

To: Fondul Proprietatea S.A. General Shareholders Meeting

REVISED SECONDARY LISTING BUDGET OF FONDUL PROPRIETATEA S.A.

The proposal for extending the deadline for the listing of Fondul Proprietatea S.A. (“the Fund” or “Fondul Proprietatea”) on the London Stock Exchange (“LSE”) until 10 July 2015, was approved by shareholders’ on 21 January 2015.

The initial Secondary listing budget, approved by shareholders in April 2014, expired on 31 December 2014.

The Fund’s 2015 Budget did not include the expenses relating to the secondary listing of the Fund on the LSE. It only included certain post-secondary listing expenses, estimated at the time when that budget was prepared under the assumption that the LSE listing would be completed by 31 December 2014. Therefore, this document details the Fund’s revised secondary listing expenses budget (“Revised SL Budget”), subject to shareholders’ approval.

The Revised SL Budget was pre-approved by the Board of Nominees of the Fund on 26 February 2015.

SUMMARY OF THE REVISED SECONDARY LISTING BUDGET

Expense category	RON	% in Total expenses
Financial Advisor fees and expenses	7,833,295	41.5%
Legal fees	5,204,909	27.6%
Roadshow costs	358,057	1.9%
Public relations expenses	876,414	4.7%
Commissions and fees	2,832,820	15.0%
Other expenses	1,753,198	9.3%
TOTAL EXPENSES	18,858,693	100.0%

PRINCIPAL REVISED SL BUDGET ASSUMPTIONS

The main secondary listing assumptions are as follows:

- The Revised SL Budget was prepared on the assumption that there will be a technical listing of the Fund on the Specialist Fund Market of the LSE (“SFM”), via Global Depositary Receipts (GDRs). The listing via Depositary Interests (DIs) is not excluded, if the DIs regulation is approved by the Financial Supervisory Authority (“FSA”) in the meantime.
- There will be no liquidity event correlated to this listing and no offering of shares by the Fund. The listing documentation will consist of a Prospectus (for the listing of the GDRs).
- The Financial Advisor will be Jefferies International Limited (“Jefferies”). There will be no local financial advisor (broker).
- In terms of timing of the listing, the assumption is that it is expected to take place in the second quarter of 2015.

Other assumptions:

- The average exchange rates used in the preparation of the Revised SL Budget were 4.4424 RON/EUR and 5.9039 RON/GBP, being the National Bank of Romania's ("NBR") exchange rates as at 31 January 2015.
- The market capitalisation of the Fund for the preparation of the Revised SL Budget was assumed to be GBP 1.7 billion (12,184,278,667 issued shares as at 31 January 2015 *multiplied* by the share price of Fund's shares as at 31 January 2015 of RON 0.8345 per share *divided* by the RON/GBP NBR exchange rate as at 31 January 2015 of 5.9039).
- All taxes and contribution rates and computation methodologies are based on the laws in force as at 31 January 2015.
- Expenses include Romanian VAT of 24% and withholding tax, where applicable. The activities of the Fund are exempt and therefore VAT on expenses is not recoverable.

The following section includes details on the budgeted expenses.

DETAILED ANALYSIS OF BUDGETED EXPENSES

Financial Advisor fees and expenses represent the most important component of the Revised SL Budget. The services covered will be capped at GBP 1.07 million (net of any applicable taxes) and will include a financial advisory fee for listing, expenses to be reimbursed by the Fund and a variable success fee component related to the listing of the Fund on the LSE. This Budget line also includes any related applicable VAT and withholding tax.

Legal fees include both the Fund's legal counsel fees and Financial Advisor's legal counsel fees relating to the secondary listing.

Public relations expenses include mainly estimated costs related to PR agencies, press conferences and other related events.

Roadshow costs include expenses related to organising roadshows to raise investor awareness of the secondary listing of the Fund on the LSE.

Commissions and fees include fees payable to the LSE and UK and Romanian capital market authorities. They cover estimated maximum fees payable to the LSE for admission to trading and to UK Listing Authority and Romanian FSA for reviewing the Prospectus.

Other expenses include estimated expenses related to the auditors' additional services (for the issuance of a comfort letter for the Prospectus and for additional advisory and review requirements), tax advisory services for the secondary listing, Prospectus typesetting and printing costs and the cost for publication of the Fund current reports through the Regulatory News Services.

This Revised Secondary Listing Budget has been prepared based on the information currently available and based on the assumptions as stated within this paper. As it is impractical to update the Revised SL Budget every time changes in the assumptions used in the preparation of this budget occur, we propose that shareholders empower the Fund Manager to incur additional expenses on behalf of the Fund, if so required, but not exceeding more than 10% of the total secondary listing budget expenses presented in this paper.

Details on such expenses incurred will be provided on a retrospective basis, as part of the Fund's periodic reporting and in the annual report of the Fund Manager.

Among the expense categories reclassifications / reallocations may take place with the condition that the total of these expenses will meet the overall budgetary limits approved by the General Shareholders Meeting.

Grzegorz Maciej Konieczny

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, acting as sole director on behalf of FONDUL PROPRIETATEA S.A.