

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:	8 June 2012
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 <sup>th</sup> 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 a shareholder of the Fund 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. 15965/3/2012 having as object the request of a shareholder to block the registration with the Trade Register of Fund Manager Decision for paid-up share capital increase.

On 6 June 2012 the Bucharest Court ruled in favour of the Fund based on the fact that the request for intervention is without object.

Further details about all 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 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	Court	The object of the court file	Status	Next hearing
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 15 May we asked to receive the request filed by Ioana Sfiraiala.	12 June 2012
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.	The Bucharest Court filed in favour of Ioana Sfiraiala. The Fund appealed the decision. This is the first hearing in front of Bucharest Court of Appeal.	14 June 2012
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 24 May Ioana Sfiraiala asked for a new hearing in order to read the papers filed by the Fund.	14 June 2012
File no. 15960/3/2012	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 28 May Ioana Sfiraiala filed additional documentation.	18 June 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	The first four hearings were postponed for procedural reasons. The Fund opposed all the postponing.	19 June 2012
File no. 7004/3/2012	Bucharest Court of Appeal	Asking the Court to suspend the EGM Resolution for modifying the Constitutive Act approved by shareholders on 29 November 2010, to suspend the GSM organized on 4 April 2012 and the GSM organized on	The Bucharest Court filed in favour of the Fund and Ioana Sfiraiala appealed the decision.	20 June 2012

		25 April 2012.		
<b>File no. 15961/3/2012</b>	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 as Sole Administrator of Fondul Proprietatea S.A.	On 25 May Ioana Sfiraiala filed additional documentation.	22 June 2012
<b>File no. 15964/3/2012</b>	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 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).	On 28 May the Bucharest Court rejected the recusal request filed by Ioana Sfiraiala. On 28 May Bucharest Court applied a fine to Ioana Sfiraiala (RON 700) for filing a request of recusal in bad-faith.	22 June 2012
<b>File no. 15966/3/2012</b>	Bucharest Court	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	On 14 May we asked to receive the request filed by Ioana Sfiraiala.	25 June 2012
<b>File no. 77743/3/2011</b>	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 23 November 2011.	This is the first hearing.	18 September 2012
<b>File no. 4499/3/2012</b>	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 23 November 2011.	This is the first hearing. The file has the same object as file 77743/3/2011.	2 October 2012
<b>File no. 7463/3/2012</b>	Bucharest Court	Challenging the convening notice for General Meeting of shareholders organized for 4 April 2012.	This is the first hearing.	7 December 2012
<b>File no. 8541/3/2012</b>	Bucharest Court	Challenging the convening notice for General Meeting of shareholders organized for 25 April 2012.	This is the first hearing.	13 December 2012
<b>File no. 7548/3/2011</b>	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 by the day when the file 40739/3/2010 will be irrevocably solved.	N/A