



# Fondul Proprietatea

General Shareholders Meeting - November 29, 2010 Bucharest



**FONDUL  
PROPRIETATEA**



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INVESTMENTS**

# Fund Data

## FUND DETAILS AS OF OCTOBER 31, 2010

Base currency	RON
Fund Launch Date	December 28, 2005
Franklin Templeton Appointment Date	September 29, 2010

## VALUES

CNVM NAV	RON 13.5 billion
CNVM NAV/share	RON 0.9792 *

*\* From Dec/Jan. 2011, FP will report new CNVM NAV according to international standards*

## DIVIDENDS PAID

2006	0.0025 RON
2007	0.0066 RON
2008	-
2009	0.0816 RON**

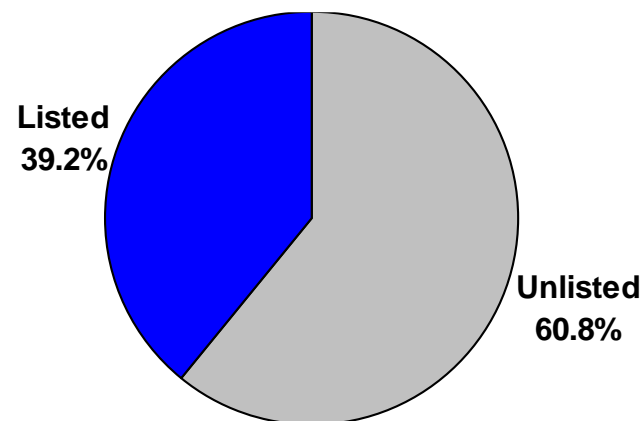
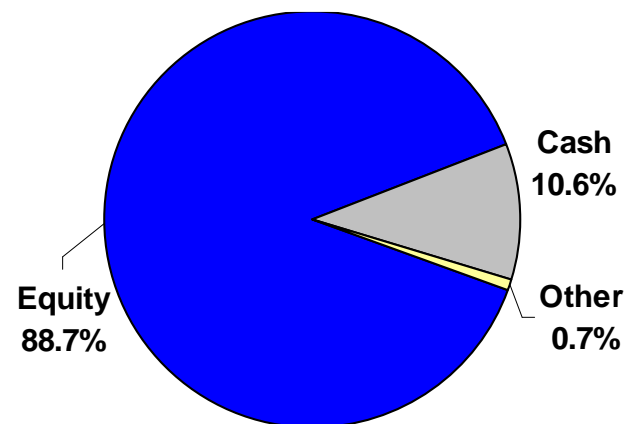
\*\* (distribution for the years 2008 and 2009)

## PORTFOLIO

<b>Number of companies</b>	<b>83</b>
Number of listed companies	29
Number of unlisted companies	54

