

RETALIX LTD
Form SC 13D
December 10, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

Retalix Ltd.
(Name of Issuer)

Ordinary Shares, par value NIS 1.0 per share
(Title of Class of Securities)

M8215W109
(CUSIP Number)

Jennifer M. Daniels
Senior Vice President, General Counsel and Corporate Secretary
NCR Corporation
3097 Satellite Boulevard
Duluth, Georgia 30096
(937) 445-5000
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

With a copy to:
Bruce A. Mann, Esq.
Jaclyn Liu, Esq.
Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105
(415) 268-7000

November 28, 2012
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to
* the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. M8215W 10 9

NAME OF REPORTING PERSON

1

NCR Corporation

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) (b)

SEC USE ONLY

3

SOURCE OF FUNDS:

4

OO (See Item 3)

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

Maryland

SOLE VOTING POWER

7

NUMBER OF
SHARES

0

SHARED VOTING POWER

BENEFICIALLY⁸

OWNED BY

9,275,491 ⁽¹⁾

EACH

SOLE DISPOSITIVE POWER

REPORTING

9

PERSON

0

WITH

SHARED DISPOSITIVE POWER

10

9,275,491 ⁽¹⁾

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

9,275,491 ⁽¹⁾

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

37.5% ⁽¹⁾⁽²⁾

TYPE OF REPORTING PERSON

14

CO

Excludes warrants to purchase 1,250,000 Ordinary Shares held by the Alpha Group (as defined herein). The warrants are fully exercisable and if exercised, would be subject to the Voting and Support Agreement (as defined herein).

1

2

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Based upon 24,712,737 Ordinary Shares, nominal value NIS 1.00 per share, outstanding as of November 25, 2012.

CUSIP No. M8215W 10 9

NAME OF REPORTING PERSON

1

NCR International, Inc.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) (b)

SEC USE ONLY

3

SOURCE OF FUNDS:

4

AF

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS

5

2(d) OR 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

Delaware

SOLE VOTING POWER

7

NUMBER OF

0

SHARES

SHARED VOTING POWER

BENEFICIALLY⁸

OWNED BY

9,275,491 ⁽³⁾

EACH

SOLE DISPOSITIVE POWER

REPORTING

9

PERSON

0

WITH

SHARED DISPOSITIVE POWER

10

9,275,491 ⁽³⁾

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

9,275,491 ⁽³⁾

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See

12

Instructions)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

37.5% ⁽³⁾⁽⁴⁾

TYPE OF REPORTING PERSON

14

CO

Excludes warrants to purchase 1,250,000 Ordinary Shares held by the Alpha Group (as defined herein). The warrants are fully exercisable and if exercised, would be subject to the Voting and Support Agreement (as defined herein).

3

4

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Based upon 24,712,737 Ordinary Shares, nominal value NIS 1.00 per share, outstanding as of November 25, 2012.

CUSIP No. M8215W 10 9

NAME OF REPORTING PERSON

1

NCR Dutch Holdings C.V.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) (b)

SEC USE ONLY

3

SOURCE OF FUNDS:

4

AF

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS

5

2(d) OR 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

The Netherlands

SOLE VOTING POWER

7

NUMBER OF

0

SHARES

SHARED VOTING POWER

BENEFICIALLY⁸

OWNED BY

9,275,491 ⁽⁵⁾

EACH

SOLE DISPOSITIVE POWER

REPORTING

9

PERSON

0

WITH

SHARED DISPOSITIVE POWER

10

9,275,491 ⁽⁵⁾

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

9,275,491 ⁽⁵⁾

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

37.5% ⁽⁵⁾⁽⁶⁾

TYPE OF REPORTING PERSON

14

PN

Excludes warrants to purchase 1,250,000 Ordinary Shares held by the Alpha Group (as defined herein). The warrants are fully exercisable and if exercised, would be subject to the Voting and Support Agreement (as defined herein).

5

6

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Based upon 24,712,737 Ordinary Shares, nominal value NIS 1.00 per share, outstanding as of November 25, 2012.

CUSIP No. M8215W 10 9

NAME OF REPORTING PERSON

1

Moon Holdings S.P.V. Ltd.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) (b)

SEC USE ONLY

3

SOURCE OF FUNDS:

4

AF

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS

5

2(d) OR 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

Israel

SOLE VOTING POWER

7

NUMBER OF
SHARES

0

SHARED VOTING POWER

BENEFICIALLY⁸

OWNED BY

9,275,491 ⁽⁷⁾

EACH

SOLE DISPOSITIVE POWER

REPORTING

9

PERSON

0

WITH

SHARED DISPOSITIVE POWER

10

9,275,491 ⁽⁷⁾

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

9,275,491 ⁽⁷⁾

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

37.5% ⁽⁷⁾⁽⁸⁾

TYPE OF REPORTING PERSON

14

CO

Excludes warrants to purchase 1,250,000 Ordinary Shares held by the Alpha Group (as defined herein). The warrants are fully exercisable and if exercised, would be subject to the Voting and Support Agreement (as defined herein).

7

8

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Based upon 24,712,737 Ordinary Shares, nominal value NIS 1.00 per share, outstanding as of November 25, 2012.

CUSIP No. M8215W 10 9

NAME OF REPORTING PERSON

1

Moon S.P.V. (Subsidiary) Ltd.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a) (b)

SEC USE ONLY

3

SOURCE OF FUNDS:

4

AF

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS

5

2(d) OR 2(e):

CITIZENSHIP OR PLACE OF ORGANIZATION:

6

Israel

SOLE VOTING POWER

7

NUMBER OF
SHARES

0

SHARED VOTING POWER

BENEFICIALLY⁸

OWNED BY

9,275,491 ⁽⁹⁾

EACH

SOLE DISPOSITIVE POWER

REPORTING

9

PERSON

0

WITH

SHARED DISPOSITIVE POWER

10

9,275,491 ⁽⁹⁾

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

9,275,491 ⁽⁹⁾

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

37.5% ⁽⁹⁾⁽¹⁰⁾

TYPE OF REPORTING PERSON

14

CO

Excludes warrants to purchase 1,250,000 Ordinary Shares held by the Alpha Group (as defined herein). The warrants are fully exercisable and if exercised, would be subject to the Voting and Support Agreement (as defined herein).

9

10

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Based upon 24,712,737 Ordinary Shares, nominal value NIS 1.00 per share, outstanding as of November 25, 2012.

Item 1. Security and Issuer.

This statement (the “Statement”) on Schedule 13D relates to the Ordinary Shares, nominal value NIS 1.00 per share (the “Shares”) of Retalix, Ltd., a company formed under the laws of Israel (the “Company”). The principal executive offices of the Company are located at 10 Zarhin Street, Ra'anana 43000, Israel.

Item 2. Identity and Background.

(a)-(c) This Statement is being jointly filed on behalf of NCR Corporation, a Maryland corporation (“NCR”), NCR International, Inc., a Delaware corporation and a wholly owned subsidiary of NCR (“NCR International”), NCR Dutch Holdings C.V., a Commanditaire Vennootscha formed in the Netherlands and a wholly owned partnership of NCR (“DHCV”), Moon Holdings S.P.V. Ltd., a private company formed under the laws of the State of Israel and a wholly owned subsidiary of DHCV (“HoldCo”) and Moon S.P.V. (Subsidiary) Ltd., a private company formed under the laws of the State of Israel and a wholly owned subsidiary of HoldCo (“Merger Sub” and, together with NCR, NCR International, DHCV and HoldCo, the “Reporting Persons”). The principal executive offices of the Reporting Persons are located at 3097 Satellite Boulevard, Duluth, Georgia 30096. NCR is a global technology company leading how the world connects, interacts and transacts with business. NCR's assisted- and self-service solutions and comprehensive support services address the needs of retail, financial, travel, hospitality, gaming, public sector, and telecom carrier and equipment organizations in more than 100 countries. HoldCo and Merger Sub were organized by NCR to acquire the Company and therefore have not conducted any business to date. NCR International is a wholly owned subsidiary of NCR and primarily operates as an equity and intellectual property holding company for NCR and its subsidiaries. DHCV is a wholly owned partnership of NCR, and is domiciled in Amsterdam, The Netherlands. It primarily operates as a holding and financing entity for NCR and its subsidiaries. Its general partner is NCR and its limited partner is NCR International.

