

Fondul Proprietatea General Shareholders Meeting

27 January 2016



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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 10,074,080,745.90 and paid up share capital is RON 9,746,649,630.90 . 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.



Fund Information



The Fund – Key Facts

Fund Details as at 31 December 2015¹

| | RON | USD ² |
|---|----------|------------------|
| NAV | 12.09 bn | 2.91 bn |
| NAV/Share | 1.1564 | 0.2788 |
| Price/Share ³ | 0.8100 | 0.1953 |
| Price/GDR ⁴ | 41.06 | 9.90 |
| Market Capitalization as at 31 December 2015 ³ | 8.47 bn | 2.04 bn |
| Discount/Share as at 22 January 2016 | | 36.27% |
| Discount/GDR as at 22 January 2016 | | 35.71% |
| Number of Shares in Issue | | 11,193,423,051 |
| Number of Paid Shares | | 10,829,610,701 |
| Number of Paid Shares less Treasury Shares ⁵ | | 10,445,601,078 |

Investment Objective

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

Source: BVB, FP 31 December 2015 Factsheet.

1. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 31 December 2015.

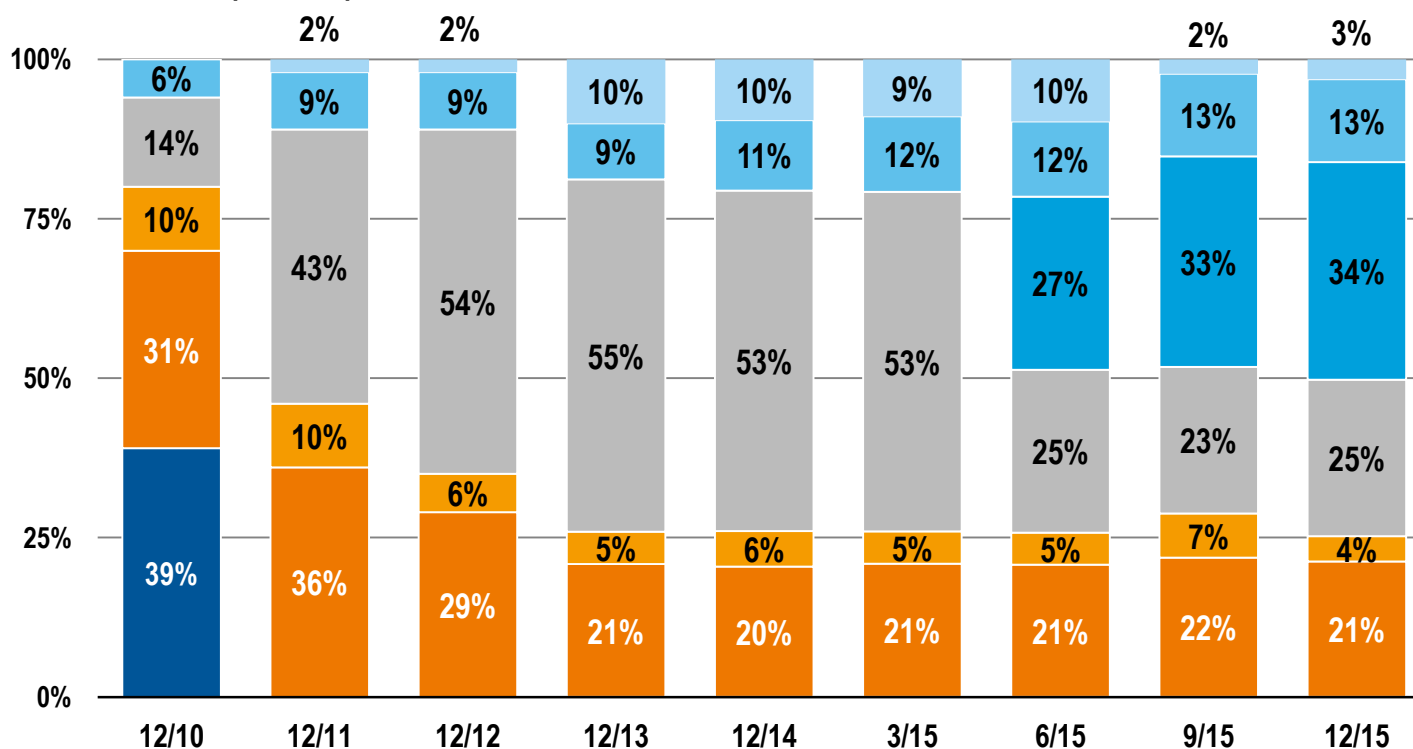
3. As at 30 December 2015.

4. As at 31 December 2015.

5. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 15 January 2016.

