

To **Bucharest Stock Exchange**  
**Romanian National Securities Commission**

*The current report according to Art. 113 point A, paragraph (1) letter i) and j) 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*

<b>Report date:</b>	3 May 2012
<b>Name of the issuing entity:</b>	SC Fondul Proprietatea SA
<b>Registered office:</b>	78-80 Buzesti St., 7 <sup>th</sup> floor, district 1, Bucharest, 011017
<b>Phone/fax number:</b>	Tel.: + 40 21 200 9600; Fax: + 40 21 200 9631
<b>Sole Registration Code with the Trade Register Office:</b>	18253260
<b>Order number in the Trade Register:</b>	J40/21901/2005
<b>Subscribed share capital:</b>	RON 13,778,392,208
<b>Paid share capital:</b>	RON 13,412,780,166
<b>Regulated market on which the issued securities are traded:</b>	Bucharest Stock Exchange

**Important events to be reported: S.C. Fondul Proprietatea SA (“The Fund”) - Update regarding the merger for creating Complexul Energetic Oltenia**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (“FTIML Bucharest”), in its capacity of Sole Administrator and Fund Manager of the Fund, informs that the General Shareholders’ Meetings of SC Complexul Energetic Craiova SA, SC Complexul Energetic Rovinari SA si SC Complexul Energetic Turceni SA, which took place on 30 April 2012, approved the merger plan and the creation of Complexul Energetic Oltenia (“CE Oltenia”).

CE Oltenia will have a subscribed share capital of RON 1,265,215,730.83 , out of which:

1. The Romanian State, represented by the Ministry of Economy, Trade and Business Environment, will own 77.17 % of the share capital;
2. Fondul Proprietatea S.A. will own 21.54% of the share capital,
3. Societatea Comercială pentru Închiderea - Conservarea Minelor S.A. (in insolvency) - will own 0.44 % of the share capital,
4. Societatea Comercială de Producere a Energiei Electrice și Termice Termoelectrica S.A. - will own 0,85 % of the share capital.

The Fund Manager would like to remind the Fund’s shareholders that, on 29 November 2011, Fondul Proprietatea, as a shareholder, signed the Memorandum of Understanding with the Ministry of Economy, Trade and Business Environment for creating CE Oltenia.

In relation to CE Oltenia’s creation, please note that there is an ongoing litigation between SC Fondul Proprietatea SA, as plaintiff, and the Romanian State, represented by the Ministry of

# FONDUL PROPRIETATEA

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Economy, Trade and Business Environment, as defendant, having as object the Fund's ownership of 25,677 shares issued by CE Craiova amounting RON 256,770. Thus, the Fund's ownership percentage in CE Oltenia may vary, depending on the Court's irrevocable decision regarding the number of the shares the Fund is entitled to receive from the Romanian State in CE Craiova. In the first stage the Bucharest Court ruled in favour of the Fund.

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

**Adrian CIGHI**

**Legal Representative**