

Subject: Creation of ordinary mortgage

Current Report No. 20/2013 of June 11th 2013

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”) hereby reports that on June 11th 2013 it became aware of a notification by the District Court of Świebodzin to the effect that a contractual mortgage of USD 3,750,000 (PLN 12,075,375) was created over the right of perpetual usufruct of land and the ownership rights to buildings erected thereon and registered as separate items of real estate, located in Świebodzin, owned by SECO/WARWICK EUROPE, the Issuer's subsidiary, entered in the Land and Mortgage Register maintained by the District Court of Świebodzin under No. ZG1S/00010363/4. The mortgage is for the benefit of Bank Handlowy w Warszawie S.A. of Warsaw.

The mortgage was created on the right of perpetual usufruct of land, together with the following buildings erected thereon: building accommodating office space and rest facilities, production hall, transformer station, acetylene plant building and two canopies.

Based on the subsidiary's accounting books, the carrying amount of the mortgaged assets is PLN 8,699,250.

The mortgage serves as security under the USD 3,000,000 long-term credit facility agreement concluded on May 22nd 2013 with Bank Handlowy w Warszawie S.A. for a period ending April 27th 2018.

No links or relations exist between the Issuer on the one hand and the Bank and its management staff on the other.

This report has been published because the value of the mortgage exceeds the PLN equivalent of EUR 1,000,000 (i.e. PLN 4,275,600).

Legal basis:

Par. 5.1.1 and Par. 7 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 (as amended).