

CURRENT REPORT No. 53/2011

Date of preparation: 21.12.2011

Subject:

The conclusion of a significant agreement by the Issuer and its subsidiaries.

Report body:

The Management Board of Eurocash S.A. with its registered office in Komorniki (the „**Company**” or the „**Issuer**”) announces that on 20 December 2011, a credit facility agreement (the “**Credit Facility Agreement**”) up to the amount of PLN 1,070,000,000.00 (one billion seventy million zlotys) was concluded between the Company, its 14 subsidiaries in their capacity as guarantors, and: (i) Bank Zachodni WBK S.A., with its registered office in Wrocław, belonging to the Group Banco Santander SA and (ii) ING Bank Śląski S.A. with its registered office in Katowice. The Credit Facility Agreement was concluded due to the expiry of available credit facility agreement dated 17 June 2011 concluded between the Company and Bank Polska Kasa Opieki S.A. and ING Bank Śląski S.A. the conclusion of which the Company announced in current reports no. 26/2011 dated 17 June 2011 and no. 44/2011 dated 31 August 2011.

On the basis of the aforementioned Credit Facility Agreement, the Banks granted the Company a credit facility up to the amount of PLN 1,070,000,000.00 (one billion seventy million zlotys). The purpose of the credit facility is to finance the purchase by the Company of the shares in the companies purchased from EMPERIA HOLDING S.A on the basis of the investment agreement (the “**Investment Agreement**”) dated 21 December 2010, conclusion of which the Company announced i.a. in current report no. 1/2011 dated 3 January 2011, 33/2011 dated 1 July 2011 and 48/2011 dated 27 October 2011.

The Credit Facility Agreement provides the obligation to repay the granted credit facility by 30 June 2015. A part of the granted credit facility will be repaid by 30 September 2012, while the remainder will be repaid in equal quarterly instalments.

In accordance with the Credit Facility Agreement, the borrowers will be charged interest based on the WIBOR rate for a period comparable to the interest period determined in the Credit Facility Agreement plus the margin specified in the Credit Facility Agreement. In addition, Eurocash is obligated to pay any and all additional fees or commissions related to the conclusion of the Credit Facility Agreement or other services provided by the banks that are parties to the Credit Facility Agreement in accordance with that Agreement. The Agreement also contains standard provisions imposing limits on the Company and its Subsidiaries in regard to the disposal of components of their assets and their encumbrance as well as the granting of loans, credit facilities, and guarantees.

In the event of the occurrence of the events specified in the Credit Facility Agreement, the agent of the credit facility has the right to terminate the agreement in part or in full immediately as well as to demand the repayment of any and all amounts due under the concluded Credit Facility Agreement after the expiry of the recovery period for a given event set in the Credit Facility Agreement consistent with market standards for similar financing facilities including i.a. cases of non-payments, breach of obligations, non-compliance with the truth of the statements of the Issuer or its subsidiary, insolvency and similar events.

The security for the proper performance of the Credit Facility Agreement by the Issuer and its subsidiaries includes i.a. registered, civil and financial pledges on the shares of the subsidiaries of the Issuer as well as shares acquired from Emperia Holding S.A. in the companies on the basis of the Investment Agreement, registered and civil pledges on the rights to certain trademarks, to which Eurocash S.A. is entitled from their registration, powers of attorney to administer bank accounts and declarations of being subject to enforcement proceedings.

The total level of the liabilities of the Company and the Subsidiaries of the Issuer which were created in relation to the use by the Company of the granted credit facility exceeds 10% of the value of the sales revenues of the Issuer's capital group for the last four business quarters which, in accordance with Section 2.2 of the Ordinance of the Minister of Finance dated 19 February 2009 concerning current and interim information to be disclosed by issuers of securities and the conditions for recognising as equivalent information required by the law of a country that is not a member state, qualifies the Credit Facility Agreement as a significant agreement.