

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

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 of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

Important events to be reported:

Update on all litigations between a litigant and Fondul Proprietatea SA

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch ("**the Fund Manager**"), in its capacity as sole director and fund manager of Fondul Proprietatea SA ("**the Fund**"), would like to update shareholders and investors on all ongoing cases between Ioana Sfiraiala (**the "Litigant"**) and the Fund, as set out in the table enclosed as Annex 1 to this report. The Fund Manager notes that, of the four ongoing litigations described in Annex 1, only two pertain to the annulment of shareholders' resolutions and these are in the final appeal phase, having been won in the first instance by the Fund.

In particular, the Fund Manager would like to note that the Bucharest Court announced on 29 March 2016 that it has rejected the Litigant's claim in file no. 16453/3/2013 (retrial phase). The said Litigant's claim targeted the annulment of the shareholders' resolution described in Annex 2 herein. The court's decision is not final, being subject to appeal.

The updated table of all pending files, as well as all closed files with the same Litigant, is available on the Fund's webpage at http://www.fondulproprietatea.ro/sites/default/files/list_of_pending_and_closed_cases_with_is_29_march_2016.pdf.

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

Oana Valentina Truța
Legal Representative

Report date:

30 March 2016

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti St.,
7th 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 9,869,265,720.90

Paid-up share capital:

RON 9,541,834,605.90

Number of shares in issue:

10,965,850,801

Number of paid shares:

10,602,038,451

Regulated market on which the issued securities are traded:

Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange

Crt.	File number	Court	The object of the court file	Status	Next hearing
1.	File no. 16425/3/2013	Bucharest Court of Appeal	The file is formed as a result of the legal action in court initiated by the Fund against the Litigant, for the recovery of the damages incurred by the Fund as a result of the Litigant's actions which delayed significantly the implementation of the second buy-back programme approved by the Shareholders as of 25 April 2012 (please refer to the description of the file no. 15964/3/2012).	Appeal. Initial decision in favour of the Fund. The first hearing has been set for 25 September 2013. Following the hearing on 25 September 2013 the Court rejected the suspension request and set a new hearing for 18 October 2013. On 18 October 2013, the Court postponed the hearing for 6 November 2013. On 6 November 2013, the Court postponed the hearing for 20 November 2013 due to procedural reasons. On 20 November 2013, the Court decided to postpone the hearing for 18 December 2013. On 18 December 2013, The Court postponed the hearing due to procedural reasons. On 15 January 2014, the Court postponed the hearing for 12 February 2014. On 12 February 2014 the Court postponed the hearing for 26 February 2014. On 26 February 2014, the Court postponed the hearing for 26 March 2014. On 26 March 2014 the Court postponed the hearing for 7 May 2014. On 7 May 2014 the Court postponed the hearing for 4 June 2014. On 18 June 2014 was the last hearing and a decision is expected on 2 July 2014. On 2 July 2014 the Court ruled partially in favour of the Fund: the Court ascertained that the abuse of procedural rights performed by the Litigant against the Fund is a three folded one characterized by the following:	13 April 2016

