

## EUROCASH

### **Alteration of the Rules of Distribution of the Incentive Shares**

Komorniki k. Poznań, January 10, 2008

#### **Current Report 1/2008**

The Management Board of Eurocash S.A. (hereinafter referred to as “Eurocash”) hereby presents the information concerning the alterations made to the Eurocash Issue Prospectus dated December 1, 2004, available for viewing at the Eurocash website, as amended by the decision of the Polish Financial Supervision Authority (the KNF) dated January 3, 2008 (received by Eurocash yesterday), insofar as it concerns the subsisting Rules of Distribution of the Incentive Shares referred to in Chapter III item 13 and 14.

#### **1. Section 13.3.1, final paragraph**

##### **Original version:**

Pursuant to the Incentive Scheme Resolution, the Issuer shall issue an aggregate of 255,484 registered bonds with pre-emptive rights in two series:

- 127,742 Series A Bonds with par value of PLN 0.01 (one grosz) per bond. One Series A Bond shall confer pre-emptive rights to subscribe for and acquire 25 (twenty-five) Series B Shares;
- 127,742 Series B Bonds with par value of PLN 0.01 (one grosz) per bond. One Series B Bond shall confer pre-emptive rights to subscribe for and acquire 25 (twenty-five) Series C Shares.

##### **Amended Version:**

Pursuant to the Incentive Scheme Resolution, the Issuer has, on March 14, 2005, issued an aggregate of 255,484 registered bonds with pre-emptive rights in two series:

- 127,742 Series A Bonds with par value of PLN 0.01 (one grosz) per bond. One Series A Bond shall confer pre-emptive rights to subscribe for and acquire 25 (twenty-five) Series B Shares;
- 127,742 Series B Bonds with par value of PLN 0.01 (one grosz) per bond. One Series B Bond shall confer pre-emptive rights to subscribe for and acquire 25 (twenty-five) Series C Shares

All Bonds have been acquired by the Trustee (the Offeror) pursuant to the agreement dated March 14, 2005, amended by means of appendix dated November 20, 2007, with a view to resell the said Bonds to the Entitled Persons in accordance with the provisions of the Incentive Scheme.

#### **2. Section 13.3.3**

##### **Original Version:**

Only the holders of the Series A Bonds shall be entitled to acquire the Series B Shares in exercise of their pre-emptive rights.

Only the holders of the Series B Bonds shall be entitled to acquire the Series C Shares in exercise of their pre-emptive rights.

**Amended Version:**

Only those Entitled Persons who also remain owners of the Series A Bonds shall be entitled to acquire the Series B Shares in exercise of their pre-emptive rights.

Only those Entitled Persons who also remain owners of the Series B Bonds shall be entitled to acquire the Series C Shares in exercise of their pre-emptive rights.

**3. Section 13.3.4**

**Original Version:**

The holders of Series A Bonds shall have the right to subscribe for and acquire the Series B Shares before the Company Shareholders during the First Option Exercise Period, commencing on January 1st 2008 and ending on December 31st 2008 (inclusive).

The holders of the Series B Bonds shall have the right to subscribe for and acquire the Series C Shares before the Company Shareholders during the Second Option Exercise Period, commencing on January 1st 2009 and ending on December 31st 2009 (inclusive).

Detailed information on the subscription period for Incentive Shares shall be defined in the terms and conditions of the Bonds or in Resolutions of the Company's Supervisory Board, and published in a Current Report.

**Amended Version:**

The holders of Series A Bonds shall have the right to subscribe for and acquire the Series B Shares before the Company Shareholders during the First Option Exercise Period, commencing on January 1st 2008 and ending on December 31st 2008 inclusive (during the office hours of the Offeror, i.e. between 9 AM and 5 PM).

The holders of the Series B Bonds shall have the right to subscribe for and acquire the Series C Shares before the Company Shareholders during the Second Option Exercise Period, commencing on January 1st 2009 and ending on December 31st 2009 inclusive (during the office hours of the Offeror, i.e. between 9 AM and 5 PM).

**4. Section 13.3.5**

**Original Version:**

Subscription orders for the Series B Shares and the Series C Shares shall be accepted at the registered office of CA IB Securities SA, ul. Emilii Plater 53, Warsaw, Poland.

**Amended Version:**

Subscription orders for the Series B Shares and the Series C Shares should be sent to the following address: UniCredit CA IB Polska S.A., ul. Emilii Plater 53, 00-113 Warszawa.

All persons who subscribe for the Series B and Series C Shares shall provide all the necessary documentation by sending them by courier or certified mail to the Offeror's address specified above. The receipt of the necessary documentation by the Offeror (including validly

completed subscription forms for Series B and Series C Shares) within the period between January 1, 2008 and December 31, 2008 (for Series B Shares) or January 1, 2009 and December 31, 2009 (for Series C Shares) during the office hours of the Offeror (9 AM- 5 PM) shall be the decisive factor in determining whether the subscription for the Series B and Series C Shares is effective.