Shareholders Structure

Evolution (% Held)



- Treasury Shares
- Romanian Institutionals
- The Bank of New York Mellon (depository bank for Global Depository Receipts)³
- Foreign Institutionals
- Foreign Individuals
- Romanian Individuals

Largest Shareholders

| | |
|---|--------|
| Elliott Associates ¹ | 21.06% |
| Total Number of Shareholders ² | 8,335 |

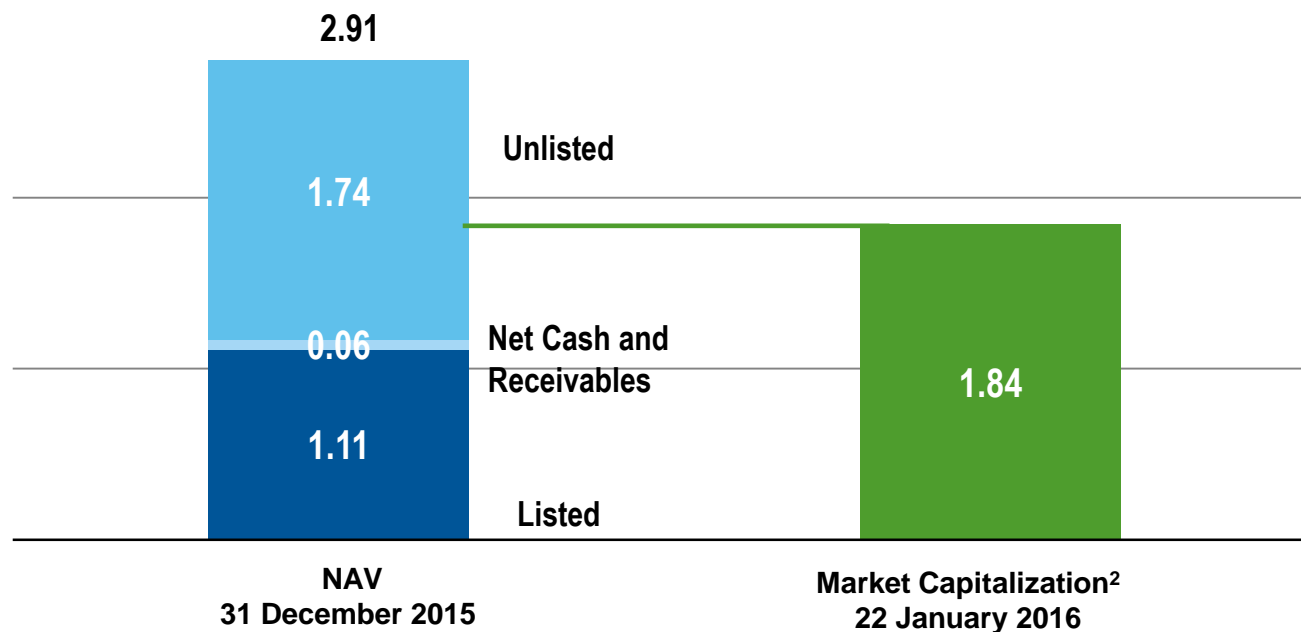
1. Based on the total voting rights. Source: Ownership disclosures submitted by shareholders on 21 October 2015.

2. Shareholders structure as at 31 December 2015, based on paid share capital starting 31 July 2011. Source: Central Depository.

3. The Bank of New York Mellon holding includes 38,574,700 shares equivalent of the 771,494 GDRs of the Fund.

FP Market Valuation/Performance

NAV vs. Market Capitalization (USD bn)¹



| | BVB | LSE |
|------------------------|-------------------------|-------------------------|
| Discount ³ | 36.3% | 35.7% |
| Average Daily Turnover | USD 2.0 mn ⁴ | USD 1.6 mn ⁵ |

1. Source: BVB, FP NAV as at 31 December 2015.

2. Based on the BVB share price - excluding treasury shares repurchased as at 15 January 2016.

3. As at 22 January 2016.

4. Source: BVB, for the period 5 January 2011 – 22 January 2016.

5. Source: LSE, for the period 29 April 2015 – 22 January 2016.

NAV, Share Price and GDR Performance

Cumulative Performance (RON)

| | 2011 | 2012 | 2013 | 2014 | 2015 | Q4 15 | Since Performance Inception ¹ |
|----------------------|----------|--------|--------|--------|---------|-------|--|
| NAV | (0.47)% | 8.91% | 13.29% | 1.39% | (0.60)% | 1.96% | 23.77% |
| Ordinary Share Price | (30.32)% | 38.30% | 61.34% | 14.53% | (4.06)% | 2.53% | 70.85% |
| GDR | N/A | N/A | N/A | N/A | N/A | 4.24% | (4.13)% |

