

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

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

Events to be reported:

Competitive process leading to potential disposals of Electrica subsidiaries

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea S.A. (the "Fund"), would like to inform shareholders that it has initiated a competitive process leading to potential disposals of the Fund's holdings in Electrica subsidiaries (i.e. SDEE Distributie Muntenia Nord S.A., SDEE Distributie Transilvania Sud S.A., SDEE Distributie Transilvania Nord S.A. and Electrica Furnizare S.A.).

The marketing and sale process will be managed by Ithuba Capital AG, acting as sole financial advisor in connection with the envisaged transaction.

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

Johan Meyer
Legal representative

Report date:

16 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