

# Fondul Proprietatea General Shareholders Meeting

26 April 2018



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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 4,854,034,784.56 and paid up share capital is RON 4,664,852,362.56.

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



# The Fund – Key facts



| Fund Details <sup>1</sup>  | RON               |                   |               | USD <sup>2</sup>  |                   |               |
|--|-------------------|-------------------|---------------|-------------------|-------------------|---------------|
|  | 30 Mar '18<br>NAV | 31 Jan '18<br>NAV | Change<br>(%) | 30 Mar '18<br>NAV | 31 Jan '18<br>NAV | Change<br>(%) |
| NAV  | 9.84 bn           | 10.97 bn          | (10.3)%       | 2.60 bn           | 2.93 bn           | (12.7)%       |
| NAV/Share  | 1.3270            | 1.2576            | 5.2%          | 0.3513            | 0.3359            | 4.4%          |
| Price/Share  | 0.9340            | 0.9200            | 1.5%          | 0.2472            | 0.2457            | 0.6%          |
| Price/GDR  | 47.60             | 45.68             | 4.0%          | 12.60             | 12.20             | 3.2%          |
| Market Capitalization as at 25 April 2018 <sup>3</sup>   |                   | 7.13 bn           |               |                   | 1.87 bn           |               |
| Discount/Share as at 25 April 2018   |                   |                   | 27.35%        |                   |                   |               |
| Discount/GDR as at 25 April 2018   |                   |                   | 27.71%        |                   |                   |               |
| Number of Paid Shares less Treasury Shares <sup>4</sup>  |                   |                   | 7,399,431,729 |                   |                   |               |
| <b>Investment Objective</b>  |                   |                   |               |                   |                   |               |
| Maximization of returns and per-share capital appreciation via investments mainly in Romanian equities and equity-linked securities. |                   |                   |               |                   |                   |               |

Source: BVB, FP NAV Reports as at 31 January 2018 and 30 March 2018.

1. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at the end of the month.

3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 20 April 2018.

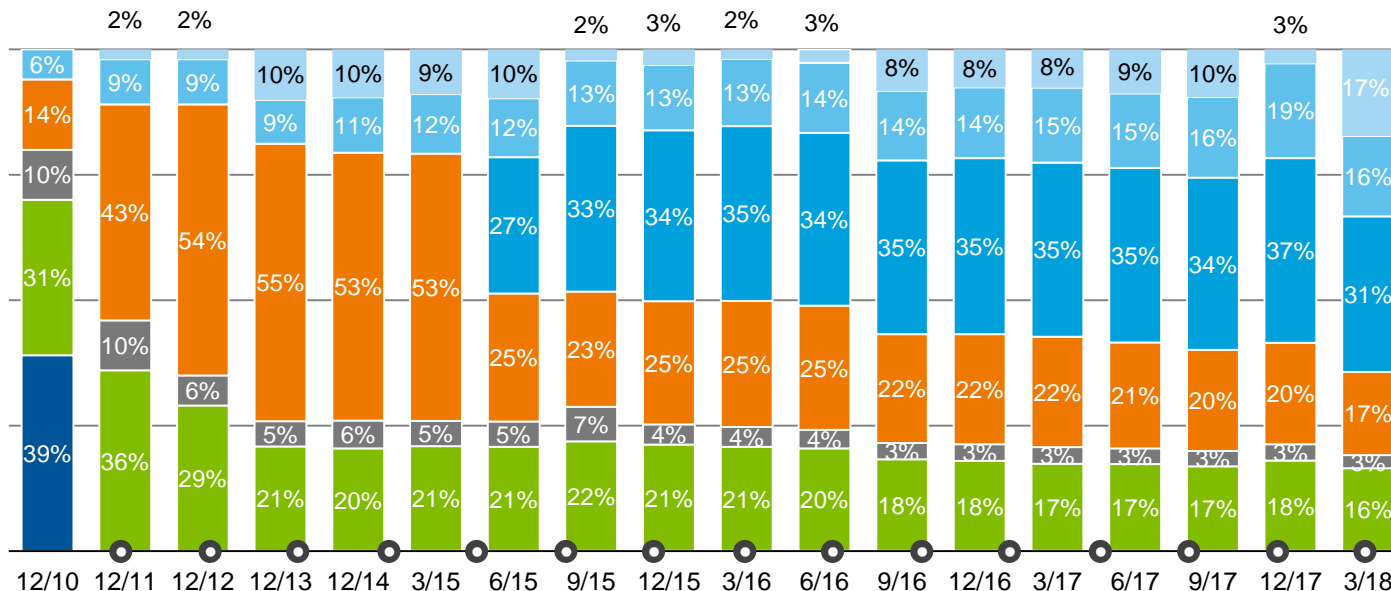
Computed using the NBR USD/RON FX rate as at 25 April 2018.

