

Fondul Proprietatea

General Shareholder Meeting, 21 January 2015



Disclaimer

This presentation is made solely to the intended recipient and should not be distributed to, or acted upon by, any other person. It is for general information only and reflects the personal views of the presenter. Nothing herein is intended to constitute advice on investment, legal or tax matters, nor is it an offering or an invitation to buy or sell shares in Fondul Proprietatea SA ("the Fund") or in any other issuer of securities mentioned herein. Any person considering an investment in the Fund or any other security mentioned herein should refer to the relevant issuer's prospectus and consult their own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the securities. The Fund's prospectus contains important information on the potential risks involved in such an investment which are not included in this presentation. Read the prospectus before investing in the Fund. The prospectus, the latest annual report and semi-annual report can be found on the Fund website www.fondulproprietatea.ro.

The distribution of this presentation in certain jurisdictions may be restricted by law and persons who come into possession of it are required to inform themselves about and to observe such restrictions and limitations. Neither the Fund nor its Fund Manager accepts any liability to any person in relation to the distribution or possession of the presentation in or from any jurisdiction. The shares issued by the Fund and those issued by the Company have not been and will not be registered under the US Securities Act of 1933, as amended, or with any securities authority of any state or territory within the jurisdiction of the United States of America. The Fund's shares may not be offered, sold or delivered in the United States of America or to American citizens or nationals.

The information contained in this presentation is as of its date, unless otherwise indicated, and is not a complete analysis of every material fact regarding the market, and any industry sector, security, or portfolio. Statements of fact cited by the manager have been obtained from sources considered reliable but no representation is made as to the completeness or accuracy. Furthermore, no responsibility is accepted for updating any facts or assumptions in this document. Because market and economic conditions are subject to rapid change, opinions provided are valid only as of the date of the materials. Any forward-looking statements are based upon certain assumptions; actual events are difficult to predict and are beyond the control of the author, therefore actual events may differ from those assumed. References to particular securities are only for the limited purpose of illustrating general market or economic conditions, and are not recommendations to buy or sell a security or an indication of the author's or any managed account's holdings. The manager's opinions are intended solely to provide insight into how the manager analyses securities and are not a recommendation or individual investment advice for any particular security, strategy or investment product.

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.

Alternative Investment Fund Manager Directive has not been implemented in Romania and Fondul Proprietatea is not considered an alternative investment fund. However, this presentation is not used for any direct / indirect promotion / offering of Fondul Proprietatea shares.

The headquarters of Fondul Proprietatea SA are at 78-80 Buzesti Str, 7th Floor, Bucharest District 1, 011017, Romania. Fondul Proprietatea's Fiscal Identification Code (CIF) is 18253260 and Trade Registry registration no is J40/21901/2005. The subscribed share capital is RON 11,815,279,886.85 and paid up share capital is RON 11,469,658,154.35. This presentation is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with ASF under no. PJR09SIIR/400006/18.08.2010, which is authorized and regulated in the UK by the Financial Conduct Authority with Register Number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission, and the Romanian branch is regulated by the Romanian Financial Supervisory Authority.

Date: January 2015.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Fund Information

