

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 completed, as well as the provisions of Art. 99 of the Rule Book of the Bucharest Stock Exchange as Market Operator.

Important events to be reported:

The resolutions of the Extraordinary General Shareholders Meeting of 3 February 2014

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("FTIML Bucharest Branch / The Fund Manager"), in its capacity as Sole Administrator and Fund Manager of Fondul Proprietatea SA ("the Fund") hereby announces that on 3 February 2014 was held at Radisson Blu Hotel, in Bucharest the Fund's Extraordinary General Shareholders Meeting commencing with 10.00 a.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 decided the following:

1. To approve the EGM agenda;
2. To approve the amendment of the Constitutive Act of SC Fondul Proprietatea SA, as follows:

Art. 14, paragraphs (4) and (5) will be amended and read as follows:

"(4) The attendance of shareholders representing at least 50% of the total number of the voting rights, both at the first and the second convocation, is required for the validity of deliberations of the extraordinary general meeting of the shareholders to adopt a decision regarding:

(i) a share capital increase,

(ii) the anticipated dissolution of Fondul Proprietatea, made under the conditions of the law.

(5) For the validity of the deliberation of the extraordinary general

Report date:

3 February 2014

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

meeting of shareholders regarding a share capital decrease, the attendance of the shareholders representing:

(i) at least a fourth of the shares having voting rights upon the first convocation, and

(ii) at least one fifth of the total number of the shares having voting rights, upon the second convocation is required.”

The amendment of the Constitutive Act enters in force after the endorsement of Financial Security Authority and after the publication in Official Gazette.

3. To approve the decrease of the subscribed share capital of SC Fondul Proprietatea SA as follows:

The approval of the decrease of the subscribed share capital of SC Fondul Proprietatea SA from RON 13,538,087,407 to RON 12,861,183,036.65 through the reduction of the par value of the shares of SC Fondul Proprietatea SA from RON 1.00 to RON 0.95. The decrease is motivated by the optimization of the share capital of Fondul Proprietatea, involving the return to the shareholders of a part of their contributions, proportionally with their participation to the paid share capital of SC Fondul Proprietatea SA. After the decrease, the subscribed share capital of SC Fondul Proprietatea SA shall have a value of RON 12,861,183,036.65 being divided in 13,538,087,407 shares, each having a par value of RON 0.95. 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 shall have endorsed the amendment of Article 7 para. (1) of the Constitutive Act of SC Fondul Proprietatea SA as approved by shareholders during this meeting.

The approval of the amendment of Article 7 paragraph 1 of the Constitutive Act of SC Fondul Proprietatea SA as follows:

“The subscribed share capital of Fondul Proprietatea is in amount

of RON 12,861,183,036.65, divided in 13,538,087,407 ordinary, nominative shares, having a face value of RON 0.95/each. The capacity as shareholder of Fondul Proprietatea is attested by a statement of account issued by the Central Depository.”

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 share capital of SC Fondul Proprietatea SA. The payment shall start in 30 days after the decrease of the share capital mentioned above is effective.

4. To ratify and to approve all resolutions taken by the general shareholders meetings and all the legal acts (including decisions and contracts) concluded, adopted and issued in the name of SC Fondul Proprietatea SA through Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, between 6 September 2010 and 2 February 2014 and to approve and to ratify any implementation acts, facts and operations based on such, including the management of the SC Fondul Proprietatea SA under an unitary system.

5. To approve 30 April 2014 as the registration date, in accordance with the provisions of Article 238 para. (1) of Capital Market Law no. 297/2004.

6. 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' resolution, including formalities for publication and registration thereof with the Trade Register or with any other public institution.

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

Legal Representative