

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

Current report according to Article 113 of the Romanian National Securities Commission Regulation no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of Article 99 in the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Important events to be reported:

NOT FOR DISTRIBUTION INTO THE UNITED STATES OF AMERICA.

Accelerated bookbuild offering of up to 9,895,212 existing shares in C.N.T.E.E. Transelectrica S.A.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (the "Fund Manager"), in its capacity as sole director and fund manager of Fondul Proprietatea S.A. (the "Fund"), would like to inform shareholders and investors of the Fund's intention to sell up to 9,895,212 of ordinary shares (the "Placing Shares") it currently owns in C.N.T.E.E. Transelectrica S.A. (the "Company") on the Bucharest Stock Exchange via an accelerated bookbuild in a private placement addressed to certain persons as detailed below (the "Private Placement").

Raiffeisen Bank and UniCredit will act as Joint Global Co-ordinators and Joint Bookrunners (the "Bookrunners"). SSIF Broker will act as Joint Lead Manager (SSIF Broker together with the Bookrunners, the "Banks").

The Fund has agreed to a 180 day lock-up period from the closing of the Private Placement, subject to waiver with the consent of the Bookrunners and to certain customary exceptions. A further announcement will be made following completion of the bookbuilding and pricing of the Private Placement.

Disclaimer

Members of the general public are not eligible to take part in the Private Placement. The Private Placement is only addressed,

(i) subject to the below, in any member state of the European Economic Area, to qualified investors ("Qualified Investors") within the meaning of article 2(1)(e) of the Directive

Report date:

7 July 2014

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 12,861,183,036.65

Paid share capital:

RON 12,515,396,724.25

Regulated market on which the issued securities are traded:

Bucharest Stock Exchange

2003/71/EC of the European Parliament and of the Council, as amended ("Prospectus Directive") and/or, to fewer than 100 or, in certain Member States to fewer than 150, natural or legal persons per Member State other than qualified investors and/or in any other circumstances falling within Article 3(2) of the Prospectus Directive;

(ii) in Romania, to qualified investors and to fewer than 150 natural or legal persons other than qualified investors, in reliance of the exemptions available under article 183 para. (3) letter a) item 1. and item 2. of Capital Markets Law no. 297/2004;

(iii) in the United Kingdom, to Qualified Investors who are (a) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (b) persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (c) to persons to whom the Private Placement may be legally made on other legal grounds;

(iv) in the United States of America, only to Qualified Institutional Buyers within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act") in transactions exempt from the requirements of the Securities Act

(all such persons are collectively referred to in (i)-(iv) are hereinafter referred to as "Relevant Persons").

Any investment decision of the Relevant Persons to buy shares in the Private Placement must be made solely on the basis of publicly available information. The information made available by the Company is not the responsibility of the Fund, the Fund Manager or the Banks and has not been independently verified by any of the Fund, Fund Manager or the Banks. The persons who are not Relevant Person must not rely on the information regarding the Private Placement set out in this report and should not act upon this announcement or any of its content.

This report is not, and must not be construed as an offer, solicitation or invitation, nor part of such offer, solicitation or invitation, to subscribe for, underwrite, or otherwise acquire any securities of the Company. This report is not to be construed as a recommendation regarding any securities of the Company and is not intended to form the basis of any decision to purchase securities of the Company.

No prospectus and no offering document have been or will be prepared in connection with the Private Placement. No public offering of securities is being made in any jurisdiction where the drawing up and/or publication of a prospectus within the meaning of the Prospectus Directive, and/or registration of the Company's shares and/or any other registration and/or approval formality would be required for the Private Placement according to the applicable law.

This report may not be reproduced, re-distributed, disseminated, or disclosed, whether directly or indirectly, to any person, and may not be published in whole or part for any

FONDUL PROPRIETATEA

purpose whatsoever in any jurisdiction where action for that purpose is required. Failure to observe these restrictions may represent a breach of applicable laws regulating the trade in securities.

This report does not constitute an offer of securities for sale in the United States of America. The shares issued by the Company may not be offered or sold in the United States of America absent registration or an exemption from registration under the Securities Act. Neither the Company nor its shareholders intend to register any portion of the offering in the United States.

UniCredit means: UniCredit CAIB Poland S.A., UniCredit Bank AG, London Branch and UniCredit Bank Austria AG.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, acting as Sole Administrator on behalf of FONDUL PROPRIETATEA S.A.

Oana Valentina Truta

Legal Representative