

**To: Bucharest Stock Exchange
Financial Supervisory Authority**

Current report according to Article 228 paragraph (3) of Law no. 297/2004 on the capital market, as amended and supplemented

Important events to be reported:

City of London Investment Management Company Limited (“City of London”) reduces its holding in S.C. Fondul Proprietatea S.A. (“Fondul Proprietatea”) below 5%.

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, as sole administrator and fund manager of Fondul Proprietatea announces that City of London has disclosed that its total participations in the company have dropped to 4.99996% of the paid share capital from 5.00742%.

The notification sent by City of London is enclosed in the Annex to this report.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as Sole Administrator on behalf of S.C. FONDUL PROPRIETATEA S.A.

**Oana Valentina Truta
Legal Representative**

Report date:

28 August 2013

Name of the issuing entity:

S.C. 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:

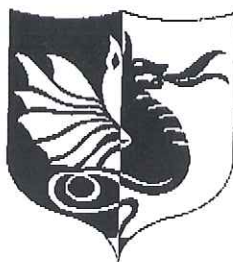
RON 13,778,392,208

Paid share capital:

RON 13,413,137,586

**Regulated market on which the
issued securities are traded:**

Bucharest Stock Exchange



CITY OF LONDON

Investment Management Company Limited

The Barn

1125 Airport Road, Coatesville, PA 19320

Tel: 610-380-2110 Fax: 610 380-2116/7

TO: SC Fondul Proprietatea SA

FROM: Krista Urie

DATE: August 26, 2013

FAX NUMBER: +40 21 200 96 31; +40 21 200 96 32

PAGES TO FOLLOW: 4

Please find attached the completed disclosure form for City of London Investment Company Limited's holding in Fondul Proprietatea. The following form has also been sent via email to investor.relations@fondulproprietatea.ro.

If there are any questions regarding the disclosure, please contact Mark Dwyer at mark.dwyer@citlon.co.uk or +44 207 860 8312.

Kind regards,
Krista

Krista Urie
City of London Investment Management Company
610-380-3613
Krista.Urie@citlon.com

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City of London Investment Management Company Limited is regulated by the FSA and registered as an investment adviser with the United States SEC. All reasonable care has been taken in the preparation of this information. No responsibility can be accepted under any circumstances for errors of fact or opinion. This document is not an offer to buy or sell securities. Past performance is not necessarily a guide to future returns. The Company, its clients and officers may have a position or engage in transactions in any of the securities mentioned.

To: SC Fondul Proprietatea SA
 Bucharest, 78 - 80 Buzesti Street,
 7th floor, 1st District, postal code 011017
 Fax: +40 21 200 96 31; +40 21 200 96 32
 E-mail:
investor.relations@fondulproprietatea.ro

To: Financial Supervisory Authority
 Bucharest, 2 Foişorului Street, 3rd District,
 postal code 031178
 Fax: +40 21 326 68 48; +40 21 326 68 49
 E-mail: cnvm@cnvmr.ro

To: SC Bursa de Valori Bucureşti SA
 Bucharest, 34 - 36 Carol I Boulevard, 14th
 floor, 2nd District, postal code 020922
 Fax: +40 21 307 95 19
 E-mail: bvb@bvb.ro

REPORTING

based upon the model of reporting
 holdings over 5% pursuant to article 116
 par. (1) of the National Securities
 Commission Regulation 1/2006 regarding
 the issuers and the operations with
 securities

FINANCIAL SUPERVISORY
 AUTHORITY (FORMERLY THE
 NATIONAL SECURITIES
 COMMISSION)

REPORTING HOLDINGS FALLING
 BELOW 5%

Company: SC FONDUL
 PROPRIETATEA SA - BUCURESTI

Single Registration Code: 18253260

Regulated market symbol: FP

Către: S.C. Fondul Proprietatea S.A.
 Bucureşti, Strada Buzesti nr. 78 - 80,
 etajul 7, Sector 1, cod poştal 011017
 Fax: +40 21 200 96 31; +40 21 200 96 32
 E-mail:
investor.relations@fondulproprietatea.ro

To: Autoritatea de Supraveghere Financiară
 Bucureşti, Str. Foişorului nr. 2, Sector 3,
 cod poştal 031178
 Fax: +40 21 326 68 48; +40 21 326 68 49
 E-mail: cnvm@cnvmr.ro

