

**FONDUL**  
PROPRIETATEA



**Fondul Proprietatea**  
**Annual General Shareholders Meeting**  
**25 April 2013**



**FRANKLIN TEMPLETON**  
**INVESTMENTS**

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This presentation has been prepared by the management of the Fund whose headquarters are at 78-80 Buzesti Str, 7th Floor, Bucharest District 1, 011017, Romania. The Fund’s Fiscal Identification Code (CIF) is 18253260 and Trade Registry registration no is J40/21901/2005. The subscribed share capital is RON 13,778,392,208 and paid share capital is RON 13,412,803,666.

Date: April 2013.

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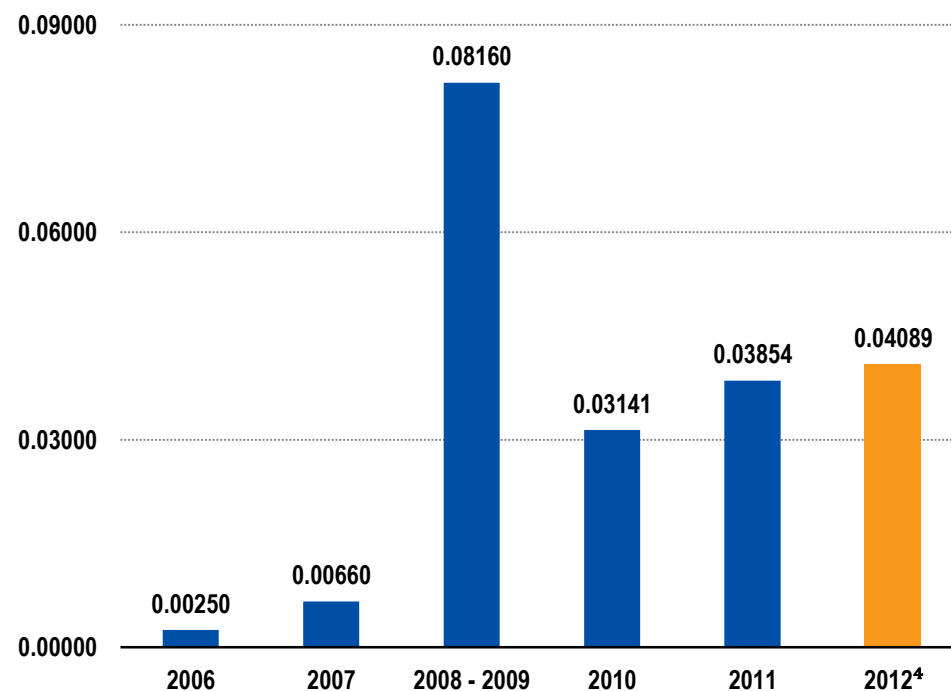


# Fund Information

# The Fund – Key Facts

Fund Details as at 31 March 2013		
Base Currency	RON	
Fund Launch Date	28 December 2005	
Franklin Templeton Appointment Date	29 September 2010	
Listing Date	25 January 2011	
Values <sup>1</sup>	RON	EUR <sup>2</sup>
NAV	15.2 bn	3.5 bn
NAV/Share	1.1568	0.2620
Price/Share <sup>3</sup>	0.6315	0.1430
Discount	45.41%	45.41%
Number of Shares in Issue	13,778,392,208	
Number of Paid Shares	13,412,803,666	
Country Breakdown (% of NAV)		
Romania	99.09%	
Austria	0.91%	

Dividend per share (RON)



1. As at 31 March 2013, based on CNVM methodology.

2. Computed using the NBR EUR/RON FX rate as at 29 March 2013.

3. Share price as at 29 March 2013.

4. Estimated gross dividend per share for 2012 based on the distributable profits of RON 538.6 mn.

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# FTIML – 2012 Key Milestones

4/12

GSM approval of the second Buyback programme and cancellation of the shares repurchased in the first Buyback / 2<sup>nd</sup> Fondul Proprietatea Analyst and Investor Days

11/12

Extension of the mandate to list the Fund on the WSE until 30 June 2013 / 3<sup>rd</sup> Fondul Proprietatea Analyst and Investor Days

6/12

GSM approval of the WSE secondary listing / RON 508m dividend distribution for 2011

10/12

1<sup>st</sup> Analyst Day

12/12

Changes to NAV valuation methodology

- **April 2012:** GSM approval of the second Buyback programme and cancellation of the shares repurchased during the first Buyback programme  
2<sup>nd</sup> Fondul Proprietatea Analyst and Investor Days
- **June 2012:** GSM approval of the WSE secondary listing / RON 508m dividend distribution for 2011
- **October 2012:** 1<sup>st</sup> Analyst Day
- **November 2012:** Extension of the mandate to list the Fund on the WSE until 30 June 2013  
3<sup>rd</sup> Fondul Proprietatea Analyst and Investor Days
- **December 2012:** Changes to NAV valuation methodology

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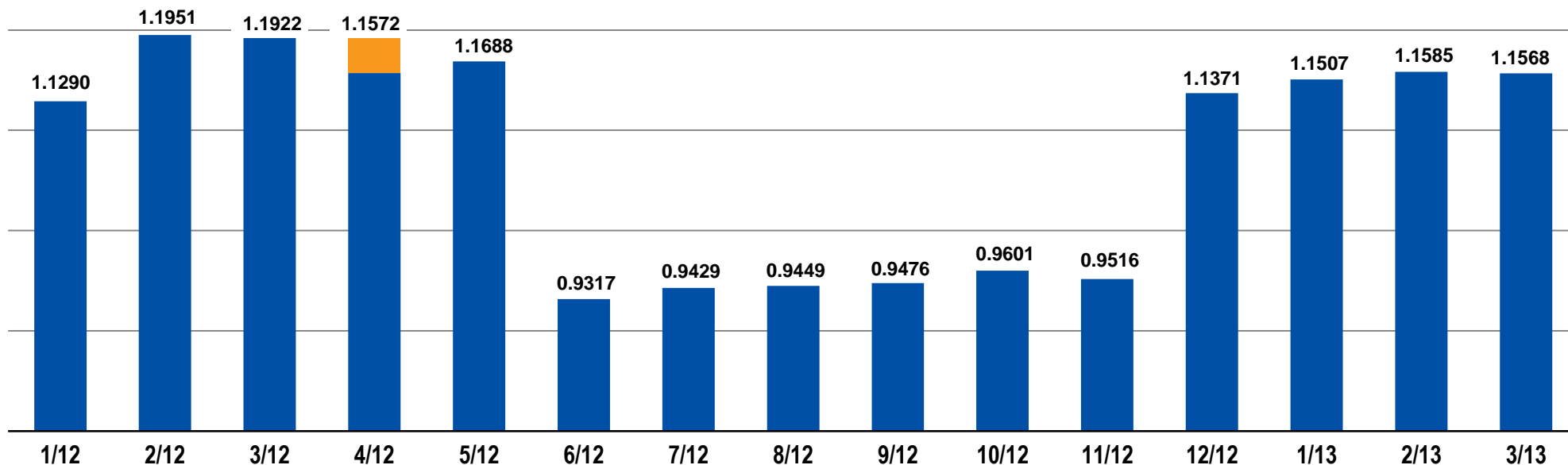


# Net Asset Value

Cumulative Performance Fourth Quarter 2012:	20.00%
Cumulative Performance 2012:	8.91%