4. As at 20 April 2018.

# Shareholders structure



Evolution (% Held)



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



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

Elliott Associates  
**9.11%**

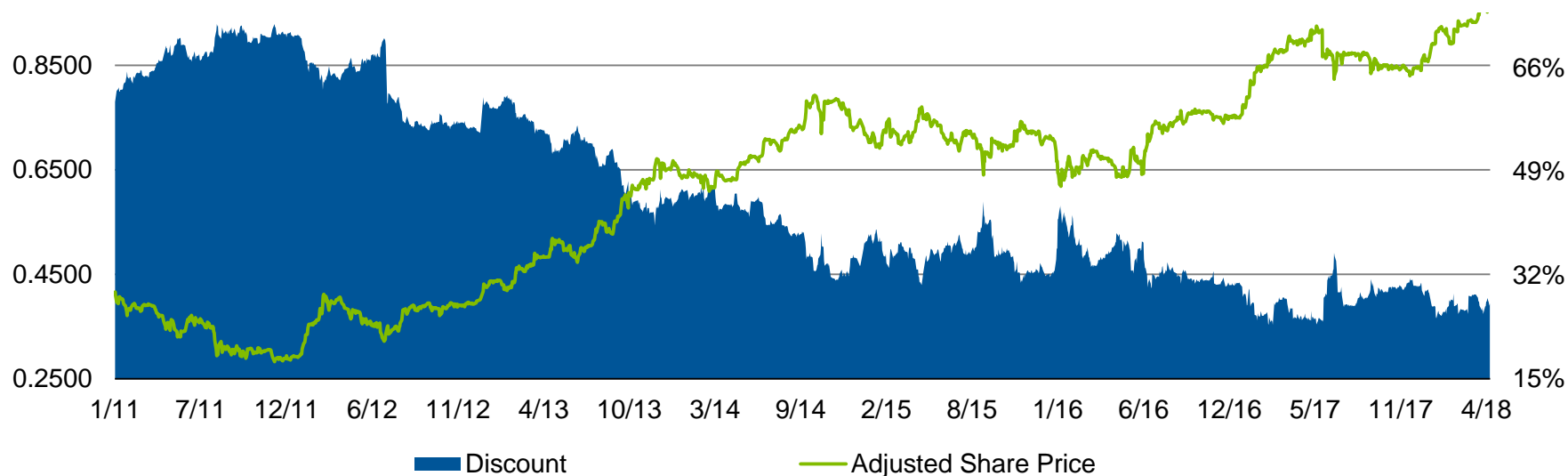
NN Group  
**5.02%**

Total Number of Shareholders<sup>2</sup>  
**6,292**

1. Based on the total voting rights. Source: Ownership disclosures submitted by Elliott Associates on 28 February 2018 and NN Group on 27 March 2017.  
2. Shareholders structure as at 31 March 2018. Based on paid share capital starting 31 July 2011. Source: Central Depository.



## FP Share Price<sup>1</sup> (RON) and Discount (%)



|                              | BVB                  | LSE                  |
|------------------------------|----------------------|----------------------|
| Discount <sup>2</sup>        | 27.35%               | 27.71%               |
| Average Daily Turnover (USD) | 3.39 mn <sup>3</sup> | 2.87 mn <sup>4</sup> |

1. Source: BVB, Bloomberg, for the period 25 January 2011 – 25 April 2018.

2. As at 25 April 2018. Note: The discount is calculated based on the latest published NAV available for the day of the calculation.

3. Source: BVB, for the period 3 January – 25 April 2018. Values in USD calculated using the NBR USD/RON FX rate as at 25 April 2018.

4. Estimations based on data from Bloomberg, LSE, and Factset, for the period 2 January – 25 April 2018.

# NAV, Share price and GDR performance



## Cumulative Performance

|                            | 2011     | 2012   | 2013   | 2014   | 2015    | 2016  | 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% | 13.10% | 7.23%            | 61.11%                                   |
| Ordinary Share Price (RON) | (30.32)% | 38.30% | 61.34% | 14.53% | (4.06)% | 4.90% | 21.46% | 8.10%            | 135.32%                                  |
| GDR (USD)                  | N/A      | N/A    | N/A    | N/A    | N/A     | 1.15% | 35.88% | 10.04%           | 38.38%                                   |



## Average Annual Discount

| 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018 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% | 28.05% | 27.00%                | 27.35%                                    | 27.71%                                  |

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 30 March 2018.

