



To

Bucharest Stock Exchange

Romanian National Securities Commission

The current report according to art. 113 point A, paragraph (1) letters i) and j) in the Regulation of the Romanian National Securities Commission no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of art. 99 in the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Report date:	24 August 2011
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 th floor, district 1 Bucharest, postal code 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:	13,778,392,208 RON
Paid share capital:	13,756,955,963 RON
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

Important events to be reported - Update regarding Fondul Proprietatea's ("The Fund") share capital

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, as Sole Administrator and Fund Manager of the Fund announces that Fondul Proprietatea has a subscribed share capital of RON 13,778,392,208 and a paid share capital of RON 13,405,864,536 as of 23 August 2011.

The decrease in the paid share capital is a result of the failure by the Romanian State (represented by the Ministry of Public Finances in its capacity as a shareholder of the Fund) to complete the contribution in kind of certain assets in exchange for shares in Fondul Proprietatea which have previously been allotted to the State. The assets in question are shares mentioned in the legislation in force owned by the Romanian State at the following companies: S.C. Electromecanica Ploiești S.A., Compania Națională Romarm, filiala Uzina Mecanică București S.A. and at Societatea Națională Nuclearelectrica S.A.

Therefore, the Fund has ascertained that the value of the subscribed share capital is RON 13,778,392,208, and the value of the paid share capital is RON 13,405,864,536. This is based on the fact that the Romanian State has failed to transfer to the Fund the following:

- a) 11,705,864 shares, with a nominal value of RON 11,705,864, as established by the Fund's Sole Administrator Decision no. 34 dated 23 August 2011 (related to S.C. Electromecanica Ploiești S.A.),
- b) 20,024,890 shares, representing RON 20,024,890 of the company's share capital, as established by the Fund's Sole Administrator Decision no. 35 dated 23 August 2011 (related to CN Romarm, filiala Uzina Mecanică București S.A.)

and



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c) 340,796,918 shares, representing RON 340,796,918 of the company's share capital, as established by the Fund's Sole Administrator Decision no. 36 dated 23 August 2011 (related to S.N. Nuclearelectrica S.A.).

In this regard, the Sole Administrator will take all appropriate measures on behalf of the Fund for recovering the unpaid capital amounts from the Romanian State, represented by the Ministry of Public Finances, and for blocking 372,527,672 shares in the account belonging to the Romanian State, pending payment or satisfactory contribution in kind by the State.

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

Adrian CIGHI

Legal Representative