

CURRENT REPORT No. 57/2010

Date of Report:

14 October 2010

Re:

Resolutions of Extraordinary General Meeting of Shareholders of 13 October 2010.

Update:

The Management Board of Emperia Holding S.A. hereby discloses the resolutions adopted by the Extraordinary General Meeting of Shareholders held on 13 October 2010 and information on the objections lodged and recorded in the minutes during the General Meeting with an indication of resolutions to which they relate.

The General Meeting of Shareholders did not abstain from deliberating on any of the items on the proposed agenda.

Resolution 1

of Extraordinary General Meeting of Emperia Holding S.A. with its seat in Lublin held on 13 October 2010 to adopt the agenda

“The Extraordinary General Meeting of Shareholders of Emperia Holding S.A. (“Company”) hereby resolves as follows:

§1.

It is resolved to approve the agenda for the Extraordinary General Meeting of Shareholders of the Company as announced pursuant to Article 402¹ of the Commercial Companies Code.

§2.

This Resolution becomes effective on the date of adoption.”

Shareholders in open vote unanimously adopted the above resolution, 13,070,667 (thirteen million seventy thousand six hundred and sixty-seven) valid votes were cast representing 86,47 (eighty-six and 47/100) % of the share capital including:

- 13,070,667 (thirteen million seventy thousand six hundred and sixty-seven) votes “for”
- 0 votes “against”
- 0 votes “abstaining”
- no objections lodged

Prior to the vote on Resolution 2, Mr J. Kołkowski, Mr Jan Domański’s proxy, moved for adopting a resolution to adjourn the Extraordinary General Meeting until 12.00 noon on 10 November 2010.

Shareholders in open vote unanimously not adopted the above motion, 13,070,667 (thirteen million seventy thousand six hundred and sixty-seven) valid votes were cast representing 86,47 (eighty-six and 47/100) % of the share capital including:

- 128 (one hundred and twenty-eight) votes were cast in favour of the motion;
- 12,914,938 (twelve million nine hundred and fourteen thousand nine hundred and thirty-eight) votes were cast against the motion;
- 155,601 (one hundred and fifty-five six hundred and one) abstaining votes were cast.

Next a draft Resolution 2 submitted by AVIVA OFE was read out, following which, first, the Chairman of the Meeting ordered a vote over that draft as going further than the draft put forward by Mr Artur Kawa.

Shareholders in open vote unanimously not adopted the above motion, 13,070,667 (thirteen million seventy thousand six hundred and sixty-seven) valid votes were cast representing 86,47 (eighty-six and 47/100) % of the share capital including:

- 3,760,823 (three million seven hundred and sixty thousand eight hundred and twenty-three) votes were cast in favour of the motion;
- 9,299,329 (nine million two hundred and ninety-nine thousand three hundred and twenty-nine) votes were cast against the motion;
- 10,515 (ten thousand five hundred and fifteen) abstaining votes were cast.

Subsequently, the Chairman of the Meeting ordered a vote over the following draft Resolution 2 put forward by Mr Artur Kawa:

Resolution 2

of Extraordinary General Meeting of Emperia Holding S.A. with its seat in Lublin held on 13 October 2010 to authorise the Management Board for the Company to acquire its own shares to redeem them

“Acting pursuant to Article 362 § 1(5) of the Commercial Companies Code, the Extraordinary General Meeting of Shareholders of Emperia Holding S.A. (“Company”) hereby resolves as follows:

§1.

1. The Extraordinary General Meeting of the Company authorises the Management Board for the Company to acquire, within a period of two (2) years of the date of this Resolution, its own shares (“Shares”) on terms and conditions set forth in this Resolution.
2. The Shares may be acquired under calls to sell Shares directed to all the shareholders. If the number of Shares subscribed for sale is above the number set forth in the call, a proportional reduction will be applied. The Shares may also be acquired in the regulated market, subject to the terms and conditional laid down in the Commission Regulation (EC) no. 2273/2003 of 22 December 2003 (“Regulation”). The Shares may be also acquired outside the regulated market, however, then the price for such Shares may not exceed the volume weighted average price of the Company’s shares listed on the Stock Exchange in Warsaw, established on the basis of closing prices over the last three (3) months prior to the date of the share purchase agreement plus 5 percent; the aggregate nominal value of the Shares acquired under this procedure may not exceed 10 percent of the share capital and the intended Share acquisition under this procedure will be announced to the public so that all the interested Shareholders are able to sell the Shares on the same terms and conditions. If the number of Shares subscribed for sale is above the number the Company intends to acquire, a proportional reduction will be applied.

