

To Bucharest Stock Exchange
Romanian National Securities Commission

The current report according to Art. 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 art. 99 in the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Report date:	23 November 2012
Name of the issuing entity:	SC Fondul Proprietatea SA
Registered office:	78-80 Buzesti St., 7 th floor, district 1, Bucharest, postal code 011017
Phone/fax number:	Tel.:+40 212009600; Fax:+40212009631
Sole Registration Code with the Trade Register Office:	18253260
Order number in the Trade Register:	J40/21901/2005
Subscribed share capital:	RON 13,778,392,208
Paid share capital:	RON 13,412,780,166
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange

Important events to be reported - Fondul Proprietatea SA (the “Fund”): Update on all litigations between a Litigant shareholder and the Fund

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch (“FTIML Bucharest Branch / The Fund Manager”), in its capacity as Sole Administrator and Fund Manager of the Fund, would like to update shareholders on all cases between Ioana Sfiraiala (the “Litigant”) and the Fund, as set out in the table attached as an Annex to this report.

The table has been updated with the latest news on the ongoing cases.

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

Franklin Templeton Investment Management Ltd United Kingdom Bucharest Branch, acting as Sole Administrator on behalf of S.C. FONDUL PROPRIETATEA S.A.

Oana TRUȚA

Legal Representative

File number	Court	The object of the court file	Status	Next hearing
File no. 15967/3/2012	Bucharest Court	Blocking the registration of: - EGM Resolution no. 9 of 25 April 2012 for the ratification of the Fund's Constitutive Act with subsequent amendments, - EGM Resolution no. 10 of 25 April 2012 for the adoption of the Fund's Constitutive Act with subsequent amendments	Ongoing. Decision in favour of the Fund. On 10 July 2012 the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of EGM Resolution no. 9 and 10 of 4 April 2012. The Litigant filed a request of correction of the decision for errors. On 23 October 2012, the Litigant filed another recusal request against the judge. The Court set a new hearing to settle the recusal request filed by the Litigant. On 30 October 2012, the Court dismissed the request of incompatibility of the judge filed by the Litigant	27 November 2012
File no. 41885/3/2012	Bucharest Court	Challenging the request filed by the Litigant with Trade Register to mention and to publish the court decision issued in file no. 47039/3/2010 in the Official Gazette.	Ongoing. On 6 November 2012, the Court rescheduled the hearing considering the lack of the summoning procedure of the Fund and the Fund Manager in this file.	27 November 2012
File no. 15967/3/2012	Bucharest Court of Appeal	Blocking the registration of: - EGM Resolution no. 9 of 25 April 2012 for the ratification of the Fund's Constitutive Act with subsequent amendments, - EGM Resolution no. 10 of 25 April 2012 for the adoption of the Fund's Constitutive Act with subsequent amendments	Decision in favour of the Fund; Litigant has appealed. On 10 July 2012, the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of EGM Resolutions no. 9 and 10 of 4 April 2012. The Litigant appealed the decision of the Bucharest Court.	28 November 2012
File no. 15963/3/2012	Bucharest Court of Appeal	Blocking the registration of: - OGM Resolution no. 9 of 25 April 2012 for the approval of the Annual Activity Report of the Sole Administrator for the year 2011 and the financial statements for the year 2011, - OGM Resolution no. 10 of 25 April 2012 for the approval of the dividend distribution for the financial year 2011, - OGM Resolution no. 11 of 25 April 2012 for the ratification of Resolutions 8 and 9 of 6 September 2010, - OGM Resolution no. 12 of 25 April 2012 for the adoption of Resolutions 8 and 9 of 6 September 2010.	Decision in favour of the Fund. On 23 October 2012 the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of OGM Resolutions no. 9, 10, 11 and 12 of 25 April 2012. The OGM Resolutions no. 9, 10, 11 and 12 of 25 April 2012 have not been registered with Trade Register by the date of this report because the original file was not sent back to Trade Register. The Litigant appealed the decision.	29 November 2012
File no. 7171/3/2012	Bucharest Court	The Fund has not received the subpoena in this case.	Still awaiting the first hearing.	3 December 2012

