



EUROCASH

CONSOLIDATED SEMI-ANNUAL REPORT 2016

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the report of the above-mentioned Polish Company.

In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

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SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 30.06.2016 PLN	Non audited for the period from 01.01.2015 to 30.06.2015 PLN	Non audited for the period from 01.01.2016 to 30.06.2016 EUR	Non audited for the period from 01.01.2015 to 30.06.2015 EUR
Sales	10 104 812 998	9 787 463 514	2 314 273 641	2 362 980 085
Operating profit (loss)	76 680 159	82 099 583	17 561 816	19 821 242
Profit (loss) before income tax	66 425 643	60 163 619	15 213 257	14 525 258
Profit (loss) for the on continued operations	55 079 354	48 540 057	12 614 652	11 718 990
Profit (loss) for the period	55 079 354	48 540 057	12 614 652	11 718 990
Net cash from operating activities	142 528 187	559 975 597	32 642 784	135 194 495
Net cash used in investing activities	(135 554 773)	(83 472 689)	(31 045 685)	(20 152 750)
Net cash used in financing activities	33 267 339	(483 589 435)	7 619 114	(116 752 640)
Net change in cash and cash equivalents	40 240 754	(7 086 526)	9 216 214	(1 710 895)
Weighted average number of shares	138 952 047	138 528 195	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708	139 100 635	138 620 708
EPS (in PLN / EUR)	0,39	0,33	0,09	0,08
Diluted EPS (in PLN / EUR)	0,39	0,33	0,09	0,08
Average PLN / EUR rate*			4,3663	4,1420
	Non audited as at 30.06.2016 PLN	Non audited as at 31.12.2015 PLN	Non audited as at 30.06.2016 EUR	Non audited as at 31.12.2015 EUR
Assets	5 530 755 768	5 017 324 952	1 249 747 095	1 177 361 247
Non-current liabilities	285 707 304	262 834 175	64 559 327	61 676 446
Current liabilities	4 201 655 934	3 593 594 164	949 419 486	843 269 779
Equity	1 043 392 530	1 160 896 613	235 768 282	272 415 021
Share capital	139 088 611	138 829 311	31 428 903	32 577 569
Number of shares	139 088 611	138 829 311	139 088 611	138 829 311
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	7,09	7,92	1,60	1,86
Diluted book value per share (in PLN / EUR)	7,07	7,88	1,60	1,85
Declared or paid dividend (in PLN / EUR)	146 394 794	111 482 055	33 079 831	26 160 285
Declared or paid dividend per share (in PLN / EUR)	1,05	0,80	0,24	0,19
PLN / EUR rate at the end of the period**			4,4255	4,2615

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 2Q 2016,

** Balance sheet items and book value per share have been converted using the official mid-rates announced by the National Bank of Poland prevailing on the balance sheet date.

*** Dividend for 2015 year was paid till 31 May 2016 for shareholders of Parent Company as at 11 May 2016.



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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2016 TO 30 JUNE 2016**

To the Shareholders of Eurocash S.A.

Introduction

We have reviewed the accompanying 30 June 2016 condensed consolidated interim financial statements of Eurocash S.A. Group, with its parent company's registered office in Komorniki, 11 Wiśniowa Street ("the condensed consolidated interim financial statements"), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2016,
- the condensed consolidated income statement for the six-month period ended 30 June 2016,
- the condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2016,
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2016,
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2016, and
- notes to the interim financial statements.

Management of the parent company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the National Council of Certified Auditors as the National Standard on Assurance 2410. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Assurance or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2016 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

.....
Wojciech Drzymała
Key Certified Auditor
Registration No. 90095
Limited Liability Partner with power of attorney

19 August 2016

EUROCASH S.A. GROUP

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

TRANSLATORS' EXPLANATORY NOTE

This document is a free translation of the Polish original.
The binding Polish original should be referred to in matters of interpretation.

KOMORNIKI, 19th August 2016

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

GENERAL INFORMATION

1. INFORMATION ABOUT THE PARENT ENTITY

NAME

EUROCASH Spółka Akcyjna ("Company", "Parent Entity")

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade
(PKD 4690Z)

REGISTRATION COURT

District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register, KRS 0000213765

PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

Indefinite period

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2016 – 30 June 2016 and in addition to the income statement and statement of comprehensive income the period from 1 April 2016 to 30 June 2016.

Consolidated statement of financial position has been prepared as at 30 June 2016 and the comparative figures are presented as at 31 December 2015.

Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting, approved by European Union.

2. BOARD OF THE PARENT ENTITY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 June 2016 the Parent Entity's Management Board consisted of the following members:

Luis Manuel Conceicao do Amaral – President of the Management Board,
Rui Amaral – Member of the Management Board,
Arnaldo Guerreiro – Member of the Management Board,
Pedro Martinho – Member of the Management Board,
Katarzyna Kopaczewska – Member of the Management Board,
Jacek Owczarek – Member of the Management Board,
David Boner – Member of the Management Board.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2.2. SUPERVISORY BOARD

As at 30 June 2016 the Parent Entity's Supervisory Board consisted of the following members:

João Borges de Assunção – President of the Supervisory Board,
Eduardo Aguinaga de Moraes – Member of the Supervisory Board,
Francisco José Valente Hipólito dos Santos – Member of the Supervisory Board,
Hans Joachim Körber – Member of the Supervisory Board,
Jacek Sz wajkowski – Member of the Supervisory Board.

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

There were no changes in the membership of the Management and Supervisory Board in the reporting period.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 30.06.2016 AND FOR THE PERIOD FROM 01.04 TO 30.06.2016

	Non audited 2nd Quarter for the period from 01.04.2016 to 30.06.2016	Non audited 1 Semi year for the period from 01.01.2016 to 30.06.2016	Non audited 2nd Quarter for the period from 01.04.2015 to 30.06.2015 restated*	Non audited 1 Semi year for the period from 01.01.2015 to 30.06.2015 restated*
Sales	5 340 766 017	10 104 812 998	5 181 696 195	9 787 463 514
Sales of goods	5 003 410 738	9 510 892 391	4 905 169 400	9 294 757 865
Sales of services	335 460 286	591 088 956	275 291 071	490 403 260
Sales of materials	1 894 993	2 831 651	1 235 724	2 302 388
Costs of sales	(4 782 416 030)	(9 084 073 821)	(4 668 042 065)	(8 854 546 347)
Costs of goods sold	(4 746 318 890)	(9 016 641 350)	(4 630 337 270)	(8 785 700 544)
Costs of services sold	(34 131 333)	(64 594 295)	(36 636 416)	(66 856 250)
Costs of materials sold	(1 965 807)	(2 838 176)	(1 068 379)	(1 989 554)
Gross profit (loss)	558 349 987	1 020 739 177	513 654 129	932 917 167
Selling expenses	(387 121 444)	(749 710 380)	(335 353 921)	(661 345 968)
General and administrative expenses	(79 859 644)	(155 550 235)	(86 467 359)	(161 222 781)
Profit (loss) on sales	91 368 899	115 478 561	91 832 849	110 348 418
Other operating income	18 073 660	28 879 152	11 510 813	20 190 697
Other operating expenses	(39 404 917)	(67 677 555)	(28 004 631)	(48 439 532)
Operating profit (loss)	70 037 641	76 680 159	75 339 032	82 099 583
Financial income	5 663 674	13 298 772	4 795 545	8 637 418
Financial costs	(11 243 157)	(20 742 209)	(13 561 139)	(28 662 233)
Share in profits (losses) of equity accounted investees	(1 393 078)	(2 811 079)	(939 250)	(1 911 148)
Profit before tax	63 065 081	66 425 643	65 634 187	60 163 619
Income tax expense	(9 963 351)	(11 346 290)	(14 015 837)	(11 623 563)
Profit for the period	53 101 730	55 079 354	51 618 350	48 540 057
Attributable to:				
Owners of the Company	52 483 496	53 661 342	48 613 048	45 254 213
Non-controlling interests	618 235	1 418 012	3 005 302	3 285 844

EARNINGS PER SHARE

	PLN / share	PLN / share
Profit attributable to Owners of the Company	53 661 342	45 254 213
Weighted average number of shares	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708
Earnings per share from continued operations		
- basic	0,39	0,33
- diluted	0,39	0,33

* Note 2

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 30.06.2016 AND FOR THE PERIOD FROM 01.04 TO 30.06.2016

