

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 with respect to 2016 cash distribution

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("**the Investment Manager**"), in its capacity as investment manager of Fondul Proprietatea SA ("**the Fund**"), would like to inform shareholders and investors that on 9 June 2016, the Trade Registry registered Resolution no. 1/27 January 2016 of the Fund's Extraordinary General Shareholders Meeting for approving the subscribed share capital decrease from RON 9,869,265,720.90 to RON 9,320,973,180.85 through the reduction of the par value of the Fund's shares from RON 0.90 to RON 0.85 ("**EGM Resolution no. 1/27 January 2016**"), endorsed by the Financial Supervisory Authority's Endorsement no. 141/25 May 2016.

Therefore, starting with 9 June 2016, the new value of the Fund's subscribed share capital is RON 9,320,973,180.85, being divided into 10,965,850,801 shares with a nominal value of RON 0.85 / share. The value of the paid-up share capital is RON 9,011,732,683.35 RON, being divided into 10,602,038,451 shares with a nominal value of RON 0.85 / share.

The Investment Manager would like to remind shareholders that, pursuant to the said EGM Resolution, the payment of the decrease in value (in the amount of RON 0.05 / share) shall commence on 27 June 2016, as previously announced through the current report published on the Fund's webpage on 1 June 2016. Only the shareholders registered in the Fund's Shareholders' Registry as at 6 June 2016 (i.e. the registration date) are entitled to request the above-mentioned cash distributions.

Please find enclosed herein the full text of the English translation of FSA's Endorsement no. 141/25 May 2016. Please note that the Fund's Constitutive Act in force can be accessed on the Fund's webpage, at: http://www.fondulproprietatea.ro/sites/default/files/constitutive_act_updated_as_at_9_june_2016_to_be_published_on_the_website.pdf

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:

9 June 2016

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 9,320,973,180.85

Paid-up share capital:

RON 9,011,732,683.35

Number of shares in issue:

10,965,850,801

Number of paid shares:

10,602,038,451

Regulated market on which the issued securities are traded:

Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange

Unofficial Translation from Romanian

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. DRA 2153.2, 25 May 2016*

*Stamp applied: Fondul Proprietatea S.A.
Entry no. 643, 26 May 2016*

To Mrs. Oana Valentina Truta – Permanent Representative

Dear Madam,

With regards your letter registered with the FSA under the no. 31240/27 April 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, following the decrease of the share capital according to the Extraordinary General Shareholders Meeting Resolution no. 1/27 January 2016, we enclose herein the original FSA Endorsement no. 141/25 May 2016.

Sincerely yours,

Florentina Boboc
Manager
Illegible signature
FSA stamp applied

Regulation and Authorization Division

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

FINANCIAL SUPERVISORY AUTHORITY

ENDORSEMENT NO. 141 / 25 May 2016

Based upon the provisions of Art. 2 paragraph (1) letters a) and d), Art. 3 paragraph (1) letters a), Art. 6 paragraphs (1) and (3), Art. 14, Art. 27 and Art. 28 of the Government Emergency Ordinance no. 93/2012 on the establishment, organisation and operation of the Financial Supervisory Authority, approved with amendments and supplementing by Law no. 113/2013, with the further amendments and supplementing,

According to the provisions of Art. 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 the no. 31240/27 April 2016,

Based on the analysis of the specialty division and on the decision adopted during the meeting on 24 May 2016, the Board of the Financial Supervisory Authority has decided on the issuance of the following individual document.

ENDORSEMENT

Art. 1. The amendments provided at Art. 7 para. (1) and Art. 9 para. (2) of the Constitutive Act of S.C. Fondul Proprietatea SA are hereby endorsed following the decrease of the share capital from RON 9,869,265,720.90 to RON 9,320,973,180.85, through the reduction of the par value of the company's shares from RON 0.90 to RON 0.85, in accordance with the Extraordinary General Shareholders Meeting Resolution of S.C. Fondul Proprietatea SA no. 1/ 27 January 2016.

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

CHAIRMAN
Misu NEGRITOIU
Illegible signature
FSA Stamp applied