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**FONDUL PROPRIETATEA WELCOMES HIDROELECTRICA'S INSOVENCY EXIT
AND CALLS FOR ITS SWIFT IPO**

Bucharest, 21 June 2016 – Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea SA (“the Fund”), welcomes the closure of the insolvency proceedings of Hidroelectrica following the syndic judge’s decision on 21 June. After a long period in insolvency, Hidroelectrica emerges as a healthier and stronger company, prepared to capitalize on its enormous potential and to list on the stock exchange.

“We would like to congratulate the judicial administrator Remus Borza for Hidroelectrica’s outstanding results over the past four years and for his dedication, commitment and contribution to the restructuring of Hidroelectrica. From a loss-making company Hidroelectrica became a highly profitable, efficient and competitive one. The judicial administrator made remarkable efforts over the past four years and, despite the numerous challenges, managed to increase Hidroelectrica’s revenues and reduce operational costs, which allowed the company to return on a positive cash flow and subsequently exit insolvency” commented Grzegorz Konieczny, Portfolio Manager of Fondul Proprietatea.

He added: “We are concerned to see that even though the company’s exit from insolvency had been expected since last year, Hidroelectrica still does not have an independent Supervisory Board selected and appointed in accordance with Ordinance 109/2011. This might pose significant risks for the company in the near future. We urge the Ministry of Energy to accelerate the appointment process of the new Supervisory Board that should follow up with an appointment of professional executive management team. Especially now, after the insolvency exit, Hidroelectrica needs strong and determined management in order to protect the value that has been created during the process, to create further value for Hidroelectrica’s current and future shareholders as the next important milestone is to successfully list the company in Bucharest and London.”

The closure of the insolvency proceedings opens the way towards Hidroelectrica's initial public offering, the first listing of a Romanian state owned company in more than two years and the largest listing in the history of the local capital market. Fondul Proprietatea is a strong supporter of the company's IPO, which represents a great leap towards the upgrade of the local stock exchange to the emerging market status.

Fondul Proprietatea advocates for Hidroelectrica's dual listing on both the Bucharest Stock Exchange and the London Stock Exchange, which would benefit the Romanian capital market, as well as ensure access to a larger pool of demand at the time of the IPO and afterwards, as well as greater visibility for the company. In order to contribute to a successful dual listing, Fondul Proprietatea has proposed to sell during the IPO a 5% stake out of its 20% holding in Hidroelectrica, and also a 3.74% stake representing the subscription rights the Fund has in the share capital increase process, besides the 15% stake the state intends to list.

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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 depository 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 \$747 billion in assets under management as of April 30, 2016. For more information, please visit www.franklintempleton.co.uk.

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