Fondul Proprietatea

Buy

Maintained

Price: RON 0.899
Price target: RON 1.11
(From RON 1.05)

Re-energised

We continue to regard Fondul Proprietatea (FP) as one of the most attractive investment opportunities in Romania. We see it as a play on: 1) the restructuring of state companies and corporate governance improvement; and 2) the eventual longer-term recovery of energy prices; as well as 3) the ability of the Fund's manager, Franklin Templeton, to apply the right methods for reducing the discount to NAV. Our NAV estimate, derived by marking to market the listed holdings and valuing some of the unlisted stakes, is RON 1.196/share, which is in line with the official NAV of RON 1.208/share (as of January 2017). However, for some of the listed companies, we see further upside as possible (e.g., Petrom). We believe the current 25% discount to NAV is too high, and we see ways of narrowing this. We increase our price target (PT) to RON 1.11/share, using a 15% fair discount to NAV and a 9.5% cost of equity, implying 23.4% upside. We maintain our BUY rating on the stock.

Potential catalysts for the NAV discount to narrow. We see more asset disposals or listings from the unlisted part of the portfolio, followed by cash distributions to shareholders, as potential catalysts for the discount to narrow. The Fund has already disposed of its stakes in Transgaz, Transelectrica, Romgaz and unlisted E.ON, and has partially reduced its participation in Petrom and Conpet. We believe more disposals are possible from both the listed and the unlisted parts of the portfolio (e.g., a 10% stake in Hidroelectrica, once listed; an eventual sale of the stakes held in Electrica's subsidiaries to the parent company). The proceeds of any disposals, as well as any dividends that the Fund receives from its listed holdings, are to be distributed to FP's shareholders, either via buybacks or via reductions of the share par value.

NAV discount too high. The discount to NAV is at 25% currently, from 30% a year ago. The Fund pays a low amount of tax; generates an average yearly earnings yield close to its cost of equity; has been able to sell stakes at a discount of less than 5% to their NAV; and has taken important steps towards either listing other stakes in the portfolio or disposing of them. Therefore, we see no reason for the NAV discount to remain this high.

NAV could see further upside. Not only should the discount to NAV narrow, in our view, but we also see growing support for FP's NAV to increase, as it is highly exposed to the prices of oil & gas and electricity (46% of NAV). We see oil & gas and electricity prices moving slowly higher, to the benefit of oil & gas producers like Petrom (17.7% of NAV) and electricity producer Hidroelectrica (26.4% of NAV). Moreover, we see more upside for the currently unlisted stakes once the IPOs have been undertaken, as we are currently applying a discount to them in our valuation (Hidroelectrica and Bucharest Airport being the largest).

Expected events

AGM	25 April
1Q17 results	15 May

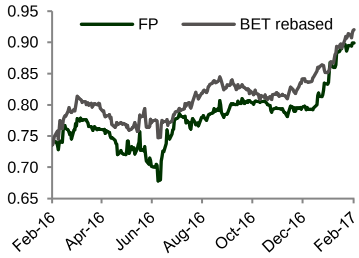
Key data

Market Cap	RON 9.0b
Free float	100%
Shares outstanding	9,631m
Major shareholder	n.a.
Bloomberg code	FP RO
BET Index	7,719

Price performance

52-w range	RON 0.67-0.899
52-w performance	22%
Relative performance	-3%

FP 12M share price performance



	NAV (WOOD valuation)	Per share	Official NAV (Dec 2016)	Per share
Listed portfolio	2,722	0.28	2,487	0.26
Unlisted portfolio	7,399	0.77	7,546	0.78
Others	1,394	0.14	1,394	0.14
Total NAV	11,515	1.20	11,427	1.19
Fair discount applied	-15%			
Cost of equity	9%			
Resulting fair value	10,669	1.11		
Current price		0.90		
Upside		23.4%		

EQUITY RESEARCH

Analysts: Lucian Albulescu, CFA; Jonathan Lamb
E-mail: lucian.albulescu@wood.com, jonathan.lamb@wood.com

Prague: +420 222 096 273
Website: www.wood.com

Contents

Investment case **3**

Valuation of the Fund **6**

Largest companies in the portfolio **7**

Risks **17**

Important disclosures **18**

Closing Prices as of 20 February 2017

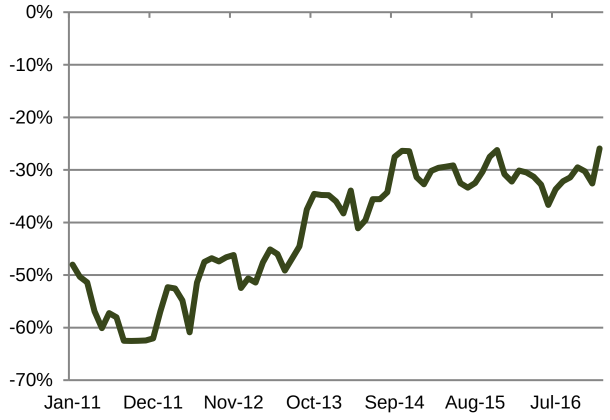
WOOD & Company Financial Services a.s.
Palladium, Namesti Republiky 1079/1a,
110 00 Prague 1 – Czech Republic
tel.: +420 222 096 111
fax: +420 222 096 222
http//:www.wood.cz

Investment case

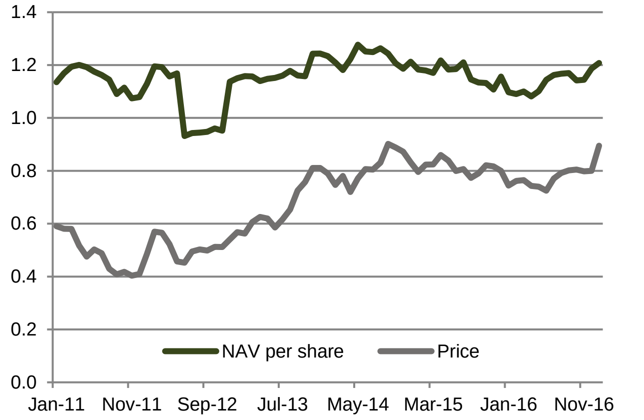
After a long period in which Fondul Proprietatea's (FP, the Fund) price has stagnated on the back of concerns related to its exposure to oil & gas via one of its largest holdings, Petrom, the stock has finally started moving upwards. The discount to NAV has now started to narrow again, to 25% from a 30% a year ago. This compares to 32% over the past three years. Still, we see no reason for the discount to NAV to be this high, given that: the portfolio generates a constant earnings yield of 8% (normalised, according to our estimates), close to the cost of equity of 9%; the Fund has historically sold its stakes at a much lower discount to the NAV value than the current discount; and it has plans to bring most of its unlisted portfolio to the market. We believe that potential asset disposals, the IPOs of companies in the portfolio and more cash returns to shareholders are among the catalysts for the discount to NAV to narrow. We see the NAV remaining stable, or even increasing, going forward, despite FP being highly exposed to energy prices: in our view, the downturn in energy prices has come to an end, and we do not expect any further negative effects on the NAV.

We have increased our 12M price target (PT) to RON 1.11/share, and we maintain our BUY rating for FP. With 23.4% potential upside, we continue to see FP as a good investment.

Discount to NAV



Price vs. NAV



Source: Bloomberg, company data, WOOD Research

Catalysts for the NAV discount to narrow

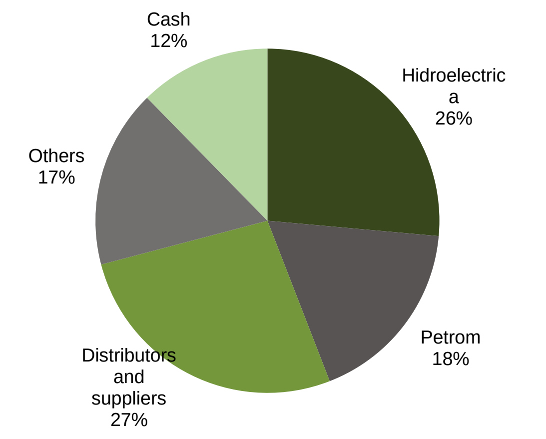
We believe that part of the current share price discount to NAV is due to investors doubting how fast the NAV can be turned into cash. We highlight, however, that the Fund's manager is currently pursuing an investment strategy based on cash returns to shareholders, after disposing of some of the assets in the portfolio.

- ✓ **Asset disposals.** The Fund's manager is targeting asset disposals from both the listed and unlisted parts of the portfolio. Cash conversion of the stakes adds more confidence to the NAV and narrows the discount as the cash should bear no discount. On the listed side, management has so far disposed completely of the stakes in Transelectrica (13.5% stake), Transgaz (15%) and Romgaz (15%), and has reduced its stakes in OMV Petrom (from 20% to 12.5%) and Conpet (from 29.7% to 6.06%). From the unlisted portfolio, the Fund has exited from its holdings in E.ON (18.3% stake) and has held negotiations with Electrica, but these failed (as announced at the end of March 2016) as the parties could not agree on the price. As the difference between the offered price and the price requested by the Fund was only 10%, we believe that a successful completion of this transaction is very possible in the near future.

