



To Bucharest Stock Exchange  
Romanian National Securities Commission

*The current report according to Art. 113 point A, paragraph (1) letter b) of the Romanian National Securities Commission Regulation 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*

Report date:	31.10.2011
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 <sup>th</sup> floor, district 1, Bucharest, postal code 011017
Phone/fax number:	Tel.: + 40 21 200 9600; Fax: +40 21 200 9631
Sole Registration Code with the Trade Register Office:	18253260
Order number in the Trade Register:	J40/21901/2005
Subscribed share capital:	RON 13,778,392,208
Paid share capital:	RON 13,405,864,536
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

**Important events to be reported: S.C. Fondul Proprietatea SA ("The Fund") - Update regarding the litigation against SC CONPET SA Ploiești ("CONPET")**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Sole Administrator and Fund Manager of the Fund announces that on 20<sup>th</sup> October 2011 the Bucharest Court of Appeal rejected as unfounded the appeals filed by the Office of State Ownership and Privatization in Industry ("OPSPI" in Romanian) and by the Ministry of Economy, Trade and Business Environment ("MECMA" in Romanian) against the Bucharest Court's decision regarding OPSPI's claim for a number of 524,366 shares held by Fondul Proprietatea in SC Conpet SA Ploiesti.

We remind our shareholders that on 23<sup>rd</sup> March 2011, The Bucharest Court rejected the claim filed by The Authority for State Assets Recovery ("AVAS" in Romanian) to compel the Fund to assign in favour of AVAS the property of a number of 524.366 shares held at Conpet S.A. (the 524.366 shares correspond to the difference between the 64.7729% stake claimed by AVAS and the 58.71621% holding that the Romanian State has in fact at Conpet).

Please note that the decision of the Bucharest Court of Appeal is not irrevocable, it may be appealed within 15 days since the parties were notified.

Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as Sole Administrator and Fund Manager of the Fund is satisfied with the outcome of this litigation and 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**

**Legal Representative**