NAV (RON) / Share

Dividend  
0.03854



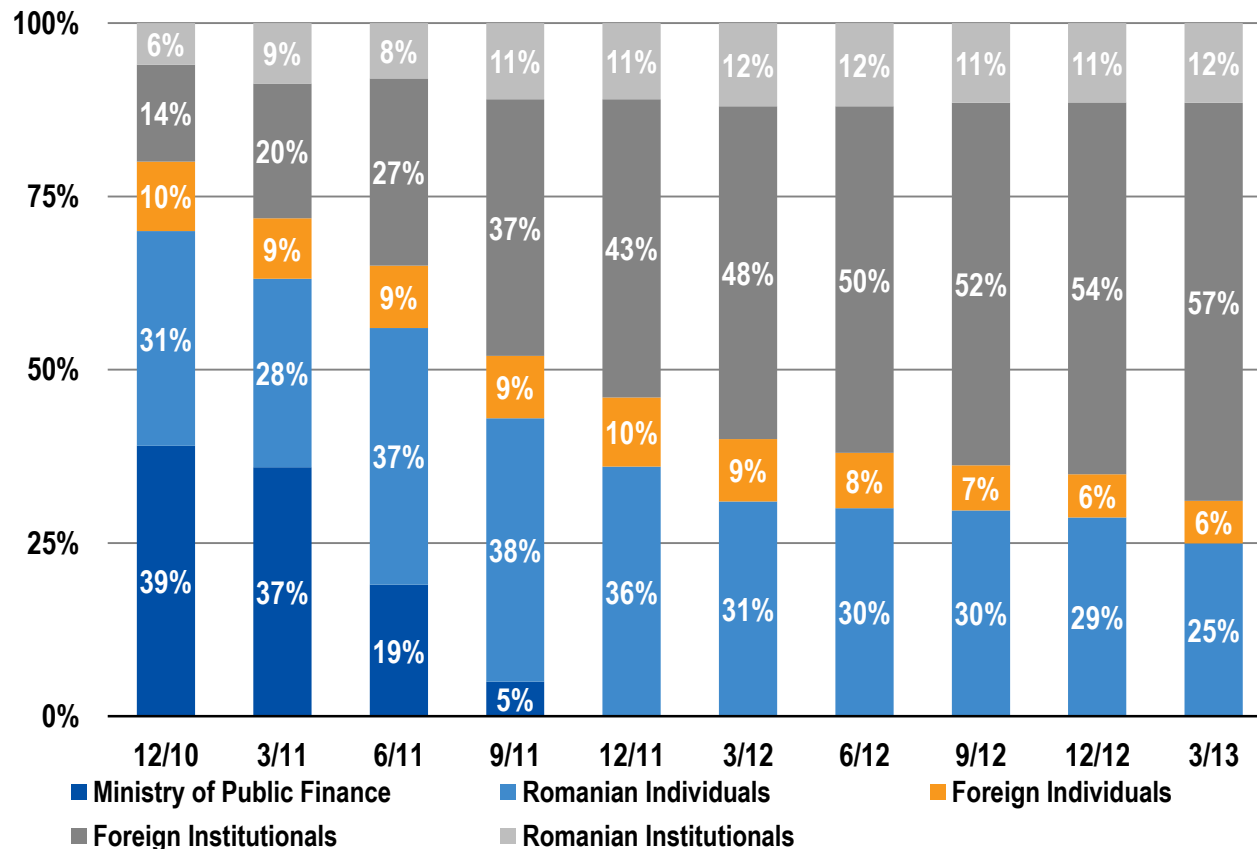
- From June to November 2012, the NAV reflects a zero valuation for Hidroelectrica after the Court admitted the Company's request for insolvency.
- Starting December 2012, the NAV reflects the change in the CNVM valuation methodology which allows companies in insolvency to be valued based on an independent valuation report.

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# Shareholders Structure<sup>1</sup>

## Evolution (% Held)



## Largest Shareholders<sup>2</sup>

Elliott Associates	14.95%
City of London Investment Management <sup>3</sup>	9.69%
The Royal Bank of Scotland <sup>3</sup>	5.39%
Total Number of Shareholders <sup>1</sup>	8,607

## Investor Relations Activity 2012

Number of Investor Meetings	240
Number of Conference Calls	79
Investor Conferences	32

1. Shareholders structure as at 31 March 2013, based on paid share capital starting 31 July 2011. Source: Central Depository.

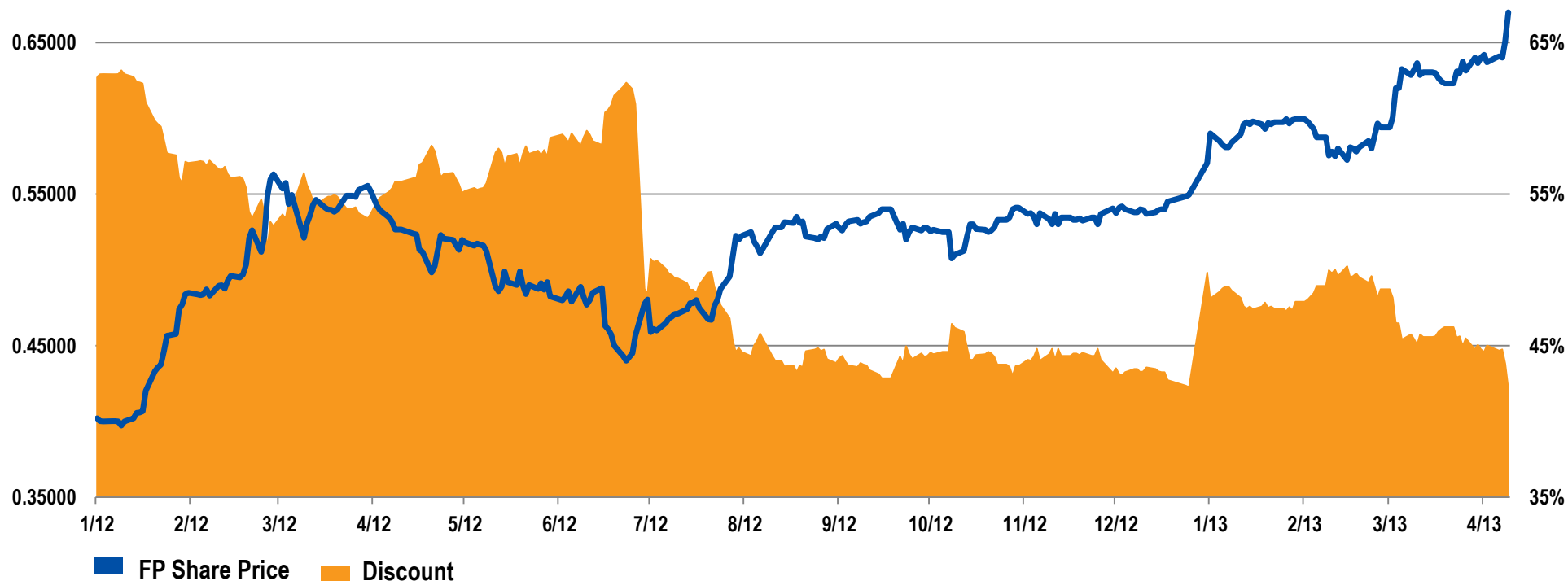
2. Based on the paid share capital as at 31 March 2013. Source: Ownership disclosures submitted by shareholders.

3. Based on the ownership disclosure sent by City of London IMC Ltd., the reported holdings were as follows: 576,062,100 million shares (4.29% of the Fund's paid share capital) and 724,298,586 warrants issued by The Royal Bank of Scotland – without the right of physical delivery (the underlying shares represent 5.39% of the Fund's paid share capital).