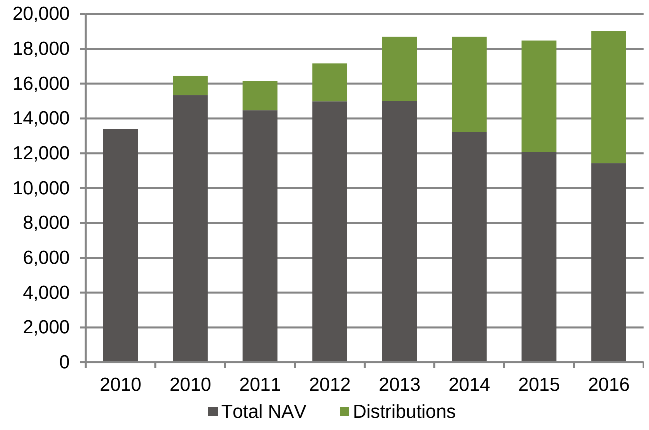
- ✓ **Listings.** We believe that further listings of companies from the portfolio could also be a trigger for the NAV discount to narrow, as these would lead to the increased probability of an eventual exit and provide a more accurate valuation. The most immediate listing would be Hidroelectrica, which is expected to come to the market towards the end of this year (depending on the government's decision). Following this, Bucharest airport, Constanta port and Salrom could also be potential targets for listings.

- ✓ **Cash returns.** The Fund's manager has decided to return all the proceeds of dividends cashed-in from the fund's holdings and from disposals to shareholders as dividends, buybacks and share capital reductions. So far, the Fund has returned RON 0.55/share (48% of the NAV from 2010) and will continue with another RON 0.11/share over the coming 12 months, which represents 9% of the NAV. The cash payouts have been undertaken in the form of: 1) a reduction in the Fund's par value, which is a more tax efficient form of distribution; or 2) buybacks, which help reduce the discount to NAV. The cash returns also bring more confidence in the NAV and lead to the discount narrowing.

Split of total assets



NAV composition and cash returns



Source: Company data, WOOD Research

Catalysts for the NAV to grow – energy prices

We see energy prices as the most important catalyst for increasing the Fund's NAV, namely: oil & gas prices (Petrom, 17.7% of NAV) and electricity prices (Hidroelectrica, 26.4%; and Nuclearelectrica, 1.4%). We estimate that a 5% change in electricity prices generates a 2.6% change in the NAV; while a 5% change in oil & gas prices generates a 3.3% change in the NAV. As a result, we believe that the decline in oil & gas, and electricity prices over the past three years have affected both FP's price and NAV. Still, management's active strategy of buybacks and cash distributions has contributed to keeping the price and the NAV from declining even more in this period, and also to them recovering lately. In our view, prices have now passed the bottom and we see upside in the NAV, although only gradual (our price forecasts for both oil & gas and electricity indicate only a slow and gradual recovery).

NAV calculation

	Electricity prices	-15%	-10%	-5%	0%	5%	10%	15%
	-15%	9,614	9,849	10,084	10,318	10,553	10,788	11,022
	-10%	10,014	10,249	10,483	10,718	10,953	11,187	11,422
Oil &	-5%	10,413	10,648	10,883	11,118	11,352	11,587	11,822
gas prices	0%	10,811	11,046	11,280	11,515	11,750	11,984	12,219
	5%	11,213	11,447	11,682	11,917	12,152	12,386	12,621
	10%	11,612	11,847	12,082	12,316	12,551	12,786	13,021
	15%	12,012	12,247	12,481	12,716	12,951	13,185	13,420

Source: WOOD Research

NAV per share

	Electricity prices	-15%	-10%	-5%	0%	5%	10%	15%
	-15%	1.00	1.02	1.05	1.07	1.10	1.12	1.14
	-10%	1.04	1.06	1.09	1.11	1.14	1.16	1.19
Oil &	-5%	1.08	1.11	1.13	1.15	1.18	1.20	1.23
gas prices	0%	1.12	1.15	1.17	1.20	1.22	1.24	1.27
	5%	1.16	1.19	1.21	1.24	1.26	1.29	1.31
	10%	1.21	1.23	1.25	1.28	1.30	1.33	1.35
	15%	1.25	1.27	1.30	1.32	1.34	1.37	1.39

Source: WOOD Research

Discount to NAV is too high

We see FP's current discount to NAV as an overreaction to a number of factors. Among these, we include: the time value of money until the Fund's shareholders are able to cash in their earnings; the taxes paid by the Fund; discounts on selling stakes that the Fund holds; and the risk of holding unlisted stakes for a longer period of time.

While we accept that the time value of money generates a discount, we do not consider this to be material. At the NAV value, the largest 20 holdings (88% of the NAV) generated a normalised weighted average yearly earnings yield of 8%, and the dividends cashed in by the Fund represent a 3% yield on the NAV value for 2016 and will normalise to 6.5% in 2017E (Petrom switching back to profit, Hidroelectrica's historical profit in 2016). Our implied cost of equity in Romania is 9%.

With regard to the other factors, the level of taxes paid by the Fund is almost zero, due to the high accounting costs of the holdings and the holding periods of over two years. In addition, the discount offered when selling larger stakes was below 15% of the previous 30 days' average price. Moreover, as far as the unlisted portfolio (64.3% of our estimated NAV) is concerned, the Fund has plans related to disposals (Electrica) or listings (Hidroelectrica, Bucharest airport, Constanta port, etc.) for 34% of our estimated NAV for the next two years.

Overall, considering all of the above factors, we conclude that the current discount to NAV is too wide.

Valuation of the Fund

We have updated our valuation for Fondul Proprietatea and the companies in which it holds stakes to incorporate the latest developments in the energy market in Romania, as well as the most recent available financials. We base our valuation on the NAV provided as of 31 December 2016.

We now estimate the Fund's NAV at RON 1.196/share. To derive this value, we have:

- ✓ Marked to market the Fund's listed holdings (as provided at the end of December). We have excluded its own shares purchased in the buyback programme, which we have derived from the number of shares.
- ✓ Derived the value of the unlisted holdings by an average of DCF and DDM valuations (for Hidroelectrica and the Bucharest airport) and the value of the electricity and gas distributors as a perpetuity generating a normalised profit equal to the regulated asset base (RAB), multiplied by the regulated rate of return.

Net asset valuation (NAV)

	NAV (WOOD valuation)		Official NAV (December 2016)	
	RONm	**Weight**	**RONm**	**Weight**
Equity holdings				
Listed portfolio				
Petrom	2,036	17.7%		
Other oil & gas	57	0.5%		
Power generators and distributors	164	1.4%		
Financials	321	2.8%		
Other	143	1.2%		
Total listed	**2,722**	**23.6%**	**2,487**	**21.8%**
NAV per share listed	*0.28*		*0.26*	
Unlisted portfolio				
Hidroelectrica	3,043	26.4%		
Distributors	2,209	19.2%		
Electrica	877	7.6%		
Bucharest airport	774	6.7%		
Sea Ports	237	2.1%		
Others	259	2.3%		
Total unlisted	**7,399**	**64.3%**	**7,546**	**66.0%**
NAV per share unlisted	*0.77*		*0.78*	
Total equity holdings	**10,121**	**87.9%**	**10,033**	**87.8%**
NAV per share equity	*1.05*		*1.04*	
Others (dividends receivable)	-27	-0.2%	-27	-0.2%
Cash	1,421	12.3%	1,421	12.4%
Total NAV	**11,515**	**100.0%**	**11,427**	**100.0%**
NAV per share	*1.196*		*1.187*	
Number of shares (net of treasury shares)	*9,631*		*9,631*	
Current price	**0.90**		**0.90**	
Discount to NAV	**-24.9%**		**-24.3%**	
Total NAV	**11,515**			
Average discount	-15%			
Resulting fair value of equity	**9,788**			
Resulting value per share	1.02			
Cost of equity	9%			
12-month price target	1.11			
Current price	**0.90**			
Upside	**23.4%**			

Source: Company data, WOOD Research

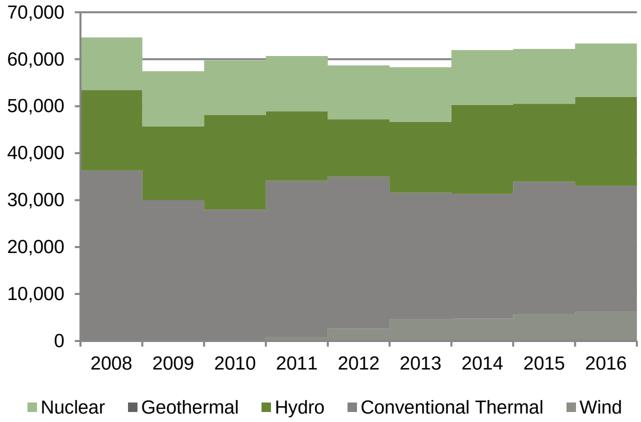
Largest companies in the portfolio

Fondul Proprietatea's portfolio is composed of electricity producers (27.9% of NAV), electricity distributors (26.8% of NAV), oil & gas companies (18.2% of NAV), and airports and ports (8.8% of NAV). In addition, the Fund holds 12.3% of the NAV in cash. Following the two RON 0.05/share cash distributions and the accelerated buyback scheduled for 2017E, the cash position is likely to be depleted, although the Fund will get additional cash (we estimate 5% of the NAV) as dividends from the companies in the portfolio. We provide an analysis and some financial forecasts for some of the companies in the portfolio below.

