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## PRESS RELEASE

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QXL Ricardo plc

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### **Conditional agreement to settle litigation and obtain control and ownership of QXL Poland**

QXL ricardo plc ("QXL" or "the Company"), which provides an online trading platform in Europe, announces that it has entered into a conditional agreement with, amongst others, Wouwer Investerings B.V. ("Wouwer") and Tomasz Dudziak (together the "Vendors") to settle litigation and thereby obtain undisputed ownership and control of its former subsidiary QXL Poland Sp z o.o. ("QXL Poland") as well as acquiring ownership of certain other companies in Poland and Eastern Europe which carry on related businesses (together with a holding company the "Polish Group") (the "Settlement").

#### **Background to the Settlement**

- QXL has been pursuing legal claims relating to the ownership of QXL Poland since early 2003
- QXL ceased to have control of QXL Poland following the disputed issue of new shares representing 92% of QXL Poland in December 2002
- QXL claims that the purported share issue was invalid since it was undertaken without the consent of the Company. This is disputed by the new owners of those shares
- The Polish Group consists of online trading platforms and related internet businesses in Poland, Czech Republic, the Ukraine and a Hungarian joint venture

#### **Settlement terms**

- QXL will issue up to a maximum of 566,640 ordinary shares of £1 each (the "Settlement Shares"), representing 21.76% of its fully diluted share capital or 24.28% of its Enlarged Share Capital (i.e. excluding existing options) over three years to the Vendors or as they direct. The Settlement Shares will be issued in exchange for the entire share capital and undisputed control of QXL Poland and related businesses and the settlement of the various civil disputes between the parties (the "Civil Disputes")
- All the Settlement Shares (whenever issued) will be allotted at a price per share equal to the average of the mid market closing price for an ordinary share on each of the business days from the date of the Settlement Agreement to the business day immediately prior to completion of the transaction ("Completion"). For example, assuming an allotment price of £100.00 (being the closing price of an Ordinary Share on 27 June 2006), the total value of the maximum number of Settlement Shares that may be issued would be £56.66 million

#### **Reasons for Settlement**

- The significance of QXL Poland's revenue and operating profits (£18.2m and £7.9m respectively) in the year ending 31 March 2006 in relation to QXL ricardo plc (£11.3m and £2.0m respectively)
- The length of time that it has taken to progress the Company's claims to date and the Directors' expectation that the litigation will continue to be protracted
- The Directors' belief that the Settlement will facilitate a much faster and smoother integration of the Polish Group with QXL (together the "Enlarged Group") and significantly increase the Enlarged Group's opportunities to grow and develop in Eastern Europe

#### **Shareholder approval**

- Shareholder approval is required at an EGM on 24 July 2006 to approve the issue of new shares, including 98,010 shares to Beleggingsmaatschappij Florissant N.V. ("Florissant"),

a substantial shareholder of the Company and a related party for the purpose of the Settlement

- Undertakings to vote in favour of the Settlement have been received from shareholders representing 29.3% of the Company's share capital at the date of this announcement

**Mark Zaleski, Chief Executive Officer, said:**

"Today's announcement represents a significant step for QXL ricardo. Obtaining undisputed ownership of QXL Poland will have a material impact not only on the Enlarged Group's financial metrics, with a 200%+ increase in pro-forma earnings per share, but also significantly enhances our position in the important Eastern European region."

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## Further information

### 1. Introduction

The Company announced today that it has entered into a conditional agreement (“Settlement Agreement”) with the Vendors, Arjan Bakker, Magdalena Jezierska, Grzegorz Brochocki, SurfStopShop Sp z o.o., Cadena BGB B.V. and Brochocki Inwestycje Finansowe Spolka Jawna (together the “Warrantors” and together with Tomasz Dudziak the “Polish Parties”), NIAA Sp z o.o. (“NIAA”) and Payback Sp z o.o. (“Payback”) under which the Company has agreed to settle litigation and thereby obtain undisputed ownership and control of its former subsidiary QXL Poland as well as acquiring ownership of certain other companies in Poland and Eastern Europe which carry on related businesses (“Settlement”).

