

Fondul Proprietatea – 2019 Annual GSM

4 April 2019



Report on the Discount objective



Discount objective



Objective

The discount between the closing price for each Trading Day on the Bucharest Stock Exchange, of the shares issued by the Fund and the latest reported NAV per Share should be equal to or lower than 15% in at least two thirds of the Trading Days during the reporting period 1 January 2018 – 31 December 2018.



Monthly Monitoring – 31 December 2018

In the period 1 January – 31 December 2018, discount was higher than 15%, for both shares and GDRs.



Discount evolution

Discount at the start of the Reporting Period – 3 January 2018	Discount as at 31 December 2018	Average for the Reporting Period 1 January – 31 December 2018	Discount range for the Reporting Period 1 January – 31 December 2018
26.98%	35.75%	29.54%	23.85% – 38.88%

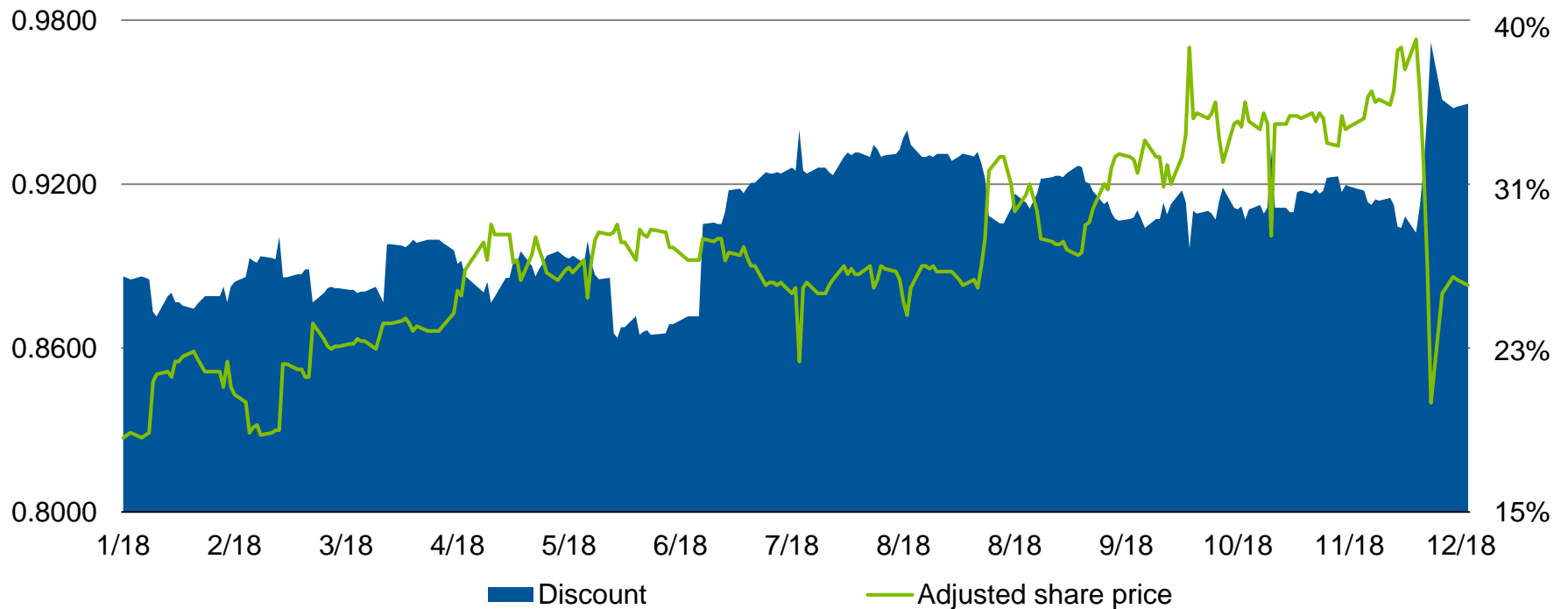
Source: Fondul Proprietatea Report.

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

FP share price and Discount evolution



FP Adjusted share price (RON) and Discount (%)



Source: BVB, Bloomberg, for the period 3 January – 31 December 2018.



Distributed RON 1.87 billion to the Fund's shareholders during 1 January – 31 December 2018 via:

- **Annual Dividend Distribution:**

Gross distribution to shareholders of **RON 499.98 million** or RON 0.0678 per share – payment started on 29 June 2018

- **Buy-backs:**

Executed the 9th buy-back programme (19 November 2017 – 31 December 2018) through a tender offer for 1.2 bn shares (executed in February 2018) and daily share repurchases of up to 25% of the average daily trading volume for the last 20 trading sessions. The total acquisition cost in 2018 at trade price (excluding transaction costs) of the buy-back program was **RON 1,370,57 million**

- **Total amount distributed**

(including buy-backs and dividend distributions) is **RON 1,870.55 million**, i.e. 18.3% of the Fund's NAV as at 31 December 2018



Investor Relations:

Proactive investor relations program to increase the visibility of the Fund to a broader base of investors

Creating liquidity at the portfolio level¹

	RON
Total Value of Disposals	173,011,275
Dividends Received (Collected)	629,045,350
Credit Facility (Committed) ²	400,000,000
Total	1,202,056,624

Source: Fund's periodical reports.

