



To
Bucharest Stock Exchange / Romanian National Securities Commission

The current report according to art. 113 point A, paragraph (1) letter j) in the Regulation of the Romanian National Securities Commission no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of art. 99 in the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Report date: 19.01.2011

Name of the issuing entity: SC Fondul Proprietatea SA

Registered office: 78-80 Buzesti St., 7th floor, sector 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 and paid registered capital: 13,778,392,208 RON

Regulated market on which the issued securities are traded: Bucharest Stock Exchange

Important events to be reported:

Page 44 in the Prospect drafted to admit the shares issued by S.C. Fondul Proprietatea S.A to be traded on the regulated market at sight managed by Bucharest Stock Exchange, as approved by the Romanian National Securities Commission, presents the list containing the names of all the companies and partnerships where the members of the Representatives' Committee of S.C. Fondul Proprietatea S.A. developed their activity as members of the administrative, management or surveillance bodies or partners (as applicable) for a 5-year period prior to the date of this Prospect. At the same time, the list mentions if every member of the Representatives' Committee is still a member of the respective administrative, management and surveillance bodies or if it is still a partner of that company.

As regards Mr. Bogdan DRAGOI, State Secretary within the Ministry of Public Finance, mention should be made that, according to the Decision no. 1 of 14 October 2010 of the Representatives' Committee, he was designated Chairman of this committee.

According to the information mentioned within the Prospect (page 44), he also held the position of member of the Board of Directors of S.C. Hidroelectrica S.A. (a company controlled by the Romanian state and having several disputes with Fondul Proprietatea), on the date when the Prospect was submitted for approval.

In this respect, page 48 in the Prospect mentions the fact that: *"as regards Mr. Bogdan Dragoi, certain conflicts of interests could appear due to the fact that Mr. Bogdan Dragoi simultaneously holds the positions of member of the Representatives' Committee, State Secretary within the Ministry of Public Finance (the major shareholder of the Fund) and member of the Board of Directors of S.C. Hidroelectrica S.A. (a company within the portfolio)."*



Mr. Bogdan DRAGOI, State Secretary within the Ministry of Public Finance, informed Fondul Proprietatea by the letter registered with S.C. Fondul Proprietatea S.A. under no. 88/19.01.2011 that he resigned from the position of member of the Board of Directors of S.C. Hidroelectrica S.A. as of 03 January 2011.

Having regard to the decision of Mr. Bogdan Dragoi to resign from the position of member of the Board of Directors of S.C. Hidroelectrica S.A., we estimate that there is no longer a conflict of interests related to Mr. Bogdan Dragoi, in his capacity of Chairman of the Representatives' Committee of S.C. Fondul Proprietatea S.A.

We attach to this report a copy of the letter registered with S.C. Fondul Proprietatea S.A. under no. 88/19.01.2011 regarding the decision of Mr. Bogdan DRAGOI, State Secretary within the Ministry of Public Finance.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, in capacity of sole director of S.C. FONDUL PROPRIETATEA S.A.

For Grzegorz Maciej KONIECZNY

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Empowered by the Decision of the sole director of S.C. FONDUL PROPRIETATEA S.A., Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch no. 7/17.01.2011

MINISTRY OF PUBLIC FINANCE
State Secretary Office
No. 50053/07.01.2011

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To Mr. Ion Ariton
Minister, Ministry of Economy, Trade and Business Environment

CC: Mr. Constantin Trihenea
General Director of S.C. HIDROELECTRICA S.A.

I hereby inform you that I resign from my position of member of the Board of Directors of S.C. HIDROELECTRICA SA , starting from 3 January 2011.

Kind regards,

Bogdan Dragoi
State Secretary