3. The Company may acquire Shares of the aggregate nominal value of no more than 25 percent of the Company's share capital (excluding the value of own shares acquired by the Company pursuant to Article 362 § 1(8) of the Commercial Companies Code).

4. The maximum payment for the Shares acquired plus cost of purchase may not exceed PLN 500,000,000.00 (five hundred million zloty).

5. Prior to the commencement of Share acquisition, the Management Board is required to procure the approval of the Supervisory Board in the form of a resolution adopted by the absolute majority of votes, with two Independent Members voting for the resolution to approve Share acquisition.

6. The Share acquisition may commence and continue providing that the Financial Ratio is equal to or higher than 1.4:

Where:

Financial Ratio = equity / net financial liabilities;

equity = equity attributable to the shareholders of the dominant entity and non-controlling shares;

net financial liabilities = financial liabilities less cash and other cash assets;

financial liabilities = long-term and short-term credit facilities, loans, security issues, financial lease liabilities and other financial liabilities.

The Financial Ratio is calculated on the basis of the consolidated financial statements of Emperia Holding S.A.

7. Based on the published separate and consolidated quarterly results, the Supervisory Board may adopt a resolution to suspend the Share acquisition by the Management Board. Notwithstanding the foregoing, as part of their day-to-day monitoring of the Company's economic and financial standing, the Management Board or the Supervisory Board will suspend the Share acquisition each and every time they become aware of anything that indicates such a need. The suspension of the Share acquisition referred to above will not affect any call to sell Shares announced prior to the suspension of the Share acquisition.

8. Following suspension of the Share acquisition referred to in 7 above, the acquisition of the Shares by the Management Board may be resumed with a prior approval of the Supervisory Board. The provisions of 5 above apply as appropriate.

9. The Share acquisition costs must be commensurate with the efforts undertaken and approved by the Supervisory Board.

10. The Company's Management Board is authorised to take any factual and legal actions relating to the Share acquisition, including without limitation the Management Board will decide on the final number, price and timeframe for the acquisition.

§ 2

This Resolution becomes effective on the date of adoption."

Shareholders in open vote unanimously adopted the above resolution, 13,070,667 (thirteen million seventy thousand six hundred and sixty-seven) valid votes were cast representing 86,47 (eighty-six and 47/100) % of the share capital including:

- 10,529,143 (ten million five hundred twenty-nine thousand one hundred and forty-three) votes "for"
- 1,813,439 (one million eight hundred thirteen thousand four hundred and thirty-nine) votes "against"

- 728,085 (seven hundred twenty-eight thousand and eighty-five) votes “abstaining”
- Mr Paweł Borowski, Mr Jan Domański’s proxy, representing 128 (one hundred and twenty-eight) votes declared that he voted against the resolution and lodged an objection.

Resolution 3

of Extraordinary General Meeting of Emperia Holding S.A. with its seat in Lublin held on 13 October 2010 to amend the Company’s Articles of Association

“Acting pursuant to Article 430, Article 444 and Article 445 of the Commercial Companies Code and Article 22.1(k) of the Articles of Association of Emperia Holding S.A. (“Company”), in order to enable the Company’s Management Board to raise funds to finance the development of the Company, acquisition of interests in other companies, and reduce the duration of the share issue process, which in effect will help the Emperia Holding Group boost its operating capacity, strengthen its position as a leading FMCG market distributor, and improve its purchasing power and the ability to respond in a flexible manner to market needs, the Extraordinary General Meeting of the Company hereby resolves as follows:

§1.