FONDUL
PROPRIETATEA

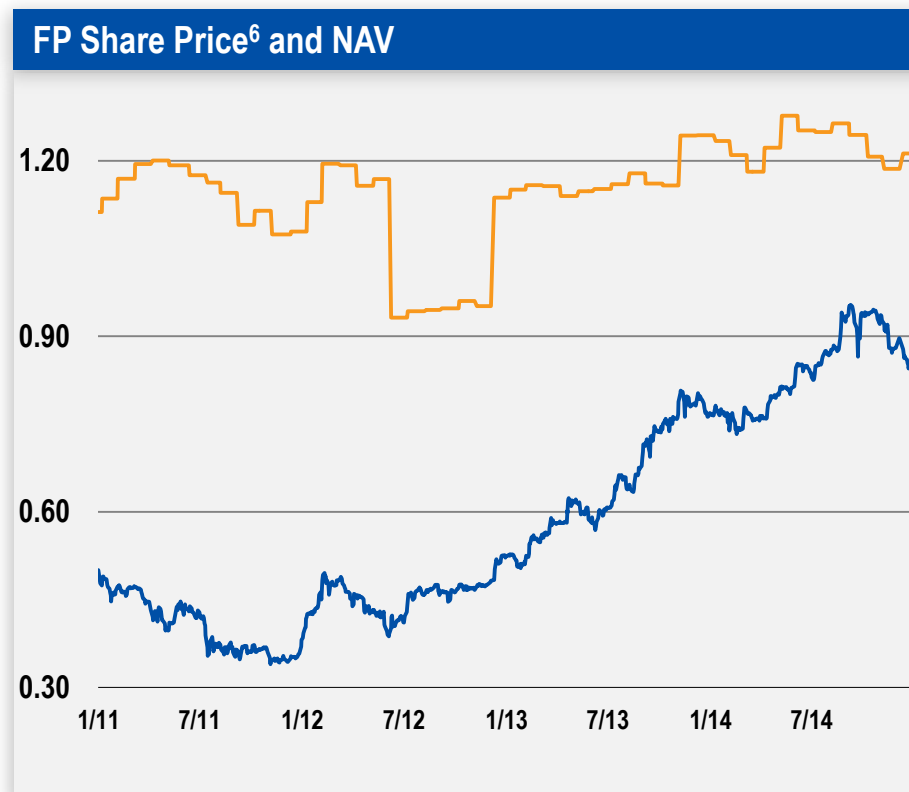


The Fund – Key Facts

Fund Details as at 31 December 2014 ¹	RON	EUR
NAV	13.24 bn	2.95 bn ²
NAV/Share	1.2125	0.2705 ²
Price/Share ³	0.8960	0.1999
Discount ³	26.10%	26.10%
Number of Shares in Issue	12,437,136,723	
Number of Paid Shares ⁴	12,073,324,373	
Number of Paid Shares less Treasury Shares ⁵	10,855,546,784	

Investment Objective

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



■ NAV ■ FP Share Price

Source: BVB, FP NAV report as at 31 December 2014.

1. Based on local regulator methodology.

2. Computed using the NBR EUR/RON FX rate as at 31 December 2014.

3. As at 31 December 2014. Computed using the NBR EUR/RON FX rate as at 31 December 2014.

4. As at 31 December 2014.

5. Treasury shares acquired until 16 January 2015.

6. Source: BVB, Bloomberg, until 20 January 2015.

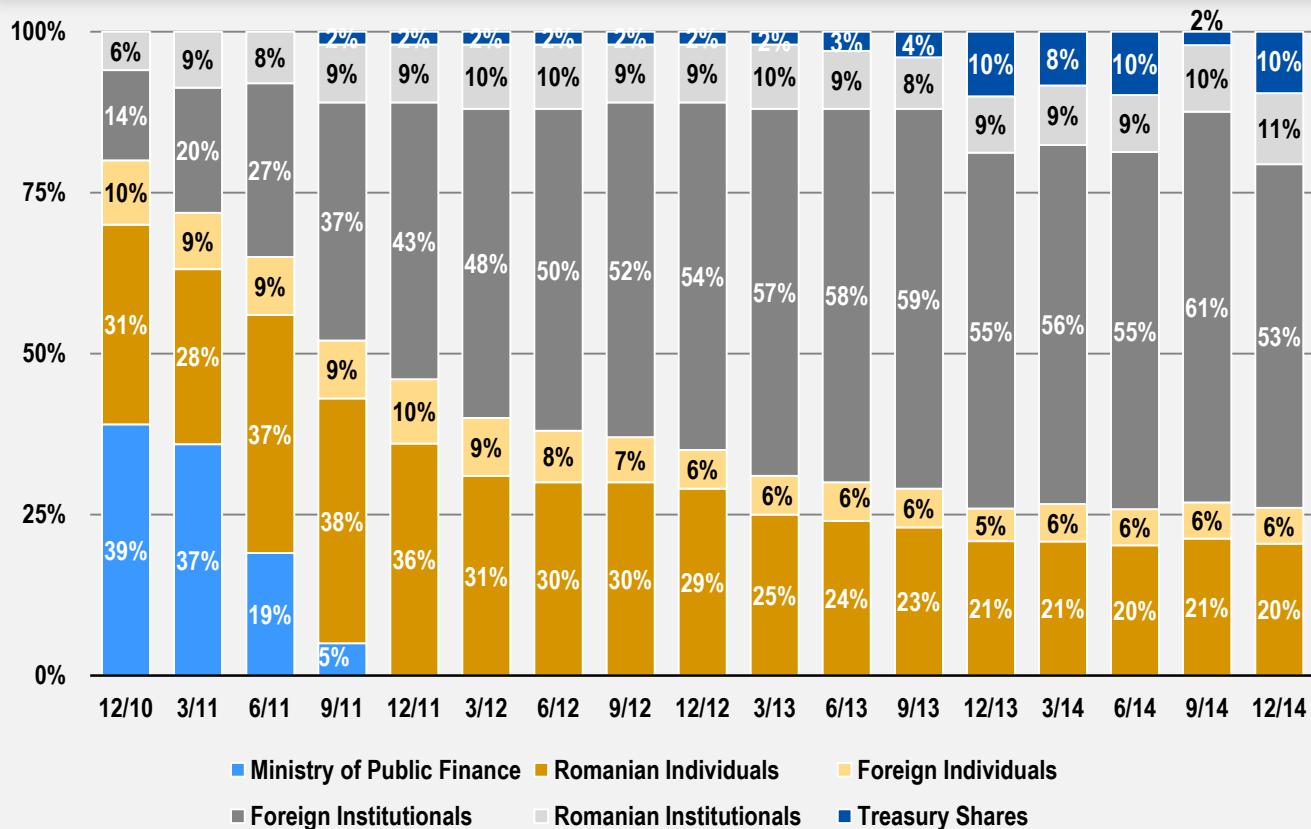
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Shareholders Structure¹

