



To

Bucharest Stock Exchange

Romanian National Securities Commission

The current report according to art. 113 point A, paragraph (1) letters i) and j) 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

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| Report date: | 07 September 2011 |
| 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: | + 40 21 200 9600/+ 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: | 13,405,864,536 RON |
| Regulated market on which the issued securities are traded: | Bucharest Stock Exchange |

Important events to be reported - Update regarding Fondul Proprietatea's ("The Fund") share capital

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, as Sole Administrator and Fund Manager of the Fund announces that, following the measures took, the Central Depository informed us that it blocked another 351,091,427 shares owned by the Romanian State (represented by the Ministry of Public Finances) in SC Fondul Proprietatea SA on the 5th of September 2011.

In this regard, please note that as of today, the Romanian State (in its capacity as a shareholder of the Fund) is registered in the Central Depository's records with a number of 372,527,672 blocked shares owned in Fondul Proprietatea, as unpaid - share capital subscribed but unpaid.

We remind our shareholders that, beginning with 23rd August 2011, the value of the Fund's subscribed share capital is RON 13,778,392,208, and the value of the paid share capital is RON 13,405,864,536.

The decrease in the paid share capital is a result of the failure by the Romanian State (represented by the Ministry of Public Finances in its capacity as a shareholder of the Fund) to complete the contribution in kind of certain assets in exchange for shares in Fondul Proprietatea which have previously been allotted to the State. The assets in question are shares mentioned in the legislation in force owned by the Romanian State at the following companies: S.C. Electromecanica Ploiești S.A., Compania Națională Romarm, filiala Uzina Mecanică București S.A. and at Societatea Națională Nuclearelectrica S.A.



FONDUL PROPRIETATEA

Franklin Templeton Investment Management Ltd. Bucharest Branch, as Sole Administrator of Fondul Proprietatea, would like to reiterate its commitment to pursue all legal measures to ensure the protection of the Fund's and of its shareholders' interests.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, in its 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. 39/31.08.2011