

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 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 Ioana Sfiraiala (**the "Litigant"**) and the Fund, as set out in the table enclosed as an Annex to this report.

In particular, the Fund Manager would like to highlight that the Bucharest Court of Appeal has admitted the appeal filed by the Litigant in file no. 17692/3/2013 (regarding the annulment action against EGM Resolution no. 2/4 April 2012 for amending the Constitutive Act and EGM Resolution no. 3/25 April 2012 for the approval of the share capital decrease) and sent the file to the Bucharest Court for a retrial. This short solution is available on the Bucharest Court of Appeal website; the Fund did not receive yet the full documentation in this case.

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.**

Adrian Cighi
Legal Representative

Report date:
3 October 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 11,815,279,886.85

Paid share capital:
RON 11,469,656,813.90

**Regulated market on which the
issued securities are traded:**
Bucharest Stock Exchange

Crt.	File number	Court	The object of the court file	Status	Next hearing
1.	File no. 10360/299/2013	Bucharest Court	The Fund started the case for recovering some legal fees.	Ongoing. Initial decision in favour of the Fund. On 10 December 2012 the Bucharest 3rd District Court decided to send the file to Bucharest 1st District Court. The first hearing has been set for 6 September 2013. On 6 September 2013, the Court postponed the hearing due for procedural reasons for 4 October 2013. The Court postponed the hearing for 15 November 2013. On 15 November 2013 the Court decided to postpone the hearing. On 18 December 2013, the Court postponed issuing a decision for 19 December 2013, when the Court partially admitted the Fund's request and obliged the Litigant to pay some legal fees to the Fund. The decision was appealed and the first hearing in this stage is set for 6 October 2014.	6 October 2014
2.	File no. 3295/3/2012 (3858/2/2014)	Bucharest Court of Appeal	Challenging the Fund's EGM no. 1/23 November 2011 for amending the Fund's Constitutive Act.	Ongoing. Initial decision in favour of the Fund. 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	7 October 2014

				<p>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 respect 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 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. The Litigant filed an appeal (registered under the number 3858/2/2014) and the first hearing has been set for 9 September 2014. On 9 September 2014 the Court postponed the hearing for 7 October 2014.</p>	
3.	File no. 14986/3/2014	Bucharest Court	Annulment action against EGM Resolution	Ongoing. The first hearing has	9 October 2014

			no. 9/28 April 2014 for the approval of the fourth buy-back programme.	been set for 9 October 2014.	
4.	File no. 38538/3/2013	Bucharest Court of Appeal	Litigant's request for the deregistration of the mentions performed with the Trade Registry of the Fund's EGM Resolution no. 5/29.11.2010 and of the Constitutive Act.	Ongoing. Following the last hearing which took place on 25 March 2014, the Bucharest Court published on its webpage a short decision announcing that it ruled against the Fund and admitted the Litigant's request, thus ordering the deregistration of the mentions performed with the Trade Registry of the Fund's EGM Resolution no. 5/29.11.2010 and of the Constitutive Act. The Fund appealed the Court's decision. The first hearing in front of the Bucharest Court of Appeal has been set for 10 October 2014.	10 October 2014
5.	File no. 8541/3/2012	Bucharest Court of Appeal	Challenging the followings Resolutions: EGM 13, OGM 28 and OGM 29, all from 23 November 2012.	Ongoing. On 13 December 2012, the Court set a new hearing for 10 January 2013. On 7 February 2013 the Court postponed the hearing, due for procedural reasons, for 7 March 2013. On 7 March 2013 the hearing was postponed, due for procedural reasons for 4 April 2013. On 4 April 2013 the Court postponed the trial due for procedural reasons for 16 May 2013. On 16 May 2013 the Court postponed the hearing for 27 June 2013. On 27 June 2013 the Court postponed the hearing for 10 October 2013. On 10 October 2013 the Court decided to postpone the hearing for 24 October 2013. On 24 October 2013, the Court rejected the Litigant's request for joining this file with file no. 43424/3/2012 and ordered sending file no. 8541/3/2012 back to Panel C23. On 5 December 2013 the Court decided to postpone the hearing for	5 November 2014

				<p>16 January 2014. On 16 January 2014, the Court postponed issuing a decision for 23 January 2014 for the object regarding the lack of interest of the Litigant raised. The Court announced that it has rejected this exception regarding the Litigant and set a new hearing for 13 March 2014. On 13 March 2014 was the last hearing – the issuance of a decision was postponed one week. On 20 March 2014, the Court announced that it postponed issuing a decision. On 27 March 2014, the Court announced that it postponed issuing a decision. On 4 April 2014, the Bucharest Court announced that it ruled against the Fund and annulled the following resolutions of the Fund's shareholders:</p> <ul style="list-style-type: none"> - EGM Resolution no. 13/2012; - OGM Resolution no. 28/2012; - OGM Resolution no. 29/2012. <p>The Fund appealed the decision and the first hearing is set for 10 September 2014. On 10 September 2014 the Court postponed the hearing for 5 November 2014.</p>	
6.	File no. 10428/3/2014	Bucharest Court	Request for annulment of ESM Resolution no. 2/3 February 2014 for approving the share capital decrease of the Fund	Ongoing. The first hearing has been set for 2 October 2014. On 2 October 2014 the Court postponed the hearing for 13 November 2014.	13 November 2014
7.	File no. 10430/3/2014	Bucharest Court	Annulment action against: <ul style="list-style-type: none"> - EGM Resolution no. 15/22.11.2013 for the approval of the third buy-back programme; - EGM Resolution no. 16/22.11.2013 for the ratification and approval of EGM 	Ongoing. The first hearing has been set for 2 October 2014. On 2 October 2014 the Court postponed the hearing for 13 November 2014.	13 November 2014