1. For the Reporting Period: 1 January – 31 December 2018.

2. Maximum committed amount of RON 400 million, plus the possibility to access, at any given time, an additional amount of RON 200 million, subject to the Bank's approval and in accordance with the provisions of the Credit Facility, without exceeding RON 600 million in total.

Distributions to shareholders

RON	Distributions to shareholders in the period 1 January – 31 December 2018 (excluding related costs)	Expenses related to distributions recorded in the period 1 January – 31 December 2018	Total	% of the NAV as at 30 June 2017	% of the average market capitalization during the period
Buyback program 9	1,370,570,876	27,600,580	1,398,171,456	13.23%	18.98%
June 2018 dividend distribution	499,976,344	5,013,547	504,989,891	4.78%	6.85%
Total	1,870,547,220	32,614,127	1,903,161,346	18.00%	25.83%

1. Source: Fund's periodical reports.

Share buybacks

Program	Period	Status	No. of shares repurchased	Average share price (RON/share)	Acquisition cost of shares repurchased, excluding transaction costs (RON)	Broker	Cancellation of shares ¹
Ninth	14 Nov 2017 – 31 Dec 2018	Finalized	1,487,992,569	0.9319	1,386,721,945.39	Wood & Co., Jefferies Internat.	The cancellation of shares will be subject to shareholders' approval in 2019

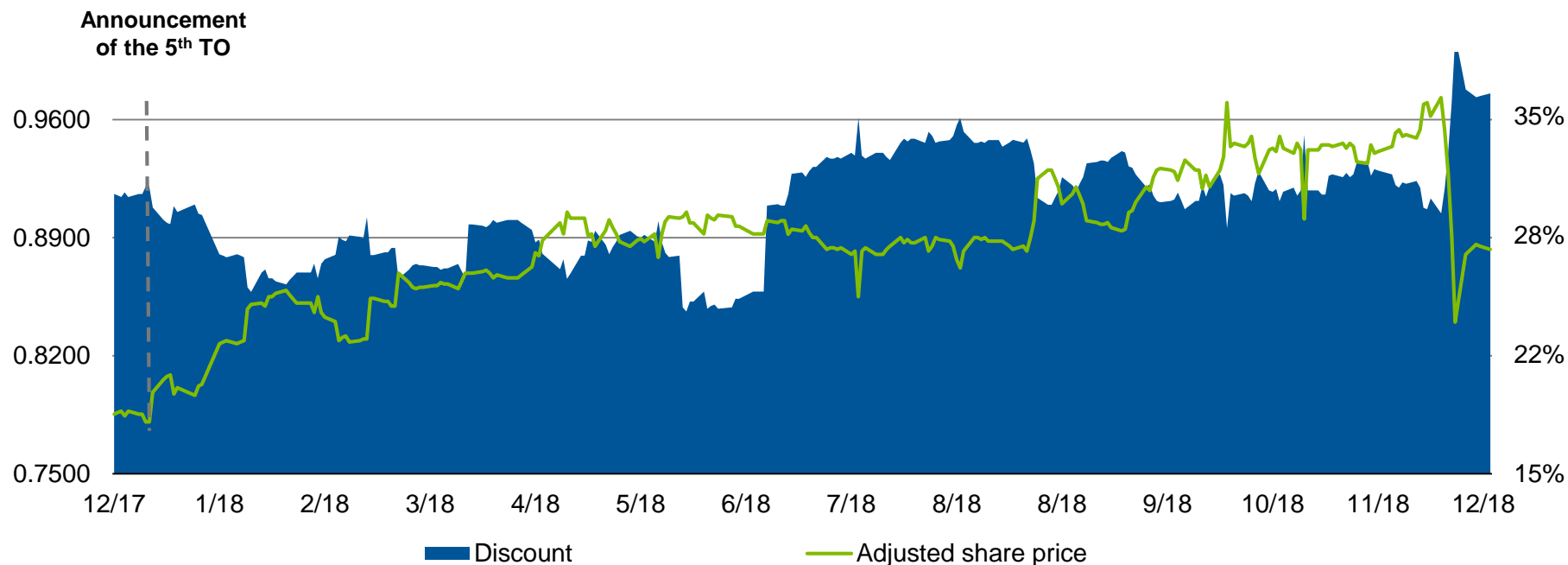
- The Fund Manager contracted a revolving credit facility for a maximum amount of RON 400 mn² from BRD - Groupe Societe Generale SA. The purpose of this credit facility is for general corporate and operational use, including buybacks of own shares, distributions to shareholders, but excluding investments. The credit facility is available until June 2020.

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. Maximum committed amount of RON 400 million, plus the possibility to access, at any given time, an additional amount of RON 200 million, subject to the Bank's approval and in accordance with the provisions of the Credit Facility, without exceeding RON 600 mn in total.

Tender offer

Tender Offer	Announcement date	Tender price (RON/share)	FP pre-announcement share price (RON/share)	Premium to pre-announcement share price (%)	Discount of offer price to NAV (%) ¹	Take-up rate (%)
Fifth	15 Dec 2017	0.9350	0.8400	11.31%	22.84%	54.10%



Source: Investment Manager current reports and Tender offer documentation, BVB for the period 1 December 2017 – 31 December 2018.
1. Latest NAV available at the date of the Tender offer announcement: 31 October 2017 NAV for the Fifth Tender Offer.