Ownership of QXL Poland has been the subject of protracted litigation in Poland. Under the Settlement Agreement, the Company will obtain full ownership and control of QXL Poland by acquiring the shares of QXL Holding B.V. (“Holdings”) from the Vendors. As a result of the Reorganisation (as defined below), Holdings will own all the interests of the Polish Parties in QXL Poland and the other companies in the Polish Group. In return for the acquisition of the shares in Holdings the Company will, *inter alia*, settle the Civil Disputes.

The parties also agree to use reasonable endeavours to cease to have any involvement in furthering a number of criminal disputes (the “Criminal Disputes”). In the event that the Settlement Agreement and hence the related litigation settlement agreement do not complete, ownership of QXL Poland will remain in dispute, the Vendors will continue to own the Polish Group and the litigation will continue.

Under the terms of the Settlement Agreement, the Company will issue over a three year period up to 566,640 new Ordinary Shares of £1 (“Settlement Shares”) to the Vendors or as the Vendors direct. Of these, the Company will issue 98,010 Settlement Shares to Florissant, a substantial shareholder of the Company, at the direction of the Vendors. Florissant will receive these Settlement Shares in consideration for it agreeing to terminate an existing agreement (the “Edelmira Agreement”) to which Florissant and the Polish Parties are parties and under which Florissant has an exclusive right to acquire the interests of the Polish Parties in the Polish Group.

On Completion, the Company will issue 273,746 Settlement Shares (including the Settlement Shares to be issued to Florissant). This represents approximately 11.73% of the Company’s Enlarged Share Capital. The maximum number of Settlement Shares to be issued under the Settlement Agreement represent approximately 24.28% of the Company’s Enlarged Share Capital and approximately 21.76% of the Company’s fully diluted share capital.

Defined terms used in this announcement, to the extent they are not defined herein, have the meanings given to them in the related party circular comprising a prospectus (“Prospectus”) published by the Company on today’s date.

### 2. Structure of the Polish Group and the Reorganisation

#### *Structure of the Polish Group and Reorganisation*

In order to provide a tax efficient acquisition structure for the Company and the Polish Parties, the Polish Parties have started the process of transferring their respective shareholding interests in each of NIAA, Payback and Otomoto Sp z o.o. (“Otomoto” and being together the “Polish Companies”) to a single company, Holdings (the “Reorganisation”). Pursuant to the Settlement Agreement, the Company will acquire Holdings from the Vendors.

Prior to the Reorganisation, the issued share capital of the Polish Companies was held as follows:

NIAA:	52% – Cadena (a company which is 100% owned by Hans Bakker, the brother of Arjan Bakker);
	34% – SurfStopShop (a company which is 100% owned by Magdalena Jezierska, Arjan Bakker’s life partner);
	4% – Magdalena Jezierska; and

	10% – Tomasz Dudziak
Payback:	58% – Magdalena Jezierska; and
	42% – Grzegorz Brochocki
Otomoto:	52% – Cadena; and
	48% – Payback

In addition, options have been granted to approximately 26 employees of the Polish Group over shares representing approximately 5.75% of NIAA's share capital.

NIAA is the disputed owner of 92% of the shares in QXL Poland, which operates the main businesses of the Polish Group. Since the Civil Disputes started, a number of ancillary businesses have been developed through Payback and Otomoto. Payback holds 100% of the issued share capital of Aukro, which it is intended will operate the business of the Polish Group in the Czech Republic. Payback also currently has a 51% holding in Sanoma Payback kft. ("Sanoma Payback") which operates the business of the Polish Group in Hungary. The remaining 49% of Sanoma Payback is owned by Sanoma Budapest Kiadoi Reszvenytarasag ("Sanoma"), which has recently exercised its option to acquire some of Payback's holding in Sanoma Payback which will result in Payback's holding in Sanoma Payback reducing to 35% around 30 June 2006.