2. For the period 3 January – 25 April 2018.

3. As at 25 April 2018.

# Portfolio



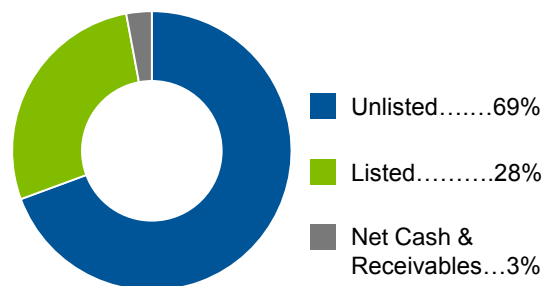


# Portfolio structure



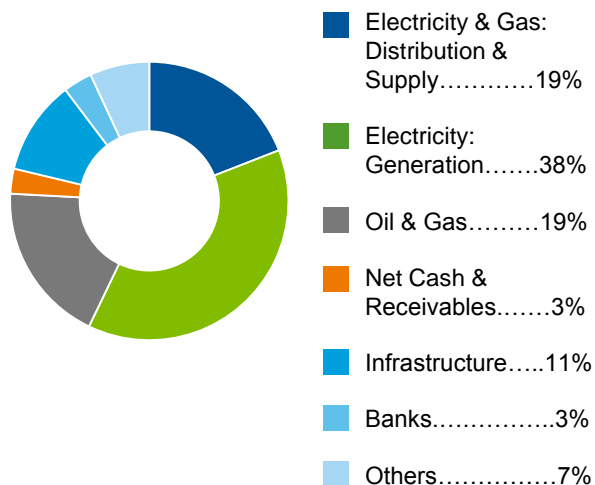
## Listed vs Unlisted

as at 30 March 2018 (% NAV)<sup>1</sup>



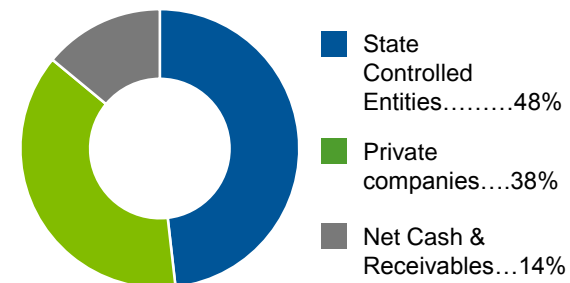
## By Sector

as at 30 March 2018 (% NAV)<sup>1</sup>



## By Controlling Ownership

as at 29 December 2017<sup>2</sup>



- As at 30 March 2018, the portfolio included stakes in 37 companies (10 listed and 27 unlisted)
- Net cash and receivables position as at 30 March 2018 was USD 76.5 mn.

1. Source: FP 30 March 2018 Factsheet.

2. FP 29 December 2017 Detailed Statement of Investments.

# Largest holdings by NAV

| Portfolio Company                | Status   | Majority Shareholder   | % Stake <sup>1</sup> | NAV as at 30 March 2018 (USD mn) | % in NAV as at 30 March 2018 |
|----------------------------------|----------|------------------------|----------------------|----------------------------------|------------------------------|
| Hidroelectrica SA                | Unlisted | Romanian State         | 19.9%                | 943.91                           | <b>36.24</b>                 |
| OMV Petrom SA                    | Listed   | OMV                    | 10.0%                | 476.72                           | <b>18.30</b>                 |
| CN Aeroporturi Bucuresti SA      | Unlisted | Romanian State         | 20.0%                | 204.88                           | <b>7.87</b>                  |
| E-Distributie Banat SA           | Unlisted | Enel Group             | 24.1%                | 144.26                           | <b>5.54</b>                  |
| Engie Romania SA                 | Unlisted | Engie                  | 12.0%                | 124.94                           | <b>4.80</b>                  |
| E-Distributie Muntenia SA        | Unlisted | Enel Group             | 12.0%                | 110.91                           | <b>4.26</b>                  |
| E-Distributie Dobrogea SA        | Unlisted | Enel Group             | 24.1%                | 90.53                            | <b>3.48</b>                  |
| BRD Groupe Societe Generale SA   | Listed   | Societe Generale Group | 3.2%                 | 88.50                            | <b>3.40</b>                  |
| Alro SA                          | Listed   | Vimetco NV NLD         | 10.2%                | 73.31                            | <b>2.81</b>                  |
| SN a Sarii Salrom SA             | Unlisted | Romanian State         | 49.0%                | 61.67                            | <b>2.37</b>                  |
| <b>Top 10 Portfolio Holdings</b> |          |                        |                      | <b>2,319.63</b>                  | <b>89.07</b>                 |
| <b>NAV</b>                       |          |                        |                      | <b>2,604.21</b>                  | <b>100.00</b>                |
| <b>NAV Per Share (USD)</b>       |          |                        |                      | <b>0.3513</b>                    |                              |

Note: Values in USD calculated using the NBR USD/RON FX rate as at 30 March 2018.

Source: FP March 2018 Factsheet.

1. Based on the FP 29 December 2017 Detailed Statement of Investments.



## 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. In September 2017, the Company's shareholders approved a special dividend of RON 655 million to be paid by the end of the month. FP received RON 130.6 million.



## The Fund's Strategic Review:

The Fund announced in September 2017 that is reviewing strategic options regarding its ownership in the company and has appointed Citi and UBS as financial advisers in connection with a potential transaction.



## Financials<sup>1</sup>:

Estimated net profit for 2017 of RON 1.35 bn vs. RON 1.23 bn in 2016, with revenues down 2% to RON 3.29 bn, following a 20% decrease of the energy produced, to 14.0 TWh.



## Listing:

The Consortium's mandate for the IPO has been extended until August 2018.