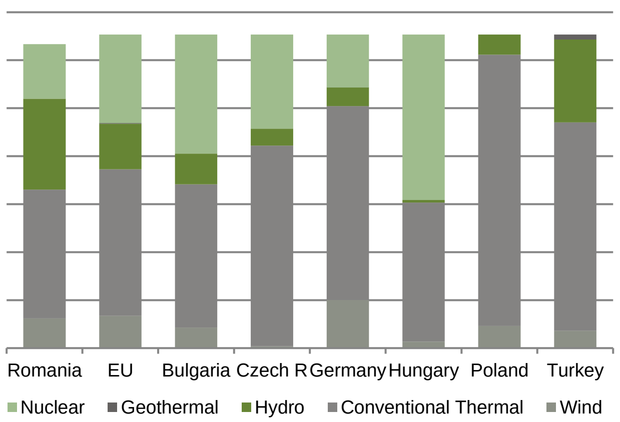
Electricity producers

Structure of the market and volumes. The electricity market in Romania is made up of cheaply produced electricity like hydro (Hidroelectrica, 27% of the market), nuclear (Nuclearelectrica, 17%), and wind and solar (16%); and more expensive sources like gas producers (14%) and coal-fired power plants (CE Oltenia, CE Hunedoara, 26%). The share of cheap electricity producers is relatively high compared to neighbouring countries, but the marginal price setters remain the more expensive coal producers. The wind and solar producers have expanded significantly in the past 10 years, but the increase in production has come to a halt as the incentive schemes have been reduced. Still, their market share came at the expense of coal producers, which led to the latter encountering financial difficulties, especially as they are now obliged to buy green certificates.

RO: split of the energy production by year

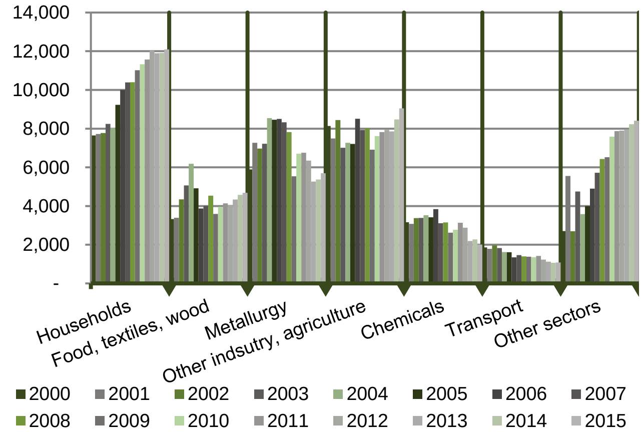


EU: electricity production by source

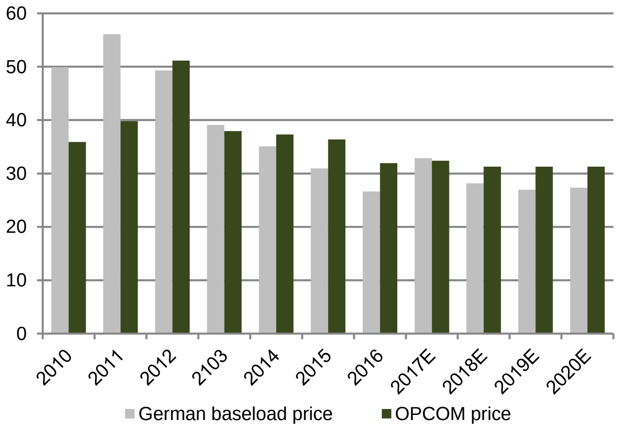


Source: INSSE, Transelectrica, Eurostat, WOOD Research

Electricity consumption by source



Forecast prices



Source: INSSE, Bloomberg, OPCOM, WOOD Research

Price forecasts. Despite a small hike in 2017E, we expect prices to again show a small decline going forward, in line with the electricity prices in neighbouring countries (German baseload). We believe, however, that prices in Romania are likely to remain at a small premium to the German baseload given the structure of the Romanian electricity market, which still includes higher-cost producers and a lack of proper interconnection capacity with neighbouring countries, which does not allow a perfect market, especially at peak hours.

Hidroelectrica

Hidroelectrica, the largest electricity producer in the Fund's portfolio (26.4% of our estimated NAV), should be listed by the end of this year, with the process now depending on the government's willingness to initiate the process. A potential change in the IPO method from capital increase (planned at 15% of the company) to the state selling a stake is also possible. We expect that, through the IPO, the Fund is likely to dispose of a 10% stake in the company (i.e., half of its total 20% holding). In the meantime, the company is reporting historically high profits, with the pre-tax profit for 2016E expected at RON 1.5bn, according to official statements.

Financial forecasts and valuation. We value Hidroelectrica based on an average of our DCF and DDM valuation methods and applying a discount of 15% to the resulting value. The average of the two methods results in a total company valuation of RON 17.9bn. After discounting this by 15% (the discount applied for the current unlisted status), we arrive at a company value of RON 15.3bn.

- ✓ **We forecast stable operating revenues.** We have not yet seen a sustained recovery in electricity prices, and we even expect to continue to see a small decline in 2017-18E. This should be offset, however, by the higher quantity sold on the free market vs. the regulated market, where prices are still low. Overall, the combined effect of the two should be stable revenues around RON 3.2-3.4bn, on our estimates.
- ✓ **Operating expenses expected to drop.** We see falling operating expenses, driven by: declines in personnel expenses (the company is targeting a manpower reduction to 3,000 employees, from 3,500 currently); lower amortisation and depreciation expenses (it currently has very high D&A expenses compared to its asset base); and a drop in the tax expenses (to RON 50m from RON 100m) as the special construction tax will be replaced with a local tax.
- ✓ As a result of the above, **we forecast the EBIT to increase from RON 1.5bn for 2016E to RON 1.7bn in 2020E.** We expect net profit to increase from RON 1.3bn in 2016E to RON 1.5bn in 2020E.

Hidroelectrica: average valuation

	(RON m)
DCF	19,302
DDM	16,604
Average	17,953
Discount	-15%
Resulting value	15,260
FP stake	3,042

Source: WOOD Research

Hidroelectrica: financial forecasts

	2013	2014	2015	2016E	2017E	2018E	2019E	2020E
Energy sold	15,025	18,691	17,109	19,676	19,873	20,071	20,272	20,475
Energy produced	**14,823**	**18,461**	**16,133**	**18,592**	**18,767**	**18,944**	**19,122**	**19,440**
Price per MWh	177.5	155.9	161.9	144.2	146.9	143.3	143.8	143.3
Value	2,667	2,913	2,770	2,837	2,918	2,877	2,915	2,934
Regulated market sales	3,975	5,316	4,160	2697	1697	697	0	0
Value	497	637	500	325	205	84	0	0
Price per MWh	125.0	119.8	120.2	120.6	120.6	120.6	0.0	0.0
Balancing market		1,332	1,204	1,084	1,105	1,127	1,150	1,035
Value		310	312	239	239	238	238	212
Price per MWh		233	259	220	216	212	207	205
Competitive market sales	7,227	11,171	11,745	15,895	17,070	18,247	19,122	19,440
Value	1,496	1,900	1,958	2,273	2,475	2,555	2,677	2,722
Price per MWh	207.0	170.1	166.7	143	145	140	140	140
System services	269	258	285	250	250	250	250	250
Transport services	72	187	110	110	110	110	110	110
Green certificates	58	40	10	10.3	10.3	10.3	10.3	10.3
Other revenues	84	52	73	73	73	73	73	73
Total revenues	**3,150**	**3,450**	**3,248**	**3,280**	**3,362**	**3,320**	**3,359**	**3,377**
Personnel	355	351	306	291	276	263	249	237
Depreciation	992	981	954	715	679	645	613	601
Taxes	9	157	107	50	50	50	50	50
Third parties	371	352		330	330	330	330	330
Materials	11	10		10	10	10	10	10
Energy and water	346	392		400	400	400	400	400
Other	50	-1		0	0	0	0	0
Total op expenses	2134	2243	2,126	1,796	1,746	1,698	1,653	1,628
EBIT	**1,016**	**1,207**	**1,122**	**1,484**	**1,616**	**1,622**	**1,706**	**1,749**
Financial result	-114	-50	-16	30	30	30	30	30
Pre-tax result	902	1,157	1,105	1,514	1,646	1,652	1,736	1,779
Taxes			177	242	263	264	278	285
Net result			**929**	**1,272**	**1,383**	**1,388**	**1,458**	**1,495**
Dividends			**836**	**1145**	**1244**	**1249**	**1313**	**1345**

Source: Company data, WOOD Research

Hidroelectrica: DCF

	2017E	2018E	2019E	2020E
EBIT	1,616	1,622	1,706	1,749
Corporate tax rate [T]	16%	16%	16%	16%
EBIT*(1-T)=NOPAT	1,357	1,363	1,433	1,469
Depreciation & amortisation	679	645	613	601
Cash from working capital	-8.2	4.1	-3.8	-1.8
Capex [I]	-600	-700	-700	-600
Unleveraged free cash flow [FCF]	1,437	1,308	1,346	1,470
Discount factor	0.92	0.84	0.77	0.71
Present value of FCFs [PV:FCF]	1,318	1,101	1,040	1,042
Sum of [PV:FCF]	4,500			
Long-term FCF growth rate	1%			
Residual value at horizon	18,564			
PV of residual value	13,151			
Net debt 2016E	-1,650			
EV	19,302			

Source: WOOD Research

Hidroelectrica: DDM

	2017E	2018E	2019E	2020E	2021E
Dividends	1145	1244	1249	1313	1345
Discount facto	0.96	0.88	0.81	0.74	0.68
Present value	1096	1093	1007	971	913
Sum	5,080				
Long-term FCF growth rate	1%				
Residual value at horizon	16,983				
PV of residual value	11,524				
EV	16,604				

Source: WOOD Research

Oil & gas companies

FP's portfolio is highly exposed to the oil & gas sector, with Petrom representing 17.7% of the NAV. We believe that, with oil prices having bottomed out, most of downside is priced in and, eventually, this part of the NAV can start expanding again.

