

**Current report 15/2014****Report date: 20 February 2014****Issuer's abbreviated name: WIKANA****Subject:** Commencement of a bond issue programme by a subsidiary - series A bond issue

Legal basis: Art. 56 sec. 1 point 2 of the Act on Offerings - current and periodic information

Report content:

The management board of WIKANA S.A. (the "Issuer") announces that on 19 February 2014 one of the Issuer's subsidiaries, WIKANA PROPERTY Sp. z o.o., based in Lublin, acting as general partner of WIKANA PROPERTY Sp. z o.o. OMEGA S.K.A., based in Lublin (the "Company"), pursuant to an authorisation included in resolution 1/II/2014 of 5 February 2014 of the Company's general meeting concerning a bond issue, which was included in minutes number A 496/2014, adopted a resolution on issue of bonds and establishing the terms for the issue of series A three-month interest-bearing bearer bonds (the "Resolution"), constituting the first issue under the Company's bond issue programme (the "Programme") with a total value of PLN 15 000 000, providing for incurrence of one or more financial liabilities through the issue by the Company under the Programme of several series of bearer bonds, secured or unsecured, numbered as consecutive letters of the alphabet, with a par value of no less than PLN 1 000 each and maturity between one and three years, specifying that the par value of all issued and outstanding bonds during the term of the Programme may not exceed the Programme's value, i.e. PLN 15 000 000.

The terms of subsequent bond issues will be specified on a case-by-case basis by the Company's general partner, i.e. WIKANA PROPERTY Sp. z o.o.

Pursuant to the Resolution, under the first stage of the Programme series A bonds will be issued, pursuant to art. 9 point 3 of the Act of 29 June 1995 on Bonds (a non-public issue), comprising no more than 4 000 23-month ordinary interest-bearing dematerialised bonds with a par value of PLN 1 000 each and issue price of PLN 1 000 each, numbered 1-4000.

The objective of the bond issue under the first stage of the Programme is to raise capital for co-financing the following:

- an investment of the Company in Lublin, ul. Kasztelańska 33, on plots of land numbered 240/14, 70/6, 67/20, 69/9, 102/14, with a total area of 3 463 sqm, for which the District Court for Lublin-Zachód in Lublin, 10th Land and Mortgage Register Department maintains land and mortgage register LU1I/00316886/0 and on plots of land numbered 239/15 and 240/16, with a total area of 300 sqm, for which the District Court for Lublin-Zachód in Lublin, 10th Land and Mortgage Register Department maintains land and mortgage register LU1I/00321388/7 (these plots of land will be unbundled and entered into land and mortgage register LU1I/00316886/0), and on plot of land number 53/14 with an area of 1 310 sqm, which was created by dividing plot number 53/11, for which the District Court for Lublin-Zachód in Lublin, 10th Land and Mortgage Register Department maintains land and mortgage register LU1I/00330081/1 (the above plot will be unbundled from this register and entered into register LU1I/00316886/0);
- an investment of the Company in Zamość, ul. Młyńska, on plots of land numbered 11/11, 14/12, 14/13, 14/14 i 14/16, with a total area of 6 178 sqm, for which the District Court in

Zamość, 6th Land and Mortgage Register Department maintains land and mortgage register ZA1Z/00110282/0.

Series A bonds will be redeemed on 20 January 2016 through the payment to Bondholders of amounts equal to the par values, i.e. PLN 1 000 per bond.

The interest on series A bonds will be paid twice a year. The basis for calculating and paying the consideration will be the number of bonds at the securities account of the given Bondholder, entered for the Bondholder in the register maintained by an investment firm on the coupon payment date specified in the Terms of Issue of 23-month Series A Ordinary Interest-Bearing Bonds, attached to the Resolution.

Series A bonds will be issued as unsecured bonds. However, the Company has undertaken to secure bondholder claims arising under the series A bond issue through establishing, among others, the following collateral:

- a joint mortgage up to PLN 6 000 000 on:
  - a usufruct right held by the Company to a property comprising plots of land numbered 14/11, 14/12, 14/13, 14/14 i 14/16, with a total area of 6 178 sqm, for which the District Court in Zamość, 6th Land and Mortgage Register Department maintains land and mortgage register ZA1Z/00110282/0, valued at PLN 1 000 800 as per a valuation prepared on 29 October 2013.
  - a land property owned by WIKANA NIERUCHOMOŚCI Sp. z o.o. 03 MIASTECZKO S.K.A., based in Lublin, which pursuant to a preliminary agreement executed on 5 February 2014 in a notary's office in Lublin (register number A 493/2014) will be purchased by the Company, and which will comprise plots of land numbered 240/14, 70/6, 67/20, 69/9, 102/14, with a total area of 3 463 sqm, for which the District Court for Lublin-Zachód in Lublin, 10th Land and Mortgage Register Department maintains land and mortgage register LU1I/00316886/0, and plots of land numbered 239/15, 240/16, with a total area of 300 sqm, which currently are a part of the property for which the District Court for Lublin-Zachód in Lublin maintains land and mortgage register LU1I/00321388/7 and which will become a part of the property for which the District Court for Lublin-Zachód in Lublin maintains land and mortgage register LU1I/00316886/0, together with plot of land numbered 53/14, with an area of 1 310 sqm, which was created by dividing plot number 53/11, for which the District Court for Lublin-Zachód in Lublin maintains land and mortgage register LU1I/00330081/1 and which will be entered into a property for which the District Court for Lublin-Zachód in Lublin, 10th Land and Mortgage Register Department maintains land and mortgage register into register LU1I/00316886/0), valued at PLN 1 969 000 as per a valuation prepared on 29 October 2013.
- - a registered pledge of up to PLN 6 000 000 on 50 000 of the Company's series A shares.

The Company's liabilities and liability provisions as at the end of the preceding quarter, i.e. as at 31 December 2013, amounted to PLN 466 503.90, including PLN 1 289.04 in loans. Until redemption of the above bonds, the Company's liabilities will be maintained at a safe level, commensurate with its operational scale.

President of the Management Board  
Sławomir Horbaczewski

Vice-President of the Management Board  
Sylwester Bogacki