Evolution (% Held)



Largest Shareholders

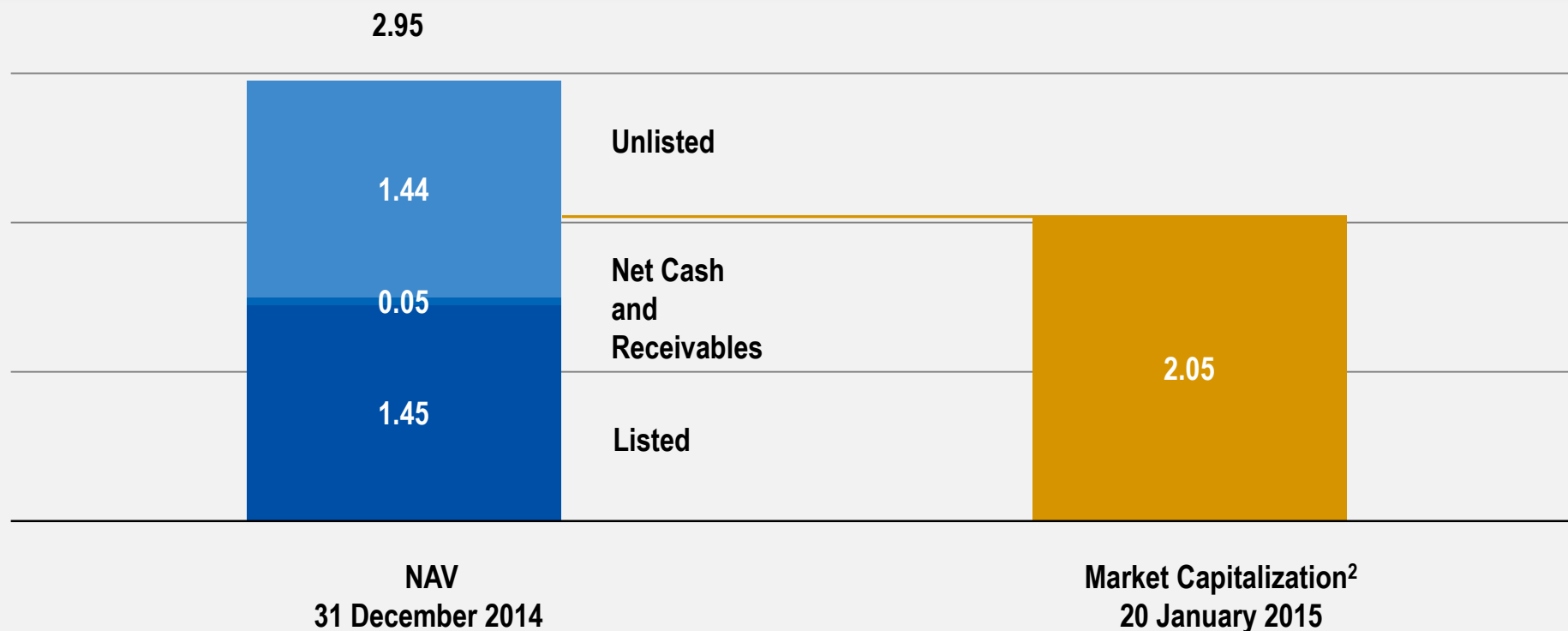
Elliott Associates ²	19.73%
Total Number of Shareholders ¹	8,306

1. Shareholders structure as at 31 December 2014, based on paid share capital starting 31 July 2011. Source: Central Depository.