File no. 15966/3/2012	Bucharest Court	Blocking the registration of: <ul style="list-style-type: none"> - the Fund's Ordinary General Shareholders Meeting (OGM) Resolution no. 13 of 25 April 2012 for the ratification of all OGM resolutions approved during 6 September 2010 - 24 April 2012 (other than Resolutions no. 8 and 9 of 6 September 2010); - OGM Resolution no. 14 of 25 April 2012 for the adoption of all OGM resolutions approved during 6 September 2010 - 24 April 2012 (other than resolution 8 and 9 of 6 September 2010), - OGM Resolution no. 15 of 25 April 2012 for the ratification of the Investment Management Agreement. 	Ongoing. On 19 November 2012, the Court postponed the hearing for 3 December 2012 to allow time for filing additional documentation.	3 December 2012
File no. 15961/3/2012	Bucharest Court	Blocking the registration of: <ul style="list-style-type: none"> - OGM Resolution no. 16 of 25 April 2012 for the adoption of the Investment Management Agreement. - OGM Resolution no. 17 of 25 April 2012 for the ratification of all the legal acts concluded by FTIM Bucharest Branch as Sole Administrator of Fondul Proprietatea S.A. during 6 September 2010 - 24 April 2012, - OGM Resolution no. 18 of 25 April 2012 for the adoption of all the legal acts concluded by FTIM Bucharest Branch as Sole Administrator of Fondul Proprietatea S.A. during 6 September 2010 - 24 April 2012. 	Ongoing. On 9 October 2012 the Court set a new hearing to settle a request by Litigant for recusal of the judge. On 23 October 2012 the Bucharest Court rejected the recusal request filed by the Litigant. On 16 November 2012, the Litigant raised a new objection regarding the incompatibility of the judge. The Court sent the file to Panel C13F for settling the Litigant's request.	3 December 2012
File no. 26253/3/2012	Bucharest Court	Blocking the registration of OGM Resolution no. 22/2012 approved on 27 June 2012 - the approval for hiring independent evaluators for NAV calculation.	Ongoing. On 9 October 2012 the Court set a new hearing for settling a request by Litigant for recusal of the judge. On 23 October 2012 the Bucharest Court rejected the recusal request filed by the Litigant. On 16 November 2012, the Litigant raised a new objection regarding the incompatibility of the judge. The Court sent the file to Panel C13F for settling the Litigant's request.	3 December 2012
File no. 18019/3/2012	Bucharest Court of Appeal	Blocking the registration of: <ul style="list-style-type: none"> - EGM Resolution no. 3 of 25 April 2012 for the approval of the share capital decrease of SC Fondul Proprietatea SA 	Ongoing. On 9 October 2012, the Bucharest Court ruled against the Fund. The facts of the case are similar to files no. 26251/3/2012 and 26254/3/2012. On 24 October 2012 the Fund appealed the court decision even if it has not received the full decision.	5 December 2012

