RB 14/2010 – 17.11.2010

Acquisition of high-value assets in a transaction between Selena Group companies

The Management Board of Selena FM S.A. (the Parent) hereby advises that as part of its strategy to increase the effectiveness of operations of Selena Group, a project has been set up to optimise the organisation and financial structure of the Head Office, including: financial restructure of Selena Co. S.A. (Selena Co, the Company) – the Parent's subsidiary, and to transfer the role of ownership supervision over the foreign affiliates to Selena FM S.A.

On 16 November 2010, the Extraordinary General Meeting of Shareholders of Selena Co. S.A. resolved to increase the share capital by PLN 1,770,000.00 (say: one million seven hundred and seventy thousand PLN) by issuing 35,400 (say: thirty five thousand four hundred) new shares with a nominal value of PLN 50 (fifty PLN) each. The new shares were acquired in full by the Parent in exchange for a cash contribution of PLN 56,000,000.00 (say: fifty six million PLN) at a price exceeding their nominal value, i.e. at PLN 1,581.92 (say: one thousand five hundred and eighty one 92/100 PLN) each. The share premium of PLN 54,230,000.00 (say: fifty four million two hundred and thirty thousand PLN) will be allocated, in accordance with Article 396 § 2 of the Commercial Companies Code to the supplementary capital of Selena Co.

Proceeds from the issue of new equity will be used to repay a portion of the receivables that Selena FM S.A. acquired from its subsidiary Orion sp. z o.o. of Dzierżoniów under the agreement referred to in the current report RB 12_2010 of 30 June 2010.

At the same time, the Parent's Management Board advises of a preliminary agreement concluded between the Parent and the Company whereby Selena FM S.A. agreed to purchase from Selena Co. S.A. its shareholdings in the foreign affiliates of Selena FM Group. The agreement will be carried out by concluding individual agreements for disposal of shares in the particular companies in the period of 7 months from 1 December 2010 to 30 June 2011, with the transactions to be reported by the Parent in current and financial reports in accordance with the applicable disclosure requirements. The preliminary agreement provides that the sales price for the shares will be set separately for each company by an independent valuer. The aggregate value of the transactions is estimated at approx. PLN 45-50 m.

The transactions will not affect the Parent's consolidated result.

This current report is issued as the cash contribution for which the new shares are acquired exceeds 10% of the Parent's equity.

Legal Basis: Art. 56 section 1 point 2 of the Act on Public Offering – current and financial reports