2. Based on the total voting rights as at 20 October 2014.

FP Market Valuation

NAV vs. Market Capitalization (EUR bn)¹

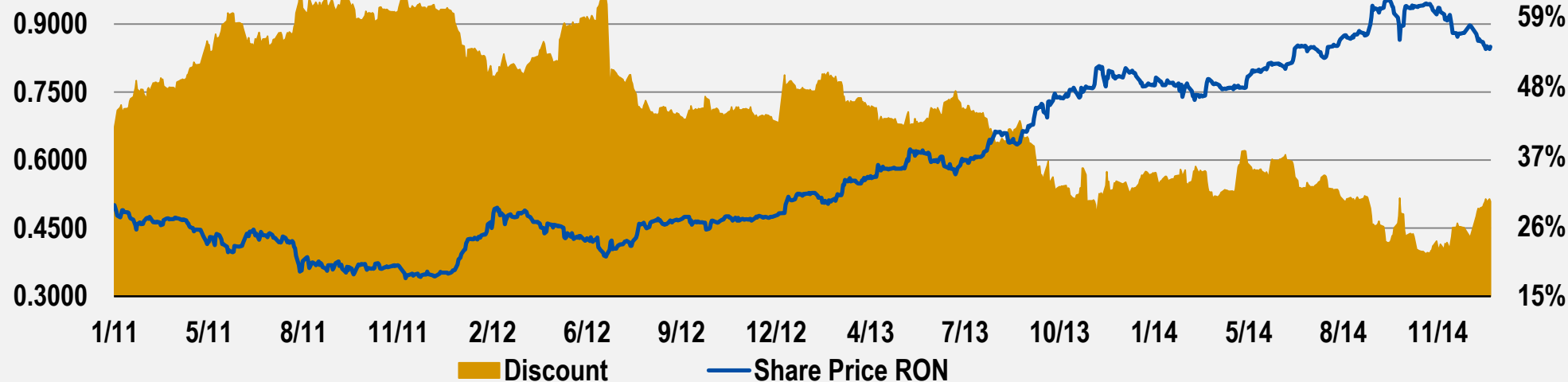


1. Source: BVB, FP NAV as at 31 December 2014.

2. Excluding treasury shares.

FP Market Performance

FP Share Price¹ (RON) and Discount (%)



Discount ²	29.9%
-----------------------	-------

Average Daily Turnover ³	EUR 3.3 mn
-------------------------------------	------------

Number of Shares Traded ³	4.3 bn shares (35.7% of the paid share capital)
--------------------------------------	---

Value of the Shares Traded ³	EUR 856.2 mn
---	--------------

1. Source: Bucharest Stock Exchange, Bloomberg, for the period 25 January 2011 – 20 January 2015.

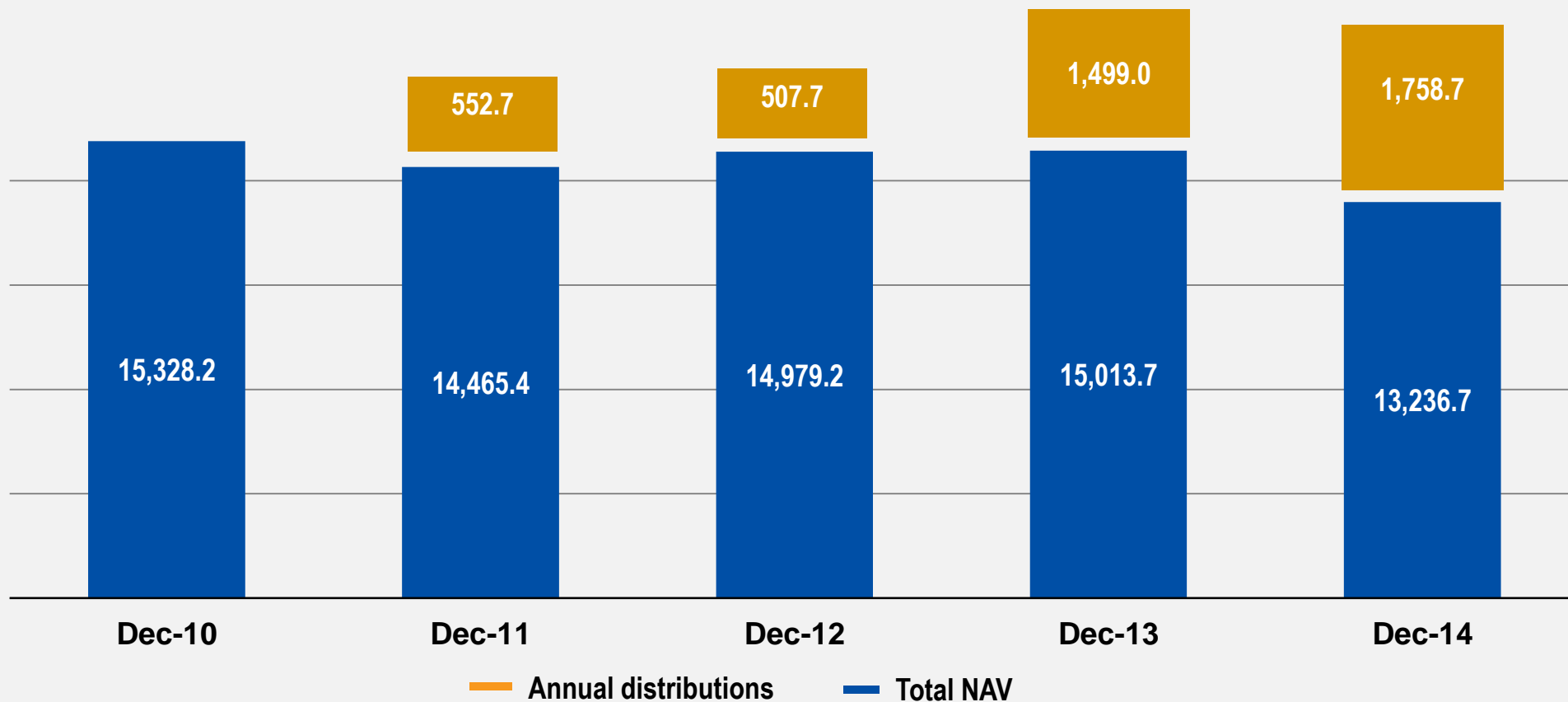
2. As at 20 January 2015.