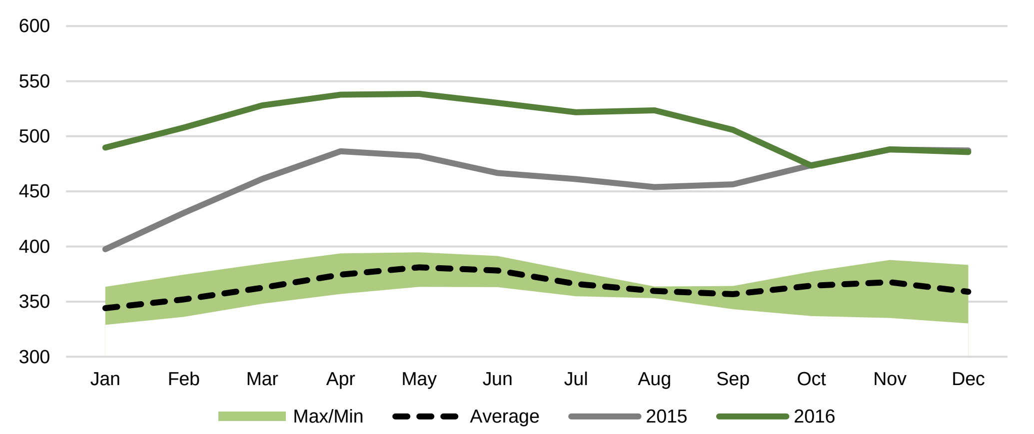
Oil price decline has stabilised

Oil prices exhibited a slow, unsteady recovery during 2016, from below USD 30/barrel (bbl) in early-January to above USD 50/bbl by October. In November, average prices fell back to c.USD 47/bbl, before rising sharply following the announcement of the OPEC production cuts on 30 November, to average at USD 54/bbl in December. We believe the recovery has been fitful because the underlying fundamentals have not been supportive and the message from OPEC has been inconsistent. Although we believe that the OPEC deal should be supportive for oil prices in 2017E, a little perspective is needed when evaluating the cuts, in our view.

Average OPEC production for 2016 stood at about 33.2m barrels per day (mbpd). However, this compares with average production of 31.7mbpd in 2015, which means production grew 1.5mbpd during 2016. In December 2016, on the back of the OPEC-led deal, oil prices recovered to levels not seen since July 2015, and remained there in January and February. However, we see oil prices facing three headwinds in 2017E:

1) **Inventories.** The sharp increase in spot prices has not been matched by a similar increase in 12-month forward prices, with the differential falling from more than USD 4/bbl in November 2016 to about USD 0.7/bbl in January 2017. This is not enough to maintain contango trading, in our view, and, therefore, unless forward prices increase, we believe that destocking is inevitable as contracts end, releasing the inventory into the market and pushing prices down. US crude oil inventories totalled 488m barrels (mbbl) on average in January 2017, 140mbbl above the 2010-14 monthly average.

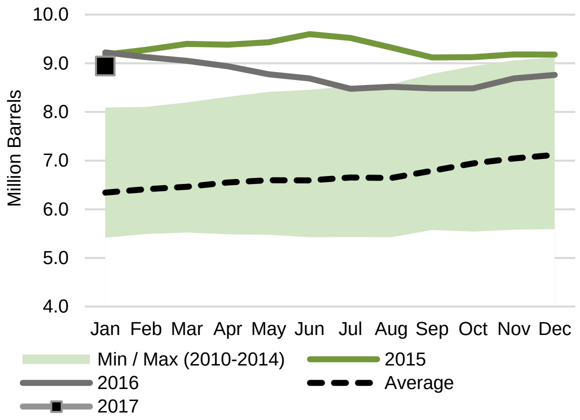
US crude oil stocks, mbbl



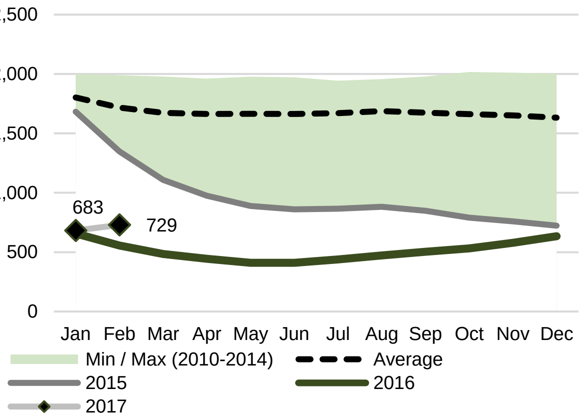
Source: Bloomberg

2) **The US: making production volumes great again.** The US has begun to see production creeping up once more. Average US crude production for July to October 2016 was about 8.5mbpdvs. 8.7mbpd for November and December, and reached 8.9mbpd in January 2017. We believe that, at prices in excess of USD 55/bbl, the forward selling of production is likely to become a major issue again. This makes the oil price more sensitive to negative news, in our view, as production that has been presold should not fall if crude oil prices drop. The US oil & gas rig count has recovered from a low of 323 in May 2016 to 729 in February 2017. This illustrates its sensitivity to oil prices, in our view.

US crude oil production, mbbl



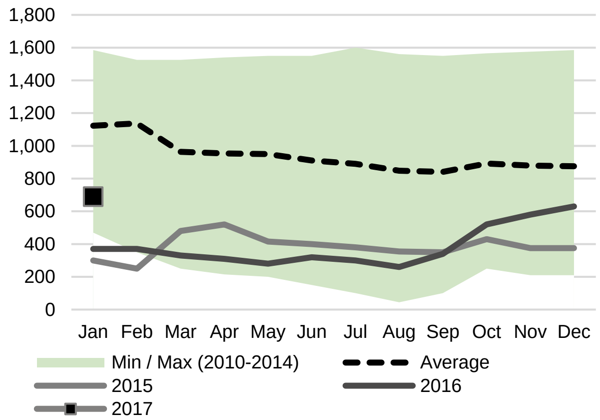
US rig count



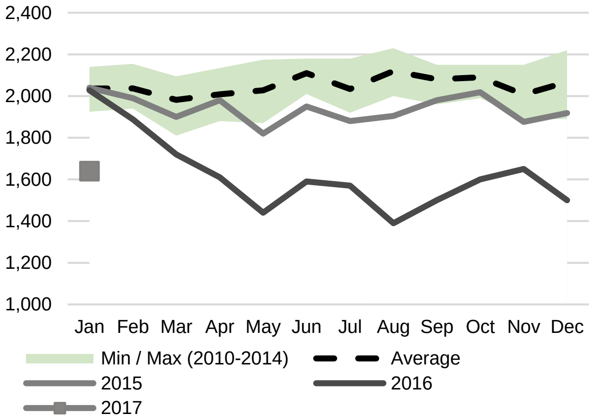
Source: EIA Source: Baker Hughes

3) **OPEC wildcards.** A number of OPEC members are currently producing below capacity for security and management-related reasons. The most significant of these is Libya, which is producing about 1mbpd less than its potential, while Nigeria and Venezuela are both down c.300,000bpd. While we would not expect a significant bounce back from these countries as a base case, the scale of potential increases is a significant risk for oil prices.

Libya crude oil production, bpd



Nigerian crude oil production, bpd

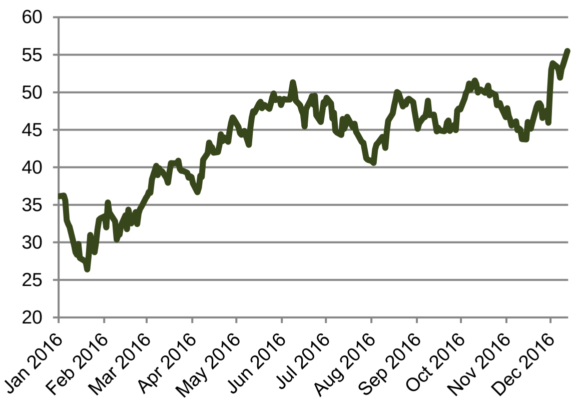


Source: Bloomberg, WOOD Research

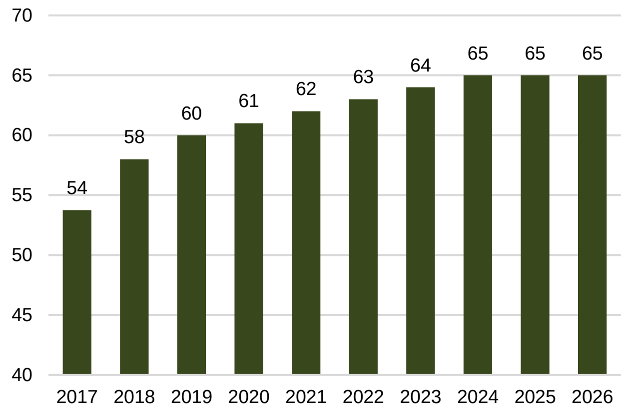
Oil price assumptions

Given the size of the potential oversupply of crude oil, the successful adjustments that oil producers have made to cost structures, the focus on enhanced recovery, uncertainty over demand trends and the potential return of problem producers like Libya, we believe the market is in line for a long, drawn-out recovery in oil prices. We have increased our average Brent crude oil price forecast to USD 53.4/bbl for 2017E. In our view, however, the mechanism by which oil prices should rise should be demand-, rather than supply-, led, and therefore our expectation is that rises in prices should bring marginal supply back on-stream, which would slow the recovery in prices. Given our expectation of a long recovery, however, the volatility of prices is likely be much greater than the assumptions that we have used in our valuation.

