

PRESS RELEASE

PROPOSAL OF THE BOARD OF ADMINISTRATORS regarding the allocation of the net profit achieved in the financial exercise of the year 2016

In the financial statements for the year 2016, subject to the approval of The Ordinary General Shareholders Meeting of S.I.F. Oltenia S.A. called on 04/05.04.2017, the following indicators are present:

- lei -

TOTAL INCOMES	150,471,930
TOTAL EXPENSES	32,466,842
GROSS PROFIT	118,005,088
INCOME TAX	16,733,711
NET PROFIT	101,271,377

The net profit of the financial exercise amounted to **101,271,376,81 lei**, **0.89%** higher than budgeted for 2016.

The Board of Administrators of S.I.F. Oltenia S.A. proposes to the Ordinary General Shareholders Meeting two options for allocation of the net profit achieved in 2016:

Option I. Distribution of dividends

Net profit allocation

Gross dividend per share of **0.0815 lei**

- **I. 1. Dividends** - **47,283,505.69 lei** (**46.69%** of net profit)

- **I. 2. Own resources of development** - **53,987,871.12 lei** (**53.31%** of net profit)

The proposed dividend ensures to the shareholders a remuneration rate of **5.3%** calculated as the average trading price of the shares in 2016 (**1.5357 lei/share**) and of **5%** calculated at the closing price for 2016 (**1.63 lei/share**).

Option II. Shares buy-back program

Net profit allocation

II. 1. – Reserve fund – **72,520,715 lei** (**71.61%** of net profit) for buying-back of a number of **29,008,286 shares** representing **5%** of the company's share capital. The company will carry out the buy-back program in accordance with EC Regulation no. 2273/2003 in order to reduce the share capital by their cancellation.

Minimum price per share: **1.4 lei**

Maximum price per share: **2.5 lei**

Program period: 12 months from the date of publication of the decision in the Official Gazette of Romania Part IV.

II. 2. – Own development sources of the company **28,750,661.81 lei** (**28.39%**of net profit).

In case of approval of the **Option II of net profit allocation**, respectively the **Shares buy-back Program**, The Board of Administrators of the company will call, organize and run an Extraordinary General Shareholders Meeting, which will decide in accordance with the existing legal framework, the carrying out of the **Shares buy-back Program**, with a corresponding reduction of the share capital.

In case the Ordinary General Shareholders Meeting of S.I.F. Oltenia S.A., called for the date of 04/05.04.2017, will approve the **Option I of net profit allocation**, respectively the one regarding the **Distribution of dividends**, the shareholders entitled to receive dividends from the net profit achieved in the financial year 2016 shall be those registered in the consolidated register of the shareholders on the **registration date** which will be approved by the Ordinary General Meeting of Shareholders, in accordance with art. 238. paragraph (1) of Law no. 297/2004 - on the capital market. The Board of Administrators has proposed and will submit for approval to the Ordinary General Meeting of Shareholders that the **registration date** should be **10.07.2017**.

The Board of Administrators
Conf. Univ. PhD. Ec. Tudor Ciurezu

Chairman / General Manager

Viorica Balan
Internal Control / Compliance