The Extraordinary General Meeting of the Company amends the Company’s Articles of Association as follows:

Article 7b(2) of the Articles of Association is replaced by the following:

“2. The authorised capital shall be capped at PLN 1,511,516 (one million five hundred and eleven thousand five hundred and sixteen zloty), however, if the share capital is increased as part of authorised capital to PLN 755,758.00 (seven hundred and fifty-five thousand seven hundred and fifty-eight zloty), the terms set forth under 3 to 8 below shall apply, and if the share capital is increased further as part of authorised capital to PLN 1,511,516 (one million five hundred and eleven thousand five hundred and sixteen zloty), the terms set forth in 9 to 15 below shall apply.”

In Article 7b of the Articles of Association, the following sections 9 to 15 are inserted:

“9. The issue price of the authorised capital shares shall not be lower than the volume weighted average price of the Company’s shares listed on the Stock Exchange in Warsaw, based on the closing prices over the three months directly preceding the date on which the Supervisory Board adopts the resolution referred to in Article 14(2)(s). The average price of shares established in the above manner will be rounded downwards or upwards to the full zloty, with the rounding upwards taking place if the average price of shares is short by less than PLN 0.50 from the full zloty.

10. A resolution of the Company’s Management Board adopted under the authorisation referred to in 1 above replaces a resolution of the General Meeting to increase the share capital and in order to be valid must be made as a notarial deed.

11. The Management Board may exercise the authorisation granted to it by effecting one or several consecutive increases of the share capital with the approval of the Supervisory Board. The approval of the Supervisory Board shall be given as a resolution adopted by the absolute majority of votes in an open vote, with all the independent members of the Supervisory Board referred to in Article 12a(1) voting in favour of such resolution.

12. The Management Board may exercise the authorisation granted to it to increase the share capital as part of the authorised capital exclusively to acquire interests in other companies or to raise funds for such purpose. The Company’s Management Board may issue shares in exchange for both cash and non-cash contributions.

13. In the event the rights issue is excluded or limited under Article 7c hereof and shares are issued in exchange for cash contributions, the Management Board shall be required each time to

offer the shares issued, first, to the Company's shareholders holding at least 5 percent of the total number of votes at the General Meeting of the Company, in accordance with the information submitted to the Company pursuant to Article 69(1) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005, pro rata to the shares held by them as a proportion of the total number of votes at the Company's General Meeting. The shareholder shall substantiate the number of shares held as at the date of receipt of the Management Board's offer. If the identified shareholders fail to exercise the right referred to above within fourteen (14) days of the share offer, the Management Board may extend its offer to purchase shares to other parties.

14. The Management Board of the Company may not issue preferred shares or grant to the shareholders personal rights referred to in Article 354 of the Commercial Companies Code.

15. This authorisation does not include the right to increase the share capital based on the Company's own cash flows."

§2.

The Company's Management Board submitted a written opinion on the resolution to amend the Company's Articles of Association authorising the Management Board to increase the share capital as part of the authorised capital with an option to exclude or limit rights issue.

§3.

The Management Board is directed to file the amendment to the Articles of Association adopted under this Resolution with the appropriate court of registration.

§4.

This Resolution becomes effective on the date of adoption, with legal effect as of the registration of the amendment to the Articles of Association by the court of registration.

§5.

The Company's Supervisory Board is authorised to adopt the consolidated text of the amended Articles of Association of the Company."

The Opinion of the Management Board on the Resolution:

"It is the opinion of the Management Board of Emperia Holding S.A. that the proposed amendments to the Company's Articles of Association relating to the increase of the share capital within the limits of the authorised capital seek to enable the Management Board of the Company to raise funding to support the development of the Company, acquire interests in other companies, reduce the duration of the share issue process, undertake consolidation transactions which in effect will help the Emperia Holding Group strengthen its position as a leading FMCG market distributor, and improve its purchasing power and the ability to respond in a flexible manner to market needs.

