

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. 8271/2/2013, having as object the appeal for annulment (extraordinary appeal) filed by the Fund against the Bucharest Court of Appeal’s Decision issued in file no. 7548/3/2011, having as object the Litigant’s request for challenging the EGM Resolution no. 5/2010 for modifying the Constitutive Act approved by shareholders on 29 November 2010, the Bucharest Court of Appeal published on its official webpage a short decision announcing that it ruled against the Fund and rejected the Fund’ extraordinary appeal. The decision issued by the Bucharest Court of Appeal is irrevocable.

It should be noted that the annulled resolution amended clauses of the Constitutive Act which have been modified, replaced, approved and/or confirmed, as the case may be, by subsequent shareholder resolutions in April 2012, November 2012, April 2013, November 2013, February 2014 and April 2014.

**Report date:**

21 May 2014

**Name of the issuing entity:**

Fondul Proprietatea S.A.

**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 13,538,087,407

**Paid share capital:**

RON 13,174,101,815

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

Bucharest Stock Exchange

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](#).

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.	<b>File no. 8271/2/2013</b>	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. On 16 May 2014, the Bucharest Court of Appeal announced that it rejected the Fund's appeal for annulment.	N/A
2.	<b>File no. 17692/3/2013</b>	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 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.	27 May 2014

3.	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
4.	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