

To

Bucharest Stock Exchange

Romanian National Securities Commission

The current report according to Art. 113 point A, paragraph (1) letter i) 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:	7 September 2012
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 th 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:	13,778,392,208 RON
Paid share capital:	13,412,780,166 RON
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

Important events to be reported - S.C. Fondul Proprietatea S.A. (The Fund) - Update regarding the Fund's share capital

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (FTIML Bucharest), as Sole Administrator and Fund Manager of the Fund announces that the Central Depository unblocked a number of 225,310 shares issued by Fondul Proprietatea, owned by the Romanian State represented by the Ministry of Public Finance. These shares were unblocked as a result of the set-off of free shares received by the Fund from S.C. Hidroelectrica S.A. in the amount of RON 225,310. More details can be found in the current report issued by the Fund on 23 April 2012.

Please note that currently, in the Central Depository's evidence, a number of 365,612,042 shares owned by the Ministry of Public Finance in Fondul Proprietatea are blocked as unpaid, according to the Certificate of Registration of Securities („CIVM” in Romanian) no. AC-3632 - 5 issued by the National Securities Commission and to the confirmation of Central Depository. For further details on the background to these blocked shares, refer to the report of 24 August 2011.

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

**For Grzegorz Maciej KONIECZNY
Valeria NISTOR**

Head of Legal

Empowered by the Decision of the Sole Administrator of S.C. FONDUL PROPRIETATEA S.A., Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch no. 18/21.08.2012