



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>	28 March 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.: Update regarding legal action against S.C. PALACE S.A. Sinaia ("Palace Sinaia")**

SC Fondul Proprietatea SA announces that on 15<sup>th</sup> March 2011, the High Court of Justice decided to reject the last appeal filed by Palace Sinaia against the Ploiești Court of Appeal's decision, thus confirming that the resolution approved by Palace Sinaia at their General Shareholders' Meeting on 1<sup>st</sup> July 2009 is void. Said resolution approved the share capital decrease of Palace Sinaia by RON 530,955.5 RON which represents the value of the shares owned by Fondul Proprietatea. The decision of the Court of Appeal is irrevocable.

Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as Sole Administrator and Fund Manager of the Fund firmly believes that the share capital decrease will negatively impact the long-term interest of the Fund's shareholders and is therefore pleased with the outcome of the High Court of Justice. In addition, the Sole Administrator underlines that this litigation was fully described in its Prospectus.

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

**Grzegorz Maciej KONIECZNY**

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