

FROM: Fondul Proprietatea  
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## **PRESS STATEMENT**

Bucharest, 3 November 2016 – Following the decision of the Ministry of Energy to vote against the proposal made by Fondul Proprietatea in the General Shareholders Meeting of Nuclearelectrica held on October 17 to commission the Board of Directors of Nuclearelectrica to draft a report related to the costs incurred by the company so far for the project related to Reactors 3 and 4, Mr. Greg Konieczny, CEO of Franklin Templeton Investment Management Limited UK Bucharest Branch ("FTIML") and Portfolio Manager of Fondul Proprietatea, made the following statement:

"We are very surprised and disappointed by the vote of the Ministry of Energy, firstly because this sets a dangerous precedent and disregards completely the principle of transparency in state owned companies, which is actually endorsed by the Government and the Ministry of Energy through corporate governance legislation. Secondly, the project to build Reactors 3 and 4 generates massive costs for Nuclearelectrica, thus negatively influencing the profits of the company and shareholders are entitled to access information on the expenditures incurred so far for this project."

Greg Konieczny further stated: "Moreover, since Nuclearelectrica is listed on the stock exchange, the Ministry of Energy should observe even more rigorously transparency and reporting requirements to the benefit of the company and all its shareholders."

Fondul Proprietatea considers that the project to build Reactors 3 and 4 is not feasible and could be value destructive for Nuclearelectrica's shareholders if continued, given the current electricity market context, as well as longer term forecasts. According to the latest public statements made by officials from the Ministry of Energy, this project may recover its investment value only at an energy price of EUR 82/MWh, while the current OPCOM wholesale energy price is much lower, i.e. EUR 35-40/MWh. This price discrepancy clearly shows that the project is not feasible.

Fondul Proprietatea urges the Ministry of Energy and other line ministries that are majority shareholders in state owned companies to support observance of transparency in those companies and inform regularly all shareholders on key developments that have an impact on companies' activity.

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Franklin Templeton established an office in Bucharest in May 2010, with a team of 32 employees, including 6 locally based investment professionals who are further supported by the over 40 portfolio managers and analysts of the wider Templeton Emerging Markets team.

Starting with 1 April 2016, in view of complying with the EU Directive 2011/61 on alternative investment fund managers, the Fund is managed by Franklin Templeton Investment Services S.À R.L. ("FTIS"), a société à responsabilité limitée qualifying as an alternative investment fund manager under Article 5 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 36.979, registered with the Romanian Financial Supervisory Authority ("FSA") under number PJM07.1AFIASMDLUX0037/10 March 2016.

This release herein is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with the FSA under no. PJM01SFIM/400005/14 September 2009, which is authorized and regulated in the UK by the Financial Conduct Authority, registered therein under the number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission. FTIML acts herein as a delegate of FTIS with respect to the portfolio management functions as well as administration services over the Fund.

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