



Budapest, 14 December 2010

**Extraordinary notice on a transaction concluded by CIG Pannónia Életbiztosító Nyrt.
and GEM Global Yield Fund Limited**

CIG Pannónia Életbiztosító Plc. (registered seat: 1033 Budapest, Flórián tér 1.; registration number: Cg.01-10-045857; hereinafter: "Company") hereby informs its shareholders and the capital markets that on 14 December 2010 the Company, GEM Global Yield Fund Limited ("GEM") and GEM Management Ltd. entered into a package of agreements relating to an EUR 20.000.000 (twenty million euro) equity line and to a right to subscribe for an additional 4 million shares, pursuant to which shares in the Company may be acquired by GEM. The condition precedents to the entering into force of the agreements are the passing of the relevant resolutions by the shareholders' meeting of the Company and the conclusion of an agreement with a bank settling the transactions. The condition precedents are to be fulfilled by 31 May 2011.

Pursuant to the agreements GEM agreed to invest maximum EUR 20.000.000 (twenty million euro) equity into the Company during a 3-year commitment period. The exact timing of draw-downs from the above equity line is determined by the Company in its sole discretion. The subscription price for the shares to be issued following each draw-down shall be 90% of the average of the volume-weighted average price of the Company shares during a 15-trading day period, such period to commence on the date following the date of a draw-down notice issued by the Company to GEM. The Company may - in its sole discretion - set a minimum subscription price below which it does not intend to issue shares. The agreements contain certain exceptions from the above calculation in order to limit the effects of volatility on the market. The volume of shares to be issued on each draw-down shall not exceed 500% of the average daily trading volume during the 15-trading day period immediately preceding the date of a draw-down notice. GEM is entitled to adjust the volumes set by the Company between 85% and 115% of such volume.

In addition to the above described EUR 20.000.000 (twenty million euro) equity line, GEM is entitled - in its sole discretion - to subscribe for an additional 4 million shares in the Company. The exercise period of this option is 4 years, the individual date(s) of subscription shall be set by GEM. The subscription price for such shares is HUF 1,594.60, provided that if in the 24th month following the first listing of the shares on the Budapest Stock Exchange the volume-weighted average price of the shares is lower than HUF 1,500.80, the subscription price of the remaining shares not called by then shall be adjusted downwards to HUF 938 plus 50% of the difference between HUF 938 and the volume-weighted average price of the shares in the 24th month following the first listing of the shares on the Budapest Stock Exchange.

CIG Pannónia Életbiztosító Plc.