electrica Furnizare SA	Unlisted	1.6%	32.7%	0.80%
BRD Groupe Societe Generale SA	Listed	3.2%	25.0%	0.74%

## BOTTOM PERFORMERS

Company	Status	Weight in Total NAV <sup>1</sup>	Change in share price or NAV per share	Total effect
OMV Petrom SA	Listed	19.1%	(24.8)%	(9.25)%
Romgaz SA <sup>2</sup>	Listed	0.0%	N/A <sup>2</sup>	(2.25)%
Complexul Energetic Oltenia SA	Unlisted	0.0%	(100.0)%	(0.86)%
Zirom SA	Unlisted	0.2%	(43.2)%	(0.16)%
E-Distributie Muntenia SA	Unlisted	4.3%	(3.5)%	(0.13)%

## TOTAL NAV PER SHARE CHANGE

**0.86%**

Note 1: The analysis excludes E.ON Distributie Romania SA and E.ON Energie Romania SA.

Note 2: The amounts are adjusted with the dividends declared by the companies, recorded in the Fund's accounting according with FP accounting policy.

1. Source: NAV report as at 30 June 2017.

2. Holding disposed of in April 2016.

# Attribution to NAV Performance for the period 30 June 2016 – 30 June 2017

## TOP PERFORMERS

Company	Status	Weight in Total NAV <sup>1</sup>	Change in share price or NAV per share	Total effect
Hidroelectrica SA	Unlisted	32.0%	3.5%	2.72%
OMV Petrom SA	Listed	19.1%	18.1%	2.57%
CN Aeroporturi Bucuresti SA	Unlisted	7.2%	20.3%	1.45%
BRD Groupe Societe Generale SA	Listed	3.2%	37.6%	0.94%
Alro SA	Listed	1.2%	63.3%	0.46%

## BOTTOM PERFORMERS

Company	Status	Weight in Total NAV <sup>1</sup>	Change in share price or NAV per share	Total effect
Complexul Energetic Oltenia SA	Unlisted	0.0%	(100.0)%	(0.53)%
E-Distributie Banat SA	Unlisted	5.7%	(3.9)%	(0.13)%
E-Distributie Dobrogea SA	Unlisted	3.6%	(5.2)%	(0.12)%
Posta Romana SA	Unlisted	0.4%	(23.3)%	(0.12)%
E-Distributie Muntenia SA	Unlisted	4.3%	(1.3)%	(0.05)%

## TOTAL NAV PER SHARE CHANGE

**4.44%**

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

1. Source: NAV report as at 30 June 2017.

# 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 2016 – 30 June 2017

- **Monthly Monitoring – 30 June 2017**

- In the period 1 July 2016 – 30 June 2017, discount was higher than 15%, for both shares and GDRs.

## Discount Evolution

**Discount at the Start of the Reporting Period – 1 July 2016**

**Discount as at 30 June 2017**

**Average for the Reporting Period 1 July 2016 – 30 June 2017**

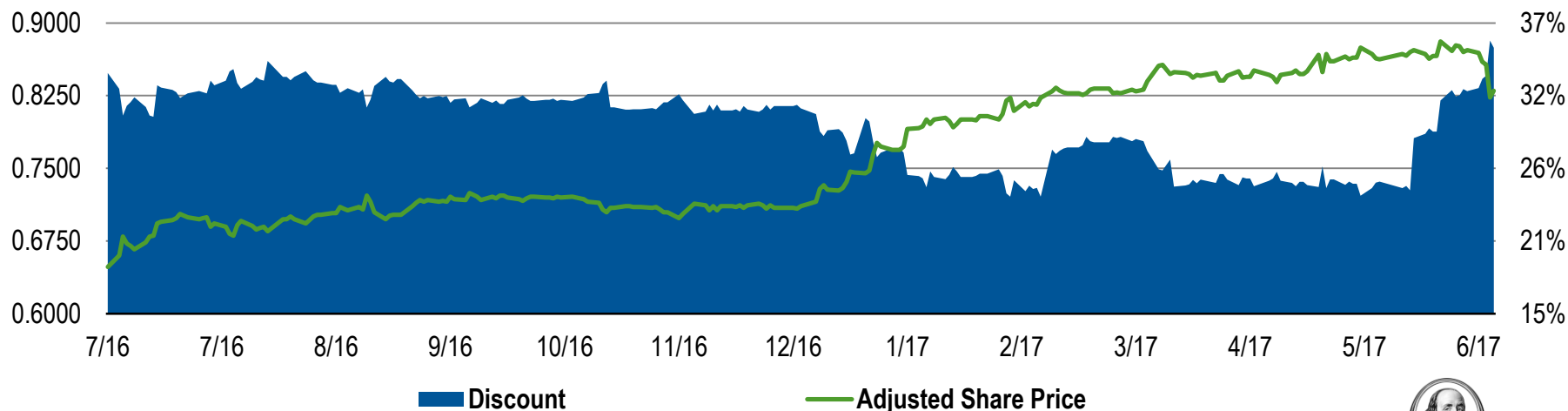
**Discount Range for the Reporting Period**

33.22%

35.12%

29.22%

23.85% - 35.67%



Source: Fondul Proprietatea calculations, BVB.