## Corporate Governance:

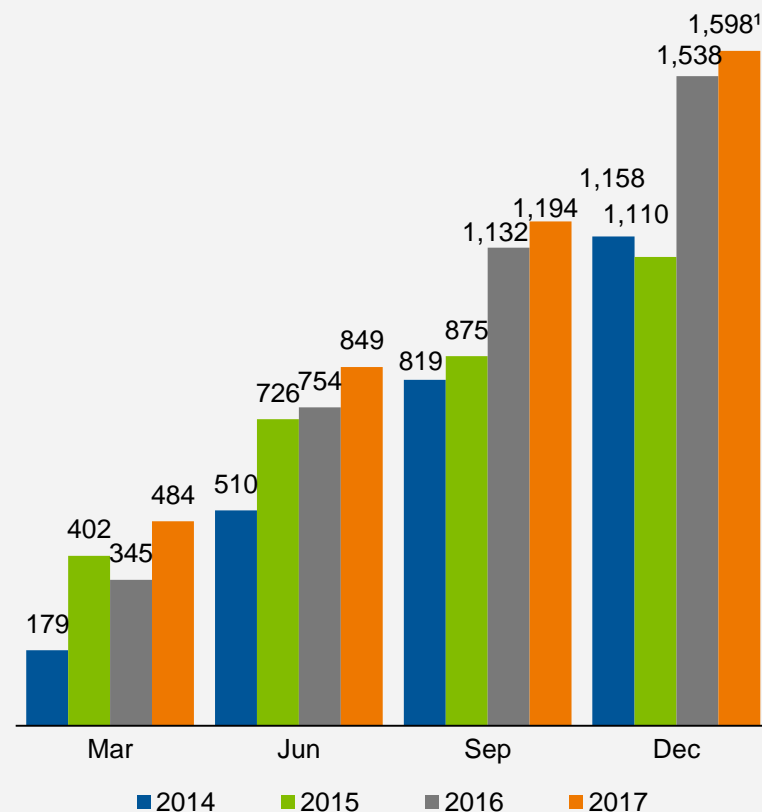
In the shareholders' meeting held on 9 January 2018, the Government approved the appointment of an interim Board with a mandate of 4 months. This came after previous extensions starting 29 April 2017. There is no progress in the selection of the Board members based on Law 111/2016.



## Litigations:

The Fund has started several litigations against the appointment of the new members of the Directorate for breaching corporate governance principles.

## Pre-tax Cumulated Profit (RON mn)

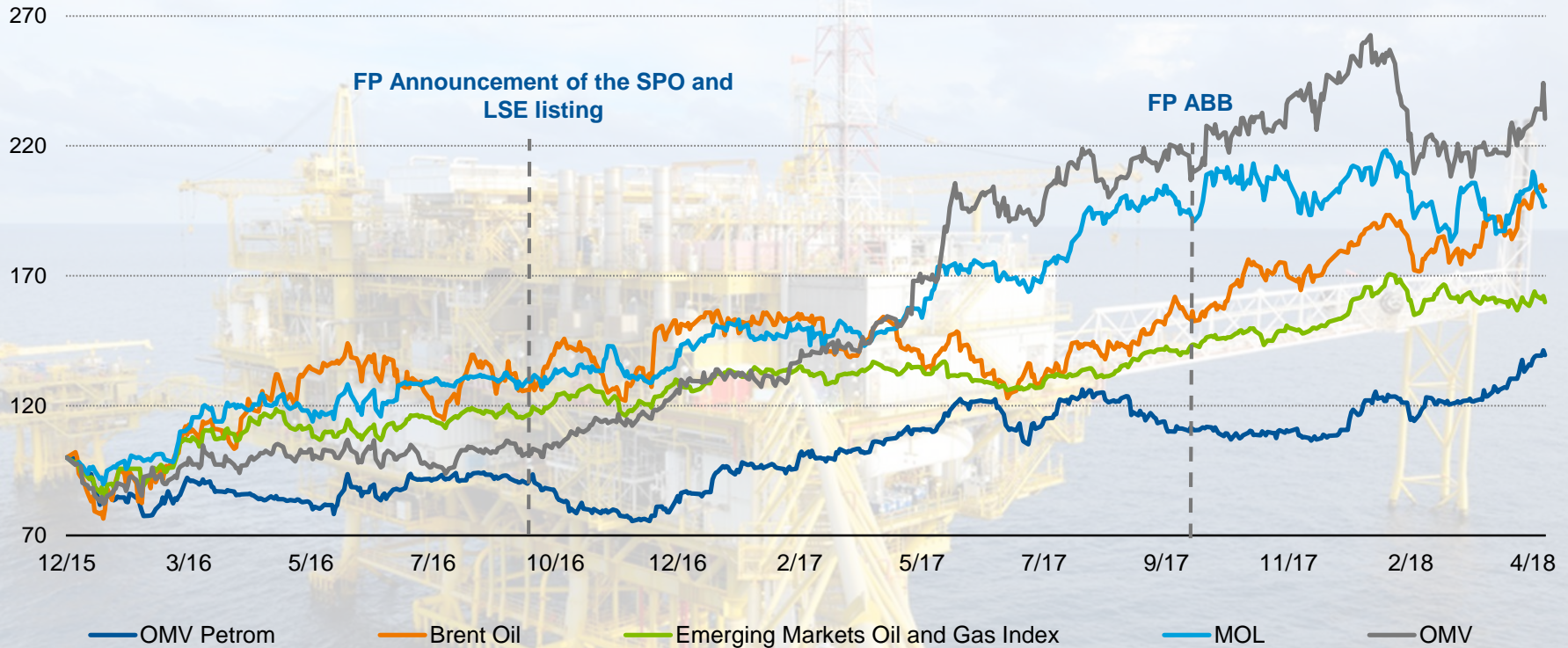


Source: Hidroelectrica 2009 – 2017 Annual reports and financial statements, Hidroelectrica monthly press releases, reports, and presentations.