Under the Reorganisation, the shares in the Polish Companies are being transferred, in stages, to Holdings so that as a result of the Reorganisation, Wouwer will hold 91.22% and Tomasz Dudziak 8.78% of the shares in Holdings. Holdings will hold: (i) the entire share capital of NIAA; (ii) the entire share capital of Payback; and (iii) 52% of the share capital of Otomoto (with the remaining 48% of the share capital of Otomoto continuing to be held by Payback) save for one share in each of the Polish Companies which will be held by Wouwer ("Conditional Shares") as security for the performance by QXL of its obligations under the Settlement Agreement to settle litigation post Completion. Payback's holdings in Aukro, Otomoto and Sanoma Payback and NIAA's holding in QXL Poland will not change as a result of the Reorganisation. All of the options over shares in NIAA have been waived by the option-holders who have received options over shares in Wouwer and/or aggregate payments of approximately £330,000 from SurfStopShop. The transfers that are necessary to effect the Reorganisation require the consent of Florissant under the terms of the Edelmira Agreement (referred to below).

The Reorganisation is expected to be completed before 14 July 2006. If the Reorganisation is not completed before 21 July 2006, the Company has the right to terminate the Settlement Agreement, but may agree with the Polish Parties to extend this period.

### **3. Background to the Settlement**

#### *Background*

For the past three years, the Company has been pursuing a number of legal claims in relation to the ownership and control of QXL Poland and its assets. The claims arise from the purported issue in December 2002 of new shares representing 92% of QXL Poland's share capital to NIAA. Prior to the purported share issue, QXL Poland had been a wholly owned subsidiary of the Company but as a result of the purported share issue the Company ceased to have control and full ownership of QXL Poland.

The Directors claim that the purported share issue was invalid or ineffective as it was undertaken fraudulently without the knowledge and consent of the Company. This is disputed by the Polish Parties who claim that the Company agreed to the shares being issued to NIAA. The matter has not been finally resolved by the courts. Although the Directors consider that the Company has made progress in the court proceedings, there have been several decisions in favour of the Polish Parties and therefore the litigation is likely to be protracted and the outcome uncertain.

A number of other civil and criminal claims have been proceeding in Poland since January 2003 in relation both to this share issue and to subsequent related events.

The Directors acknowledge that the Polish Parties do not agree with all aspects of this description and interpretation of the background to the Settlement.

#### *Florissant and the Edelmira Agreement*

On 26 November 2004, a cash offer of £7 per Ordinary Share was made on behalf of Tiger Acquisition Corporation PLC, an offer vehicle incorporated at the direction of Great Hill Partners GP II LLC and in which two of the Directors, Mark Zaleski and Robert Dighero, and a former director, Jonathan Bulkeley, were interested. Tiger's offer was recommended by those directors of the Company then in office who were not interested in Tiger. On 20 January 2005, a cash offer of £8 per Ordinary Share was made on behalf of Florissant. On 14 February 2005, Tiger's offer was increased to £10 and one litigation entitlement unit per Ordinary Share. On 3 March 2005, Florissant's offer was increased to £14 per Ordinary Share. Tiger's offer lapsed on 15 March 2005 and Florissant's offer lapsed on 7 April 2005. However Florissant acquired 490,052 Ordinary Shares during the offer period and is currently the Company's largest shareholder, with 27.73% of the Company's current issued share capital.

As disclosed in Florissant's offer document, in December 2004 Florissant entered into the Edelmira Agreement with the Polish Parties, including NIAA, the disputed majority shareholder of QXL Poland. Under that agreement, Florissant agreed, among other things, that if it obtained control of the Company it would use its best endeavours to cause the Company to settle the litigation in Poland and the Polish Parties also agreed to use their best endeavours to settle that litigation. The Edelmira Agreement provided for Florissant to contribute its shares in the Company to Edelmira, a company owned by Florissant, and for NIAA to contribute the shares that it held in QXL Poland, following the settlement of litigation, into Edelmira. The Edelmira Agreement also provided for the Polish Parties to contribute the shares held by them in Payback, Otomoto and other assets related to or required for QXL Poland's business. Florissant was given the exclusive right to consummate the transactions contemplated by the Edelmira Agreement for a four year period (subject to extension if mutually agreed) beginning on 17 December 2004. The Directors believe that such rights remain in force as at the date of this announcement. However this right of exclusivity granted to Florissant by the Polish Parties does not apply to the extent that the Polish courts decide that the Company (and not the Polish Parties) is the owner of QXL Poland or its assets. Florissant and the Polish Parties have entered into an agreement dated 29 June 2006 terminating the Edelmira Agreement conditional upon Completion. In the event that the Settlement Agreement is not completed, Florissant's right of exclusivity will remain in place for the four year period (or longer if mutually agreed) referred to above. Thereafter the Edelmira Agreement will lapse.