During the Reporting Period, the Fund Manager continued to actively promote Fondul Proprietatea, through:

- 339 Investor Meetings

- 47 Investor Conference Calls

- 30 Investor Conference and Roadshows

- 100 participants to the Romania Investor Days in London event, 28 February – 1 March 2018

- 171 participants to the FP Investor Days event, 5 – 7 September 2018

- 4 Results conference calls with analysts and investors



Investors that attended the Romania Investor Days in London and FP 2018 Investor Days events have assets under management of over EUR 2,500 billion.

Report on the NAV objective





Objective

The Adjusted NAV per share as at 31 December 2018, to be higher than the NAV per share as at 30 June 2017 (RON 1.1953 per share)



Monthly Monitoring – 31 December 2018

Adjusted NAV as at 31 December 2018 is higher than the NAV per share as at 30 June 2017

NAV Objective	Amount RON	Comments
Total NAV as at 31 December 2018	10,219,444,080	
Dividend distribution from 2017 profits	499,976,344	Dividend distribution approved by shareholders during 26 April 2018 GSM, based on eligible shares as at dividend record date - 11 June 2018 (total issued shares less unpaid shares less shares bought-back and held by the Fund)
Costs related to buy-backs after 30 June 2017	13,961,801	Fees related to eighth buy-back programme after 30 June 2017; ninth buy-back programme, including the FSA fees of 1% of the tender offer value, excluding the distribution fees for buy-backs
Distribution fees for buy-backs performed after 30 June 2017	15,094,559	Distribution fees for buy-backs, including the tender offer within the ninth buy-back programme
Distribution fees for dividends after 30 June 2017	4,999,763	Distribution fees for distributions to shareholders in the form of dividends
Costs related to returns of capital and dividends after 30 June 2017	48,516	Fees charged by the Central Depository and the Paying Agent for the payments performed after 30 June 2017 (for the 2015, 2016 and 2017 returns of capital and 2018 dividend distribution)
Total Adjusted NAV as at 31 December 2018	10,753,525,062	
Number of Fund's paid shares, less treasury shares and GDRs held as at 31 December 2018	7,250,158,347	
Adjusted NAV per share as at 31 December 2018	1.4833	
NAV per share as at 30 June 2017	1.1953	
Difference	0.2880	
%	24.09%	

Source: FP Report.

Note: The adjusted NAV for a given date is calculated as the sum of: (1) the reported NAV as at the end of the reporting period, (2) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in this case following reductions of the par value of the shares and distribution of the decreasing amount to shareholders) implemented after the end of the previous reporting period, and (3) any distribution fees (as defined in the IMA), and any transaction costs and / or distribution costs relating to either dividend or non-dividend distributions including buy-backs of shares and/or GDRs, and/or depository interests executed through daily acquisitions or public tenders, after the end of the previous Reporting Period. The adjusted NAV per share is equal to the adjusted NAV divided by: the total number of the Fund's paid shares, less treasury shares (FP ordinary shares bought back) and less equivalent in FP ordinary shares of FP GDRs acquired and not yet converted into FP ordinary shares, on the last day of the reporting period.

Attribution to NAV performance for the period 1 January – 31 December 2018



Top Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
Hydroelectrica SA	Unlisted	41.8%	9.95%	0.1231
OMV Petrom SA	Listed	16.6%	1.68%	0.0208
CN Aeroporturi Bucuresti SA	Unlisted	8.4%	1.65%	0.0204
Nuclearelectrica SA	Listed	1.7%	0.71%	0.0088
Societatea Nationala a Sariei SA	Unlisted	2.4%	0.55%	0.0068



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
E-Distributie Banat SA	Unlisted	4.6%	(0.61)%	(0.0075)
E-Distributie Dobrogea SA	Unlisted	2.8%	(0.46)%	(0.0057)
Complexul Energetic Oltenia SA	Unlisted	0.0%	(0.30)%	(0.0037)
E-Distributie Muntenia SA	Unlisted	3.8%	(0.28)%	(0.0034)
Posta Romana SA	Unlisted	0.1%	(0.26)%	(0.0032)
TOTAL NAV PER SHARE CHANGE				0.1720

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

1. NAV report as at 31 December 2018.

List of disposals

Company	Status	Disposal type	Stake sold (%)	Proceeds on disposals (RON)	Disposal date
BRD Groupe Societe Generale SA	Listed	Market sale	0.77%	68,095,656	May – June 2018
Conpet SA	Listed	Market sale	6.06%	52,960,966	April 2018
Nuclearelectrica SA	Listed	Market sale	2.04%	49,271,711	January – July 2018
Palace SA Sinaia	Listed	Market sale	15.43%	2,682,942	June 2018
Total				173,011,275	

Source: Fund's periodical reports.

Fund Information

Open	838.63
Low	856.45
Close	836.23
on Close (50)	845.12
on Close (100)	NA
on Close (200)	NA



The Fund – Key Facts



Fund Details¹

	RON	USD
NAV	10.08 bn	2.42 bn ²
NAV/Share	1.4016	0.3371 ²
Price/Share	0.8820	0.2121 ²
Price/GDR	44.08	10.60
Market Capitalization as at 29 March 2019 ³	6.56 bn	1.55 bn ³
Discount/Share as at 29 March 2019		34.72%
Discount/GDR as at 29 March 2019		34.61%
Number of Paid Shares less Treasury Shares ⁴		7,167,442,485
Investment Objective		
Dividend/Share proposal for FY 2018 ⁵		RON 0.0903
Dividend Yield for FY 2018 ⁵		9.87%
Maximization of returns to shareholders and increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities		

Source: BVB, FP Report as at 28 February 2019 report.