1. Company preliminary figures, unaudited data. Source: 2018 Romania Investor Days in London presentation.

# OMV Petrom – Update

## OMV Petrom – Share Price Performance % in USD<sup>1</sup>



1. Source: Bloomberg, as at 25 April 2018.

# C.N. Aeroporturi Bucuresti – Update

| Financial Performance       | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017 Prelim. | % y/y | 2018 budget |
|-----------------------------|-------|-------|-------|-------|-------|-------|--------------|-------|-------------|
| Operating revenues (mn RON) | 501.5 | 555.5 | 582.6 | 672.1 | 755.6 | 882.3 | 1,054.6      | 19.5% | 1,189.2     |
| Operating profit (mn RON)   | 88.5  | 80.9  | 94.0  | 124.4 | 213.5 | 276.6 | 385.9        | 39.5% | 428.4       |
| Net Income (mn RON)         | 52.6  | 53.1  | 72.0  | 98.8  | 178.8 | 234.5 | 327.3        | 39.6  | 368.3       |
| Number of passengers (mn)   | 7.45  | 7.54  | 7.67  | 8.32  | 9.28  | 10.99 | 12.84        | 16.8% | N/A         |



## Passenger Traffic

Increased by 16.8% in 2017 compared to the previous year, reaching 12.84 million passengers. Total revenues in 2017 are estimated at RON 1.08 bn, 8.3% higher than in 2016, while the gross profit reached RON 389.7 mn, i.e. 45% higher than the previous year.



## Board and Management

The interim Board appointed on 12 January an interim General manager for a 4-month mandate.



## IPO

We continue discussions with the Government on this topic, but there is no clear timeline or plans in this direction.

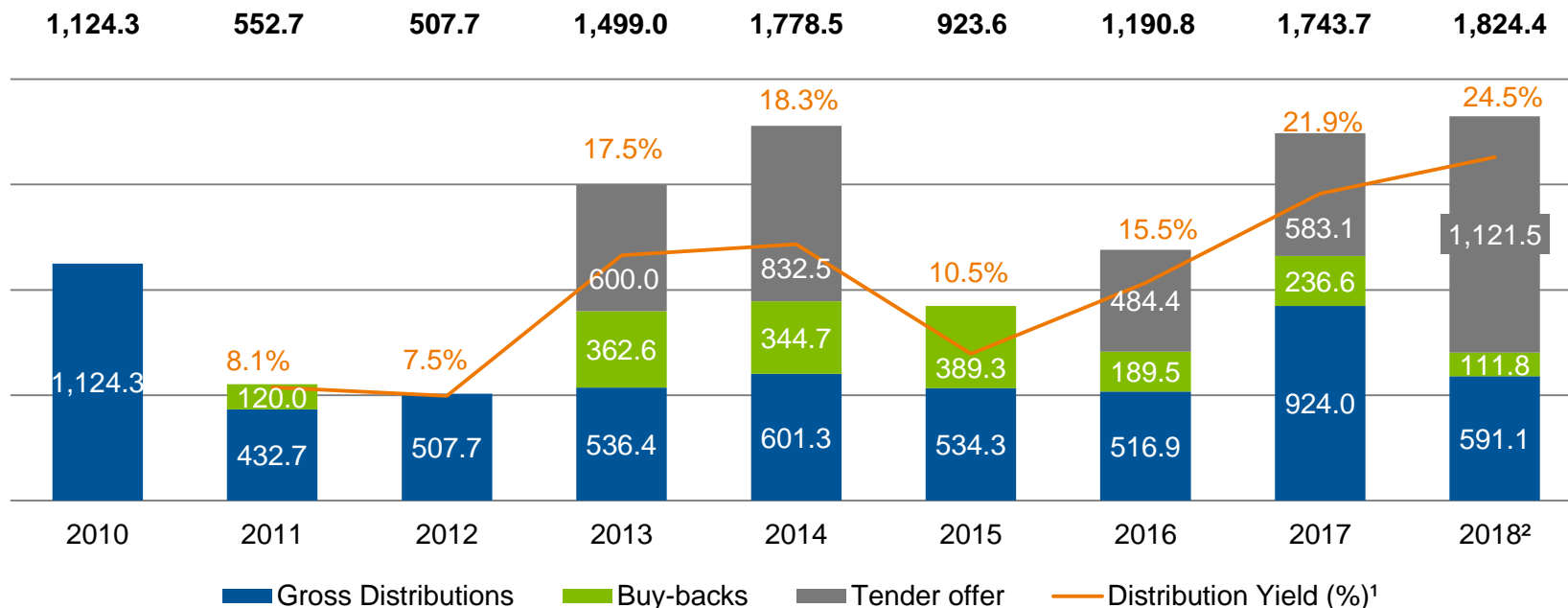
# Corporate Actions



# Distributions to shareholders (I)



## Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 11.14 bn/USD 3.10 bn<sup>3</sup>

Note: Values exclude related acquisition fees. USD values based on the average NBR USD/RON FX for each year. For 2018, average NBR USD/RON FX as at 25 April.

