

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:

Registration with the Trade Registry of the cancellation of the shares acquired during the fifth 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 on 14 March 2016, the Trade Registry registered Resolution no. 8 / 29 October 2015 of the Fund’s Extraordinary General Shareholders for approving the decrease of the subscribed share capital from RON 10,074,080,745.90 to RON 9,869,265,720.90, pursuant to the cancellation of 227,572,250 own shares acquired by the Fund during the fifth buyback programme (“**EGM Resolution no. 8/29 October 2015**”), endorsed by the Financial Supervisory Authority’s Endorsement no. 74 / 25 February 2016 (“**FSA Endorsement no. 74/25 February 2016**”).

Therefore, starting with 14 March 2016, the new value of the Fund’s subscribed share capital is RON 9,869,265,720.90, being divided into 10,965,850,801 shares with a nominal value of RON 0.90 / share. The value of the paid-up share capital is RON 9,541,834,605.90, being divided into 10,602,038,451 shares.

Please note that, according with Article 14 paragraph (1) of FSA’s Regulation no. 4/2013 on global depositary 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 3,655,283,600 shares (equivalent to 73,105,672 GDRs, with one GDR representing 50 shares). Moreover, we remind that, as previously reported, The Bank of New York Mellon, the depositary bank of the GDRs relating to a part of the Fund’s shares, was holding 3,731,141,000 shares, equivalent to 74,622,820 GDRs as at 29 February 2016 (thus reaching the

Report date:

15 March 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 9,869,265,720.90

Paid-up share capital:

RON 9,541,834,605.90

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

limit for GDR issuance of 1/3 of the Fund's issued share capital).

Please find enclosed herein the English translation of the FSA's Endorsement no. 74 / 25 February 2016. 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_update_d_at_14_march_2016.pdf.

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

Oana Valentina TRUȚA
Legal Representative

Unofficial translation from Romanian

To:
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
United Kingdom Bucharest Branch
78-80 Buzesti street, floor 7-8, Premium Point
1st district, 011017, Bucharest, Romania
Fax: 021.200.96.31/32

*Stamp applied: Financial Supervisory Authority
Entry/Exit No. DRA672.2, February 25th 2016*

*Stamp applied: S.C. Fondul Proprietatea S.A.
Entry no. 223, as of February 25th 2016*

To Mrs. Oana Valentina Truta – Manager

Dear Madam

Referring to you address registered with the FSA under the no. 7146/01.02.2016, through which you have requested the endorsement of the amendment of the Constitutive Act of S.C. Fondul Proprietatea S.A., following the decrease of the share capital according to the Extraordinary General Shareholders Meeting Resolution no. 8/29.10.2015, we hereby attach the original FSA Endorsement no. 74/25.02.2016.

Sincerely yours,

Florentina Boboc
Manager
illegible signature
stamp of FSA 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
www.asfromania.ro, office@asfromania.ro
FSA is a personal data operator registered under the no. 33477

FINANCIAL SUPERVISORY AUTHORITY

ENDORSEMENT NO. 74/25.02.2016

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 the Regulation no. 4/2010 on the registration with the National Securities Commission and operation of the trade company "Fondul Proprietatea" SA and the trade of shares issued by Fondul Proprietatea, with further amendments and supplementing,

Considering S.C. Fondul Proprietatea SA request registered with the FSA under the no. 7146/01.02.2016.

Based on the analysis of the specialty division and on the decision adopted during the meeting of 24.02.2016, the Board of the Financial Supervisory Authority has decided on the issuance of the following individual document.

ENDORSEMENT

Article 1. The amendments provided at Art. 7 paragraph (1) of the Constitutive Act of S.C. Fondul Proprietatea SA are hereby endorsed following the decrease of the share capital from RON 10,074,080,745.90 to RON 9,869,265,720.90 according to the Extraordinary General Shareholders Meeting Resolution of S.C. Fondul Proprietatea SA no. 8/29 October 2015.

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

PRESIDENT
Misu NEGRITOIU
Illegible signature
Stamp of the FSA applied