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FONDUL PROPRIETATEA CELEBRATES THREE YEARS SINCE ITS LISTING ON THE BUCHAREST STOCK EXCHANGE

Bucharest, 22 January 2014 – Franklin Templeton Investment Management Limited Bucharest Branch, in its capacity of Sole Director and Fund Manager of S.C. Fondul Proprietatea S.A. ("the Fund") celebrates three years since the Fund's listing on the Bucharest Stock Exchange ("BVB") and highlights its main achievements and significant impact on the Romanian capital market.

Mark Mobius, Executive Chairman of Templeton Emerging Markets Group, commented: "Over the last three years, not only has the Fund firmly established itself as the most liquid and visible company on the Bucharest Stock Exchange, but also as a major entry point for foreign investors looking to invest in Romania. Since the listing, the Fund has attracted over EUR 1.2 billion in direct portfolio investments from foreign institutional investors, many of them investing for the first time in the country. We are delighted to see the Fund's increase in share price by over 56% last year and its NAV growth of more than 22% since the listing. Our Bucharest investment team, supported by the Emerging Market analysts around the world, has made tremendous efforts to unlock the value of the portfolio and we are very proud of all the hard work which is now reflected in the Fund's strong performance."

Looking forward to the Fund's fourth year on the stock exchange, Greg Konieczny, Fund Manager of Fondul Proprietatea, added: "In order to generate value for our shareholders, we will continue to implement corporate actions designed to further reduce the discount and increase the Fund's NAV. We will start the third buy-back programme this year and will propose to shareholders in the near future a new plan for the secondary listing of the Fund, which should attract additional interest and demand for the shares and further raise the visibility of the Fund and increase the coverage of Romania among a broader international investor base. We expect that 2014 will be another exciting year in terms of privatizations, as we expect to see some major companies in our portfolio being listed on the stock exchange. This should have the two-fold advantage of making our portfolio more liquid and transparent, in addition to supporting the development of the capital market."

Some of the most significant highlights achieved in the first three years since the Fund's listing were:

- The Fund attracted over EUR 1.2 billion in direct portfolio investments from foreign institutional investors. It also diversified the shareholder base, the shareholding of institutional investors in the Fund increasing from 10% (December 2010) to over 63 % (December 2013).
- Since listing the share price reached a high record of RON 0.8605 in December 2013 and thus increased by 56.6% compared to 31 December 2012 and 32.5% compared to the first listing day. The discount narrowed at around 30.8% (December 2013) compared to the average discount of 55.7% in 2011 and 50.2% in 2012, while the NAV increased by 22.81 % (31 December 2010 – 31 December 2013).
- During the period 25 January 2011 and 31 December 2013, the Fund outperformed the following indices: MSCI Romania, BET Index and BET XT Index.
- Since listing, the Fund was the most traded share on the BVB, with average value of trades amounting to over 50% of the total turnover of the Bucharest Stock Exchange.
- The Fund delivered substantial returns to both its existing and new shareholders through the share price appreciation and high dividend payments (approximately EUR 600 million in dividends, or roughly RON 0.20/share).
- We saw a change in the portfolio structure due to an increase in the ratio of listed equities versus unlisted ones: 54.91% listed equities and 42.46% unlisted equities (December 2013) compared to 35% listed equities and 65% unlisted equities (December 2010).
- The Fund concluded two buy-back programmes, acquiring 1,341.25 million shares in total (equivalent to 10% of the Fund's paid share capital) through daily acquisitions on the BVB and a tender offer of 600 million shares (4.5% of the Fund's paid share capital). The total value of the two buy-backs programmes, excluding acquisition costs, amounted to RON 1.08 billion.
- The Fund Manager took strategic decisions related to the portfolio structure by selling its entire stake in Transgaz and 1.1% of OMV Petrom shares. The proceeds from these transactions can be used for buybacks and other value-enhancing operations for shareholders.
- The investment team continued to promote high standards of corporate governance, thus increasing the transparency and information disclosure of portfolio companies. The team also increased accountability and responsibility in portfolio companies through their ongoing monitoring and oversight of the state-owned companies' management.
- The Fund Manager also defended the Fund's rights and protected shareholders' interests by engaging in strategic legal actions against third parties.

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 with the investment objective of long-term capital appreciation through via investment primarily in Romanian equity securities.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 28 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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