

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

Current report according to the provisions of Article 99 of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Important events to be reported:

Update on the litigation started by the Financial Supervisory Authority against Fondul Proprietatea for the recovery of certain disputed amounts involving FNI investors cases

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 update shareholders and investors on the decision of the Bucharest Court in the litigation started by the Financial Supervisory Authority (“FSA”) against the Fund for the recovery of certain amounts involving FNI investors (file no. 47874/3/2015*) In particular, the Investment Manager would like to note that on 20 February 2017, the Bucharest Court announced that it has rejected the FSA’s claim for payment by the Fund of regulatory fees payable to the FSA, but which the Fund was required to pay instead to several FNI investors, in accordance with a garnishment order issued by the Bucharest Court. Also, the Court recognised the payment of RON 881,144.71 as being made to the FSA and as a result, the Court recognised the legal set off. In addition, the Court obliged FSA to pay to the Fund legal fees of RON 27,762.

Please note that the Court’s decision is not final and it can be appealed.

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

Oana TRUȚA
Legal Representative

Report date:

21 February 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 Registry:

18253260

Order number in the Trade Registry:

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