Average Annual Discount

| 2011 | 2012 | 2013 | 2014 | 2015 | YTD ² | Current Share Price Discount ³ | Current GDR Price Discount ³ |
|--------|--------|--------|--------|--------|------------------|---|---|
| 55.66% | 50.20% | 41.30% | 30.71% | 28.92% | 34.72% | 36.27% | 35.71% |

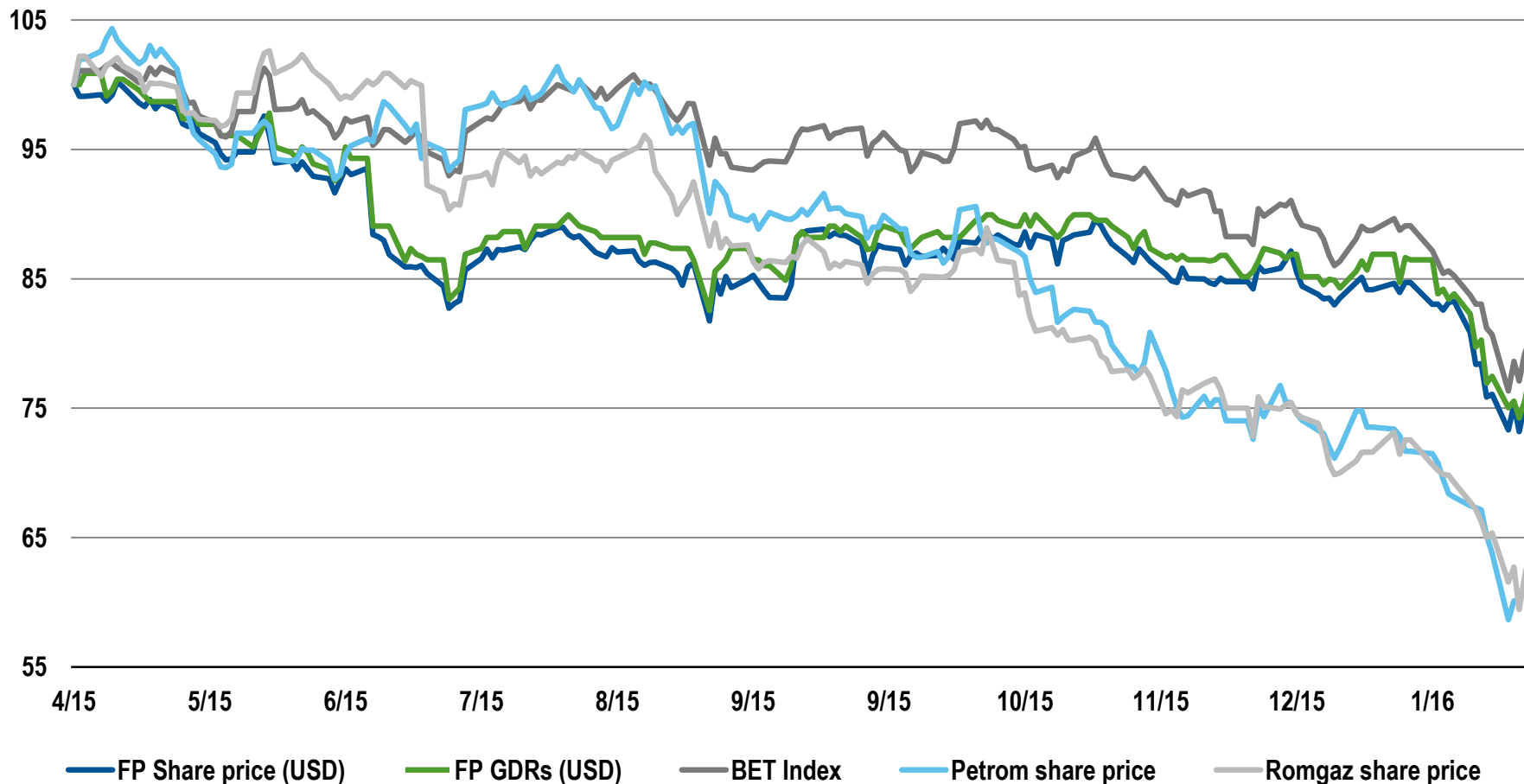
Source: BVB, LSE, FP NAV reports prepared by the Fund Manager.

1. 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.

