

Subject: Closing of the subscription of Series D shares
Current Report No. 06/2011 of February 1st 2011

Legal basis: Art. 56.1.2 of the Public Offering Act – current and periodic information.

Text of the report:

The Management Board of SECO/WARWICK S.A. (the “Issuer” or the “Company”) hereby reports that the private placement of 904,207 Series D Shares of the Issuer was successfully completed. On November 18th 2010, the Extraordinary General Shareholders Meeting, acting pursuant to Art. 432 of the Commercial Companies Code, adopted a resolution to increase the Company’s share capital through the issue of 904,207 Series D ordinary bearer shares, with a par value PLN 0.20 per share (“Series D Shares”), with pre-emptive rights of the existing shareholders waived, offered to James A. Goltz in exchange for a contribution in kind in the form of four shares in Retech Systems LLC of Ukiah, the United States, representing 40% of the company’s share capital, and to amend the Company’s Articles of Association. The Company’s Management Board undertook all action necessary to ensure that the new shares are introduced and admitted to stock-exchange trading on the main market. The Issuer provided details on the transaction in Current Reports No. 23/2010, 27/2010, 2/2011 and 3/2011.

The issue of Series D Shares was not a public offering within the meaning of Art 3.3 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005 (the “Public Offering Act”), as the shares were offered to one natural person only. Consequently, the requirement to seek approval for and publish an issue prospectus for the purpose of applying for admission of Series D Shares to stock-exchange trading on a regulated market did not apply.

Acting pursuant to Par. 33 of the Minister of Finance’s Regulation on current and periodic reports to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009, the Issuer wishes to provide the following information:

1. The opening and closing dates of the subscription or sale:

All new shares were acquired on the same date. On February 19th 2010, SECO/WARWICK S.A. entered into an agreement involving the acquisition of Series D Shares, as provided for in Art. 431.2.1 of the Commercial Companies Code (Current Report No. 27/2010 of November 17th 2010).

2. The allotment date:

Shares were offered in a private placement, i.e. by way of entering into a share purchase agreement with a selected investor who was approached by the Company’s Management Board with an offer to sell the shares. Therefore, the private placement did not entail an allotment of shares within the meaning of Commercial Companies Code. Concurrently, the Issuer wishes to clarify that all Series D Shares were acquired upon execution of the share purchase agreement on November 19th 2010.

3. The number of securities offered for subscription or sale:

904,207 Series D ordinary bearer shares were acquired.
4. The reduction rates in individual tranches if in any tranche the number of allotted securities has been lower than the number of securities subscribed to:

Not applicable
5. The number of securities for which orders have been placed as part of the subscription or sale:

904,207 Series D Shares were acquired by way of subscription.
Series D Shares were offered in a private placement: instead of placing a subscription order, the investor entered into a share purchase agreement.
6. The number of securities allotted as part of the subscription or sale:

904,207 Series D Shares were acquired by way of subscription.
Series D Shares were offered in a private placement, which does not entail an allotment of shares within the meaning of Commercial Companies Code.
7. The purchase (subscription) price of the securities:

Series D Share were purchased at a price of PLN 32.71 per share.
8. The number of persons who have placed orders for securities offered for subscription or sale in individual tranches:

One share purchase agreement involving Series D Shares was executed as part of the subscription process. It was entered into by the person specified in Resolution No. 5 of the Extraordinary General Shareholders Meeting of November 18th 2010, as presented in Current Report No. 28/2010 of November 18th 2010.
9. The number of persons who have been allotted securities offered for subscription or sale in individual tranches:

Series D Shares were offered in a private placement, which does not entail an allotment of shares within the meaning of Commercial Companies Code. Series D Shares were offered to and acquired by the person specified in Resolution No. 5 of the Extraordinary General Shareholders Meeting of November 18th 2010, as presented in Current Report No. 28/2010 of November 18th 2010.
10. The names of underwriters who have subscribed to securities in performance of underwriting agreements, the number of securities subscribed to and the actual unit price of securities (the unit issue or selling price of the securities less the underwriter's fee per unit, payable to the underwriter in consideration of the subscription to the securities in performance of the underwriting agreement):

Not applicable. The Issuer did not enter into any underwriting agreements.

11. The value of the subscription or sale understood as the product of the number of the offered securities and the issue or selling price:

The value of Series D Shares offered totalled PLN 29,576,610.97.

12. The total expenses included in the issue costs as at the date of this report amounted to PLN 450,738.00, including:
- a) preparing and executing the offering – PLN 448,125.00,
 - b) underwriters' fees – PLN 0.00,
 - c) preparing the issue prospectus, including advisory costs – PLN 0.00,
 - d) marketing costs of the offering – PLN 0.00,
 - e) other costs (registration-related charges, stamp duty, notary fees) – PLN 2,613.00.

13. The average cost of the subscription or sale per unit of the securities offered for subscription or sale:

The average cost of the issue per one Series D Share offered for subscription totalled PLN 0.50.

Legal basis:

Par. 33 of the Minister of Finance's Regulation on current and periodic reports to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz.U. of 2009 No. 33, item 259).