Attached as Schedule I, and incorporated herein by reference, is a chart setting forth, with respect to each executive officer, director and controlling person of NCR, NCR International, HoldCo and Merger Sub (and, in the case of DHCV, each executive officer, director and controlling person of its general partner), his or her name, residence or business address and present principal occupation or employment, in each case as of the date hereof.

(d) During the last five years, none of the Reporting Persons nor, to the best knowledge of the Reporting Persons, any of the persons named on Schedule I has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons nor, to the best knowledge of the Reporting Persons, any of the persons named on Schedule I is or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) To the best knowledge of the Reporting Persons, each executive officer, director or controlling person of the Reporting Persons or general partner of a Reporting Person, other than Daniel Marcus, is a citizen of the United States. Daniel Marcus, who is a director of HoldCo and Merger Sub, is a citizen of both Israel and of the United States.

Item 3. Source and Amount of Funds or Other Consideration.

Pursuant to, and subject to the terms and conditions contained in, the Voting and Support Agreement dated as of November 28, 2012 described in Item 4 (the "Voting and Support Agreement"), the Reporting Persons may be deemed to have acquired beneficial ownership of the Voting Shares (as defined below) by virtue of entering into the Voting and Support Agreement with each of Boaz Dotan, Eli Gelman, Nehemia Lemelbaum, Avinoam Naor, Mario Segal and M.R.S.G. (1999) Ltd. (collectively, the "Alpha Group"), and Ronex Holdings, Limited Partnership ("Ronex" and, together with the Alpha Group, the "Voting Shareholders"). The Voting and Support Agreement was entered into as a condition and inducement to NCR's willingness to enter into the Merger Agreement described in Item 4. NCR, DHCV, HoldCo and Merger Sub have not paid any consideration to the Voting Shareholders in connection with the execution and delivery of the Voting and Support Agreement described under Item 4 of this Statement.

NCR is expecting to finance the transaction contemplated by the Merger Agreement through a combination of cash and debt.

Item 4. Purpose of Transaction.

Merger Agreement

On November 28, 2012, NCR entered into an Agreement and Plan of Merger (the "Merger Agreement") by and among NCR, Merger Sub and the Company. Pursuant to the Merger Agreement, Merger Sub will merge with and into the Company, with the Company surviving as the continuing corporation and becoming an indirect wholly-owned subsidiary of NCR (the "Merger"), upon the terms and subject to the conditions set forth in the Merger Agreement. The Merger is structured as a statutory merger pursuant to Sections 314-327 of the Companies Law, 5759-1999 of the State of Israel. NCR is expecting to finance the transaction through a combination of cash and debt.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than any Shares owned by Merger Sub or NCR or any direct or indirect wholly owned subsidiary of NCR or the Company, each of which will be cancelled and retired without any conversion or consideration) will be converted into the right to receive \$30.00 in cash and without interest (subject to any applicable withholding tax) (the "Merger Consideration"). Each Company option and warrant outstanding immediately prior to the Merger, whether or not then vested and exercisable, will be cancelled and converted into the right to receive, for each Share subject to such option or warrant, an amount in cash, without interest, equal to the excess, if any, of the Merger Consideration over the per share exercise price of such option or warrant. For any unvested options, the net amount of cash will be paid to a trustee (or, in the case of certain Israeli employees' options, to the Company subsidiary employing them) at the Effective Time and then released to the option holder in accordance with the vesting schedule already in place and subject to the pre-existing conditions of the option (including employment conditions). In the case of any option (whether vested or not) issued under the capital gains route of Section 102 of the Israeli Income Tax Ordinance [New Version] 1961, the proceeds will only be released by the trustee in accordance with the requirements of Section 102.

The consummation of the Merger is subject to certain conditions, including, among others: (i) the affirmative vote of at least a majority of the voting power of the holders of the Company's Shares present and voting in person or by proxy at a meeting of the Company's shareholders, excluding abstentions (and excluding any shares held by NCR, or by any person holding at least 25% of the means of control of NCR, or anyone acting on behalf of either of them, including any of their affiliates); (ii) the absence of the

existence of a material adverse effect with respect to the Company and its subsidiaries, taken as a whole; (iii) the approval by the Investment Center of the Ministry of Industry, Trade and Labor established under the Israel Law for the Encouragement of Capital Investments, 1959, as to the continuousness of the tax benefits to which the Company is eligible with respect to its Approved Enterprise Status or Benefited Enterprise Status; (iv) the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the expiration or termination of any similar waiting period under any applicable Israeli antitrust law and the receipt of any consent required under Israeli antitrust laws; (v) the lapse of at least 50 days after the filing of the Merger proposal with the Registrar of Companies of the State of Israel and at least 30 days after the approval of the Merger by the Company's shareholders and by the shareholder of Merger Sub; (vi) the absence of any order or injunction prohibiting the consummation of the Merger; (vii) the accuracy of the representations and warranties of each party in the Merger Agreement (most of which are subject to an overall material adverse effect qualification or other materiality qualifications); (viii) compliance in all material respects, or except as would not have a material adverse effect, by NCR and the Company, respectively, with its covenants under the Merger Agreement; (ix) the filing of a notification in standard form by NCR with the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor of the State of Israel; and (x) the retention of certain employees of the Company, determined according to specific categories.

The Merger Agreement contains certain termination rights for both the Company and NCR. In certain circumstances involving termination of the Merger Agreement, the Company will be required to pay NCR a \$22,500,000 termination fee, including (i) if the Company enters into a definitive agreement with respect to a superior proposal (as defined in the Merger Agreement) pursuant to the Company Board's fiduciary obligations, (ii) if NCR terminates the Merger Agreement as a result of the condition to closing of the Merger not being satisfied due to the breach or inaccuracy of any representation and warranty made by the Company, or the Company's failure to perform any covenant or agreement, in the Merger Agreement and prior to termination of the Merger Agreement by NCR, a proposal for an alternative transaction is received by the Company or publicly announced and within 12 months after the date of the termination of the Merger Agreement by NCR, the Company enters into or consummates an alternative transaction, or (iii) if the Company commits certain material breaches of its covenants related to non-solicitation provisions and NCR terminates the Merger Agreement as a result.

Pursuant to the Merger Agreement, at the Effective Time, the articles of association of the Company will be amended and restated in their entirety to read identically to the articles of association of Merger Sub, as in effect immediately prior to the Effective Time, and such amended and restated articles of association (the "Articles of Association") will become the articles of association of the surviving company in the Merger (the "Surviving Company") until thereafter amended in accordance with applicable law; provided, however, that at the Effective Time, the Articles of Association will be amended so references to the name of Merger Sub will be replaced by references to the name of the Surviving Company. The directors of Merger Sub immediately prior to the Effective Time will be the initial directors of the Surviving Company, each to hold office in accordance with the Articles of Association of the Surviving Company, and, except as determined by NCR or Merger Sub prior to the Effective Time, the officers of Merger Sub immediately prior to the Effective Time will be the initial officers of the Surviving Company, in each case until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal. In addition, NCR and Merger Sub intend to and will cause the Surviving Company to delist the Shares from The NASDAQ Stock Market and the Tel Aviv Stock Exchange after the Effective Time and to terminate the registration of such Shares under the Securities Exchange Act of 1934 ("Act") after such delisting.

Voting and Support Agreement

Pursuant to the Voting and Support Agreement, the Voting Shareholders have agreed to, among other things, vote the Shares they hold (the "Voting Shares"): (i) in favor of the adoption of the Merger Agreement and the approval of the Merger and the other transactions contemplated by the Merger Agreement; (ii) against any action or agreement (including, without limitation, any amendment of any agreement) that would result in a breach of any representation, warranty, covenant, agreement or other obligation of the Company in the Merger Agreement; (iii) against third-party acquisition proposals and certain other actions, transactions or proposals involving the Company or its subsidiaries; (iv) against any agreement (including, without limitation, any amendment of any agreement), amendment of the charter of the Company or other action that is intended or could reasonably be expected to prevent, impede, interfere with, delay or postpone the consummation of the Merger or the other transactions contemplated by the Merger Agreement; and (v) in favor of any adjournment or postponement of the special meeting of the Company's shareholders for the purpose of voting on the proposal to approve the Merger or other meeting recommended by the Board of Directors of the Company if there are not sufficient votes for adoption of the Merger Agreement and the approval of the Merger on the date on which such meeting is initially held or scheduled, as applicable.

