

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 712,171,156 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 shareholders and investors that on 18 January 2017, the Trade Registry registered the Resolution no. 7/11 October 2016 of the Fund’s Extraordinary General Shareholders’ Meeting for approving the decrease of the subscribed registered share capital from RON 9,168,314,116.70 to RON 8,562,968,634.10, by cancelling a number of 712,171,156 treasury shares acquired by the Fund.

The said decrease was endorsed by the Financial Supervisory Authority by Endorsement no. 1/12 January 2017, enclosed herein for reference.

As a result, starting with 18 January 2017, the new value of the Fund’s subscribed share capital is RON 8,562,968,634.10, being divided into 10,074,080,746 shares with a nominal value of RON 0.85 / share. The value of the paid-up share capital is RON 8,253,728,136.60, being divided into 9,710,268,396 shares with a nominal value of RON 0.85 / share.

Following this decrease, the new limit for the ongoing seventh buy-back programme has been risen to a maximum number of shares to be purchased therein of up to 1,007,408,074. Considering the treasury shares already acquired as at the end of trading date of 13 January 2017, the Fund may repurchase up to 916,137,946 shares during the said buy-back programme.

Please note that the Fund’s Constitutive Act in force is available on the Fund’s [webpage](#) at

Report date:

18 January 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:

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

http://www.fondulproprietatea.ro/sites/default/files/constitutive_act_update_d_as_at_18_january_2017.pdf.

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

Oana Valentina TRUȚA
Legal Representative

Letterhead of the Financial Supervisory Authority

To:
FRANKLIN TEMPLETON INTERNATIONAL SERVICES SARL
78-80 Buzesti Street, 7-8 floors, Premium Point
1st district, 011017, Bucharest, Romania
Fax: 021.200.96.31/32

*Stamp applied: Financial Supervisory Authority
Entry / Exit No. SI/ DRA 5556.5/ 12 January 2017*

*Stamp applied: Fondul Proprietatea S.A.
Entry no. 31/ 12 January 2017*

To Mrs. Oana Valentina TRUTA – Permanent Representative

Dear Madam,

With regards to your letter registered with the FSA under no. 76916/4 November 2016, whereby you have requested the endorsement of the changes of the documents in question at the time of registration of S.C. Fondul Proprietatea S.A., namely the Constitutive Act of the company, as a result of the share capital decrease approved by Resolution no. 7/11 October 2016 of the Extraordinary General Shareholders Meeting of Fondul Proprietatea SA, we enclose in the Annex herein, the FSA Endorsement no. 1/12 January 2017, in original.

Sincerely yours,

Florentina Boboc
Manager
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Regulation and Authorization Division

Financial Supervisory Authority – Financial Instruments and Investments Sector
15 Splaiul Independentei, 5th district, Bucharest, code 050092
Tel: 0216596206; Fax: 0216596051
www.asfromania.ro, office@asfromania.ro
FSA is a personal data operator registered under the no. 33477

FINANCIAL SUPERVISORY AUTHORITY
ENDORSEMENT NO. 1 / 12 January 2017

Whereas the provisions of Article 2 paragraph (1) letters a) and d), Article 3 paragraph (1) letters 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, organisation and operation of the Financial Supervisory Authority, approved as amended and supplemented by Law no. 113/2013, as subsequently amended and supplemented,

According to the provisions of Article 14 paragraph (1) letter b) and letter c) and paragraph (3) 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 S.C. Fondul Proprietatea SA request registered with the FSA under no. 76916/4 November 2016, supplemented by the letter registered under the number 82479/22 December 2016,

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 11 January 2017, the Financial Supervisory Authority issues the following

ENDORSEMENT

Art. 1. The amendments provided under Article 7 para. (1) of the Constitutive Act of S.C. Fondul Proprietatea SA are hereby endorsed, following the decrease of the share capital from RON 9,168,314,116.70 to RON 8,562,968,634.10, in accordance with the Extraordinary General Shareholders' Meeting Resolution of S.C. Fondul Proprietatea SA no. 7/ 11 October 2016.

Art. 2. This Endorsement becomes effective as of the date it is communicated to S.C. Fondul Proprietatea S.A. and shall be published in the Bulletin of the Financial Supervisory Authority, in electronic format.

CHAIRMAN
Misu NEGRITOIU
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