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



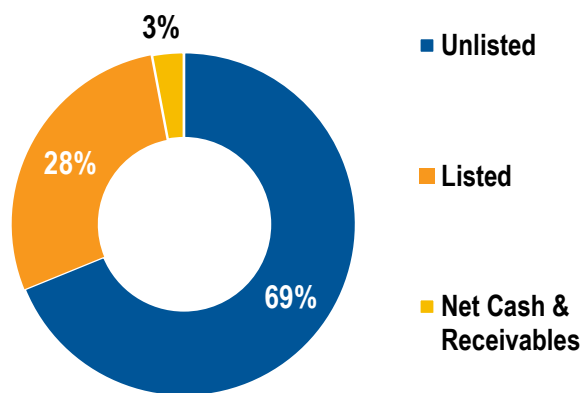
# Portfolio



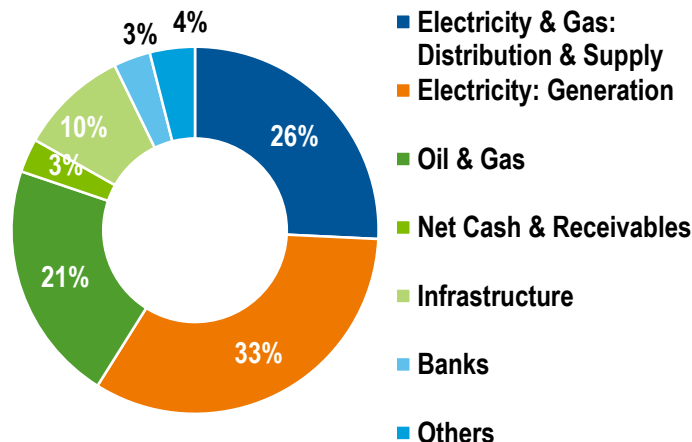
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# Portfolio Structure

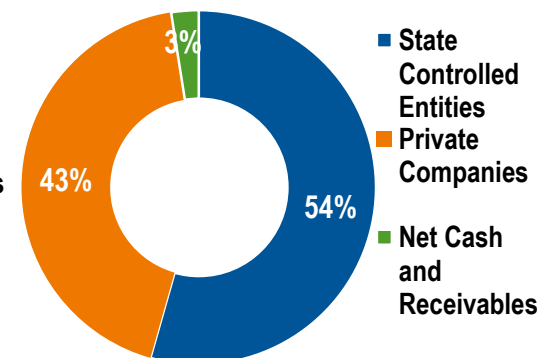
**Listed vs Unlisted  
as at 31 July 2017 (% NAV)<sup>1</sup>**



**By Sector  
as at 31 July 2017 (% NAV)<sup>1</sup>**



**By Controlling Ownership as  
at 30 June 2017<sup>2</sup>**



- As at 31 July 2017, the portfolio included stakes in 43 companies (11 listed and 32 unlisted)
- Net cash and receivables position as at 31 July 2017 was USD 66.6 mn
- In 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 buybacks of own shares, distributions to shareholders, but excluding investments. The credit facility was extended until July 2018.

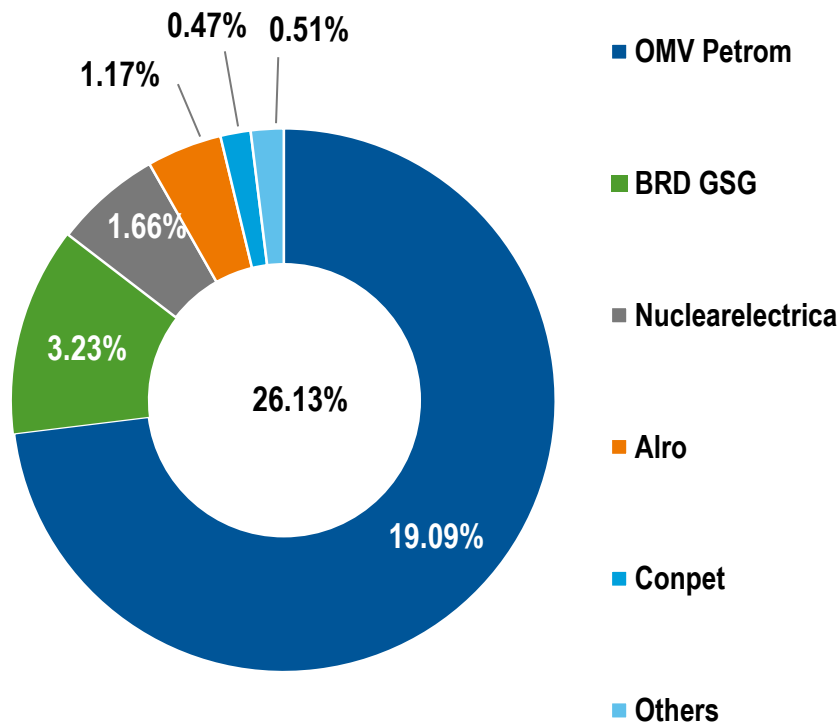
1. Source: FP 31 July 2017 Factsheet.

2. FP 30 June 2017 Detailed Statement of Investments.

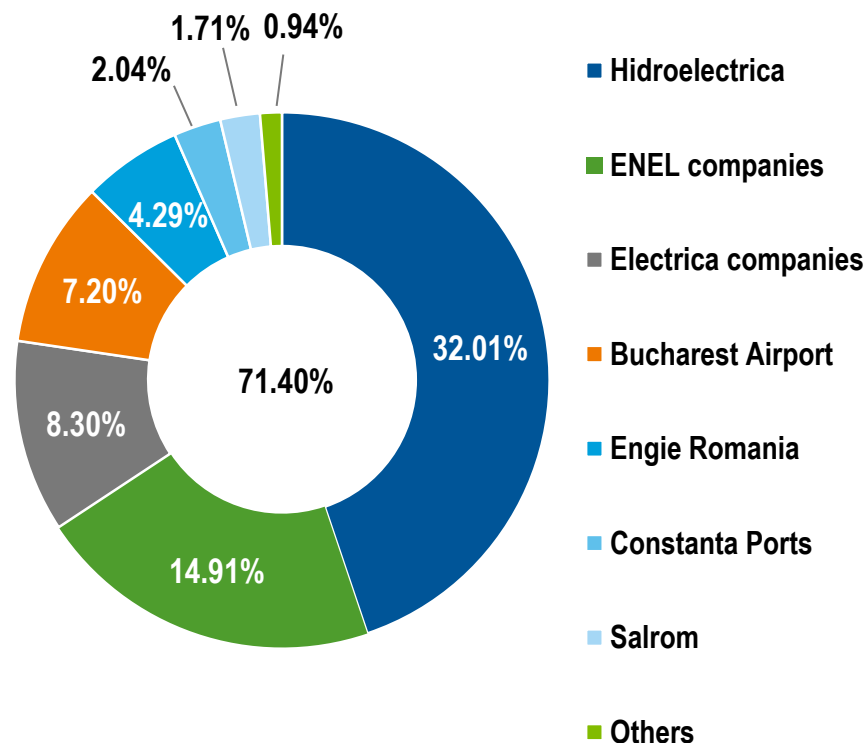


# Portfolio Structure – Listed vs. Unlisted

**Listed Companies**  
(% of NAV as at 30 June 2017)



**Unlisted Companies**  
(% of NAV as at 30 June 2017)



Source: FP 30 June 2017 Detailed Statement of Investments.

# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake <sup>1</sup>	NAV as at 31 July 2017 (USD mn)	% in NAV as at 31 July 2017
Hidroelectrica SA	Unlisted	Romanian State	19.9%	870.53	<b>31.57</b>
OMV Petrom SA	<b>Listed</b>	OMV	12.6%	577.67	<b>20.95</b>
CN Aeroporturi Bucuresti	Unlisted	Romanian State	20.0%	195.77	<b>7.10</b>
Electrica subsidiaries <sup>2</sup>	Unlisted	Electrica	N/A%	193.46	<b>7.02</b>
E-Distributie Banat SA <sup>3</sup>	Unlisted	Enel Group	12.0%	154.32	<b>5.60</b>
Engie Romania	Unlisted	Engie	12.0%	116.64	<b>4.23</b>
E-Distributie Muntenia <sup>3</sup>	Unlisted	Enel Group	12.0%	115.61	<b>4.19</b>
E-Distributie Dobrogea <sup>3</sup>	Unlisted	Enel Group	24.1%	97.81	<b>3.55</b>
BRD Groupe Societe Generale	<b>Listed</b>	Societe Generale Group	3.6%	90.25	<b>3.27</b>
CN Administratia Porturilor Maritime SA	Unlisted	Romanian State	20.0%	55.57	<b>2.02</b>
<b>Top 10 Portfolio Holdings</b>				<b>2,467.63</b>	<b>89.50</b>
<b>NAV</b>				<b>2,757.20</b>	<b>100.00</b>
<b>NAV Per Share (USD)</b>				<b>0.3126</b>	

Note: Values in USD calculated using the USD/RON FX rate as at 31 July 2017.

Source: FP Factsheet as at 31 July 2017.

1. Based on the FP 30 June 2017 Detailed Statement of Investments.

2. As per Aggregated Value agreed in the Memorandum of Understanding concluded with Electrica SA.

3. Enel Distributie companies changed their names to E-Distributie.

# Portfolio Holdings – Key Financials for H1 2017

	EBITDA (mn RON)		Net Profit (mn RON)	
	H1 2016	H1 2017	H1 2016	H1 2017
Hidroelectrica SA	1,086.2	1,170.0	567.9	717.0
OMV Petrom	2,307.6	3,179.0	408.3	1,209.5
BRD Groupe Societe Generale SA	-	-	381.0	750.0
Nuclearelectrica SA	254.3	393.3	1.3	133.8
Alro SA	136.8	291.6	35.0	186.8
Conpet SA	63.1	68.2	37.0	40.4
<b>Total</b>	<b>3,848.0</b>	<b>5,102.1</b>	<b>1,430.5</b>	<b>3,037.5</b>
<b>Weighted Total</b>	<b>547.6</b>	<b>702.5</b>	<b>184.4</b>	<b>356.0</b>

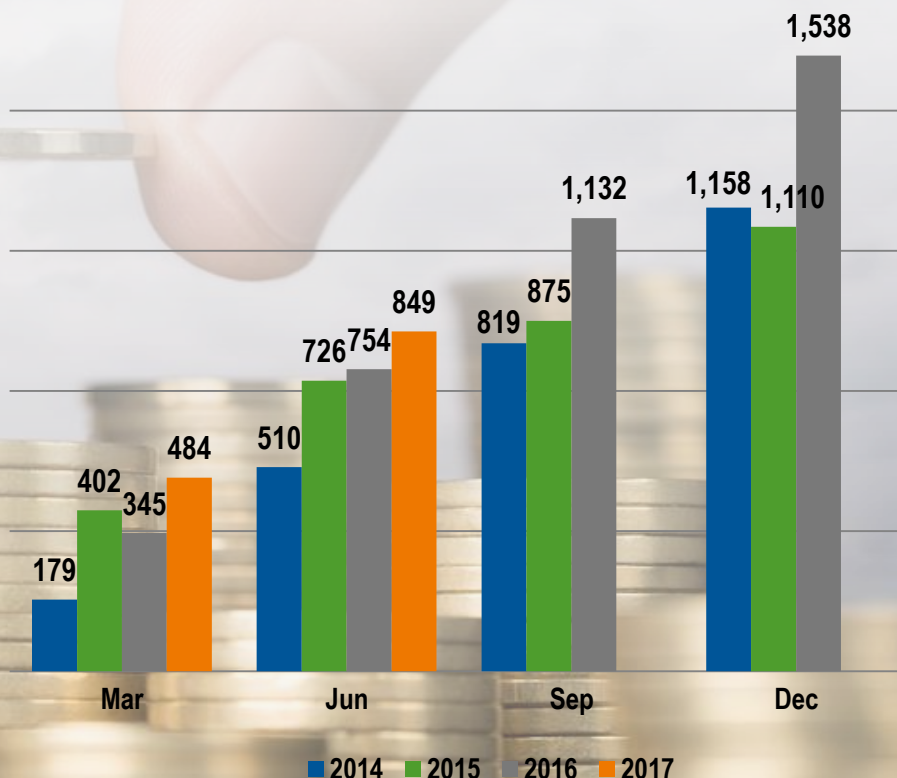
Source: Companies H1 2017 Consolidated financial statements.