## **5. Section 13.3.6**

### **Original Version:**

The number of Series B shares which may be subscribed for by an Entitled Person shall equal the number of Series A Bonds held by that Entitled Person, multiplied by 25. One Series A Bond confers the right to acquire 25 Series B Shares.

The number of Series C shares which may be subscribed for by an Entitled Person shall equal the number of Series B Bonds held by that Entitled Person, multiplied by 25. One Series B Bond confers the right to acquire 25 Series C Shares.

Each Entitled Person placing a subscription order for the Incentive Shares shall submit a certificate of deposit, confirming that the Person has acquired Bonds entitling that person to place a subscription order for the Incentive Shares.

The person accepting the subscription order shall verify the consistency of the submitted certificate of deposit with the entries in the Bondholders register maintained by the brokerage house mandated to provide such services under an agreement with the Issuer

The subscription order for the Incentive Shares shall include in particular the following information:

1. name of the Entitled Person,
2. place of residence,
3. address for correspondence,
4. for Residents: PESEL (personal identification number), ID or passport number; for Non-Residents – passport number, country code, citizenship,
5. number of bonds conferring the Pre-Emptive Rights to the Incentive Shares;
6. number and series of the Incentive Shares being subscribed for,
7. issue price of the relevant series of the Incentive Shares,
8. amount of payment for the Incentive Shares,
9. method of payment,
10. bank or investment account to which a return of the payment (if any) shall be made,
11. undertaking to inform the entity accepting the subscription order of any changes of the bank/investment account of the person submitting the subscription order,
12. representation by the Entitled Person to the effect that the Person is familiar with the Prospectus, the Articles of Association of the Company, and the terms of the Incentive Scheme, accepts the contents of the Articles of Association and the terms of the Incentive Shares,
13. data and signature of the brokerage house employee accepting the subscription order,
14. signature of the person submitting the subscription order or his/her proxy.

Entitled Persons placing subscription orders should express their consent for the processing of their personal data to the extent necessary to issue the Incentive Shares and to perform the Issuer's obligations under the law and other relevant regulations.

The personal data administrators (as defined in the personal data protection regulations) shall be the Offeror and the Issuer. The person placing the subscription order shall have the right to review his/her personal data. If such person acts through a proxy, the brokerage house accepting the subscription order shall maintain the personal data of the proxy.

As evidence of subscription order acceptance, the person subscribing for the Incentive Shares shall receive one copy of the submitted subscription order. Any consequences of submitting an incorrectly filled-in subscription order form for the Incentive Shares shall be borne by the person placing the subscription order. The subscription orders for the Incentive Shares shall be unconditional, may not include any reservations and shall be irrevocable for the duration of the period for which the person placing the subscription order remains bound by the placed subscription order.

The Entitled Person shall present a document confirming his/her identity and the acquisition of the Bonds conferring the pre-emptive right to the Incentive Shares which is exercised by that Person.

The person placing a subscription order for the Incentive Shares may simultaneously submit an irrevocable deposit instruction which will enable the Incentive Shares allotted to this person to be deposited in the investor's securities account indicated by the person.

A deposit instruction shall include:

- Personal data on the person submitting the deposit instruction;
- The name of the brokerage house, bank conducting brokerage activities or bank maintaining securities accounts, as well as the name and number of the securities account in which all the allotted Incentive Shares of the relevant series are to be deposited; and
- The investor's undertaking to personally notify the entity accepting the subscription order of any change concerning the investor's securities account.

Any consequences of submitting an incorrectly filled-in or incomplete deposit instruction shall be borne by the investor.

The deposit instruction shall be irrevocable, unconditional and may not contain any reservations.

#### **Amended Version:**

The number of Series B shares which may be subscribed for by an Entitled Person shall equal the number of Series A Bonds held by that Entitled Person, multiplied by 25. One Series A Bond confers the right to acquire 25 Series B Shares.

The number of Series C shares which may be subscribed for by an Entitled Person shall equal the number of Series B Bonds held by that Entitled Person, multiplied by 25. One Series B Bond confers the right to acquire 25 Series C Shares.

The Subscription should not be made before the declaration of acceptance of the offer to acquire the Bonds from the Trustee is made and before the payment of the acquisition price for the said Bonds is completed. The validly completed subscription forms for Series B and Series C Shares shall be sent by the Entitled Person by courier or certified mail to the address of the Offeror specified above. The receipt of the necessary documentation by the Offeror

(including validly completed subscription forms for Series B and Series C Shares) within the period between January 1, 2008 and December 31, 2008 (for Series B Shares) or January 1, 2009 and December 31, 2009 (for Series C Shares) during the office hours of the Offeror (9 AM- 5 PM) shall be the decisive factor in determining whether the subscription for the Series B and Series C Shares is effective.

