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**FOR IMMEDIATE RELEASE: 15 SEPTEMBER 2015**

**FONDUL PROPRIETATEA DISAPPOINTED BY THE POSITION OF THE MINISTRY OF  
ECONOMY RELATED TO THE LISTING OF SALROM**

Bucharest, 15 September 2015 - Franklin Templeton Investment Management Limited UK Bucharest Branch, in its capacity of Sole Director and Fund Manager of Fondul Proprietatea S.A. ("the Fund"), would like to express its strong disappointment related to the latest statements issued by Mr. Mihai Tudose, Minister of Economy on 10 September in Ziarul Financiar regarding his opposition to Salrom's listing and would like to make the following comments:

- Currently, according to Government Ordinance no. 88/1997 on the privatization of trading companies, the Ministry of Economy, Commerce and Tourism is prohibited to buy shares in state-owned companies, including Salrom. As such, the alleged selling offer by Fondul Proprietatea to the Ministry of Economy, Commerce and Tourism would be useless for the Ministry, unless the Government intends to change the legislation in force and allow the Ministry to buy such shares. We are not aware of any intention of the Government to change the current privatization legislation in order to allow the Ministry of Economy to buy the Fund's shares in Salrom.
- The Government issued a press release on 29 April 2015 where it expressed its intention to continue the listing program for other state-owned companies including Salrom: "*Analyzing the current Government's portfolio we identified three categories of state-owned companies which can contribute to the increase of the Bucharest Stock Exchange liquidity: - companies that are majority controlled by the state and which have not been privatized (Hidroelectrica, Portul Constanta, Aeroporturi Bucuresti and Salrom)*". The statements of Mr. Mihai Tudose, Minister of Economy, surprised us since they directly contradict the above-mentioned press release from the Government.
- Regarding the comments Mr. Tudose made on the strategic nature of the company that, in his view, has to remain under the state control, we think this is not a valid argument against the listing of Salrom. First of all, through the listing, as it was proposed by Fondul Proprietatea, the Government will not lose the control of the company since the Fund will

be the only seller in the initial public offering; the Ministry of Economy will remain the majority shareholder of the company with 51% stake, as it is the case now having the same voting rights in the general shareholders meetings. Moreover, we think that the listing will strengthen the strategic position of the company within the Romanian market as it did for other so called “strategic” state owned companies such as Transelectrica, Transgaz or Romgaz, which were successfully listed on the Bucharest Stock Exchange. The listing will bring numerous advantages to the company, such as increased transparency and visibility and the opportunity to finance the investment plans through the stock exchange as an alternative to bank loans. Also through the listing, the management is incentivized to better perform and increase the company's value for the benefit of all its shareholders.

- Finally, we would like to highlight the much overdue obligation of the Romanian Government mentioned in the Law no. 247/2005 on property and justice reform, and additional measures, as further amended and completed, to list all the state owned companies in Fondul Proprietatea's portfolio, including Salrom, by 31 December 2014.

Greg Konieczny, Fund Manager of Fondul Proprietatea, commented: “We want to reiterate our conviction that Salrom is a strong candidate for a successful listing at the Bucharest Stock Exchange. Furthermore, we would also like to underline that Fondul Proprietatea would be willing to cover all costs related to the listing of Salrom, and we are hoping to have any constructive discussions with the Ministry of Economy in order to complete this transaction for the benefit of the company and all its shareholders.”

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Launched in December 2005, Fondul Proprietatea (“the Fund”) 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 Investments officially took over as investment manager and sole administrator of the Fund on 29 September 2010. The Fund is a closed-end investment company and its investment objective is the maximization of returns and per-share capital appreciation via investments mainly in Romanian equities and equity-linked securities.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 30 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.

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