			On 14 November 2012, the Bucharest Court of Appeal set a new hearing for 5 December 2012.	
File no. 26255/3/2012	Bucharest Court of Appeal	Blocking the registration of OGM Resolution no. 20/2012 approved on 27 June 2012 - the second Addendum for 2012 budget.	Ongoing. Decision in favour of the Fund. On 12 October 2012, the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of OGM Resolution no. 20 of 27 June 2012. On 18 October 2012 the Fund received the full decision of the court in this file and a couple of key points from the reasoning of the Court are worth noting: - the Fund used the correct Trade Register form to file the registration (same form was used in file 26251/3/2012 and 26254/3/2012); and - the Court decision issued in file 47039/3/2010 has no relevance to this analysis because the shareholders' decisions approved in November 2010 and November 2011 remain in force. The Litigant filed an appeal. On 14 November 2012, the Bucharest Court set a new hearing for 5 December 2012.	5 December 2012
File no. 40291/3/2012	Bucharest Court	Challenging the registration of the request filed by the Litigant to the Trade Register asking to mention the request to erase the registrations with the Trade Register made based on the Extraordinary General Meeting of Shareholders decisions no. 1, 2, 8 and 9 / 2010.	Ongoing. On 8 November 2012, the Court sent the file to Panel C27 for resolving the objection raised that the proceedings on the same issue are pending in another panel.	6 December 2012
File no. 41466/3/2012	Bucharest Court	Challenging the registration of the request filed by the Litigant to Trade Register asking to publish the Bucharest Court decision issued in December 2011 in Official Gazette Part IV.	Ongoing. On 8 November 2012, the Court sent the file to Panel C14 in order to resolve the request to join this file with file no. 15964/3/2012. On 16 November 2012, the Court rejected the request for joining this file with file no. 15964/3/2012 and sent the file to Panel 26 for further proceedings.	6 December 2012
File no. 15964/3/2012	Bucharest Court	Blocking the registration of: - The EGM Resolution no. 4 of 25 April 2012 for the approval of the buy-back programme, - EGM Resolution no. 5 of 25 April 2012 for the ratification of EGM Resolutions 1 and 2 of 6 September 2010,	Ongoing. In November 2012 Manchester Securities, as a significant shareholder of the Fund, has filed a request of intervention in file 15964/3/2012 supporting the position of the Fund and asking the court to order the registration of the shareholders decisions. On	7 December 2012

		<ul style="list-style-type: none"> - EGM Resolution no. 6 of 25 April 2012 for the adoption of Resolutions 1 and 2 of 6 September 2010, - EGM Resolution no. 7 of 25 April 2012 for the ratification of all the EGM Resolutions approved during 6 September 2010 - 24 April 2012 (other than EGM Resolutions no. 1 and 2 of 6 September 2010), - EGM Resolution no. 8 of 25 April 2012 for the adoption of all the EGM Resolutions approved during 6 September 2010 - 24 April 2012 (other than EGM Resolutions no. 1 and 2 of 6 September 2010). 	23 November 2012, the Court postponed the hearing for 7 December 2012.	
File no. 31773/301/2012	Bucharest 3rd District Court	The Fund started the case for recovering some legal fees.	Still awaiting the first hearing.	10 December 2012
File no. 8541/3/2012	Bucharest Court	Challenging the convening notice for General Meeting of Shareholders organized for 25 April 2012.	Still awaiting the first hearing.	13 December 2012
File no. 11640/299/2011	Bucharest 1st District Court	The Fund started the case for recovering the legal fees.	Ongoing. On 15 November 2012, the Court set a new hearing on 13 December 2012.	13 December 2012
File no. 4499/3/2012	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 23 November 2011.	Ongoing. On 6 November 2012, the Court sent the file to Panel 27 to verify if this file has the same object as file 77743/3/2011.	8 January 2013
File no. 43424/3/2012	Bucharest Court	Request for annulment of GSM resolutions	Still awaiting the first hearing.	10 January 2013
File no. 43309/3/2012	Bucharest Court	Request for annulment of GSM resolution. By the date of this report, the Fund has not received the subpoena in this file.	Still awaiting the first hearing.	11 January 2013
File no. 43307/3/2012	Bucharest Court	Request for the annulment of ESM resolutions no. 1 and 2 of 4 April 2012 for approving the Fund's Constitutive Act.	Still awaiting the first hearing.	18 January 2013
File no. 15960/3/2012	Bucharest Court of Appeal	Blocking the registration of EGM Resolution no. 2 of 4 April 2012 for approving several amendments to the Constitutive Act and the approval of the amended Constitutive Act of the Fund.	Decision in favour of the Fund. On 15 October 2012, the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of EGM Resolution no. 2 of 4 April 2012. The Litigant filed an appeal against the Bucharest Court decision. On 21 November 2012, the Bucharest Court of Appeal postponed the hearing in order to give the possibility of studying the documentation and to settle the recusal request.	23 January 2012
File no.	Bucharest	Blocking the registration of OGM Resolution no. 19/2012	Ongoing. On 19 September 2012, the Court	Pending