3. Source: BVB, for the period 3 January 2014 – 20 January 2015.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

Annual Total Net Asset Value and Distributions to Shareholders

RON mn



Source: Reports prepared by the Fund Manager.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



NAV and Share Price Performance

Cumulative Performance

	2011	2012	2013	2014	Since Performance Inception ¹
NAV	(0.47)%	8.91%	13.29%	1.39%	24.52%
Ordinary Share Price	(30.32)%	38.30%	61.34%	14.53%	78.07%

Average Annual Discount

2011	2012	2013	2014	YTD ²	Current Discount ³
55.67%	50.20%	41.30%	30.57%	29.24%	29.90%

Source: BVB, FP NAV reports.

1. As at 31 December 2014.

2. For the period: 1 – 20 January 2015.

3. As at 20 January 2015.

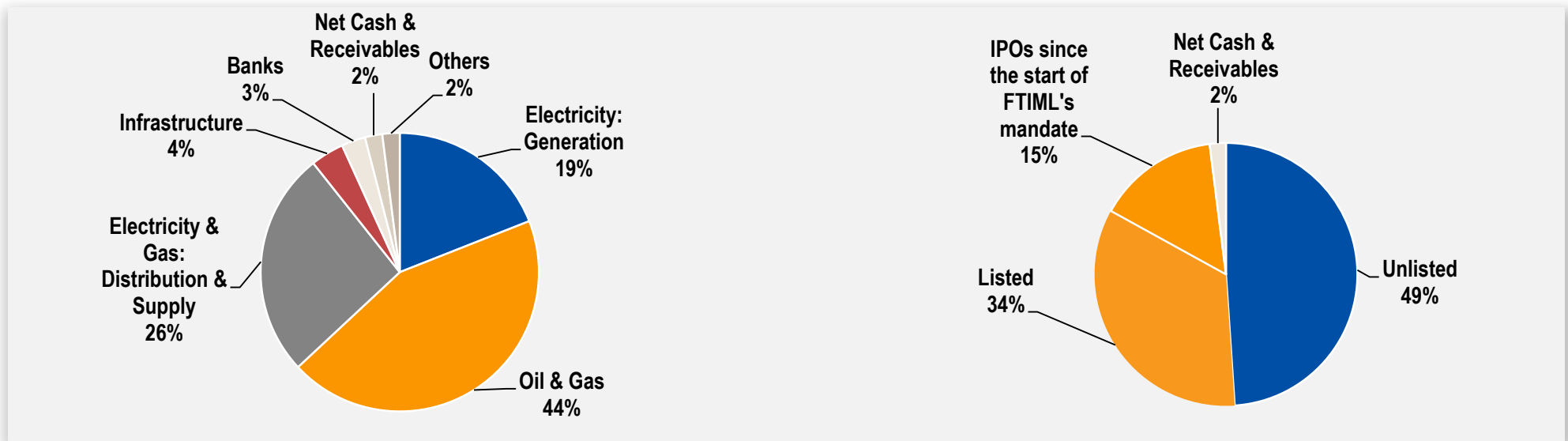
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Portfolio Performance

Portfolio Structure – 31 December 2014



- As at 31 December 2014, the portfolio included stakes in 53 companies (17 listed and 36 unlisted)
- No new investments were made by the Fund in 2014.
- The Fund Manager's objective is to increase the listed part of the portfolio to 100%.

Source: FP NAV report as at 31 December 2014.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Largest Holdings by NAV

No.	Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 31 December 2014 (EUR mn)	% in NAV as at 31 December 2014
1	OMV Petrom SA	Listed	OMV	19.0%	979.3	33.2
2	Hidroelectrica SA	Insolvency	Romanian State	19.9%	486.0	16.5
3	Romgaz SA	Listed	Romanian State	10.0%	304.1	10.3
4	ENEL Distributie Banat	Unlisted	Enel Group	24.1%	142.9	4.8
5	ENEL Distributie Muntenia	Unlisted	Enel Group	12.0%	103.9	3.5
6	GDF Suez Energy Romania	Unlisted	GDF Suez	12.0%	102.9	3.5
7	E.ON Distributie Romania ²	Unlisted	E.ON Group	18.4%	98.5	3.3
8	ENEL Distributie Dobrogea	Unlisted	Enel Group	24.1%	88.6	3.0
9	CN Aeroporturi Bucuresti	Unlisted	Romanian State	20.0%	74.1	2.5
10	Electrica Distributie Muntenia Nord	Unlisted	Electrica	22.0%	52.6	1.8
Top 10 Portfolio Holdings					2,432.9	82.4
NAV					2,953.2	100.0
NAV Per Share (EUR)					0.2705	

Note: Values in EUR calculated using the EUR/RON FX rate as at 31 December 2014.

Source: Report prepared by the Fund Manager as at 31 December 2014.

