

## **CURRENT REPORT No. 29/07**

### **Date of Report:**

3 April 2007

### **Re:**

Eldorado SA Effects In-Kind Contribution Comprising Organised Part of Enterprise to Eldorado Spółka z o.o. Subsidiary

### **Legal Basis:**

Article 56(1)(2) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005, in conjunction with § 5(1)(1) of the Regulation of the Minister of Finance of 19 October 2005 on current and periodical disclosures by issuers of securities.

### **Update:**

The Management Board of Eldorado S.A. is pleased to inform that in performance of a resolution of the Extraordinary General Meeting of Shareholders of 22 March 2007 the sale of an organised part of the enterprise comprising the wholesale business was effected by contributing it in kind to limited liability subsidiary Eldorado Sp. z o.o. as consideration for shares acquired by Eldorado S.A. in the increased capital of Eldorado Sp. z o.o.

Eldorado S.A. acquired all 140,000 newly issued shares in the share capital of Eldorado Spółka z o.o. of the nominal value of PLN 500 each, and fully paid for them by making an in-kind contribution of PLN 70,000,000, comprising an organised part of the enterprise of Eldorado S.A., including an organisationally and financially separate set of tangible and intangible assets, with liabilities, relating to Eldorado S.A.'s wholesale grocery and household chemical products operation, organised as a logistic centre in Lublin and seventeen local branches. The transaction of Eldorado Spółka z o.o. is a long-term equity investment.

Eldorado Spółka z o.o. is a wholly-owned subsidiary of Eldorado S.A. Mr Artur Kawa, Chairman of Eldorado S.A., is also Chairman of Eldorado Spółka z o.o.

The organised part of the enterprise of Eldorado S.A. includes without limitation the following assets:

1. Fixed assets, which are functionally and organisationally related to the organised part of the enterprise of Eldorado S.A., including without limitation machinery and hardware of the wholesale outlets and attendant offices (among others computer and data communications hardware, fork-lift trucks, lifts, refrigerating equipment, warehousing racks, vehicles).
2. Intangible assets, which are functionally and organisationally related to the organised part of the enterprise.
3. Equipment, which is functionally and organisationally related to the organised part of the enterprise of Eldorado S.A., including without limitation equipment of the wholesale outlets and attendant offices.
4. Stock:
  - a) goods purchased for resale and packaging in the warehouses of the branches and in the logistic centre, as posted in the records maintained by Eldorado S.A., confirmed by physical stocktaking;

- b) materials, as posted in the records maintained by Eldorado S.A., confirmed by physical stocktaking.
- 5. Receivables, as posted in books of accounts maintained by Eldorado S.A., which are functionally and organisationally related to the organised part of the enterprise of Eldorado S.A., including security interests such as mortgages, registered pledges, bills of exchange, guarantees, sureties, as well as cash.
- 6. Liabilities, bank loans and provisions posted in books of accounts maintained by Eldorado S.A., which are functionally and organisationally related to the organised part of the enterprise of Eldorado S.A.
- 7. Rights accruing under lease and tenancy agreements for real property or movable property, and other property rights in real property or movable property.
- 8. Beneficial ownership rights to real property or movable property arising on other legal basis.
- 9. Business secrets, including without limitation the customer database (including suppliers and buyers).
- 10. Books of accounts and documents, which are functionally and organisationally related to the organised part of the enterprise of Eldorado S.A.

The above efforts are part of the restructuring of ELDORADO S.A. into a holding company, whose principal responsibilities will include management of the companies making up the Group, provision of certain centralised services to the subsidiaries (such as coordination of the procurement and sales policy, financial management, management of selected categories of assets and liabilities, etc.), and acquisition of interests in companies operating in the FMCG wholesale and retail sector.

The restructuring of Eldorado S.A. into a holding company will also entail changing the business name of the company.

Eldorado Spółka z o.o. intends to continue the full extent of past use of the assets received as an in-kind contribution, as part of a wholesale grocery and household chemical products operation.

It is the opinion of the Management Board of Eldorado S.A. that the completed transfer will have no adverse effect upon the capability of both companies (that is Eldorado S.A. and Eldorado Sp. z o.o.) to meet all their respective obligations, including the financial ones, as they fall due.

For assets to be deemed assets of material value (*aktywa znacznej wartości*), they must be over the 10% threshold of the issuer's equity.