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

# Hidroelectrica – Update (I)

- **Financials:** Revenues increased by 6% in H1 2017 compared with the same period last year, to RON 1.7bn, while the net profit increased by 26% (RON 717 mn vs. RON 568 mn).
- **Cash Level:** RON 2.5bn at the end of June 2017.
- **Dividends:** In 2017, FP received from the company record high dividends for FY 2016 of RON 206.6 mn, 53.5% higher than the previous year.
- **Listing:** the Consortium's mandate for the IPO has been extended until August 2018.
- **Corporate Governance:** In the shareholders' meeting held on 19 April 2017, the Government approved the appointment of an interim Board with a mandate of 4 months, which has been extended by an additional 4 months. There is no progress in the selection of the Board members based on Law 111/2016.
- **Litigations:** The Fund has started several litigations against the appointment of the new members of the Directorate by breaching the Code of Ethics of the company and the Corporate Governance Code.

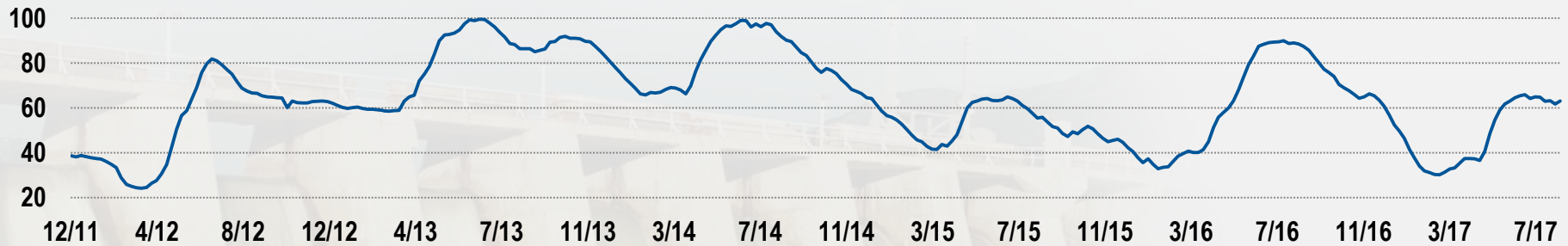
Pre-tax cumulated profit (RON mn)



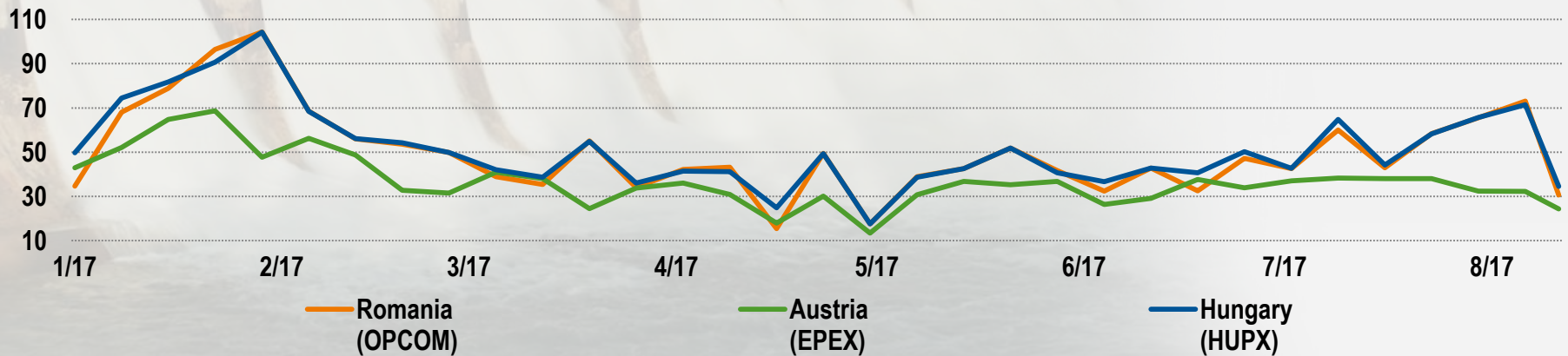
Source: Hidroelectrica 2009 – 2017 Annual reports and financial statements, Hidroelectrica monthly press releases, reports, and presentations.

# Hidroelectrica – Update (II)

Reservoir levels (%Full)<sup>1</sup>



Electricity prices (EUR/MWh)<sup>2</sup>



1. Source: Bloomberg, as at 13 August 2017.

2. Source: Hidroelectrica, Bloomberg, as at 13 August 2017. Note: Base load prices.

# C.N. Aeroporturi Bucuresti – Update

Financial Performance <sup>1</sup>	2011	2012	2013	2014	2015	2016	% y/y
Operating revenues (mn RON)	501.5	555.5	582.6	672.1	755.6	882.3	17%
Operating profit (mn RON)	88.5	80.9	94.0	124.4	213.5	276.6	30%
Net Income (mn RON)	52.6	53.1	72.0	98.8	178.8	234.5	31%
Number of passengers (mn)	7.45	7.54	7.67	8.32	9.28	10.99	18%

- **Passenger Traffic:** Increased by 16.6% in the first 6 months of 2017 compared to the same period from 2016, reaching 5.91 million passengers. The number of aircraft movements increased by 9% to 55,739.
- **Board and Management:** New Interim General Manager was appointed following the expiration of the mandate of the previous General Manager, who had been appointed based on Corporate Governance legislation in 2013. The entire Board is also composed of interim members. The selection process as per Corporate Governance legislation was initiated for the Board. A full mandate General Manager can only be appointed after the appointment of the Board in accordance with the Corporate Governance code.
- **IPO:** We continue discussions with the Government on this topic, but there is no clear timeline or plans in this direction.

1.Source: CN Aeroporturi Bucuresti annual financial statements and annual reports.



