

To: FINANCIAL SUPERVISORY AUTHORITY
 BUCHAREST STOCK EXCHANGE
 LONDON STOCK EXCHANGE

Re: Notification regarding the transactions performed within the seventh buy-back programme

From: FONDUL PROPRIETATEA S.A.

The undersigned, **FONDUL PROPRIETATEA S.A. (“FP / The Fund”)**, represented by Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, acting in its capacity as Investment Manager, hereby informs you in its capacity as Issuer on the following information regarding the transactions concluded during **22 – 26 May 2017**, according to Article 150 paragraph (2) of the NSC’s Regulation no. 1/2006 regarding issuers and operations with securities:

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|--|---|
| a) Issuer’s name (buyer) | FONDUL PROPRIETATEA S.A. |
| | Bucharest Stock Exchange Symbol: FP |
| | London Stock Exchange Symbol: FP. |
| b) Broker’s name | WOOD & COMPANY FINANCIAL SERVICES A.S. (as buy-back agent in relation to the purchase of shares), and |
| | GOLDMAN SACHS INTERNATIONAL (as buy-back agent in relation to the purchase of GDRs) |
| c) Description of the acquired financial instruments | Ordinary shares issued by the Fund (ISIN ROFPTAACNOR5) listed on the Bucharest Stock Exchange (“BVB”), and |
| | Global Depositary Receipts (“GDRs”) corresponding to the Fund’s shares listed on the London Stock Exchange (“LSE”) |
| d) Transaction’s type | Buy-back |
| e) Details with respect to the execution of the buy-back market orders | Within the trading session |
| f) Total number of shares and equivalent shares of GDRs bought-back in the reporting period, out of which: | 8,351,089 |
| - current number of shares bought back | 5,551,089 |
| - equivalent shares of current number of GDRs bought back | 2,800,000 (representing 56,000 GDRs) |
| g) Total value of the transactions performed in the reporting period (RON), out of which: | 7,658,104.02 |
| - value of the shares acquisition (RON) | 5,070,270.20 |
| - estimated value of the equivalent shares of GDRs based on the exchange rate communicated by the National Bank of Romania (RON) | 2,587,833.82 |

h) Total number of shares and equivalent shares of GDRs repurchased since the start of the seventh buy-back program	830,247,619
- number of shares bought back	543,154,169
- equivalent shares of current number of GDRs bought back	287,093,450 (representing 5,741,869 GDRs)
- equivalent shares of current number of GDRs converted in shares from the start of seventh buy-back programme	282,302,600 (representing 5,646,052 GDRs)
- % of subscribed share capital as at 30 April 2017	8.24
- % of paid-up share capital as at 30 April 2017	8.55
- % of total voting rights as at 30 April 2017	9.32
i) Total value of the shares repurchased since the start of the seventh buy-back program (RON)	744,506,784.85
- value of the shares acquisition (RON)	482,741,412.45
- estimated value of the equivalent shares of GDRs based on the exchange rate communicated by the National Bank of Romania (RON)	261,765,372.40
j) Number of shares left to be repurchased from the seventh buy-back programme as of the date of this notification¹	0
k) Number of shares left to be repurchased from the eighth buy-back programme as of the date of this notification²	177,160,456

The details of the transactions carried out during the reporting period with respect to the shares and GDRs issued by Fondul Proprietatea SA for the purpose of the buy-back are described further below:

Date of the transaction	Market on which the securities were traded	Average price per security (currency)	Volume of the transaction (no. of securities)	Value of the transaction (currency)
22 May 2017	BVB	RON 0.9124	1,535,398 shares	RON 1,400,897.14

¹ As per the Fund's Extraordinary General Shareholders Meeting Resolution no. 9 of 29 October 2015, the seventh buyback 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 all the outstanding treasury shares (acquired during this programme and/or previous ones) will not exceed 10% of the subscribed share capital at the relevant time, which represents a total of 1,007,408,075 own shares as of the date of this notification. Please note that the seventh buyback programme expired on 26 May 2017, being 18 months since the publication of the EGM Resolution in the Official Gazette of Romania, Part IV.

² As per the Fund's Extraordinary General Shareholders Meeting Resolution no. 8 of 10 October 2016, the eighth buyback 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 all the outstanding treasury shares (acquired during this programme and/or previous ones) will not exceed 10% of the subscribed share capital at the relevant time, which represents a total of 1,007,408,075 own shares as of the date of this notification; however, after the cancellation of the shares acquired within the seventh buyback programme, the 10% limitation will change and the Fund will notify the market accordingly

23 May 2017	BVB	RON 0.9130	1,132,435 shares	RON 1,033,913.16
	LSE	USD 11.3500	10,000 GDRs (500,000 shares equivalent)	USD 113,500.00
24 May 2017	BVB	RON 0.9135	1,159,700 shares	RON 1,059,385.95
	LSE	USD 11.4000	10,000 GDRs (500,000 shares equivalent)	USD 114,000.00
25 May 2017	BVB	RON 0.9143	1,662,286 shares	RON 1,519,828.09
26 May 2017	BVB	RON 0.9180	61,270 shares	RON 56,245.86
	LSE	USD 11.4000	36,000 GDRs (1,800,000 shares equivalent)	USD 410,400.00

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of FONDUL PROPRIETATEA S.A.

Oana Valentina TRUȚA
Legal Representative