

**To: Romanian Financial Supervisory Authority (ASF)  
Bucharest Stock Exchange (BVB)  
London Stock Exchange (LSE)**

**Current report in compliance with the Law 24/2017 on issuers of financial instruments and market operations, the Romanian Capital Market Law no. 297/2004, CNVM Regulation no. 1/2006, and the Bucharest Stock Exchange Code**

Report date: **31 October 2017**

Company name: **Societatea Energetica Electrica S.A.**

Headquarters: **9 Grigore Alexandrescu Street, 1st District, Bucharest, Romania**

Phone/fax no.: **004-021-2085999/ 004-021-2085998**

Fiscal Code: **RO 13267221**

Trade Register registration number: **J40/7425/2000**

Subscribed and paid in share capital: **RON 3,459,399,290**

Regulated market where the issued securities are traded: **Bucharest Stock Exchange (BVB), London Stock Exchange (LSE)**

**Significant events to be reported:  
Reorganization at Electrica Group level**

Electrica SA hereby informs the shareholders that on October 31, 2017, as a result of obtaining the necessary corporate approvals, the business transfer agreements between each of the electricity distribution subsidiaries within the Electrica group (Societatea de Distribuție a Energiei Electrice Muntenia Nord SA, Societatea de Distribuție a Energiei Electrice Transilvania Nord SA, Societatea de Distribuție a Energiei Electrice Transilvania Sud SA) and Societatea Filiala de Întreținere și Servicii Energetice Electrica Serv SA were signed. The activities transferred at the level of each distribution subsidiary are maintenance and investments, design, procurement and logistics. This transfer is part of the reorganization plan of the distribution activity, which aims to implement a new target operating model for the distribution segment, based on redesigned processes (including internalized activities), focusing on the efficiency and quality of customers services, on the achievement of the investments plan and on cost reduction and cost control.

Also, at the level of Societatea Filiala de Întreținere și Servicii Energetice Electrica Serv SA a program of collective layoffs was approved, in force until December 31, 2019, in order to streamline the company's activity by correlating the number of indirect productive employees with the number of direct productive ones. The number of employees who will be laid off through the collective layoff program and the detailed implementation plan will be established together with the social dialogue partner according to the legal provisions in force.

**CEO**

**Dan Catalin Stancu**