

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

Current report per Article 99 letter (s) of the Rule book of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

Events to be reported:

Update with respect to the Financial Supervisory Authority endorsement of the special cash distribution approved by shareholders on 31 October 2016

Franklin Templeton International Services S.à r.l., in its capacity as Alternative Investment Fund Manager and Sole Director ("Fund Manager") of Fondul Proprietatea S.A. (the "Fund"), would like to update shareholders with respect to the implementation status of the share capital decrease by reducing the shares' nominal value for the coverage of the cumulated accounting losses and the distribution to shareholders of RON 0.05 per share, as approved through the Fund's Extraordinary Shareholders' Meeting Resolution no. 10 of 31 October 2016 ("EGM Resolution no. 10/2016").

Further to the current report published on the Fund's webpage on 10 March 2017, the Financial Supervisory Authority ("FSA") informed us on 16 March 2017 that the endorsement request of the Fund's share capital decrease and the amendment of the Constitutive Act "has been postponed to be discussed during FSA's Board meeting to be held next week" (per our understanding, the meetings of the Board of the FSA take place usually on Wednesdays or Tuesdays).

Also, we would want to remind shareholders and investors that there is an ongoing tender offer initiated by the Fund for the repurchase of own shares, in the form of Shares and/or GDRs representing such Shares, having the following characteristics:

- ✓ Number of Shares subject of the tender offer is 640,000,000
- ✓ Nominal value: RON 0.85/Share
- ✓ Purchase price: RON 0.91/Share and the US dollar equivalent of RON 45.50 / GDR
- ✓ Tender offer period: 15 February 2017 – 20 March 2017
- ✓ Allocation method: pro-rata
- ✓ Intermediary of the tender offer: WOOD & Company Financial Services a.s.

Report date:
16 March 2017
Name of the issuing entity:
Fondul Proprietatea S.A.

Registered office:
78-80 Buzesti St.,
7th 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 8,562,968,634.10

Paid-up share capital:
RON 8,253,728,136.60

Number of shares in issue:
10,074,080,746

Number of paid shares:
9,710,268,396

Regulated market on which the issued securities are traded:
Shares on Bucharest Stock Exchange
GDRs on London Stock Exchange

- ✓ Subscription venues: according to the information mentioned in the tender offer document

Taking into consideration that the last day of the tender offer period is 20 March 2017, as well as the last communication received from FSA, the Fund does not expect to have a decision on the endorsement request of the Fund's share capital decrease and the amendment of the Constitutive Act before the tender offer period expires.

Franklin Templeton International Services S.à r.l., in its capacity of Sole Director of FONDUL PROPRIETATEA S.A.

Johan MEYER
Permanent representative