2016 Brent oil price, USD/bbl



Brent crude oil assumptions, USD/bbl



Source: Bloomberg, WOOD Research

OMV Petrom

Low-cost producer. The average cash opex for the upstream assets is USD 11.77/bbl, which makes Petrom relatively resilient to the current market conditions. Management has also been highly disciplined with costs, shutting down low-productivity wells, 350 of which were closed in 2015.

Reserve replacement is a worry. Petrom has done a very good job of maintaining production, but has lagged in reserves replacement in recent years. The current pricing environment exacerbates this, as the company is conserving cash flow. However, according to the company's new strategy, announced last week, a replacement ratio of 100% can be reached if it continues with the Neptun project.

Fiscal structure the biggest issue by far. The taxation system for the sector is under review by the Romanian government, which could have a major impact on both current operations and the feasibility of investment projects, particularly Neptun Deep. A new royalties regime is to be published this year. We expect no major change for onshore, and sufficiently low royalties to make the offshore project attractive.

Neptun is the future. The final decision on Neptun Deep is still potentially to be made in 2018E, and depends on decisions yet to be held on oil sector taxation and cost estimates for the development of the field, as well as the likely sales price of the gas produced. Given what is at stake for Romania, we believe the government and regulators should do their best to make this project happen. However, given the timescale and uncertainties, we cannot put any real value on the project at this time. The company's best estimate of reserves is 3Tcf.

Downstream contribution strong. Although downstream represents a smaller proportion of Petrom's business than its peers, the company has a single, complex, productive refinery that is able to process its domestically-produced crude. It sells about 50% of its refined product through its own retail network, and is the lead player by far in that market.

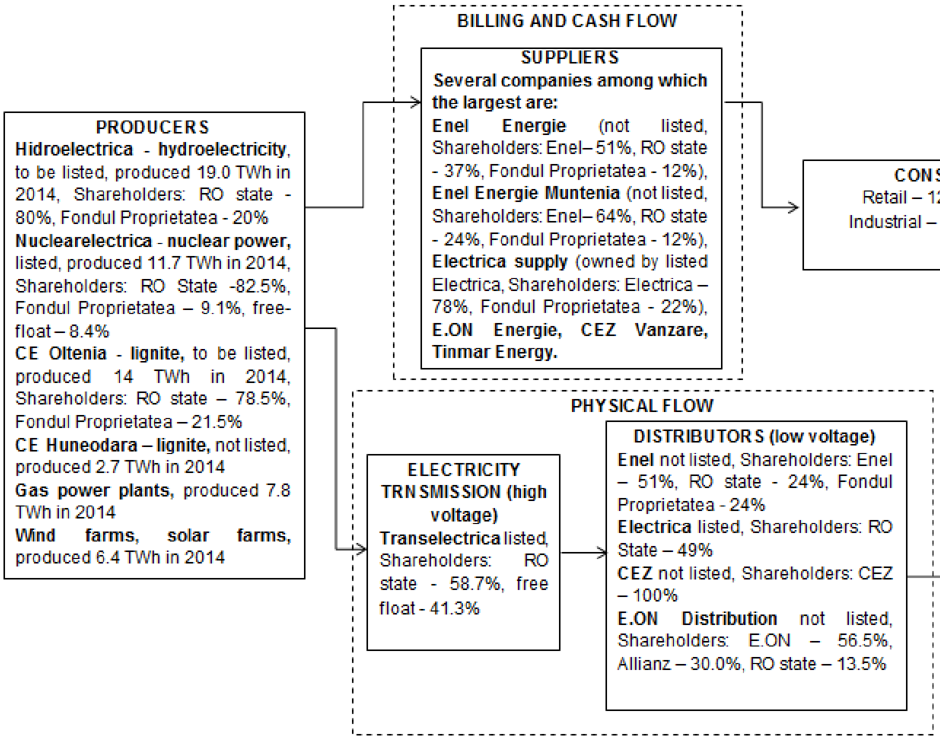
Interconnectors changing the game. Converting the Romanian gas market from an island, to a peninsula of the European market, should offer both opportunities and risks, in our view. We believe the overall effect should be positive, however, as it significantly reduces the risks related to imports of Russian gas.

Electricity and gas distributors

Market overview. Electricity and gas distributors in Romania are regulated using a revenue cap methodology. On top of the recognised costs, the National Energy Regulatory Agency (ANRE) sets an operating profit, which is calculated by multiplying a 7.7% return by the RAB for electricity distributors and 8.4% for the gas distributors (the third regulatory period started on 1 January 2013 and will last for five years). Electricity and gas suppliers sell part of their output on the free market, where their profit is formed freely; and part on the regulated market, where the profit is regulated by adding a margin of 1-2% on top of the acquisition costs. The regulated market has declined significantly in size over the past few years and is likely to disappear completely in a couple of years, according to the current regulations.

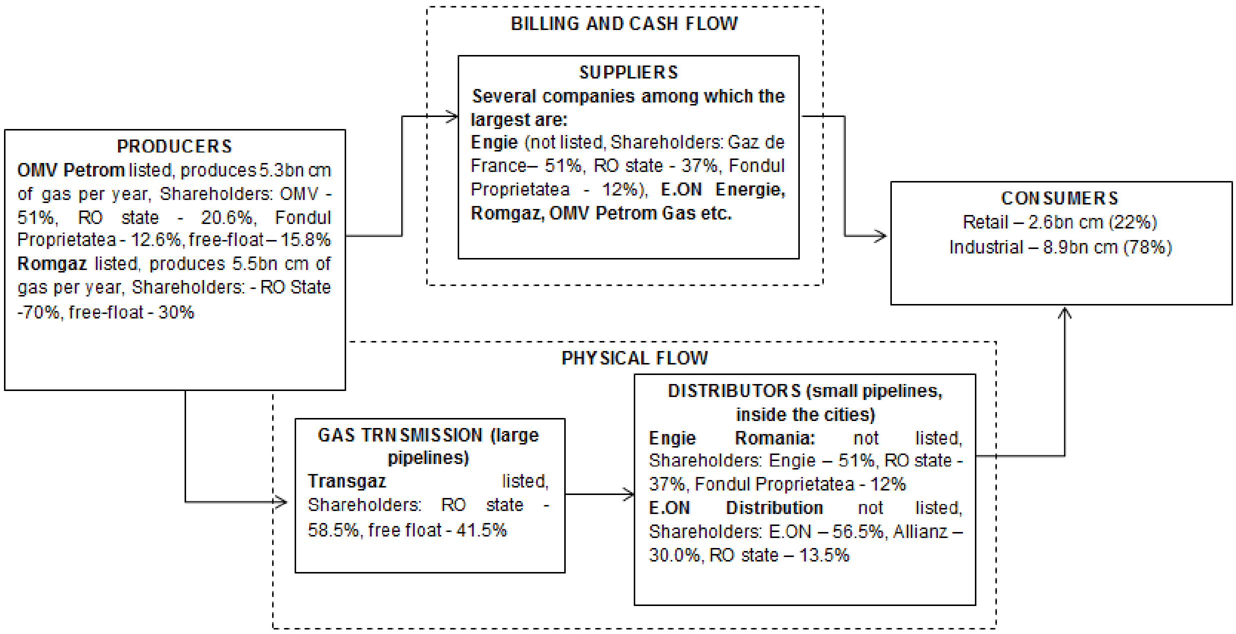
In terms of market structure, there are eight main electricity distributors (three owned by Electrica, three by Enel, and one each by E.ON and CEZ) and two gas distributors (owned by E.ON and Engie, formerly GDF). In terms of supply, the market is more fragmented, although the incumbents have a higher market share.

Romania: electricity system



Source: ANRE, WOOD Research

Romania: gas system

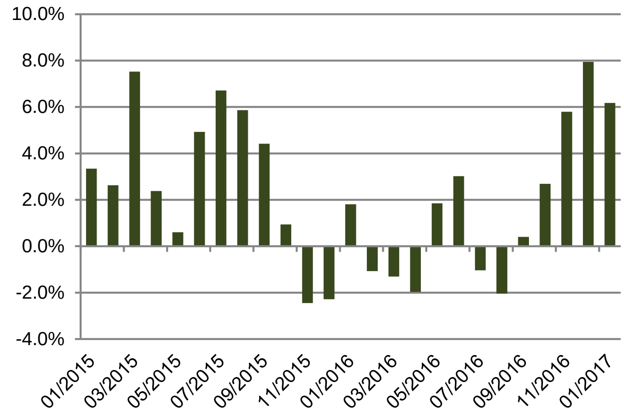


Source: ANRE, WOOD Research

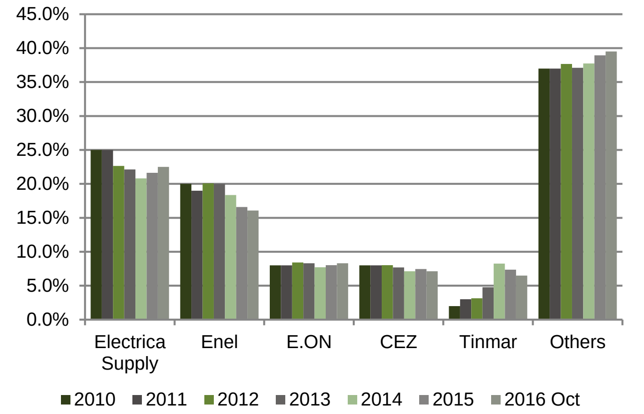
Factors affecting profit. Being largely regulated, distributors generate relatively constant profits, in line with the profit resulting from the formula for distribution. We see the following factors as profit drivers for these companies in the coming years:

✓ **An increase in volumes distributed.** Higher consumption in the country, driven by the government's expansionary fiscal policy, could generate extra profits in the short run as higher output leads to volumes above those used by ANRE when setting tariffs. That said, many of the tariffs have been cut for this year, offsetting the extra profits obtained.

