

Komorniki, 13 September 2010.

Mr. Artur Kawa
Chairman of Management Board
Emperia Holding S.A.
Ul. Mełgiewska 7-9
20-952 Lublin

Proposed of merger Emperia Holding S.A. and Eurocash S.A.

“Dear Mr. Chairman

In reference to our previous discussions on future of our Companies, we are pleased to present to you proposed of merger Emperia Holding S.A (Emperia) and Eurocash S.A (Eurocash). The key elements of proposed merger are presented in this List (“Proposed of merger”). Completion of the merger will require close cooperation of both Managment Boards to determine all the necessary details - in later part of the letter we propose schedule of work. Proposed of merger is based on publicly available informations about Emperia. Under the proposed of merger, all assets and liabilities of Emperia will be transferred to Eurocash, in exchange for Merger Shares (“Merger Shares”) issued by Eurocash, which will be issued to shareholders of Emperia after registration of merger by the Registry Court.

Management Board of Eurocash propose parity of exchange on 3,76 Merger Share for one share of Emperia. The proposed exchange parity is based on three-month average weighted market price of shares of Emperia and Eurocash on the Stock Exchange in Warsaw, until 10 September 2010. Average weighted market price of shares of Emperia is PLN 83,59 while the average weighted market price of shares of Eurocash is PLN 22,21.

Management Board of Eurocash expresses strong conviction, that potential synergies, arising from the potential merger may cause an increase of value for shareholders of both companies and their customers. Based on publicly available information, Management Board of Eurocash identified the following synergies:

- Improving the conditions of purchase
- Optimization of working capital
- Reducing costs by integration and centralization of logistics
- Cross-Selling of product offerings

Independent stores in Poland need strong partner to take advantage of importance of this channel of sales in FMCG market. These shops have about fifty percent share in the domestic market but have never been strong enough due to high fragmentation. Cooperation with large wholesalers,

who knows the needs, objectives and value of independent shops to producers, public institutions and other operators, these shops could fully exploit his potential.

For years, number of independent stores decreases, and these which remain on the market reduce their turnover compared with: hypermarkets, supermarkets and discount stores. It is time to change this - continue to develop formats, dynamically solicit on customer, invest in the development of offer for customers and provide proper positions in all market segments, in which independent stores should be the most important sales channel.

Establishment of strong wholesale company which contribute to this process is a key factor of success for thousands of Polish families conducting an independent trade.

The Management Board of Eurocash considers, that the part of potential growth of efficiency of merged Companies, resulting from improvements of cost of purchasing goods will be transferred to customers of both companies, including internal customer i.e., retail chain Emperia. Transfer of part of benefits to customers resulting from improvement of efficiency of merged Companies has strategic importance to long-term competitiveness.

The Management Board of Eurocash does not expect any significant negative synergies resulting from the proposed merger. Based on the preliminary undertaken analysis Management does not expect that approval by Chairman of the Office of Competition and Consumer Protection (“UOKiK”) of proposed merger was determined by e.g. sale of a substantial part of assets, because merged Company will not take a dominant position in any of activity area.

This merger proposal assumes the completion of work on merger agreement between Emperia and Eurocash within the next few weeks; submit plan of merger to the end of October 2010; obtain indispensable corporate approvals, including consent of General Meeting of Eurocash and General Meeting of Emperia, obtaining a decision from Financial Supervisory Authority on approval of merger memorandum prepared for this merger to the end of March 2011 and registration by the Registration Court at beginning of April 2011.

The Management Board of Eurocash also assumes that main shareholder Politra B.V. (“Politra”) will support merger provided that will be made changes to the Statute of Eurocash consisting of maintain of the current corporate rights of Politra, even after effective reduction of its shares in Eurocash, which will occur after issuance of Merger Shares.

In order to shorten timetable for proposed merger, Management Board of Eurocash, planning on 15 September 2010 submit the relevant request to the Chairman of UOKiK for consent for concentration.

This merger proposal is submitted on condition of agree on a final wording of the merger agreement. Management Board of Eurocash is prepared to submit a preliminary version of such agreement and to negotiate its final wording.

Given the importance of this merger proposal and its importance to shareholders, we hope that Management Board of Emperia engage fully in the estimation of the merger proposals. Management Board of Eurocash with pleasure meet with the Management Board of Emperia at the earliest convenient time.

The Management Board of Eurocash hired UniCredit CAIB Poland (financial advisor) and lawyer's chambers Weil Gotshal & Manges (legal adviser) in connection with the proposed merger.

In context of meaning of this merger proposal for shareholders of Emperia and Eurocash, intention of the Eurocash Management Board is to provide to the public details of proposed merger in present day under Art. 53(1) Act on Public Offering - Confidential information.

The Management Board of Eurocash believes that this merger proposal provides a unique opportunity to create value for shareholder of Emperia and Eurocash and merged Company will be able to present a favorable offer for its customers. The Management Board of Eurocash hopes that You will share our enthusiasm for proposed merger and looks forward to quick and positive reply.

This merger proposal is valid for two weeks until 27 September 2010.

Sincerely yours,

Luis Amaral
Chairman of Management Board
Eurocash SA

Jacek Owczarek
Member of Management Board - Financial Director
Eurocash SA