# FP Share Price and Discount

2012 FP Share Price<sup>1</sup> (RON) and Discount (%)



Discount <sup>2</sup>	43.0%
Number of Shares Traded <sup>3</sup>	7.7 bn shares (57.5% of the paid share capital)
Average Daily Turnover <sup>3</sup>	EUR 2.9 mn
Value of the Shares Traded <sup>3</sup>	EUR 955.2 mn

1. Source: Bloomberg, for the period 4 January 2012 – 19 April 2013.

2. As at 19 April 2012.

3. Source: BVB for the period 4 January 2012 – 19 April 2013.

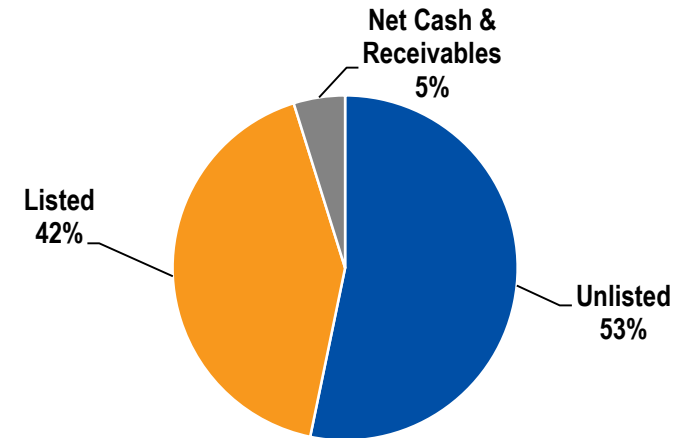
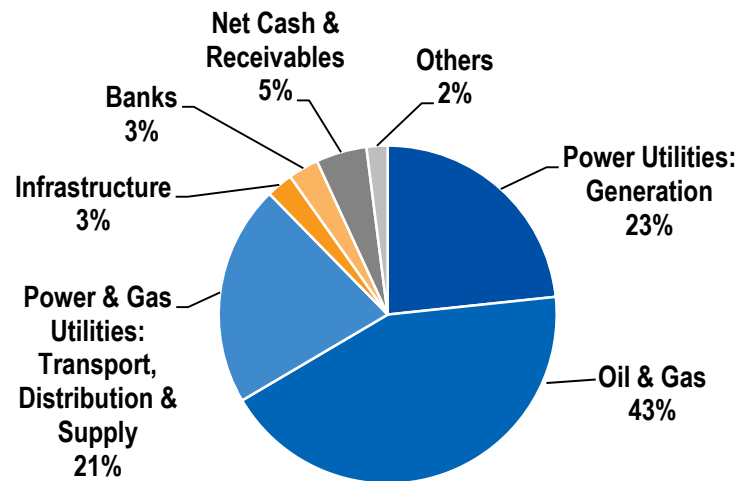
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# Portfolio Performance

## Portfolio Structure – 31 March 2013



- As at 31 March 2013, the portfolio included stakes in 67 companies (25 listed and 42 unlisted);
- Acquisitions for the 12-month period ended 31 December 2012:
  - The Fund received 521,107 shares in Hidroelectrica SA, 3,804,610 additional shares in Banca Transilvania and 1,281,988 bonus shares in CN Administratia Porturilor Maritime SA, as a result of: contributions in kind to the share capital of the Fund, a share capital increase from incorporation of reserves and share premium, and a share capital increase through incorporation of reserves;
  - Also, the Fund participated to the cash share capital increase of GDF Suez Romania SA, acquiring 253,984 shares at the nominal value of RON 10 per share;
- Disposals for the 12-month period ended 31 December 2012:
  - Sold entire holding in Azomures and Comcereal Fundulea at a price above NAV value;
  - Reduced stake in Erste Group Bank AG and Raiffeisen Bank International AG.

## Largest Holdings by NAV

No.	Portfolio Company	Status	Majority Shareholder	% Stake <sup>1</sup>	NAV as at 31 March 2013 (EUR mn)	% in NAV as at 31 March 2013
1	OMV Petrom	Listed	OMV	20.1%	1,162.5	33.7%
2	Hidroelectrica	Insolvency	Romanian State	19.9%	453.2	13.1%
3	Romgaz	IPO 2013	Romanian State	15.0%	293.6	8.5%
4	CE Oltenia	IPO / Trade Sale	Romanian State	21.5%	199.3	5.8%
5	Nuclearelectrica	IPO 2013	Romanian State	9.7%	146.8	4.3%
6	ENEL Distributie Banat	Unlisted	Enel Group	24.1%	100.9	2.9%
7	Transgaz	Listed	Romanian State	15.0%	85.9	2.5%
8	ENEL Distributie Muntenia	Unlisted	Enel Group	12.0%	77.9	2.3%
9	GDF Suez Energy Romania	Unlisted	GDF Suez	12.0%	76.9	2.2%
10	E.ON Moldova Distributie	Unlisted	E.ON Group	22.0%	73.4	2.1%
<b>Top 10 Portfolio Holdings</b>					<b>2,670.4</b>	<b>77.4%</b>
<b>NAV</b>					<b>3,451.2</b>	<b>100.0%</b>
<b>NAV Per Share (EUR)</b>					<b>0.2620</b>	

Note: Values in EUR calculated using the EUR/RON FX rate as at 29 March 2013.

Source: Report prepared by the Fund Manager as at 29 March 2013.

1. Based on the 31 December 2012 Detailed Statement of Investments.

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# Portfolio Structure – SPO & IPO Calendar

## Privatization Progress

Company	Share Sale <sup>1</sup>	Offering Stake	Market Value (mn EURO)	Seller	Investment Consortium Selected	Comments
Transelectrica	SPO – April 2012	15.0%	37.6 <sup>2</sup>	Romanian State	BCR, Swiss Capital, Intercapital Invest	Completed in March 2012
Transgaz	SPO – October 2012	15.0%	72.0 <sup>3</sup>	Romanian State	Raiffeisen, Wood & Company, BT Securities	Completed in April 2013
Nuclearelectrica	IPO – Q1 2013	10.0%	146.8 <sup>4</sup>	New Shares	Swiss Capital, BT Securities	Expected in May - June 2013
Romgaz	IPO – March 2013	15.0%	293.6 <sup>4</sup>	Romanian State	Goldman Sachs, Erste-BCR, Raiffeisen	Expected in Q4 2013
Posta Romana	Privatization (Capital Increase)	>50.0%	–	New Shares	KPMG, Tuca, Zbarcea and Associates	Expected in H2 2013
CE Oltenia	IPO / Trade Sale – 2013	12.0 / 15.3%	111.1 / 138.9 <sup>4</sup>	New Shares	BRD Groupe Societe Generale, Swiss Capital <sup>6</sup>	–
Hidroelectrica	IPO – October 2012	10.0%	227.3 <sup>4</sup>	New Shares	Citi, Societe Generale, BRD, Intercapital Invest (Engagement letter not signed)	Delayed by the insolvency proceedings
Administratia Porturilor Maritime	IPO – 2013	5.0%	3.8 <sup>5</sup>	Romanian State	–	–
Administratia Canalelor Navigabile	IPO – 2013	5.0%	0.9 <sup>5</sup>	Romanian State	–	–
Administratia Porturilor Dunarii Fluviale	IPO – 2013	5.0%	0.2 <sup>5</sup>	Romanian State	–	–
Administratia Porturilor Dunarii Maritime	IPO – 2013	5.0%	0.0 <sup>5</sup>	Romanian State	–	–

## Long-term objective is to increase the Fund's exposure to listed companies to 100%

1. As agreed with the IMF in the August 2012 Letter of Intent and approved by Government decision in January 2012.
2. Source: Based on final price of RON 14.9 for institutional tranche and RON 15.7 for the retail tranche and EUR/RON FX rate as at 29 March 2012.
3. Source: Based on final price of RON 179 for institutional and large retail tranche and RON 170 for the small retail tranche and EUR/RON FX rate as at 17 April 2013.
4. Source: Based on the report prepared by the Fund Manager as at 31 March 2013.
5. Source: Based on the 31 December 2012 Detailed Statement of Investments.
6. Offer submitted in April 2013.