During the second half of 2005, Florissant and representatives of the Izaki Group, the Company's other major shareholder, and the Polish Parties discussed the terms of a possible settlement of the Civil Disputes between the Company and the Polish Parties that would result in the Company obtaining undisputed ownership and control of the Polish Group. An outline proposal was presented to the Company by Florissant and the Izaki Group at the end of September 2005 and has provided the basis for negotiations that have resulted in the Settlement Agreement.

#### **4. Terms of the Settlement Agreement**

Under the terms of the Settlement Agreement, the Company will acquire the entire issued share capital of Holdings, which at Completion will be the holding company for the Polish Group. In addition, the parties have conditionally agreed to settle the Civil Disputes and to use reasonable endeavours to cease to have any involvement in furthering the Criminal Disputes provided that it does not give rise to any unlawful or illegal act in any jurisdiction which amounts to criminal activity. As well as informing the relevant prosecutor or court that the Civil Disputes have been settled, the parties will withdraw the powers of attorney given to their lawyers in the Criminal Disputes. However, only the prosecutor or court is able to dismiss criminal charges and a party will be required to provide evidence if requested by the relevant prosecutor or court. Subject to the parties' compliance with their obligations under the Settlement, continuation of the Criminal Disputes will not affect the Settlement.

As part of the Settlement the Company will issue up to 566,640 Settlement Shares (representing approximately 24.28% of the Company's Enlarged Share Capital or approximately 21.76% of the Company's fully diluted share capital). Of these Settlement Shares, the Vendors will direct that 98,010 Ordinary Shares (representing approximately 4.20% of the Company's Enlarged Share Capital) be issued on Completion to Florissant ("Florissant Shares") as part of the arrangements providing for termination of the Edelmira Agreement. Because Florissant is a substantial shareholder of the Company, under the Listing Rules. Florissant is a related party for the purposes of Chapter 11 of the Listing Rules and accordingly will abstain from voting at the EGM in relation to the resolutions seeking approval of the Settlement and the issue of 98,010 Settlement Shares to it under the terms of the Settlement, which is a related party transaction.

The Settlement Shares will be issued to the Vendors (or to certain other persons as the Vendors direct) as follows:

- 273,746 Settlement Shares (approximately 48.31% of the Settlement Shares) on Completion of the Settlement ("Completion Settlement Shares") as to: (i) 160,306 Completion Settlement Shares to Wouwer, or such of the Warrantors as Wouwer shall direct; (ii) 15,430 Completion Settlement Shares to Tomasz Dudziak; and (iii) the Florissant Shares to Florissant;
- up to 49,900 Settlement Shares (approximately 8.81% of the Settlement Shares and forming part of the Retention Shares) on the last business day prior to the first anniversary of the date of the Prospectus ("First Retention Payment Date") as to: (i) 91.22% to Wouwer or to such of the Warrantors as Wouwer shall direct; and (ii) 8.78% to Tomasz Dudziak ("Relevant Percentages");
- up to 112,819 Settlement Shares (approximately 19.91% of the Settlement Shares), such shares also being Retention Shares, on the second anniversary of Completion to the Vendors (or in the case of Wouwer, to such of the Warrantors as Wouwer may direct) in their Relevant Percentages; and
- up to 130,175 Settlement Shares (being the Deferred Settlement Shares and representing approximately 22.97% of the Settlement Shares) over a three year period from the date of Completion as follows: (a) 41,655 Settlement Shares (approximately 7.35% of the Settlement Shares) on the First Retention Payment Date as to: (i) 37,835 Deferred Settlement Shares to Wouwer (or to such of the Warrantors as it may direct) and (ii) 3,820 Deferred Settlement Shares to Tomasz Dudziak and (b) 11,065 Settlement Shares (approximately 1.95% of the Settlement Shares) on the expiry of three calendar months from the first anniversary of the date of Completion and on the expiry of each three calendar months thereafter up to the third anniversary of Completion in equal proportions as to: (i) 10,050 Deferred Settlement Shares to Wouwer (or to such of the Warrantors as it may direct) and (ii) 1,015 Deferred Settlement Shares to Tomasz Dudziak. (Arjan Bakker, Magdalena Jezierska, Grzegorz Brochocki and Tomasz Dudziak together are the "Managers"). If any Manager's (other than Magdalena Jezierska's) employment is terminated voluntarily by a Manager or any Manager's (including Magdalena Jezierska's) employment is terminated by the Company for gross misconduct as defined in the Settlement Agreement during the period, the number of Deferred Settlement Shares to which the Vendors are entitled shall be reduced in accordance with the terms of the Settlement Agreement.