In addition, each Voting Shareholder has agreed to not, directly or indirectly, (i) sell, transfer (including by operation of law), give, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, gift, pledge, encumbrance, assignment or other disposition of, any of its Shares (or any right, title or interest thereto or therein), (ii) deposit any of its Shares into a voting trust or grant any proxies or enter into a voting agreement, power of attorney or voting trust with respect to any of its Shares, (iii) take any action that would make any representation or warranty of such Voting Shareholder set forth in the Voting and Support Agreement untrue or incorrect or have the effect of preventing, disabling or delaying such Voting Shareholder from performing any of its obligations under the Voting and Support Agreement or (iv) agree (whether or not in writing) to take any of the actions referred to in the foregoing clauses.

During the term of the Voting and Support Agreement, each of the Voting Shareholders has agreed not to (whether directly or indirectly through its advisors, agents or other intermediaries), engage in any conduct as to which the Company is prohibited by the non-solicitation provision of the Merger Agreement.

Pursuant to its terms, the Voting and Support Agreement will terminate upon the first to occur of (i) in respect of each Voting Shareholder, the mutual written agreement of NCR, Merger Sub and each Voting Shareholder as to such Voting Shareholder, (ii) the termination of the Merger Agreement in accordance with its terms, (iii) either (a) a change in recommendation of the Merger by the board of directors of the Company, or (b) the board of directors of the Company becoming entitled to take a Specified Action (as defined in the Merger Agreement) pursuant to and in accordance with the Merger Agreement (it being clarified that from the commencement of a Matching Period (as defined in the Merger Agreement) until the lapse of all Matching Periods, the Voting and Support Agreement is not terminated but that the obligations of the Voting Shareholders thereunder are suspended), (iv) the election of a Voting Shareholder (with respect to that Voting Shareholder only) if there is any amendment, waiver or modification to or of any provision of the Merger Agreement that reduces the aggregate amount of proceeds that such Voting Shareholder would receive disproportionately as compared to the other Voting Shareholders, or (v) the Effective Time.

The foregoing summary description of the Merger Agreement and the Voting and Support Agreement do not purport to be complete and is qualified in its entirety by reference to the terms of the

Merger Agreement and the Voting and Support Agreement, copies of which are referenced as Exhibit 4.1 and Exhibit 4.2 hereto, respectively, and are incorporated herein by reference.

Other than as described in this Item 4, neither of the Reporting Persons nor, to the knowledge of the Reporting Persons, do any of the persons identified on Schedule I, currently have any plans or proposals which relate to, or may result in, any of the matters listed in Items 4(a)-(j) of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a)-(b) NCR, NCR International, DHCV, HoldCo and Merger Sub do not directly own any Shares. However, as described in Item 4 above, as a result of the Voting and Support Agreement, based on information provided by the Voting Shareholders, NCR, NCR International, DHCV, HoldCo and Merger Sub may be deemed to beneficially own an aggregate of 9,275,491 Shares (excluding warrants to purchase 1,250,000 Ordinary Shares held by the Alpha Group), representing approximately 37.5% of the outstanding Shares as of November 25, 2012 (excluding warrants to purchase 1,250,000 Ordinary Shares held by the Alpha Group). The warrants held by the Alpha Group are fully exercisable, and if exercised, would be subject to the Voting and Support Agreement. Of all such Shares, NCR, NCR International, DHCV, HoldCo and Merger Sub have sole voting and dispositive power with respect to 0 Shares and may be deemed to have shared voting and dispositive power with respect to all such Shares. The Reporting Persons share voting and dispositive power over such Shares. The information set forth in Item 4 is incorporated herein by reference. NCR, NCR International, DHCV, HoldCo and Merger Sub may be deemed to share with the signatories of the Voting and Support Agreement the power to vote such Shares solely with respect to those matters described in Item 4 of this Statement and in the Voting and Support Agreement, which is incorporated herein by reference. NCR, NCR International, DHCV, HoldCo and Merger Sub also may be deemed to share with the signatories of the Voting and Support Agreement the power to dispose of such Shares subject thereto solely to the extent that the Voting and Support Agreement restricts the ability of the Voting Shareholders to transfer the Voting Shares, as more fully described in Item 4 of this Statement and in the Voting and Support Agreement, which is incorporated herein by reference.

To the Reporting Persons' knowledge, no Shares are beneficially owned by any of the persons named in Schedule I to this Schedule 13D, except for such beneficial ownership, if any, arising solely from the Voting and Support Agreement.

Each of the Reporting Persons disclaims membership in a group with the Voting Shareholders or any member of the group consisting of the Voting Shareholders. Members of the Voting Shareholders may be deemed to be a group with the other members of the group consisting of the Voting Shareholders. The group consisting of the Voting Shareholders previously filed a joint Schedule 13D filing on September 10, 2009, as amended on November 23, 2009 and November 24, 2009.

Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by NCR, NCR International, DHCV, HoldCo or Merger Sub that it is the beneficial owner of any of the Shares referred to herein for purposes of Section 13(d) of the Act or for any other purpose, and such beneficial ownership is expressly disclaimed.

(c) None of NCR, NCR International, DHCV, HoldCo or Merger Sub, or, to their knowledge, any person identified in Schedule I to this Schedule 13D, has effected any transaction in the Shares during the past 60 days, except as disclosed herein.

(d) To the knowledge of NCR, NCR International, DHCV, HoldCo and Merger Sub, no other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds of the sale of, securities covered by this Statement.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of Issuer.

Except as set forth in Item 4, none of NCR, NCR International, DHCV, HoldCo or Merger Sub, or, to their knowledge, any person set forth on Schedule I hereto, has any contracts, arrangements, understandings or relationships (legal or otherwise) with any other person with respect to any securities of the Company. The information set forth in Item 4 relating to the Voting and Support Agreement is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

4.1 Agreement and Plan of Merger by and among NCR Corporation, Moon S.P.V. (Subsidiary) Ltd. and Retalix Ltd., dated as of November 28, 2012, incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8 K filed by NCR on November 28, 2012. Certain schedules referenced in the Agreement and Plan of Merger have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule will be furnished supplementally to the Securities and Exchange Commission upon request.

4.2 Voting and Support Agreement, dated as of November 28, 2012, by and among NCR Corporation, Moon S.P.V. (Subsidiary) Ltd. and each of Boaz Dotan, Eli Gelman, Nehemia Lemelbaum, Avinoam Naor, Mario Segal and M.R.S.G. (1999) Ltd., incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by NCR on November 28, 2012.

99.1 Joint Filing Agreement dated November 28, 2012, among NCR Corporation, NCR International, Inc. Moon S.P.V. (Subsidiary) Ltd., Moon Holdings S.P.V. Ltd. and NCR Dutch Holdings C.V., pursuant to Rule 13d-1(k)(1).*

* Filed herewith

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: December 10, 2012

NCR Corporation

/s/ Jennifer M. Daniels

Jennifer M. Daniels

Senior Vice President, General Counsel and Corporate Secretary

Date: December 10, 2012

NCR International, Inc.

/s/ Jennifer M. Daniels

Jennifer M. Daniels

Chairman and President

Date: December 10, 2012

NCR Dutch Holdings C.V.

By: NCR Corporation, as General Partner

/s/ Jennifer M. Daniels

Jennifer M. Daniels

Senior Vice President, General Counsel and Corporate Secretary

By: NCR International, Inc., as Limited Partner

/s/ Jennifer M. Daniels

Jennifer M. Daniels

Chairman and President

Date: December 10, 2012

Moon Holdings S.P.V. Ltd.

