

Current Report No. 30/2014

Date: 25 October 2014

Information about the signing of a significant lease agreement by a subsidiary of MLP GROUP S.A. with member companies of the "Czerwona Torebka" S.A. Capital Group

I. The Management Board of MLP GROUP S.A. with its registered office in Pruszków hereby announces that, on 24 October 2014, MLP Poznań Zachód spółka z ograniczoną odpowiedzialnością in the process of formation with its registered office in Pruszków (hereinafter referred to as the "Lessor") entered into lease agreements (hereinafter jointly referred to as the "Lease Agreements", and each separately a "Lease Agreement") with the following "Czerwona Torebka" S.A. Capital Group companies:

- 1) "Dyskont Czerwona Torebka" S.A. (formerly "Dziewiąta – Czerwona Torebka spółka akcyjna" S.K.A.) with its registered office in Poznań – hereinafter referred to as "Lessee 1";
- 2) "Małpka" S.A. with its registered office in Poznań – hereinafter referred to as "Lessee 2";

with respect to warehouse and office space and a parking lot located in the complex of warehouse, manufacturing and office buildings (hereinafter referred to as the "Center") to be developed by the Lessor on the real property located in Więckowice, Poznań Powiat, being the plot of land marked in the register of land and buildings with the number 319/2, as follows:

- 1) Lessee 1 will lease warehouse space of approximately 52,116 square meters and office and social space of approximately 1,700 square meters;
- 2) Lessee 2 will lease warehouse space of approximately 24,479 square meters and office and social space of approximately 985 square meters;

II. Each Lease Agreement has been entered into subject to the joint fulfillment of the following conditions precedent:

- 1) acquisition by the Lessor or an entity affiliated thereto from "Trzecia – Czerwona Torebka spółka akcyjna" sp.k. with its registered office in Poznań of a part of the real property located in Więckowice (Dopiewo Township, Poznań Powiat, Wielkopolskie Voivodship) on land plot no. 319/2;
- 2) entry into force of a local zoning plan or the acquisition by "Trzecia – Czerwona Torebka spółka akcyjna" sp.k. with its registered office in Poznań and transfer to the Lessor or an entity affiliated thereto of the land development conditions

decision that allows obtaining a construction permit for the construction project intended to be executed by the Lessor on the real property;

III. The Lease Agreement stipulates the following deadlines for the delivery of the leased premises to the Lessees:

- 1) 31 December 2016 with respect to the Lease Agreement entered into with Lessee 1;
- 2) 31 December 2015 with respect to the Lease Agreement entered into with Lessee 2;

Each Lease Agreement has been entered into for a definite period of fifteen years from the date of delivery of the leased premises to the Lessees.

IV. The Issuer estimates that the total value of considerations due under both Lease Agreements throughout the term thereof will be EUR 50,124,587.40, which is the equivalent of PLN 211,751,319.47, broken down as follows for each of the Lease Agreements:

- 1) for the Lease Agreement entered into by Lessee 1: EUR 33,782,448.60, which is the equivalent of PLN 142,713,954.11;
- 2) for the Lease Agreement entered into by Lessee 2: EUR 16,342,138.80, which is the equivalent of PLN 69,037,365.36;

V. Each Lease Agreement includes provisions concerning the following contractual penalties that meet the criteria stipulated in § 9 item 5 of the Regulation issued by the Minister of Finance on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent the items of information required by provisions of law of a state that is not a Member State:

- 1) a contractual penalty for delay in the delivery of the leased premises to the Lessee after the delivery deadline stipulated in the Lease Agreement, equal to: (i) fifty percent (50%) of the daily net rent calculated for the leased premises for the eleventh and each subsequent day of delay, (ii) one hundred percent (100%) of the daily net rent calculated according to the rates stipulated in the Lease Agreement if the delay is longer than one month, not more however than four times the amount of monthly rent. The Lessee is entitled to the above contractual penalty when the lease comes into effect, i.e. when the leased premises have been delivered to the Lessee based on an acceptance report;
- 2) a contractual penalty for the Lessee's withdrawal from the Lease Agreement for reasons for which the Lessor is liable, equal to four times the amount of monthly rent calculated according to the rates stipulated in the Lease Agreement. The Lessee is entitled to the above contractual penalty when the agreement is terminated and the lease does not come into effect;

- 3) a contractual penalty equal to PLN 2,000,000 in the event of a breach of the obligation not to dispose of the real property on which the Center is to be erected to entities conducting activities competitive with respect to the Lessees;
- 4) a contractual penalty equal to PLN 2,000,000 in the event of (i) a breach of the obligation not to dispose of the real property on which the Center is to be erected until the day of delivery, or (ii) if such disposal occurs, not fulfilling the obligation to bind the purchaser to submit a statement to the Lessee that confirms all the provisions of the Lease Agreement.
- 5) payment of the contractual penalties shall exclude the right to pursue compensatory claims in excess of the penalty amounts

VI. One of the forms of security used to ensure the Lessee's performance of its obligations under the Lease Agreement is a surety document issued by "Czerwona Torebka" S.A. as the parent company in which "Czerwona Torebka" S.A. undertakes to fulfill all obligations related to payment of rent and operating expenses resulting from the Lease Agreement throughout the term of lease and for three months after the Lease Agreement has expired or been terminated. Pursuant to the provisions of the Lease Agreements, "Czerwona Torebka" S.A. shall grant a surety up to the following pre-determined amounts:

- 1) EUR 41,671,560.60 with respect to the Lease Agreement entered into with Lessee 1, which is the equivalent of PLN 176,041,507.75;
- 2) EUR 20,157,208.20 with respect to the Lease Agreement entered into with Lessee 2, which is the equivalent of PLN 85,154,126.04;

Furthermore, according to the provisions of the Lease Agreements, if as a result of any legal action the Lessee's parent company changes, the obligation of "Czerwona Torebka" S.A. under the surety shall expire, provided that:

- 1) the new parent company of the relevant Lessee submits a new surety containing provisions not less favorable to the Lessor than those contained in the existing Surety, or
- 2) the Lessee provides the Lessor with an additional guarantee or makes a cash deposit for an amount equal to 12 (twelve) monthly Rents and advances toward Operating Expenses, including VAT, in the amount applicable as at the date of issue of such additional Guarantee.

The choice between the forms of security described in 1) or 2) shall belong to the Lessor.

VII. The other provisions of the Agreement do not deviate from provisions commonly used in agreements of such kind.

VIII. The Lease Agreements entered into by subsidiaries are recognized as significant when the estimated value of their subject matter throughout the entire term thereof exceeds 10% of the Issuer's equity as at the date of publication of this report.

Legal basis:

Article 56 Section 1 Item 2 of the Public Offering Act - current and periodic information

§ 5 Section 1 Item 3 of the Regulation issued by the Minister of Finance on 19 February 2009 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent items of information required by provisions of law of a state that is not a Member State (Journal of Laws of 2009 No. 33 Item 259).