Consumption trend



Market share of major supplier



Source: Transelectrica, ANRE, WOOD Research

✓ **Cost cutting.** We believe this is a profit driver for Electrica, in particular, as it has lagged in terms of restructuring vs. the other companies, which have already been privatised via sales to foreign players. The implementation of a smart metering system could also lead to cuts in commercial grid losses. The regulation allows cost cuts to be kept in certain proportions (e.g., 50% of the efficiency achievements above target in terms of grid losses) for a while, but they will be lost in the longer run. Thus, we do not include these potential cost benefits in our valuation.

Distributors' overview

Company	Type of business	NAV value	Fixed assets (2015)	Return on RAB	Real return on RAB
Enel Distributie Banat SA	Electricity distribution	600	1,801	7.70%	10%
Enel Distributie Dobrogea SA	Electricity distribution	380	1,562	7.70%	9%
Enel Distributie Muntenia SA	Electricity distribution	449	3,468	7.70%	7%
Enel Energie Muntenia SA	Electricity supply	70	4	n.m.	n.m.
Enel Energie SA	Electricity supply	75	4	n.m.	n.m.
Engie	Gas supply and distribution	453	3,275		
o/w distribution	Gas distribution		2,056	8.43%	8%
o/w supply and others	Gas supply		n.m.	n.m.	n.m.

Source: Companies data, WOOD Research

Distributors' financials

	Turnover		EBITDA		EBIT		Net profit		Tariffs (cumulative)		
Company	2014	2015	2014	2015	2014	2015	2014	2015	2015	2016	2017
Enel Distributie Banat SA	631	635	323	316	188	181	172	158	201	170	155
Enel Distributie Dobrogea SA	527	541	225	253	103	136	88	115	211	185	173
Enel Distributie Muntenia SA	1,001	1,031	436	451	246	256	241	238	184	154	142
Enel Energie Muntenia SA	1,846	1,725	72	47	46	25	47	25	n.m.	n.m.	n.m.
Enel Energie SA	1,937	1,812	30	63	128	43	130	35	n.m.	n.m.	n.m.
Engie	4,337	4,564	839	716	561	475	442	376	24.6	n.m.	n.m.

Source: Companies data, WOOD Research

How will the Fund monetise the holdings? All the distributors and supply companies that the Fund holds are unlisted, making FP a captive minority shareholder. It does still have leverage, however, as the stakes are of sufficient size to allow the Fund to have board members in some cases. It also receives dividends from some of the companies. The exit from unlisted E.ON in June 2016 proves that these unlisted stakes can also be monetised eventually.

✓ **E.ON transaction.** In June 2016, the Fund disposed of its entire stake in E.ON's distribution and supply companies (18.34% in E.ON Distributie and 13.4% in E.ON Energie). While the price has not been disclosed, we believe the transaction is likely to have been undertaken at close to NAV (RON 637m). We see this as an indication that other disposals could follow at some point. Later in 2016, E.ON sold a 30% stake to Allianz, which then became the minority shareholder in E.ON Distribution Romania.

✓ **Electrica transaction.** The Fund holds 22% minority stakes in the unlisted electricity and supply companies owned by Electrica. Electrica's management held a mandate from the shareholders to negotiate the acquisition of the stakes from FP by the end of the March last year; however, the two parties did not agree on the price. Excluding the dividends to be received by FP from the subsidiaries from the 2015 profit, Electrica offered RON 790m for the stakes, while the Fund requested RON 875m. Net of dividends, the price offered by Electrica was RON 684m and the price required by Fondul was RON 769m. The stakes were recorded in FP's NAV at RON 841m. While the transaction is on hold at the moment, we believe that the negotiations should restart at some point and the deal should close eventually, as Electrica holds a large cash position, which is currently invested in low-yielding government bonds.

- ✓ **Enel and Engie stakes.** In 2012, the Fund mandated Citigroup to sell the minority stakes it holds in the other distributors and suppliers that have been privatised through a foreign company. It came close to realising an exit from the Enel stake in 2014, when Enel was planning to sell its assets in Romania, as FP also has a "tag-along" right. In the end, however, the transaction did not materialise because Enel disposed of other assets and changed its strategy regarding distribution. We see a chance for some transactions to eventually materialise in the next one-or-two years, as the majority shareholders are now focusing more on the distribution assets: e.g., E.ON has spun off its upstream and power generation assets into a different company (Uniper), while maintaining its focus on distribution, renewables and nuclear; and a similar strategy has been announced by Enel, which is focusing more on green energy and grid development.

Valuation. We value the distributors as a perpetuity that generates a constant return on the asset base of 7.7% for electricity and 8.4% for gas. We then discount this perpetual return by a WACC of 9.5%, add back the cash, and finally apply a 10% discount as they are not listed.

For the suppliers, we discount the average operating profit of the past three years in perpetuity, although we note that, as they are not regulated, we believe profits could vary depending on how successful the companies are in securing market share and at what margin. We again add back the cash and finally apply a 10% discount as they are not listed.

Valuation of distributors

Valuation	Asset base (est.)	WACC	Return on RAB	EBIT (est.)	EV	Net debt	Resulting equity value	Discount applied	Resulting value	Official value	Diff.
Enel Distributie Banat SA	1,801	9.50%	7.70%	139	1,460	-1,178	2,638	10%	2,375	2,487	-4.5%
Enel Distributie Dobrogea SA	1,562	9.50%	7.70%	120	1,266	-564	1,830	10%	1,647	1,578	4.4%
Enel Distributie Muntenia SA	3,468	9.50%	7.70%	267	2,811	-2,113	4,924	10%	4,432	3,745	18.3%
Enel Energie Muntenia SA	n.m.	9.50%	n.m.	32	335	-535	870	30%	609	586	3.9%
Enel Energie SA	n.m.	9.50%	n.m.	49	513	-518	1,031	30%	721	629	14.7%
Engie	3,275	9.50%							4,569	3,781	20.8%
o/w distribution	2,056	9.50%	8.43%	173	1,824	-81	1,905	10%	1,715		
o/w supply and others	n.m.	9.50%	n.m.	387	4,078	0	4,078	30%	2,855		

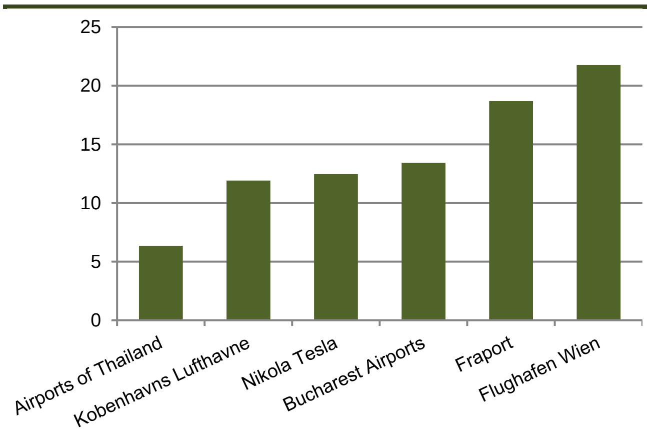
Source: WOOD Research

Bucharest airport

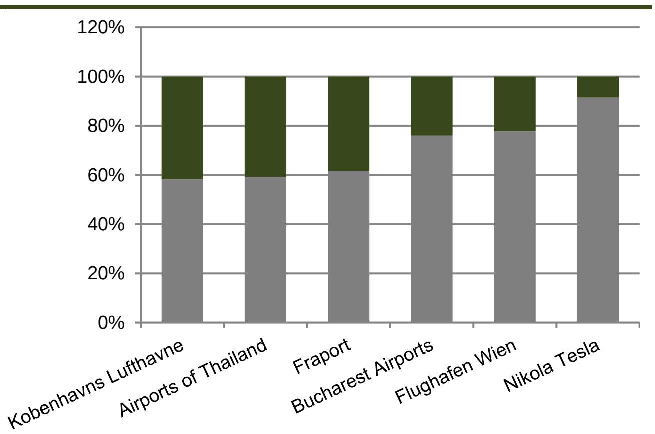
The Bucharest airport company is comprised of the larger Otopeni Airport, which handles commercial flights, and the smaller Baneasa Airport, which handles private flights. The company is on the government's pipeline for listing, although no exact deadline has yet been set.

We view the airport company as one of the most attractive investments in the Fund's portfolio, given the potential rise in air traffic in the country, with increasing local purchasing power leading to more outgoing traffic, coupled with the potential development of the local tourism industry increasing incoming traffic. The rise in air traffic-related revenues, as well as investments in the expansion of the airport terminals, should also lead to an increase in non-aviation related revenues (rental revenues). While we also forecast an increase in costs, we believe this is more likely to be in line with inflation, hence our forecast growth in net profit over the next five years.