/s/ Robert P. Fishman

Robert P. Fishman

Director

Date: December 10, 2012

Moon S.P.V. (Subsidiary) Ltd.

/s/ Robert P. Fishman
Robert P. Fishman
Director

Schedule I

Directors and Executive Officers of NCR, NCR International, DHCV, HoldCo and Merger Sub

1. NCR

The following table sets forth the names and principal occupations or employment of the directors of NCR, as well as the business address and address for each such person's principal occupation or employment.

Name	Current Principal Occupation or Employment	Business Address and Address of Principal Occupation or Employment
Directors:		
William R. Nuti	Chairman of the Board, Chief Executive Officer and President of NCR. Director of Sprint Nextel Corporation. Retired. Former President and Chief Operating Officer of Computer Sciences Corporation (CSC), an information technology services and consulting firm. Director of Teradata Corporation and Chairman of Engility Holdings, Inc.	3097 Satellite Boulevard, Duluth, Georgia 30096
Edward P. (Pete) Boykin	Retired. Former President and Chief Operating Officer of Computer Sciences Corporation (CSC), an information technology services and consulting firm. Director of Teradata Corporation and Chairman of Engility Holdings, Inc.	3097 Satellite Boulevard, Duluth, Georgia 30096
Richard L. Clemmer	President, Chief Executive Officer and Chairman of NXP B.V., a semiconductor company. Private investor and managing member of Theory R Properties LLC, a commercial real estate firm.	High Tech Campus 60, 5656 AG Eindhoven, The Netherlands
Gary J. Daichendt	Former Executive Vice President, Cisco Systems, Inc. Chairman of ShoreTel Inc. Retired. Former Executive Vice President, Global Operations & Technology of First Data Corporation, an electronic commerce and payments company.	300 Pacific Coast Highway, Suite 119, Huntington Beach, CA 92648
Robert P. DeRodes	Retired. Former Executive Vice President, Global Operations & Technology of First Data Corporation, an electronic commerce and payments company.	3097 Satellite Boulevard, Duluth, Georgia 30096
Kurt P. Kuehn	Chief Financial Officer of United Parcel Service, Inc. Retired. Former Chair of the Board of Directors of Connexus Corporation (formerly VendareNetblue), an online marketing company. Director of Jacobs Engineering Group Inc., Ingram Micro Inc., Hertz Global Holdings, Inc. and The Western Union Company.	55 Glenlake Parkway, NE, Atlanta, GA 30328
Linda Fayne Levinson	Retired. Former Chair of the Board of Directors of Connexus Corporation (formerly VendareNetblue), an online marketing company. Director of Jacobs Engineering Group Inc., Ingram Micro Inc., Hertz Global Holdings, Inc. and The Western Union Company.	3097 Satellite Boulevard, Duluth, Georgia 30096
Deanna W. Oppenheimer	Chief Executive Officer of CameoWorks, LLC, a global retail and financial services advisory firm.	1420 5 th Avenue, Suite 3250, Seattle, WA 98101

The following table sets forth the names and principal occupations or employment of the executive officers of NCR. The business address and the address for each person's principal occupation or employment is 3097 Satellite Boulevard, Duluth, Georgia 30096.

Executive Officers:

William R. Nuti	Chairman of the Board, Chief Executive Officer and President
Robert P. Fishman	Senior Vice President, Chief Financial Officer and Chief Accounting Officer
John G. Bruno	Chief Technology Officer and Executive Vice President, Corporate Development
Peter A. Leav	Executive Vice President and President, Industry and Field Operations
Peter A. Dorsman	Executive Vice President and Chief Quality Officer
Andrea L. Ledford	Senior Vice President and Chief Human Resources Officer
Jennifer M. Daniels	Senior Vice President, General Counsel and Corporate Secretary

2. NCR International

The following table sets forth the names and principal occupations or employment of the directors and executive officers of NCR International. The business address and the address for each person's principal occupation or employment is 3097 Satellite Boulevard, Duluth, Georgia 30096.

Name	Current Principal Occupation or Employment
Directors:	
Jennifer M. Daniels	Senior Vice President, General Counsel and Corporate Secretary of NCR Corporation
Chanda L. Kirchner	Senior Corporate Counsel and Assistant Secretary of NCR Corporation
Richard P. McKenzie	Vice President, Corporate Tax of NCR Corporation
John Boudreau	Treasurer of NCR Corporation
Executive Officers:	
Jennifer M. Daniels	Chairman of the Board and President
Chanda L. Kirchner	Vice President and Secretary
John Boudreau	Treasurer
Richard P. McKenzie	Assistant Treasurer

3. DHCV

DHCV is a limited partnership. Its general partner is NCR and its limited partner is NCR International. The names and principal occupations or employment of the directors and executive officers of NCR and NCR International are set forth above. The business address and the address for each such person's principal occupation or employment is 3097 Satellite Boulevard, Duluth, Georgia 30096.

4. HoldCo

The following table sets forth the names and principal occupations or employment of the directors of HoldCo. HoldCo has no executive officers. The business address and the address for each person's principal occupation or employment is 3097 Satellite Boulevard, Duluth, Georgia 30096, other than Daniel Marcus whose business address is Nitsba Tower, 18th Fl., 17 Yitzhak Sadeh St. Tel-Aviv 67775 Israel.

Name	Current Principal Occupation or Employment
John G. Bruno	Chief Technology Officer and Executive Vice President, Corporate Development of NCR Corporation
R. Scott Kingsfield	Senior Vice President and General Manager of Retail Line of Business of NCR Corporation
Robert P. Fishman	Senior Vice President, Chief Financial Officer and Chief Accounting Officer of NCR Corporation
Daniel Marcus	Partner at Amit, Pollak, Matalon & Co.

5. Merger Sub

The following table sets forth the names and principal occupations or employment of the directors of Merger Sub. Merger Sub has no executive officers. The business address and the address for each person's principal occupation or employment is 3097 Satellite Boulevard, Duluth, Georgia 30096, other than Daniel Marcus whose business address is Nitsba Tower, 18th Fl., 17 Yitzhak Sadeh St. Tel-Aviv 67775 Israel.

Name	Current Principal Occupation or Employment
John G. Bruno	Chief Technology Officer and Executive Vice President, Corporate Development of NCR Corporation
R. Scott Kingsfield	Senior Vice President and General Manager of Retail Line of Business of NCR Corporation
Robert P. Fishman	Senior Vice President, Chief Financial Officer and Chief Accounting Officer of NCR Corporation
Daniel Marcus	Partner at Amit, Pollak, Matalon & Co.

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Section 4.10. Litigation. Other than those disclosed to the Buyer by the date hereof, there is no action, suit, investigation or proceeding (or any basis therefor) pending against or affecting, or to the knowledge of the Company, threatened against, the Company or any of its Subsidiaries or any of their respective properties before any arbitrator or any Governmental Authority.

Section 4.11. Compliance with Laws and Court Orders. (a) Neither the Company nor any of its Subsidiaries is in violation of, and has not violated, and to the knowledge of the Company is not under investigation with respect to and has not been threatened to be charged with or given notice of any violation of, any Applicable Law.

(b) Neither the Company nor any of its Subsidiaries has received written notice that it is under investigation with respect to any violation of any Applicable Laws. Other than those disclosed to the Buyer prior to the date hereof, there is no judgment, decree, injunction, rule or order of any arbitrator or Governmental Authority outstanding against the Company or any of its Subsidiaries.

(c) Article 6 None of the Company, any of its Subsidiaries, or any of the directors, employees or agents of the Company or any of its Subsidiaries has made any offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to any Government Official or political party for purposes of influencing any act or decision of such official or party in his or its official capacity, in order to obtain or retain business or secure any improper advantage.

(ii) No Seller (other than Shanda Networking) is a Government Official (or close family member of a Government Official) who is in a position to award or influence decisions favorable to the Company or any of its Subsidiaries. To the knowledge of the Company, none of the officers or directors of the Company or any of its Subsidiaries is a Government Official (or close family member of a Government Official) who is in a position to award or influence decisions favorable to the Company or any of its Subsidiaries.

