

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:**

## **Execution of a Memorandum of Understanding with Electrica**

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 on 14 July 2017 the Fund has signed a Memorandum of Understanding with Societatea Energetică „Electrica” S.A. (“Electrica”) for the disposal of the Fund’s holdings in Electrica subsidiaries namely SDEE Distributie Muntenia Nord S.A., SDEE Distributie Transilvania Sud S.A., SDEE Distributie Transilvania Nord S.A. and Electrica Furnizare S.A. (“Subsidiaries”).

The aggregated value of the transaction would amount to RON 752,031,841. Shares would be acquired by Electrica together with all the rights attached to them under the applicable law, including the right to receive dividends, except for those for the financial year ending on 31 December 2016, which remain to be collected by the Fund, as already approved by the General Meeting of Shareholders of the Subsidiaries on 17 May 2017.

The parties plan to execute the transactional documents pertaining to the envisaged transaction after obtaining the necessary corporate and shareholding approvals at Electrica and Subsidiaries level by 31 October 2017.

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

**Oana Valentina Truța  
Legal representative**

**Report date:**

14 July 2017

**Name of the issuing entity:**

Fondul Proprietatea S.A.

**Registered office:**

78-80 Buzești St.,  
7<sup>th</sup> 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