

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

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

Important events to be reported:

Update regarding the Fund's buy-back programmes

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("**the Investment Manager**"), in its capacity as Investment Manager of Fondul Proprietatea S.A. ("**the Fund**") would like to update shareholders and investors on the Fund's buy-back programmes.

1. Completion of the seventh buy-back programme

The Investment Manager acquired 830,247,619 shares and equivalent global depositary receipts ("**GDRs**") corresponding to the Fund's shares (equivalent to 8.24% of the Fund's subscribed share capital) via daily trading on the regular market (Bucharest Stock Exchange in case of ordinary shares and London Stock Exchange in case of GDRs), as well as through a Public Tender Offer.

The total value of the seventh buy-back programme was RON 744,506,784.85 (excluding brokerage fees and other acquisition related costs), and the weighted average price was approximately RON 0.8887 per share, respectively USD 10.7528 per GDR.

We remind shareholders that a partial cancellation of 739,398,468 shares repurchased and settled between 29 September 2016 and 24 March 2017 was approved through the Extraordinary General Shareholders' Meeting ("**EGM**") Resolution no. 3/3 May 2017. Please note that the subscribed share capital decrease pursuant to the partial cancellation approved through EGM Resolution no. 3/3 May 2017 will be effective after all legal requirements are met. Also, the cancellation of the remaining number of shares bought back within this programme will be subject to the shareholders' approval during the next EGM.

2. Start of the eighth buyback programme

The Investment Manager will start the eighth buy-back programme on 30 May 2017.

Report date:

29 May 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

As per EGM Resolution no. 8 of 11 October 2016 published in the Official Gazette no. 3752, Part IV on 19 October 2016, the programme refers to the acquisition by the Fund of a maximum number of shares and / or equivalent GDRs corresponding to the Fund's shares computed so that inclusive of all the outstanding treasury shares (acquired during this programme and/or previous ones) will not exceed 10% of the issued share capital at the relevant time, which represents a total of 177,160,456 own shares as of the date of this report. However, after shareholders approve new cancellations of the treasury shares, the number of shares and / or GDRs corresponding to the 10% limit of the issued share capital will change accordingly.

The eighth buy-back programme shall be performed at a price that cannot be lower than RON 0.2 / share or higher than RON 2 / share. The maximum amount allocated to this programme for the maximum number of shares as described above is RON 354,320,912 (excluding brokerage fees and other acquisition related costs).

The eighth buy-back programme will end on 19 April 2018 (being 18 months after the publication of the EGM Resolution in the Official Gazette). The shares acquired by the Fund will be cancelled.

Following the evaluation of the offers submitted in the brokers' selection process, WOOD & Company Financial Services, a.s. (as buy-back agent in relation to the purchase of shares listed on Bucharest Stock Exchange) and Jefferies International Limited (as buy-back agent in relation to the purchase of GDRs listed on London Stock Exchange) have been selected to provide brokerage services for the eighth buy-back programme.

The Fund is allowed to buy-back a daily volume of up to 25% of the average daily volume of the Fund's shares (whether in the form of ordinary shares of the Fund or GDRs) on the regulated market on which the purchase is carried out, calculated according to applicable law. The Investment Manager will report on a weekly basis on the progress of this buy-back programme according to legislation in force.

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

Johan MEYER

Legal Representative