Section 4.12. Properties. The Company and its Subsidiaries have good and marketable title to, or in the case of leased property and assets have valid leasehold interests in, all property and assets (whether real, personal, tangible or intangible) currently used or held by the Company or its Subsidiaries. None of such property or assets is subject to any Lien.

Section 4.13. Intellectual Property.

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- (a) The Company and each of its Subsidiaries owns, or is licensed to use or distribute, as applicable, pursuant to a written agreement (in each case, free and clear of any Liens), all Intellectual Property used in, distributed by the Company or any of its Subsidiaries in, or necessary for the conduct of its business as currently conducted, and the Company has delivered to Buyer a complete and correct list of such Intellectual Property.
- (b) Other than disclosed to the Buyer prior to the date hereof, neither the Company nor any of its Subsidiaries has infringed, misappropriated or otherwise violated the Intellectual Property of any Person.
- (c) Other than disclosed to the Buyer prior to the date hereof, the Company and its Subsidiaries (i) are not hosting any contents on (or otherwise accessible through) their websites that were uploaded, posted or otherwise made accessible through such websites in breach of any Applicable Laws relating to any Intellectual Property of any Person and (ii) have taken all measures to satisfy the safe harbor specified in the PRC IP Laws.
- (d) To the knowledge of the Company, no Person has challenged, infringed, misappropriated or otherwise violated any Intellectual Property owned by the Company or any of its Subsidiaries.
- (e) Except for those that have been disclosed to Buyer prior to the date hereof, neither the Company nor any of its Subsidiaries has received any written notice or otherwise has knowledge of any pending or threatened claim, action, suit, order or proceeding with respect to any Intellectual Property used or distributed by the Company or any of its Subsidiaries or alleging that any services provided, processes used or products distributed, manufactured, used, imported, offered for sale or sold by the Company or any of its Subsidiaries infringes, misappropriates or otherwise violates any Intellectual Property of any Person.
- (f) The consummation of the transactions contemplated by this Agreement will not alter, encumber, impair or extinguish any Intellectual Property of the Company or any of its Subsidiaries or impair the right of Buyer to distribute, develop, use, sell, license or dispose of, or to bring any action for the infringement of, any Intellectual Property owned by the Company or any of its Subsidiaries.
- (g) The Company and its Subsidiaries have taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of all trade secrets owned, used or held for use by the Company or any of its Subsidiaries and no such trade secrets have been disclosed other than to employees, representatives and agents of the Company or any of its Subsidiaries all of whom are bound by written confidentiality agreements.
- (h) The IT Assets operate and perform in a manner that permits the Company and its Subsidiaries to conduct their respective businesses as currently conducted and to the knowledge of the Company, no Person has gained unauthorized access to the IT Assets.
- (i) The Company and its Subsidiaries have implemented reasonable backup and disaster recovery technology consistent with industry practices.
- (j) All Software owned by the Company or any of its Subsidiaries was (A) developed by employees of the Company or its Subsidiaries working within the scope of their employment, (B) developed by officers, directors, agents, consultants, contractors, subcontractors or others who have executed appropriate instruments of assignment or who have agreed in writing to effect such assignment, which ultimately runs in favor of the Company or one of its Subsidiaries as assignee,

which assignments have conveyed or will convey to the Company or such Subsidiary ownership of all of such person's rights in the Intellectual Property relating to such developments, or (C) acquired in connection with acquisitions in which the Company or one of its Subsidiaries obtained appropriate representations, warranties or indemnities from the transferring party relating to the title to such Intellectual Property.

(k) There are no defects in any Software distributed by the Company or any of its Subsidiaries that would prevent such Software from performing in accordance with its user specifications and there are no viruses, worms, Trojan horses or similar programs in any such Software.

(l) None of the Software distributed by the Company or any of its Subsidiaries contains any software code that is licensed under any terms or conditions that require that any software be (A) made available or distributed in source code form, (B) licensed for the purpose of making derivative works, (C) licensed under terms that allow reverse engineering, reverse assembly or disassembly of any kind or (D) redistributable at no charge.

Section 4.14. Licenses and Permits. Each license, franchise, permit, certificate, approval or other similar authorization affecting, or relating in any way to, the assets or business of the Company and its Subsidiaries (the "Permits") is valid and in full force and effect in all material respects. Neither the Company nor any of its Subsidiaries is in material default under, and no condition exists that with notice or lapse of time or both would constitute a material default under, the Permits. None of the Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

Section 4.15. Selling Documents . None of the documents or information delivered to Buyer in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading.

Section 4.16. Finders' Fees. There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 4.17. Taxes. (a) All Tax Returns required by Applicable Law to be filed with any Taxing Authority by, or on behalf of, the Company or any of its Subsidiaries have been in accordance with all Applicable Law, and all filed Tax Returns are true and complete in all material respects.

(b) The Company and each of its Subsidiaries has paid (or has had paid on its behalf) or has withheld and remitted to the appropriate Taxing Authority all Taxes due and payable, or, where payment is not yet due, has established (or has had established on its behalf and for its sole benefit and recourse) in accordance with PRC GAAP an adequate accrual for all Taxes through the end of the last period for which the Company and its Subsidiaries ordinarily record items on their respective books.

(c) The income and franchise Tax Returns of the Company and its Subsidiaries through the Tax year ended December 31, 2010 have been examined and closed or are Tax Returns with respect to which the applicable period for assessment under Applicable Law, after giving effect to extensions or waivers, has expired.

(d) There is no claim, audit, action, suit, proceeding or investigation now pending or, to the knowledge of the Company, threatened against or with respect to the Company or any of its Subsidiaries in respect of any Tax or Tax asset.

(e) No assessment of Tax has been proposed in writing against the Company or any of its Subsidiaries or any of their respective assets and properties and to the knowledge of the Company, there are no grounds for any such assessment. There are no outstanding agreements, waivers or arrangements extending the statutory period of limitation applicable to any claim for, or the period for the collection or assessment of, Taxes due from or with respect to the Company or any of its Subsidiaries for any taxable period.

(f) Neither the Company nor any of its Subsidiaries has participated in any arrangement whereby any Tax liability or any Tax asset of the Company or any of its Subsidiaries was determined or taken into account for Tax purposes with reference to or in conjunction with any Tax liability or any Tax asset of any other person.

(g) "Tax" means (i) any tax, governmental fee or other like assessment or charge of any kind whatsoever (including withholding on amounts paid to or by any Person), together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority (a "Taxing Authority") responsible for the imposition of any such tax (domestic or foreign), and any liability for any of the foregoing as transferee, (ii) in the case of the Company or any of its Subsidiaries, liability for the payment of any amount of the type described in clause (i) as a result of being or having been before the Closing Date a member of an affiliated, consolidated, combined or unitary group, or a party to any agreement or arrangement, as a result of which liability of the Company or any of its Subsidiaries to a Taxing Authority is determined or taken into account with reference to the activities of any other Person, and

Article 10 liability of the Company or any of its Subsidiaries for the payment of any amount with respect to the payment of any amount imposed on any Person of the type described in (i) or (ii) as a result of any existing express or implied agreement or arrangement (including an indemnification agreement or arrangement). "Tax Return" means any report, return, document, declaration or other information or filing required to be supplied to any Taxing Authority with respect to Taxes, including information returns, any documents with respect to or accompanying payments of estimated Taxes, or with respect to or accompanying requests for the extension of time in which to file any such report, return, document, declaration or other information, and any election with respect to Taxes.

Section 4.18. Employees; Labor Relations.

(a) None of the employees of the Company and its Subsidiaries has indicated to the Company or such Subsidiary that he or she intends to resign or retire as a result of the transactions contemplated by this Agreement or otherwise within one year after the Closing Date.

(b) There are no disputes pending or, to the knowledge of the Company, threatened in writing between the Company or any of its Subsidiaries and any trade union or other representatives of its employees. Neither the Company nor any of its Subsidiaries has entered into any collective bargaining agreement with any labor union.