Către: S.C. Bursa de Valori Bucureşti S.A.
 Bucureşti, Bulevardul Carol I nr. 34 - 36, etaj
 14, Sector 2, cod poştal 020922
 Fax: +40 21 307 95 19
 E-mail: bvb@bvb.ro

RAPORTARE

bazată pe modelul de raportare deţineri
 peste 5% conform art. 116 alin. (1) din
 Regulamentul Comisiei Naţionale de
 Valori Mobiliare nr. 1/2006 privind
 emitenţii şi operaţiunile cu valori
 mobiliare

AUTORITATEA DE SUPRAVEGHERE
 FINANCIARĂ (ANTERIOR COMISIA
 NAŢIONALĂ A VALORILOR
 MOBILIARE)

RAPORTARE DEŢINERI CARE AU
 SCĂZUT SUB 5%

Societatea comercială: S.C. FONDUL
 PROPRIETATEA S.A. - BUCUREŞTI

Codul unic de înregistrare: 18253260

Simbol piaţă reglementată: FP

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Securities type: Shares	Tipul valorii mobiliare: Acțiuni
Securities holder identification: City of London Investment Management Company Limited	Identificarea deținătorului de valori mobiliare: City of London Investment Management Company Limited
Natural person: N / A (family name and first name) (I.D./Passport-series/no.) (personal numeric code)	Persoana fizică N / A (numele și prenumele) (B.I./Pașaport-seria/nr.) (codul numeric personal)
Legal person: City of London Investment Management Company Limited – registration number 02851236 (full name) (single registration code) (location/country) (country) (tel./fax) 77 Gracechurch Street, London EC3V 0AS, United Kingdom of Great Britain and Northern Ireland Phone: +44 20 7711 0771 Fax: +44 20 7711 0774	Persoana juridică: City of London Investment Management Company Limited – număr de înregistrare 02851236 (denumirea completă) (cod unic de înreg.) (localitatea/țara) (județul) (tel./fax) 77 Gracechurch Street, Londra EC3V 0AS, Regatul Unit al Marii Britanii și al Irlandei de Nord Telefon: +44 20 7711 0771 Fax: +44 20 7711 0774
Significant shareholders of the holder of securities: City of London Investment Group (The description of the relation of the securities' holder with other shareholders according to art. 116 paragraph (2))	Acționari/asociați semnificativi ai deținătorului de valori mobiliare: City of London Investment Group (Descrierea relației deținătorului de valori mobiliare cu alți acționari în conformitate cu art. 116 alin. (2))
Number of shares previously held: 114,126,693 FP shares representing 0.85086% of the subscribed and paid share capital of SC Fondul Proprietatea SA¹; and	Numărul acțiunilor deținute anterior: 114,126,693 acțiuni FP reprezentând 0,85086% din capitalul social subscris și vărsat al S.C. Fondul Proprietatea S.A.²; și

¹ Subscribed and paid share capital of SC Fondul Proprietatea S.A.: 13,413,137,586 RON (as per the monthly report of 31 July 2013 published by Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as sole administrator of SC Fondul Proprietatea SA - http://www.fondulproprietatea.ro/sites/default/files/raport_lunar_fp_iulie_2013.pdf).

² Capital social subscris și vărsat al S.C. Fondul Proprietatea S.A.: 13,413,137,586 RON (conform raportului lunar din data de 31 iulie 2013 publicat de către Franklin Templeton Investment Management Limited United Kingdom, Sucursala București, în calitate de administrator unic al S.C. Fondul Proprietatea S.A. - http://www.fondulproprietatea.ro/sites/default/files/raport_lunar_fp_iulie_2013.pdf).

