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Concluding a preliminary agreement for the purchase of property by one of the Issuer's subsidiaries

Current report No. 37/2015 of November 17, 2015
Tuesday, November 17, 2015

Legal basis:
Article 56.1.2 of the Act on Public Offering – current and periodical information

In relation to Current report No. 28/2015 of August 14, 2015, the Management Board of Polski Holding Nieruchomości S.A. (the "Issuer") hereby informs that on November 17, 2015, one of the Issuer's subsidiaries – PHN SPV 33 Sp. z o.o. based in Warsaw ("PHN SPV 33") – concluded a preliminary agreement for the purchase from Torus spółka z ograniczoną odpowiedzialnością spółka komandytowa based in Gdańsk ("TORUS") of the right of perpetual usufruct of property located in Gdańsk at al. Grunwaldzka 409 and the ownership of "ALCHEMIA II" building located on the property – an A-class office building with an area of approx. 25,000 sq.m. (hereinafter jointly referred to as the "Property").

According to the preliminary agreement, the final price of the Property will be specified based on the price formula which takes into account the basic rental rate and the agreed capitalization rate as well as additional adjustments, including adjustments due to rent waivers. Under presently known conditions, this price would amount to approx. EUR 60.8 million, which according to the average exchange rate of the National Bank of Poland of November 17, 2015 is an equivalent of PLN 258.2 million. PHN SPV 33 plans to obtain external financing for the transaction.

The preliminary agreement has been concluded under conditions precedent which include, without limitation, obtaining relevant corporate approvals and handing over the agreed part of the space to the tenants.

The final agreement will be concluded after meeting the conditions referred to above, but not later than until September 30, 2016. After obtaining relevant corporate approvals, PHN SPV 33 agreed to make an advance payment of EUR 1,000,000 to the seller’s account. If the final agreement is not signed for reasons attributable to the buyer or the seller, the aggrieved party will be entitled to demand payment of a contractual penalty equal to the advance payment. Other terms and conditions of the preliminary agreement do not significantly differ from standard terms and conditions used in such agreements.

There are no relations between TORUS on the one side and the Issuer and PHN SPV 33 on the other, or between the persons who manage or supervise TORUS and the persons who manage or supervise the Issuer and PHN SPV 33.

The preliminary sale agreement and the related assets have been deemed as significant because their value exceeds 10% of the Issuer’s equity.

Concluding the preliminary agreement for the sale of the Property is aligned with the Issuer’s strategy, which assumes acquisitions of modern office spaces.

Legal basis:
Article 5.1.1 and 5.1.3 in relation with Article 7 and 9 of the Regulation of Minister of Finance of February 19, 2009 on current and periodical information published by issuers of securities and the conditions of recognizing information required by the regulations of non-member states as equivalent (Journal of Laws 2009 No. 33, item 259, as amended).

Signatures of the Company’s representatives:
Artur Lebiedziński – President of the Management Board
Włodzimierz Stasiak – Member of the Management Board for Finance

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