

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

The current report according to Art. 113 point A, paragraph (1) letter c) of the Romanian National Securities Commission Regulation no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and supplemented, as well as the provisions of Art. 99 of the Rulebook of the Bucharest Stock Exchange as Market Operator

Important events to be reported:

The resolutions of the Extraordinary General Shareholders Meeting of 21 January 2015

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 / the Company**") hereby announces that on 21 January 2015 was held at Radisson Blu Hotel, in Bucharest, the Fund's Extraordinary General Shareholders Meeting ("**EGM**") commencing at 2:00 p.m. (Romanian time).

The meeting was chaired by Mr. Grzegorz Maciej Konieczny, the Legal Representative of the Fund Manager.

Following the said meeting, the shareholders of the Fund decided the following:

1. To approve the EGM agenda.
2. To approve the decrease of the subscribed share capital of Fondul Proprietatea SA as follows.

The approval of the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 11,575,064,733.65 to RON 10,965,850,800.30 through the reduction of the par value of the shares of Fondul Proprietatea SA from RON 0.95 to RON 0.90. The decrease is motivated by the optimization of the share capital of Fondul Proprietatea SA, involving the return to the shareholders of a part of their contributions, proportionally with their participation to the paid-up share capital of Fondul Proprietatea SA.

After the decrease, the subscribed share capital of Fondul Proprietatea SA shall have a value of RON 10,965,850,800.30 being divided in 12,184,278,667 shares, each having a par value of RON 0.90. The decrease of the share capital is performed based on Article 207 para. (2) letter (b) of Law no. 31/1990 and shall be effective, in accordance with Article 208 para. (1) of Law no. 31/1990, after the expiry of a two months term starting with the publication of the general meeting of shareholders resolution in the Official Gazette of Romania, Part IV, provided that Financial Security Authority (FSA) shall have endorsed the amendment of Article 7 paragraph 1 and Article 9 para. (2) of the Constitutive Act of Fondul Proprietatea SA as approved by shareholders during this meeting.

Report date:

21 January 2015

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

Number of shares in issue:

12,437,136,723

Number of paid shares:

12,073,324,373

Regulated market on which the issued securities are traded:

Bucharest Stock Exchange

The approval of the amendment of the Article 7 paragraph (1) of the Constitutive Act of Fondul Proprietatea SA as follows.

“(1) The subscribed share capital of Fondul Proprietatea is in amount of RON 10,965,850,800.30, divided in 12,184,278,667 ordinary, nominative shares, having a face value of RON 0.90/each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by the Central Depository.”

The approval of the amendment of the Article 9 paragraph (2) of the Constitutive Act of Fondul Proprietatea SA as follows.

“(2) The nominal value of a share is RON 0.90”.

The approval of the payment to the shareholders registered as such at the registration date of RON 0.05/share, proportionally with their participation to the paid-up share capital of Fondul Proprietatea SA. The payment shall start on the Payment Date of this EGM, provided that the decrease of the share capital mentioned above is effective by that time.

3. To ratify and to approve all EGM resolutions and all legal acts (including resolutions, decisions, notices for convening all EGM and contracts) concluded, adopted and issued in the name of Fondul Proprietatea SA through Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, between 6 September 2010 and 20 January 2015 and to approve and ratify any implementation acts, facts and operations based on such, including the management of the Company under an unitary system, as well as the approval of all the changes to the Constitutive Act approved by all the extraordinary general meetings of shareholders between 6 September 2010 and 20 January 2015, as endorsed by FSA and reflected in the in force Constitutive Act attached as an Annex to this EGM Convening notice.
4. In accordance with Article 1292 of Regulation no. 1/2006, to approve:
 - a) 24 June 2015 as the registration date, in accordance with the provisions of Article 238 paragraph (1) of Capital Market Law no. 297/2004.
 - b) 23 June 2015 as the Ex – Date, computed according to the definition set by Article 2 letter f) of Regulation no. 6/2009;
 - c) 29 June 2015 as the Payment Date, as it is defined by Article 2 letter g) of Regulation no. 6/2009;
5. To empower, with authority to be substituted, Grzegorz

Maciej KONIECZNY, as legal representative of Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, to sign the shareholders' resolutions and the amended and restated form of the Constitutive Act, 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' resolutions, including formalities for publication and registration thereof with the Trade Register or with any other public institution.

6. To approve the secondary listing of Fondul Proprietatea S.A. on the London Stock Exchange, as follows:

6.1 To approve all arrangements to allow the admission to trading of Fondul Proprietatea S.A.'s shares via direct or indirect ownership (such as through depositary receipts, depositary interests or other indirect ownership form) (the "Securities") on the London Stock Exchange;

6.2 To approve the empowerment of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, in its capacity as sole director of Fondul Proprietatea S.A. (i) to take all necessary actions in order to complete such listing, including to choose the type of listing, the section of the London Stock Exchange where the Securities will be listed, the execution of the intermediation and any other agreements, appointing a depositary bank and the execution of a depositary agreement, if the case, appointing any advisers and subcontractors if necessary and drafting and executing all documentation in connection with the secondary listing; (ii) to represent Fondul Proprietatea S.A. with full power and authority in front of any third party and authorities in connection with secondary listing activities; (iii) to seek all necessary regulatory approvals; (iv) to carry out any promotional campaigns; and (v) to perform any other action or formality which may be necessary or desirable to ensure the full effectiveness of the matters set out at this point; such authorisation of Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch is valid until 10 July 2015.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as Sole Administrator on behalf of FONDUL PROPRIETATEA SA

Grzegorz Maciej KONIECZNY
Legal Representative