



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

*The current report according to Art. 113 point A, paragraph (1) letter j) 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*

<b>Report date:</b>	6 January 2012
<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 share capital:</b>	RON 13,778,392,208
<b>Paid share capital:</b>	RON 13,407,569,096
<b>Regulated market on which the issued securities are traded:</b>	Bucharest Stock Exchange

**Important events to be reported: S.C. Fondul Proprietatea SA (the "Fund") - Update regarding the litigation with SN Nuclearelectrica SA in the file no. 16743/3/2009**

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch ("FTIML Bucharest"), as Sole Administrator and Fund Manager of Fondul Proprietatea announces that the Bucharest Court of Appeal rejected as unfounded the appeal filed by Fondul Proprietatea in the file no. 16743/3/2009 against the decision issued by the Bucharest Court in the file regarding S.N. NUCLEARELECTRICA S.A. (Nuclearelectrica), the Ministry of Economy, Trade and Business Environment ("MECMA" in Romanian) and the Office of State Ownership and Privatization in Industry ("OPSPI" in Romanian).

The Fund Manager would like to remind the Fund's shareholders that in this file the Fund claimed against Nuclearelectrica and the Ministry of Economy and Commerce (now the Ministry of Economy, Trade and Business Environment) and asked the court to record the transfer of an additional number of 20,077,953 shares from the MECMA's portfolio to the Fund's portfolio in order to update the initial stake of the Fund in Nuclearelectrica, taking into account the share capital increases that took place between 1 February 2006 and 13 November 2007. The litigation was solved at the first stage by the Bucharest Court with the Court ruling against the Fund. The Fund appealed the decision of the Court and the Bucharest Court of Appeal ruled against the Fund.

Please note that the decision of the Bucharest Court of Appeal is not irrevocable; it may be appealed within 15 days since the parties receive the written decision. Please note that the written decision and reasoning has not yet been issued by the Bucharest Court of Appeal.

Given that the decision issued by the first court in this case is enforceable, on 23 August 2011 the Fund blocked a total of 340,796,918 shares, the amount of RON 340,796,918 at which the 20,077,953 shares were valued according to the valuation report issued in October 2007 by an independent evaluator (Finevex S.R.L. Constanța) for the shares presumed to be owned by the Fund in Nuclearelectrica which were not in fact transferred by the Ministry of Public Finance.



# FONDUL PROPRIETATEA

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Once again, the Sole Administrator would like to reiterate its commitment to pursue all legal measures with a view to protecting and unlocking the value of the underlying companies within Fondul Proprietatea in the best long-term interest of all the Fund's shareholders.

For additional information regarding this litigation 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.**

**For Grzegorz Maciej KONIECZNY**

**Oana TRUȚA**

**Empowered by the Decision of the Sole Administrator of S.C. FONDUL PROPRIETATEA S.A., Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch no. 50/14.12.2011**