2. For the period: 4 – 22 January 2016.

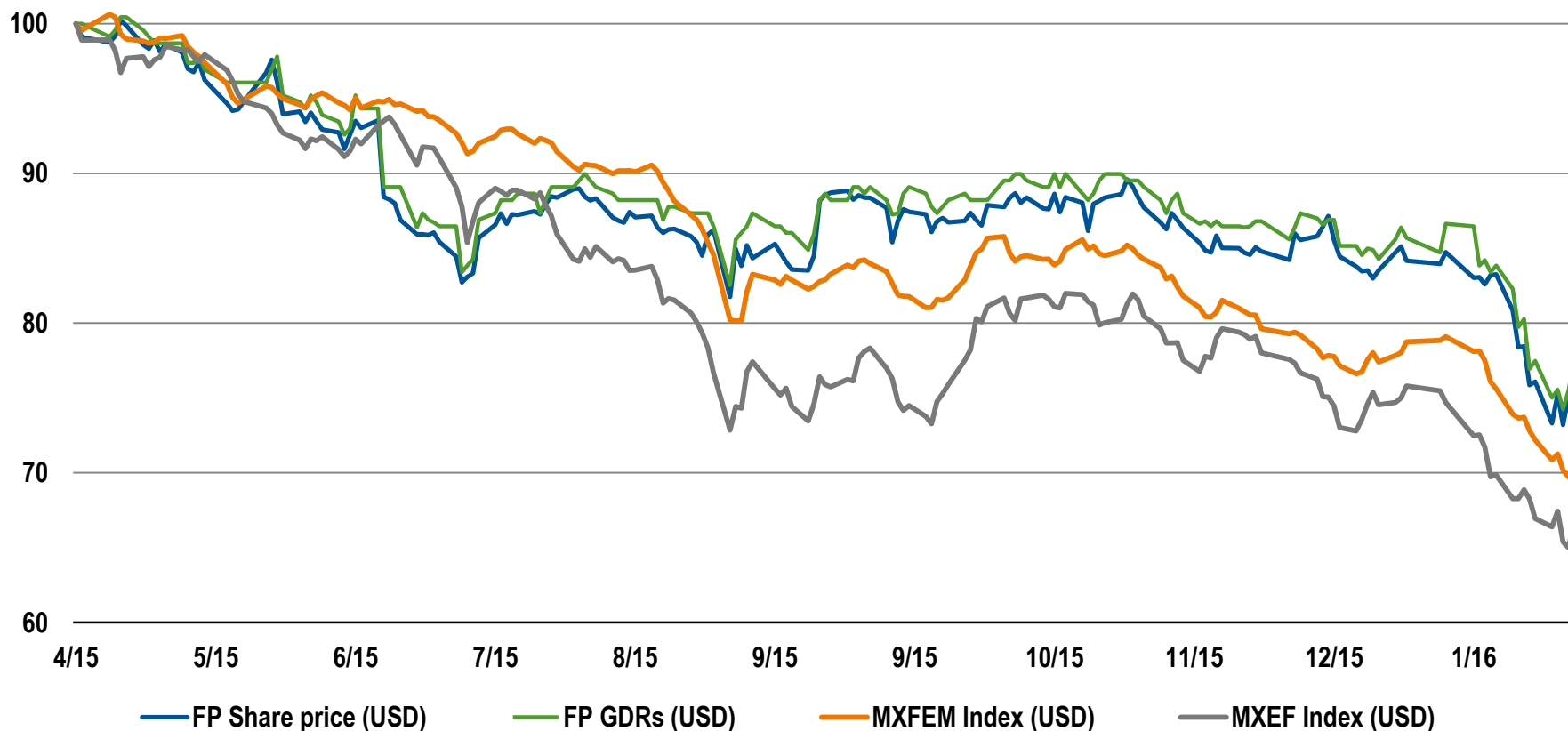
3. As at 22 January 2016.

FP Share Price vs. Portfolio



Source: BVB, Bloomberg, for the period 29 April 2015 – 22 January 2016.

FP Share Price vs. Frontier and Emerging Markets

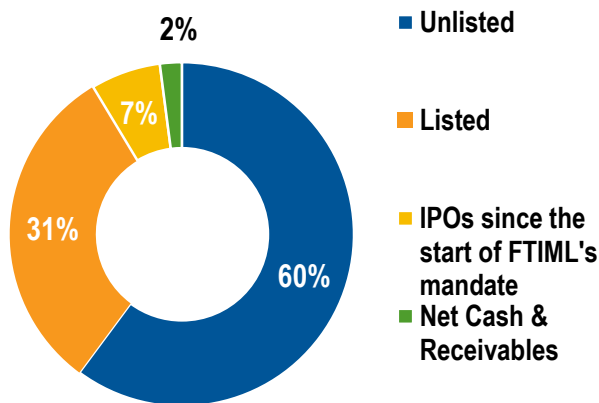


Source: Bloomberg, for the period 29 April 2015 – 22 January 2016.