	Non audited 2nd Quarter for the period from 01.04.2016 to 30.06.2016	Non audited 1 Semi year for the period from 01.01.2016 to 30.06.2016	Non audited 2nd Quarter for the period from 01.04.2015 to 30.06.2015	Non audited 1 Semi year for the period from 01.01.2015 to 30.06.2015
Profit for the period	53 101 730	55 079 354	51 618 350	48 540 057
Other comprehensive income for the period	1 399 402	1 378 834	4 253 095	4 124 919
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 399 402	1 378 834	4 253 095	4 124 919
Total comprehensive income for the period	54 501 132	56 458 187	55 871 445	52 664 976
Total Income				
Owners of the Company	53 882 898	55 040 176	52 866 143	49 379 132
Non-controlling interests	618 235	1 418 012	3 005 302	3 285 844
Total comprehensive income for the period	54 501 132	56 458 187	55 871 445	52 664 976

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.06.2016

	Non audited as at 30.06.2016	as at 31.12.2015 restated*
<i>Assets</i>		
Non-current assets (long-term)	2 307 427 790	2 288 140 043
Goodwill	1 209 613 704	1 172 298 640
Intangible assets	365 996 540	378 635 854
Property, plant and equipment	571 957 942	569 291 463
Investment property	996 343	1 004 191
Investments in equity accounted investees	32 880 042	35 691 120
Other long-term investments	469 226	531 570
Long-term receivables	3 106 039	3 022 857
Deferred tax assets	122 179 290	126 560 956
Other long-term prepayments	228 665	1 103 391
Current assets (short-term)	3 223 327 977	2 729 184 910
Inventories	1 147 625 967	967 932 115
Trade receivables	1 725 367 185	1 533 302 770
Current tax receivables	6 327 465	11 944 512
Other short-term receivables	178 595 372	106 563 146
Other short-term financial assets	6 292 451	-
Short-term prepayments	32 682 037	23 245 620
Cash and cash equivalents	126 437 501	86 196 747
Total assets	5 530 755 768	5 017 324 952

* Note 2

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.06.2016

	Non audited as at 30.06.2016	as at 31.12.2015 restated*
<i>Equity and liabilities</i>		
Equity	1 043 392 530	1 160 896 613
Equity attributable to Owners of the Company	986 591 814	1 100 088 487
Share capital	139 088 611	138 829 311
Reserve capital	1 331 597 455	755 123 316
Hedging reserve	(9 265 446)	(10 644 280)
Option for purchase/selling the shares	(39 200 000)	-
Retained earnings	(435 628 806)	216 780 140
Accumulated profit / loss from previous years	(489 290 148)	4 410 159
Profit (loss) for the period	53 661 342	212 369 981
Non-controlling interests	56 800 716	60 808 127
Liabilities	4 487 363 238	3 856 428 339
Non-current liabilities	285 707 304	262 834 175
Long-term financial liabilities	156 757 133	158 980 543
Other long-term liabilities	42 486 061	3 098 869
Deferred tax liabilities	82 785 684	97 069 273
Employee benefits	3 521 626	3 495 089
Provisions	156 800	190 400
Current liabilities	4 201 655 934	3 593 594 164
Loans and borrowings	9 889 831	19 193 856
Short-term financial liabilities	276 795 809	82 574 451
Trade payables	3 637 447 018	3 225 544 402
Current tax liabilities	2 186 220	4 650 392
Other short-term payables	77 761 911	86 729 698
Current employee benefits	75 272 246	69 904 354
Provisions	122 302 899	104 997 011
Total equity and liabilities	5 530 755 768	5 017 324 952

BOOK VALUE PER SHARE

	Non audited as at 30.06.2016	as at 31.12.2015
Equity attributable to Owners of the Company	986 591 814	1 100 088 487
Number of shares	139 088 611	138 829 311
Diluted number of shares	139 530 636	139 530 636
Book value per share	7,09	7,92
Diluted book value per share	7,07	7,88