1. Based on the 30 September 2014 Detailed Statement of Investments.

2. As at 31 December 2014, E.ON Gaz Distributie merged with E.ON Moldova Distributie and changed its name to E.ON Distributie Romania SA.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Government SPO & IPO Calendar

Future IPOs and Privatizations

Company	Official Timeline ¹	FP Expectations	Offering Size %	Offering Size Value (EUR mn)	FP Stake Value (EUR mn)	Seller	Investment Consortium Selected
Hydroelectrica	IPO – June 2014	2016	15.0	420.4 ²	486.0 ²	New Shares	Morgan Stanley, Raiffeisen
CE Oltenia	IPO – Nov 2015	?	12.0/15.3	15.1/18.8 ²	24.2 ²	New Shares	BRD Groupe Societe Generale, Swiss Capital ³
Posta Romana	Privatization (Share Capital Increase)	H1 2015	>50.0	>37.4 ²	12.5 ²	New Shares	KPMG, Tuca, Zbarcea and Associates

Other candidates from the Fund's portfolio for IPOs

Company	FP Stake ²	FP Stake Value (EUR mn)	Market Cap
Administratia Porturilor Maritime (Constanta Port)	20.0%	29.6 ²	147.9 ²
Aeroporturi Bucuresti (Bucharest Airports)	20.0%	74.1 ²	370.7 ²
Salrom	49.0%	31.9 ²	65.1 ²

1. As agreed with the IMF in the September 2013 Letter of Intent.

2. Source: NAV report prepared by the Fund Manager as at 31 December 2014.

3. Offer submitted in April 2013.

Corporate Actions

Total Distributions to Shareholders

Total Distributions to Shareholders (mn RON)

	2010	2011	2012	2013	2014	Total
Gross Cash Distributions	1,124.3	432.7	507.7	536.4	601.3	3,202.4
Buy-Backs	0.0	120.0	0.0	962.6	1,177.19	2,259.79
Total Distribution	1,124.3	552.7	507.7	1,499.0	1,778.49	5,462.19

Source: Fund Manager reports.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Cash Distributions to Shareholders

Cash Distributions to Shareholders (RON)

Type	Financial Year	Payment Year	Gross Distribution per Share	Net Distribution per Share ¹	% Change Year on Year
Dividend	2008 – 2009 (aggregate)	2010	0.08160	0.06854	-
Dividend	2010	2011	0.03141	0.02638	-
Dividend	2011	2012	0.03854	0.03237	+22.71%
Dividend	2012	2013	0.04089	0.03435	+6.12%
Return of Capital	-	2014	0.05000	0.05000	+45.56%
Return of Capital ²	-	2015	0.05000	0.05000	-
Total			0.29244	0.26164	

1. Values resulted after applying the 16% Romanian Dividend Withholding Tax to the Gross Distribution per Share value. In case the shareholder provided a fiscal residence certificate from a jurisdiction where the tax on dividends was lower than 16%, the lower withholding rate was applied. Tax exemption is applied for certain categories of shareholders according to the fiscal legislation in force. For the RON 0.05/share return of capital no tax was withheld.

2. Return of capital proposed by the Fund Manager for shareholder approval on 21 January 2015.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Dividend Income – Portfolio Companies

Holdings	FP NET DIVIDEND (RON mn)			
	2014	2013	2012	2011
TOTAL Top 20 Holdings ¹ (RON mn)	610.1	586.2	515.2	423.2
Total Dividends from Listed Companies (RON mn)	538.6	373.9	450.1	304.0
Total Dividends from Unlisted Companies (RON mn)	143.5	275.8 ²	168.9	215.1
Total Dividend Income (RON mn)	682.1	649.7	619.0	519.1
Dividend /Distribution per Share (RON)	0.0500 ⁴	0.05000 ³	0.04089	0.03854

1. Based on the 30 September 2014 Detailed Statement of Investments.

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

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

4. Return of capital proposed by the Fund Manager for shareholder approval on 21 January 2015 by decreasing the nominal value of the Fund's share from RON 0.95 to RON 0.90.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