				<ul style="list-style-type: none"> - The Litigant has filled various claims with the same subject and only selectively choose which ones to continue in court afterwards; - The Litigant has filled repeated claims within ongoing files which were obviously not grounded; - The Litigant has filled repeated claims for engaging judges' liability without fulfilling procedural obligations (e.g. payment of stamp duties). <p>It is to be noted that the Court ruled also that the abuse in the forms above mentioned to stop immediately and that such future abusive actions to be denied. The Litigant appealed the decision, as well as the Fund (in this case for awarding the claimed damages denied in first instance)</p>	
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2.	File no. 17692/3/2013	Bucharest Court of Appeal	Challenging EGM Resolution no. 2/04.04.2012 for amending the Constitutive Act and EGM Resolution no. 3/25.04.2012 for subscribed share capital decrease and a request for de-registration with Trade Registry of these resolutions.	Ongoing (retrial). Initial decision in favour of the Fund; second decision, first stage also in favour of the Fund. The first hearing has been set for 13 June 2013, hearing when the court rejected the Litigant's re-examination request. The file has been rendered for the judgment to continue. The next hearing has been set for 3 October 2013 when the Court postponed the hearing due to procedural reasons for 31 October 2013. On 31 October 2013, the Court admitted the intervention request filed in this file. On 28 November 2013, the Court decided to postpone for 5 December 2013 the decision regarding the objection raised by the Fund regarding the right of the Litigant to start such a case. On 5 December 2013, the Court rejected the Litigant's request arguing that the Litigant had no right to start such a case. The Litigant filed an appeal and the Bucharest Court of Appeal set the first hearing on 27 May 2014. On 30 September 2014 the Court admitted the appeal and sent the file for a retrial with the Bucharest Court. The first hearing in this stage has been set for 26 February 2015. On 23 October 2015 the court announced that it has rejected the Litigant's claim as ungrounded. The Litigant filed an appeal and a hearing in this phase is to be set.	Hearing to be set
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3.	File no. 17107/3/2014	Bucharest Court of Appeal	<p>Annulment action against:</p> <ul style="list-style-type: none"> - OGM 2/28 April 2014 for the renewal/extension of FTIML Bucharest Branch mandate; - OGM 7/28 April 2014 for the ratification of OGM Resolutions; - EGM 4/28 April 2014 for the amendment of Article 19 (1) of the Constitutive Act; - EGM 6/28 April 2014 for the approval of the secondary listing on London Stock Exchange; - EGM 10/28 April 2014 for the ratification of EGM Resolutions. 	<p>Decision in favour of the Fund. First hearing has been set for 19 September 2014. On 19 September 2014 the Court postponed the hearing for 14 November 2014. The next hearing has been set for 26 January 2015. Next hearing has been set for 23 February 2015. On 23 February 2015 the Court postponed the hearing for 9 March 2015. On 9 March 2015 it was the last hearing in this file and the Court announced afterwards that it has rejected the Litigant's claim. The Litigant filed an appeal. A hearing is to be set.</p>	Hearing to be set
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4.	File no. 692/299/2014	1 st District Court House	Legal action filed by the Fund against the Litigant and her husband for the annulment of certain legal deeds concluded between them with an aim of separating the assets between them; this legal case in relation to the forced execution initiated by the Fund against the Litigant for the recovery of legal fees.	After first procedural hearings, the next hearing has been set for 10 December 2014. Next hearing has been set for 28 January 2015. On 28 January 2015 the Court has postponed the hearing for 11 March 2015. On 11 March 2015 the Court set a new hearing for 22 April 2015. A new hearing has been set for 17 June 2015. On 17 June 2015 the Court postponed the hearing for 16 September 2015. Litigant filed a recusal claim, which was dismissed. On the last hearing on 23 March 2016, the judge declared that she abstains. This claim is to be solved and a new hearing is to be set.	Next hearing to be set
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The shareholders' resolution challenged by the Litigant

- EGM Resolution no. 4/25 April 2012 regarding the approval of the buy-back programme;
- EGM Resolution no. 5/25 April 2012 regarding the ratification of EGM Resolutions no. 1 and 2 of 6 September 2010;
- EGM Resolution no. 6/25 April 2012 regarding the approval of EGM Resolutions no. 1 and 2 of 6 September 2010;
- EGM Resolution no. 7/25 April 2012 regarding the ratification of EGM Resolutions;
- EGM Resolution no. 8/25 April 2012 regarding the approval of EGM Resolution;
- EGM Resolution no. 9/25 April 2012 regarding the ratification of the Articles of Association in the form approved through EGM Resolution no. 1/6 September 2010;
- EGM Resolution no. 10/25 April 2012 regarding the approval of the Articles of Association in the form approved through EGM Resolution no. 1/6 September 2010;
- OGM Resolution no. 9/25 April 2012 regarding the approval of the annual report;
- OGM Resolution no. 11/25 April 2012 regarding the ratification of OGM Resolutions no. 8 and 9 of 6 September;
- OGM Resolution no. 12/25 April 2012 regarding the approval of OGM Resolutions no. 8 and 9 of 6 September;
- OGM Resolution no. 13/25 April 2012 regarding the ratification of OGM Resolutions;
- OGM Resolution no. 14/25 April 2012 regarding the approval of OGM resolutions;
- OGM Resolution no. 15/25 April 2012 regarding the ratification of the Investment Management Agreement;
- OGM Resolution no. 16/25 April 2012 regarding the approval of the Investment Management Agreement;
- OGM Resolution no. 17/25 April 2012 regarding the ratification of all the legal acts of the Fund Manager;
- OGM Resolution no. 18/25 April 2012 regarding the approval of all the legal acts of the Fund Manager.