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# Active Management – Actions to Protect and Increase the Value of Underlying Holdings (I)

## General Actions:

- Active involvement in portfolio companies through Board representation
- Participation to public consultations regarding new legislation relevant for companies in the portfolio
- Engagement in discussions with all relevant stakeholders to push for implementation of new corporate governance legislation
- Actively involved in the privatization committees for SOEs in the Fund's portfolio
- Continuous dialogue with all decision makers in the Government regarding strategic decisions needed in portfolio companies
- Actively supported the introduction of expense reduction plans for the SOEs
- Encouraged the companies to put pressure on ANRE for not respecting its own regulations. As a result, ANRE started recognizing production costs, increased tariffs and reduced quantities to be supplied on the regulated market
- Independently advocated for the liberalization of the gas and electricity markets
- Supported the introduction of a fair taxation system on additional revenues from gas price liberalization
- Initiated a number of legal cases against Board members and management of portfolio companies as well as the Romanian Government decisions with a negative impact on the value of underlying holdings

# Active Management – Actions to Protect and Increase the Value of Underlying Holdings (II)

## Most Significant Actions at the Board Level:

- Worked closely with the Judicial Administrator of Hidroelectrica to ensure a transparent and efficient reorganization process to significantly improve the company's cash-flows
- Encouraged Romgaz to fully eliminate the practice of offering discounts to certain customers and to improve size and profitability of imported gas trading activity
- Encouraged the Government to re-evaluate merits of Carbon Capture and Storage (CCS) project, estimated at EUR 800 mn, with a significant portion of investments coming from Romgaz, Transgaz and CE Oltenia – supported by legal actions
- Managed to persuade SOEs to resist commercial offers from Arcelor Mittal to sell electricity on OPCOM at prices significantly lower than the market prices
- Blocked Nuclearelectrica's share capital increase with the money received from the State budget to purchase heavy water; the purchase of heavy water for the reactors 3&4 ended in September 2011. In April 2013, the Government published draft legislation to transfer the heavy water to the State reserves
- Encouraged the Board and the management of Nuclearelectrica to negotiate with ANRE a lower quantity and a higher tariff for the electricity supplied on the regulated market in 2013
- Encouraged the management to reduce non-personnel expenses by EUR 50 mn/year at Posta Romana, which the company has already succeeded to implement
- Re-evaluation and rejection by Salrom of commercial contracts both on salt deliveries and acquisitions
- Encouraged Electrica Furnizare to stop energy deliveries to Oltchim in August 2012 since the company was not paying its bills

# Active Management – Board Members

	Holdings	% Stake <sup>1</sup>	% in Total NAV <sup>1</sup>	No. of Board Members <sup>2</sup>	No. of Directors Nominated by FP <sup>2</sup>
1	OMV Petrom SA	20%	32.6%	9	1
2	Romgaz SA	15%	8.7%	5	1
3	Complexul Energetic Oltenia SA	22%	5.9%	7	2
4	Nuclearelectrica SA	10%	4.3%	7	1
5	Enel Distributie Banat SA	24%	3.0%	7	1
6	Transgaz SA	15%	2.6%	5	1
7	Enel Distributie Dobrogea SA	24%	2.0%	7	1
8	Electrica Distributie Muntenia Nord SA	22%	1.8%	5	1
9	CN Aeroporturi Bucuresti SA	20%	1.8%	7	1
10	Transelectrica	13%	0.8%	7	1
11	SN a Sarii Salrom SA	49%	0.7%	5	2
12	Conpet SA	30%	0.6%	7	1
13	Posta Romana SA	25%	0.5%	7	1
14	CN Administratia Porturilor Maritime SA Constanta	20%	0.5%	7	1
15	Zirom SA	100%	0.2%	3	3
16	Primcom SA	75%	0.2%	3	2
17	CN Administratia Canalelelor Navigabile SA Constanta	20%	0.1%	7	1
18	Romaero SA	21%	0.1%	7	1
19	Enel Energie SA	12%	0.1%	7	1
20	Oil Terminal SA	8%	0.0%	7	1
21	Aeroportul International Timisoara – Traian Vuia SA	20%	0.0%	7	1
22	Aeroportul International Mihail Kogalniceanu – Constanta SA	20%	0.0%	5	1
23	Alcom SA	72%	0.0%	3	2
24	Plafar SA	49%	0.0%	5	2
25	Comsig SA	70%	0.0%	3	1
26	Palace SA	15%	0.0%	7	1
27	Telerom	69%	0.0%	3	3
28	Transilvania Com	40%	0.0%	3	1
29	Electrica Furnizare SA	22%	0.0%	5	1
30	Severnav SA	39%	0.0%	5	1
31	CN Administratia Porturilor Dunarii Fluviale SA	20%	0.0%	7	1
<b>Total</b>			<b>66.5%</b>	<b>174</b>	<b>40</b>

## Attended 308 General Shareholders Meetings and 202 Board meetings in 2012

1. Based on the 31 December 2012 Detailed Statement of Investments.

2. As at 31 March 2013.

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# Top 20 Portfolio Holdings – Key Financials

Top 20 Holdings <sup>1</sup>	EBITDA (RON mn)			Net Profit (RON mn)		
	2010	2011	2012	2010	2011	2012
1 OMV Petrom SA	5,301.9	7,524.3	8,270.2	2,189.7	3,758.6	3,946.1
2 Hidroelectrica SA	1,349.9 <sup>7</sup>	873.6 <sup>7</sup>	897.9 <sup>7</sup>	292.3	6.5	(169.8)
3 Romgaz SA	1,655.6	1,884.8	2,126.6	651.2	1,031.8	1,244.1
4 Complexul Energetic Oltenia SA <sup>2</sup>	400.0	57.8	581.5 <sup>8</sup>	(126.6)	179.8	191.2 <sup>8</sup>
5 Nuclearelectrica SA	689.4	531.7	549.1 <sup>4</sup>	16.1	95.0	34.5 <sup>4</sup>
6 ENEL Distributie Banat SA	239.4	316.7	292.4 <sup>4</sup>	150.7	220.5	167.2 <sup>4</sup>
7 Transgaz SA	573.3	601.6	529.5 <sup>4</sup>	370.3	387.2	329.3 <sup>4</sup>
8 Enel Distributie Muntenia SA	215.4	211.3	357.9 <sup>4</sup>	105.1	50.5	206.2 <sup>4</sup>
9 GDF Suez Energy Romania <sup>5</sup>	N/A	266.1	463.3 <sup>4</sup>	N/A	192.1	379.4 <sup>4</sup>
10 E.ON Moldova Distributie SA	281.8	189.2	213.0 <sup>3</sup>	165.4	7.2	70.0 <sup>3</sup>
11 ENEL Distributie Dobrogea SA	159.7	185.6	189.7 <sup>4</sup>	99.7	108.9	94.5 <sup>4</sup>
12 Electrica Distributie Muntenia Nord SA	94.7	141.8	165.6	26.7	67.4	78.2
13 CN Aeroporturi Bucuresti SA	164.8	186.5	205.0 <sup>3</sup>	42.6	52.6	51.1 <sup>3</sup>
14 BRD Groupe Societe Generale	-	-	-	1,007.9	496.3	(331.9)
15 Electrica Distributie Transilvania Sud SA	99.6	111.2	156.4	11.9	19.6	29.1
16 Electrica Distributie Transilvania Nord SA	92.6	120.3	161.6	8.5	29.1	31.6
17 Alro SA	441.0	547.2	313.3	183.8	242.8	(239.8)
18 E.ON Gaz Distributie SA	310.9	354.3	200.0 <sup>3</sup>	159.6	230.5	85.0 <sup>3</sup>
19 Transelectrica SA <sup>6</sup>	455.6	501.9	420.7 <sup>4</sup>	104.0	135.5	47.9 <sup>4</sup>
20 Raiffeisen Bank International AG	-	-	-	5,039.8	4,213.7	3,212.5
<b>TOTAL</b>	<b>12,525.6</b>	<b>14,605.9</b>	<b>16,093.7</b>	<b>10,498.7</b>	<b>11,525.6</b>	<b>9,456.4</b>
<b>WEIGHTED TOTAL</b>	<b>2,244.7</b>	<b>2,628.8</b>	<b>2,939.7</b>	<b>811.1</b>	<b>1,275.5</b>	<b>1,223.1</b>

Note: EBITDA is calculated as Operational result + Depreciation . Source: Companies' Annual results report, 2013 Budget reports, Judicial Administrator's reports (Hidroelectrica).