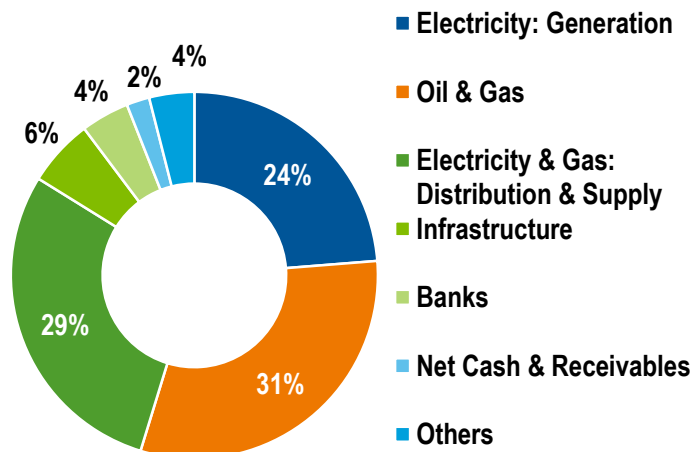
Portfolio



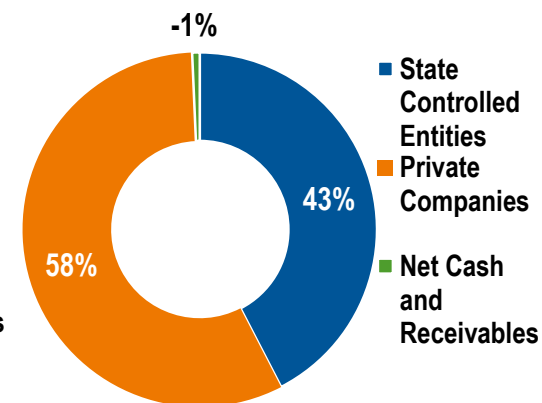
Listed vs Unlisted
as at 31 December 2015



By Sector
as at 31 December 2015



By Controlling Ownership as
at 30 September 2015



- As at 31 December 2015, the portfolio included stakes in 48 companies (14 listed and 34 unlisted)
- Net cash and receivables position as at 31 December 2015 was USD 59.4 mn
- The Fund Manager extended, until 31 August 2016, the Citi credit facility of RON 500 million, with a potential increase to a further RON 500 million. The credit facility will be used mainly for corporate actions (share buy-backs and return of capital).

Source: Monthly Factsheet prepared by the Fund Manager as at 31 December 2015, Q3 2015 results report.

Largest Holdings by NAV

| Portfolio Company | Status | Majority Shareholder | % Stake ¹ | NAV as at 31 December 2015 (USD mn) | % in NAV as at 31 December 2015 |
|---------------------------------------|---------------|-------------------------|----------------------|-------------------------------------|---------------------------------|
| OMV Petrom SA | Listed | OMV | 19.0% | 752.23 | 25.81 |
| Hidroelectrica SA | Insolvency | Romanian State | 19.9% | 639.90 | 21.96 |
| ENEL Distributie Banat | Unlisted | Enel Group | 24.1% | 150.44 | 5.16 |
| Romgaz SA | Listed | Romanian State | 5.9% ² | 147.83 | 5.07 |
| E.ON Distributie Romania ³ | Unlisted | E.ON Group | 18.3% | 123.05 | 4.22 |
| CN Aeroporturi Bucuresti | Unlisted | Romanian State | 20.0% | 120.03 | 4.12 |
| ENEL Distributie Muntenia | Unlisted | Enel Group | 12.0% | 109.80 | 3.77 |
| GDF Suez Energy Romania | Unlisted | GDF Suez | 12.0% | 107.55 | 3.69 |
| ENEL Distributie Dobrogea | Unlisted | Enel Group | 24.1% | 96.73 | 3.32 |
| BRD Groupe Societe Generale SA | Listed | Groupe Societe Generale | 3.6% | 74.06 | 2.54 |
| Top 10 Portfolio Holdings | | | | 2,321.62 | 79.66 |
| NAV | | | | 2,914.30 | 100.00 |
| NAV Per Share (USD) | | | | 0.2788 | |

Note: Values in USD calculated using the USD/RON FX rate as at 31 December 2015.

Source: Monthly Factsheet prepared by the Fund Manager as at 31 December 2015.

