

BIOTON S.A. („**the Company**”) informs that on 02.07.2009 the Company concluded an agreement with GEM Investments Advisers, Inc („**GEMIA**”) and GEM Global Yield Fund Limited („**GEM**”) on providing the Company with funds in the amount of PLN 200 million in the form of the equity line of credit and issuing of subscription warrants for GEM entitling to their exchange into 465.000.000 stocks of the Company issued at the price of PLN 0,35 per one stock, of the total value of PLN 162,75 million („**Agreement**”, „**Warrants**”).

On the grounds of the Agreement the Company has gained the possibility to demand within three years from conclusion of the Agreement that GEM acquires the subscription warrants and then exercises the right to subscribe for the stocks and acquires the Stocks of the Company issued within the limits of the target capital, whose aggregate issue price should not amount to more than PLN 200 million, whereas the number of the warrants and stocks of the Company within one ballot should not exceed ten times the average volume of the Company stocks turnover in the period of 21 session days prior to the date of use of the equity line of credit by the Company. The Company will be entitled to make the decision on using the equity line of credit any time chosen by the Company depending on the current capital needs, using at its own discretion the subsequent lots of the funds provided. The Company is not obliged to use completely the equity line of credit granted.

The Stocks of the Company issued on the grounds of the Agreement shall be acquired in return for cash contributions. The issue price per one stock of the Company shall be different depending on the date of use of the equity line of credit by the Company, and shall be established on the basis of 90% of the average closing price of the stocks of the Company, within the period of 21 consecutive days of quotations prior to the date of acquisition of the subscription warrants granting the right to subscribe for the stocks ("**Subscription Date**").

In principle, within one ballot GEM will be obliged to acquire the subscription warrants entitling to subscribe for the stocks of the Company, and then the stocks of the Company, in the number not less than 50 % and not higher than 200 % of the number of Stocks of the Company specified by the Company at the moment of making the decision on use of the equity line of credit granted, which however does not decrease the total value of the equity line granted.

On the date falling not later than within 4 months from the earliest Subscription Date on which the subscription warrants have been acquired on the basis of which the stocks of the Company have not been issued yet ("**Closing Date**"), the Managing Board of the Company will adopt a resolution on the issue, with the exclusion of the acquisition right, within the target capital, of the stocks of the Company in the number corresponding to the number of the subscription warrants held by GEM on the Closing Date ("**Stocks**") (pursuant to the Agreement the appropriate approvals of the Chairman of the Supervisory Board of the Company and the Supervisory Board of the Company shall also be granted on the Closing Date). The Agreement provides for that the Stocks shall be offered and acquired by GEM on the Closing Date. Immediately after registration of the Stocks in the National Court Register, the Company shall take all necessary actions in order to introduce the Stocks to trading at the Warsaw Stock Exchange.

According to the Agreement, on the first Subscription Date the Company shall pay to GEMIA remuneration in the amount of PLN 2.000.000.

Moreover, the Company has committed itself to issue Warrants granting the right to exchange them into 465.000.000 stocks of the Company at the issue price of PLN 0,35 per one stock, which price may be subject to change in certain situations.

The Agreement has been deemed significant due to the fact that its value exceeds 10% of Company's equity capitals.

In order to perform this transaction GEM has made use of the factual support of Burrill & Company ([www.burrillandco.com](http://www.burrillandco.com)). Burrill & Company is a group specialising in investment banking, private equity and venture capital investments with particular interest in biotechnological issues in the broad sense.

The equity line of credit is a well-tried solution used in the American and British markets, which is a flexible mechanism enabling the increase of the initial capital in the amounts and on dates adjusted to the needs of the Company.

The GEM Group, existing since 1991 is an American *private equity* group operating through its offices in New York, London and Beijing. The GEM Group manages assets of the value of USD 3,4 milliard and has conducted over 200 transactions in 29 different countries. The GEM Group specializing in private investments also deals with investments in stock listed companies. The GEM group operates within the United States of America, as well as in other countries. The scope of the operation covers many fields of business and transaction structures. The investments of the GEM group usually are connected with involvement in stocks. The GEM Group often provides full financing of the undertakings or acts as the leading investor.