

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 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 shareholder and Fondul Proprietatea SA

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

The Fund Manager would like to inform shareholders that in file no. 3295/3/2012, in which the Litigant challenged the Fund’s Extraordinary General Shareholders’ Meeting Resolution no. 1/23 November 2011 for amending the Fund’s Constitutive Act (“**EGM**”), the Bucharest Court announced that it ruled in favor of the Fund and dismissed the Litigant’s request.

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

The Fund Manager also notes that in file no. 8541/3/2012, in which the Bucharest Court announced in April 2014 that it ruled against the Fund and annulled EGM Resolution no. 13/2012, Ordinary General Shareholders’ Meeting (“**OGM**”) Resolution no. 28/2012 and OGM Resolution no. 29/2012, the Fund received the argumentation on 14 May 2014 and has decided to file an appeal against the decision.

The updated table of all pending files, as well as all closed files with the same Litigant, is available on the Fund’s webpage and can be accessed [here](#).

Report date:

16 May 2014

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 13,538,087,407

Paid share capital:

RON 13,174,101,815

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

Bucharest Stock Exchange

The Fund Manager will continue to update shareholders and investors of further material developments in these files and will continue to vigorously defend the interests of the Fund on behalf of all its shareholders.

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

Oana Valentina TRUTA
Legal Representative

Crt.	File number	Court	The object of the court file	Status	Next hearing
1.	File no. 3295/3/2012	Bucharest Court	Challenging the Fund's EGM no. 1/23 November 2011 for amending the Fund's Constitutive Act.	Ongoing. On 29 June 2012, as a result of an administrative procedure, the Bucharest Court dismissed the request because the stamp duty was not fully paid. The Litigant appealed the decision. On 21 November 2012, the Court of Appeal admitted the appeal filed by the Litigant and decided to send the file back to the Bucharest Court in order to have a re-judgment. The first hearing in the re-judgment phase has been set for 5 April 2013. On 5 April 2013 the Court postponed the trial due for procedural reasons for 31 May 2013. On 31 May 2013 the Court decided to send the file to another panel. Following the hearing on 8 October 2013, the Court decided to send the file to Panel 28 to judge the recusal request. On 25 October 2013, the Court rejected the recusal request. A new hearing was set for 14 January 2014. Following the hearing on 14 January 2014 the Court is expected to issue a decision with regards to sending this file to panel C25. Subsequently, the Court postponed issuing a decision for 21 January 2014. On 21 January 2014, the Court postponed the issuance of a decision for 28 January 2014. The Court decided to send the file to Panel 25. A new hearing has been set for 28 March 2014. On 28 March 2014 the Court postponed the hearing for 4 April 2014. On 4	N/A

				April 2014 the Court postponed the hearing for 15 April 2014. On 15 April 2014 postponed the hearing for 29 April 2014. On 29 April 2014 the Court postponed the hearing for 7 May 2014. After the last hearing on 7 May 2014 the Court decided to postpone issuing a decision for 14 May 2014. On 14 May 2014, the Court announced that it ruled in favour of the Fund and dismissed the Litigant's request.	
2.	File no. 8271/2/2013	Bucharest Court of Appeal	Appeal for annulment (extraordinary appeal) filed by the Fund against the Bucharest Court of Appeal's Decision no. 2081/04.11.2013 in file no. 7548/3/2011 (absolute nullity of EGM Resolution no. 5/29 Nov. 2010)	Ongoing. The Court set the first hearing on 18 March 2014. On 18 March 2014 the Court postponed the hearing due for procedural reasons for 15 April 2014. The Court postponed the hearing for 13 May 2014. After the last hearing on 13 May 2014 the Court decided to postpone issuing a decision for 16 May 2014.	16 May 2014
3.	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. Decision 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	27 May 2014

				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.	
4.	File no. 7930/2/2013	Bucharest Court of Appeal	Request for revision (extraordinary appeal) filed by the Fund against the Bucharest Court of Appeal's Decision no. 2081/04.11.2013 in file no. 7548/3/2011 (absolute nullity of EGM Resolution no. 5/29 Nov. 2010)	Ongoing. The Court set the first hearing on 5 March 2014.. On 5 March 2014 the Court postponed the hearing for 2 April 2014. On 2 April 2014, the Court set a new hearing for 28 May 2014.	28 May 2014
5.	File no. 16425/3/2013	Bucharest Court	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).	Ongoing. 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.	4 June 2014