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**FOR IMMEDIATE RELEASE: 6 MAY 2016**

**FONDUL PROPRIETATEA WELCOMES THE RESUMPTION OF THE ENGAGEMENT  
LETTER REGARDING HIDROELECTRICA'S IPO**

**Bucharest, 6 May 2016** – Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea SA (“the Fund”), salutes the agreement approved by Hidroelectrica’s shareholders with the intermediary syndicate comprising Morgan Stanley and Raiffeisen Bank, which establishes the resumption of the obligations under the Engagement Letter regarding Hidroelectrica’s Initial Public Offering (“IPO”).

The initial Engagement Letter was signed in February 2014 and appointed the syndicate comprising Morgan Stanley and Raiffeisen Bank to act as intermediary in relation to Hidroelectrica’s listing on the capital market. The parties agreed to suspend the obligations under the Engagement Letter in June 2014 due to the company reentering insolvency proceedings, which prevented the achievement of the objectives set in the previously agreed timetable.

Greg Konieczny, Fund Manager of Fondul Proprietatea, commented: “The resumption of the obligations under the Engagement Letter represents an essential step towards the company’s listing. We would like to congratulate Hidroelectrica for the recent agreement, a ground-breaking development for what will be this year’s largest IPO in Central and Eastern Europe and also the largest in the history of the local capital market. We would also like to encourage all parties involved to speed up the preparatory work and the decisions that still need to be taken for a successful listing, such as the appointment of the Supervisory Board and the Directorate and the transfer of the complex function investments. Hidroelectrica’s listing is crucial in the perspective of the local stock exchange upgrade to the emerging market status and, thus, represents a unique opportunity for the Government to make a historical transaction that brings Romania closer to this objective.”

Hidroelectrica's listing would be the first IPO of a state owned company in Romania in the last two years. Besides the 15% stake in Hidroelectrica the state committed to list following the share capital increase, Fondul Proprietatea intends to sell during the IPO a 5% stake of its own shares and another 3.74% stake representing the subscription rights the Fund has in the share capital increase process. Based on the valuation of Hidroelectrica in FP's NAV as at 31 March 2016 the size of the IPO could be RON 3.15 billion (USD 802 million).

In accordance with the current timetable, Hidroelectrica is due to be listed by the end of this year.

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Launched in December 2005, the Fund was established to compensate Romanians whose properties were confiscated by the former communist government. An international tender was announced in December 2008, and Franklin Templeton officially took over as investment manager and sole administrator of the Fund on 29 September 2010. The Fund is an alternative investment fund and its investment objective is the maximization of returns and per-share capital appreciation via investments mainly in Romanian equities and equity-linked securities. The Fund has been trading on the Bucharest Stock Exchange since 25 January 2011 and has been listed on the Specialist Fund Market of the London Stock Exchange by means of global depositary receipts ("GDRs") on 29 April 2015.

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.

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management to retail, institutional and sovereign wealth clients in over 180 countries. Through specialized teams, the company has expertise across all asset classes—including equity, fixed income, alternative and custom solutions. The company's more than 600 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. With offices in 35 countries, the California-based company has more than 65 years of investment experience and over \$742 billion in assets under management as of March 31, 2016. For more information, please visit [www.franklintempleton.co.uk](http://www.franklintempleton.co.uk).

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