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**Franklin Templeton Strongly Opposes Romanian Government's Attempt
To Extract "Donation" at Romgaz's 18 October General Shareholders Meeting**

London, 15 October 2010 – Franklin Templeton Investment Management Limited, investment manager and sole administrator of the Fondul Proprietatea ("the Fund"), today strongly opposes the Romanian Government's attempt to extract a "donation" from Romgaz to help finance this year's government budget deficit. Romgaz, a majority state-owned company, is the largest natural gas producer in Romania and a Fondul Proprietatea portfolio holding. Romgaz will be holding a general shareholders meeting ("GSM") on 18 October, during which a vote is to be held on this proposal.

Dr. Mark Mobius, Executive Chairman of the Templeton Emerging Markets Group commented, "Having engaged with the Romanian Government on this issue, we are naturally disappointed that they are pursuing this course of action. We reiterate today that we strongly oppose the Government's proposal to extract a donation from Romgaz to cover its budget deficit. Doing so would be detrimental to Romania's reputation and set a very negative precedent, damaging foreign investors' perception of the safety of doing business in Romania and negatively affecting the possibility of having Romgaz listed on the Bucharest Stock Exchange next year."

On 18 August 2010, the Romanian Government approved Ordinance 18, which includes three articles (#s 51-54) stating that several majority state-owned companies "have the option" to make donations to the state budget in order to cover this year's budget deficit. One of the articles sets maximum amounts that several companies can donate; Romgaz is the only company in Fondul Proprietatea's portfolio mentioned, with a maximum amount of RON 400 million, or roughly USD 130 million, representing 52% of cash on the company's balance sheet and 4.5% of shareholder's equity at the end of 2009.

Dr. Mobius continued, "The proposal also breaches basic free market principles as well as current legislation: it goes against Romania's Companies Law (no. 31/1990) and the Constitution of Romania. Furthermore, although the proposal is expressed as an 'option' at the discretion of the company, the fact that the Ministry of Economy is majority shareholder and has a clear vested interest in the proposal means that a vote in favour could be forced through regardless of the strong objections of other shareholders. Given their vested interest in this matter, we urge the Ministry of Economy to either remove this resolution from the agenda or abstain from voting for this proposal at Romgaz's GSM on 18 October 2010."

Greg Konieczny, Fund Manager of Fondul Proprietatea added: "One of the best ways for the Romanian government to collect cash from state-controlled companies is through dividend payments. In order to increase these dividend payments, the government should improve corporate governance in state-owned companies by appointing professional and independent managers. This should result in a much higher profitability and thus higher dividend payments from state-owned companies. Currently, reported earnings for Romanian companies are much lower than those in neighbouring countries. Franklin Templeton is happy to assist the Romanian government in establishing high corporate governance standards in the underlying companies within the Fondul Proprietatea portfolio".

Launched in December 2005, Fondul Proprietatea was established to compensate Romanians whose properties were confiscated by the former communist government. An international tender was announced in December 2008, and Franklin Templeton won the Euro 3.4 billion¹ Fondul Proprietatea mandate in July 2009 after being selected from among seven global asset managers. Franklin Templeton officially took over as investment manager and sole administrator of the Fund on 29 September 2010. Since appointment, Franklin Templeton has commenced the payment of the 2008 and 2009 dividend distribution to all registered shareholders as of 27 September 2010 and remains focused on listing the Fund on the Bucharest Stock Exchange in early 2011.

Franklin Templeton recently established an office in Bucharest, with a team of 23 employees, including 6 locally based investment professionals who are further supported by the 35 portfolio managers and analysts of the wider Templeton Emerging Markets team.

Franklin Templeton Investment Management Limited is a subsidiary of Franklin Resources, Inc. [NYSE:BEN], a [global investment management](#) organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management solutions managed by its Franklin, Templeton, Mutual Series, Fiduciary Trust, Darby and Bissett investment teams. The San Mateo, CA-based company has more than 60 years of investment experience and over USD 644 billion in assets under management as of 30 September 2010. For more information, please visit www.franklintempleton.uk.

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¹ Source: Franklin Templeton Investments, 31 August 2010, NAV reporting based on CNVM (local regulator) standards.