1. As at 28 February 2019. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 28 February 2019.

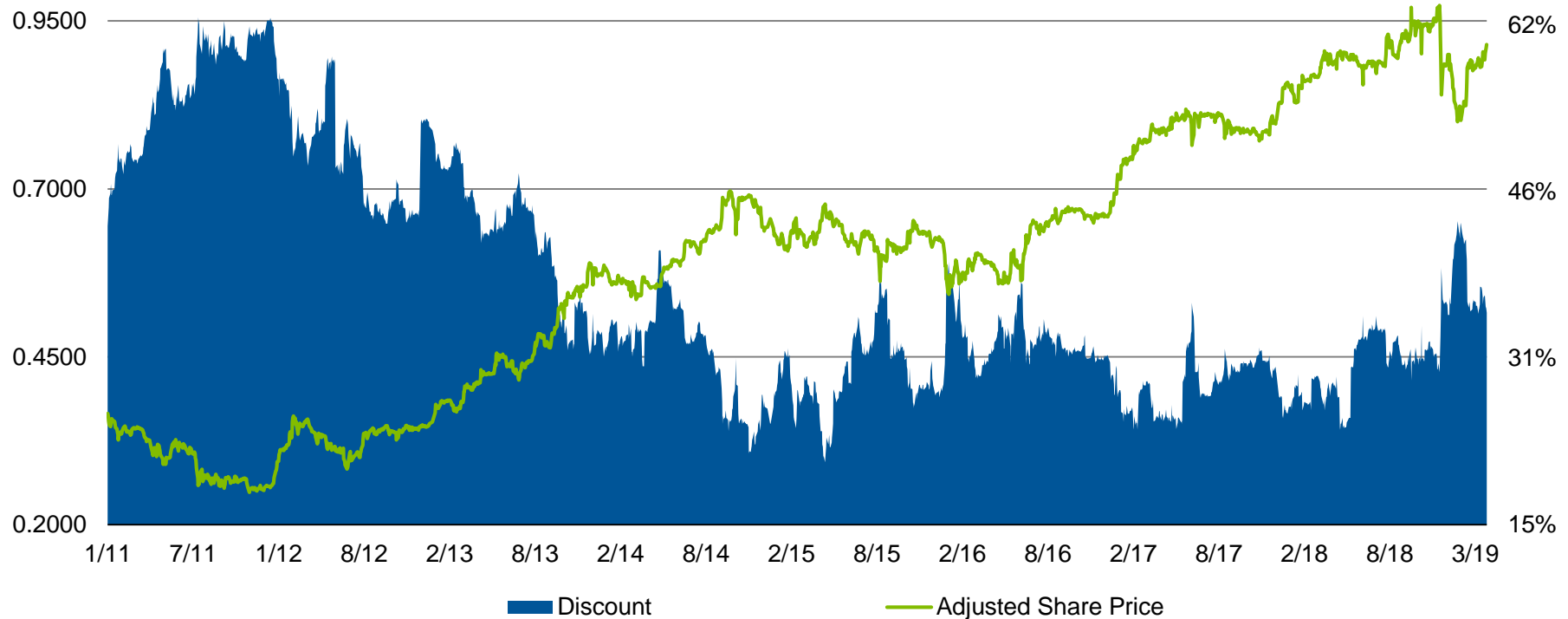
3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 29 March 2019. Computed using the NBR USD/RON FX rate as at 29 March 2019.

4. As at 29 March 2019.

5. Dividend proposal submitted for shareholders' approval during the 4 April 2019 Annual GSM. Dividend yield calculated based on the BVB share price as at 29 March 2019.



FP Share Price (RON) and Discount (%)



Source: BVB, Bloomberg, for the period 25 January 2011 – 29 March 2019.

NAV, Share price and GDR Performance



Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	YTD ¹	Since Performance Inception ¹
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	(0.56)%	79.19%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	(0.11)%	138.96%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	0.95%	24.49%



Average Annual Discount

2011	2012	2013	2014	2015	2016	2017	2018	YTD ²	Current Share Price Discount ³	Current GDR Price Discount ³
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	28.05%	29.54%	37.75%	34.72%	34.61%

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 28 February 2019.