1. Based on the 30 September 2015 Detailed Statement of Investments.

2. Source: Current report issued by the Fund Manager as at 20 October 2015.

3. Formed through the merger of E.ON Gaz Distributie and E.ON Moldova Distributie, as at 31 December 2014.

NAV – Independent Fair Valuations (I)

| Portfolio Company | Value in 31 Dec 2015 NAV (RON mn) | Value in 30 Oct 2015 NAV (RON mn) | Impact on Total NAV (RON mn) |
|--|--------------------------------------|--------------------------------------|---------------------------------|
| Hidroelectrica SA | 2,654.1 | 2,178.1 | 476.0 |
| ENEL Distributie Banat SA | 624.0 | 640.5 | (16.5) |
| Enel Distributie Muntenia SA | 455.4 | 465.8 | (10.4) |
| GDF Suez Energy Romania SA | 446.1 | 461.3 | (15.2) |
| E.ON Distributie Romania SA | 510.4 | 445.9 | 64.5 |
| ENEL Distributie Dobrogea SA | 401.2 | 396.9 | 4.3 |
| CN Aeroporturi Bucuresti SA | 497.8 | 332.3 | 165.6 |
| Electrica Distributie Muntenia Nord SA | 253.9 | 253.9 | - |
| Electrica Distributie Transilvania Sud SA | 222.3 | 222.3 | - |
| Electrica Distributie Transilvania Nord SA | 215.6 | 215.6 | - |
| Societatea Nationala a Sarii SA (Salrom) | 177.4 | 142.9 | 34.5 |
| E.ON Energie Romania SA | 126.5 | 133.9 | (7.4) |
| CN Administratia Porturilor Maritime SA (Constanta Port) | 175.1 | 132.6 | 42.5 |

Source: 30 September 2015 Detailed Statement of Investments, NAV report prepared by the Fund Manager as at 31 December 2015.

NAV – Independent Fair Valuations (II)

| Portfolio Company | Value in 31 Dec 2015 NAV (RON mn) | Value in 30 Oct 2015 NAV (RON mn) | Impact on Total NAV (RON mn) |
|---|--------------------------------------|--------------------------------------|---------------------------------|
| Electrica Furnizare SA | 149.6 | 126.4 | - |
| Complexul Energetic Oltenia SA | 62.8 | 108.5 | (45.7) |
| ENEL Energie SA | 76.6 | 74.4 | 2.2 |
| Enel Energie Muntenia SA | 64.0 | 65.1 | (1.1) |
| Posta Romana SA | 58.7 | 55.9 | 2.8 |
| Zirom SA | 23.3 | 39.3 | (16.1) |
| Plafar SA | 1.9 | 1.8 | 0.0 |
| Aeroportul International Mihail Kogalniceanu - Constanta SA | 1.6 | 2.3 | (0.7) |
| Aeroportul International Timisoara - Traian Vuia SA | 2.6 | 3.9 | (1.3) |
| Total | 6,359.6 | 5,681.4 | 11.9% |

Source: 30 September 2015 Detailed Statement of Investments, NAV report prepared by the Fund Manager as at 31 December 2015.

Corporate Actions



Distributions to Shareholders (I)

Annual Distributions to Shareholders (mn RON)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------|----------------|--------------|--------------|----------------|----------------|--------------|
| Buy-backs | 0.0 | 120.0 | 0.0 | 962.6 | 1,177.2 | 394.7 |
| Gross Distributions | 1,124.3 | 432.7 | 507.7 | 536.4 | 601.3 | 534.3 |
| Total | 1,124.3 | 552.7 | 507.7 | 1,499.0 | 1,778.5 | 929.0 |