Data as of October 31, 2010 based on CNVM NAV calculation

## PORTFOLIO STRUCTURE



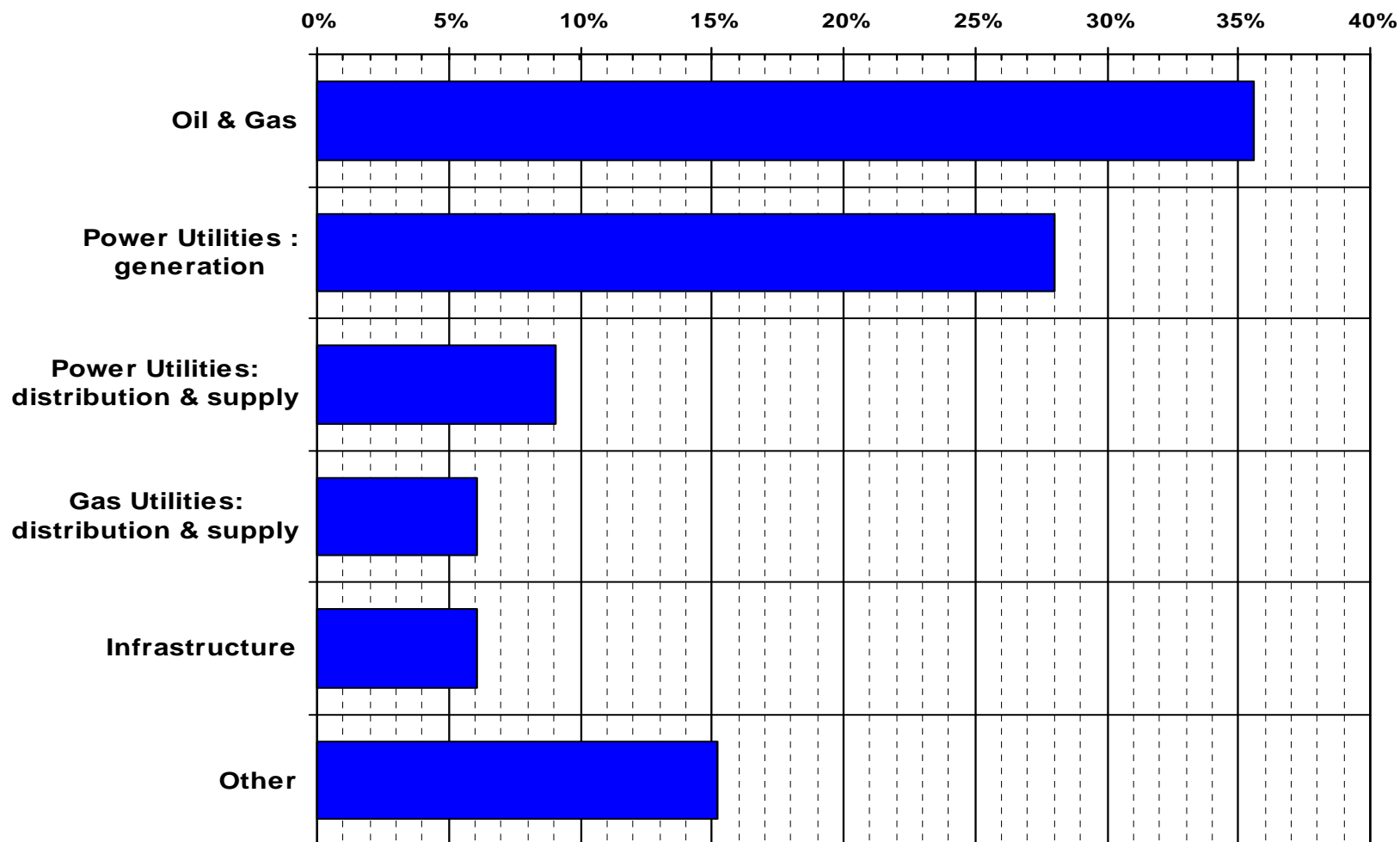
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# Fondul Proprietatea: Top Industries

