

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

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

Important events to be reported:

Amendment to Preliminary Results Report for the financial year ended 31 December 2013, published on 13 February 2014

The Fund Manager would like to inform shareholders and investors that due to changes in tax regulations effective this year we have restated the unaudited Statement of Comprehensive Income and the Statement of Financial Position prepared in accordance with International Financial Reporting Standards included in Annex 2 of the 2013 Preliminary Results Report as issued on February 13. The most important change in the Fiscal Code that took effect from 1st January 2014 resulted in no future tax charge on gains, or relief for losses, on portfolio investments where the Fund holds at least 10% of the shares in issue for a period of at least one year. Deferred tax assets or liabilities on equity investments can therefore now only be recognised where holdings are lower than 10% or held for less than a year. In the Statement of Comprehensive Income, the effect of adjusting the Fund's net deferred tax liability position results in the "*Profit/(loss) for the period*" changing from a profit of RON 94.1million to a loss of RON 837.3 million, and an increase in "*Total Comprehensive Income for the Period*" from RON 3,698.1 million to RON 3,977.5 million. In the Statement of Financial Position, these adjustments result in the change of the deferred tax position from a deferred tax liability of RON 279.0 million to a deferred tax asset of RON 0.3 million.

Please note that this amendment has no impact on any other information contained within the Preliminary Results Report (Please also be aware that these figures are unaudited).

An amended copy of the Preliminary Results Report for the financial year ended 31 December 2013 as well as comparison to

Report date:

25 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 13,538,087,407

Paid share capital:

RON 13,172,832,785

Regulated market on which the issued securities are traded:

Bucharest Stock Exchange

the initial report are attached to this current report.

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

**Oana Valentina Truta
Legal Representative**

Annex 2

S.C. FONDUL PROPRIETATEA S.A.
STATEMENT OF COMPREHENSIVE INCOME AND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Prepared in accordance with International Financial Reporting Standards (“IFRS”),
Extract from Separate IFRS financial statements

(This is a translation from the official Romanian version)

FONDUL PROPRIETATEA S.A.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013
(all amounts are in RON)

A	Financial year end	
	31 December 2013 Unaudited	31 December 2012 Audited
	1	2
Gross dividend income	652,380,173	623,658,450
Gains on disposal of equity investments	247,822,287	17,878,048
Interest income	36,143,817	34,922,880
Reversal of impairment losses / (Impairment losses) on dividends receivable, net	46,907,126	(46,209,651)
Reversal of impairment losses / (impairment losses) on receivables in respect of equity contributions, net	(9,038,221)	5,211,070
Impairment losses on equity investments	(835,772,382)	(772,364,379)
Impairment losses on other assets	(194,535)	(878,300)
Net foreign exchange gains /(loss)	34,102	(217,729)
Other operating income, net	3,130,519	3,949,848
Net operating income / (loss)	141,412,886	(134,049,763)
Personnel expenses	(947,635)	(658,639)
Other operating expenses	(87,691,418)	(58,913,209)
Operating expenses	(88,639,053)	(59,571,848)
Profit / (Loss) before income tax	52,773,833	(193,621,611)
Income tax (expense) / benefit	(890,110,425)	118,659,281
Loss for the period	(837,336,592)	(74,962,330)
Other comprehensive income		
Net change in fair value of available-for-sale equity investments	4,647,024,086	1,492,909,826
Deferred tax on other comprehensive income	467,247,696	(238,865,572)
Decrease in fair value reserve following the disposal of available-for-sale equity investments	(299,452,821)	-
Total other comprehensive income	4,814,818,961	1,254,044,254
Total comprehensive income for the period	3,977,482,369	1,179,081,924
Basic and diluted earnings / (losses) per share	(0.0608)	(0.0054)

Note: For 31 December 2013, an important part of Fondul Proprietatea's unlisted holdings (15 holdings) were valued at fair value by independent valuers. As a consequence, they were reclassified from *Equity investments at cost* into *Equity investments at fair value* category, the net change in fair value of these available-for-sale equity investments being recorded through *Other comprehensive income*.

