

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

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

Events to be reported:

Changes within the value of the paid share capital

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 that as of 7 April 2014, the new value of the Fund’s paid share capital is of RON 13,174,101,815.

The change is a result of the set-off between the value of the Romanian State’s unpaid share capital towards the Fund and the value of newly received shares by the Fund from the Romanian State in “*Complexul Energetic Oltenia S.A.*” (26,904 shares received by the Fund therein with a value of RON 269,040) and “*Societatea de Producere a Energiei Electrice in Hidrocentrale Hidroelectrica S.A.*” (99,999 shares received by the Fund therein with a value of RON 999,990).

The set-off was performed in accordance with Article 10¹ of Title VII of Law no. 247/2005 on the reform in the field of ownership and of justice, whereby “*Any payment made by the Romanian State to Fondul Proprietatea, in cash or in kind, under the provisions of this law, shall be considered made with priority to settle the payment obligation of the subscribed and unpaid shares (...).*”

Following the said set-off, the outstanding debt of the Romanian State, represented by the Ministry of Public Finance, towards the Fund is of RON 363,985,592, representing unpaid share capital.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity of Sole Administrator of FONDUL PROPRIETATEA S.A.

Oana Valentina TRUTA
Legal Representative

Report date:

8 April 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