26251/3/2012	Court of Appeal	approved on 27 June 2012 - the approval of the secondary listing budget.	rejected Litigant's arguments but ruled against the Fund on the grounds that the Fund had used the wrong Trade Register form for registration. However, this form was specified by the Trade Register. On 12 October 2012, the Fund appealed the Court's decision in order to resolve the apparent conflict between the interpretation of the Court and the Trade Register. The Bucharest Court of Appeal will set a hearing.	
File no. 26254/3/2012	Bucharest Court of Appeal	Blocking the registration of EGM Resolution no. 11 / 2012 approved on 27 June 2012 - the approval of the secondary listing plan.	Ongoing. On 26 September 2012, the Court rejected the Litigant's arguments but ruled against the Fund on the grounds that the Fund had used the wrong Trade Register form for registration. However, this form was specified by the Trade Register. On 12 October 2012, the Fund appealed the Court's decision in order to resolve the apparent conflict between the interpretation of the Court and the Trade Register. The Bucharest Court of Appeal will set a hearing.	Pending
File no. 7548/3/2011	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 29 November 2010.	Ongoing. The Bucharest Court decided to suspend this file until the date when the file 40739/3/2010 is irrevocably solved. This is the first hearing after the suspension. In November 2012 Manchester Securities, as a significant shareholder of the Fund, has filed a request of intervention in file 7548/3/2011 supporting the position of the Fund and asking the court to reject the claim of the Litigant. On 19 November 2012, the Court decided to postpone the hearing in order to settle the recusal request filed by the Fund.	Pending
File no. 41079/3/2012	Bucharest Court	Request for intervention filed by the Litigant with the Trade Register asking not to register the court decision issued in file 26255/3/2012 in which the Bucharest Court ruled in favour of the Fund.	Ongoing. During the first hearing, the Litigant asked the Court to re-examine the stamp duty which she was required to pay. On 20 November 2012, the Litigant filed a request of incompatibility of the judge managing this file. The Court sent the file to Panel C28F to settle the request.	Pending

File no. 3295/3/2012	Bucharest Court of Appeal	The Fund has not received the subpoena in this case. The Fund Manager identified this file on the webpage of the Bucharest Court and joined the hearing on 29 June 2012 in front of Bucharest Court, without receiving a subpoena for it. From comments at the hearing, it appears that the case was started for challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 23 November 2011.	Ongoing. Litigant has appealed. 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. From the Bucharest Court of Appeal website we were informed that the Litigant appealed the decision. On 21 November 2012, the Court of Appeal admitted the appeal filed by the Litigant and sent the file back to the Bucharest Court in order to re-judge the file.	Pending
File no. 42956/3/2012	Bucharest Court	Request filed by the Litigant asking for suspending EGM Resolution no. 5/29 Nov. 2010 and EGM Resolution no. 1/23 Nov. 2011, both for approving the Fund's Constitutive Act.	Ongoing. In November 2012 Manchester Securities, as a significant shareholder of the Fund, has filed a request of intervention in file 42956/3/2012 supporting the position of the Fund and asking the court to reject the Litigant's request. On 22 November 2012, the Court postponed the hearing to give the possibility of studying the documentation and to settle the recusal request.	Pending
File no. 40330/3/2012	Bucharest Court	Request to erase FTIML Bucharest Branch as Sole Director of the Fund, filed by the Litigant in front of Trade Register.	Ongoing. On 16 November 2012, the court decided to postpone the hearing for 23 November 2012. On 23 November 2012, the Fund filed a request of recusal of the judge managing the file.	Pending.
File no. 77743/3/2011	Bucharest Court	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 23 November 2011.	Suspended. During the first hearing, the Fund filed a set of documentation and the Litigant asked for a delay to study the documentation. On 30 October 2012, the Bucharest Court suspended the file because the Litigant didn't fulfil her legal obligation of clarifying her request.	N/A
File no. 22045/3/2012	Bucharest Court	Blocking the registration of OGM Resolution no. 10 of 25 April 2012 for the approval of the dividend distribution for the financial year 2011.	Decision in favour of the Fund. On 23 October 2012, the Bucharest Court ruled in favour of the Fund and ordered the registration with the Trade Register of OGM Resolution no. 10 of 25 April 2012 for the approval of the dividend distribution for the financial year 2011. The OGM Resolutions no. 10 of 25 April 2012 has not been registered with Trade Register by the date of this report because the original file was not	N/A