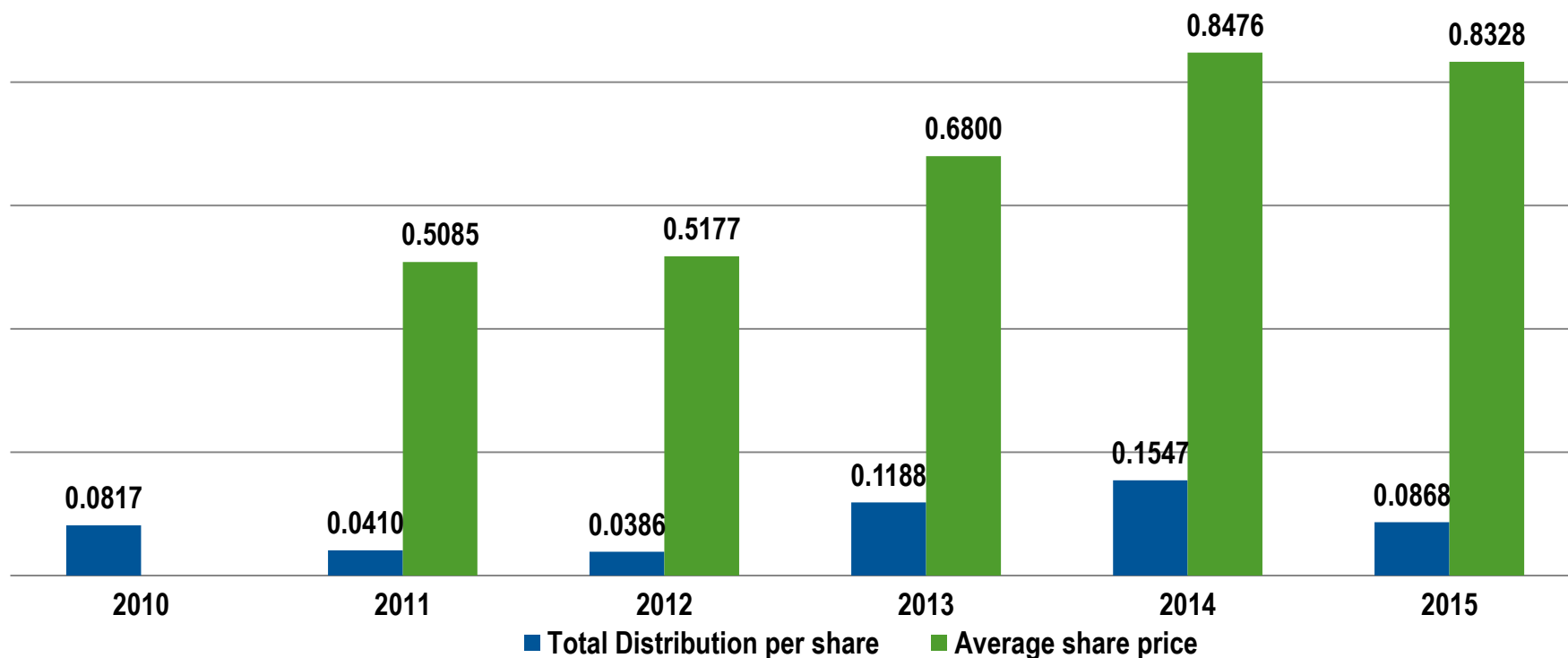
- The total distributions through buy-backs and cash amount to RON 6.39 bn / EUR 1.44 bn.

Source: Fund Manager.

Note: EUR values based on the NBR average EUR/RON FX for each year.

Distributions to Shareholders (II)

Annual Distributions to Shareholders per Share



- The total distributions through buy-backs and cash amount to RON 0.5216 per share.

Source: Fund Manager.

Note: EUR values based on the NBR average EUR/RON FX for each year.

Distributions to Shareholders (III)

Cash Distributions to Shareholders (RON)

| | Financial Year | Paid In | Gross Cash Distribution Per Share | Net Cash Distribution Per Share | % 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 ¹ | | 2016 | 0.05000 | 0.05000 | - |
| Total | | | 0.34244 | 0.31164 | |

Source: Fund Manager.

Note: 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

1. Return of capital proposed by the Fund Manager for shareholder approval on 27 January 2016.

Dividend Income – Portfolio Companies

| | FP NET DIVIDEND (RON mn) | | | | |
|--|--------------------------|---------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Total Top 20 Holdings (RON mn) | 416.2 | 515.2 | 592.5 | 650.8 | 557.1 |
| Total Dividends from Listed Companies (RON mn) | 304.0 | 450.1 | 373.9 | 538.6 | 251.5 |
| Total Dividends from Unlisted Companies (RON mn) | 215.1 | 168.9 | 275.8 ² | 143.5 | 315.9 |
| Total Dividend Income (RON mn) | 519.1 | 619.0 | 649.7 | 682.1 | 567.4 |
| Total Dividend Income per Share (RON)¹ | 0.05959 | 0.04699 | 0.04954 | 0.05674 | 0.05310 |
| Dividend / Distribution per Share (RON) | 0.03854 | 0.04089 | 0.05000 ³ | 0.05000 ⁴ | 0.05000 ⁵ |
| Share Price (RON) | 0.5550 ⁶ | 0.6600 ⁷ | 0.7640 ⁸ | 0.8130 ⁹ | 0.7370 ¹⁰ |
| Yield | 6.94% | 6.20% | 6.54% | 6.15% ⁹ | 6.78% ¹⁰ |
| Yield for Romanian companies (BET) | 4.21% | 5.09% | 5.10% | 3.50% | |

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

1. Calculation based on the number of paid shares at the registration date for each year excluding treasury shares at the same date.

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. 2015 Return of capital following the decrease of the nominal value of the Fund's share from RON 0.95 to 0.90.