The Retention Shares and the Deferred Settlement Shares may be issued earlier to the Vendors in certain circumstances, in particular in the event of a takeover offer for the Company. The Vendors also have the right to request the accelerated issue of up to 130,175 of the Retention Shares (excluding 32,544 Restricted Retention Shares) if the Vendors wish to sell such shares, provided that the cash proceeds of such a sale are placed into escrow (the "Escrow Account"). The Vendors have the right to convert cash held in the Escrow Account into secure investments, provided that these investments are also retained in the Escrow Account.

All the Settlement Shares (whenever issued) will be allotted at a price per share equal to the average of the mid market closing price for an Ordinary Share on each of the business days from the date of the Settlement Agreement to the business day immediately prior to Completion. For example, assuming an allotment price of £100.00 (being the closing price of an Ordinary Share on 27 June 2006) the total value of the maximum number of Settlement Shares that may be issued would be £56.66 million.

## **5. Roles of the Managers following Completion**

In view of the litigation in relation to the Polish Group, the Directors have paid particular attention to establishing formal reporting lines from the Polish Group to the Company following Completion.

From Completion (and in respect of QXL Poland from the date of the Administrator's removal) the management boards of the companies in the Polish Group will principally comprise persons appointed by the Company. The management boards of each of the companies in the Polish Group, other than Sanoma Payback, have similar powers and responsibilities to those of a UK board of directors.

Notwithstanding the alleged involvement of the Managers in the events that are the subject of the Civil Disputes and the Criminal Disputes, Arjan Bakker will remain on the management boards of QXL Poland and Sanoma Payback, Grzegorz Brochocki will remain on the management boards of Payback and Otomoto and Magdalena Jezierska will remain on the management board of NIAA. Tomasz Dudziak will act as IT Director of QXL Poland but will not be on the management board of that company.

The Company has no intention for any of the Managers to become Directors of the Company.

## **6. Reasons for the Settlement**

In considering whether or not to recommend the Settlement, the Directors have taken a number of factors into careful consideration, in particular:

- the significance of the Polish Group's revenue and profits in relation to those of the QXL Group and the value of the Settlement Shares to be issued under the Settlement Agreement compared to the value of the assets of the Polish Group;
- the Directors' assessment, based on the progress of the Civil Disputes and Criminal Disputes to date and the latest advice of its Polish lawyers, that the Polish courts will ultimately decide in favour of the Company;
- the uncertainty that is inherent in the outcome of any litigation and the likely difficulties in enforcing any decision in Poland in the Company's favour;
- the length of time that it has taken to progress the Company's claims to date and the Directors' expectation that the litigation will continue to be protracted;
- the terms of the Settlement Agreement, including the security being given by the Polish parties to cover breach of warranty or indemnity claims by the Company and the fact that under the Settlement Agreement a number of assets will be transferred to the Company in respect of which the Company would not otherwise have any entitlement, namely the shares in Payback and Otomoto and Payback's interest in Sanoma Payback;
- whether it is appropriate to pay a significant amount of consideration to, and to retain the services of, persons whom the Directors believe have acted fraudulently; and
- the increased controls that will be put in place by the Company, to protect its interests in the Polish Group in the future.

