

Information from Annual Report 2009

Note 16 - Shareholders' equity (cont'd)

d. Share options

The Company has implemented a long-term incentive plan (the 'Plan'). Under the Plan, share options can be granted to members of the Management Board and selected employees. The number of options granted to certain employees of the Group have been as follows:

- on 6 December 2006: 477,000 options with an exercise price of EUR 5.05 each;
- on 17 September 2008: 105,000 options with an exercise price of PLN 25 each;
- on 18 November 2009: 62,000 options with an exercise price of PLN 25 each.

All options vest in one to three years and have an option term of four years. Members of the Management Board did not receive any options under the Plan.

The weighted average exercise price of options outstanding (vested but not yet exercised and not expired) amounts to EUR 5.37. The number of exercisable options at 31 December 2009 is 441,666.

The details of the number of options outstanding as at 31 December 2009 are as follows:

Vesting date	Exercise price	Number of options		
		Granted	Exercised *	Outstanding
6 December 2007	EUR 5.05	159,000	110,000	49,000
6 December 2008	EUR 5.05	159,000	-	159,000
6 December 2008	PLN 25	27,000	-	27,000
6 December 2009	EUR 5.05	159,000	-	159,000
6 December 2009	PLN 25	47,666	-	47,666
6 September 2010	PLN 25	71,667	-	71,667
6 September 2011	PLN 25	20,667	-	20,667
		<u>644,000</u>	<u>110,000</u>	<u>534,000</u>

* 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 fair values at grant date of options using the Black-Scholes valuation model have been calculated using the following significant assumptions as input into the model:

Grant date	Input of assumptions						Fair value per option
	Exercise price	Weighted average share price	Volatility*	Dividend yield	Option life (years)	Annual risk free rate	
6 December 2006	EUR 5.05	EUR 1.10	20%	0%	4	4%	EUR 1.00
17 September 2008	PLN 25.00	PLN 20.00	43%	0%	4	4%	EUR 1.10
18 November 2009	PLN 25.00	PLN 22.50	41.2%	0%	4	4%	EUR 1.39

* The expected volatility is estimated by considering historic average share price volatility.

During the financial years ended 31 December 2009 and 31 December 2008, respectively, no options were forfeited. The impact of the share-based payment on the financial statements of the Company for the financial year 2009 was an expense of EUR 118,000 (2008: EUR 173,000) recognised in the income statement with a corresponding increase in equity.