2. For the period 3 January – 29 March 2019.

3. As at 29 March 2019.

Portfolio

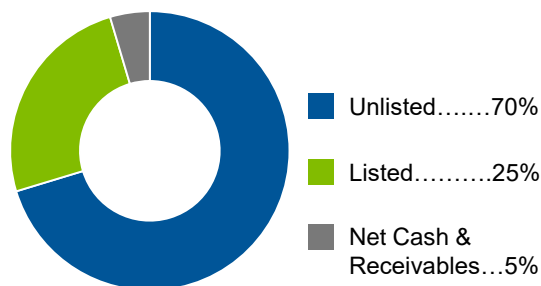


Portfolio Structure



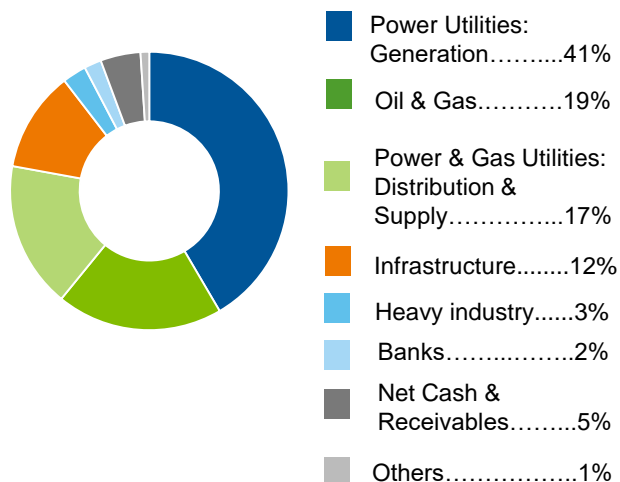
Listed vs Unlisted

as at 28 February 2019 (% NAV)¹



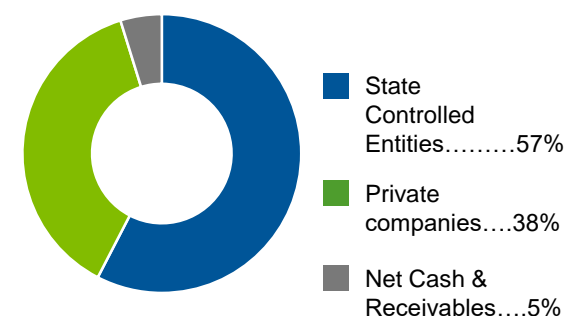
By Sector

as at 28 February 2019 (% NAV)¹



By Controlling Ownership

as at 31 December 2018²



- As at 28 February 2019, the portfolio included stakes in 35 companies (8 listed and 27 unlisted)
- Net cash and receivables position as at 28 February 2019 was USD 112.1 mn.

1. Source: FP 28 February 2019 Factsheet.

2. FP 31 December 2018 Detailed statement of Investments.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 28 February 2019 (USD mn)	% in NAV as at 28 February 2019
Hidroelectrica	Unlisted	Romanian State	19.9%	951.09	39.24
OMV Petrom	Listed	OMV	9.9%	464.43	19.16
Bucharest Airports	Unlisted	Romanian State	20.0%	207.05	8.54
E-Distributie Banat	Unlisted	Enel Group	24.1%	113.51	4.68
Engie Romania	Unlisted	Engie	12.0%	107.01	4.42
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	93.55	3.86
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	69.26	2.86
Salrom	Unlisted	Romanian State	49.0%	60.20	2.48
Constanta Port	Unlisted	Romanian State	20.0%	58.68	2.42
BRD Groupe Societe Generale	Listed	Groupe Societe Generale	2.4%	47.94	1.98
Top 10 Portfolio Holdings				2,172.72	89.64
NAV				2,423.56	100.00
NAV Per Share (USD)				0.3371	

Note: Values in USD calculated using the USD/RON FX rate as at 28 February 2019.

Source: FP 28 February 2019 Factsheet.

1. Based on the FP 31 December 2018 Detailed Statement of Investments.

Top Portfolio Holdings – 2018 financials

Company	Net profit (RON mn)		
	2017	2018	%yoy
Hidroelectrica	1,359.7	1,548.9	13.9%
OMV Petrom	2,489.3	4,077.8	63.8%
BRD Groupe Societe Generale	1,414.6	1,564.7	10.6%
Salrom	86.4	107.9	24.9%
Alro	391.1	235.3	(39.8)%
Bucharest Airports	337.6	405.0	20.0%
Nuclearelectrica	306.5	410.6	34.0%
Total	6,078.7	7,939.6	30.6%

Source: OMV Petrom, BRD GSG, Alro, Nuclearelectrica 2018 consolidated financial statements submitted for shareholders' approval during the April 2019 Annual GSMs, Hidroelectrica, Salrom, Bucharest Airports preliminary unaudited figures presented by the management.

Key events with impact on the Fund's portfolio



The Emergency Government Ordinance (“OUG”) approved by the Romanian Government on 21 December 2018 and targeting the electricity, gas, telecom, banking and private pension fund sectors, was amended on 29 March 2019 through an additional OUG. The main provisions now in place approved through the two ordinances, with an impact on the Fund's NAV are as follows:

- 2% Tax on turnover for companies in the electricity and gas sectors. Coal-based power producers as well as cogeneration units will be exempted
- Capping gas prices for households and thermal energy producers that supply heating to centralized systems at RON 68 MW/h from 1 May 2019 until February 2022
- Capping electricity prices for households and small enterprises (with less than 50 employees and revenues less than EUR 50 million) at a price set by the regulator (“ANRE”). For the 1 March – 31 December 2019 period ANRE set a price for Hidroelectrica of RON 111.61/MWh and a quantity to be sold on the regulated market which represents 9.7% of the electricity production delivered in 2018. For Nuclearelectrica the price was set at RON 188/MWh and a quantity which represents 13.4% of the electricity production delivered in 2018.
- Asset tax on banks: 0.4% per year for banks with a market share exceeding 1%, and 0.2% for banks with market share below 1%
- Changes to the Pilar II Pension Funds:
 - option to transfer from Pilar II to Pilar I after at least 5 years of contributions to Pilar II
 - the reduction of the contribution fee from 2.5% to 1%
 - higher capital requirements for the Pillar II Pension Fund managers which are due on 31 December 2019