1. Based on the 31 December 2012 Detailed Statement of Investments.

2. Sum of the individual financial statements of the four companies merged, provided by Deloitte on IFRS standards. The company was registered in May 2012 and created through the merger of CE Craiova SA, CE Rovinari SA, CE Turceni SA and SNLO.

3. Preliminary results.

4. Pending shareholders' approval.

5. Individual IFRS financial statements, pending shareholders' approval.

6. Consolidated IFRS financial statements.

7. Source: Based on the company's calculations.

8. Preliminary figures for the period 31 May – 31 December 2012.

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# Hidroelectrica – Insolvency

## Current Status:

- Insolvency proceedings are ongoing;
- Several operational measures have already been implemented, with direct impact on Hidroelectrica's future cash flow;
- Reduction of Hidroelectrica's high operating costs is ongoing.

## Next Steps:

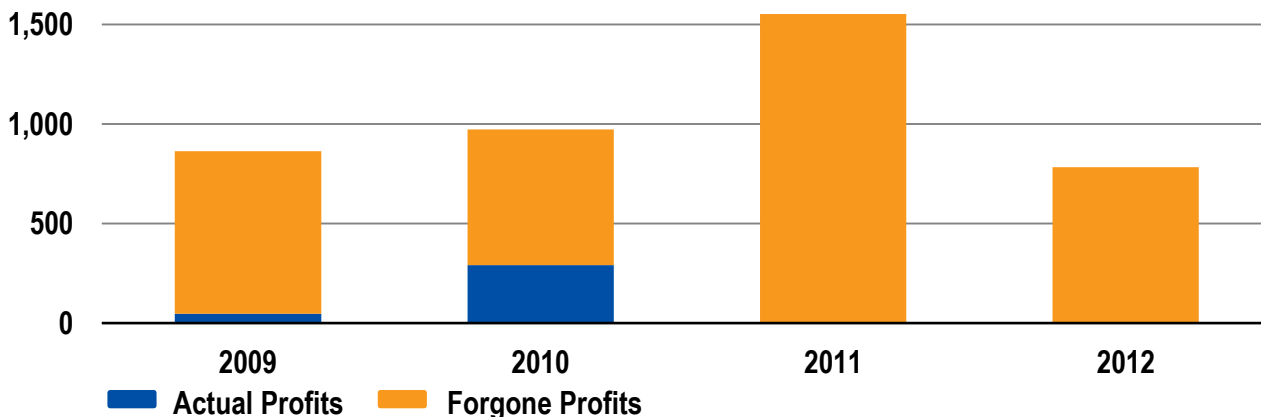
- Fund Manager is committed to work with key stakeholders to end insolvency proceedings as soon as possible;
- Interests of the key stakeholders are aligned towards this objective;
- Egon Zehnder has a mandate to select the CEO of Hidroelectrica, with no progress until now;
- IPO (12.49 % increase) of Hidroelectrica after the insolvency procedure ends. Initial Government resolution was contested in Court by Hidrosind, the Ministry of Economy and the Government filled an appeal. Also the Ministry has recently published a new Government Ordinance that has not yet been approved.

## Key Challenges:

- Settle oppositions to the preliminary table of creditors and partial payment to creditors;
- Successful outcome of the litigations with energy traders and labor union;
- IPO – new Government approval needed.

# Hidroelectrica – Foregone Profits

Hidroelectrica Net Income (mn RON)<sup>1</sup>



OPCOM Market Prices<sup>2</sup>

Year	Average Price (RON / MWh)
2009	155.35
2010	156.31
2011	221.20
2012	217.21

- In 2009, Hidroelectrica sold 11.7 TWh through bilateral contracts at an average selling price of 102 RON/MWh (**foregone profits of EUR 13 3mn (RON 559 mn)**) and 3.4 TWh on the regulated market at an average price of 83 RON / MWh (**foregone profits of EUR 61 mn (RON 256 mn)**)
- In 2010, Hidroelectrica sold 14.9 TWh through bilateral contracts at an average selling price of 122 RON/MWh (**foregone profits of EUR 100 mn (RON 420 mn)**) and 4 TWh on the regulated market at an average price of 86 RON / MWh (**foregone profits of EUR 6 2mn (RON 26 0mn)**)
- In 2011, Hidroelectrica sold 12 TWh through bilateral contracts at an average selling price of 130.9 RON/MWh (**foregone profits of EUR 248 mn (RON 1,066 mn)**) and 3.8 TWh on the regulated market at an average price of 86 RON (**foregone profits of EUR 118 mn (RON 507mn)**)
- In 2012, Hidroelectrica sold 2.3 TWh through bilateral contracts at an average selling price of 137.0 RON / MWh (**foregone profits of EUR 43.7 mn (RON 188 mn)**) and 4.1 TWh on the regulated market at an average price of 72 RON (**foregone profits of EUR 139 mn (RON 596 mn)**)

Assumed selling price of 150 RON/MWh for 2009 and 2010, 220 RON/MWh in 2011 and 217 RON/MWh in 2012. 1 EUR=4.2 RON for 2009 and 2010, 1 EUR=4.3 RON for 2011, and 1 EUR = 4.4 RON for 2012.

1. Source: Company Reports.

2. Yearly arithmetic average trading price. Source: OPCOM.

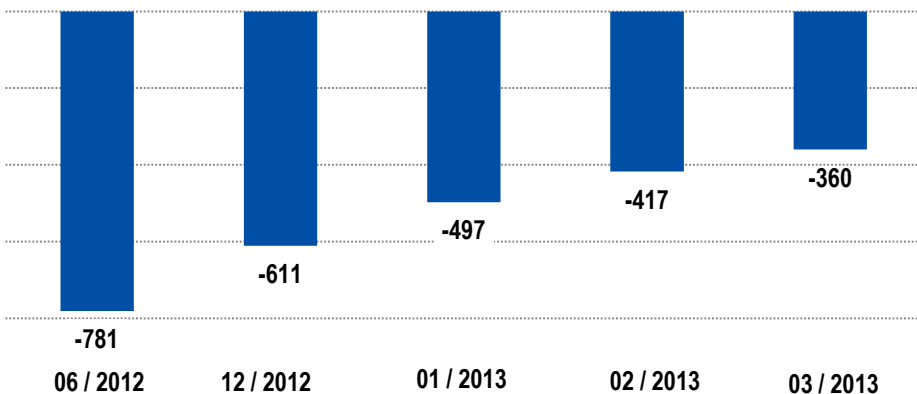
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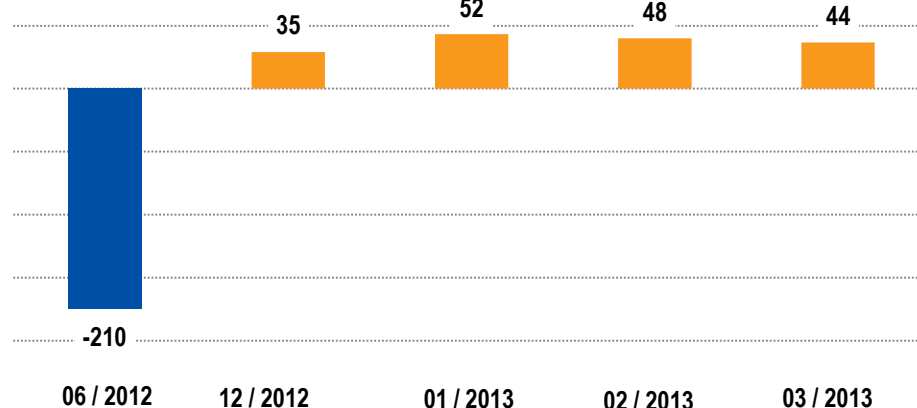