The Directors (excluding Bruce McInroy, who is a partner in a company in the same group of companies as Novator Equities Limited, the majority shareholder of Florissant, a related party in connection with the issue of Settlement Shares to it pursuant to the Settlement Agreement, and as such has not taken part in the Board's consideration of the Settlement) have concluded that the advantages of entering into the Settlement Agreement (in particular the removal of the uncertainty regarding the ownership of QXL Poland and its assets) outweigh the disadvantages and concerns set out above. All of the Directors believe that the Settlement significantly increases the Enlarged Group's opportunities to grow and develop in Eastern

Europe during the extended period during which the Polish litigation would otherwise be expected to continue and will facilitate a much faster and smoother integration of the Polish Group within the Enlarged Group than would be possible if the Company were at a future date to receive judgement in its favour in the litigation.

## **7. Potential delay to Completion**

Whilst still under the control of the QXL Group, QXL Poland was subject to the same reporting procedures and controls as other companies in the QXL Group. Following the disputed issue of shares in QXL Poland in December 2002, the Company recorded a deemed disposal of QXL Poland, resulting in the deconsolidation of QXL Poland from the QXL Group's accounts. From that point in time the Company has had no management control of QXL Poland. As a result of the Company's due diligence investigations carried out as part of the Settlement discussions, the following issues relating to financial controls and reporting procedures were identified by the Company's advisers:

- there is no individual dedicated to financial controls and reporting;
- the outsourcing contract for the Polish Group's book-keeping results in a lack of clarity about certain accounting entries;
- management accounts are not available until at least 20 days after month end; and
- management accounts are currently produced under Polish GAAP and in standard Polish format.

As result of the litigation regarding the ownership of QXL Poland, QXL Poland is currently managed by an Administrator as explained below. The Company has agreed a process with the Administrator (in relation to QXL Poland) and the Managers (in relation to the rest of the Polish Group) for implementing financial controls and reporting procedures within the Polish Group that are consistent with those expected of a listed company in the UK. This work is expected to be completed prior to Completion, at which time the Company should be in a position to confirm that the Enlarged Group has the necessary financial controls and procedures in place. However, if this work is not completed by the time the parties are ready to complete the Settlement, Completion will be delayed until such time as the Company, the UK Listing Authority, and Evolution Securities as sponsor are satisfied with the adequacy of financial controls and procedures which have been put in place by the Polish Group. If this does not occur before 10 August 2006, the parties may terminate the Settlement Agreement. The Warrantors have agreed to ensure or in the case of QXL Poland to use their reasonable endeavours to ensure the Polish Companies implement the process agreed with the Company to put in place adequate financial controls and procedures in relation to the Polish Group. If they fail to do so and Grant Thornton has stated in writing that, as a result, it is unable to give written confirmation to Evolution Securities as sponsor that the Polish Group's financial controls and procedures are adequate, the Company may terminate the Settlement Agreement.

## **8. The Administrator and suspension of listing**

As result of the litigation regarding the ownership of QXL Poland, QXL Poland is currently managed by an Administrator. The Administrator was appointed under an injunction granted at the Company's request in 2003 in order to prevent the management board of QXL Poland or NIAA from disposing of any of the assets or business of QXL Poland while the litigation regarding the ownership of QXL Poland is continuing. Under the terms of the Settlement Agreement the Company will only withdraw its claim in case 784 (which withdrawal, if accepted by the court, will lead to the termination of the Administrator's appointment) after Completion when the Company will own all the shares in Holdings. This is because if the Company were to withdraw its claim prior to Completion and Completion did not occur, the Company would have irreparably damaged its prospects in the Civil Disputes. Consequently although QXL Poland will become a subsidiary of the Company on Completion, the Administrator will continue to manage QXL Poland for a period after Completion. As the Company will not sufficiently control the business and assets of QXL Poland after Completion due to the presence of the Administrator, listing, and consequently trading, in the Company's Ordinary Shares will be suspended immediately following Completion until the Administrator has been removed.