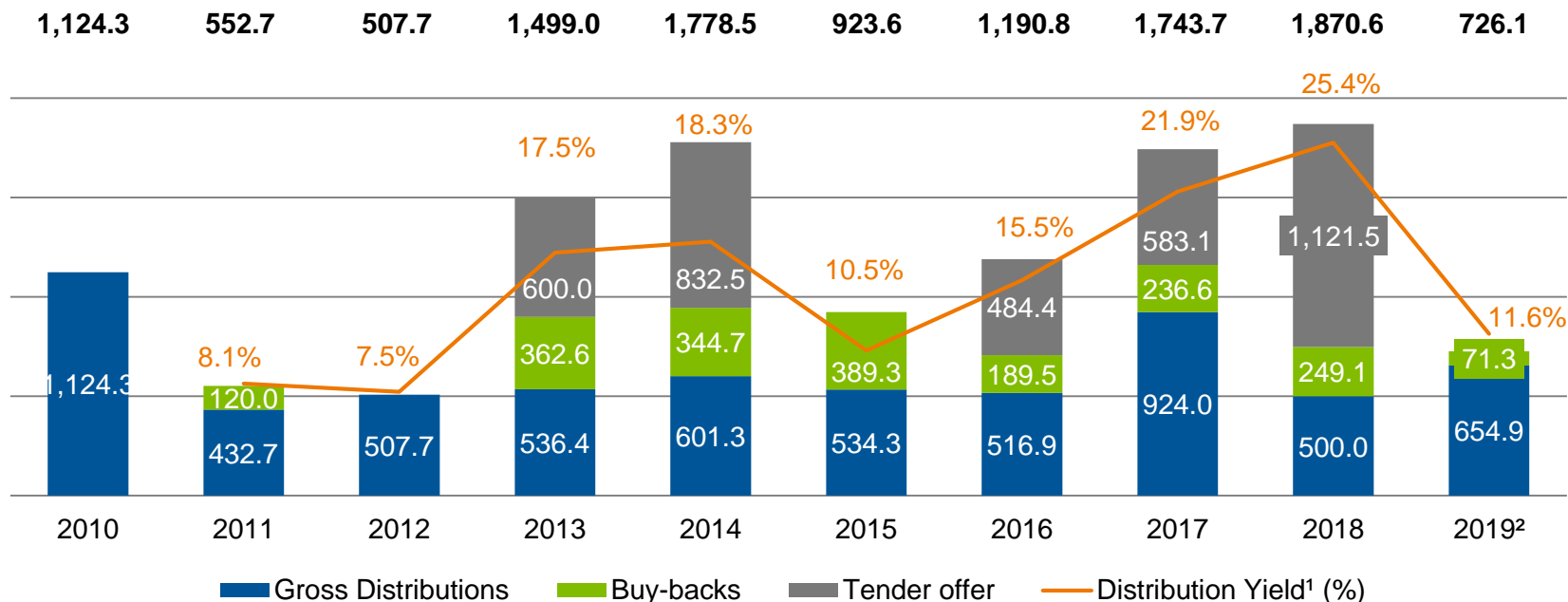
Corporate Actions



Distributions to shareholders



Annual Distributions to Shareholders (RON mn)




The total distributions through buy-backs and cash would amount to RON 11.92 bn/USD 3.27 bn³

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2019, average USD/RON FX as at 29 March.

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 2019, average closing share price as at 29 March.

2. Source: Buy-backs as at 29 March, and Gross dividend distribution submitted for shareholders' approval during the 4 April 2019 Annual GSM.

3. As at 29 March 2019, based on the USD/RON FX as at 29 March.

 The Investment Manager's proposal for the dividend distribution for the 2018 financial year to be approved in the General Shareholders' Meeting on 4 April 2019 is as follows:

- RON 654.85 million gross dividend distribution
- RON 0.0903 dividend per share (implying a yield of 9.87% based on the market price as at 29 March 2019)
- 7 June 2019 Ex-date
- 10 June 2019 Registration Date
- 1 July 2019 Payment date.

Source: 4 April 2019 FP Annual GSM documentation, BVB and Fund Manager calculations.



The Sole Director's proposal for the allocation of the 2018 audited profit in amount of RON 935,091,985 is the following:

- RON 46,754,599 to legal reserves (mandatory transfer)
- RON 654,854,996 to dividends
- RON 233,482,390 to other reserves (to be used to cover the negative reserves that will arise from cancellation of shares acquired during the 9th buy-back programme)
- Also, the Fund's Sole Director proposes that RON 407,262,322 from 2017 profit remained under unallocated retained earnings to be allocated to other reserves to be used to cover the negative reserves that will arise from cancellation of shares acquired during the 9th buy-back programme

Cash Distributions to Shareholders

	Financial Year	Paid In	Gross Cash Distribution per Share (RON)	Net Cash Distribution per Share (RON) 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	-	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	2018	0.06780	0.06441	+28.82%
Dividend ²	2018	To be paid in 2019	0.09030	0.08579	+33.19%
Total			0.60054	0.56184	

Source: Investment Manager.

