

EUROCASH:

Issue of bonds with priority rights

Komorniki, 4 November 2008

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The Management Board of Eurocash S.A. (hereinafter “**Eurocash**” or the “**Company**”) announces that, as a part of, respectively, the KDWT Incentive Scheme (hereinafter the “**KDWT Scheme**”) (see Current Report no. 13/2006 containing Resolution no. 17 of the General Meeting of Shareholders of Eurocash of 2006 concerning the KDWT Scheme), the Third Employee Incentive Scheme (hereinafter the “**3rd Employee Scheme**”) (see Current Report no. 13/2006 containing Resolution no. 19 of the General Meeting of Shareholders of Eurocash of 2006 concerning the 3rd Employee Scheme) and the Delikatesy Centrum Incentive Scheme 2007 (hereinafter the “**DC Scheme**”) (see Current Report no. 9/2007 containing Resolution no. 17 of the General Meeting of Shareholders of Eurocash of 2007 concerning the DC Scheme), pursuant to the resolution of the Management Board dated 1 September 2008, the Company issued unsecured, no-interest, book-entry registered bonds with a nominal value and issue price of PLN 0.01 each, with priority rights, in three series:

- (i) as a part of the KDWT Scheme, 415,000 Series C bonds (“**Series C Bonds**”), each with the right to subscribe for 2 Series D bearer ordinary shares with priority rights over the Company’s shareholders (“**Series D Shares**”), and
- (ii) as a part of the 3rd Employee Scheme, 63,871 Series D bonds (“**Series D Bonds**”), each with the right to subscribe for 25 Series E bearer ordinary shares with priority rights over the Company’s shareholders (“**Series E Shares**”),
- (iii) as a part of the DC Scheme, 179,212 Series E bonds (“**Series E Bonds**”), each with the right to subscribe for 3 Series F bearer ordinary shares with priority rights over the Company’s shareholders (“**Series F Shares**”),

hereinafter collectively referred to as the “**Bonds**”.

The Bonds were issued pursuant to the provisions of Section 9.3 of the Bonds Act, as an offer to purchase made to UniCredit CAIB Poland S.A., with its registered office at ul. Emilii Plater 53, 00-113 Warsaw, acting as the “**Trustee**”. The Trustee shall dispose of the Bonds only to the persons participating in the Incentive Schemes (the “**Persons Authorised**”).

The Persons Authorised under the KDWT Scheme and/or under the DC Scheme have been indicated in the respective resolutions of the General Meeting of Shareholders (see Current Report no. 13/2006 containing Resolution no. 17 of the General Meeting of Shareholders of Eurocash of 2006 concerning the KDWT Scheme and Current Report no. 9/2007 containing Resolution no. 17 of the General Meeting of Shareholders of Eurocash of 2007 concerning the DC Scheme).

The Persons Authorised under the 3rd Employee Scheme shall be the persons qualified as such by the Supervisory Board and approved in a resolution of the General Meeting of Shareholders (see Current Report no. 9/2007 containing Resolution no. 22 of the General Meeting of Shareholders of Eurocash of 2007 concerning the determination of the list of Persons Conditionally Authorised under the Third Employee Incentive Scheme of 2006).

The priority right to subscribe for and take up Series D Shares may be exercised from 1 April 2009 to 1 April 2010.

The priority right to subscribe for and take up Series E Shares may be exercised from 1 January 2010 to 31 December 2012.

The priority right to subscribe for and take up Series F Shares may be exercised from 17 August 2009 to 17 August 2010.

The issue price of Series D Shares has been set at PLN 4.82, whereas the issue price of Series F Shares has been set at PLN 6.51 (see Current Report no. 13/2006 containing Resolution no. 17 of the General Meeting of Shareholders of Eurocash of 2006 concerning the KDWT Scheme and Current Report no. 9/2007 containing Resolution no. 17 of the General Meeting of Shareholders of Eurocash of 2007 concerning the DC Scheme).

The issue price of Series E Shares shall be set by the Supervisory Board, with the proviso that the price should be equal to the weighted average of the Company's share prices on the Warsaw Stock Exchange in November 2006, corrected for the rights attached to shares and exercised in favour of the shareholders (such as dividend payments). The issue price of Series E Shares shall be announced and posted on the Company's website as a current report no later than seven days prior to the beginning of subscription for Series E Shares.

Should Series D, E or F Shares not be issued to a Person Authorised within 60 days from the date on which they were subscribed for and paid for in full at their issue price, than the right to receive such shares shall convert into the right to receive monies equal to the market value of the Company's shares, based on the closing price for the last day of the period in which, respectively, Series D, E or F Shares were to be issued, less their issue price.

Series C, D and E Bonds shall be redeemed on 5 April 2010, 2 January 2013 or 18 August 2010, respectively, at their respective nominal value.

As at the last day of the third quarter 2008, i.e. of the last quarter prior to the making of the offer to the Trustee to purchase the Bonds, the total liabilities of the Company amounted to PLN 608,775,940. The Company has no plans to incur, prior to the Bonds redemption date, any liabilities which could affect the Company's ability to perform its obligation to redeem all Bonds, valued at PLN 6,580.83 in total.

The information concerning the Company's ability to perform its financial and non-financial obligations under the Bonds, audited financial statements for 2007 and for Q2 2008 and other material information concerning Eurocash can be found in the Company Prospectus, approved by the Polish Securities and Exchange Commission on 30 November 2004 in decision no. DSP/E/4110/47/74/2004, as amended and approved by the decision of the Financial Supervision Authority number DEM/410/013/1/08 dated 3 January 2008, as well as in the Company's current and interim reports. The Prospectus, current and interim reports are posted on the Company's website.

Legal basis: Section 5.1.11 of the Ordinance of the Minister of Finance dated 19 October 2005 concerning current and interim information to be disclosed by issuers of securities (Polish Journal of Laws [Dz.U.] of 2005, No. 209, item 1744)