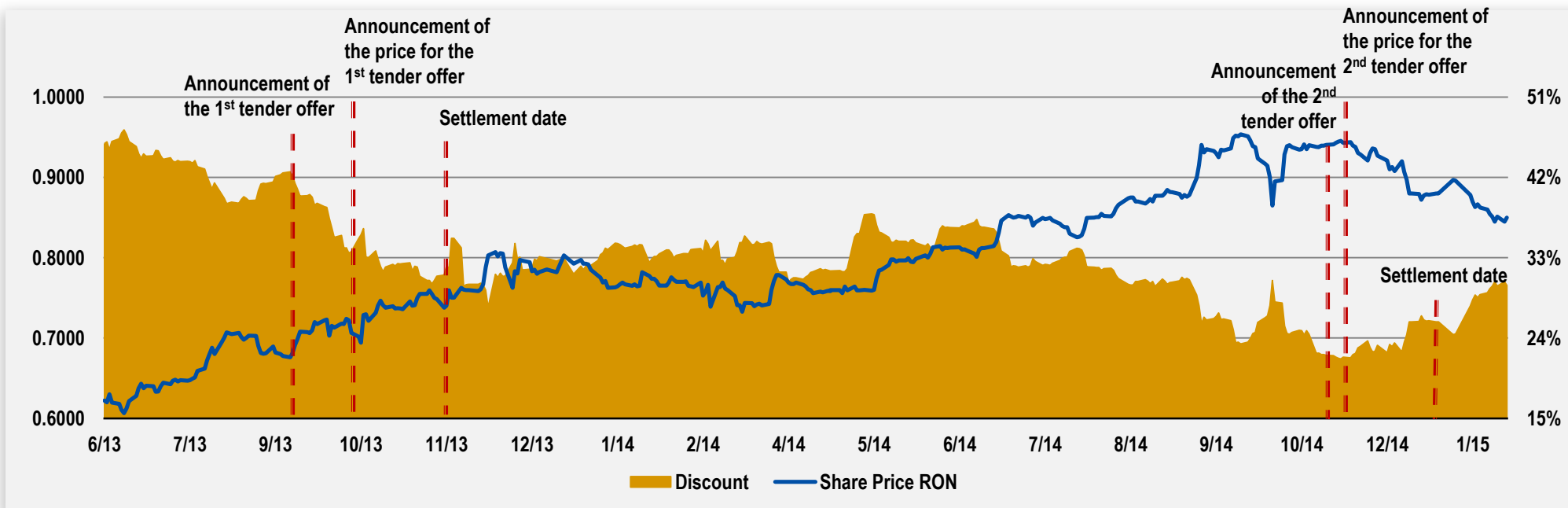
Buy-Back Programs (I)

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
Third	March-July 2014	Completed	252.9 mn/1.89%	0.8126	Raiffeisen	Ongoing. Cancellation approved on 23 Sept 2014
Fourth	Started on 1 st of October 2014	Ongoing	991.0 mn/7.32%	0.9422 ¹	Raiffeisen	-
Fifth	-	Approved by Shareholders on 19 November 2014	227.6 mn/1.89%	-	-	-

1. As at 20 January 2015. It includes the 750mn shares Tender Offer.

Buy-Back Programs (II)

Tender	Announcement date	Status	No. of shares to be repurchased	Tender price (RON/share)	FP pre-announcement share price (RON/share)	Premium to pre-announcement share price (%)	Discount of offer price to NAV (%)
First	25 September 2013	Completed	600,000,000	1.00	0.7230	38.31%	15.12%
Second	20 October 2014	Completed	750,000,000	1.11	0.8965	23.81%	10.76%



Source: Bucharest Stock Exchange, as at 20 January 2015.

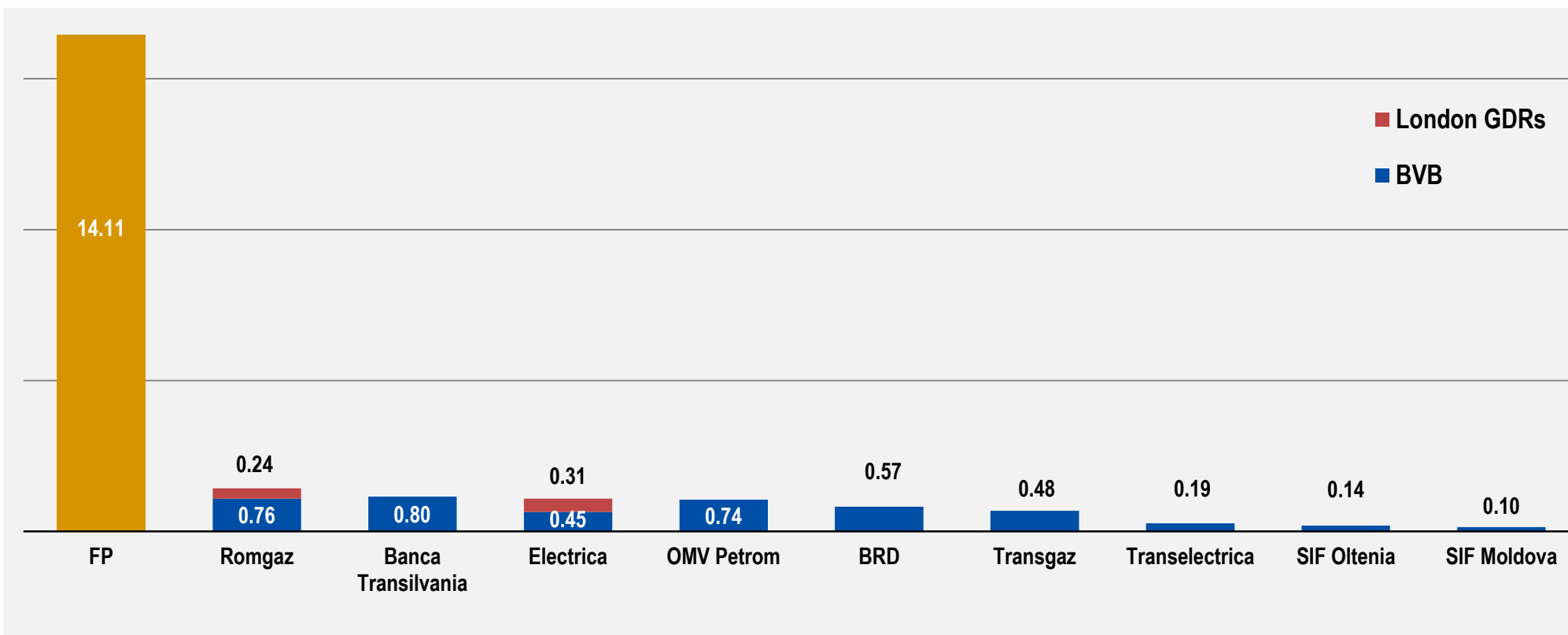
This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Average Daily Trading on BVB