(c) Each of the Company and its Subsidiaries (i) is in compliance with all Applicable Laws in all material respects relating to their respective employees, consultants, dispatched, subcontracted or outsourced workers and independent contractors, including all such Applicable Laws, Contracts, policies or plans relating to wages, hours, collective bargaining, compensation, benefits, terms and conditions of employment, termination of employment, employment

discrimination, immigration, disability, civil rights, occupational safety and health, workers' compensation, pay equity, collection and payment of withholding and/or social contribution taxes and similar Taxes, national pension, national medical insurance, worker's compensation insurance, unemployment insurance and other mandatory social security matters, and (ii) is not engaged, in any material respect, in any unfair labor practice or discriminatory employment practice that is prohibited by Applicable Laws.

(d) Each of the Company and its Subsidiaries has complied with all Applicable Laws relating to social insurance and other benefits, including pension, medical insurance, work-related injury insurance, birth and nursery insurance and unemployment insurance (collectively, the "Social Insurance"). All contributions or payments required to be made or paid by each such Subsidiary or any employees of such Subsidiary to the relevant Governmental Authority with respect to any Social Insurance have been made or fully deducted, as applicable, and paid to on or before their due dates.

(e) No employee or former employee of the Company or any of its Subsidiaries will become entitled to any bonus, retirement, severance, job security or similar benefit or enhanced such benefit (including acceleration of vesting or exercise of an incentive award) as a result of the transactions contemplated hereby.

(f) Neither the Company nor any of its Subsidiaries has any material liabilities in respect of actual or contingent employment termination payments to employees (including any severance payments, any cash-out or acceleration of options and restricted stock and any "gross-up" payments with respect to any of the foregoing).

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to each Seller as of the date hereof and as of the Closing Date that:

Section 5.01. Corporate Existence and Power. Buyer is a company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands and has all corporate powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted.

Section 5.02. Corporate Authorization. The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby are within the corporate powers of Buyer and have been duly authorized by all necessary corporate action on the part of Buyer (other than the Buyer Shareholder Approval). This Agreement constitutes a legal, valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity).

Section 5.03. Governmental Authorization. The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby require no material action by or in respect of, or material filing with, any Governmental Authority other than the registration of the transfer of such Seller's Sold Interest with SAIC.

Section 5.04. Noncontravention. The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby do not and will not

(i) contravene, conflict with, or result in any violation or breach of any provision of the memorandum and articles of incorporation of Buyer, (ii) contravene, conflict with or result in a violation or breach of any provision of any Applicable Law or (iii) require the consent or waiver of any third party.

Section 5.05. Litigation. There is no action, suit, investigation or proceeding pending against or, to the knowledge of Buyer, threatened against or affecting Buyer before any Governmental Authority which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Agreement.

Section 5.06. Issuance of Buyer Shares. Such Seller's Consideration Shares, when issued pursuant hereto, shall be fully paid and nonassessable.

ARTICLE 6 COVENANTS

Section 6.01. Best Efforts; Further Assurances. (a) Subject to the terms and conditions of this Agreement, each Seller and Buyer will use their best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Laws to consummate the transactions contemplated by this Agreement and such Seller's Lock-Up Agreement, including (i) preparing and filing as promptly as practicable with any Governmental Authority or other third party all documentation to effect all necessary filings, notices, statements, registrations, submissions of information, applications and other documents and (ii) obtaining and maintaining all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any Governmental Authority or other third party that are necessary, proper or advisable to consummate the transactions contemplated by this Agreement and such Seller's Lock-Up Agreement.

(b) Each Seller agrees to execute and deliver, and cause to be executed and delivered, such agreements, instruments of transfer, assignments and other good and sufficient instruments of conveyance, transfer and assignment as may be necessary, desirable or appropriate to consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Buyer (or the Buyer Designee) all right, title and interest in such Seller's Sold Interest.

Section 6.02. Certain Filings. Sellers and Buyer shall cooperate with one another (i) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (ii) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

Section 6.03. Public Announcements. The parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated hereby and, except for any press releases and public statements the making of which may be required by applicable Laws or any listing agreement with any securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

Section 6.04. Conduct of the Company. (a) From the date hereof until the Closing Date, except as permitted by any other provision of this Agreement, each Seller shall use

commercially reasonable efforts in its capacity as a shareholder of the Company and through persons designated by such Seller to the board of directors of the Company to instruct the Company to, and to cause each Subsidiary of the Company to, conduct its business in the ordinary course consistent with past practice and use its commercially reasonable best efforts to (i) preserve intact its present business organization, (ii) maintain in effect all of its foreign, federal, state and local licenses, permits, consents, franchises, approvals and authorizations, (iii) keep available the services of its directors, officers and key employees and (iv) maintain satisfactory relationships with its customers, lenders, suppliers and others having material business relationships with it.

(b) Without limiting the generality of the foregoing, except as expressly contemplated by this Agreement, from the date hereof until the Closing Date, the Sellers shall not permit the Company and its Subsidiaries to, and shall cause the Company and its Subsidiaries not to, do any of the following without the prior written consent of Buyer:

(i) amend the constitutional documents (whether by merger, consolidation or otherwise) of the Company;

(ii) declare, set aside or pay any dividend or other distribution (whether in cash or property or any combination thereof) in respect of the equity interest in the Company, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any equity interest in the Company;

(iii) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of any equity interest in the Company or any of its Subsidiaries;

(iv) incur any capital expenditures or any obligations or liabilities in respect thereof, except for any capital expenditures not to exceed RMB\$50,000 individually or RMB\$100,000 in the aggregate;

(v) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets, securities, properties, interests or businesses, other than supplies in the ordinary course of business in a manner that is consistent with past practice;

(vi) sell, lease or otherwise transfer, or create or incur any Lien on, any of the assets, securities, properties, interests or businesses of the Company or any of its Subsidiaries;

(vii) make any loans, advances or capital contributions to, or investments in, any other Person;

(viii) create, incur, assume, suffer to exist or otherwise be liable with respect to any indebtedness for borrowed money or guarantees thereof;

(ix) (A) enter into any agreement or arrangement that limits or otherwise restricts in any material respect the Company or any of its Subsidiaries or that would, after the Closing Date, limit or restrict in any material respect the Company, Buyer or any of their respective affiliates, from engaging or competing in any line of business, in any location or with any Person or (B) enter into, amend or modify in any material respect or terminate any material contract or otherwise waive, release or assign any material rights, claims or benefits of the Company or any of its Subsidiaries;

(x) (A) grant or increase any severance or termination pay to (or amend any existing arrangement with) any director, officer or employee of the Company or any of its Subsidiaries, (B) increase benefits payable under any existing severance or termination pay policies or employment agreements, (C) enter into any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any director, officer or employee of the Company or any of its Subsidiaries, (D) establish, adopt or amend (except as required by Applicable Law) any bonus, profit-sharing, pension, retirement, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of the Company or any of its Subsidiaries or (E) increase compensation, bonus or other benefits payable to any director, officer or employee of the Company or any of its Subsidiaries;

(xi) settle, or offer or propose to settle, (A) any material litigation, investigation, arbitration, proceeding or other claim involving or against the Company or any of its Subsidiaries, (B) any shareholder litigation or dispute against the Company or any of its Subsidiaries or any of their respective officers or directors or (C) any litigation, arbitration, proceeding or dispute that relates to the transactions contemplated hereby; or

(xii) agree, resolve or commit to do any of the foregoing.

Section 6.05. Lock-up Agreements. (a) Each of the Sellers (other than Shanda Networking) shall execute and deliver to Buyer a Lock-Up Agreement under which such Seller (or Shanda Media, as applicable) will agree not to transfer or dispose of any of its Consideration Shares acquired pursuant to this Agreement by the second anniversary of the Closing Date without the prior written consent of Buyer.

(b) Shanda Networking shall cause Shanda Media to execute and deliver to Buyer a Lock-Up Agreement under which Shanda Media will agree not to transfer or dispose of any of Shanda Networking's Consideration Shares acquired pursuant to this Agreement within 181 days following the Closing Date without the prior written consent of Buyer.

Section 6.06. Noncompetition. (a) Each Seller (other than Shanda Networking) agrees that for a period of three full years after the Closing Date, neither it nor any of its Affiliates shall:

(i) engage, either directly or indirectly, as a principal or for its own account or solely or jointly with others, or as shareholders in any company, in any business that competes with the business of Buyer and its Subsidiaries as it exists on the Closing Date; or

(ii) employ or solicit, or receive or accept the performance of services by any current employee of the Company or any of its Subsidiaries.