Revenues per passengers (EUR)



Split of revenues (aero vs. non-aero)



Source: Companies data, WOOD Research

Bucharest airport: DCF

	2017E	2018E	2019E	2020E
Operating result - profit	**310.2**	**350.3**	**383.8**	**412.2**
Corporate tax rate [T]	16%	16%	16%	16%
EBIT*(1-T)=NOPAT	261	294	322	346
Depreciation & amortisation	115	117	119	122
Cash from working capital	-5.5	-5.1	-4.5	-4.0
Capex [I]	-140	-140	-140	-140
Unleveraged free cash flow [FCF]	230	266	297	324
Discount factor	0.92	0.84	0.77	0.71
Present Value of FCFs [PV:FCF]	211	224	229	229
Sum of [PV:FCF]	894			
Long-term FCF growth rate	3%			
Residual value at horizon	5,560			
PV of residual value	**3,939**			
Net debt 2016E	-263			
EV	**4,569**			

Source: WOOD Research

Bucharest airport: DDM

	2017E	2018E	2019E	2020E	2021E
Dividends	166.5	194.2	219.4	272.6	310.1
Discount facto	0.96	0.88	0.81	0.74	0.68
Present value	159.5	170.7	176.9	201.6	210.4
Sum	919				
Long-term FCF growth rate	3%				
Residual value at horizon	5,323				
PV of residual value	3,612				
EV	4,531				

Source: WOOD Research

Bucharest airport: profit and loss account

	2014	2015	2016E	2017E	2018E	2019E
Operating income	**672**	**756**	**821**	**876**	**927**	**972**
Net turnover	647	730	795	850	902	947
Airplane handling	484	555	611	659	706	748
Fees per pax	58.10	59.76	59.76	59.76	59.76	59.76
Merchandises	96.0	115.5	124.8	131.0	136.2	139.0
Rents	14.9	15.1	15.1	15.1	15.1	15.1
Investment subsidies	16.5	19.1	19.1	19.1	19.1	19.1
Other revenues	36.2	25.8	25.8	25.8	25.8	25.8
No of passengers (ths)	*8,322*	*9,288*	*10,216*	*11,034*	*11,806*	*12,514*
Growth	*8.79%*	*11.60%*	*10.00%*	*8.00%*	*7.00%*	*6.00%*
Other operating income	25.0	25.7	25.7	25.7	25.7	25.7
Operating expenses	**548**	**543**	**555**	**566**	**577**	**589**
Raw materials and consumables costs	9.4	10.0	10.2	10.4	10.6	10.8
Other material costs	2.2	2.5	2.6	2.6	2.7	2.7
Other operating expenses (energy and water)	21.3	17.5	17.9	18.2	18.6	18.9
Cost of purchased goods for sale	58.5	69.5	70.9	72.3	73.8	75.2
Salary costs	120.1	139.6	150.8	153.8	156.9	160.0
Adjustment to intangible and tangible assets	133.2	118.3	112.4	114.6	116.9	119.2
Other operating expenses	190.5	185.2	190.0	193.8	197.7	201.6
Operating result - profit	**124.4**	**213.5**	**266.2**	**310.2**	**350.3**	**383.8**
Financial revenues	17.6	18.0	18.4	18.8	19.1	19.5
Financial expenses	19.9	19.9	20.3	20.7	21.1	21.5
Financial result	**2.3**	**0.7**	**-1.9**	**-1.9**	**-2.0**	**-2.0**
Pre-tax profit	122.1	214.2	264.3	308.3	348.3	381.8
Net result	**98.8**	**178.8**	**222.0**	**258.9**	**292.6**	**320.7**
Payout			*75.0%*	*75.0%*	*75.0%*	*85.0%*
Dividends			**166.5**	**194.2**	**219.4**	**272.6**

Source: Company data, WOOD Research

Risks

Movements in energy prices. A large part of the Fund's portfolio is comprised of oil & gas producers or electricity producers, which leaves the NAV highly exposed to movements in oil & gas, and electricity prices. While we forecast prices to increase, an eventual further downturn could lead to some of the companies running into financial difficulties.

Political situation. Given the predominance of state-owned companies in the portfolio, we see the political situation influencing the strategy and future developments of the companies greatly.

Regulatory and fiscal regime. A large proportion of the portfolio companies fall under the regulation of ANRE, which sets the tariffs and determines the companies' revenues.

The Fund is a minority shareholder in most of its portfolio companies. As a minority shareholder, the Fund has limited influence over either the strategy or future development of these companies

A large part of the portfolio is still unlisted. Sales of the stakes the Fund holds in unlisted companies are uncertain and depend on decisions by the majority shareholders with regard to acquiring the stakes or listing the companies.

Important disclosures

This investment research is published by Wood & Company Financial Services, a.s. ("Wood & Co") and/or one of its branches who are authorised and regulated by the CNB as Home State regulator and in Poland by the KNF, in Slovakia by the NBS, in Italy by the CONSOB and in the UK by the FCA as Host State regulators.

Wood's ratings and price targets history for Fondul Proprietatea

Rating		Price target	
		22/03/2011	RON 0.87
		21/09/2011	RON 0.66
		19/07/2013	RON 0.81
		24/06/2016	RON 0.97
		03/03/2015	RON 1.05
		22/02/2017	RON 1.11

Explanation of Ratings

BUY: The stock is expected to generate total returns of over 15% during the next 12 months as measured by the target price.
HOLD: The stock is expected to generate total returns of 0-15% during the next 12 months as measured by the tnarget price.
SELL: The stock is expected to generate a negative total return during the next 12 months as measured by the target price.
RESTRICTED: Financial forecasts, and/or a rating and/or a target price is restricted from disclosure owing to Compliance or other regulatory/legal considerations such as a blackout period or a conflict of interest.
NOT RATED: Suspension of rating after 30 consecutive weekdays where the current price vis-à-vis the target price has been out of the range dictated by the current BUY/HOLD/SELL rating.
COVERAGE IN TRANSITION: Due to changes in the Research team, the disclosure of a stock's rating and/or target price and/or financial information are temporarily suspended.

Equity Research Ratings (as of 22 February 2017)

	Buy	Hold		Sell	Restricted	Not rated	Coverage in transition
Equity Research Coverage	50%	41%		9%	1%	N.A.%	7%
IB Clients	1%	1%		N.A.	N.A.	N.A.	N.A.

Securities Prices

Prices are taken as of the previous day's close on the home market unless otherwise stated.

Valuation & Risks

Analysis of specific risks to set stock target prices highlighted in our investment case(s) are outlined throughout the report. For details of methodologies used to determine our price targets and risks related to the achievement of the targets referred to in the main body of the report or at **http://www.wood.com** in the Section Corporate Governance or via the link **http://www.wood.com/research.html**
Users should assume that the investment risks and valuation methodology in Daily news or flash notes not changing our estimates or ratings is as set out in the most recent substantive research note on that subject company and can be found on our website at **www.wood.com**

Wood Research Disclosures (as of 22 February 2017)

Company	Disclosures
AT&S	5
BRD	5
BZ WBK	5
CD Projekt	5
CETV	5
CEZ	5
Conpet	1
DO&CO	1
Erste Group Bank	5
Enea	5
Energa	5
Fortuna	5
S.C. Fondul Proprietatea S.A.	1, 4, 5
Getin Noble Bank	5
GTC	5
ITG	1, 3
Immofinanz	5
IPF	5
JSW	5
KGHM	5
Komercni	5
mBank	5
MedLife	1, 2, 3
Millennium	5
MONETA Money Bank	1, 2, 3, 5
Netia	5
Orange PL	5
Pekao	5
PGE	5
Philip Morris	5
PKO BP	1, 2, 3, 5
PKN	5
PZU	5
RC2	4
Romgaz	5
SIF2	10
SNP	3, 5
O2 CR	1, 4, 5
Transilvania	5
Transgaz	1
WSE	1
Warimpex	1, 5

#	Description
1	The company currently is, or in the past 12 months was, a client of Wood & Co or its affiliated companies for the provision of investment banking services.
2	In the past 12 months, Wood & Co or its affiliated companies have received compensation for Corporate Finance/Investment Banking services from this company.
3	In the past 12 months, Wood & Co or any of its affiliated companies have been lead manager, co-lead manager or co-manager of a public offering of the company's financial instruments.
4	Wood & Co acts as corporate broker to this company and/or Wood & Co or any of its affiliated companies may have an agreement with the company relating to the provision of Corporate Finance/Investment Banking services.
5	Wood & Co or any of its affiliated companies is a market maker or liquidity provider in relation to securities issued by this company.
6	In the past 12 months, Wood & Co, its partners, affiliated companies, officers or directors, or any authoring analyst involved in the preparation of this investment research has provided services to the company for remuneration, other than normal course investment advisory or trade execution services.
7	Those persons identified as the author(s) of this investment research, or any individual involved in the preparation of this investment research, have purchased/received shares in the company prior to a public offering of those shares, and the price at which they were acquired along with the date of acquisition are disclosed above.

8 The authoring analyst, a member of the authoring analyst's household, or any individual directly involved in the preparation of this investment research has a direct ownership position in securities issued by this company.

9 A partner, director, officer, employee or agent of Wood & Co and its affiliated companies, or a member of his/her household, is an officer, or director, or serves as an advisor or board member of this company.