The person accepting the subscription order shall, where appropriate, perform a verification procedure or make entries in the Bondholders register maintained by the Trustee (the Offeror) pursuant to the agreement dated March 14, 2005, amended by appendix dated November 20, 2007.

The subscription order for the Incentive Shares shall include in particular the following information:

1. name of the Entitled Person,
2. place of residence,
3. address for correspondence,
4. for Residents: PESEL (personal identification number), ID or passport number; for Non-Residents – passport number, country code, citizenship,
5. number of bonds conferring the Pre-Emptive Rights to the Incentive Shares;
6. number and series of the Incentive Shares being subscribed for,
7. issue price of the relevant series of the Incentive Shares,
8. amount of payment for the Incentive Shares,
9. method of payment,
10. bank or investment account to which a return of the payment (if any) shall be made,
11. undertaking to inform the entity accepting the subscription order of any changes of the bank/investment account of the person submitting the subscription order,
12. representation by the Entitled Person to the effect that the Person is familiar with the Prospectus, the Articles of Association of the Company, and the terms of the Incentive Scheme, accepts the contents of the Articles of Association and the terms of the Incentive Shares,
13. data and signature of the brokerage house employee accepting the subscription order,
14. signature of the person submitting the subscription order or his/her proxy.

Entitled Persons placing subscription orders should express their consent for the processing of their personal data to the extent necessary to issue the Incentive Shares and to perform the Issuer's obligations under the law and other relevant regulations.

The personal data administrators (as defined in the personal data protection regulations) shall be the Offeror and the Issuer. The person placing the subscription order shall have the right to review his/her personal data. If such person acts through a proxy, the brokerage house accepting the subscription order shall maintain the personal data of the proxy.

Any consequences of submitting an incorrectly filled-in subscription order form for the Incentive Shares shall be borne by the person placing the subscription order. The subscription orders for the Incentive Shares shall be unconditional, may not include any reservations and shall be irrevocable for the duration of the period for which the person placing the subscription order remains bound by the placed subscription order.

The Entitled Person must present a document confirming his/her identity and must have the status of the owner of the Bonds conferring the pre-emptive right to the Incentive Shares which is exercised by that Person.

The Investor placing a subscription order for the Incentive Shares is under an obligation to simultaneously submit an irrevocable deposit instruction which will enable the Incentive Shares allotted to this investor to be deposited on the securities account of the person placing the subscription order, the said account being specified by that person.

A deposit instruction shall include:

- Personal data on the person submitting the deposit instruction;
- The name of the brokerage house, bank conducting brokerage activities or bank maintaining securities accounts, as well as the name and number of the securities account in which all the allotted Incentive Shares of the relevant series are to be deposited; and
- The investor's undertaking to personally notify the entity accepting the subscription order of any change concerning the investor's securities account.

Any consequences of submitting an incorrectly filled-in or incomplete deposit instruction shall be borne by the Entitled Person placing the subscription order.

The deposit instruction shall be irrevocable, unconditional and may not contain any reservations.

## **6. Section 13.3.7**

### **Original Version:**

While placing subscription orders for Incentive Shares and performing other actions related to subscribing for the shares, the Entitled Person may act through a duly authorized proxy.

The person acting as a proxy should present the power of proxy issued by the Entitled Person at the brokerage house accepting the subscription order. The powers of proxy should be in writing. Detailed rules governing acting through proxies are defined in the rules of procedure applied by the brokerage houses where the subscription orders are placed.

### **Amended Version:**

While placing subscription orders for Incentive Shares and performing other actions related to subscribing for the shares, the Entitled Person may act through a duly authorized proxy.

The person acting as a proxy should send to the Offeror the power of proxy issued by the Entitled Person along with the share subscription form. The powers of proxy should be in writing. Detailed rules governing acting through proxies are defined in the procedural documents adopted by the Offeror. The aforementioned procedural documents shall be made available at the registered office of the Issuer.

## **7. Section 13.3.9 Detailed Rules Concerning Payment for the Incentive Shares and Payment Dates**

### **Original Version:**

Payment for the Incentive Shares subscribed for must be made in full and in such a manner so that it is credited to the account of the brokerage house which accepts the subscription order no later than at the time of placing the subscription order. Information on the number of the

account to which the payment should be made will be available at the registered office of CA IB Securities SA at ul. Emilii Plater 53, Warsaw, Poland.

Payment for Incentive Shares must be made in cash or by a bank transfer to the bank account specified above, in the Polish currency.

The amount of the payment should be equal to the product of the number of Series B Shares subscribed for and the issue price of Series B Shares.

The amount of the payment should be equal to the product of the number of Series C Shares subscribed for and the issue price of Series C Shares.

