

Current report No.: 54/2011

Date: 21 December 2011

Subject: Settlement and Amendments to Investment Agreement between Emperia Holding S.A. and Eurocash S.A. – conclusion of the significant agreement

Report body:

In reference to current report no. 1/2011 and 48/2011, The Management Board of Eurocash S.A. with its registered office in Komorniki (**“Eurocash”** or **„Company”**), hereby informs that on 21 December 2011 Eurocash has entered into Settlement and Amendments to Investment Agreement dated 21 December 2010 (hereinafter referred to as **“Settlement”**) with (i) Emperia Holding S.A. with its registered office in Lublin (**„Emperia”**) and with (ii) Emperia’s subsidiary – P1 sp. z o.o. with its registered office in Lublin (**„P1”**), hereinafter referred to jointly as **“Parties”**. Investment Agreement between Eurocash and Emperia dated 21 December 2010 and Settlement are hereinafter referred to jointly as **“Transaction Documents”**.

On the basis of Transaction Documents on 21 December 2011 (**„Transaction Closing Date”**) Eurocash has acquired from P1, stakes in Distribution Companies (as defined in current report no. 1/2011 dated 3 January 2011 as well as described in table below) conducting wholesale distribution of FMCG products, as well as retail franchise network for a price of PLN **1.095.575.885** (say: one billion ninety five millions five hundred seventy five thousands and eight hundred eighty five PLN) in cash (**„Transaction”**). The payment of the above mentioned purchase price by Eurocash as well as transfer of legal ownership titles to Eurocash was completed on the Transaction Closing Date.

Company’s Name	Eurocash’s participation in capital	Nominal value of stake / share	Eurocash’s participation in total number of votes
Euro Sklep S.A.	100%	410	100%
Detal Koncept sp. z o.o.	100%	500	100%
Lewiatan Zachód sp. z o.o.	100%	600	100%
Lewiatan Północ sp. z o.o.	100%	500	100%
Tradis sp. z o.o.	100%	500	100%
Drogerie Koliber sp. z o.o.	100%	500	100%
Lewiatan Holding S.A.	66,61%	1	71,17%
Partnerski Serwis Detaliczny S.A.	100%	1	100%
Lewiatan Opole sp. z o.o.	100%	500	100%
Lewiatan Wielkopolska sp. z o.o.	81,43%	2.000	81,43%
DEF sp. z o.o.	100%	500	100%
AMBRA sp. z o.o.	100%	500	100%
Lewiatan Podlasie sp. z o.o.	100%	1.000	100%
Lewiatan Śląsk sp. z o.o.	100%	1.000	100%

Lewiatan Kujawy sp. z o.o.	100%	1.000	100%
Lewiatan Orbita sp. z o.o.	100%	500	100%
Gama Serwis sp. z o.o.	100%	650	100%

Prior to the Transaction Closing Date, Eurocash has not owned any shares / stakes in Distribution Companies.

On the basis of Settlement, Parties have waived any mutual claims resulting from Emperia's and P1's statement on rescinding Investment Agreement – on which Parties informed already in current reports:

- Eurocash - in current reports no: 41/2011, 45/2011, 46/2011, 52/2011;
- Emperia - in current report no 47/2011 dated 9 August 2011;

On the day of concluding Settlement, Arbitration Tribunal has terminated its arbitration proceeding aimed at ruling the dispute between Eurocash, Emperia and P1 in reference to Investment Agreement.

As a result of Transaction completion, the injunction ruled by Circuit Court in Lublin on 2 September 2011 to secure potential Eurocash' claims (Eurocash current report no 45/2011) has collapsed.

Eurocash has financed this acquisition from bank loan amounting to PLN 1.070.000.000 on which Eurocash informed in current report no 53/2011 dated 21 December 2011, as well as from own funds.

Eurocash's acquisition of Distribution Companies is a long-term investment.

The Transaction value exceeds 10% of the value of the sales revenues of the Eurocash'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 Transaction as a significant agreement within the meaning of Section 2.1.44 of the Ordinance.

Emperia, P1 and Eurocash as well as their managing and governing entities are not related to each other.

Legal basis:

Legal basis: Section 56.1.2 of the Act on Public Offering dated 29 July 2005, in reference to section 5.1.1 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.