

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

Report date:	16 October 2012
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 212009600; Fax:+40212009631
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 13,412,780,166
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

Important events to be reported: Update on litigations started by a shareholder of S.C. Fondul Proprietatea SA (the “Fund”) against the Fund

Summary: The Bucharest Court ruled in favour of the Fund and rejected the request of Ioana Sfîrăială, a shareholder of the Fund, to block the registration of Resolution no. 2 of the Extraordinary General Shareholders Meeting of 4 April 2012, which approved several amendments to the Constitutive Act and approved the adoption of the amended version of the Constitutive Act by the Fund.

Full details: Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (the “Fund Manager”), in its capacity as Sole Administrator and Fund Manager of SC Fondul Proprietatea SA would like to inform shareholders and investors that, on 15 October 2012, the Bucharest Court announced that it ruled in favour of the Fund in file no.15960/3/2012 between Ioana Sfîrăială, a shareholder of the Fund, as plaintiff, and Fondul Proprietatea, as defendant.

Through the decision adopted, the Bucharest Court rejected as groundless Ioana Sfîrăială’s request of intervention and ordered the registration with the Trade Register of the Fund’s Extraordinary General Meeting of Shareholders’ Resolution no. 2 of 04 April 2012 (“EGM Resolution no. 2/2012”). The decision issued by the Bucharest Court can be appealed.

The Fund Manager reminds the Fund’s shareholders that EGM Resolution no. 2 of 4 April 2012 approved several amendments to the Constitutive Act and approved adoption of the amended version of the Constitutive Act by the Fund.

Please note that the Fund Manager acknowledged this information from the Bucharest Court’s official website. The Fund Manager has not yet received any official documents from the Bucharest Court regarding the Court’s decision in this file.

Further details about cases started by this shareholder for which we received subpoenas from the courts are set out in the table attached as an Annex to this report.

The Fund Manager will inform shareholders and investors of any further developments in these files, continuing to vigorously defend the interests of the Fund and all its shareholders from adverse parties.

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as Sole Administrator on behalf of S.C. FONDUL PROPRIETATEA S.A.

Adrian CIGHI

Legal Representative

File number	Court	The object of the court file	Status	Next hearing
File no. 15960/3/2012	Bucharest Court	Blocking the registration of EGM Resolution no. 2 of 4 April 2012 for approving several amendments to the Constitutive Act and the approval of the amended Constitutive Act of the Fund.	On 15 October 2012, the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of EGM Resolution no. 2 of 4 April 2012.	N/A
File no. 15967/3/2012	Bucharest Court of Appeal	Blocking the registration of: - EGM Resolution no. 9 of 25 April 2012 for the ratification of the Fund's Constitutive Act with subsequent amendments, - EGM Resolution no. 10 of 25 April 2012 for the ratification of the Fund's Constitutive Act with subsequent amendments	On 10 July the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of EGM Resolution no. 9 and 10 of 4 April 2012. Ioana Sfirăială appealed the decision of Bucharest Court. This is the first hearing in the appeal.	17 October 2012
File no. 15963/3/2012	Bucharest Court	Blocking the registration of: - OGM Resolution no. 9 of 25 April 2012 for the approval of the Annual Activity Report of the Sole Administrator for the year 2011 and the financial statements for the year 2011, - OGM Resolution no. 10 of 25 April 2012 for the approval of the dividend distribution for the financial year 2011, - OGM Resolution no. 11 of 25 April 2012 for the ratification of Resolutions 8 and 9 of 6 September 2010, - OGM Resolution no. 12 of 25 April 2012 for the adoption of Resolutions 8 and 9 of 6 September 2010	On 16 October took place the final hearing and the Court postponed issuing a decision for 18 October 2012.	18 October 2012
File no. 22045/3/2012	Bucharest Court	Blocking the registration of OGM Resolution no. 10 of 25 April 2012 for the approval of the dividend distribution for the financial year 2011.	On 16 October 2012, the Court joined this file with file no. 15963/3/2012 because the two files have the same object, namely OGM Resolution no. 10 of 25 April 2012 for the approval of the dividend distribution for the financial year 2011. On 16 October took place the final hearing and the Court postponed issuing a decision for 18 October 2012.	18 October 2012
File no. 15961/3/2012	Bucharest Court	Blocking the registration of: - OGM Resolution no. 16 of 25 April 2012 for the adoption of the Investment Management Agreement. - OGM Resolution no. 17 of 25 April 2012 for the ratification of all the legal acts concluded by FTIM Bucharest Branch as Sole Administrator of Fondul Proprietatea S.A., - OGM Resolution no. 18 of 25 April 2012 for the adoption of all the legal acts concluded by FTIM Bucharest Branch	On 9 October the Court set a new hearing for settling the recusal request.	23 October 2012

