

## **CURRENT REPORT No. 81/2014**

### **Date of Report:**

12 August 2014

### **Re:**

Performance of the Incentive Programme – the 2010 tranche

### **Update:**

The Management Board of Emperia Holding S.A. (the “Company”) announces that, pursuant to Resolution no. 2 of the Company’s Extraordinary General Meeting of 4 March 2010 (current report 7/2010 of 5 March 2010) on, among others, establishing the principles for the Company’s Incentive Programme 2010-2012 (the “Incentive Programme”), issue of series A, B and C bonds with pre-emptive rights to shares and a conditional increase of share capital through issue of shares with exclusion of the existing shareholders’ pre-emptive rights, which was subsequently amended through Resolution no. 2 of the Company’s Extraordinary General Meeting of 6 December 2011 (current report 91/2011 of 7 December 2011) and Resolution no. 18 of the Company’s Ordinary General Meeting of 15 May 2012 (current report 19/2012 of 16 May 2012), the Company has issued 114 564 registered bonds series A with pre-emptive rights to shares (the “Bonds”).

The issue was directed to the persons referred to in art. 9 point 3 of the Act of 29 June 1995 on Bonds (consolidated text Polish Journal of Laws of 2014 item 730, as amended). Each of the Bonds, issued in accordance with the issue terms, constitutes a registered security issued in a series, in accordance with art. 5a of the Act on Bonds.

The Bond issue was carried out as a proposal to purchase bonds from Millennium DM S.A., based in Warsaw, serving as the “Trustee.” The Trustee will sell the Bonds only to the Authorised Persons participating in the Incentive Programme.

The objective of the Bond issue is performance of the Incentive Programme – the 2010 tranche, for members of the Company’s Management Board and key management personnel at the Company and its subsidiaries, who have been entered onto the list of Authorised Persons, as approved by the Issuer’s Supervisory Board.

The issue consists of 114 564 unsecured, zero-coupon, dematerialised, registered bonds series A. The issue price for one Bond is PLN 0.01 and is equal to its par value. The total par value of the Bonds issued is PLN 1 145.64.

Each of the Bonds entitles the Bondholder to subscribe for one ordinary bearer share series P, with pre-emptive rights in relation to the Company’s shareholders.

The issue price of one Share offered under the Incentive Programme shall be the equivalent of the arithmetic average of the Company’s closing share price on the Warsaw Stock Exchange for the 90-day period preceding the day on which Resolution no. 2 of the Company’s Extraordinary General Meeting of 4 March 2010 was adopted, less 5% and less an adjustment calculated in the event that the Company pays out a dividend of more than 40% of the

consolidated net profit for the previous financial years. The detailed means of calculating the issue price is presented in Resolution no. 2 of the Company's Extraordinary General Meeting of 6 December 2011 (current report 91/2011 of 7 December 2011). The issue price of Series P Shares, calculated as at the date of the Bond issue, is PLN 24.82. A change in the issue price may take place each year after the Company's pays out a dividend.

The pre-emptive right to subscribe for and acquire Series P shares will be available to the Authorised Persons during the period from 1 July 2014 to 30 June 2018.

The Company will buy back the Series A Bonds, in respect to which a Bondholder has exercised the pre-emptive right to subscribe for and acquire Series P shares, no later than 30 days after such Bondholder submits a subscription for the Shares, and in any case no later than by 30 June 2018, through payment of an amount equivalent to the par value.

As at the last day of the first quarter of 2014, the value of the Company's liabilities was PLN 342 980 000. The Company does not expect its existing or future liabilities to have an impact on the Company's ability to fulfil the obligation to buy back all of the Bonds. In addition, the Company's ability to fulfil its financial and non-financial obligations resulting from the Bond issue is further confirmed by: the audited financial statements for 2013 and the financial statements for Q1 2014, alongside other material information contained in the current and periodic reports that are available at the Company's website.

Proceeds from the bond issue will not be used to finance a specific undertaking but will increase the Company's working capital.

The terms of the bond issue do not provide for conversion of a non-monetary consideration into a monetary consideration.

**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)(6) and (11) 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.