October 2010



Data as of October 31, 2010 based on CNVM NAV calculation



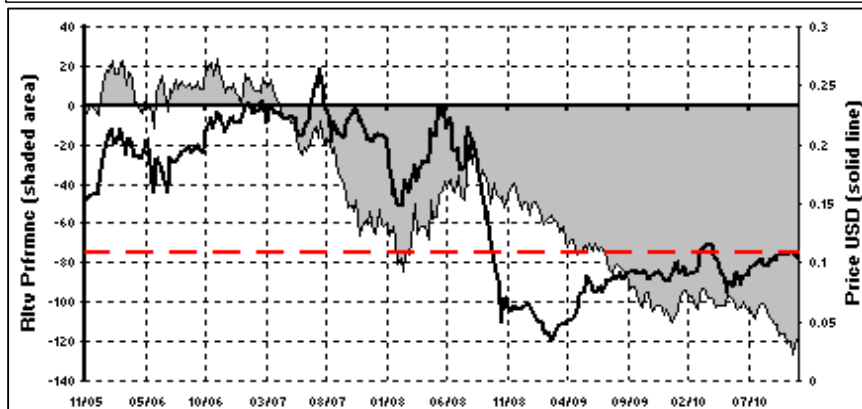
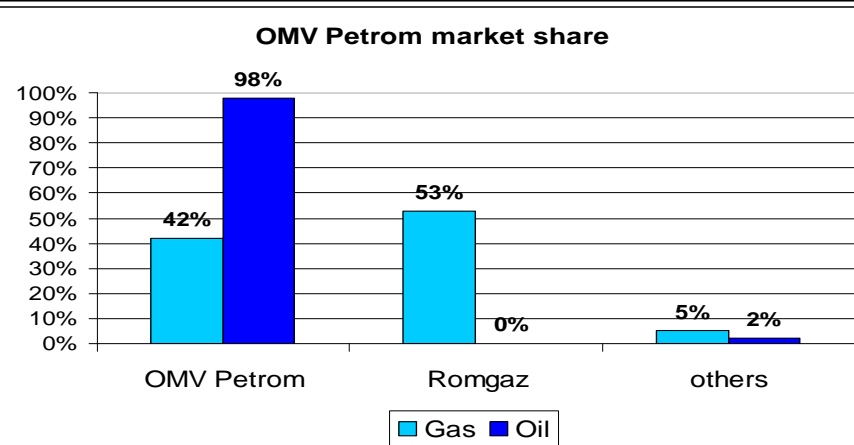
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# OMV Petrom

<b>Sector:</b>	Integrated Oil & Gas
<b>Type:</b>	Listed
<b>Weight in NAV:</b>	28.2%
<b>FP stake:</b>	RON 3,800 mln.



Data as of October 31, 2010 based on CNVM NAV calculation

## Shareholders Structure

OMV AG	51%
Ministry of Economy	21%
Fondul Proprietatea	20%
Others	8%



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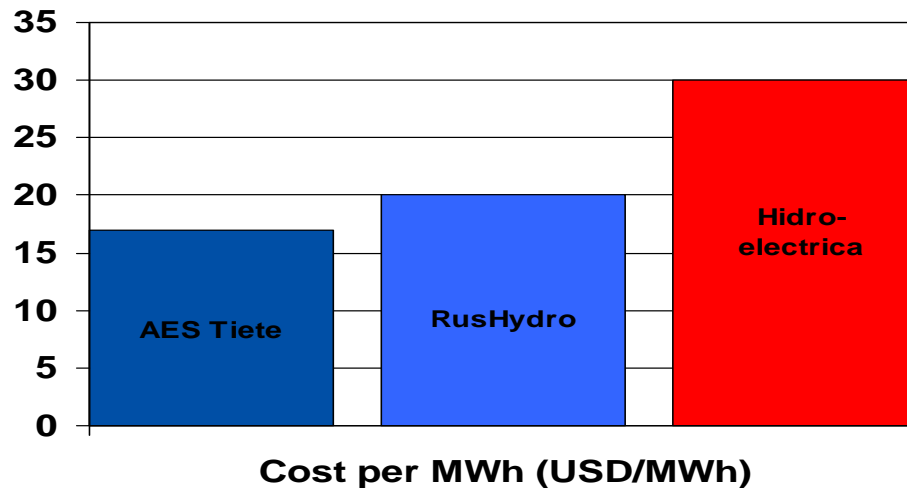


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# Hidroelectrica

<b>Sector:</b>	Electricity Producer
<b>Type:</b>	Unlisted
<b>Weight in NAV:</b>	18.3%
<b>FP stake:</b>	RON 2,465 mln.

<b>Market share:</b>	26.9%
<b>Installed capacity:</b>	6,400 MW



Data as of October 31, 2010 based on CNVM NAV calculation

## Shareholders Structure

Ministry of Economy	80%
Fondul Proprietatea	20%



*Main asset of the company is Iron Gates power plant, third largest in Europe, with an installed capacity of 1,167 MW*