# Electrica Transaction – Update

Company	% FP Stake	% NAV	30 June 17 NAV RON mn	2016 FP Dividends RON mn
SDEE Muntenia Nord <sup>2</sup>	22%	2.4%	255.2	19.3
SDEE Transilvania Sud <sup>2</sup>	22%	2.3%	246.2	21.7
SDEE Transilvania Nord <sup>2</sup>	22%	2.0%	208.3	22.1
Electrica Furnizare	22%	1.6%	167.7	34.8
<b>Total Electrica</b>		<b>8.3%</b>	<b>877.4</b>	<b>97.9</b>

- On 14 July, Fondul Proprietatea has signed a Memorandum of Understanding with Electrica for the disposal of the Fund's holdings in the subsidiaries.
- The aggregated value of the transaction would amount to RON 752.0 mn. Shares would be acquired by Electrica together with all the rights attached to them under the applicable law, including the right to receive dividends, except for those for the financial year ending on 31 December 2016, which remain to be collected by the Fund. The NAV value of the Electrica subsidiaries was adjusted for the July 2017 NAV based on the aggregated value of the transaction.
- All necessary corporate and shareholding approvals at Electrica and subsidiaries level are planned to be obtained by 31 October 2017.

Notes: Values in USD calculated using the USD/RON FX rate as at 30 June 2017.

Source: FP 30 June 2017 Detailed Statement of Investments, Fund Manager calculations.



# Enel – Update

Company	% FP Stake	% NAV	30 June 17 NAV RON mn	2016 Net Cash RON mn	2016 FP Dividends RON mn
E-Distributie Banat (EDB)	24%	5.7%	599.9	1,270.6	8.9
E-Distributie Muntenia (EDM)	12%	4.3%	449.4	2,304.4	-
E-Distributie Dobrogea (EDD)	24%	3.6%	380.2	593.7	6.6
Enel Energie (EE)	12%	0.7%	75.5	538.4	-
Enel Energie Muntenia (EEM)	12%	0.7%	70.3	585.1	-
<b>Total Enel</b>		<b>15.0%</b>	<b>1,575.3</b>	<b>5,292.2</b>	<b>15.5</b>

- In 2012 the state exercised the PUT option and asked for EUR 521 mn from Enel.
- Following the decision of the Internal Court of Arbitrage in Paris, Enel paid EUR 401 mn to the Romanian state for the 13.5% stakes in Enel Distributie Muntenia and Enel Energie Muntenia. FP does not have such a put option.
- Efforts to dispose the Fund's stakes in Enel are ongoing.
- The Fund has engaged Ithuba Capital AG as sole financial adviser in connection with the process related to possible sales transactions to be carried out by the Fund concerning its holdings in Enel and Engie.

Source: FP 30 June 2017 Detailed Statement of Investments, Fund Manager calculations.

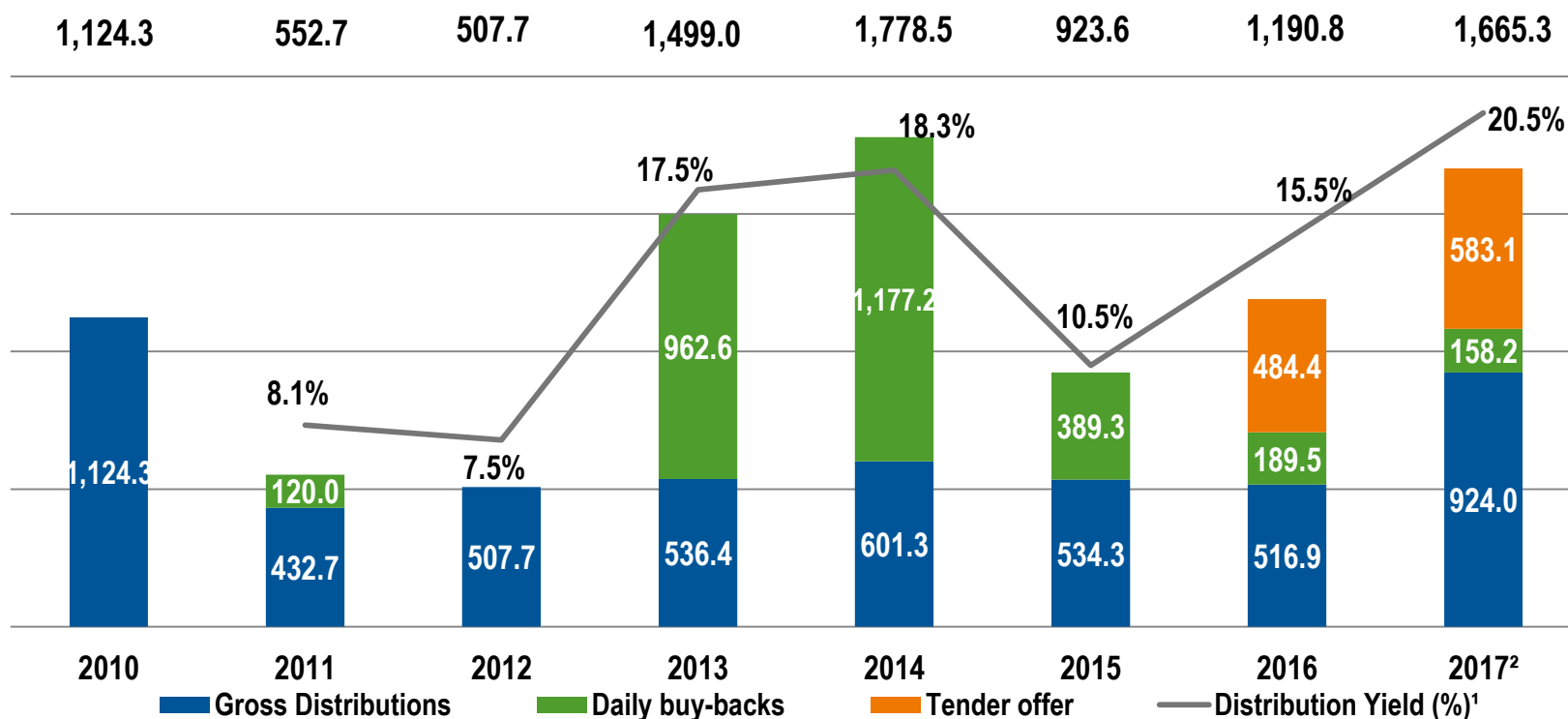
# Corporate Actions



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# Distributions to Shareholders

## Annual Distributions to Shareholders (mn RON)



- The total distributions through buy-backs and cash would amount to RON 9.24 bn / USD 2.59 bn²

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2017, average USD/RON FX as at 11 August.