			sent back to Trade Register.	
File no. 47039/3/2010	Bucharest Court of Appeal	Challenging the EGM Resolution for modifying the Constitutive Act approved by shareholders on 6 September 2010, the EGM Resolution for setting the date of appointing Franklin Templeton Investments Management Limited, Bucharest Branch as Sole Administrator of the Fund.	On 10 October 2012, the Bucharest Court of Appeal ruled against the Fund. On 26 October 2012 the Fund received the full decision which is irrevocable. The Fund decided not to file an extraordinary appeal.	N/A
File no. 40290/3/2012	Bucharest Court	Challenging the registration of the request filed by the Litigant to Trade Register asking to erase the registrations with Trade Register made based on General Meeting of Shareholders Resolutions 1, 2, 8 and 9 / 2010.	First stage ended. The Litigant filed a request with the Trade Register stating that she intended to renounce the initial request. During the hearing on 25 October 2012, the Litigant announced that this was an error and it was not her intention to renounce. On 25 October 2012 the Court announced the decision to uphold that the Litigant renounced to the initial request.	N/A
File no. 26252/3/2012	Bucharest Court	Blocking the registration of OGM Resolution no. 21/2012 approved on 27 June 2012 - the Addendum with the auditor for the secondary listing work.	Decision in favour of the Fund. On 23 July 2012, the Bucharest Court ruled in favour of the Fund and ordered the Trade Register to register the OGM Resolution no. 21 of 27 June 2012. The decision is irrevocable. The OGM Resolution no. 21/2012 approved on 27 June 2012 was registered with Trade Register.	Closed case.
File no. 7463/3/2012	Bucharest Court	The Fund has not received the subpoena in this case. The Fund Manager identified this file on the webpage of the Bucharest Court and joined the hearing on 29 June 2012 in front of Bucharest Court, without receiving a subpoena for it. From the hearing resulted that the case was started for challenging the convening notice for 4 April General Meeting of Shareholders.	Claim dismissed. On 29 June 2012 as a result of an administrative procedure the Bucharest Court decided to dismiss the Litigant's request because the stamp duty was not fully paid.	Closed case.
File no. 7004/3/2012	Bucharest Court of Appeal	Asking the Court to suspend the EGM Resolution for modifying the Constitutive Act approved by shareholders on 29 November 2010, to suspend the GSM organized on 4 April 2012 and the GSM organized on 25 April 2012.	Decision in favour of the Fund. The Bucharest Court ruled in favour of the Fund on 2 April 2012. The Litigant appealed the decision. On 27 June 2012 the Bucharest Court of Appeal rejected the appeal and irrevocably ruled in favour of the Fund. The decision is irrevocable.	Closed case.
File no. 15965/3/2012	Bucharest Court	Blocking the registration of Fund Manager Decision for paid-up share capital increase.	Decision in favour of the Fund. The Bucharest Court ruled in favour of the Fund on 6 June 2012. The decision is irrevocable.	Closed case.

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File no. 7176/3/2012	Bucharest Court	Asking the Court to suspend the GSM organized on 4 April 2012.	Claim dismissed. The Bucharest Court dismissed the claim on 15 March 2012 due to the fact that the Litigant accepted that the file duplicated the subject of file no. 7004/3/2012.	Closed case.
File no. 47826/3/2010	Bucharest Court of Appeal	Asking the Court to suspend the EGM and OGM Resolution adopted on 6 September 2010.	Decision in favour of the Fund. The Bucharest Court ruled in favour of the Fund on 6 December 2010. The Litigant appealed the decision. On 6 April 2011 the Bucharest Court of Appeal rejected the appeal and irrevocably ruled in favour of the Fund.	Closed case.