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FRANKLIN TEMPLETON MARKS ONE YEAR ANNIVERSARY AND HIGHLIGHTS MAJOR ACHIEVEMENTS SINCE TAKING OVER FONDUL PROPRIETATEA FUND

Bucharest, 28 September 2011 – One year after taking over the mandate of Fondul Proprietatea (“the Fund”), Franklin Templeton Investment Management Limited, investment manager and sole administrator of the Fund, highlights the most significant achievements and future plans for the Fund.

Dr. Mark Mobius, Executive Chairman of Templeton Emerging Markets Group said: “Fondul Proprietatea has come a long way since September 2010 when Franklin Templeton took over the mandate as Fund Manager and administrator. Our vast international experience and expertise have clearly benefited Fondul Proprietatea and its shareholders. The Fund is now listed on the Bucharest Stock Exchange (BVB), and is indeed the largest and the most liquid issuer on the Romanian market, attracting significant international attention from institutional investors. The future of the Fund looks promising, especially in the context of the Government’s plans to increase efficiency and transparency of state-owned portfolio companies through secondary offerings, IPOs and the appointment of professional management teams. We firmly believe that the Government’s commitment to take those plans to completion will significantly help to unlock the value of the portfolio’s underlying companies and simultaneously give a healthy boost to the Romanian economy.”

Based in Franklin Templeton’s Bucharest offices for over a year now, Greg Konieczny, Fund Manager of Fondul Proprietatea reflects on the last 12 months: “The progress achieved in the past year is testament of the local team’s hard work and dedication to actively managing this Fund and increasing its visibility internationally. We could not have achieved this success without the relationships and partnerships we have forged with a number of institutions such as the Government, CNVM, the BVB, the Central Depositary, local brokers and most importantly the support of Fondul Proprietatea shareholders. The investment team continues to face many challenges as we work toward improving corporate governance and having all companies in

Fondul Proprietatea's portfolio meet international standards. We remain committed to meeting those challenges and to unlocking the value of the Fund. "

Some of the most significant highlights achieved in the first year by Franklin Templeton were:

- Successfully listing Fondul Proprietatea on the BVB on 25 January 2011, within the short deadline imposed, approximately 4 months after Franklin Templeton took over the management of the Fund, representing a historic achievement for the Romanian capital market.
- Fondul Proprietatea quickly became the most visible and liquid share on the BVB with an average daily trading value of RON 25 million, representing 52% of the Average Daily Trading Volume on the BVB, over 8 billion shares of the Fund being traded on the BVB in the first 8 months (equivalent to almost 60% of the Fund's equity) and the value of all trades with the Fund's shares exceeding RON 4.3 billion¹.
- An increase in the Fund's Net Asset Value (NAV) of 6% cumulatively since 31 December 2010 to 31 August 2011.
- Protecting Fondul Proprietatea's shareholders' rights. Franklin Templeton has been a vocal shareholder activist on behalf of the Fund in relation to decisions deemed detrimental to the best long-term interest of the Fund's shareholders:
 - Ongoing litigation against the Romgaz donation;
 - Blocking the plan to create the two 'energy champions';
 - Convening shareholder meetings at Hidroelectrica and Nuclearelectrica to request the approval for listing the two companies on the BVB.
- Improved corporate governance in portfolio companies and provided continuous oversight of the state-owned companies' management by ensuring:
 - Representation on the Boards of Directors in 18 portfolio companies, as well as successfully nominated a further 15 independent directors in companies, which together represents a total of over 75 % of the Fund's NAV.
 - Attendance at almost 360 general shareholder meetings in 82 companies and over 107 Board of Directors Meetings².
- Engaged in a dialogue with the Romanian Government and international institutions aiming to improve the efficiency, profitability and competitiveness of the companies in the Fund's portfolio. As a result, the Fund is supporting the Government's plans to implement professional management and list minority stakes in state-owned companies on the stock exchange.
- Worked closely with the BVB and CNVM, the Romanian securities regulator, to help bring about improved trading mechanisms through the introduction of global accounts, thus making Romania a more accessible investment destination.
- Resumed dividend payments to shareholders for financial years 2008, 2009 and 2010 amounting to RON 1.532 billion.
- Promoted Fondul Proprietatea and Romania to foreign institutional investors by organising over 250 bilateral meetings during seven international road shows and conferences in over 15 countries. The promotional activities resulted in significant changes in the shareholder structure: 33.73% of the Fund is owned by foreign institutional investors³.
- Designed and implemented the buy-back programme with the aim of returning value to shareholders. 225.9 million shares were repurchased as at 23 September 2011, the

¹ Data for the period 25 January – 23 September 2011.

² As at 31 August 2011.

³ As at 31 August 2011.

equivalent of 1.7% of the share capital of the Fund, at an average price of RON 0.5032, in exchange for a total amount of RON 113.7 million (approx. 95% of available funds).

- Actively managed Fondul Proprietatea through periods of heightened volatility and added exposure to new sectors such as banking, as well as increased exposure to aluminum and fertilizers industries.
- Disposed of a number of smaller holdings at prices exceeding their value in the Fund's NAV.
- Significantly improved communication and transparency to shareholders and the public at large through ongoing activities such as stock exchange announcements, press conferences, investor meetings and enhanced website content, which now includes relevant information on the Top 20 holdings of the Fund, representing almost 90% of NAV.

Focusing on goals for Fondul Proprietatea going forward, Greg Konieczny concluded: "We can feel proud of our achievements so far, but we still have a lot of work to do in the coming years. We have a number of important initiatives we would like to complete in the medium term, namely: exploring the potential of a secondary listing on the Warsaw Stock Exchange; proposing to eliminate the existing voting restrictions for the Fund's shareholders; working closely with the Government as majority shareholder of companies in Fondul Proprietatea's portfolio to implement measures needed to increase shareholder value, such as imposing fair market prices and reduced third-party costs for some of the most important companies in the portfolio; and continuing co-operation with the BVB and CNVM to align the Romanian market with international practices (e.g. encouraging the implementation of global accounts for more issuers and easier access for international investors). We look forward to another year of success in significantly unlocking the value of the Fund for our shareholders."

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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 was awarded the Euro 3.63 billion⁴ 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.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 25 employees, including 6 locally based investment professionals who are further supported by the over 40 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 716 billion in assets under management as of 31 August 2011. For more information, please visit www.franklintempleton.co.uk.

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⁴ Source: Franklin Templeton Investments, 31 August 2011, NAV reporting based on CNVM regulations.

+40.200.96.31/32. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

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