

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

Current report according to Article 99 letter (s) of the Rule book of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

Events to be reported:

Financial Supervisory Authority endorsed the cash distribution approved on 28 February 2017

Franklin Templeton International Services S.à r.l., in its capacity as alternative investment fund manager and sole director ("**Fund Manager**") of Fondul Proprietatea S.A. (the "**Fund**"), would like to inform shareholders that the Financial Supervisory Authority ("**FSA**") announced that it has endorsed the cash distribution to shareholders of RON 0.05 per share through the share capital decrease by reducing the nominal value of the shares, as approved by the Fund's Extraordinary Shareholders' Meeting Resolution no. 1 of 28 February 2017. The FSA endorsement is enclosed as an annex.

Further details on the cash distribution, such as the availability of the payment procedure and of the payment request forms, will be published soon.

Franklin Templeton International Services S.à r.l., in its capacity of Sole Director of FONDUL PROPRIETATEA S.A.

**Johan Meyer
Permanent representative**

Report date:

13 June 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 5,742,226,025.22

Paid-up share capital:

RON 5,534,852,985.72

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

Annex – FSA Endorsement (this is an unofficial translation from Romanian)

*Stamp applied: Fondul Proprietatea S.A.
Entry no. 833 /13 June 2017*

FINANCIAL SUPERVISORY AUTHORITY

ENDORSEMENT NO. 362 / 12 June 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 8, 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,

According to Article 6 paragraph (1), Title VII, Chapter II of Law no. 247/2005 as subsequently amended and supplemented,

According to the provisions of Article 14 paragraph (1) letter b) and letter 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 the request filed by Franklin Templeton International S.a.r.l. for the endorsement of the amendments of the documents considered upon the registration of Fondul Proprietatea S.A., registered with the FSA under number 15444/27 April 2017, supplemented by letters no. 19677/17 May 2017, 2286/23 May 2017, 20480/23 May 2017 and 20799/24 May 2017,

On the basis of the resolution no. 31 of the Board of the Financial Supervisory Authority adopted on 29 May 2017, and following the analysis of the competent department, the Vice-president of the Financial Supervisory Authority - Instruments and Financial Investments Sector, decided the issuance of the following individual act

ENDORSEMENT

Article 1. The share capital decrease of Fondul Proprietatea SA from RON 5,742,226,025.22 to RON 5,238,521,987.92 is hereby endorsed, in accordance with the Extraordinary General Shareholders' Meeting Resolution no. 1/28 February 2017.

Article 2. The amendments of Article 7 para. (1) and Article 9 para. (2) of the Constitutive Act of Fondul Proprietatea are hereby endorsed, following the decrease of Fondul Proprietatea's share capital from RON 5,742,226,025.22 to RON 5,238,521,987.92, and the reduction of the nominal value of the share from RON 0.57 to RON 0.52, endorsed as per Article 1.

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

VICE-PRESIDENT
Mircea Ursache
Illegible signature
FSA Stamp applied