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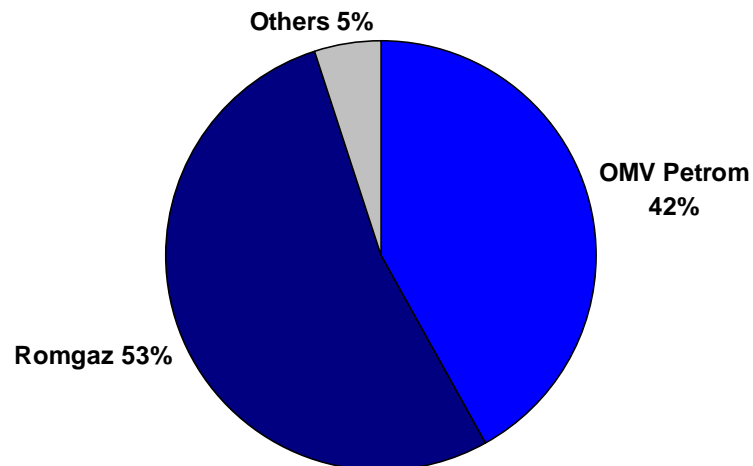
# Romgaz

<b>Sector:</b>	Gas Exploration & Production
<b>Type:</b>	Unlisted
<b>Weight in NAV:</b>	6.9%
<b>FP stake:</b>	RON 934 mln.

## Shareholders Structure

Ministry of Economy	85%
Fondul Proprietatea	15%

## Market share 2009 (% of gas produced)



Data as of October 31, 2010 based on CNVM NAV calculation



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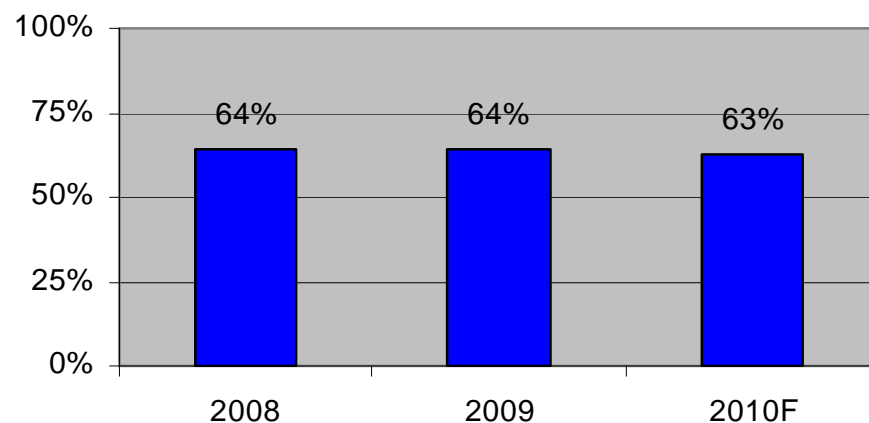
# CN Aeroporturi Bucuresti

<b>Sector:</b>	Airport management
<b>Type:</b>	Unlisted
<b>Weight in NAV:</b>	5.6%
<b>FP stake:</b>	RON 754 mln.

## Shareholders Structure

Ministry of Transport	80%
Fondul Proprietatea	20%

Market Share - Number of Passengers



*Number of passengers in 2009: 6.5 mln.*



*Data as of October 31, 2010 based on CNVM NAV calculation*



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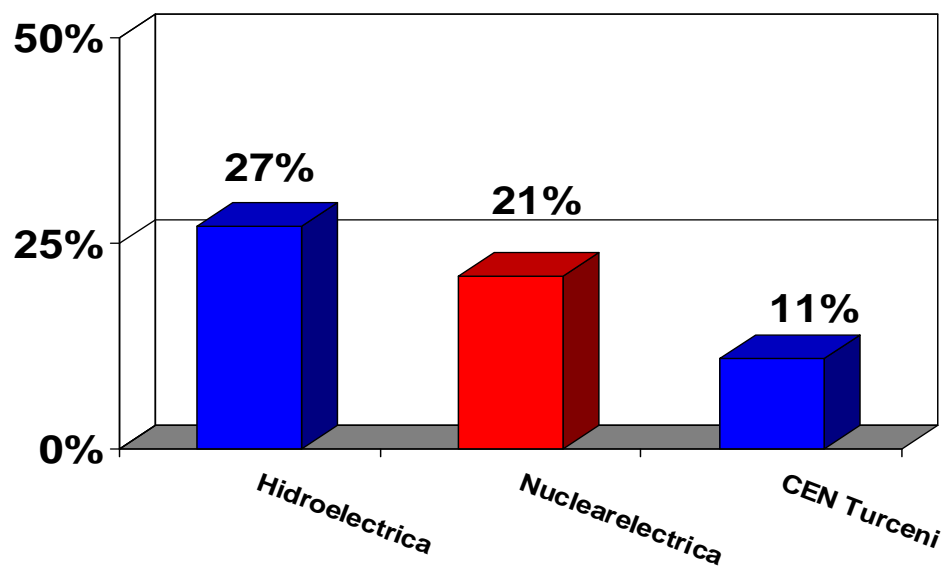
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# Nuclearelectrica

