

To Bucharest Stock Exchange

Romanian National Securities Commission

The current report according to Art. 99 of the Rule book of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

Report date:	19 October 2012
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 th floor, district 1, Bucharest, 011017
Phone/fax number:	Tel.: + 40 21 200 9600; Fax: +40 21 200 9631
Sole Registration Code with the Trade Register Office:	18253260
Order number in the Trade Register:	J40/21901/2005
Subscribed share capital:	RON 13,778,392,208
Paid share capital:	RON 13,412,780,166
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

Important events to be reported: SC Fondul Proprietatea SA (“The Fund”) - Update regarding SC Hidroelectrica SA

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (FTIML Bucharest Branch or the Fund Manager), in its capacity of Sole Administrator and Fund Manager of the Fund announces that, on 18 October 2012, the Bucharest Court of Appeal admitted the appeals filed by ALPIQ ROMENERGIE SRL ALPIQ ROMINDUSTRIES SRL and FILIALA HIDROELECTRICA HIDROSIND against the decision issued by the Bucharest Court in the file no. 22456/3/2012, but maintained the Bucharest Court decision for opening the insolvency procedure for SC Hidroelectrica SA. The decision issued by the Bucharest Court of Appeal is irrevocable.

The Fund Manager reminds the Fund’s shareholders and investors that, on 20 June 2012, in the file no. 22456/3/2012, the Bucharest Court admitted the insolvency request for SC Hidroelectrica SA (“Hidroelectrica”), which was filed by the company on 15 June 2012.

The Fund Manager will work to ensure that the Fund’s interests will be protected throughout the insolvency proceedings and looks forward to seeing Hidroelectrica emerging from this process as soon as possible.

Please note that the Fund Manager acknowledged this information from the Bucharest Court of Appeal’s official website.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, in capacity of Sole Administrator of S.C. FONDUL PROPRIETATEA S.A.

Oana TRUȚA

Legal Representative