

## From Annual Report 2008

### Note 15 - Shareholders' equity

#### e. Share options

Towards the end of 2006, a new long-term incentive plan (the "Plan") was implemented. The persons eligible for participation in the Plan are the employees of the Group, including the members of the Management Board. Under the Plan, share options can be granted to members of the Management Board and selected employees. The exercise price of the granted options is determined by the Supervisory Board on the date of granting the share options and shall not be less than the fair market value at the time of the grant of the options. Options are conditional on the employee being employed or Board member being in office at the time the Options are exercisable (vesting period). Options granted shall vest over three years after the date of the grant: one third vesting after one year, one third vesting after two years and one third vesting after three year. The options have a contractual option term of maximum ten years.

On 6 December 2006, a total number of 477,000 options with an exercise price of EUR 5.05 each, vesting in 3 years and having an option term of 4 years, were granted to certain employees of the Group. No options were granted to employees during 2007. On 17 September 2008, a further total number of 105,000 options with an exercise price of PLN 25 each, vesting in 3 years and having an option term of 4 years, were granted to certain employees of the Group. Members of the Management Board did not receive any options during 2008, 2007 and 2006.

In December 2007, a total number of 110,000 options that were granted in 2006 were exercised. The average share price at the time of exercise was EUR 9.42 per share. The weighted average exercise price of options outstanding (vested but not yet exercised and not vested) is EUR 5.27. The number of exercisable options at 31 December 2008 is 235,000.

#### e. Share options (cont'd)

The details of the number of options outstanding as at 31 December 2008 are as follows:

Vesting date	Number of options		
	Granted	exercised	outstanding
6 December 2007	159,000	110,000	49,000
6 December 2008	186,000	-	186,000
6 December 2009	186,000	-	186,000
6 September 2010	51,000	-	51,000
	<u>582,000</u>	<u>110,000</u>	<u>472,000</u>

The weighted average fair value at grant date of options granted in 2006 using the Black-Scholes valuation model was approximately EUR 1 per option. The significant inputs into the model were a weighted average share price of EUR 5.05 at the grant date, the exercise price mentioned above, volatility of 20%, dividend yield of 0%, an option life of 4 years and an annual risk free rate of 4%. The weighted average fair value at grant date of options granted in 2008 using the Black-Scholes valuation model was approximately EUR 1.1 per option. The significant inputs into the model were a weighted average share price of PLN 20 at the grant date, the exercise price of PLN 25, volatility of 43%, dividend yield of 0%, an option life of 4 years and an annual risk free rate of 4%.

The impact of the share-based payment on the financial statements of the Company for the financial year 2008 was an expense of EUR 173,000 (2007: EUR 300,000) recognised in the income statement with a corresponding increase in equity.

During the years 2008 and 2007 no options were forfeited