



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: 20.01.2011

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:

Chapter 4.2.1.2, 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 the Bucharest Stock Exchange, as approved by the Romanian National Securities Commission, presents the current membership of the Representatives' Committee of S.C. Fondul Proprietatea S.A. The members of the Representatives' Committee were appointed by the Decision of A.G.O.A.(General Ordinary Meeting of Shareholders) no. 9 of 6 September 2010 for a 3-year mandate; the appointment produced effects starting from 29 September 2010, the date when the decision of A.G.O.A. was published in the Official Gazette of Romania, Part IV. Mr. Cristian BUSU is a member of this committee.

Page 49 in the Prospect mentions a potential conflict of interests related to Mr. Cristian BUSU, due to the fact that his father is member of the Board of Directors of S.C. DELFINCOM S.A., a company within the Fund's Portfolio.

The current report drafted by S.C. DELFINCOM S.A. under the provisions of Law no. 297/2004 regarding the capital market, as subsequently amended and completed, and the C.N.V.M. Regulation no. 1/2006, informing us that the General Ordinary Meeting of Shareholders and the General Extraordinary Meeting of Shareholders of S.C. DELFINCOM S.A., headquartered in Bucharest, registration number with the Trade



Register J40/174/1991, sole registration code RO 2351539, took place on 10 January 2011, was registered with S.C. Fondul Proprietatea S.A. by letter no. 94/20.01.2011.

According to the shareholding structure of S.C. DELFINCOM S.A. Bucharest, as registered in the Shareholders' Register kept by the S.C. Depozitarul Central S.A. Bucharest, S.C. Fondul Proprietatea S.A. holds 645,647 shares, representing 65.5058% of the registered capital of S.C. DELFINCOM S.A. on the reference date 21.12.2010.

The "*revocation, by secrete vote, of the members of the Board of Directors and the appointment, by secrete vote, of new members in the Board of Directors, for a 4-year period*" is included among the items on the agenda of the General Ordinary Meeting of Shareholders of S.C. DELFINCOM S.A. Bucharest that were submitted for approval.

As it can be noticed from the content of the current report, Mr. Enache BUCU, the father of Mr. Cristian BUSU, member of the Representatives' Committee of S.C. Fondul Proprietatea S.A. is among the members of the former Board of Directors of S.C. DELFINCOM S.A. that were revoked on 10 January 2011.

In this respect, we estimate that there is no longer a conflict of interests related to Mr. Cristian BUSU, member of the Representatives' Committee of S.C. Fondul Proprietatea S.A. starting from 10 January 2011, the date when Mr. Enache BUSU no longer holds the position of member of the Board of Directors of S.C. DELFINCOM S.A. Bucharest.

Adrian CIGHI

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