1. Based on the total annual distributions through buy-backs and cash, based on the average closing share price on BVB for the respective year and the average number of paid shares, excluding Treasury shares. For 2017, average closing share price as at 11 August.

2. For buy-backs, the values are as at 11 August 2017, i.e. include the seventh and the eighth buy-back programmes. The gross distributions figure includes the March and June distributions.



# 2017 Cash Distributions

## Cash Distributions to Shareholders (RON)

	Status	Payment Date	Ex-Date	Cash Distribution Per Share
Special Distribution – Return of Capital	Paid <sup>1</sup>	27 March 2017	6 March 2017	RON 0.05
Annual Distribution	Paid <sup>2</sup>	30 June 2017	9 June 2017	RON 0.05
<b>Total</b>				<b>RON 0.10</b>

1. As at 7 August 2017, over 97% of the cash distribution payment was completed.

2. As at 7 August 2017, over 96% of the cash distribution payment was completed.

# 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
Seventh	29 Sep 16 – 26 May 17	Finalized	830.2 mn/ 8.2%	0.8967	Wood & Co., Goldman Sachs Int.	Partial cancellation approved by shareholders during the 3 May 2017 EGM <sup>2</sup>
Eight	Started on 30 May 2017	38.81% Completed	177.2 mn/ 1.8%	0.8740 <sup>1</sup>	Wood & Co., Jefferies Internat.	Partial cancellation of 158.5 mn shares submitted for shareholders' approval during the 26 Sept 2017 EGM

1. As at 11 August 2017. Estimated value based on the 68,750,738 shares repurchased (39,122,888 ordinary shares and 29,627,850 equivalent shares of the GDRs repurchased).
2. To be effective, the FSA endorsement is legally required. The remaining part will be subject to shareholders' approval during the 26 September 2017 EGM.

# Dividend Income – Top 20 Portfolio Companies (I) **FONDUL** PROPRIETATEA

Top 20 Holdings <sup>1</sup>	DIVIDEND PAYOUT (%)						FP NET DIVIDEND (RON mn)					
	2011	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2017
Hidroelectrica SA	-	-	-	80	80	90	-	-	-	128.9	134.6	206.6
OMV Petrom SA	47	40	36	35	-	94	353.1	319.0	331.4	120.5	-	106.8
CN Aeroporturi Bucuresti SA	89	85	85	50	75	N/A	9.4	9.1	12.3	10.2	27.4	41.2
E-Distributie Banat SA <sup>2</sup>	-	-	-	50	44	40	-	-	-	20.7	16.8	8.9
Engie Romania SA	-	50	60	51	-	30	-	22.8	33.6	24.0	-	13.3
E-Distributie Muntenia SA <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	-	-
E-Distributie Dobrogea SA <sup>2</sup>	-	-	-	50	44	37	-	-	-	10.5	12.0	6.6
BRD Groupe Societe Generale	25	-	-	-	50	70	3.6	-	-	-	7.7	17.6
SDEE Muntenia Nord SA <sup>3</sup>	12	84	83	85	85	90	1.8	16.2	23.2	24.7	26.9	19.3
SDEE Transilvania Sud SA <sup>3</sup>	-	-	83	85	85	90	-	-	12.7	17.6	26.3	21.7
CN Administratia Porturilor Maritime SA	71	75	78	50	75	90	6.6	5.4	10.1	6.5	14.1	11.0
SDEE Transilvania Nord SA <sup>3</sup>	-	-	83	85	85	90	-	-	11.7	16.7	28.0	22.1
Societatea Nationala a Sarii Salrom SA	90	92	85	85	-	N/A	0.1	9.3	19.8	10.2	-	13.8
Nuclearelectrica SA	-	83	81	68	70	88	-	2.3	27.9	6.9	8.6	8.6
Electrica Furnizare SA	-	46	88	85	85	90	-	9.3	19.6	38.3	24.5	34.8
Alro SA	99	-	-	-	-	100	19.0	-	-	-	-	6.9

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

1. Source: FP 30 June 2017 Detailed Statement of Investments.

2. Enel Distributie companies changed their names to E-Distributie.

3. Electrica Distributie companies changed their names to Societatea de Distributie Energie Electrica ("SDEE").



# Dividend Income – Top 20 Portfolio Companies (II) **FONDUL** PROPRIETATEA

Top 20 Holdings <sup>1</sup>	DIVIDEND PAYOUT (%)						FP NET DIVIDEND (RON mn)					
	2011	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2017
Enel Energie SA	-	-	-	50	50	-	-	-	-	7.4	2.1	-
Enel Energie Muntenia SA	-	-	-	-	-	-	-	-	-	-	-	-
Conpet SA	90	85	85	100	100	92	6.6	8.4	8.8	2.6	3.6	8.3
Posta Romana SA	-	-	-	-	-	N/A	-	-	-	-	-	N/A
<b>Total Top 20 Holdings (RON mn)</b>							<b>400.2</b>	<b>401.8</b>	<b>511.1</b>	<b>445.7</b>	<b>332.6</b>	<b>547.5</b>
<b>Total Dividends from Listed Companies (RON mn)</b>							<b>450.1</b>	<b>373.9</b>	<b>538.6</b>	<b>251.5</b>	<b>36.0</b>	<b>148.1</b>
<b>Total Dividends from Unlisted Companies (RON mn)</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>403.8</b>
<b>Total Dividend Income (RON mn)</b>							<b>619.0</b>	<b>649.7</b>	<b>682.1</b>	<b>567.4</b>	<b>349.5</b>	<b>551.9</b>
<b>Total Dividend Income per Share (RON)<sup>2</sup></b>							<b>0.04699</b>	<b>0.04954</b>	<b>0.05674</b>	<b>0.05310</b>	<b>0.0339</b>	<b>0.0626</b>
<b>Dividend / Distribution per Share (RON)</b>							<b>0.04089</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.05000</b>	
<b>Share Price (RON)</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>0.9180<sup>9</sup></b>	
<b>Yield</b>							<b>6.20%</b>	<b>6.54%</b>	<b>5.84%</b>	<b>6.94%</b>	<b>5.45%</b>	
<b>Yield for Romanian companies (BET)</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. Source: FP 30 June 2017 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.

