

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

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

Important events to be reported:

Review of strategic options for Fondul Proprietatea S.A. holding in Hidroelectrica S.A.

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, as part of its ongoing commitment to increase value for shareholders and improve the liquidity of the assets in the Fund's portfolio, the Fund is reviewing strategic options regarding its ownership interest in SPEEH Hidroelectrica S.A. (the "Company"). The Fund currently holds 19.94% of the issued share capital of the Company (representing 32.01% of the Fund's NAV as at 30 June 2017).

Our review is in its early stages and there is no defined timetable for any decision. Further announcements will be made as and when relevant. However, it is to be noted that Citigroup Global Markets Limited ("Citi") and UBS Limited have been appointed financial advisers in connection with the envisaged transaction.

Citi, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting exclusively for Fondul Proprietatea S.A. and no one else in connection with the envisaged transaction and will not be responsible to anyone other than Fondul Proprietatea S.A. for providing the protections afforded to its clients for providing advice in relation to the envisaged transaction or in relation to the contents of this announcement or any transaction or any other matters referred to herein.

UBS Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. UBS Limited is acting as financial adviser to Fondul Proprietatea S.A. and no one else for the purpose of the envisaged transaction and will not be responsible to anyone other than Fondul Proprietatea S.A. for providing the protections offered to clients of UBS Limited nor for providing advice in relation to the envisaged transaction.

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

Grzegorz KONIECZNY
Legal representative

Report date:

7 September 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 5,238,521,987.92

Paid-up share capital:

RON 5,049,339,565.92

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