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 2018, average closing share price as at 25 April.

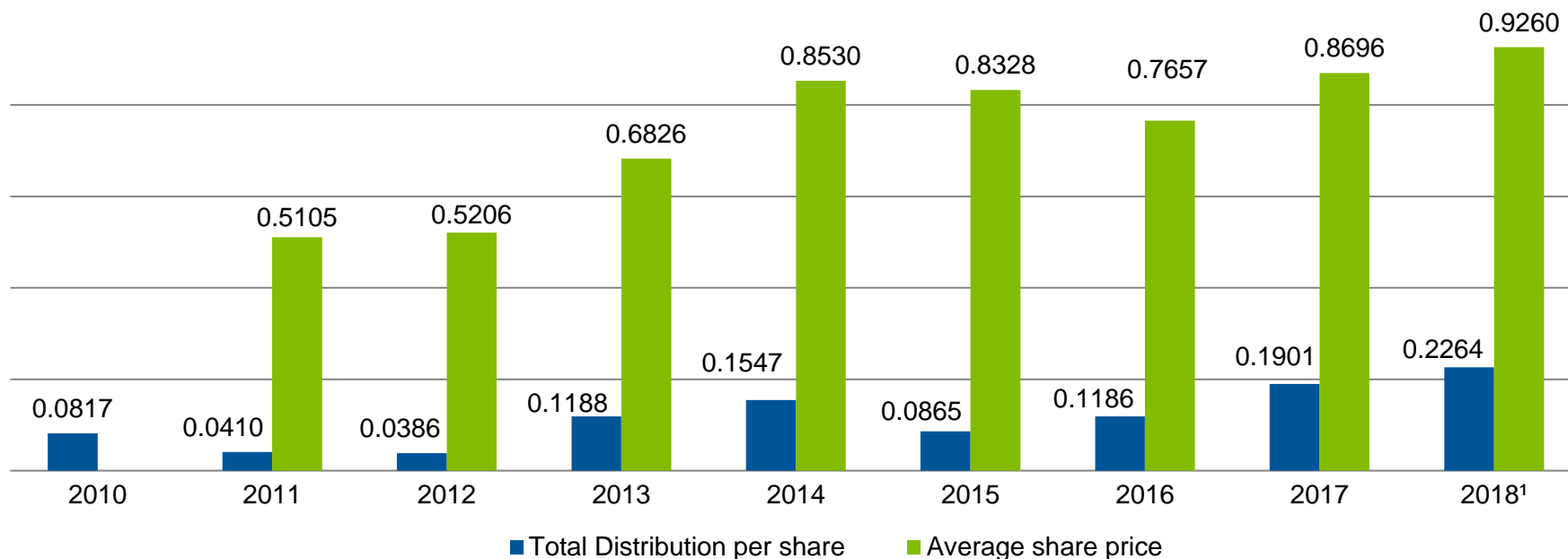
2. For buy-backs, the values are as at 25 April. The gross distributions figure represents the gross dividend proposal to be approved by shareholders on 26 April 2018.

3. As at 20 April 2018. Computed using the NBR USD/RON FX rate as at 25 April 2018.

# Distributions to shareholders (II)



## Annual Distributions to Shareholders per Share (RON)



The total distributions through buy-backs and cash amount to RON 1.0562 per share/USD 0.2897 per share<sup>2</sup>.

Note: Values exclude related acquisition fees. USD values based on the average NBR USD/RON FX for each year. For 2018, average NBR USD/RON FX as at 25 April.

1. For total distributions, the value is based on the buy-backs as at 20 April, the gross dividend proposal for FY 2017 to be approved by shareholders on 26 April 2018, of RON 0.0678 dividend per share, and the average number of paid shares as at 20 April.

2. As at 20 April 2018. Computed using the NBR USD/RON FX rate as at 25 April 2018.



 The Sole Director's proposal for the dividend distribution for the 2017 financial year to be approved in the General Shareholders' Meeting on 26 April 2018 is as follows:

- RON 591.1 million gross dividend distribution
- RON 0.0678 gross dividend per share
- 8 June 2018 Ex-date
- 11 June 2018 Registration Date
- 29 June 2018 Payment date.