Section 6.07. Employment Agreement. Each Seller (other than Shanda Networking and Mr. Wu) agrees that he will enter into an employment agreement with Buyer prior to the Closing in a form satisfactory to Buyer, which will provide for a service term of two years from the Closing Date (collectively, the "Employment Agreements").

Section 6.08. Resignation. Mr. Yang agrees that (x) prior to the Closing, he will resign from all companies (other than the Company and its Subsidiaries) to which he currently provides any service, by which he currently is employed or in which he currently holds any position as an employee and (y) after the Closing, he will devote his time and efforts to work for Buyer;

provided that Mr. Yang may continue to hold his position as directors of companies other than the Company and its Subsidiaries if he currently holds such position.

Section 6.09. Domain Name Transfer. Mr. Yang agrees that, prior to the Closing, he will transfer the domain name www.pipi.com to a company designated by Buyer at a price of RMB 1,000,000 and enter into all agreements and instruments and obtain and make all government consents and filings to effect such transfer by the Closing.

Section 6.10. ADS Facility. (a) Each Seller agrees that such Seller shall not, prior to the day on which all of such Seller's Consideration Shares have become freely transferrable under the 1933 Act and under such Seller's Lock-Up Agreement, deposit any of its Consideration Shares into the unrestricted ADS facility of Buyer with the depository of the ADSs nor request the issuance of by such depository of any unrestricted ADSs in respect of any such Consideration Shares.

(b) Each Seller agrees that when ADSs are issued to such Seller with respect to the Consideration Shares of such Seller, the number of such ADSs shall be rounded down to a whole number such that after such issuance such Seller shall not hold any Buyer Shares not represented in ADSs.

Section 6.11. Waiver of Existing Rights. Each Seller hereby waives its right of first refusal, right of co-sale and right of first offer and similar rights with respect to the sale of any equity interest in the Company by each other Seller under this Agreement, regardless where such rights are set forth.

Section 6.12. SAFE Registration. Each Seller will make reasonable endeavors to complete all necessary foreign exchange registrations with the State Administration of Foreign Exchange of the PRC required by the Applicable Laws for the holding of such Seller's Consideration Shares as soon as practicable following the Closing.

Section 6.13. Conduct of Buyer. From the date hereof until the Closing Date, Buyer shall conduct its business in the ordinary course consistent with past practice. Without limiting the generality of the foregoing, from the date hereof until the Closing Date Buyer shall not:

- (a) amend its memorandum and articles of association (whether by merger, consolidation or otherwise);
- (b) (i) split, combine or reclassify any shares of its capital stock or (ii) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock;
- (c) merge with or into any Person; or
- (d) agree, resolve or commit to do any of the foregoing.

Section 6.14. Buyer Shareholder Meeting. Buyer shall use its commercially reasonable best efforts to take all actions in accordance with law, the organizational documents of Buyer and the rules of NASDAQ to promptly and duly call, give notice of, convene and hold as promptly as practicable, a meeting of its shareholders for the purpose of approving the issuance of Buyer Shares pursuant to this Agreement.

Section 6.15. NASDAQ Listing. Buyer shall use its commercially reasonable efforts to cause the Buyer Shares to be authorized for listing on NASDAQ, subject to official notice of issuance, as soon as reasonably practicable.

Section 6.16. Confidentiality. (a) Each party will hold, and cause its respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Applicable Law, the existence of and parties to this Agreement and the terms of and the transactions contemplated by this Agreement.

(b) After the Closing, each Seller and its Affiliates will hold, and will use their commercially reasonable best efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the Company and its Subsidiaries, except to the extent that such information can be shown to have been (i) previously known on a nonconfidential basis by such Seller, (ii) in the public domain through no fault of such Seller or its Affiliates or (iii) later lawfully acquired by such Seller from sources other than those related to its prior ownership of the Company and its Subsidiaries. The obligation of each Seller and its Affiliates to hold any such information in confidence shall be satisfied if they exercise the same care with respect to such information as they would take to preserve the confidentiality of their own similar information.

Section 6.17. Board Seat. Promptly after the Closing Date, Buyer shall increase the size of the Board of Directors of Buyer from nine to 11 and cause an individual to be designated by the Company on the Closing Date to be appointed as a member of the Board of Directors of Buyer whose term shall be one year from the date of appointment (the "Initial Company Designee"). So long as the Sellers (excluding Shanda Networking) hold at least 9% of the outstanding Buyer Shares, Mr. Yang will have the right to designate a member of the Board of Directors of Buyer after the Initial Company Designee has served his term.

ARTICLE 7 CONDITIONS TO CLOSING

Section 7.01. Conditions to Obligations of Buyer and Sellers. The obligations of Buyer and Sellers to consummate the transactions contemplated hereby at the Closing are subject to the satisfaction of the following conditions:

- (a) All actions by or in respect of or filings with any Governmental Authority required to permit the consummation of the Closing shall have been taken, made or obtained.
- (b) No Applicable Law shall prohibit the consummation of the Closing.
- (c) The shareholders of Buyer shall have approved the issuance of the Buyer Shares to Sellers pursuant to 0.

Section 7.02. Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated hereby at the Closing are subject to the satisfaction of the following conditions:

- (a) (i) Each Seller shall have performed all of its or his obligations hereunder required to be performed by it or him/her on or prior to the Closing Date, (ii) the representations and

warranties of each Seller contained in this Agreement and in any certificate or other writing delivered by the Sellers pursuant hereto shall be true in all material respects at and as of the Closing Date as if made at and as of such time, and (iii) Buyer shall have received a certificate signed by such Seller (if an individual) or a director of such Seller (if not an individual) to the foregoing effect.

(b) Buyer shall have received the resignation letters of all directors of the Company.

(c) Each of the Sellers (other than Shanda Networking) and Shanda Media shall have executed and delivered to Buyer such Seller's Lock-Up Agreement and such agreement shall remain in full force and effect.

(d) The Sellers (other than Shanda Networking and Mr. Wu) shall have executed and delivered to Buyer the Employment Agreements.

(e) Mr. Yang shall have transferred the domain name www.pipi.com to a company designated by Buyer at a price of RMB 1,000,000.

(f) Mr. Yang shall have resigned from all companies (other than the Company and its Subsidiaries) to which he currently provides any service, by which he currently is employed or in which he currently holds any position as an employee (other than as a director).

Section 7.03. Conditions to Obligations of Sellers. The obligations of each Seller to consummate the transactions contemplated hereby at the Closing are subject to the satisfaction of the following conditions:

(a) (i) Buyer shall have performed all of its obligations hereunder required to be performed by it at or prior to the Closing Date, (ii) the representations and warranties of Buyer contained in this Agreement and in any certificate or other writing delivered by Buyer pursuant hereto shall be true in all material respects at and as of the Closing Date as if made at and as of such date and (iii) such Seller shall have received a certificate signed by the Chief Executive Officer of Buyer to the foregoing effect.

ARTICLE 8 TERMINATION

Section 8.01. Grounds for Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of the Company and Buyer;

(b) by either the Company or Buyer if the Closing shall not have been consummated on or before June 30, 2011 (the "Drop Dead Date"); or

(c) by either the Company or Buyer if there shall be any Applicable Law that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited or if consummation of the transactions contemplated hereby would violate any nonappealable final order, decree or judgment of any Governmental Authority having competent jurisdiction.

The party desiring to terminate this Agreement pursuant to clauses 8.01(b) or 8.01(c) shall give notice of such termination to the other party.

Section 8.02. Effect of Termination. If this Agreement is terminated as permitted by Section 9.01, such termination shall be without liability of either party (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to the other party to this Agreement; provided that if such termination shall result from the (i) willful failure of either party to fulfill a condition to the performance of the obligations of the other party, (ii) failure to perform a covenant of this Agreement or (iii) breach by either party hereto of any representation or warranty or agreement contained herein, such party shall be fully liable for any and all Damages incurred or suffered by the other party as a result of such failure or breach. The provisions of

Sections 6.03, 6.16(a), 9.03, 9.05 and 9.08 shall survive any termination hereof pursuant to Section 9.01.

