

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:	22 May 2012
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 th floor, district 1, Bucharest, 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 13,412,780,166
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

Important events to be reported: SC Fondul Proprietatea SA ("The Fund") - Update regarding the litigations started by Ioana SFIRĂIALĂ to block the registration of the GSM resolutions with the Trade Register

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (FTIML Bucharest Branch or the Fund Manager), in its capacity of Sole Administrator and Fund Manager of the Fund would like to update shareholders and investors on the file no. 15963/3/2012 having as object the request of the shareholder Ioana Sfîrăială for blocking the registration with the Trade Register of some Ordinary General Meeting of Shareholders' Resolutions, including the one for the approval of the dividend distribution for the financial year 2011.

During the hearing held on 22 May 2012 the Bucharest Court informed us that Dan Cristian Bărbulescu had filed a request in the interest of Ioana Sfîrăială. Ioana Sfîrăială repetitively asked the Bucharest Court to postpone the hearing for different reasons. The Fund opposed all the requests by Ioana Sfîrăială to postpone the hearing and asked for a final hearing today. After long debates, the Bucharest Court postponed the hearing for 29 May 2012 in order to give Dan Cristian Bărbulescu a deadline for paying the duty stamp for his request.

Further details about all the applications filed by Ioana Sfîrăială, seeking to block the registration with the Trade Register of resolutions approved by the General Shareholders Meeting of the Fund, are set out in the table attached as an Annex to this report. This includes a new claim for which we received the subpoena today (file number 18019/3/2012).

FONDUL PROPRIETATEA

The Fund Manager will immediately inform shareholders and investors of any further developments in this case and will continue to vigorously defend the interests of the Fund and all its shareholders from adverse parties.

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

Oana Truța

Legal Representative

Annex

File number	The object of the Bucharest Court file	Next hearing
File no. 15960/3/2012	Blocking the registration of: <ul style="list-style-type: none"> - 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. 	28 May 2012
File no. 15961/3/2012	Blocking the registration of: <ul style="list-style-type: none"> - 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 as Sole Administrator of Fondul Proprietatea S.A. 	25 May 2012
File no. 15963/3/2012	Blocking the registration of: <ul style="list-style-type: none"> - 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 	29 May 2012
File no. 15964/3/2012	Blocking the registration of: <ul style="list-style-type: none"> - The Extraordinary General Shareholders Meeting (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 than EGM Resolutions no. 1 and 2), - 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). 	28 May 2012
File no. 15965/3/2012	Blocking the registration of the Decision no. 10 of 23 April 2012 issued by the Fund Manager for compensating the unpaid share capital of the Fund with the value of the free shares received from Hidroelectrica	6 June 2012
File no. 15966/3/2012	Blocking the registration of EGM Resolution no. 2 of 25 April 2012 for approving several amendments to the Constitutive Act and the approval of the amended Constitutive Act of the Fund	25 June 2012
File no. 15967/3/2012	Blocking the registration of: <ul style="list-style-type: none"> - 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 	12 June 2012
File no. 18019/3/2012	Blocking the registration of: <ul style="list-style-type: none"> - EGM Resolution no. 3 of 25 April 2012 for the approval of the share capital decrease of SC Fondul Proprietatea SA 	24 May 2012