# Cash Distributions to Shareholders

|                      | Financial Year        | Paid In            | Gross Cash Distribution per Share (RON) | Net Cash Distribution per Share (RON) <sup>1</sup> | % 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    | -                     | 2015               | 0.05000                                 | 0.05000  | -                     |
| Return of Capital    | -                     | 2016               | 0.05000                                 | 0.05000  | -                     |
| Special Distribution | -                     | 2017               | 0.05000                                 | 0.05000  | -                     |
| Return of Capital    | -                     | 2017               | 0.05000                                 | 0.05000  | -                     |
| Dividend             | 2017                  | To be paid in 2018 | 0.06780                                 | 0.06441  | +28.82%               |
| <b>Total</b>         |                       |                    | <b>0.51024</b>                          | <b>0.47605</b>                                     |                       |

Source: Investment Manager.

1. Note: Values resulted after applying the Romanian Dividend Withholding Tax (16% for the 2010 – 2013 dividend distributions, and 5% for the 2017 dividend distribution) 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. The tax treatment of cash distributions resulting from a share capital decrease is uncertain under Romanian tax law. Based on our current understanding of Romanian tax law, we believe there are good arguments to assume that the cash distribution is not subject to Romanian withholding tax. There is however a risk that the Romanian tax authorities take a different view on the tax treatment of the cash distribution.

# 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 <sup>1</sup>   |
|---------|------------------------|-----------|--|---------------------------------|------------------------------------|---|
| Seventh | 29 Sep 16 – 26 May 17  | Finalized | 830.2 mn/8.2%  | 0.8967                          | Wood & Co.,<br>Goldman Sachs Int.  | Cancellation approved by the shareholders during the 3 May '17 <sup>2</sup> and 26 Sep '17 EGMs |
| Eight   | 30 May – 10 Nov 2017   | Finalized | 141.9 mn/1.4%  | 0.8624                          | Wood & Co.,<br>Jefferies Internat. | Partial cancellation of 67.7 mn shares approved by shareholders during the 26 Sep '17 EGM       |
| Ninth   | Started on 14 Nov 2017 | Ongoing   | 1,866.9 mn/20%   | 0.9333 <sup>3</sup>             | Wood & Co.,<br>Jefferies Internat. | New cancellation of shares to be added on EGM agenda during 2018                                |

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.

2. Effective starting 29 November 2017.

3. As at 20 April 2018. Estimated value based on the 1,338,719,187 shares repurchased (755,652,037 ordinary shares and 583,067,150 equivalent shares of the GDRs repurchased).

# Impact of the buy-back programs on the Fund's equity



# Total impact on equity during 2017

|  | Buy-back program 7<br>(RON) | Buy-back program 8<br>(RON) | Buy-back program 9<br>(RON) |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>Acquisition cost</b>  | <b>681,189,100</b>          | <b>122,347,450</b>          | <b>16,151,070</b>           |
| <b>Total costs directly related to transactions, out of which:</b> | <b>8,784,900</b>            | <b>1,766,801</b>            | <b>178,323</b>              |
| Brokerage fees   | 310,826                     | 24,469                      | 3,230                       |
| FSA fees   | 5,873,267                   | 53,099                      | 7,045                       |
| Stock Exchange fees (BSE and LSE)                                  | 762,170                     | 34,301                      | 4,895                       |
| Central Depository fees  | 35,651                      | 7,289                       | 998                         |
| Other professional fees  | 520,598                     | 4,471                       | 683                         |
| Other costs  | 13,262,522                  | 1,643,172                   | 161,470                     |
| Interest costs   | -                           | -                           | -                           |
| Distribution fees <sup>1</sup>                                     | 13,262,522                  | 1,643,172                   | 161,470                     |
| <b>Total buy-backs impact on equity - decrease</b>                 | <b>701,954,135</b>          | <b>124,114,251</b>          | <b>16,329,392</b>           |

1. FTIS distribution fees related to buy-backs which are recognised directly in equity together with the underlying shares.

Note: the information included in the table above is for the financial year ended 31 December 2017; for more details please see the 2017 Annual Administrator Report. Additional updates will be included in the Quarterly report for the quarter ended 31 March 2018, that will be published on 15 May 2018.

# Impact on negative reserves upon cancellation

|   |                    | Buy-back<br>program 7 | Buy-back<br>program 8 | Buy-back<br>program 9 |
|---|--------------------|-----------------------|-----------------------|-----------------------|
| Number of shares cancelled during 2017  | (1)                | 739,398,468           | -                     | -                     |
| Total costs (including transaction costs and other costs) (RON)   | (2)                | 682,500,639           | -                     | -                     |
| Less the impact of Nominal Value decrease (RON) <sup>1</sup>  | (3)                | (41,939,847)          | -                     | -                     |
| <b>Accounting value of the cancelled treasury shares as at 29 November 2017 (the cancellation date) (RON)</b> | <b>(4)=(2)+(3)</b> | <b>640,560,792</b>    | -                     | -                     |
| Correspondent Nominal Value at the cancellation date (NV = RON 0.52 per share) (RON)                          | (5) = (1)*NV       | 384,487,203           | -                     | -                     |
| <b>Negative equity reserve on the cancelation (RON)</b>   | <b>(6)=(5)-(4)</b> | <b>(256,073,589)</b>  |                       |                       |
|   |                    |                       |                       |                       |
| Balance of shares to be cancelled   | (1)                | 90,849,151            | 141,869,861           | 19,159,328            |
| Total costs (including transaction costs and other costs) (RON)   | (2)                | 82,852,612            | 124,114,252           | 16,329,392            |
| Less the impact of Nominal Value decrease (RON) <sup>2</sup>  | (3)                | (4,542,458)           | (498,291)             | -                     |
| <b>Accounting value of the treasury shares as at 31 December 2017 (RON)</b>                                   | <b>(4)=(2)+(3)</b> | <b>78,310,154</b>     | <b>123,615,961</b>    | <b>16,329,392</b>     |
| Correspondent Nominal Value (NV = RON 0.52 per share) as at 31 December 2017 (RON)                            | (5) = (1)*NV       | 47,241,559            | 73,772,328            | 9,962,851             |
| Estimated negative equity reserve on the cancellation date (RON)  | (6)=(5)-(4)        | (31,068,595)          | (49,843,633)          | (6,366,541)           |