5. Proposal submitted for shareholder approval during the GSM on 27 January 2016.

6. As at 14 May 2012.

7. As at 15 May 2013.

8. As at 30 April 2014.

9. As at 24 June 2015.

10. As at 22 January 2016.

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 |
|---------|-----------------------|--|--|---------------------------------|-----------------------------------|--|
| Fourth | Oct 2014 – Feb 2015 | Completed | 991.0 mn/7.32% | 1.0557 ¹ | Raiffeisen | Cancelled on 14 Aug 2015 |
| Fifth | Feb – Jul 2015 | Completed | 227.6 mn/1.89% | 0.8501 ² | Wood & Co. | Approved by shareholders during the GSM on 29 Oct 2015 |
| Sixth | Started on 9 Sep 2015 | 17.54% Completed | 891.8 mn/7.54% | 0.8103 ³ | Wood & Co., Goldman Sachs Int. | - |
| Seventh | - | Approved during the GSM on 29 October 2015 | Max. 10% of the issued share capital at the relevant time | - | - | - |

1. Including the 750mn shares Tender Offer.

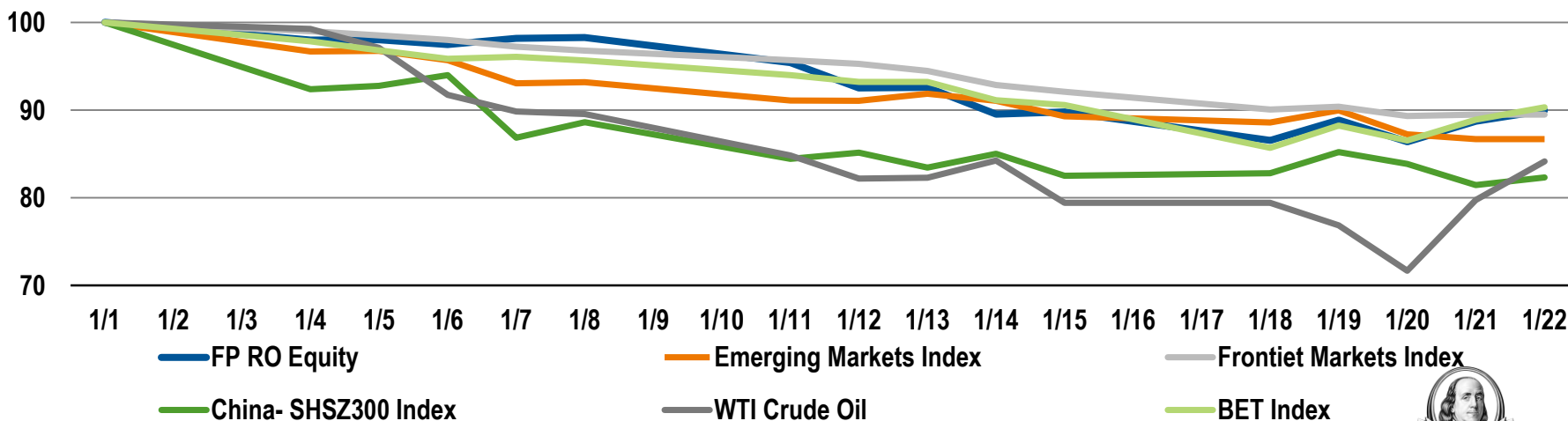
2. As at 29 July 2015, based on the 227,572,250 shares repurchased.

3. As at 15 January 2016. Estimated value based on the 156,437,373 shares repurchased (117,112,673 ordinary shares and 39,324,700 equivalent shares of the GDRs repurchased).

Third Tender Offer

- On 14 January 2016, the Fund Manager announced that it submitted for approval to the FSA an application for a tender offer for cash of its own shares in relation to the sixth buy-back programme. The Fund intended to repurchase up to 430,000,000 shares (both in the form of shares and GDRs) from its shareholders
- On 25 January 2016, the Fund Manager announced that it suspended the process of the tender offer and withdrew the application from the FSA. The decision was driven by the significant increase in global financial markets' volatility.
- Daily execution of the buy-back programme with respect to shares on the BVB and GDRs on the LSE will be restarted on Thursday, 28 January 2016.
- The Fund Manager will continue to monitor market developments and is prepared to restart the process when market conditions are more supportive

YTD Performance of FP¹



1. Source: Bloomberg.

EGM Agenda



- The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 9,869,265,720.90 to RON 9,320,973,180.85 through the reduction of the par value of the shares of Fondul Proprietatea SA from RON 0.90 to RON 0.85.
- The ratification and the approval of all EGM resolutions and of all legal acts between 6 September 2010 and 26 January 2016
- The approval of:
 - 3 June 2016 as the Ex – Date
 - 6 June 2016 as the Registration Date, and
 - 27 June 2015 as the Payment Date

Source: Fund Manager.

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FONDUL PROPRIETATEA

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