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<p>557,525,019 warrants, consisting of:</p> <p>142,524,919 warrants issued by The Royal Bank of Scotland PLC, and</p> <p>415,000,100 warrants issued by Raiffeisen Centrobank AG,</p> <p>all without the right of physical delivery (if these warrants gave the right of physical delivery, the underlying-shares thereof would represent 4.15656% of the subscribed and paid share capital of SC Fondul Proprietatea SA, totalling together with the above-mentioned FP shares 671,651,712 shares and underlying-shares of the warrants, which would represent 5.00742% of the subscribed and paid share capital of SC Fondul Proprietatea SA).</p> <p>The way in which they have been acquired/alienated:</p> <ul style="list-style-type: none"> - upon the company's setting up; X trading on the secondary market; - public sale offer; - public purchase/takeover bid; - A.P.A.P.S. (Authority for the Privatisation and Management of State Ownership) contract; - other ways. 	<p>557.525.019 warrant-uri, cuprinzând:</p> <p>142.524.919 warrant-uri emise de către The Royal Bank of Scotland PLC, și</p> <p>415.000.100 warrant-uri emise de către Raiffeisen Centrobank AG,</p> <p>toate fără drept la decontare în natură (dacă aceste warrant-uri ar da dreptul la decontare în natură, acțiunile-suport ale acestora ar reprezenta 4,15656% din capitalul social subscris și vărsat al S.C. Fondul Proprietatea S.A., totalizând împreună cu acțiunile FP mai sus menționate 671.651.712 acțiuni și acțiuni-suport ale warrant-urilor, care ar reprezenta 5,00742% din capitalul social subscris și vărsat al S.C. Fondul Proprietatea S.A.).</p> <p>Modalitatea de obținere/înstrăinare:</p> <ul style="list-style-type: none"> - la înființarea societății; X tranzacție pe piața secundară; - oferta publică de vânzare; - oferta publică de cumpărare/preluare; - contract A.P.A.P.S. (Autoritatea pentru Privatizare și Administrarea Participațiilor Statului); - alte modalități.
<p>Number of shares held after the transaction:</p> <p>114,126,693 FP shares representing 0.85086% of the subscribed and paid share capital of SC Fondul Proprietatea SA; and</p> <p>556,525,019 warrants, consisting of:</p> <p>141,524,919 warrants issued by The Royal Bank of Scotland PLC, and</p> <p>415,000,100 warrants issued by Raiffeisen Centrobank AG;</p> <p>all without the right of physical delivery (if</p>	<p>Numărul de acțiuni deținute după tranzacție:</p> <p>114.126.693 acțiuni FP reprezentând 0,85086% din capitalul social subscris și vărsat al S.C. Fondul Proprietatea S.A.; și</p> <p>556.525.019 warrant-uri, cuprinzând:</p> <p>141,524,919 warrant-uri emise de către The Royal Bank of Scotland PLC, și</p> <p>415.000.100 warrant-uri emise de către Raiffeisen Centrobank AG,</p>

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these warrants gave the right of physical delivery, the underlying-shares thereof would represent 4.14910% of the subscribed and paid share capital of SC Fondul Proprietatea SA, totalling together with the above-mentioned FP shares 670,651,712 shares and underlying-shares of the warrants, which would represent **4.99996%** of the subscribed and paid share capital of SC Fondul Proprietatea SA).

The percentage of the share capital represented by the shares held after the transaction and the number of votes in the Extraordinary General Meeting of Shareholders of the issuer:

0.85086% of the subscribed and paid share capital of SC Fondul Proprietatea SA; and

114,126,693 votes.

Date of transaction: **22nd August 2013**

Signature of the legal representative of the reporting person



Mark Dwyer

City of London Investment Management Company Limited

E-mail: mark.dwyer@citlon.co.uk

Phone: +44 207 860 83 12

toate fără drept la decontare în natură (dacă aceste warrant-uri ar da dreptul la decontare în natură, acțiunile-suport ale acestora ar reprezenta 4,14910% din capitalul social subscris și vărsat al S.C. Fondul Proprietatea S.A., totalizând împreună cu acțiunile FP mai sus menționate 670.651.712 acțiuni și acțiuni-suport ale warrant-urilor, care ar reprezenta **4,99996%** din capitalul social subscris și vărsat al S.C. Fondul Proprietatea S.A.).

Procentul din capitalul social reprezentat de acțiunile deținute după tranzacție și numărul de voturi în AGEA emitentului:

**0,85086% din capitalul social subscris și vărsat al S.C. Fondul Proprietatea S.A.; și
114.126.693 voturi.**

Data tranzacției: **22 august 2013**

Semnătura reprezentantului legal al persoanei care raportează



Mark Dwyer

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