If an Entitled Person fails to make payment for the Incentive Shares in accordance with the rules defined in this Prospectus, the subscription order placed by that investor for the Incentive Shares shall be deemed invalid.

If an Entitled Person fails to make payment for the Incentive Shares in accordance with the relevant rules, that person shall retain the right to place another subscription order in exercise of the rights attached to the Bonds conferring the pre-emptive rights to acquire Incentive Shares.

#### **Amended Version:**

Payment for the Incentive Shares subscribed for must be made in full and in such a manner that it is credited to the account of the Offeror no later than at the time when the validly completed share subscription order forms are delivered to the Offeror. Information on the number of the account to which the payment should be made will be available to the Entitled Persons who have the permission to acquire Series A and Series B Bonds. The information referred to above shall also be available at the registered office of the Issuer.

Payment for Incentive Shares must be made in cash or by a bank transfer to the bank account specified above, in the Polish currency.

The amount of the payment should be equal to the product of the number of Series B Shares subscribed for and the issue price of Series B Shares.

The amount of the payment should be equal to the product of the number of Series C Shares subscribed for and the issue price of Series C Shares.

If an Entitled Person fails to make payment for the Incentive Shares in accordance with the rules defined in this Prospectus, the subscription order for the Incentive Shares shall be deemed invalid.

If an Entitled Person fails to make payment for the Incentive Shares in accordance with the relevant rules, that person shall retain the right to place another subscription order in exercise of the rights attached to the Bonds conferring the pre-emptive rights to acquire Incentive Shares.

### **8. Section 13.3.10 second paragraph**

#### **Original Version:**

In order to update the entry of the share capital in the relevant register, the Management Board is obliged to promptly submit to the Registry Court a list of the acquired Shares, within a week after the end of each successive month, as of the date of their initial entry in the securities account or in the Issue Sponsor's account.

**Amended Version:**

In order to update the entry of the share capital in the relevant register, the Management Board is obliged to promptly submit to the Registry Court a list of the acquired Shares, within a week after the end of each successive month, as of the date of their initial entry in the securities account or in the account of the Entitled Person.

**9. Section 13.3.11**

**Original Version:**

If an investor fails to pay for the submitted subscription order by the set deadline or to make a full payment; the subscription order shall be invalid.

**Amended Version:**

If an investor fails to pay for the submitted subscription order for Series B and Series C Shares by the set deadline or to make a full payment; the subscription order shall be invalid. Likewise, a subscription order placed by a person (or a proxy thereof) who is not an Entitled Person having the permission to acquire the Bonds to which the preferential rights to acquire the Incentive Shares are attached, shall also be invalid.

**10. Section 13.3.13**

**Original Version:**

The issue of Series B Shares shall be unsuccessful if:

- the issue of Series A Bonds is not effected or is unsuccessful,
- no Series B Share is duly subscribed and paid for in accordance with the rules set forth in this Prospectus,

The issue of Series C Shares shall be unsuccessful if:

- the issue of Series B Bonds is not effected or is unsuccessful,
- no Series C Share is duly subscribed and paid for in accordance with the rules set forth in this Prospectus,

**Amended Version:**

The issue of Series B Shares shall be unsuccessful if no Series B Share is duly subscribed and paid for in accordance with the rules set forth in this Prospectus,

The issue of Series C Shares shall be unsuccessful if no Series C Share is duly subscribed and paid for in accordance with the rules set forth in this Prospectus.

**11. Section 14 *Company's Intentions Relating to Secondary Trading in Shares***

**Original Version:**

**14.1. *Shares for Sale***

Immediately after the allotment of the Shares for Sale, the Issuer, subject to prior registration of the Shares with the Polish NDS and approval by the Management Board of the WSE, acting on behalf of the Supervisory Board of the WSE, of the Issuer's application for the admission of the Shares to trading on the WSE, shall apply to the Management Board of the WSE for the introduction of the Shares to trading. The Issuer's intention is that the trading in



the Shares commences no later than on the fifth Business Day after the date of allotment of the Shares for Sale.

#### **14.2. Incentive Shares**

Series B Shares and Series C Shares shall be introduced to stock-exchange trading as they are acquired by the Entitled Persons.

The Management Board shall make every effort to ensure that Series B Shares and Series C Shares are introduced to stock-exchange trading as soon as possible. The Company shall publish information on the decisions on and dates of the introduction of Series B Shares and Series C Shares to trading on the WSE in Current Reports.

#### **Amended Version:**

Series B Shares and Series C Shares shall be introduced to stock-exchange trading as they are acquired by the Entitled Persons and as the acquired Series B and Series C Shares are registered at the National Depository for Securities (the KDPW).

*Legal basis: Art. 81.1 point 1 of the Law of August 2, 1997 on public trading in securities (Journal of Laws 1997, No. 118, item 754) in connection with art. 128. 3 point 1 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws 184.1539).*