

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 litigations between a litigant and Fondul Proprietatea SA

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (**“the Investment Manager”**), in its capacity as investment manager of Fondul Proprietatea SA (**“the Fund”**), would like to update shareholders and investors on ongoing cases between Ioana Sfiraiala (**the “Litigant”**) and the Fund, as set out in the table enclosed as Annex to this report.

In particular, the Investment Manager would like to note that on 31 March 2017 the High Court of Cassation and Justice announced that it has rejected the Litigant’s appeal in file no. 2808/2/2013, which targeted the annulment of Decision no. 34/18 august 2010 issued by the National Securities Commission (now Financial Supervisory Authority) for registering the Fund as a closed-end investment company. The court’s decision is final and consolidates the initial decision issued in this case which dismissed the litigant’s claim.

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_3_april_2017.pdf

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

**Johan Meyer
Legal Representative**

Report date:

3 April 2017

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 5,742,226,025.22

Paid-up share capital:

RON 5,534,852,985.72

Number of shares in issue:

10,074,080,746

Number of paid shares:

9,710,268,396

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. 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 hearing of 23 March 2016, the judge declared that she abstains. The abstention was dismissed and trial resumed.	3 May 2017