<b>Sector:</b>	Electricity generation
<b>Type:</b>	Unlisted
<b>Weight in NAV:</b>	3.9%
<b>FP stake:</b>	RON 529 mln.

Shareholders Structure	
Ministry of Economy	90%
Fondul Proprietatea	10%

Market Share - Generation 2009



Data as of October 31, 2010 based on CNVM NAV calculation



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# Investment Strategy

## Investment Philosophy

- Strict adherence to the principles of value investing supported by the first-hand research and a long-term time horizon

## Investment Objective

- Long-term capital appreciation via investments mainly in Romanian equity or equity-linked securities

## Investment Approach and Techniques

- Detailed analysis and active supervision of portfolio companies
- Close cooperation with co-investors in portfolio companies
- Diversification across most attractive sectors and companies
- Listing of the portfolio companies



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# Active Supervision

## Electra and Hidroenergetica – merger plan

- Fondul Proprietatea decided to oppose the merger plan: lack of planning, high risk of execution
- Litigation regarding Fondul's stake in Nuclearelectrica and Complexul Energetic Craiova
- Required actions:
  - IPO within 24 months
  - independent management
  - long term transparent strategy

## Romgaz – the RON 400 million 'donation' to the State

- Franklin Templeton has publicly expressed an opposition to the donation
- Arguments presented to all stakeholders
- Recommended alternative: special dividend to be distributed to all shareholders, including Fondul Proprietatea



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# Budget 2011

Mln RON

	BUDGET 2011	REVISED BUDGET 2010
INCOME FROM CURRENT ACTIVITY	299	277
EXPENSES FROM CURRENT ACTIVITY	92	78
GROSS PROFIT	207	199
NET PROFIT	207	195

## Assumptions 2011

- FX Rate: 4.2674 RON/€
- Interest rate: 7%
- Dividend income received from portfolio companies at the same level as 2010

- It is impossible to make any assumptions on the future transactions due to the volatile nature of the financial markets
- Public disclosure of such trading intentions could adversely influence future performance of the fund and returns to its shareholders
- The best measure of fund performance is NAV



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## Dividend Payment Info

MIn. RON

Shareholders	Gross Dividend	Collected Dividend	% of Collected Dividend
Ministry of Finance	485	485	100%
Individual Investors	449	416	93%
Institutional Investors	190	145	76%
<b>TOTAL</b>	<b>1,124</b>	<b>1,047</b>	<b>93%</b>

\* Information as of November 22, 2010.

- The dividends paid in 2010 include the distributed profit for the years 2008 and 2009
- Future dividend payments will be approved each year by the general shareholders meetings.
- Fund Manager's intention is to recommend 100% payout based on revenues from interest and dividends less expenses and taxes



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# Listing Timetable

- |                         |   |
|-------------------------|---|
| December 3, 2010        | • Submission of the prospectus to CNVM for approval                 |
| December 22, 2010       | • Expected approval of the prospectus by CNVM                       |
| December 23, 2010       | • Submission of the approved prospectus to Bucharest Stock Exchange |
| January 17, 2011        | • Listing presentation for shareholders                             |
| January 10 - 31, 2011   | • Local and international road shows                                |
| <b>January 25, 2011</b> | • <b>Expected Listing date</b>                                      |



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## Disclaimer

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