		as Sole Administrator of Fondul Proprietatea S.A.		
File no. 15967/3/2012	Bucharest Court	Blocking the registration of: - EGM Resolution no. 9 of 25 April 2012 for the ratification of the Fund's Constitutive Act with subsequent amendments, - EGM Resolution no. 10 of 25 April 2012 for the ratification of the Fund's Constitutive Act with subsequent amendments	On 10 July the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of EGM Resolution no. 9 and 10 of 4 April 2012. Ioana Sfirăială filed a request of correction of the decision for errors.	23 October 2012
File no. 26253/3/2012	Bucharest Court	Blocking the registration of OGM Resolution no. 22/2012 approved on 27 June 2012 - the approval for hiring independent evaluators for NAV calculation.	On 9 October the Court set a new hearing for settling the recusal request.	23 October 2012
File no. 77743/3/2011	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 23 November 2011.	During the first hearing the Fund filed a set of documentation and the plaintiff asked for a delay to study the documentation..	30 October 2012
File no. 4499/3/2012	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 23 November 2011.	On 2 October 2012, the Court fixed a new hearing for 6 November 2012. The file has the same object as file 77743/3/2011.	6 November 2012
File no. 15966/3/2012	Bucharest Court	Blocking the registration of: - the Fund's Ordinary General Shareholders Meeting (OGM) Resolution no. 13 of 25 April 2012 for the ratification of all OGM resolutions as at 6 September 2010 (other than Resolutions no. 8 and 9); - OGM Resolution no. 14 of 25 April 2012 for the adoption of all OGM resolutions as at 6 September 2010 (other than resolution 8 and 9), - OGM Resolution no. 15 of 25 April 2012 for the ratification of the Investment Management Agreement.	On 24 September 2012, Ioana Sfirăială filed additional documentation.	19 November 2012
File no. 8541/3/2012	Bucharest Court	Challenging the convening notice for General Meeting of shareholders organized for 25 April 2012.	This is the first hearing.	13 December 2012
File no. 7548/3/2011	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 29 November 2010.	The Bucharest Court decided to suspend this file until the date when the file 40739/3/2010 is irrevocably solved.	N/A
File no. 15964/3/2012	Bucharest Court	Blocking the registration of: - The EGM Resolution no. 4 of 25 April 2012 for the approval of the buyback programme, - EGM Resolution no. 5 of 25 April 2012 for the ratification of EGM Resolutions 1 and 2 of 6 September 2010, - EGM Resolution no. 6 of 25 April 2012 for the adoption of Resolutions 1 and 2 of 6 September 2010, - EGM Resolution no. 7 of 25 April 2012 for the ratification of all the EGM Resolutions as at 6 September 2010 (other	On 16 October 2012, the Court rejected Ioana Sfirăială's request for joining the file with file 15963/3/2012 and sent the file to Panel 14. The Court will set a new hearing in this file.	N/A

		<p>than EGM Resolutions no. 1 and 2),</p> <ul style="list-style-type: none"> - EGM Resolution no. 8 of 25 April 2012 for the adoption of all the EGM Resolutions as at 6 September 2010 (other than EGM Resolutions no. 1 and 2). 		
File no. 26251/3/2012	Bucharest Court of Appeal	Blocking the registration of OGM Resolution no. 19/2012 approved on 27 June 2012 - the approval of the secondary listing budget.	The Court ruled against the Fund on 19 September 2012. On 12 October 2012 the Fund appealed the Bucharest Court's decision.	N/A
File no. 26254/3/2012	Bucharest Court of Appeal	Blocking the registration of EGM Resolution no. 11 / 2012 approved on 27 June 2012 - the approval of the secondary listing plan.	The Court ruled against the Fund on 26 September 2012. On 12 October 2012 the Fund appealed the Bucharest Court's decision.	N/A
File no. 18019/3/2012	Bucharest Court	Blocking the registration of: - EGM Resolution no. 3 of 25 April 2012 for the approval of the share capital decrease of SC Fondul Proprietatea SA	On 9 October 2012, the Bucharest Court ruled against the Fund.	N/A
File no. 47039/3/2010	Bucharest Court of Appeal	Challenging the Extraordinary General Meeting of Shareholders Resolution (EGM Resolution) for modifying the Constitutive Act approved by shareholders on 6 September 2010, the EGM Resolution for setting the date for appointing Franklin Templeton Investments Management Limited, Bucharest Branch as Sole Administrator of the Fund.	On 10 October, The Bucharest Court of Appeal - ruled against the Fund.	N/A
File no. 26255/3/2012	Bucharest Court	Blocking the registration of OGM Resolution no. 20/2012 approved on 27 June 2012 - the second Addendum for 2012 budget.	On 12 October 2012, the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of OGM Resolution no. 20 of 27 June 2012.	N/A