

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:

Information regarding the number of shares held by Morgan Stanley in S.C. Fondul Proprietatea S.A.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Sole Administrator and Fund Manager of Fondul Proprietatea SA ("the Fund") hereby announces that Morgan Stanley has sent an ownership disclosure regarding the holdings in Fund, as reflected in the Annex.

The ownership disclosure shows the number of shares held by Morgan Stanley in Fondul Proprietatea as at 1 May 2014, as follows: 661,944,746 shares held, representing 4.89% of the Fund's share capital, respectively 661,944,746 voting rights.

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

Oana Valentina TRUȚA

Legal Representative

Report date:

5 May 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 13,538,087,407

Paid share capital:

RON 13,174,101,815

Regulated market on which the issued securities are traded:

Bucharest Stock Exchange

TO:**Fondul Proprietatea S.A.**

78-80 Buzești Str, 7-8 floors, District 1, Bucharest,
011017, Romania

Financial Supervisory Authority (Financial Instruments and Investments Sector)

2 Foișorului Str., District 3, Bucharest, 031178,
Romania

Bucharest Stock Exchange

34-36 Carol I Boulevard, 14th Floor, District 2,
Bucharest, 020922, Romania

CĂTRE:**Fondul Proprietatea S.A.**

Strada Buzești, nr. 78-80, etajele 7-8, Sector 1,
București, 011017, România

Autoritatea de Supraveghere Financiară (Sectorul Instrumentelor și Investițiilor Financiare)

Str. Foișorului nr.2, Sector 3, București, 031178,
România

Bursa de Valori București

Bulevardul Carol I nr 34-36, etaj 14, Sector 2,
București, 020922, România

**DISCLOSURE OF HOLDINGS OF LESS THAN
5% IN
FONDUL PROPRIETATEA S.A.**

**RAPORTARE DEȚINERI DE SUB 5% ÎN
FONDUL PROPRIETATEA S.A.**

Company name:

Fondul Proprietatea S.A.

Sole Registration Number:

18253260

Symbol within the regulated market:

FP

Security type:

Shares

Identification of the owner of the securities, legal person:

Morgan Stanley, The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware DE 19801, USA – authentication 9724419

Significant shareholders/associates of the owner of the securities:

Morgan Stanley & Co. International plc

Morgan Stanley Investment Management Inc.

Denumire societate comercială:

Fondul Proprietatea S.A.

Codul unic de inregistrare:

18253260

Simbol piață reglementată:

FP

Tipul valorii mobiliare:

Actiuni

Identificarea deținătorului de valori mobiliare, persoană juridică:

Morgan Stanley, The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware DE 19801, USA – inregistrare 9724419

Aționari/asociați semnificativi ai deținătorului de valori mobiliare:


Morgan Stanley & Co. International plc

Morgan Stanley Investment Management Inc.

Description of the relationship between the owner of the securities and other shareholders pursuant to Art 116 (2) of Regulation 1/2006	Descrierea relației deținătorului de valori mobiliare cu alți acționari în conformitate cu art. 116 alin. (2)
Morgan Stanley & Co. International plc and Morgan Stanley Investment Management Inc. are direct holders and wholly owned subsidiaries of Morgan Stanley.	Morgan Stanley & Co. International plc și Morgan Stanley Investment Management Inc. sunt acționari direcți și subsidiare deținute integral ale Morgan Stanley.
Number of shares owned prior to the transaction:	Număr acțiuni deținute anterior tranzacției:
676,944,746	676.944.746
Means of acquisition/disposal:	Modalitatea de obținere/înstrăinare:
Trades on secondary market	Tranzacție pe piața secundară
Number of shares owned after the transaction:	Numărul de acțiuni deținute după tranzacție:
661,944,746	661.944.746
Shareholding quota represented by the shares owned after the transaction:	Procentul din capitalul social reprezentat de acțiunile deținute după tranzacție:
4.89%	4,89%
Number of voting rights within the extraordinary general meeting of the issuer's shareholders owned after the transaction:	Numărul de voturi deținut în AGEA emitentului după tranzacție:
661,944,746	661.944.746
Transaction date:	Data tranzacției:
29 April 2014	29 Aprilie 2014

Date/ Data: 1 May 2014/ 1 Mai 2014

By/Prin:



_____ [Signature]

As legal representative / În calitate de reprezentant legal

Hamish Bell

Vice President

Morgan Stanley

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