# Hidroelectrica – Impact of Insolvency Measures

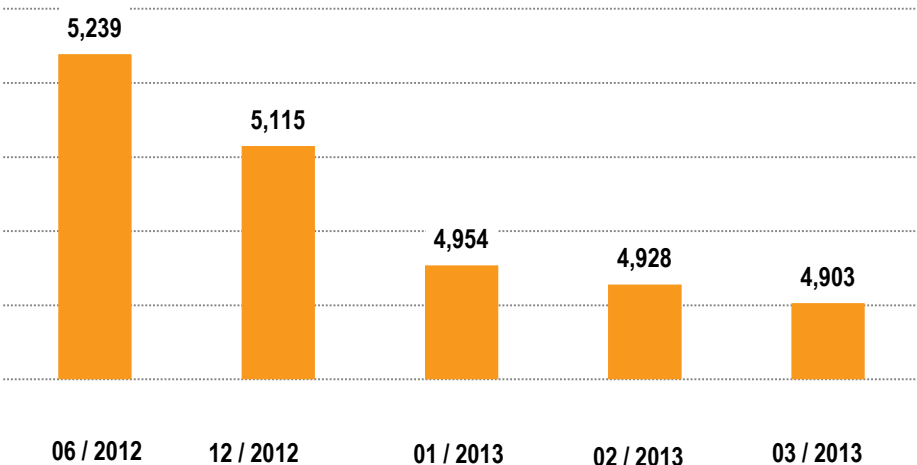
Utilisation of short-term credit lines (mn RON)



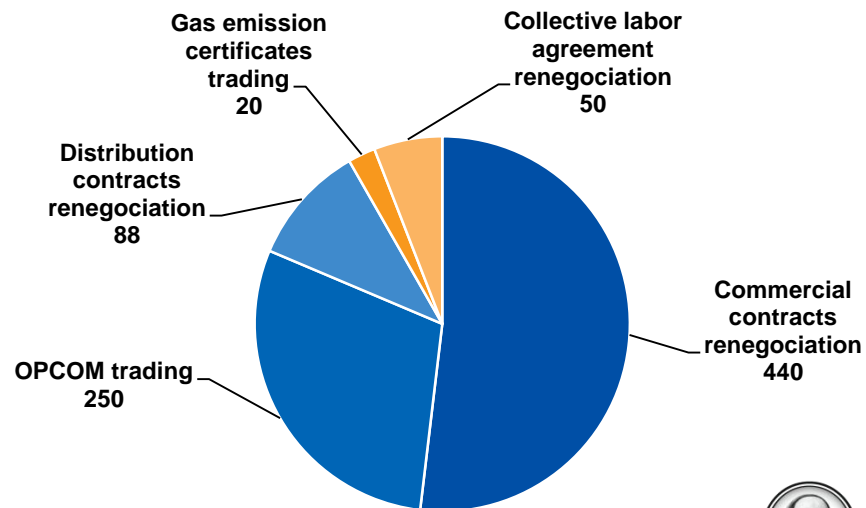
Gross profit (RON mn). Estimated gross profit for 2013 – RON 430 mn.



Personnel evolution



Additional revenues and cost reductions since the start of the insolvency (Total – RON mn 848)<sup>1</sup>



Sources: Company websites, annual reports and Bloomberg.

1. The numbers are across multiple periods – not annualized.

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# Future Developments

## Buy-Back Program (I)

### Second Buy-Back Program:

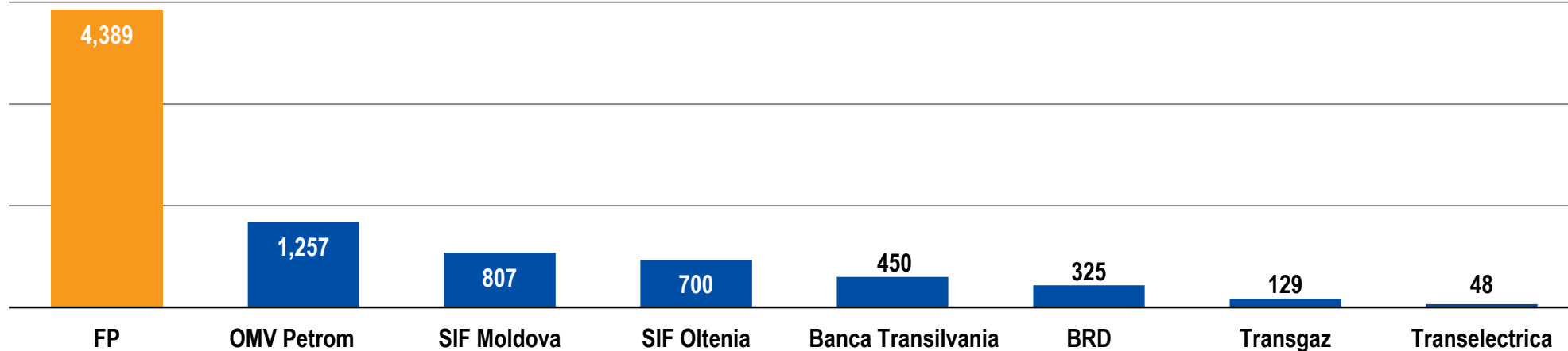
- New buy-back program to repurchase 1.1 bn shares, equivalent to 7.9% of the Fund's issued share capital was approved by shareholders at the 25 April 2012 Extraordinary General Shareholders Meeting
- The execution of the buy-back program is subject to available cash and the 25% of the daily trading volume restriction, according to applicable EU buy-back regulation (average daily trading volume for March 2013 was 31 mn shares / EUR 4.4 mn)
- The execution of the second buy-back program was delayed by the litigation initiated by a single shareholder of the Fund, blocking the registration of the shareholders' decision. On 5 March 2013, the Bucharest Court issued a decision in favor of the Fund and rejected the request of the minority shareholder, ordering the Trade Register to register the shareholder resolution and to publish it in the Official Gazette

### Status:

- The decision was published in the Official Gazette on 10 April 2013
- Wood & Company Financial Services a.s. Prague and Banca Comerciala Romana S.A., Bucharest have been selected to provide services for the second buy-back program
- 5.0 million shares have been bought back as at 12 April 2013, at an average price of RON 0.6671, for a total amount of RON 3.3 million

# Buy-Back Program (II)

## Average Daily Turnover in March 2013 (EUR thousands)



### Second Buy-Back Program

ADTV (March 2013)	31.0 mn shares / EUR 4.4 mn
25% of ADTV	7.8 mn shares / EUR 1.1 mn
Available cash as at 31 March 2013 <sup>1</sup>	RON 767.2 mn / EUR 175.6 mn <sup>2</sup>
Number of shares to be repurchased	1,100,950,684
Number of shares repurchased as at 12 April 2013	5,000,000
Average price for the shares repurchased as at 12 April 2013	RON 0.6671

Source: Bucharest Stock Exchange.