1.Note: Values resulted after applying the standard Romanian dividend withholding tax rate (amounting to 16% for the 2010 – 2013 dividend distributions and 5% for the 2018 dividend distribution) to the value of the Gross Cash Distribution per Share. Shareholder could benefit from a reduced dividend withholding tax rate or tax exemption, if either Double Taxation Treaty provisions or a specific Romanian tax law exemption was applicable.

The tax treatment of cash distributions resulting from a share capital decrease is uncertain under the 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.

2. Submitted for shareholders' approval during the 4 April 2019 Annual GSM.

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 ¹
Ninth	14 Nov 2017 – 31 Dec 2018	Finalized	1,488.0 mn/16.3%	0.9319	Wood & Co., Jefferies Internat.	Cancellation of shares on the agenda of the 4 April 2019 Annual GSM
Tenth	1 Jan – 31 Dec 2019	Ongoing	750 mn/9.0%	0.8617 ²	Auerbach Grayson, BCR	The cancellation of shares will be subject to shareholders' approval in 2020
All buy-back programs			6,247.1 mn/45.3%³			4,676.4 mn cancelled shares

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. As at 29 March 2019. Estimated value based on the 82,715,862 shares repurchased (68,136,662 ordinary shares and 14,579,200 equivalent shares of the GDRs repurchased).

3. Refers to all 9 buy-back programs executed by the Fund during the 2011 – 2018 period, and the 10th ongoing buy-back program as at 29 March 2019. Based on the Fund's issued share capital as at 31 January 2011.

Annual dividend income – Top 10 portfolio companies

Top 10 Holdings ¹	Dividend Payout (%)				FP Net Dividend (RON mn)				
	2015	2016	2017	2018	2015	2016	2017	2018	2019
Hydroelectrica	80	90	90	90% ²	128.9	134.6	206.6	226.2	278.0 ²
OMV Petrom	-	94	46	N/A	120.5	-	106.8	107.6	152.9 ³
Bucharest Airports	75	90	90	90% ²	10.2	27.4	41.2	61.2	64.8 ²
E-Distributie Banat	44	40	39	N/A	20.7	16.8	8.9	7.7	N/A
Engie Romania	-	30	50	N/A	24.0	-	13.3	20.2	N/A
E-Distributie Muntenia	-	-	-	N/A	-	-	-	-	N/A
E-Distributie Dobrogea	44	37	36	N/A	10.5	12.0	6.6	4.3	N/A
Salrom	-	90	100	90% ²	10.2	-	13.8	42.3	47.6 ²
Constanta Port	75	90	25	N/A	6.5	14.1	11.0	4.1	N/A
BRD Groupe Societe Generale	50	70	83	N/A	-	7.7	17.6	34.5	27.5 ³
Total Top 10 Holdings (RON mn)					331.5	212.6	425.8	508.1	570.8

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

1. Source: 31 January 2019 Factsheet.

2. Assuming a 90% dividend payout ratio, similar to previous years, and using the 2018 preliminary unaudited figures presented by the management.

3. Based on the management proposals submitted for shareholders' approval during the April GSMs.

Annual Financial Results



Statement of Financial Position

RON mn	31 December 2018 Audited	31 December 2017 Audited
Cash and current accounts	19.6	19.2
Deposits with banks	187.1	1,276.7
Treasury bills	49.6	46.3
Government bonds	131.6	195.9
Dividend receivables	137.0	-
Equity investments	9,337.4	9,278.2
Other assets	1.5	10.7
Total assets	9,863.8	10,827.0
Payables	14.8	15.2
Other liabilities	20.6	21.6
Total liabilities	35.4	36.8
Total equity	9,828.4	10,790.2
Total liabilities and equity	9,863.8	10,827.0

Source: FP Annual Sole Director's Report 2018.

Statement of Comprehensive Income

RON mn	2018 Audited	2017 Audited
Gross dividend income	776.2	740.4
Net unrealised gain/ (loss) from equity investments at fair value through profit or loss	225.3	222.8
Interest income	9.8	11.9
Net realised gain/ (loss) from equity investments at fair value through profit or loss	4.5	(1.4)
Reversal of impairment losses on receivables, net	0.2	36.4
Net realised gain/ (loss) from disposal of non-current assets held for sale	-	330.6
Net realised gain on disposal of equity investments classified as available for sale	-	38.5
Impairment losses on equity investments classified as available for sale	-	(8.0)
Other income/ (expenses), net ¹	2.9	0.9
Net operating income	1,018.9	1,372.1
Administration fees recognised in profit or loss	(46.8)	(63.0)
Other operating expenses	(26.5)	(34.5)
Operating expenses	(73.3)	(97.5)
Finance costs	(0.3)	(0.2)
Profit before income tax	945.3	1,274.4
Income tax expense	(10.2)	15.5
Profit for the year	935.1	1,289.9
Other comprehensive income	-	(85.4)
Total comprehensive income for the year	935.1	1,204.5

Source: FP Annual Sole Director's Report 2018.

