

To: **Bucharest Stock Exchange  
Financial Supervisory Authority**

Current report according to Article 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 Article 99 in the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

**Important events to be reported:**

## **Update regarding the legal action filed by Filiala Hidroelectrica Hidrosind ("Hidrosind")**

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("FTIML / the Fund Manager"), in its capacity of sole administrator and fund manager of the Fund, would like to inform shareholders that in file no. 15749/3/2012, regarding the action filed by Hidrosind challenging the validity of certain decisions of the Ordinary General Meeting of Shareholders (OGM) and Extraordinary General Meeting of Shareholders (EGM) of the Fund and Hidroelectrica, as noted below, the Bucharest Court announced that it has ruled in favour of Hidroelectrica and the Fund and dismissed Hidrosind's claims in relation to:

- Hidroelectrica's OGM Decision 10/ 2 February 2012 regarding the professional management of Hidroelectrica;
- The Fund's EGM Decision 14/23 November 2012 – ratification of the Constitutive Act;
- The Fund's EGM Decision 15/23 November 2012 – ratification of all EGM decisions approved between 6.09.2010 and 22.11.2012;
- The Fund's EGM Decision 16/23 November 2012 – re-adoption of all EGM decisions approved between 6.09.2010 and 22.11.2012;
- The Fund's OGM Decision 25/23 November 2012 – ratification of FTIML appointment;
- The Fund's OGM Decision 26/23 November 2012 – re-approval of FTIML appointment;
- The Fund's OGM Decision 35/23 November 2012 - ratification of all legal acts signed by FTIML as Sole Director;

### **Report date:**

29 October 2013

### **Name of the issuing entity:**

S.C. Fondul Proprietatea S.A. (the "Fund")

### **Registered office:**

78-80 Buzesti St.,  
7<sup>th</sup> 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:**

RON 13,778,392,208

### **Paid share capital:**

RON 13,413,137,586

### **Regulated market on which the issued securities are traded:**

Bucharest Stock Exchange

- The Fund's OGM Decision 36/23 November 2012 – re-approval of all legal acts signed by FTIML as Sole Director;

and it ruled against the Fund and annulled the following resolutions of the Fund's shareholders:

- EGM Decision 5/25 April 2012 – ratification of EGM decision 1 and 2/6.09.2010,
- EGM Decision 6/25 April 2012 – re-adoption of EGM decision 1 and 2/6.09.2010,
- OGM Decision 17/25 April 2012 – ratification of all legal acts signed by FTIML as Sole Director,
- OGM Decision 18/25 April 2012 – re-adoption of all legal acts signed by FTIML as Sole Director.

The Court has not yet supplied its argumentation in this case, but regarding the annulments it is to be noted that:

- the two EGM decisions relate to the ratification/re-adoption of decisions of the EGM of 6 September 2010 which have been irrevocably confirmed as annulled in separate proceedings, prior to this judgment, and the Trade Register has already been updated;
- the two OGM decisions relate to the ratification/re-adoption of the legal acts of FTIML as Sole Director during the period 29 September 2010 to 25 April 2012, but at the 23 November 2012 OGM the shareholders ratified/re-adopted all legal acts of FTIML as Sole Director for the period 29 September 2010 to 23 November 2012 (i.e. including the above period and more) and the Court has upheld these decisions (see above).

Therefore, subject to seeing the Court's full argumentation, the annulments appear to have no material impact.

The Court's decision is not irrevocable and may be subject to appeal.

The Fund Manager will continue to update shareholders and

investors of any further material developments in this file, and will continue to vigorously defend the interests of the Fund and all of its shareholders.

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

**Oana Valentina Truta**  
**Legal Representative**