1. Using the simplifying assumption that all available cash & cash equivalents as at 31 January 2013 can be used for buy-backs, so ignoring other possible cash outflows and inflows.

2. Computed using the NBR EUR/RON FX as at 29 March 2013.

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## Secondary Listing on the Warsaw Stock Exchange

### On 27 June 2012, the Fund's shareholders:

- Approved the details of the secondary listing plan on the WSE.
- Empowered the Fund Manager to file the documentation for the secondary listing by 31 December 2012.
- Given the time taken by CNVM to publish the draft for the new regulations necessary to allow secondary listing, shareholders approved on 23 November 2012 the extension of the deadline until 30 June 2013.

### Status:

- Currently, there is no link between the two depositaries in Bucharest and Warsaw; the establishment of the link constitutes a necessary condition to enable the Fund to seek and obtain the listing of its shares on the WSE.
- On 19 December 2012, CNVM published for public consultation the necessary amendments to current regulations, amendments that now allow the Romanian Central Depository to establish a link with the Polish National Securities Depository. The deadline for the public consultation was extended until 31 January 2013. Awaiting publication of CNVM final decision and amended regulations.
- On 25 April 2013, shareholders will vote on the extension of the deadline until 31 December 2013.
- The establishment of this link is not under the control of Fondul Proprietatea.



# Secondary Listing on the WSE – Institutions

<p><b>Consortium Member</b></p> <p><b>J.P.Morgan</b></p> <p>Joint Global Coordinator and Joint Bookrunner</p>	<p><b>Consortium Member</b></p> <p> <b>UniCredit</b></p> <p>Joint Global Coordinator and Joint Bookrunner</p>	<p><b>Consortium Member</b></p> <p> <b>KBC</b> Securities</p> <p>Co-Manager</p>
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**Auditor**

**Deloitte.**

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**PR agencies**

GolinHarris,  
Local PR Agency

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Ciszewski Financial Communications,  
International PR Agency

**Bank's International and  
Domestic Counsel**

 **Weil**

**PELIFILIP**

**Issuer's International and  
Domestic Counsel**

**WHITE & CASE**

# EGM and OGM Agendas

## EGM Agenda – 25 April 2013

- The approval of the EGM agenda
- The amendment of the Constitutive Act
- The ratification and the approval of all resolutions taken by the EGM meetings concluded, adopted and issued in the name of SC Fondul Proprietatea SA through FTIM Ltd. UK, Sucursala Bucuresti, between 6 September 2010 and 24 April 2013 and the approval and ratification of any implementation acts, facts and operations based on such, including the management of the Company under an unitary system
- The extension until 31 December 2013 of the authorisation of FTIM Ltd. UK, Bucharest Branch in order to start to perform the activities mentioned in EGM meetings of shareholders resolution no. 11/ 27 June 2012 and 12/ 23 November 2012, in relation to the secondary listing of the Company on the Warsaw Stock Exchange
- The empowerment, with authority to be substituted, of Mrs. Oana-Valentina Truța to sign the shareholders' resolutions, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders' resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution
- The approval of 15 May 2013 as the registration date, in accordance with the provisions of Article 238 (1) of Law no. 297/2004

## OGM Agenda – 25 April 2013

- The approval of the OGM agenda
- The approval of the Annual Activity Report of Sole Administrator of SC Fondul Proprietatea SA for the financial year 2012, including the financial statements for the year ended on 31 December 2012 prepared in accordance with the Romanian Accounting Regulations, the approval of the report of auditor and the discharge the Sole Administrator for any liability for the administration during 2012. At this point, it will be presented the annual report of Board of Nominees
- The approval of the net profit allocation for the financial year 2012 and the approval of the value of gross dividend proposed is RON 0.04089 lei per share. The Company will start the payment of dividends beginning with 28 June 2013
- The approval of the Additional Act no. 3 to the Investment Management Agreement
- The election of 2 members of BoN following the expiring date on 29 September 2013 of two mandates. The mandate of the new members shall produce the effects starting with 30 September 2013. The proposals of the shareholders for two mandates that will expire may be submitted by 3 April 2013 at the Company's headquarters in Bucharest, 78-80 Buzesti Street, 7th floor, 1st district, postal code 011017 or by e-mail having incorporated an extended electronic signature in accordance with Law no. 455/2001 regarding electronic signature, at [office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro). The candidates for Board of Nominees must submit the copy of their ID, the resume which details their current professional activity, the fiscal record and the criminal record, or solemn statement, if the candidate is not a Romanian citizen. The list including information with regard to the name, the locality of residence, the professional qualification, the capacity as shareholder, fiscal record and criminal record for each candidate proposed will be published on the webpage of the Company and shall be daily updated on the basis of received proposals

## OGM Agenda – 25 April 2013

- Increasing the gross monthly remuneration for each member of the Board of Nominees to RON 15,000 starting with the date of issuance of the resolution of the ordinary shareholders' meeting. The mandate agreements will be amended accordingly. Mr. Grzegorz Maciej Konieczny is empowered to sign the mandate agreements with the members of the Board of Nominees, for and on behalf of SC Fondul Proprietatea SA
- The ratification and the approval of all OGM decisions and all of the legal acts (including decisions and contracts) concluded, adopted or issued on behalf of Fondul Proprietatea S.A. by FTIM Ltd. UK, Bucharest Branch, as well as of any management / administration measures adopted and/or implemented by it, approved or concluded between 6 September 2010 and 24 April 2013
- The ratification and the appointment of FTIM Ltd UK Bucharest Branch as Sole Administrator of SC Fondul Proprietatea SA and as Fund Manager pursuant to Law 297/2004 regarding the capital market and according to Investment Management Agreement signed on 25 February 2010. The appointment of the Sole Administrator produces effects in accordance with the provisions of the Law 31/1990, beginning with the acceptance of the mandate. The mandate expires on 29 September 2014, subject to renewal in accordance with the provisions of the Constitutive Act of SC Fondul Proprietatea SA. The list containing data regarding FTIM Ltd. UK Bucharest Branch (including name, headquarters, the professional qualification, the evidence that it is registered with Trade Register, the evidence that it is registered in Public Register of CNVM, the Investment Management Agreement endorsed by CNVM under legislation in force) is published on the internet webpage of the Company and it may be consulted and completed by shareholders in accordance with the law

## OGM Agenda – 25 April 2013

- The approval of the Addendum 1 to the audit contract concluded between Fondul Proprietatea and Deloitte Audit SRL, for providing the consent to use audited IFRS financial statements in the Listing Memorandum
- The empowerment, with authority to be substituted, of Mrs. Oana-Valentina Truta to sign the shareholders' resolutions, as well as any other documents in connection therewith, and to carry out all procedures and formalities set out by law for the purpose of implementing the shareholders' resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution
- The approval of 15 May 2013 as the registration date, in accordance with the provisions of Article 238 para. (1) of Law no. 297/2004

# Income Statement

RON mn	2010 Audited	2011 Audited	2012 Audited
<b>Revenues from current activity, out of which:</b>	<b>576.6</b>	<b>617.9</b>	<b>871.8</b>
• Revenues from financial assets	179.0	519.1	619.0
• Interest Income	131.5	41.1	34.9
• Reversal of impairment adjustments & provisions	217.4	30.5	5.7
• Revenues from disposal of financial assets	-	13.4	208.1
• Revenues from foreign exchange differences	47.7	1.6	0.1
• Other income from current activity	1.0	12.2	4.0
<b>Expenses from current activity, out of which:</b>	<b>109.2</b>	<b>72.3</b>	<b>304.8</b>
• Expenses from disposal of financial assets	-	4.6	195.1
• Expenses from foreign exchange differences	56.9	0.9	0.3
• Depreciation, provisions, losses from receivables and sundry debtors	0.2	11.7	49.7
• Commissions and fees	6.0	17.2	16.2
• Other expenses from current activity <sup>1</sup>	46.1	37.9	43.5
<b>Gross Profit</b>	<b>467.4</b>	<b>545.6</b>	<b>567.0</b>
Income Tax Expense	11.2	1.8	-
<b>Net Profit</b>	<b>456.2</b>	<b>543.8</b>	<b>567.0</b>

1. Other expenses from current activity include bank charges, material and utilities expenses, salary costs, third party expenses as well as duties and other taxes.

