



Warsaw, July 6, 2010

## **CEDC Announces its Decision not to Pursue the Acquisition of Nemiroff and Updates Potential Use of Proceeds from Previously Announced Distribution Business Sale**

Central European Distribution Corporation (NASDAQ: CEDC) today announced that it has decided not to pursue an acquisition of Nemiroff. The net proceeds expected from the sale of the Polish distribution business, which were initially targeted as partial consideration for the acquisition of Nemiroff, are anticipated to be redeployed to maximize return on capital, increase fully diluted earnings per share and/or reduce financial leverage. The Company will consider, among other things, a potential share buyback and/or acceleration of the call option on the remaining equity stake in the Whitehall Group that it does not own. The Company's decision as to the application of such proceeds, and the timing thereof, will be determined by the Company, in its discretion, and will depend upon, among other things, the economic and market conditions and such other factors as the Company considers appropriate.

William Carey, President and CEO commented, *"We have decided to withdraw from the sale process of the Nemiroff Company. We have full respect for the management of the Nemiroff Group, who have been able to build a successful brand over the last ten years, but after thorough analysis we have determined that it is not in the Company's interests to continue to pursue this transaction at this time."*

William Carey, President and CEO continued, *"We have invested over \$1.5 billion over the last three years in Russia and will look to maximize the return on this deployed capital. We believe we have a solid leading market position to capture further growth in the region in the next three to five years and management will continue to focus on maximizing this opportunity."*

William Carey, President and CEO continued, *"We are still on track to close the sale of our Polish distribution business in the beginning of August 2010, and expect to determine the use of proceeds shortly thereafter. We are committed to investing our capital to maximize shareholder return as well as reducing our net debt ratios."*

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CEDC is the largest producer of vodka in the world and Central and Eastern Europe's largest integrated spirit beverage business. CEDC produces the Green Mark, Absolwent, Zubrowka, Bols, Parliament, Zhuravli, Royal and Soplica brands, among others. CEDC currently exports its products to many markets around the world, including the United States, England, France and Japan.

CEDC also is the leading national distributor of alcoholic beverages in Poland by value, and a leading importer of alcoholic beverages in Poland, Russia and Hungary. In Poland, CEDC imports

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many of the world's leading brands, including brands such as Carlo Rossi Wines, Concha y Toro wines, Metaxa Liqueur, Rémy Martin Cognac, Guinness, Sutter Home wines, Grant's Whisky, Jagermeister, E&J Gallo, Jim Beam Bourbon, Sierra Tequila, Teacher's Whisky, Campari, Cinzano, Skyy Vodka and Old Smuggler. CEDC is also a leading importer of premium spirits and wines in Russia with such brands as Hennessy, Moët & Chandon and Concha y Toro, among others.

*This press release contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, without limitation, statements regarding the completion of the sale of our Distribution business, the application of proceeds therefrom, the integration of our acquired companies, and expected results of, and synergies relating to, our Russian businesses. Forward looking statements are based on our knowledge of facts as of the date hereof and involve known and unknown risks and uncertainties that may cause the actual results, performance or achievements of CEDC to be materially different from any future results, performance or achievements expressed or implied by our forward looking statements.*

*Investors are cautioned that forward looking statements are not guarantees of future performance and that undue reliance should not be placed on such statements. CEDC undertakes no obligation to publicly update or revise any forward looking statements or to make any other forward looking statements, whether as a result of new information, future events or otherwise, unless required to do so by securities laws. Investors are referred to the full discussion of risks and uncertainties included in CEDC's Form 10-K for the fiscal year ended December 31, 2009, including statements made under the captions "Item 1A. Risks Relating to Our Business" and in other documents filed by CEDC with the Securities and Exchange Commission.*

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