

CURRENT REPORT No. 3/2014

Date of Report:

16 January 2014

Re:

Adopting a General Decision on Intended Division of Emperia Holding S.A.

Update:

The Management Board of Emperia Holding S.A. ("Company") informs that on 16 January 2014, following approval of the Company's Supervisory Board, it adopted a resolution to commence preliminary work on division of Emperia Holding S.A.

The division will comprise spinning off from the Company, under the procedure of Article 529 § 1(4) of the Commercial Companies Code, the business, representing an organised part of the enterprise, of the development and management of real properties held by the Company and other members of the Emperia Holding Group. The said organised part of the enterprise will be contributed to P1 sp. z o.o. with its seat in Lublin, a limited liability company subsidiary, wholly-owned by Emperia Holding S.A. All the Company's assets and liabilities making up the Group's real property segment will be contributed to P1 sp. z o.o. Upon division, Emperia Holding S.A. will focus above all on the development of the retail business and P1 will engage in property development.

It is the Management Board's intention to combine the division of Emperia Holding S.A. with the flotation of P1, upon its re-establishment as a joint-stock company, on the regulated market of the Stock Exchange in Warsaw.

The Management Board expects the Emperia Holding S.A. division process to be completed by the end of 2014. Following the division, the current shareholders of Emperia Holding S.A. will become shareholders of P1. It is the Management Board's assumption that the number of P1 shares received by the shareholders will be the same as the number of shares held by them in Emperia Holding S.A.

The purpose of the proposed division is for each business:

- to be transparent for the shareholders by simplifying the organisational structures and focusing on more homogenous objects of business;
- to be easier to appraise and compare with other companies conducting similar operations in the market,
- to be able to actively participate in the market consolidation processes unfolding in their respective industries, mainly in the retail business by incorporating new companies into the Group.

The proposed division is conditional upon the consent by the shareholders of Emperia Holding S.A., to be finally expressed in voting over the resolutions of the Company's General

Meeting of Shareholders approving the division. For the division to go ahead, the P1 prospectus for the issue of shares in connection with the division will also need to be approved by the Financial Supervision Authority.

The Company will disclose the division plan, Management Board's report, and other documents relating to the division required under law as soon as they are completed.

Legal Basis:

Article 56(1)(2) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 in conjunction with § 5(1)(15)the Regulation of the Minister of Finance of 19 February 2009 on current and periodical disclosures by issuers of securities and conditions for recognizing as equivalent disclosures required under regulations of a non-member state.