

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 director 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 [Annex 1](#) to this report.

In particular, the Fund Manager would like to note that the Bucharest Court of Appeal announced on 18 June 2015 that it has admitted the Litigant’s appeal in file no. 16453/3/2013 (5804/2/2014), and decided to send the file back to the Bucharest Court for a retrial. The full court’s decision is not yet available, and further updates will be provided with respect to the reasoning of the court. File no. 16453/3/2013 (5804/2/2014) has as subject the annulment of the shareholders’ resolutions described in [Annex 2](#) herein.

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_with_is_19_june_2015.pdf.

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

Report date:

19 June 2015

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 10,965,850,800.30

Paid-up share capital:

RON 10,638,419,685.30

Number of shares in issue:

12,184,278,667

Number of paid shares:

11,820,466,317

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. 10424/3/2014	Bucharest Court	Request for annulment of EGM Resolution no. 14/23 November 2012 regarding the ratification of the Constitutive Act.	Ongoing. The Court set the first hearing on 16 April 2014. On 16 April 2014, the Court decided to join files 10428/3/2014 and 10430/2/2014 with this file and to send the files to another panel due to jurisdiction reasons. The Court postponed the hearing for 23 April 2014. On 23 April 2014 the Court decided to split files no. 10428/3/2014 and 10430/3/2014 from this file and to send the files back to the competent panels initially vested. A new hearing has been set for 18 June 2014. On 18 June 2014 the Court postponed the hearing for 3 September 2014. On 3 September 2014 the Court suspended the trial until an irrevocable solution is issued in file no. 43424/3/2012. As 43424/3/2012 was irrevocably solved the Fund has requested that the case to be resumed. Next hearing has been set for 24 June 2015.	24 June 2015
2.	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.	16 September 2015

3.	File no. 17692/3/2013	Bucharest Court	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 (retrial). Initial 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. On 27 May 2014, the Court postponed the hearing, due for procedural reason for 24 June 2014. On 24 June 2014 the Court postponed the hearing for procedural reasons for 30 September 2014. On 30 September 2014 the Court admitted the appeal and sent the file for a retrial with the Bucharest Court. The first hearing in this stage has been set for 26 February 2015. On 26 February 2015 the Court postponed the hearing for 26 March 2015. On 26 March 2015 the Court postponed the trial for 23 April 2015. Next hearing set for 18 June 2015. On	24 2015 September
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18 June 2015 the Court postponed
the hearing for 24 September 2015.

Short description of the Shareholders' Resolutions challenged by the Litigant in File no. 16453/3/2013 (5804/2/2014)

- EGM Resolution no. 4/25 April 2012 regarding the approval of the buy-back programme;
- EGM Resolution no. 5/25 April 2012 regarding the ratification of EGM Resolutions no. 1 and 2 of 6 September 2010;
- EGM Resolution no. 6/25 April 2012 regarding the approval of EGM Resolutions no. 1 and 2 of 6 September 2010;
- EGM Resolution no. 7/25 April 2012 regarding the ratification of EGM Resolutions;
- EGM Resolution no. 8/25 April 2012 regarding the approval of EGM Resolution;
- EGM Resolution no. 9/25 April 2012 regarding the ratification of the Articles of Association in the form approved through EGM Resolution no. 1/6 September 2010;
- EGM Resolution no. 10/25 April 2012 regarding the approval of the Articles of Association in the form approved through EGM Resolution no. 1/6 September 2010;
- OGM Resolution no. 9/25 April 2012 regarding the approval of the annual report;
- OGM Resolution no. 11/25 April 2012 regarding the ratification of OGM Resolutions no. 8 and 9 of 6 September;
- OGM Resolution no. 12/25 April 2012 regarding the approval of OGM Resolutions no. 8 and 9 of 6 September;
- OGM Resolution no. 13/25 April 2012 regarding the ratification of OGM Resolutions;
- OGM Resolution no. 14/25 April 2012 regarding the approval of OGM resolutions;
- OGM Resolution no. 15/25 April 2012 regarding the ratification of the Investment Management Agreement;
- OGM Resolution no. 16/25 April 2012 regarding the approval of the Investment Management Agreement;
- OGM Resolution no. 17/25 April 2012 regarding the ratification of all the legal acts of the Fund Manager;
- OGM Resolution no. 18/25 April 2012 regarding the approval of all the legal acts of the Fund Manager.