



# FONDUL PROPRIETATEA

To Bucharest Stock Exchange  
Romanian National Securities Commission

*The current report according to Art. 113 point A, paragraph (1) letter c) of the Romanian National Securities Commission Regulation 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*

Report date:	27.09.2011
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 <sup>th</sup> floor, district 1, Bucharest, postal code 011017
Phone/fax number:	Tel.: + 40 21 200 9600; Fax: +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:	RON 13,778,392,208
Paid share capital:	RON 13,405,864,536
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

**Important events to be reported: S.C. Fondul Proprietatea SA ("The Fund") - Update regarding the Hidroelectrica's Extraordinary General Shareholders Meeting**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity of Sole Administrator and Fund Manager of the Fund, hereby, announces that the Extraordinary General Shareholders Meeting ("EGM") of S.C. Hidroelectrica S.A. was held on 20 September 2011.

Please note that the Hidroelectrica's EGM was held following the Fund's request, in its capacity as shareholder of Hidroelectrica, in accordance with the legal provisions in force.

During the meeting, the following points on the agenda were discussed:

**1) The listing of S.C. Hidroelectrica S.A. on the Bucharest Stock Exchange**

The State voted **AGAINST** using the following reasons:

- G.D. no. 56/2010 which sets up Electra and Hidroenergetica is still valid;
- Hidroelectrica is involved in litigations initiated by Fondul Proprietatea and unions still pending in courts in relation to the setting up of Electra and Hidroenergetica;
- Hidroelectrica has a strategic position in the economy; hence, a privatization strategy needs to be approved by the Romanian Government.

Taking into account the provisions of the letter of intent with The International Monetary Fund ("IMF"), **the representatives of the state have requested the Board of Directors ("BoD") to draft an assessment and opportunity study regarding the listing of Hidroelectrica and present it to the shareholders.**

The listing of Hidroelectrica will be on the agenda of the next extraordinary meeting following the approval of the privatization strategy by the Romanian Government.



2) Appointment of an intermediary to organize the listing of S.C. Hidroelectrica S.A. on the Bucharest Stock Exchange

The state voted **AGAINST** following its vote at point 1.

3) Changes to the constitutive act of SC HIDROELECTRICA SA proposed by Fondul Proprietatea.

The state voted **AGAINST** using the following reasons:

- Changes proposed by FP contain (i) issues related to the admittance to trading of Hidroelectrica and (ii) issues related to the corporate governance of the company;
- BoD passed a decision on 08.09.2011 for hiring a law firm in order to prepare a legal opinion on the proposed changes, opinion which was not presented to OPSPI;
- the Romanian State voted against points 1 and 2 of the GSM;

The Romanian State decided that the proposals shall be analyzed in a future GSM, after receipt of an preliminary approval from the BoD, although such approval is not legally required and does not follow corporate governance principles. This preliminary approval shall be based on the legal opinion which shall be drafted by the law firm.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, in capacity of Sole Administrator of S.C. FONDUL PROPRIETATEA S.A.

Adrian CIGHI

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Legal Representative