



To **Bucharest Stock Exchange**
Romanian National Securities Commission

The current report according to art. 113 point A, paragraph (1) letter j) in the Regulation of the Romanian National Securities Commission no. 1/2006 regarding the issuers and the operations with securities, as subsequently amended and completed, as well as the provisions of art. 99 in the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Report date: March 09, 2011
Name of the issuing entity: SC Fondul Proprietatea SA
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 and paid capital: 13,778,392,208 RON
Regulated market on which the issued securities are traded: Bucharest Stock Exchange

Important events to be reported - Update regarding legal action against PĂUNESCU NICOLAE ALEXANDRU

SC Fondul Proprietatea SA („The Fund”) informs that on the 23rd of February, 2011 the Bucharest Court of Appeal decided to reject the appeal filed by Mr. PĂUNESCU NICOLAE ALEXANDRU against the Bucharest Court’s decision to reject the claim made by Mr. Păunescu to compel SC Fondul Proprietatea SA to pay pecuniary rights. The decision of the Court of Appeal is irrevocable.

Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch, as Sole Administrator of the Fund underlines that in its Prospectus, it informed that Mr. PĂUNESCU NICOLAE ALEXANDRU had registered a claim with the Bucharest Court requesting the court to render a decision to compel the Fund to pay to the claimant pecuniary rights based on the fact that he has exercised the duty of General Director of the Fund from December 1st, 2006 to June 29th, 2007.

Since the Bucharest Court has rejected the claim filed by Mr. Păunescu Nicolae Alexandru, he subsequently lodged an appeal with the Bucharest Court of Appeal against the decision rendered by the Bucharest Court.

The Fund hereby acknowledges receipt of the certificate issued by the Bucharest Court of Appeal on the court’s decision on March 09, 2011.

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

Adrian CIGHI

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