1. For shares cancelled and in balance at each nominal value decrease in 2017: 1) 99,398,468 shares at 24 March 2017 and 2) 739,398,468 shares at 16 June 2017.

2. For the shares in balance as at 16 June 2017 (for 7th buy-back program the remaining shares were 90,849,151 shares and for 8th buy-back program were 9,965,829 shares).

Note: the information included in the table above is for the financial year ended 31 December 2017; for more details please see the 2017 Annual Administrator Report. Additional updates will be included in the Quarterly report for the quarter ended 31 March 2018, that will be published on 15 May 2018.

# Annual GSM Agenda





## OGM agenda:

- Board of Nominees' presentation of its annual report for 2017 financial year.
- The approval of the Annual Activity Report of the Sole Director of Fondul Proprietatea S.A. for the financial year 2017, and the approval of the auditor's report.
- The approval to cover the negative reserves incurred in 2017 financial year derived from the cancellation of treasury shares.
- The approval of the net profit allocation registered for the financial year 2017, and the approval of the value of the gross dividend of RON 0.0678 per share.



# Appendix



# Statement of Financial Position

| RON mn                              | 31 December 2017<br>Audited | 31 December 2016<br>Audited |
|-------------------------------------|-----------------------------|-----------------------------|
| Cash and current accounts           | 19.2                        | 5.8                         |
| Deposits with banks                 | 1,276.7                     | 305.3                       |
| Treasury bills                      | 46.3                        | 781.4                       |
| Government bonds                    | 195.9                       | 328.6                       |
| Equity investments                  | 9,278.2                     | 9,992.2                     |
| Other assets                        | 10.7                        | 20.8                        |
| <b>Total assets</b>                 | <b>10,827.0</b>             | <b>11,434.1</b>             |
| Payables                            | 15.2                        | 27.1                        |
| Other liabilities                   | 21.6                        | 21.0                        |
| <b>Total liabilities</b>            | <b>36.8</b>                 | <b>48.1</b>                 |
| Total equity                        | 10,790.2                    | 11,386.0                    |
| <b>Total liabilities and equity</b> | <b>10,827.0</b>             | <b>11,434.1</b>             |

Source: FP Annual Sole Director's Report 2017.

# Statement of Comprehensive Income

| RON mn   | 2017<br>Audited | 2016<br>Audited |
|--|-----------------|-----------------|
| Gross dividend income  | 740.4           | 353.1           |
| Net realised gain / (loss) from disposal of non-current assets held for sale             | 330.6           | (127.5)         |
| Net unrealised gain/ (loss) from equity investments at fair value through profit or loss | 222.8           | (377.8)         |
| Net gain on disposal of equity investments classified as available for sale              | 38.5            | 926.0           |
| Reversal of impairment losses on receivables, net  | 36.4            | 17.9            |
| Interest income  | 11.9            | 7.9             |
| Net realised gain / (Loss) from equity investments at fair value through profit or loss  | (1.4)           | -               |
| Impairment losses on equity investments classified as available for sale                 | (8.0)           | (122.4)         |
| Other income/ (expenses), net <sup>1</sup>   | 0.9             | (0.5)           |
| <b>Net operating income/ (loss)</b>  | <b>1,372.1</b>  | <b>676.7</b>    |
| Administration fees recognised in Profit and Loss  | (63.0)          | (70.6)          |
| Other operating expenses   | (34.5)          | (61.5)          |
| <b>Operating expenses</b>  | <b>(97.5)</b>   | <b>(132.1)</b>  |
| Finance costs  | (0.2)           | (0.3)           |
| <b>Profit before income tax</b>  | <b>1,274.4</b>  | <b>544.3</b>    |
| Income tax expense   | 15.5            | (97.3)          |
| <b>Profit for the year</b>   | <b>1,289.9</b>  | <b>447.0</b>    |
| Other comprehensive income   | (85.4)          | 100.7           |
| <b>Total comprehensive income for the year</b>   | <b>1,204.5</b>  | <b>547.7</b>    |

Source: FP Annual Sole Director's Report 2017.

1. Other items of income/ (expense), net included mainly the net loss from revaluation of government securities through profit or loss, net foreign exchange gain / (loss) and other operating income/ (expenses).

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