

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:

Update with respect to the cash distribution approved on 31 October 2016

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 update shareholders with respect to the implementation status of the decrease of the share capital by reducing the shares' nominal value for the coverage of the cumulated accounting losses and distribution to shareholders of RON 0.05 per share, as approved in the Fund's Extraordinary Shareholders' Meeting Resolution no. 10 of 31 October 2016.

The ex-date of the said distribution is set for 6 March 2017 ("**Ex-Date**"), while the payment date is set for 27 March 2017 ("**Payment Date**"). However, in order for the share capital decrease above-mentioned to be effective, four conditions have to be met, out of which two are still pending at the time of this report, namely (i) the endorsement of the said decrease by the Financial Supervisory Authority ("**FSA**") and (ii) the registration of the decrease with the Trade Registry (possible only after FSA endorses the decrease).

Having complied with all the additional requests from the FSA on its endorsement request, the Fund Manager reasonably expects that a response from the FSA on this to be received in due time (although possible after the Ex – Date).

The Fund Manager will update shareholders about any new developments with respect to the pending conditions above-mentioned, and ensures them of its best efforts and determination to have the said share capital decrease resolution effective before the Payment Date.

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:

2 March 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:

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