

To: Bucharest Stock Exchange
Financial Supervisory Authority

Current report according to Article 99 (s) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Events to be reported:

Changes in the value of the paid-up share capital

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (“**the Fund Manager**”), in its capacity as Sole Administrator and Fund Manager of Fondul Proprietatea SA (“**the Fund**”), would like to inform shareholders that, as of 27 October 2014, the new value of the Fund’s paid-up share capital is of RON 11,469,658,154.35, while the subscribed share capital of the Fund remains unchanged at RON 11,815,279,886.85.

The change is a result of the off-set between the value of the Romanian State’s outstanding debt related to unpaid share capital towards the Fund and the value of newly received shares by the Fund from the Romanian State in “Societatea de Producere a Energiei Electrice in Hidrocentrale - HIDROELECTRICA S.A.” (134 shares were received by the Fund therein with an aggregate value of RON 1,340).

The off-set was performed in accordance with Article 10¹ of Title VII of Law no. 247/2005 on the reform in the field of ownership and of justice, whereby “*Any payment made by the Romanian State to Fondul Proprietatea, in cash or in kind, under the provisions of this law, shall be considered made with priority to settle the payment obligation of the subscribed and unpaid shares (...).*”

Following the off-set, the outstanding debt of the Romanian State, represented by the Ministry of Public Finance, towards the Fund is RON 345,621,732.40. The unpaid capital is RON 345,621,732.50 (representing 363,812,350 unpaid shares). The amount of RON 0.10 (computed as the difference between the total value of the shares received by the Fund in Hidroelectrica cumulated with the difference remained unincorporated in paid share capital from the previous share capital increase (RON

Report date:

27 October 2014

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti St.,
7th 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:

RON 11,815,279,886.85

Paid up share capital:

RON 11,469,658,154.35

Regulated market on which the

issued securities are traded:

Bucharest Stock Exchange

0.55) and the total value of the Fund's shares received by the Romanian State) will be taken into account together with future similar contributions to share capital by the Romanian State that result in changes in the share capital of the Fund unpaid by the Romanian State (represented by the Ministry of Public Finance).

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

Oana Valentina TRUȚA

Legal Representative

Legal Representative

[...]

**Franklin Templeton Investment Management Ltd United Kingdom Bucharest
Branch, acting as sole director on behalf of FONDUL PROPRIETATEA S.A.**