At the same time, the Management Board notes that the increase of the share capital as part of the authorised capital under the amended Article 7b of the Articles of Association will empower the Company's Management Board, with the prior approval of the Company's Supervisory Board, to exclude or limit the rights issue as provided for under Article 7c of the Articles of Association, in order to achieve the share capital increase objectives. At the same time, to ensure as much as possible the shareholder participation in financing the efforts relating to the proposed consolidation transactions, the Management Board proposes that the shareholders which can be identified under Article 69(1) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005, that is holding at least 5 percent of the total number of votes, should be vested with the right

to receive an offer to acquire shares if, under the resolution of the Management Board, share subscription is covered by cash contributions.”

Shareholders in open vote by qualified majority (86.06%) and the quorum unanimously adopted the above resolution, 13,070,667 (thirteen million seventy thousand six hundred and sixty-seven) valid votes were cast representing 86,47 (eighty-six and 47/100) % of the share capital including:

- 11,248,393 (eleven million two hundred forty-eight thousand three hundred and ninety-three) votes “for”
- 1,143,500 (one million one hundred forty-three thousand five hundred) votes “against”
- 678,774 (six hundred seventy-eight thousand seven hundred and seventy-four) votes “abstaining”
- Mr Paweł Borowski, Mr Jan Domański’s proxy, representing 128 (one hundred and twenty-eight) votes declared that he voted against the resolution and lodged an objection.

Resolution 4

of Extraordinary General Meeting of Emperia Holding S.A. with its seat in Lublin held on 13 October 2010 to authorise admission of shares to trading in the regulated market

“Acting pursuant to Article 393 of the Commercial Companies Code and Article 22.1(p) of the Articles of Association of Emperia Holding S.A. (“Company”) the Extraordinary General Meeting of the Company hereby resolves as follows:

§1.

1. Acting pursuant to the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (Journal of Laws of 2009, No. 185, item 1439), it is hereby resolved to apply for admission of the shares issued under Article 7b of the Company’s Articles of Association as part of the increase of the share capital within the limits of the authorised capital to trading in the regulated market of the Stock Exchange in Warsaw and for their dematerialisation.

2. At the same time, the Company’s Management Board is authorised and requested to:

a. take all actions and perform all acts in order to have the shares issued under Article 7b of the Company’s Articles of Association as part of the increased share capital within the limits of the authorised capital admitted to trading in the regulated market of the Stock Exchange in Warsaw, including without limitation to submit the requisite applications and notifications to the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*), submit applications and conclude relevant agreements with the Polish securities depository company, Krajowy Depozyt Papierów Wartościowych S.A. and the Stock Exchange in Warsaw, Giełda Papierów Wartościowych w Warszawie S.A.;

b. conclude with the Polish securities depository company, Krajowy Depozyt Papierów Wartościowych S.A., a share registration agreement referred to in Article 5 of the Act on Trading in Financial Instruments of 29 July 2005 (Journal of Laws of 2005, No. 183, item 1538, as subsequently amended) in order to dematerialise the shares.

§ 2.

This Resolution becomes effective on the date of adoption and applies also to the amended Article 7b of the Articles of Association, with legal effect as of the registration of the amendment to the Articles of Association by the court of registration.”

Shareholders in open vote unanimously adopted the above resolution, 13,070,667 (thirteen million seventy thousand six hundred and sixty-seven) valid votes were cast representing 86,47 (eighty-six and 47/100) % of the share capital including:

- 11,250,410 (eleven million two hundred fifty thousand four hundred and ten) votes “for”
- 998,399 (nine hundred ninety-eight thousand three hundred and ninety-nine) votes “against”
- 821,858 (eight hundred twenty-one thousand eight hundred and fifty-eight) votes “abstaining”
- Mr Paweł Borowski, Mr Jan Domański’s proxy, representing 128 (one hundred and twenty-eight) votes declared that he voted against the resolution and lodged an objection.

Information on Objections Lodged

During the Extraordinary General Meeting of Shareholders objections were lodged against Resolution 2, Resolution 3, and Resolution 4, and recorded in the minutes. The objections were lodged by Mr Paweł Borowski, Mr Jan Domański’s proxy, representing 128 (one hundred and twenty-eight) votes at the General Meeting.

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 § 38(1)(7)(9) of 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.