			<ul style="list-style-type: none"> - Resolutions; - EGM Resolution no. 17/22.11.2013 for the amendment of Article 19 (3) of the Constitutive Act regarding the duration of the mandate. - OGM Resolution no. 14/22.11.2013 for the approval of certain provisions regarding the mandate of 4 years if would have been approved; - OGM Resolution no. 15/22.11.2013 for the ratification and approval of OGM Resolutions; - OGM Resolution no. 16/22.11.2013 for the approval of certain provisions regarding the management of the Fund. 		
8.	File no. 14983/3/2014	Bucharest Court	Annulment action against EGM Resolution no. 3/3 February 2014 regarding the ratification and approval of shareholders' resolution and EGM Resolution no.1/3 February 2014 regarding the change of Constitutive Act.	Ongoing. The first hearing has been set for 2 October 2014. On 2 October 2014 the Litigant expanded her claim to EGM Resolution no. 1/2014; the Court postponed the hearing for 13 November 2014.	13 November 2014
9.	File no. 17107/3/2014	Bucharest Court	Annulment action against: <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. 	Ongoing. First hearing has been set for 19 September 2014. On 19 September 2014 the Court postponed the hearing for 14 November 2014.	14 November 2014
10.	File no. 27522/3/2013	Bucharest Court	Challenging EGM Resolutions no. 1, 2, 5, 6, 7, 8, 9, 11, 12 and 13 of 25 April 2013 and OGM Resolutions no. 3, 4,7, 8, 9 and 10 of 25 April 2013	Ongoing. The first hearing was set on 10 January 2014. On 10 January 2014, the Court sent the file to Panel F1. A new hearing has	14 November 2014

				<p>been set for 7 March 2014. On 7 March 2014, the Court postponed the hearing for 4 April 2014. On 4 April 2014 the Court is expected to issue a procedural decision on the panel competent to solve the file. On 11 April 2014 the Court decided to postpone the issuance of the decision for 18 April 2014. On 18 April 2014, the Court postponed issuing a decision for 23 April 2014. On 23 April 2014 the Court postponed the hearing for 9 May 2014. On 9 May 2014 the Court decided to send the file to another panel within the 6th Civil Section due to jurisdiction reasons. A new hearing has been set for 20 June 2014. Following this term, the Court postponed the hearing for 19 September 2014 due for procedural reasons. On 19 September 2014 the Court postponed the hearing for 14 November 2014.</p>	
11.	File no. 43424/3/2012	Bucharest Court of Appeal	Request for annulment of the following GSM Resolutions: EGM 14, 15 and 16 and OGM 25, 26, 27, 30, 31, 32, 33, 34, 35 and 36 all from 23 November 2012.	<p>Ongoing. On 21 February 2013 the Court postponed the hearing for 21 March 2013. On 21 March 2013 the Court decided to send this file to file no. 8541/3/2012 in order for the joining of these two files to be discussed. The next hearing in 8541/3/2012 has been set for 4 April 2013. On 4 April 2013 the Court rejected the request of joining these two files and set a new hearing for 16 May 2013. On 16 May 2013 the Court postponed the hearing for 27 June 2013. On 27 June 2013 the Court postponed the hearing for 26 September 2013. Following the hearing on 26 September 2013 the Court is expected to issue a decision on the</p>	24 November 2014

suspension of the file on 3 October 2013. On 3 October 2013, the Court rejected the suspension request and set a new hearing for 24 October 2013. On 24 October 2013 the Court decided to postpone the hearing for 7 November 2013. On 7 November 2013, the Court decided to send the file to Panel C13 to settle the recusal request filed by the Litigant. The next hearing was set on 19 December 2013. On 19 December 2013, the Court postponed the hearing for 30 January 2014 to give the Litigant time to file documentation in supporting its claims. On 30 January 2014 the Court postponed the issuance of a decision for a week on the exception related to the Litigant's interest. The Court postponed the issuance of a decision for 20 February 2014. On 20 February the Court ruled in favour of the Fund and rejected the Litigant's request for lack of interest. The Litigant appealed the decision and the first hearing has been in set for 30 June 2014. On 30 June 2014 the Court postponed the hearing for 29 September 2014 due for procedural reasons. On 29 September 2014 the Court postponed the hearing for 24 November 2014.