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.

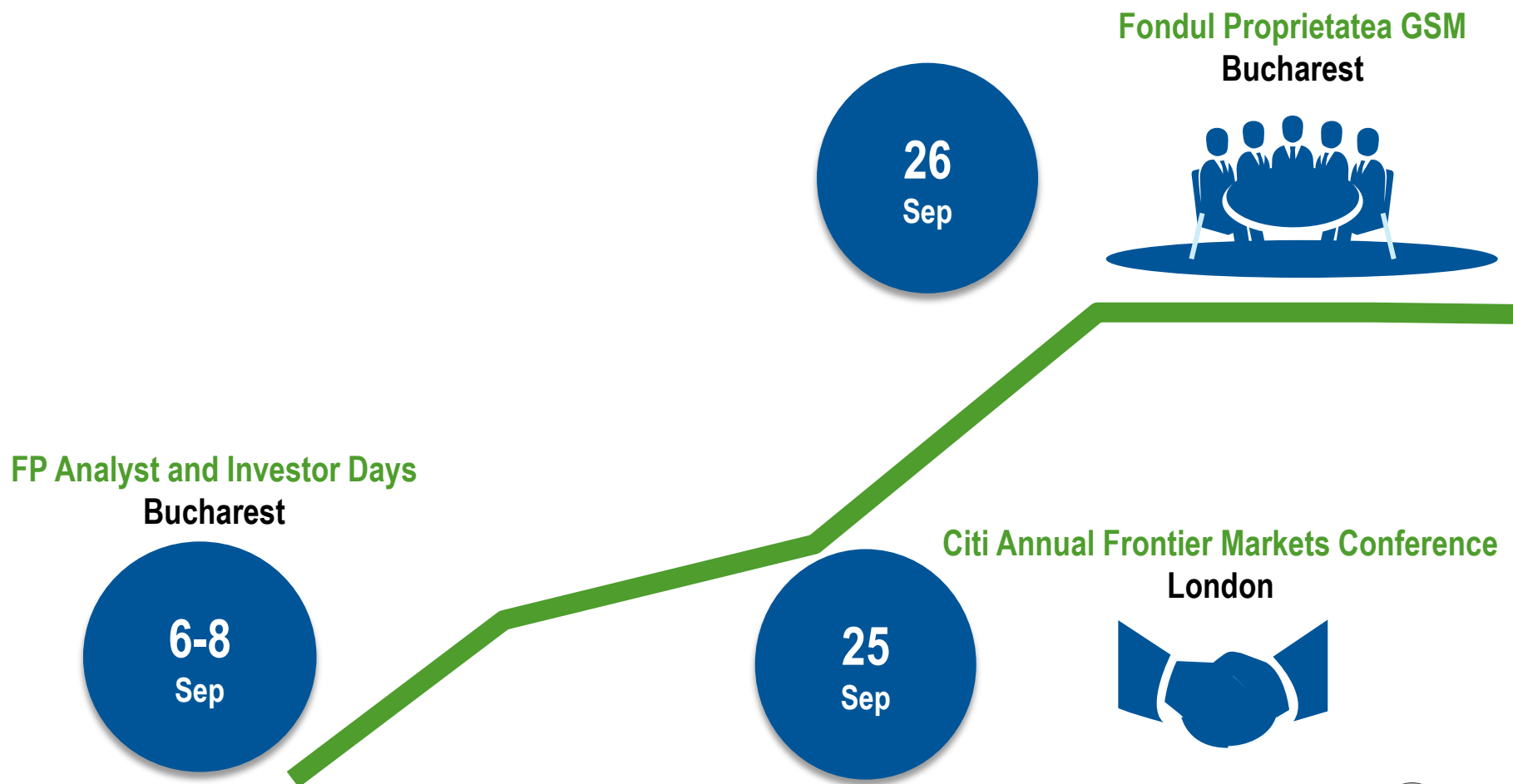
8. As at 9 June 2016.

9. As at 6 June 2017.





# Investor Relations – Upcoming Events



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

# 2017 FP Analyst and Investor Days – Proposed Agenda (I)

## Wednesday, 6 September

12:00 – 1:00 p.m.	Lunch, JW Marriott Hotel
1:15 p.m.	Pick-up from JW Marriott Hotel and departure to Otopeni Airport
2:30 – 4:30 pm	Otopeni Airport Site Visit
4:30 p.m.	Departure to Baneasa Airport
5:00 – 5:30 p.m.	Baseasa Airport Site Visit and Runway driving test
7:00 p.m.	Welcome reception, Il Locale Herastrau, <i>hosted by Raiffeisen Bank Romania</i>

# 2017 FP Analyst and Investor Days – Proposed Agenda (II)

## Thursday, 7 September – JW Marriott Hotel, Salon CD

7:15 – 8:55 a.m.	Registration and Breakfast
8:55 – 9:00 a.m.	Welcome Mr. Grzegorz Konieczny, Co-CEO Fondul Proprietatea Mr. Johan Meyer, Co-CEO Fondul Proprietatea
9:00 – 9:10 a.m.	Embassy of the United States of America His Excellency Mr. Hans Klemm, Ambassador to Romania
9:10 – 9:20 a.m.	Embassy of the United Kingdom His Excellency Mr. Paul Brummell, Ambassador (TBC)
9:20 – 9:40 a.m.	Government of Romania Mihai Tudose, Prime Minister of Romania (TBC)
9:40 – 10:00 a.m.	Romanian Parliament Mr. Liviu Dragnea, President of the Chamber of Deputies (TBC)

### Panel 1: Macroeconomics

**WOOD & Co:** Rafaela Tenconi, Chief Economist – Moderator  
**NBR:** Mihai Copaciu, Director  
**Fiscal Council:** Ionut Dumitru, Chairman (TBC)  
**IMF:** Alejandro Hajdenberg, Resident Representative for Romania  
*Q&A session*

10:00 – 10:50 a.m.