Average Daily Turnover in December 2014 (EUR mn)



Source: Bloomberg, Bucharest Stock Exchange, computed using the NBR EUR/RON FX as at 30 December 2014.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



Secondary Listing on the LSE – Plan



Trading in London is planned to be achieved via the use of Global Depositary Receipts (“GDRs”) or Depositary Interests (DIs) as an alternative. Recent changes in the FSA regulations allow any company listed in Romania to be dual-listed in London through GDRs. However, in the case of DIs, regulatory changes are still required in order for trading of DIs to be feasible in Romania.



New local and foreign investors will be attracted via separate placements of GDRs/shares facilitated by existing shareholders through accelerated placements and/or individual trades on the regular (open) market either at the same time or subsequent to the listing in London. No new GDRs/shares will be issued by the Fund.

Status

On 21 January the Fund’s shareholders will vote on the extension of the Fund Manager’s mandate to finalize the LSE listing until 10 July 2015. Listing in London through GDRs require a full prospectus, and the target listing date would be in Q2 2015.

Secondary Listing on the LSE – Institutions

Auditor



Consortium Member

Jefferies

Sole UK Financial Adviser

Local PR Agency



GolinHarris

Legal Advisor



International PR Agency



LANSONS
Advice Ideas Results

FONDUL
PROPRIETATEA



FRANKLIN TEMPLETON
INVESTMENTS

FONDUL
PROPRIETATEA



Top 15 Funds on LSE

Fund	Symbol	Listing Currency	Total NAV (USD mn)	Premium / Discount to NAV (%)	% Listed Portfolio (approximately)
Scottish Mortgage	SMT	GBP	4.68	2.7%	97
Alliance Trust	ATST	GBP	4.03	-12.5%	100
Fondul Proprietatea	FP.	USD	3.73	-27.0%	46
F&C Investment Trust	FRCL	GBP	3.69	-6.1%	99
RIT Capital Partners	RCP	GBP	3.33	-3.9%	98
HICL Infrastructure Company	HICL	GBP	2.97	17.2%	101
Templeton Emerging Markets UK	TEM	GBP	2.77	-11.1%	93
New Europe Property Investment	NEPI	EUR	2.52	48.7%	0
Witan	WTAN	GBP	2.19	1.0%	101
Mercantile Investment Trust	MRC	GBP	2.16	-11.8%	89
Kennedy Wilson Europe Real Estate	KWE	GBP	2.15	5.0%	0
3i Infrastructure	3IN	GBP	2.03	12.7%	7
Murray International	MYI	GBP	1.97	4.2%	87
Caledonia Investments	CLDN	GBP	1.94	-14.5%	97
NB Global Floating Rate Income	NBLS	GBP	1.82	-0.6%	0

Source: Jefferies, Morningstar, Bloomberg, Company factsheets, London Stock Exchange. As at 8 January 2015.

This material is intended solely for the recipient and should not be reproduced, copied or re-transmitted. Not for public use.

FONDUL
PROPRIETATEA



GSM Agenda

Extraordinary General Shareholders Meeting Agenda

EGM Agenda

- The approval of the EGM agenda.
- The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 11,575,064,733.65 to RON 10,965,850,800.30 through the reduction of the par value of the shares of Fondul Proprietatea SA from RON 0.95 to RON 0.90.
- The ratification and the approval of all EGM resolutions and of all legal acts.
- The approval of 24 June 2015 as the registration date, 23 June 2015 as the Ex – Date, and 29 June 2015 as the Payment Date.
- The approval of the empowerment until 10 July 2015 of FTIML UK, Bucharest Branch, to take all necessary actions in order to complete the secondary listing of the Fund on the London Stock Exchange, including to choose the type of listing, the section of the London Stock Exchange where the Securities will be listed, the execution of the intermediation and any other agreements, appointing a depository bank and the execution of a depository agreement, if the case, appointing any advisers and subcontractors if necessary and drafting and executing all documentation in connection with the secondary listing.

*Fondul Proprietatea
Franklin Templeton Investment Management UK Bucharest Branch
Premium Point
Buzesti Street 78-80, 7th-8th floor
1st District
011017 Bucharest
Romania*

