

EUROCASH S.A.

Merger with KDWT S.A. – 100% subsidiary of Eurocash S.A.

Komorniki 23 March 2007

Current report no 5/2007

Management Board of Eurocash S.A. (hereinafter referred to as the "Company" or "Eurocash") hereby informs that in line with the approved development strategy of Eurocash and the internal consolidation process of the companies within the capital group of Eurocash, a decision concerning the merger of the Company with its 100% subsidiary - KDWT S.A., with its seat in Komorniki, operating as a wholesale tobacco and impulse products distributor („KDWT”) was undertaken. The merger will be executed pursuant to the provisions of art. 492 § 1.1 of the Commercial Companies Code through the transfer of all assets and liabilities of KDWT to the Company (merger by acquisition), without the increase of the Company's share capital, pursuant to art. 515 § 1 of the Commercial Companies Code.

The merger of Eurocash and KDWT is a part of the development strategy of Eurocash and its aim is to accelerate the growth and fuller use of the potentials of both companies. Moreover, the merger will allow for simplifying of the organizational structure and costs savings.

Concerning the above, Management Board of Eurocash and Management Board of KDWT agreed on 23rd March 2007 the Plan of Merger as follows:

COMPANIES MERGER PLAN

WHEREAS, EUROCASH owns 100% shares in KDWT share capital;

WHEREAS the merger of EUROCASH and KDWT is a part of completion of EUROCASH development strategy, aimed at precipitating the development and more effective use of both companies' potentials;

WHEREAS the Parties have agreed on the terms and conditions of the merger, which shall be effected in a way of the acquisition of KDWT by EUROCASH;

THE PARTIES agree as follows:

1. The companies EUROCASH Spółka akcyjna with its registered office in Komorniki, KRS 0000213765, located under the address: ul. Wiśniowa 11, 62 – 052 Komorniki and KDWT Spółka Akcyjna with its registered office in Komorniki, KRS 0000040385, located under the address: ul. Wiśniowa 11, 62 – 052 Komorniki are subject to the merger. The merger shall be effected through the transfer of all assets and liabilities of KDWT S.A. as the acquired company to EUROCASH S.A. as the acquiring company (pursuant to art. 492. § 1.1 of the Polish Commercial Companies Code).
2. The merger shall be executed without the increase of EUROCASH S.A. share capital, as EUROCASH S.A. is the owner of 100% of KDWT S.A. shares (pursuant to art. 515 § 1 of the Polish Commercial Companies Code).
3. The merger shall be executed pursuant to art. 516 § 6 of the Polish Commercial Companies Code.
4. KDWT S.A. shares will not be exchanged for the EUROCASH S.A. shares.
5. EUROCASH S.A. as the acquiring company does not grant any rights referred to in art. 499 § 1.5 of the Polish Commercial Companies Code to the shareholders of the acquired company.
6. The members of the bodies of the companies merged shall not be entitled to any special benefits under art. 499 § 1.6 of the Polish Commercial Companies Code.
7. Any and all modifications of this agreement shall be made in writing or otherwise null and void. The appendices hereto specified in art. 499 § 2 of the Polish Commercial Companies Code constitute an integral part of the agreement. The appendices include:
 - appendix no. 1 – draft resolution of the General Shareholders Meeting of EUROCASH S.A. on the merger,
 - appendix no. 2 - draft resolution of the General Shareholders Meeting of KDWT S.A. on the merger,
 - appendix no. 3 – draft amendments to EUROCASH S.A. Articles of Association as an acquiring company,
 - appendix no. 4 – valuation of KDWT S.A. assets and liabilities as at February 28th, 2007,
 - appendix no. 5 – statement containing information on accounting condition of EUROCASH S.A. drawn up for the purpose of the merger as at February 28th, 2007,
 - appendix no.6 – statement containing information on accounting condition of KDWT S.A. drawn up for the purpose of the merger as at February 28th, 2007.