



FONDUL PROPRIETATEA

To

Bucharest Stock Exchange

Romanian National Securities Commission

The current report according to art. 113 point A, paragraph (1) letters i) and 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

Report date:	14 December 2011
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 th 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 S.A. (Fondul Proprietatea): Update regarding legal action against COMPANIA NAȚIONALĂ ROMARM - FILIALA UZINA MECANICĂ BUCUREȘTI S.A.(„Uzina Mecanică București”):

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch (the “FTIM”), as Sole Administrator and Fund Manager of Fondul Proprietatea announces that the Romanian High Court of Justice and Cassation rejected the second appeal filed by Fondul Proprietatea against the decision issued by the Bucharest Court of Appeal in the file regarding COMPANIA NAȚIONALĂ ROMARM - FILIALA UZINA MECANICĂ BUCUREȘTI S.A.(„Uzina Mecanică București”). The decision issued by the Romanian High Court of Justice and Cassation is irrevocable.

Fondul Proprietatea reminds its shareholders that in 2009, the Fund lodged with the Bucharest Court a claim against Uzina Mecanică București S.A., requesting the court to render a decision that the defendant Uzina Mecanică București be compelled to register with its shareholders’ registry the ownership of the Fund in relation to 2,951,053 shares issued by Uzina Mecanică București pursuant to the Emergency Government Ordinance no. 81/2007, valued at RON 20,024,890 of the paid share capital, according to valuation report.

By Decision no. 35 of 23 August 2011, on base of the decision of the Bucharest Court of Appeal, FTIML confirmed the failure of the Romanian State, represented by the Ministry of Public Finance, to satisfy the payment of share capital due to Fondul Proprietatea in respect of the Fund’s shares which had been transferred to the State in exchange for a contribution in kind of the aforementioned shares of Uzina Mecanică București S.A. and considered 20,024,890 shares as unpaid. All unpaid shares are blocked at Trade Register, Central Depository and Romanian National Securities Commission.

S.C. FONDUL PROPRIETATEA S.A., administered under a unitary system
Headquarters at: 78 – 80 Buzesti Street, 7th floor, Bucharest 1st district, postal code 011017, Romania.
Fiscal Identification Code (CIF): 18253260, registered with the Trade Registry under no: J40/21901/2005
Register on Data Protection Notification Register under number 18668
Subscribed share capital RON 13,778,392,208, Paid Share Capital: RON 13,405,864,536
Tel.: + 40 21 200 9600; Fax: +40 21 200 9631; Email: investor.relations@fondulproprietatea.ro;
Internet: www.fondulproprietatea.ro



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This decision issued by Romanian High Court of Justice and Cassation has no impact on the total NAV and NAV per share of the Fund.

The Sole Administrator will take all necessary measures on behalf of Fondul Proprietatea for recovering the unpaid capital amounts from the Romanian State according to Romanian legislation in force. If the Sole Administrator cannot recover the value of unpaid share capital without starting a case, we will propose the shareholders the share capital decrease with the value of unpaid shares.

For additional information regarding this case please read the 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