



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:	3 June 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:	13,778,392,208 RON
Paid share capital:	13,756,955,963 RON
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 S.N.G.N. ROMGAZ S.A. Mediaș (ROMGAZ):

Franklin Templeton Investment Management Limited United Kingdom Bucharest Branch, as Sole Administrator and Fund Manager of Fondul Proprietatea informs that on 2nd June 2011, The Alba Court of Appeal published a statement on its website confirming that it had rejected the last appeal filed by Fondul Proprietatea against ROMGAZ for the annulment of the General Shareholder's Meeting Decision no.12 dated 30th November 2011, that approved a donation of RON 400 million from Romgaz to the Romanian State. The full text of the decision is still pending. The decision of the Alba Court of Appeal cannot be appealed.

As a minority shareholder of Romgaz, with a 15% stake, Fondul Proprietatea voted against this decision at the General Shareholders Meeting that was held on the 30th of November, 2011 and decided to take legal action against it in order to ensure that the rights of the Fund's shareholders are protected. Fondul Proprietatea intends to study the full decision closely when issued and consider its further options in this case or starting new cases. Franklin Templeton Investment Management Limited Bucharest Branch, as Sole Administrator of Fondul Proprietatea, would like to reiterate its commitment to pursue all legal measures with a view to protecting the value of the underlying companies within the Fund in the best interest of the shareholders of Fondul Proprietatea.

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

Adrian CIGHI

Legal Representative