# 2017 FP Analyst and Investor Days – Proposed Agenda (III)

Thursday, 7 September – JW Marriott Hotel, Salon CD

## Panel 2: Energy

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

**Ministry of Energy:** Toma Petcu, Minister (TBC)

**Government of Romania:** Cosmin Ghita, Counselor to the Prime Minister (TBC)

**ANRE:** Nicolae Havrilet, President

**OPCOM:** Victor Ionescu, CEO (TBC)

**OMV Petrom:** Mariana Gheorghe, CEO

**Electrica:** Catalin Stancu, CEO

**A.T. Kearney:** Stefan Marcu, Partner

Q&A session

10:50 – 11:40 a.m.

## Panel 3: Romanian Capital Market

**Fondul Proprietatea:** Johan Meyer, Co-CEO – Moderator

**EBRD:** Matteo Patrone, Country Director

**Ministry of Economy:** Gabriel Techera, Cabinet Director (TBC)

**FSA:** Mircea Ursache, Vice President (TBC)

**BVB:** Lucian Anghel, President (TBC)

**WOOD & Company:** Pawel Wieprzowski, Equity Strategist

Q&A session

11:40 a.m. – 12:30 p.m.

12:30 – 2.00 p.m.

Lunch, Foyer Salon CD

2.00 – 6.00 p.m.

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

6.00 p.m.

Dinner, JW Marriott Hotel, JW Steakhouse, *hosted by WOOD & Co*

# 2017 FP Analyst and Investor Days – Proposed Agenda (IV)

## Friday, 8 September – JW Marriott Hotel, Salon CD

8:00 – 9:00 a.m.	Registration and Breakfast
9:00 a.m. – 4:30 p.m.	1on1 and Group meetings ( <i>Frontier Days with WOOD &amp; Company</i> )
1:00 – 2:00 p.m.	Lunch
6:00 p.m.	Dinner, TBC

# 2017 FP Analyst and Investor Days – Romanian Companies

**FONDUL**  
PROPRIETATEA

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



# 26 September GSM Agenda – Main Points

- The approval of the decrease of the subscribed share capital of Fondul Proprietatea S.A. from RON 4,854,034,784.56 to RON 4,771,610,196.08 pursuant to the cancellation of 158,508,824 own shares acquired by Fondul Proprietatea S.A. during the seventh and eight buy-back programme.
- The renewal of the mandate of Franklin Templeton International Services S.À R.L. as the alternative investment fund manager and sole director of Fondul Proprietatea S.A. for another two (2) years term starting with 1 April 2018 (“New Mandate”), conditional upon:
  - Shareholders approve the key commercial terms of the New Mandate; and
  - Franklin Templeton International Services S.À R.L. and Fondul Proprietatea S.A. execute until 1 March 2018 a management agreement covering the New Mandate (which is to include the said key commercial terms).
- The approval of the key commercial terms of the New Mandate.
- The appointment of an alternative investment fund manager of Fondul Proprietatea S.A. for a mandate of two (2) years starting with 1 April 2018, in accordance with the legal provisions in force. The empowerment of the Board of Nominees to negotiate and execute the relevant investment management agreement with the selected candidate and fulfil all relevant formalities for the authorization and legal completion of such appointment.



# H1 2017 Results



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# Statement of Financial Position

RON mn	30 June 2017 Unaudited	31 December 2016 Audited
Cash and current accounts	58.4	5.8
Deposits with banks	84.9	305.3
Treasury bills	70.0	781.4
Government bonds	-	328.6
Dividends receivable	353.1	-
Equity investments	9,381.1	9,992.2
Non-current assets held for sale	877.4	-
Other assets	20.5	20.8
<b>Total assets</b>	<b>10,845.4</b>	<b>11,434.1</b>
Payables	24.4	27.1
Borrowings	237.0	-
Other liabilities	63.7	21.0
<b>Total liabilities</b>	<b>325.1</b>	<b>48.1</b>
Total equity	10,520.3	11,386.0
<b>Total liabilities and equity</b>	<b>10,845.4</b>	<b>11,434.1</b>

Source: Fondul Proprietatea Semi-Annual Report for the six-month period ended 30 June 2017.

# Statement of Comprehensive Income

RON mn	30 June 2017 Unaudited	30 June 2016 Unaudited
Gross dividends	539.9	346.9
Net unrealized gain / (loss) from equity investments at fair value through profit or loss	159.0	(541.3)
Reversal of impairment losses on receivables, net	36.7	17.9
Net gain on disposal of equity investments classified as available for sale	21.0	913.1
Interest income	7.3	3.0
Impairment losses on equity investments classified as available for sale	-	(40.7)
Other income, net <sup>1</sup>	2.5	2.4
<b>Net operating income / (loss)</b>	<b>766.4</b>	<b>701.3</b>
Investment management and administration fees	(54.0)	(35.5)
Other operating expenses	(12.2)	(20.8)
<b>Operating expenses</b>	<b>(66.2)</b>	<b>(56.3)</b>
Finance costs <sup>2</sup>	-	(0.3)
<b>Profit before income tax</b>	<b>700.2</b>	<b>644.7</b>
Income tax	9.1	(104.0)
<b>Profit for the period</b>	<b>709.3</b>	<b>540.7</b>
Other comprehensive income	106.9	(189.0)
<b>Total comprehensive income for the period</b>	<b>816.2</b>	<b>351.7</b>

Source: Fondul Proprietatea Semi-Annual Report for the six-month period ended 30 June 2017.

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).

2. Finance costs as at 30 June 2017 is RON 21,857.

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



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