Source: Prepared by the Fund Manager

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# Balance Sheet

RON mn	31 December 2010 Audited	31 December 2011 Audited	31 December 2012 Audited
Intangible assets	-	-	0.3
Financial assets	10,890.5	10,627.9	11,097.8
<b>Non-current assets - Total</b>	<b>10,890.5</b>	<b>10,627.9</b>	<b>11,098.1</b>
<b>Current assets - Total</b>	<b>1,332.4</b>	<b>549.2</b>	<b>776.5</b>
Prepaid expenses	-	-	0.1
Payables within one year	69.3	42.2	21.1
<b>Total assets less current liabilities</b>	<b>12,153.6</b>	<b>11,134.9</b>	<b>11,853.6</b>
Provisions	14.4	14.2	16.8
<b>Shareholder's equity</b>	<b>12,139.2</b>	<b>11,120.7</b>	<b>11,836.8</b>

Source: Prepared by the Fund Manager

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# Dividend Income – Top 20 Portfolio Companies

Top 20 Holdings <sup>1</sup>	PROFIT			DIVIDEND PAYOUT %		FP NET DIVIDEND	
	2012	2011	2010	2012	2011	2012	2011
1 OMV Petrom SA	3,946.1	3,758.6	2,189.7	47	46	353.1	201.6
2 Hidroelectrica SA	(169.8)	6.5	292.3	–	19.9	–	52.5
3 Romgaz SA	1,244.1	1,031.8	651.2	91	109	140.6	106.0
4 Complexul Energetic Oltenia SA <sup>4</sup>	191.2 <sup>8</sup>	179.8	(126.6)	N/A	N/A	N/A	N/A
5 Nuclearelectrica SA	34.5	95.0	16.1	–	–	–	–
6 ENEL Distributie Banat SA	167.2	220.5	150.7	–	56	–	20.2
7 Transgaz SA	329.3	387.2	370.3	91	92	52.5	50.8
8 Enel Distributie Muntenia SA	206.2	50.5	105.1	–	–	–	–
9 GDF Suez Energy Romania <sup>9</sup>	379.4	192.1	199.4 <sup>2</sup>	–	40	–	9.6
10 E.ON Moldova Distributie SA	70.0	7.2	165.4	–	–	–	–
11 ENEL Distributie Dobrogea SA	94.5	108.9	99.7	–	56	–	13.5
12 Electrica Distributie Muntenia Nord SA	78.2	67.4	26.7	12	–	1.8	–
13 CN Aeroporturi Bucuresti SA	51.1	52.6	42.6	89	116	9.4	9.9
14 BRD Groupe Societe Generale <sup>2</sup>	(331.9)	496.3	1,007.9	20	37	3.6	2.1
15 Electrica Distributie Transilvania Sud SA	29.1	19.6	11.9	–	–	–	–
16 Electrica Distributie Transilvania Nord SA	31.6	29.1	8.5	–	–	–	–
17 Alro SA	(239.8)	242.8	183.8	78	74	19.4	13.5
18 E.ON Gaz Distributie SA	85.0	230.5	159.6	–	–	–	–
19 Transelectrica SA	47.9	135.5	104.0	60	9	10.9	1.2
20 Raiffeisen Bank International AG <sup>3</sup>	3,212.5	4,213.7	5,039.8	13	N/A	3.0	4.5
<b>TOTAL (RON mn)</b>	<b>9,456.4</b>	<b>11,525.6</b>	<b>10,698.1</b>			<b>594.3</b>	<b>485.4</b>
<b>Total Dividends from Listed Companies (RON mn)</b>						<b>450.1</b>	<b>304.0</b>
<b>Total Dividends from Unlisted Companies (RON mn)</b>						<b>168.9</b>	<b>215.1</b>
<b>TOTAL Dividend Income (RON mn)</b>						<b>619.0</b>	<b>519.1</b>
<b>Dividend per Share (RON)</b>						<b>0.04089<sup>5</sup></b>	<b>0.03854</b>
<b>Share Price (RON)</b>						<b>0.6600<sup>6</sup></b>	<b>0.5550<sup>7</sup></b>

Note: Calculation based on the companies' 2010 and 2011 statutory financial statements.

1. Based on the 31 December 2012 Detailed Statement of Investments.

2. Separate financial statements prepared in accordance with Romanian Accounting Regulations.

3. Consolidated profits IFRS, computed using EUR/RON FX rate as at 30 June 2012.

4. Created through the merger of CE Craiova SA, CE Rovinari SA, CE Turceni SA and SNLO; Combined IFRS financial statements of CE Craiova SA, CE Rovinari SA, CE Turceni SA and SNLO; Dividends distributed to FP by merged companies: 2012 (CE Rovinari RON 6.5mn, CE Craiova RON 0.03mn), 2011 (CE Rovinari RON 0.02mn, CE Craiova RON 0.01mn).

5. Estimated gross dividend per share for 2012, based on the distributable profits of RON 538.6 mn.

6. Share price as at 19 April 2013.

8. Preliminary figures for the period 31 May – 31 December 2012.

7. Share price as at 9 May 2012.

9. IFRS financial statements, pending shareholders' approval.

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# Dividend

## Dividend policy:

- In the absence of exceptional market conditions or circumstances, the Fund Manager intends to recommend to shareholders the distribution of 100% of distributable profits each year;
- Distributable profits are broadly defined as: gross dividend income received from investments and interest earned on cash deposits, less expenses and taxation;
- Current legislation requires the Fund to transfer 5% of its profits to legal reserves until it reaches 20% of the value of the issued share capital of the Fund.

## Dividend history:

Financial year	Gross Dividend Declared (RON)	Gross Dividend per Share (RON/share)	Total Number of Shares <sup>1</sup>
2006	36,076,046	0.0025	14,240.5
2007	89,997,678	0.0066	13,644.2
<b>2008 – 2009 (aggregate)</b>	<b>1,124,316,804</b>	<b>0.0816</b>	<b>13,778.4</b>
<b>2010</b>	<b>432,729,046</b>	<b>0.03141</b>	<b>13,776.8</b>
<b>2011</b>	<b>507,658,517</b>	<b>0.03854</b>	<b>13,172.3</b>
<b>2012</b>	<b>538,640,379</b>	<b>0.04089<sup>2</sup></b>	<b>13,172.5</b>
<b>Total Dividends</b>	<b>2,729,418,470</b>	<b>0.20154</b>	
<b>Total Dividends Proposed by FTIML UK Bucharest Branch</b>	<b>2,603,344,746</b>	<b>0.19244</b>	

1. The total number of shares based on which the dividends have been distributed is the number of shares representing the share capital of the Fund at the registration date established by the GSM approving the distribution of dividends less the total number of unpaid shares and buy-backs where applicable.

2. As per dividend proposal.

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