

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

Current report according to Article 113 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 of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Important events to be reported:

Endorsement of the cancelation of the shares acquired during the fourth buy-back programme

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("**the Fund Manager**"), in its capacity as sole director and fund manager of Fondul Proprietatea SA ("**the Fund**"), would like to inform shareholders and investors that the Financial Supervisory Authority ("**FSA**"), endorsed, through Decision no. 278 / 12 August 2015, the decrease of the Fund's subscribed share capital from RON 10,965,850,800.30 to RON 10,074,080,745.90, following the cancellation of 990,855,616 treasury shares acquired by the Fund during the fourth buy-back programme.

The share capital decrease is effective beginning with 12 August 2015. Therefore, starting with this date, the new value of the Fund's subscribed share capital is RON 10,074,080,745.90, divided into 11,193,423,051 shares, with a nominal value of RON 0.90/share. The value of the Fund's paid-up share capital is RON 9,746,649,630.90, divided into 10,829,610,701 shares.

In accordance with Article 14 paragraph (1) of FSA's Regulation no. 4/2013 on global depository receipts ("**GDRs**"), the number of GDRs that can be issued is limited to 1/3 of the total number of shares issued by the Fund. Considering the share capital decrease mentioned above, the new limit of shares that can be converted to GDRs is 3,731,141,017 shares (equivalent to 74,622,820 GDRs, with one GDR representing 50 shares). As previously reported, the Bank of New York Mellon was holding 3,548,783,250 shares equivalent to 70,975,665 GDRs as at 31 July 2015.

Following the FSA endorsement for the share capital decrease, the Fund Manager will announce shortly the commencement of the 6th buy-back programme for 891,770,055 shares or the equivalent number of GDRs,

Report date:

13 August 2015

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 10,074,080,745.90

Paid-up share capital:

RON 9,746,649,630.90

Number of shares in issue:

11,193,423,051

Number of paid shares:

10,829,610,701

Regulated market on which the issued securities are traded:

Shares on Bucharest
Stock Exchange
GDRs on London Stock
Exchange

representing approximately 7.97% of the Fund's issued share capital.

Please find enclosed herein the full text of FSA's Decision no. 278 / 12 August 2015. Please note that the Fund's Constitutive Act in force can be accessed on the Fund's webpage here: http://www.fondulproprietatea.ro/sites/default/files/constitutive_act_updated_at_12_august_2015.pdf.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, acting as Sole Administrator on behalf of FONDUL PROPRIETATEA S.A.

Oana Valentina Truta
Legal Representative

Annex – FSA’s Decision no. 278/12 August 2015

Unofficial Translation from Romanian

*[Stamp of the Financial Supervisory Authority/
Outbound no. SI/DRA_3669.2/12 august 2015]*

*[Stamp of FONDUL PROPRIETATEA S.A.,
Entry no. 895/12 August 2015]*

To:
FRANKLIN TEMPLETOR INVESTMENT MANAGEMENT LIMITED
United Kingdom, Bucharest Branch
78-80 Buzesti Street, 7-8th Floors, Premium Point
1st District, 011017, Bucharest, Romania
Fax: 021 200 96 31/32

Att: Mrs. Oana Valentina Truta – Director

Dear Madame,

Following the letter of Fondul Proprietatea SA registered with the FSA under no. 51797/3 June 2015, supplemented by the letter registered under no. 65170/20 July 2015, we hereby send you in the annex herein, the original of FSA’s decision no. 278/12.08.2015.

Yours sincerely,

Florentina Boboc
Director
[Illegible signature]
*[Financial Supervisory Authority,
Regulatory Authorisation Department, Romania]*

FINANCIAL SUPERVISORY AUTHORITY

Decision no. 278/12 August 2015

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

In accordance with the provisions of Article 14 para. (1) letter b) and c) and para. (3) of the Regulation of the Romanian National Securities Commission no. 4/2010 on the registration with the Romanian National Securities Commission and the operation of the Commercial Company „Fondul Proprietatea” S.A., as well as the trading of shares issued by such company, as further amended and supplemented,

Considering the request of Fondul Proprietatea S.A., registered with the FSA under no. 51797/3 June 2015, supplemented by the letter registered under no. 65170/20 July 2015,

Pursuant to the analysis of the specialised department and the resolution taken within the meeting held on 12 August 2015, the FSA Council decided to issue the following individual deed,

DECISION

Article 1. The amendments of Article 7 para. (1) of the Articles of Association of Fondul Proprietatea S.A. following the decrease of the share capital from RON 10,965,850,800.30 to RON 10,074,080,745.90, in accordance with the Decision of the Extraordinary General Meeting of Shareholders of Fondul Proprietatea SA no. 4/27 April 2015, are endorsed.

Article 2. The decision herein enters into force on the date of its communication to Fondul Proprietatea S.A. and shall be published in the Newsletter of the Financial Supervisory Authority, in electronic format.

President

Mișu NEGRÎTOIU

[Illegible signature and stamp]