ARTICLE 9 MISCELLANEOUS

Section 9.01. Notices. Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, or mail, to the following addresses:

If to any Seller, to the address of such Seller set forth opposite the name of such Seller on Schedule I.

If to the Company to:

Hangzhou Soushi Networking Co., Ltd.
Room 5B, Building B, Paradise Software Park,
No. 3 Xidoumen Road, Hangzhou 310012,
the People's Republic of China
Attn: Lianghai Yang
Facsimile: (86 0571) 88935755

If to Buyer to:

Ku6 Media Co., Ltd.
Building 6, Zhengtongchuangyi Centre
Beijing 100020, the People's Republic of China
Attn: Xiaomei Pang
Facsimile: (86 10) 5758-6898

or to such other addresses or telecopy numbers as may be specified by like notice to the other party. All such notices, requests and other communications shall be deemed given, (a) when delivered in person or by courier or a courier services, (b) if sent by facsimile transmission (receipt confirmed) on a Business Day prior to 5 p.m. in the place of receipt, on the date of transmission (or, if sent after 5 p.m., on the following Business Day) or (c) if mailed by certified mail (return receipt requested), on the date specified on the return receipt.

Section 9.02. Amendments; No Waivers. (a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Buyer and each Seller, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. Expenses. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 9.04. Successors and Assigns; Assignment. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that neither party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto. If any party or any of its successors or permitted assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of such party shall assume all of the obligations of such party under the Agreement.

Section 9.05. Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to the conflicts of laws rules thereof.

Section 9.06. Counterparts; Effectiveness; Third-Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and permitted assigns.

Section 9.07. Entire Agreement. This Agreement and the Lock-Up Agreements of the Sellers constitute the entire understanding of the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter of this Agreement.

Section 9.08. Jurisdiction. Any dispute arising out of or in connection with this Agreement shall be settled by arbitration in Hong Kong under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules. The dispute shall be resolved by one arbitrator appointed by the parties. If the parties cannot agree on one arbitrator, the dispute shall be resolved by three arbitrators, one appointed by Seller, one appointed by Buyer and the third appointed by the first two arbitrators. The arbitration proceedings shall be conducted in English. Any award is

final and may be enforced in any court of competent jurisdiction. The award shall apportion the costs of arbitration. The parties shall duly and punctually perform their obligations hereunder pending issuance of the arbitral award.

Section 9.09. Termination. This Agreement may be terminated at any time prior to the Closing by mutual written agreement of Buyer, on the one side, and the Sellers collectively, on the other side. In the event this Agreement is terminated pursuant to the preceding sentence, none of the parties hereto nor any of its directors or officers (if applicable) shall have any liability or further obligation to the other party.

Section 9.10. Severability. If any one or more of the provisions contained in this Agreement should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a declaration, the parties shall modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 9.11. Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

Section 9.12. Specific Performance. Each party to this Agreement acknowledges and agrees that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each party agrees that, if there is a breach or threatened breach, in addition to any damages, the other non-breaching party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching party (i) to perform its obligations under this Agreement or (ii) if the breaching party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other party to this Agreement the economic effect which comes as close as possible to the performance of those obligations (including, but not limited to, transferring, or granting liens on, the assets of the breaching party to secure the performance by the breaching party of those obligations).

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Ku6 Media Co., Ltd.

By:

Name:

Title:

SHANGHAI SHANDA NETWORKING
CO., LTD.

By:

Name:

Title:

LIANGHAI YANG

BIN WU

CHANGZHUANG YANG

ZHONGXUE HUANG

YONG CHEN

KUN ZHANG

SCHEDULE I
List of Sellers

NAME	CITIZENSHIP/ JURISIDCTION	PERCENTAGE OF EQUITY INTEREST IN COMPANY	ADDRESS
Shanghai Shanda Networking Co., Ltd.	PRC	32%	Room 5B, Building B, Paradise Software Park, No. 3 Xidoumen Road, Hangzhou 310012, the People's Republic of China
Lianghai Yang	PRC, ID Number: 350322197601131556	37.4%	Room 5B, Building B, Paradise Software Park, No. 3 Xidoumen Road, Hangzhou 310012, the People's Republic of China
Bin Wu	PRC, ID Number: 330724197310070053	21.76%	Room 5B, Building B, Paradise Software Park, No. 3 Xidoumen Road, Hangzhou 310012, the People's Republic of China
Changzhuang Yang	PRC, ID Number: 452421197511151013	3.54%	Room 5B, Building B, Paradise Software Park, No. 3 Xidoumen Road, Hangzhou 310012, the People's Republic of China
Zhongxue Huang	PRC, ID Number: 42212319750826291 X	2.72%	Room 5B, Building B, Paradise Software Park, No. 3 Xidoumen Road, Hangzhou 310012, the People's Republic of China
Yong Chen	PRC, ID Number: 332621197411070156	1.90%	Room 5B, Building B, Paradise Software Park, No. 3 Xidoumen Road, Hangzhou 310012, the People's Republic of China
Kun Zhang	PRC, ID Number: 340321197810010816	0.68%	Room 5B, Building B, Paradise Software Park, No. 3 Xidoumen Road, Hangzhou 310012, the People's Republic of China
Total		100%	

SCHEDULE II

Consideration Shares

NAME OF SELLERS	NUMBER OF CONSIDERATION SHARES
Shanghai Shanda Networking Co., Ltd.	707,876,562
Lianghai Yang	827,330,732
Bin Wu	481,356,062
Changzhuang Yang	78,308,845
Zhongxue Huang	60,169,508
Yong Chen	42,030,171
Kun Zhang	15,042,377
Total	2,212,114,257

EXHIBIT A

FORM OF LOCK-UP AGREEMENT

_____, 2011

Ku6 Media Co., Ltd.
Building 6, Zhengtongchuangyi Centre
Beijing 100020, People's Republic of China
Attention: Pang Xiaomei and Christina Low F.S.

Re: Ku6 Media Co., Ltd. – Lock-up Agreement

Ladies and Gentlemen:

The undersigned understands that Ku6 Media Co., Ltd. (“Buyer”) has entered into an Equity Purchase Agreement (the “EPA”) with the Sellers (as defined in the EPA) including the undersigned dated April 20, 2011, pursuant to which Buyer will issue to the undersigned [] ordinary shares, par value US\$0.00005 per share, of Buyer (the “Subject Shares”) as consideration for the sale of []% of the equity interest in Hangzhou Soushi Networking Co., Ltd. () held by the undersigned to Buyer, at the closing of the transactions contemplated by the EPA.

As a condition and inducement to Buyer's willingness to consummate the transactions contemplated by the EPA, the undersigned hereby agrees that, without the prior written consent of Buyer, it will not, during the period commencing on the Closing Date (as defined in the EPA) and ending on the [second anniversary of the Closing Date]1[182nd day after the Closing Date]2 (the “Lock-up Period”), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Subject Share or any securities convertible into or exercisable or exchangeable for the Subject Shares or any interest in the foregoing or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Subject Share, whether or not represented in American Depositary Shares, whether now owned or hereinafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the Securities and Exchange Commission of the United States of America, and whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Subject Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, the undersigned may transfer some or all of the Subject Shares held by the undersigned to any Person [which is 100% owned by the undersigned]3 [which is an affiliate of the undersigned]4 if such Person will execute and deliver to Buyer simultaneously with such transfer a Lock-Up Agreement substantially similar to this Lock-Up Agreement.

The undersigned understands that Buyer is relying upon this Lock-up Agreement in proceeding toward consummation of the transactions contemplated by the EPA. The undersigned further understands that this Lock-up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

1 Include for each Seller other than Shanda Networking

2 Include for Shanda Media only

3 Include for each Seller other than Shanda Networking

4 Include for Shanda Media only

This Lock-up Agreement shall terminate upon the expiration of the Lock-up Period.

KU6 MEDIA CO., LTD.

By:

Name:

Title:

[Name of Seller]

2
