

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

Current report according to Article 113 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 Article 99 of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Important events to be reported:

The decrease of the subscribed share capital was endorsed by the Financial Supervisory Authority

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 and investors that the Financial Supervisory Authority ("**FSA**"), through Decision no. 164 / 25 September 2014, endorsed the decrease of the subscribed share capital from RON 12,861,183,036.65 to RON 11,815,279,886.85, following the cancellation of 1,100,950,684 treasury shares acquired by the Fund during the second buy-back programme in 2013. The share capital decrease is effective beginning with 26 September 2014. Therefore, starting with 26 September 2014, the new value of the Fund's subscribed share capital is RON 11,815,279,886.85, divided into 12,437,136,723 shares with a nominal value of RON 0.95/share. The value of the paid-up share capital is RON 11,469,656,813.90, divided into 12,073,322,962 shares with a nominal value of RON 0.95/share.

With regards to the fourth buy-back programme approved by the Fund's General Shareholders Meeting Resolution no. 9/28 April 2014, the Fund Manager would like to inform shareholders and investors that it will be initiated within the next few days and the Fund Manager will update shareholders accordingly.

Please find enclosed herein the full text of FSA's Decision no. 164 / 25 September 2014. Please note that the Fund's Constitutive Act in force can be accessed on the Fund's webpage [here](#).

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

Oana Valentina Truta - Legal Representative

Report date:

29 September 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 share capital:

RON 11,469,656,813.90

Regulated market on which the issued securities are traded:

Bucharest Stock Exchange

Translation from Romanian

26/09 2014 14:30 FAX 0216596051 A.S.F.

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*[Stamp of the Financial Supervisory Authority (A.S.F.),
Si-DAS_7211.2, 26.09.2014]*

DIRECTORATE FOR AUTHORISATION AND SUPERVISION OF
REGULATED ENTITIES

FINANCIAL INSTRUMENT AND INVESTMENT SECTOR

To
FRANKLIN TEMPLETOR INVESTMENT MANAGEMENT LIMITED
United Kingdom, Bucharest Branch
78-80 Buzeși Street, 7-8th Floors, Premium Point
1st District, 011017, Bucharest, Romania
Fax: 021 200 96 31/32

*[Stamp of S.C. FONDUL PROPRIETATEA S.A.,
Entry no. 1759/26.09.2014]*

To Mister Grzegorz Konieczny – Director

Following your request registered with A.S.F. under no. RG/71204/18.07.2014, supplemented by the request registered under no. RG/90718/16.09.2014 requesting the endorsement of the amendment of the Articles of Association al SC Fondul Proprietatea SA following the reduction of the share capital of the company pursuant to the Decision A.G.E.A. no. 7/28.04.2014, we hereby send you in the annex, the original A.S.F. endorsement no. 164/25.09.2014.

Yours sincerely,

Head of Department
Claudia Cătălina SAVA
[Illegible signature]
*[Financial Supervisory Authority,
Head of Department S.I.I.F, Romania]*

**FINANCIAL SUPERVISORY AUTHORITY
FINANCIAL INSTRUMENT AND INVESTMENT SECTOR**

ENDORSEMENT NO. 164/25.09.2014

Pursuant to the provisions of art. 1(2), art. 2(1)a) and d), art. 3 a), art. 6(1) and (3) and art. 27 of the Government Emergency Ordinance no. 93/2012 on the organization and operation of the Financial Supervisory Authority (hereinafter referred to as A.S.F.), approved as amended and supplemented by Law no. 113/2013, as further amended and supplemented,

in accordance with the provisions of art. 14 of the Regulation of the Romanian National Securities Commission no. 4/2010 on the registration with the Romanian National Securities Commission and the operation of the Commercial Company „Fondul Proprietatea” S.A., as well as the trading of shares issued by such company, as further amended and supplemented,

having regard to the request of S.C. Fondul Proprietatea S.A., registered with A.S.F. under no. RG/71204/18.07.2014, supplemented by the notification registered under no. RG/90718/16.09.2014,

pursuant to the Decision A.S.F. no. 925/31.07.2014,

pursuant to the analysis of the specialised directorate, the A.S.F. Vice-President – Financial Instrument and Investment Sector decided to issue the following individual document:

ENDORSEMENT

Art. 1 The amendments of Article 7(1) of the Articles of Association of S.C. Fondul Proprietatea S.A. following the reduction of the share capital of the company from RON 12,861,183,036.65 to RON 11,815,279,886.85, pursuant to the Decision of the Extraordinary General Meeting of Shareholders no. 7/28.04.2014, are endorsed.

Art. 2 This endorsement enters into force on the date of its communication to S.C. Fondul Proprietatea S.A. and shall be published in the Newsletter of the Financial Supervisory Authority in electronic format.

Vice-President
Financial Instrument and Investment Sector
Mircea URSACHE
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[Financial Supervisory Authority,
Vice-President S.I.I.F, Romania]