FONDUL PROPRIETATEA S.A.
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2013
(all amounts are in RON)

A	Balance	
	31 December 2013 Unaudited	31 December 2012 Audited
	1	2
Assets		
Cash and current accounts	5,552,477	1,857,628
Deposits with banks	232,110,013	317,309,452
Treasury bills	129,887,375	454,732,857
Government bonds	83,748,146	-
Dividends receivable	-	799,994
Equity investments	14,442,281,083	11,269,744,338
Deferred tax assets	342,189	363,487,628
Other assets	3,624,221	2,189,053
Total assets	14,897,545,504	12,410,120,950
Liabilities		
Other liabilities	42,268,236	21,064,179
Total liabilities	42,268,236	21,064,179
Equity		
Share capital	13,778,392,208	13,778,392,208
Fair value reserve on available-for-sale financial assets	7,309,138,404	2,494,319,443
Other reserves	312,558,751	278,451,031
Treasury shares	(1,095,093,250)	(120,268,583)
Accumulated losses	(5,449,718,845)	(4,041,837,328)
Total equity	14,855,277,268	12,389,056,771
Total liabilities and equity	14,897,545,504	12,410,120,950

FONDUL PROPRIETATEA S.A.
COMPARISON STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013
(all amounts are in RON)

	Financial year ended 31 December 2013		Differences
	Restated values	Values published in the preliminary report	
A	1	2	3
Gross dividend income	652,380,173	652,380,173	-
Gains on disposal of equity investments	247,822,287	247,822,287	-
Interest income	36,143,817	36,143,817	-
Reversal of impairment losses / (Impairment losses) on dividends receivable, net	46,907,126	46,907,126	-
Reversal of impairment losses / (impairment losses) on receivables in respect of equity contributions, net	(9,038,221)	(9,038,221)	-
Impairment losses on equity investments	(835,772,382)	(835,772,382)	-
Impairment losses on other assets	(194,535)	(194,535)	-
Net foreign exchange gains /(loss)	34,102	34,102	-
Other operating income, net	3,130,519	3,130,519	-
Net operating income	141,412,886	141,412,886	-
Personnel expenses	(947,635)	(947,635)	-
Other operating expenses	(87,691,418)	(87,691,418)	-
Operating expenses	(88,639,053)	(88,639,053)	-
Profit before income tax	52,773,833	52,773,833	-
Income tax (expense) / benefit	(890,110,425)	41,319,716	(931,430,141)
Profit / (Loss) for the period	(837,336,592)	94,093,549	(931,430,141)
Other comprehensive income			
Net change in fair value of available-for-sale equity investments	4,647,024,086	4,647,024,086	-
Deferred tax on other comprehensive income	467,247,696	(743,523,854)	1,210,771,550
Decrease in fair value reserve following the disposal of available-for-sale equity investments	(299,452,821)	(299,452,821)	-
Total other comprehensive income	4,814,818,961	3,604,047,411	1,210,771,550
Total comprehensive income for the period	3,977,482,369	3,698,140,960	279,341,409

FONDUL PROPRIETATEA S.A.
COMPARISON STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2013
(all amounts are in RON)

	Balance as of 31 December 2013		Differences
	Restated values	Values published in the preliminary report	
A	1	2	3
Assets			
Cash and current accounts	5,552,477	5,552,477	-
Deposits with banks	232,110,013	232,110,013	-
Treasury bills	129,887,375	129,887,375	-
Government bonds	83,748,146	83,748,146	-
Dividends receivable	-	-	-
Equity investments	14,442,281,083	14,442,281,083	-
Deferred tax assets	342,189	-	342,189
Other assets	3,624,221	3,624,221	-
Total assets	14,897,545,504	14,897,203,315	342,189
Liabilities			
Deferred tax assets	-	278,999,220	(278,999,220)
Other liabilities	42,268,236	42,268,236	-
Total liabilities	42,268,236	321,267,456	(278,999,220)
Equity			
Share capital	13,778,392,208	13,778,392,208	-
Fair value reserve on available-for-sale financial assets	7,309,138,404	6,098,366,854	1,210,771,550
Other reserves	312,558,751	312,558,751	-
Treasury shares	(1,095,093,250)	(1,095,093,250)	-
Accumulated losses	(5,449,718,845)	(4,518,288,704)	(931,430,141)
Total equity	14,855,277,268	14,575,935,859	279,341,409
Total liabilities and equity	14,897,545,504	14,897,203,315	342,189