



To **Bucharest Stock Exchange**  
**Romanian National Securities Commission**

*The current report according to art. 113 point A, paragraph (1) letter j) in the Regulation of the Romanian National Securities Commission no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of art. 99 in the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments*

<b>Report date:</b>	March 14, 2011
<b>Name of the issuing entity:</b>	SC Fondul Proprietatea SA
<b>Registered office:</b>	78-80 Buzesti St., 7 <sup>th</sup> floor, district 1 Bucharest, postal code 011017
<b>Phone/fax number:</b>	Tel.: + 40 21 200 9600 Fax: +40 21 200 9631
<b>Sole Registration Code with the Trade Register Office:</b>	18253260
<b>Order number in the Trade Register:</b>	J40/21901/2005
<b>Subscribed and paid capital:</b>	13,778,392,208 RON
<b>Regulated market on which the issued securities are traded:</b>	Bucharest Stock Exchange

**Important events to be reported - S.C. Fondul Proprietatea S.A. (Fondul Proprietatea): update regarding legal action against S.C. HIDROELECTRICA S.A. (Hidroelectrica)**

On 7 March 2011, the Bucharest Court of Appeal ruled in favor of the appeal filed by Hidroelectrica and decided to cancel the decision for suspending the launching Hidroenergetica. The decision of the Court of Appeal is irrevocable.

The request for suspension of the shareholders decision was filed by Fondul Proprietatea on 7 December 2010 to oppose the Hidroelectrica Shareholders' Decision from 19 November 2010 for approving the spin off of Hidroelectrica as well as the merger of some of the assets of Hidroelectrica with Hidroserv Bistrita S.A., Hidroserv Slatina S.A., Hidroserv Portile de Fier S.A., Hidroserv Curtea de Arges S.A., Hidroserv Sebes S.A., Hidroserv Hateg S.A, Hidroserv Cluj S.A. and thermo power plants Eletrocentrale Deva S.A. and Electrocentrale Bucuresti S.A.

On 16 December 2010 Bucharest Court ruled in favor of Fondul Proprietatea and decided to suspend the merger for creating Hidroenergetica. Subsequently Hidroelectrica filed an appeal with the Bucharest Court of Appeal against this preliminary injunction.

Franklin Templeton Investment Management Ltd. Bucharest Branch, as Sole Administrator of Fondul Proprietatea announces that despite Bucharest Court of Appeal decision on 7 March 2010, there are other litigations that it has successfully initiated to prohibit the merger plan for the creation of two energy champions, Electra and Hidroenergetica. As a result of said litigations, the merger plan project to date continues to be suspended.

The Sole Administrator would like to reiterate its commitment to pursue all legal measures with a view to unlocking the value of the underlying companies within the fund in the best long-term interest of all Fondul Proprietatea shareholders.



Fondul Proprietatea hereby acknowledged receipt of the certificate issued by the Bucharest Court of Appeal on the court's decision on March 10, 2011.

**Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, in capacity of Sole Director of S.C. FONDUL PROPRIETATEA S.A.**

**For Adrian CIGHI**

**Valeria NISTOR**

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**Head of Legal**

**In behalf of the Legal Representative of Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, in capacity of Sole Director of S.C. FONDUL PROPRIETATEA S.A.**