

**To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange**

Current report according to Article 113 (A) para. (1) letter i) 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 Article 99 letter f) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Important events to be reported:

Registration with the Trade Registry of the decrease of the subscribed share capital following the cancellation of 739,398,468 treasury shares

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (“**the Investment Manager**”), in its capacity of investment manager of Fondul Proprietatea SA (“**the Fund**”), would like to inform investors that on 29 November 2017, the Trade Registry registered Resolution no. 3/3 May 2017 of the Fund’s Extraordinary General Shareholders’ Meeting which approved the decrease of the subscribed registered share capital from RON 5,238,521,987.92 to RON 4,854,034,784.56, by cancelling a number of 739,398,468 treasury shares acquired by the Fund.

The decrease was endorsed by the Financial Supervisory Authority by Endorsement no. 1166/23 November 2017, enclosed herein for reference.

Consequently, as of today, the new value of the Fund’s subscribed share capital is RON 4,854,034,784.56 (divided into 9,334,682,278 shares with a nominal value of RON 0.52/share), while the value of the paid-up share capital is RON 4,664,852,362.56 (divided into 8,970,869,928 shares with a nominal value of RON 0.52/share). The updated Constitutive Act can be also found on the Fund’s webpage at: <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/pdfs/en/general/Constitutive%20Act%20in%20force%20updated%20at%2029%20November%202017.pdf>

Following this decrease, the new limit for the maximum number of shares to be purchased under the current ninth buy-back programme is 1,866,936,455. Considering the treasury shares already acquired as at the end of trading date of 24 November 2017¹, the Fund may now repurchase up to 1,643,901,707 shares during the ongoing buy-back programme.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch acting as Investment Manager of FONDUL PROPRIETATEA S.A.

Oana Valentina TRUȚA
Legal Representative

Report date:

29 November 2017

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017

Phone/fax number:

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

Email:

office@fondulproprietatea.ro

Internet:

www.fondulproprietatea.ro

Sole Registration Code with the Trade Register

Office:

18253260

Order number in the

Trade Register:

J40/21901/2005

Register on Data

Protection Notification

Register under number:

18668

Subscribed share capital:

RON 4,854,034,784.56

Paid-up share capital:

RON 4,664,852,362.56

Number of shares in issue:

9,334,682,278

Number of paid shares:

8,970,869,928

Regulated market on which the issued securities are traded:

Shares on Bucharest Stock Exchange
GDRs on London Stock Exchange

¹ As reported on 27 November 2017. This does not include the treasury shares acquired with the trade date after 24 November 2017.

Stamp applied: Fondul Proprietatea S.A.

Entry no. 1771/23 November 2017

FINANCIAL SUPERVISORY AUTHORITY
ENDORSEMENT NO. 1166 / 23 November 2017

Whereas the provisions of Article 2 paragraph (1) letters a) and d), Article 3 paragraph (1) letter a), Article 6 paragraphs (1) and (3), Article 14, Article 27 and Article 28 of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and operation of the Financial Supervisory Authority, approved as amended and supplemented by Law no. 113/2013, as subsequently amended and supplemented,

As per the provisions of Art. 6 para. (1) of Title VII, Chapter II of Law no. 247/2005, as subsequently amended and supplemented,

According to the provisions of Article 14 paragraph (1) letters b), c) of Regulation no. 4/2010 on the registration with the National Securities Commission and operation of the trade company "Fondul Proprietatea" SA and the trading of its shares issued thereof, with further amendments and supplementing,

Considering Franklin Templeton International Services S.à r.l. request for the endorsement of the change occurred in the documents considered at the time of the registration of SC Fondul Proprietatea SA, registered with FSA under no. 30781/9 August 2017, supplemented by the letters registered under no. 34334/1 September 2017 and no. 40333/24 October 2017,

On the basis of the analysis of the specialized direction and of the resolution of the Board of the Financial Supervisory Authority adopted during the meeting held on 22 November 2017, the Financial Supervisory Authority issues the following

ENDORSEMENT

Art. 1. The decrease of the subscribed share capital of Fondul Proprietatea SA from RON 5,238,521,987.92 to RON 4,854,034,784.56 is hereby endorsed, in accordance with the provisions of the Extraordinary General Shareholders' Meeting Resolution no. 3/3 May 2017.

Art. 2. The amendment provided under Article 7 para. (1) of the Constitutive Act of Fondul Proprietatea SA is hereby endorsed, following the decrease of the subscribed share capital of Fondul Proprietatea SA from RON 5,238,521,987.92 to RON 4,854,034,784.56 endorsed as per Article 1.

Art. 3. This Endorsement becomes effective as of the date it is communicated to Fondul Proprietatea's Fund Manager and shall be published in the Bulletin of the Financial Supervisory Authority, in electronic format.

Chairman
Leonardo BADEA
Illegible signature
FSA Stamp applied