

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

Current report according to Article 99 (s) of the Code of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

Important events to be reported:

The decrease of the subscribed share capital of SC Fondul Proprietatea SA was endorsed by the Financial Supervisory Authority

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"), would like to inform shareholders and investors that the Financial Supervisory Authority ("FSA") endorsed the decrease of the subscribed share capital of the Fund, from RON 13,778,392,208 to RON 13,538,087,407, following the cancellation of 240,304,801 Treasury shares acquired by the Fund during the first buy-back programme in 2011. The share capital decrease is effective beginning with 24 February 2014, the date when FSA decision no. 1/ 21 February 2014 is effective. Therefore, starting with 24 February 2014, the new value of the Fund's subscribed share capital is RON 13,538,087,407 and the value of the paid-up share capital is RON 13,172,832,785.

With regards to the third buy-back programme, the Fund Manager would like to inform shareholders and investors that it will be initiated after the publication in Official Gazette of EGM Resolution no. 15/22.11.2013 – the process is currently ongoing.

Please find enclosed herein the full text of the FSA's decision no. 1/ 21 February 2014. Please note that the 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 S.C. FONDUL PROPRIETATEA S.A.

Adrian CIGHI

Legal Representative

Report date:

24 February 2014

Name of the issuing entity:

S.C. Fondul Proprietatea S.A.
(the "Fund")

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

Seal: FONDUL PROPRIETATEA S.A., Entry Registration no. 413, 24 February 2014

Seal: Financial Supervisory Authority, Output Registration no. SI/DAS 1914, 24 February 2014

Logo Financial Supervisory Authority

**CABINET OF THE VICE-PRESIDENT
FINANCIAL INSTRUMENTS AND INVESTMENTS SECTOR**

To:

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED

United Kingdom Bucharest Branch

78-80 Buzesti Street, 7th – 8th floors, Premium Point

1st District, 011017, Bucharest, Romania

Fax: 00 40 200 96 31/32

To Ms. Oana Valentina Truta – Executive Manager

Pursuant to your letter registered with FSA under no. 11137/27 April 2012, supplemented by the letters registered under numbers A-19917/12 July 2012, 12715/30 September 2013, A-14437/23 October 2013, 6020/21 January 2014, 8921/30 January 2014, and 13678/10 February 2014, regarding the endorsement of the changes occurred to the documents which were considered when Fondul Proprietatea SA was registered, following the reduction of the share capital in accordance with the Extraordinary General Meeting Shareholders' Resolution no. 3/25 April 2012, we enclosed in the annex herein, in original, FSA's Decision no. 1/21 February 2014.

Sincerely,

Vice-President,

FINANCIAL INSTRUMENTS AND INVESTMENTS SECTOR

Mircea URSACHE

Illegible signature

Seal: Romania, Financial Supervisory Authority, F.I.I.S., Vice-President

FINANCIAL SUPERVISORY AUTHORITY
Decision no. 1/21 February 2014

Financial Supervisory Authority Council

In accordance with the provisions of Article 1 para. (2), Article 2 para. (1) letters a) and d), Article 6 para. (3), Article 26 and 27 of Government Emergency Ordinance no. 93/2012 regarding the establishing, organization and functioning of the Financial Supervisory Authority (hereafter FSA), approved with amendments and supplements by Law no. 113/2013, as amended and supplemented,

In accordance with the provisions of Article 14 and 15 of NSC's Regulation no. 4/2010 regarding the registration and functioning with the National Securities Commission of Fondul Proprietatea SA, as well as the trading of its shares,

Considering the request of Fondul Proprietatea SA registered under no. 11137/27 April 2012, supplemented by the letters registered under numbers A-19917/12 July 2012, 12715/30 September 2013, A-14437/23 October 2013, 6020/21 January 2014, 8921/30 January 2014, and 13678/10 February 2014, regarding the endorsement of the changes occurred to the documents which were considered when Fondul Proprietatea SA was registered, following the reduction of the share capital in accordance the Extraordinary General Meeting Shareholders' Resolution no. 3/25 April 2012,

In accordance with the Parliament's Decision no. 60/2013 regarding the appointment of the members of the Financial Supervisory Authority Council, published in the Official Gazette of Romania, Part I, no. 680 of 5 November 2013,

Following the deliberations held in the meeting of 20 February 2014,

Issues the following:

Decision

Article 1. There are hereby endorsed the amendments occurred to the documents which were considered when Fondul Proprietatea SA was registered, respectively in the Constitutive Act of the company following the decrease of the share capital from RON 13,778,392,208 to RON 13,538,087,407, in accordance with the Extraordinary General Meeting Shareholders' Resolution no. 3/25 April 2012.

Article 2. Fondul Proprietatea SA has the obligation to submit to FSA a copy of the mentioning registration certificate in a term of maximum 5 days of the registration with the Trade Registry of the amendment in the organization and functioning structure mentioned under Article 1 above, but not later than 90 days as of the authorization issued by the FSA.

Article 3. This herein Decision shall enter into force upon its communication to Fondul Proprietatea SA and will be published in the FSA's Bulletin, electronic version.

Article 4. The specialized departments within the Financial Instruments and Investments Sector shall ensure the fulfilment of the provisions of this herein decision, in accordance with their attributions.

Article 5. The Authorization – Supervisory Regulated Entities Department within the Financial Instruments and Investments Sector ensures the communication of this decision.

President of the Financial Supervisory Authority

Dan Radu Rusanu

Illegible signature

Seal: Romania, Financial Supervisory Authority, Council