10 As of the month end immediately preceding the date of publication of this investment research Wood & Co or its affiliate companies, in the aggregate, beneficially owned 1% or more of any class of the total issued share capital or other common equity securities of the company or held a material non-equity financial interest in this company.

11 As of the month end immediately preceding the date of publication of this investment research the relevant company owned 1% or more of any class of the total issued share capital in Wood & Co or any of its affiliated companies.

12 Other specific disclosures as described above.

WOOD & Company announces that its affiliated company WOOD & Company Funds SICAV p.l.c (through its mutual funds) increased its stake in Pegas Nonwovens to 22.33%. Some entities of WOOD & Company Group are investors of these mutual funds.

The authoring analysts who are responsible for the preparation of this investment research have received (or will receive) compensation based upon (among other factors) the Corporate Finance/Investment Banking revenues and general profits of Wood & Co. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific Corporate Finance/Investment Banking activities, or to recommendations contained in the investment research.

Wood & Co and its affiliated companies may have a Corporate Finance/Investment Banking or other relationship with the company that is the subject of this investment research and may trade in any of the designated investments mentioned herein either for their own account or the accounts of their customers, in good faith or in the normal course of market making. Accordingly, Wood & Co or their affiliated companies, principals or employees (other than the authoring analyst(s) who prepared this investment research) may at any time have a long or short position in any such designated investments, Related designated investments or in options, futures or other derivative instruments based thereon.

Wood & Co manages conflicts of interest arising as a result of preparation and publication of research through its use of internal databases, notifications by the relevant employees and Chinese Walls as monitored by Compliance. For further details see our website at **www.wood.com** in the Section Corporate Governance or via the link **http://www.wood.com/research.html**

The information contained in this investment research has been compiled by Wood & Co from sources believed to be reliable, but (with the exception of the information about Wood & Co) no representation or warranty, express or implied, is made by Wood & Co, its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Wood & Co has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this investment research constitute Wood & Co' judgement as of the date of this investment research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

Wood & Co salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desk that reflect opinions that are contrary to the opinions expressed in this investment research. Wood & Co' affiliates, proprietary trading desk, and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this investment research.

This investment research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this investment research may not be eligible for sale in some jurisdictions. This investment research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Wood & Co, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or in connection with the use of this material.

For United Kingdom or European Residents:

This investment research is for persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restrictions in section 21 of the Financial Services and Markets Act 2000 (or any analogous legislation) on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This material is not for distribution in the United Kingdom or Europe to retail clients, as defined under the rules of the Financial Conduct Authority.

For United States Residents:

This investment research distributed in the United States by Wood & Co, and in certain instances by Enclave Capital LLC ('Enclave'), a U.S registered broker dealer, only to "major U.S. institutional investors", as defined under Rule 15a-6 promulgated under the US Securities Exchange Act of 1934, as amended, and as interpreted by the staff of the US Securities and Exchange Commission. This investment research is not intended for use by any person or entity that is not a major U.S institutional investor. If you have received a copy of this research and are not a major U.S institutional investor, you are instructed not to read, rely on or reproduce the contents hereof, and to destroy this research or return it to Wood & Co or to Enclave. Analyst(s) preparing this report are employees of Wood & Co who are resident outside the United States and are not associated persons or employees of any US registered broker-dealer. Therefore the analyst(s) are not be subject to Rule 2711 of the Financial Industry Regulatory Authority (FINRA) or to Regulation AC adopted by the U.S Securities and Exchange Commission (SEC) which among other things, restrict communications with a subject company, public appearances and personal trading in securities by a research analyst. Any major U.S Institutional investor wishing to effect transactions in any securities referred to herein or options thereon should do so by contacting a representative of Enclave Capital LLC. Enclave is a broker-dealer registered with the SEC and a member of FINRA and the Securities Investor Protection Corporation. Its address is 19 West 44th Street, Suite 1410, New York, NY 10036 and its telephone number is 646-454-8600. Wood & Co is not affiliated with Enclave Capital LLC or any other U.S registered broker-dealer.

WOOD & COMPANY

CONTACTS

Czech Republic
namesti Republiky 1079/1a
Palladium
110 00 Praha 1
Czech Republic
Tel +420 222 096 111
Fax +420 222 096 222

Poland
Skylight Zlote Tarasy
Zlota 59
00 120 Warszawa
Poland
Tel +48 22 222 1530
Fax +48 22 222 1531

UK
City Point, 15th Floor
1 Ropemaker Street
London EC2Y 9HT

Tel +44 20 3530 0691

Italy
Via Vittor Pisani, 22
20124 Milan
Italy

Tel + 39 02 67910 963

Kristen Andrasko/ Sadiq Razak
Co-Heads of Equities
+420 222 096 253/
+44 20 3530 0681
kristen.andrasko@wood.com
sadiq.razak@wood.com

Bloomberg page
WUCO

www.wood.com

Romania
Metropolis Center
89-97 Grigore Alexandrescu St.
010624 Bucharest 1
Tel.: +40 316 30 11 81

Research

Co-Head of Research/ Head of Research Poland
Marta Jezewska-Wasilewska
+48 22 222 1548
marta.jezewska-wasilewska@wood.com

Co-Head of Research/Head of Greek Research
Alex Boulougouris
+30 211 106 9447
alex.boulougouris@wood.com

Head of Turkish Equity Research
Oytun Altasli
+44 203 530 0627
oytun.altasli@wood.com

Macroeconomics
Raffaella Tenconi
+44 20 3530 0685
raffaella.tenconi@wood.com

Head of Consumer/Industrials
Lukasz Wachelko
+48 22 222 1560
lukasz.wachelko@wood.com

Energy
Jonathan Lamb
+44 20 3530 0621
jonathan.lamb@wood.com

Romania
Lucian Albulescu
+420 222 096 273
lucian.albulescu@wood.com

Utilities/Mining/Pharma
Bram Buring
+420 222 096 250
bram.buring@wood.com

Financials/Turkey
Can Demir
+44 20 3530 0623
can.demir@wood.com

Non-banks financials
Jerzy Kosinski
+48 22 222 1564
jerzy.kosinski@wood.com

Metals/Mining
Andy Jones
+44 20 3530 0629
andrew.jones@wood.com

Consumer/Industrials
Gabriela Burdach
+ 48 22 222 1545
gabriela.burdach@wood.com

Real Estate
Jakub Caithaml
+420 222 096 481
jakub.caithaml @wood.com

Consumer/Industrials
Maciej Wardejn
+48 22 222 1546
maciej.wardejn@wood.com

Poland
Pawel Wieprzowski
+48 22 222 1549
pawel.wieprzowski@wood.com

Poland
Piotr Raciborski
+48 22 222 1551
piotr.raciborski@wood.com

Ondrej Slama
+420 222 096 484
ondrej.slama@wood.com

Jakub Mician
+420 222 096 320
jakub.mician@wood.com

Sales

Head of Sales
Kristen Andrasko
+420 222 096 253
kristen.andrasko@wood.cz

Jan Koch
+48 22 222 1616
jan.koch@wood.com

Piotr Kopec
+48 22 222 1615
piotr.kopec@wood.com

Ioana Pop
+44 20 3530 0693
ioana.pop@wood.com

Vinay Ruparelia
+44 20 3530 0624
vinay.ruparelia@wood.com

Grzegorz Skowronski
+48 22 222 1559
grzegorz.skowronski@wood.com

Jan Thomson
+420 222 096 841
jan.thomson@wood.com

Kostas Tsigkourakos
+30 694 082 5810
kostas.tsigkourakos@wood.com

Markus Ulreich
+421 2 3240 9046
markus.ulreich@wood.com

Tatiana Sarandinaki
Enclave Capital in association with WOOD & Company
+1 646 454 8657
tsarandinaki@wood-enclave.com

Sales Trading and Execution Services

Ashley Keep
+44 20 3530 0683
ashley.keep@wood.com

Jennifer Ewing
+44 20 3530 0692
jennifer.ewing@wood.com

Jan Jandak
+420 222 096 363
jan.jandak@wood.com

Zuzana Mora
+420 222 096 283
zuzana.mora@wood.com

Ermir Shkurti
+420 222 096 847
ermir.shkurti@wood.com

Martin Stuchlik
+420 222 096 855
m.stuchlik2@wood.com

Vladimir Vavra
+420 222 096 397
vladimir.vavra@wood.com

RECENTLY PUBLISHED REPORTS

Date	Company/Sector	Title	Analyst
17/02/17	Kruk	All debt is good debt	Jerzy Kosinski
14/02/17	Halkbank	Time for a breather, full valuation	Can Demir
14/02/17	Stock Spirits Group	Vodka, but no juice	Jakub Mician, Lukasz Wachelko
13/02/17	OTE	Still waiting for a certain something	Bram Buring, Piotr Raciborski
10/02/17	Polish Oil and Gas	Twins peaked	Jonathan Lamb, Ondrej Slama
10/02/17	Enka Insaat	Staying on board	Oytun Altasli, Ondrej Slama
08/02/17	Conpet	Budget points to stable earnings	Lucian Albulescu, Jonathan Lamb
07/02/17	MedLife	A healthy play on the Romanian consumer	Bram Buring, Lucian Albulescu
06/02/17	Mytilineos/METKA	Rally not over yet	Alex Boulougouris, Bram Buring
02/02/17	The Rear-View Mirror – CEE markets	Polish stock market the top performer in January	Rersearch Team