## 9. Financial effects of the Settlement

An unaudited pro forma income statement of the Enlarged Group for the period ended 31 March 2006 is set out for illustrative purposes below.

### Pro forma income statement for the year ended 31 March 2006

	<i>QXL ricardo plc Profit and loss 31 March 2006 £'000</i>	<i>Enlarged Group Pro forma profit and loss £'000</i>
Total revenue	11,306	29,820
Total cost of sales	(222)	(2,086)
Gross profit	11,084	27,734
Other operating income	1,793	1,793
Total operating expenses	(10,863)	(20,300)
Operating profit	2,014	9,227
Net interest receivable	39	116
Profit before taxation	2,053	9,343
Taxation	(40)	(1,636)
Profit attributable to equity shareholders	1,904	7,598

## 10. Irrevocable undertakings

The Company's other main shareholders, the Izaki Group and Apax UK VI LP have irrevocably undertaken to vote in favour of the Settlement at the EGM in respect of, in aggregate, 518,312 Ordinary Shares representing 29.33% of the Company's issued share capital at the date of this announcement.

## 11. Summary timetable

The EGM is expected to take place at 11.30 a.m. on Monday, 24 July 2006. The latest time and date for receipt of Forms of Proxy for the EGM is 11.30 a.m. on Saturday, 22 July 2006. It is expected that Admission of the Completion Settlement Shares will become effective and that dealings in such shares will commence on Friday, 28 July 2006.

## **Notes to editors:**

### **Information on the QXL Group**

The QXL Group provides an online trading platform in nine European countries, although its trading is principally in Switzerland, Denmark and Norway. The QXL Group's online community engages in consumer-to-consumer and business-to-consumer transactions 24 hours a day, 7 days a week in an efficient, entertaining and safe environment. A wide selection of merchandise and services, both new and second hand, is available for purchase on the QXL Group's websites, ranging from computer hardware and software, consumer electronics and collectables to sports equipment, holidays, cars and real estate. The QXL Group provides its trading community with access to the following markets, through the following web addresses:

- UK, through [www.qxl.com](http://www.qxl.com) and [www.qxl.co.uk](http://www.qxl.co.uk)
- Denmark, through [www.qxl.dk](http://www.qxl.dk)
- France, through [www.aucland.fr](http://www.aucland.fr)
- Germany, through [www.ricardo24.de](http://www.ricardo24.de)
- Italy, through [www.qxl.it](http://www.qxl.it)
- Norway, through [www.qxl.no](http://www.qxl.no)
- Poland, through [www.aukcje24.pl](http://www.aukcje24.pl)
- Sweden, through [www.qxl.se](http://www.qxl.se)
- Switzerland, through [www.ricardo.ch](http://www.ricardo.ch)

For the year ended 31 March 2006, the value of items traded through the QXL Group's marketplace ("Gross Merchandise Value") was over £179 million.

### **Information on the Polish Group**

The Polish Group comprises a number of trading platforms and related internet businesses operating primarily in Poland, but also to a minor extent in the Czech Republic, the Ukraine and, through a joint venture, in Hungary.

The Polish Group comprises:

- Online trading platforms: the core of the Polish Group and similar in most respects to the online businesses operated by the QXL Group;
- Car Classifieds: an online automotive classifieds business;
- Payment Systems: internet-based payment systems;
- Loyalty Points System: an internet-based multi-loyalty points system; and
- Other: an adserver for search engines, a mobile phone top-up service and a digital printing service.

The Polish Group operates through the following principal web addresses:

- Poland, through [www.allegro.pl](http://www.allegro.pl) and [www.otomoto.pl](http://www.otomoto.pl);
- Czech Republic, through [www.aukro.cz](http://www.aukro.cz);
- Hungary, through [www.teszvesz.hu](http://www.teszvesz.hu);
- Ukraine, through [www.au-au.ru](http://www.au-au.ru).

For the year ended 31 March 2006, the Gross Merchandise Value of items traded through QXL Poland's platform was over £260 million.