

Current report no. 5/2007

(Wednesday, February 7th, 2007)

Legal basis: Article 5 passage 1 point 11 of the Ordinance of the Minister of Finance dated 19 October 2005 on current and interim information.

Master agreements signed - bond issue by AB S.A.

The Management Board of AB S.A. informs that on 07.02.2007 the Company received a dealer agreement and an agency agreement signed by Raiffeisen Bank Polska S.A., concerning the launch of a bond issue programme of the value of PLN 30,000,000. The Bond Issue Programme envisages multiple Bond issues to be made on the conditions presented in the Bond Subscription Offer over the period of 3 years from the date of signing Programme-related agreements, with the possibility to extend that term upon consent between the Issuer and the Bank. However, the Issuer can only issue Bonds with a Redemption Date not exceeding the term of the Programme, i.e. January 18, 2010.

Pursuant to the agreements signed, AB S.A. will have the right to issue discount (zero coupon) bonds, paying no interest, with a maturity date of at least 7 days and Coupon Bonds bearing fixed or variable interest, with a maturity date of at least 7 days. Discount and interest rates will be defined separately for each Bond issue, before the date of issue.

The issue is launched with the aim of raising additional working capital and expanding the Company's current operations. The face value of bonds has been fixed at PLN 10,000 or the multiple of this amount. The issue price (i.e. the PLN amount to be paid by the Purchaser on the Day of Issue) will be fixed anew for each placement, in the Subscription Offer concerning a given series of Bonds. Raiffeisen Bank Polska S.A. will act as the Placement Agent, Paying Agent, Depositary and Dealer. Settlements related to the transfer of the Issue Price between the Issuer and the Investors will be handled by the Paying Agent, i.e. Raiffeisen Bank S.A.

AB S.A. will be issuing unsecured bonds.

The bond issue program is yet another stage of the Company's strategy aimed to diversify the sources of financing for Issuer's ongoing operations.