

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

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

Important events to be reported:

Public tender offer process in relation to the ninth buy-back programme

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager (the “**Investment Manager**”) of Fondul Proprietatea SA (the “**Fund**”), would like to inform shareholders that an application for the endorsement of a tender offer for cash of its own shares in relation to the ninth buy-back programme approved by the Fund’s Extraordinary Shareholders’ Resolution no. 5/26 October 2017 was submitted today for approval to the Financial Supervisory Authority of Romania (the “**FSA**”).

The Investment Manager would also like to inform shareholders and investors that it has engaged WOOD & Company Financial Services, a.s. as intermediary in relation to the purchase of shares and intends to engage Jefferies International Limited and WOOD & Company Financial Services, a.s. as dealer managers and The Bank of New York Mellon as tender agent in relation to the purchase of global depositary receipts (“**GDRs**”). Under this tender offer, the Fund intends to repurchase up to 1,200,000,000 shares (both in the form of shares and GDRs) from its shareholders.

It is expected that full details of the tender offer, including pricing, will be announced if and when the tender offer is implemented and approval is received from the FSA, which is expected to occur within 10 business days according to the regulations in force.

In light of this development, the Fund would also like to report that the daily execution of the buy-back programme with respect to shares on the Bucharest Stock Exchange and GDRs on the London Stock Exchange has been suspended with effect from 11 December 2017; any restart, which, if the tender offer is launched, will be after the closing of the tender offer, will be announced in due course.

Important disclaimer to shareholders and investors

The filing of the application for the approval of the envisaged tender offer disclosed herein does not constitute a guarantee that the Fund will actually proceed with the tender offer; the Fund's decision to launch the tender offer will depend on several factors (including market conditions and the approval of the tender offer documentation by the FSA). Nothing in this announcement shall be construed as an obligation of the Fund to implement the

Report date:

15 December 2017

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017

Phone/fax number:

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

Email:

office@fondulproprietatea.ro

Internet:

www.fondulproprietatea.ro

Sole Registration Code with the Trade Register Office:

18253260

Order number in the Trade Register:

J40/21901/2005

Register on Data Protection Notification

Register under number:

18668

Subscribed share capital:

RON 4,854,034,784.56

Paid-up share capital:

RON 4,664,852,362.56

Number of shares in issue:

9,334,682,278

Number of paid shares:

8,970,869,928

Regulated market on which the issued securities are traded:

Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange

tender offer.

If the tender offer proceeds, the tender and the purchase of the shares and GDRs will be carried out exclusively in accordance with the terms and conditions of the tender offer document if and when published. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase, exchange or subscribe for any securities in any jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document.

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

Johan Meyer
Legal Representative