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

Annual GSM Agenda





EGM agenda:

- The approval of several amendments to the Constitutive Act for implementing the latest changes in legislation and Brexit implementation;

- The cancellation of 1,487,992,569 own shares acquired by Fondul Proprietatea during the ninth buy-back programme and the decrease of the subscribed share capital from RON 4,733,020,898.32 to RON 3,959,264,762.44



OGM agenda:

- Presentation of the Performance Report prepared by the Fund Manager

- Board of Nominees' presentation of the Review Report and the Board of Nominees' annual report for 2018

- The approval of the annual report of the Fund Manager

- The approval of the net profit allocation registered for the financial year 2018, and the approval of the value of the gross dividend of RON 0.0903 per share

- The approval to cover the negative reserves incurred in the 2018 financial year derived from the cancellation of treasury shares

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Appendix



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



Impact of the 7th and 8th buy-back programme on the Fund's equity and the negative reserves booked on cancellation during 2018 (I)

		Buy-back program 7 (RON)	Buy-back program 8 (RON)	Total (RON)
Number of shares cancelled during 2018	(1)	90,849,151	141,869,861	232,719,012
Total acquisition cost at trade price (excluding transaction costs)	(2)	81,480,768	122,347,450	203,828,218
Total costs directly related to transactions, out of which:	(3)	1,371,845	1,764,942	3,136,787
• Brokerage fees		16,296	24,469	40,765
• Financial Supervisory Authority fees		39,404	51,452	90,856
• Stock Exchanges' fees (Bucharest Stock Exchange and London Stock Exchange)		26,981	35,948	62,929
• Central Depository fees		5,582	7,289	12,871
• Distribution fees paid to the Sole Director in relation with the buy-backs performed		1,282,387	1,641,312	2,923,699
• Other professional fees		1,195	4,472	5,667
Total buy-back cost impacting the equity of the Fund at trade date (trade price plus directly related transaction cost)	(4)=(2)+(3)	82,852,613	124,112,392	206,965,005
Less the impact of the Fund's share Nominal Value decrease ¹	(5)	(4,542,458)	(498,291)	(5,040,749)
Accounting value of the treasury shares cancelled	(6)=(4)+(5)	78,310,155	123,614,101	201,924,256
Correspondent Nominal Value at the cancellation date (NV = RON 0.52 per share)	(7)=(1)*NV	47,241,559	73,772,328	121,013,887
Negative equity reserve arising on the cancellation of shares	(8)=(7)-(6)	(31,068,596)	(49,841,773)	(80,910,369)

1. For shares subject to cancellation during 2018 and in balance on 16 June 2017 (the date when the Fund's share nominal value decreased by RON 0.05 per share): 90,849,151 shares from 7th buy-back programme and 9,965,829 shares from 8th buy-back programme.

Impact of the 7th and 8th buy-back programme on the Fund's equity and the negative reserves booked on cancellation during 2018 (II)

The negative reserves recorded during the year ended 31 December 2018

1 January 2018 (audited) (RON)	256,073,589
Coverage of negative balance according to Resolution of 26 April 2018 shareholders' meeting	(256,073,589)
Negative equity reserve arising on the cancellation of the remaining balance of shares acquired during 7 th buy-back programme (recorded on 29 June 2018) according to shareholders' share capital decrease resolution no. 4/26 September 2017	31,068,596
Negative equity reserve arising on the partial cancellation of the shares acquired during 8 th buy-back programme (recorded on 29 June 2018) according to shareholders' share capital decrease resolution no. 4/26 September 2017 ¹	24,396,485
Negative equity reserve arising on the cancelation of the remaining balance of shares acquired during 8 th buyback programme (recorded on 28 December 2018) according to shareholders' share capital decrease resolution no. 2/ 4 September 2018 ¹	25,445,288
31 December 2018 (audited)	80,910,369

- The Fund's Sole Director proposes to shareholders during the 4 April 2019 annual shareholders' meeting that the negative reserves balance of RON 80,910,369 existing as at 31 December 2018 to be covered from 2016 unallocated profit remained under unallocated retained earnings

1. Total negative equity reserve arising on the cancelation of the shares acquired during 8th buyback programme amounts to RON 49,841,773 (out of which RON 24,396,485 was recorded on 29 June 2018 and RON 25,445,288 was recorded on 28 December 2018) - the detailed calculation is presented in the table on the next slide.

Impact of the 9th buy-back programme on the Fund's equity and the negative reserve that will arise on cancelation¹

		Buy-back program 9 (RON)
Period (trade dates)		14 Nov 2017 – 31 Dec 2018
Number of shares repurchased and subject to cancellation approval	(1)	1,487,992,569
Total acquisition cost at trade price (excluding transaction costs)		1,386,721,945
Total costs directly related to transactions, out of which:		27,778,902
• Brokerage fees		616,156
• Financial Supervisory Authority fees		11,340,453
• Stock Exchanges' fees (Bucharest Stock Exchange and London Stock Exchange)		1,401,641
• Central Depository fees		68,947
• Other professional fees		596,258
• Distribution fees paid to the Sole Director in relation with the buy-backs performed		13,755,446
Total buy-back cost impacting the equity of the Fund at trade date (trade price plus directly related transaction cost)	(2)	1,414,500,848
Correspondent Nominal Value as at 31 December 2018 (NV = RON 0.52/ share) (RON)	(3)=(1)*NV	773,756,136
Negative reserve to be booked on cancelation based on the amounts recorded in the financial statements for the year ended 31 December 2018 (RON)	(4)=(3)-(2)	(640,744,712)

- The coverage of this negative reserve will be subject to shareholders approval during the annual shareholders' meeting subsequent to the completion of all legal and regulatory steps related to the cancellation

1. To be booked on completion of all regulatory steps.