* Note 2

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01. TO 30.06.2016

	Non audited 1 Semi year for the period from 01.01.2016 to 30.06.2016	Non audited 1 Semi year for the period from 01.01.2015 to 30.06.2015
<i>Cash flow from operating activities</i>		
Profit before tax	66 425 643	60 163 619
Adjustments for:	97 108 021	101 637 330
Depreciation and amortization	80 925 203	73 710 214
Share in profits (losses) of equity accounted investees	2 811 079	1 911 148
Valuation of motivational programm	-	1 013 543
Gain (loss) on sale of property, plant and equipment	1 525 700	1 369 993
Interest expenses	17 028 153	24 846 582
Interest received	(5 182 114)	(1 214 150)
Operating cash before changes in working capital	163 533 664	161 800 950
Changes in inventory	(161 692 385)	183 461 870
Changes in receivables	(240 275 260)	(45 776 170)
Changes in payables	381 730 694	265 250 091
Changes in provisions and employee benefits	22 614 213	15 723 609
Other adjustments	(606 026)	92 233
Operating cash	165 304 900	580 552 582
Interest received	796 787	619 670
Interest paid	(5 441 739)	(8 515 024)
Income tax paid	(18 131 761)	(12 681 631)
Net cash from operating activities	142 528 187	559 975 597
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(17 865 957)	(12 489 871)
Proceeds from sale of intangible assets, property, plant and equipment	(45 522)	463 936
Aquisition of property, plant and equipment tangible fixed assets	(62 492 346)	(72 851 028)
Proceeds from sale of property, plant and equipment	8 111 976	9 467 474
Aquisition of subsidiaries, net of cash aquired	(36 386 146)	-
Expenditures on the acquisition of subsidiaries	-	(8 200 000)
Advances for acquisition of subsidiaries	(21 000 000)	-
Loans granted	(6 216 807)	-
Interest received	340 029	136 801
Net cash used in investing activities	(135 554 773)	(83 472 689)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	9 853 400	-
Income/expenses for other financial liabilities	190 119 968	(760 404)
Income/expenses for short term debt securities	-	(22 000 000)
Repayment of borrowings	(9 317 603)	(326 392 907)
Income/expenses for liabilities from financial leasing	(2 163 193)	(2 300 048)
Other interests	(11 179 322)	(12 711 138)
Interests on loans and borrowings	(4 961 475)	(9 867 235)
Dividends paid	(139 084 436)	(109 557 702)
Net cash used in financing activities	33 267 339	(483 589 435)
Net change in cash and cash equivalents	40 240 754	(7 086 526)
Cash and cash equivalents at the beginning of the period	86 196 747	86 913 164
Cash and cash equivalents at the end of the period	126 437 501	79 826 637

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 30.06.2016

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Non-controlling interests	Total
<i>Changes in equity in the period from 01.01 to 30.06.2015</i>								
Balance as at 01.01.2015 after changes	138 680 636	457 945 167	-	(14 182 324)	413 788 613	996 232 092	43 533 761	1 039 765 852
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	45 254 213	45 254 213	-	45 254 213
Non-controlling interests	-	-	-	-	-	-	3 285 844	3 285 844
Net profit presented directly in equity	-	-	-	4 124 919	-	4 124 919	-	4 124 919
Total comprehensive income for the period from 01.01. to 30.06.2015	-	-	-	4 124 919	45 254 213	49 379 132	3 285 844	52 664 976
Dividends	-	-	-	-	(111 482 055)	(111 482 055)	-	(111 482 055)
Transfer to reserve capital	-	288 782 013	-	-	(288 782 013)	-	-	-
Equity-settled share-based payment transactions	-	1 026 789	-	-	-	1 026 789	-	1 026 789
Total transaction with Owners of the Company, recognized directly in equity	-	289 808 802	-	-	(400 264 068)	(110 455 266)	-	(110 455 266)
Balance as at 30.06.2015	138 680 636	747 753 969	-	(10 057 405)	58 778 758	935 155 957	46 819 604	981 975 562
<i>Changes in equity in the period from 01.01 to 30.06.2016</i>								
Balance as at 01.01.2016 (restated*)	138 829 311	755 123 316	-	(10 644 280)	216 780 140	1 100 088 487	60 808 127	1 160 896 613
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	53 661 342	53 661 342	-	53 661 342
Non-controlling interests	-	-	-	-	-	-	1 418 012	1 418 012
Other comprehensive income	-	-	-	1 378 834	-	1 378 834	-	1 378 834
Total comprehensive income for the period from 01.01. to 30.06.2016	-	-	-	1 378 834	53 661 342	55 040 176	1 418 012	56 458 187
Dividends paid	-	-	-	-	(139 084 436)	(139 084 436)	(7 310 358)	(146 394 794)
Transfer to reserve capital	-	566 973 001	-	-	(566 973 001)	-	-	-
Share options exercised	259 300	9 594 100	-	-	-	9 853 400	-	9 853 400
Settlement of acquisition and sale of shares	-	-	(39 200 000)	-	-	(39 200 000)	1 884 936	(37 315 064)
Other	-	(92 961)	-	-	(12 852)	(105 813)	-	(105 813)
Total transaction with Owners of the Company, recognized directly in equity	259 300	576 474 140	(39 200 000)	-	(706 070 289)	(168 536 849)	(5 425 422)	(173 962 271)
Balance as at 30.06.2016	139 088 611	1 331 597 455	(39 200 000)	(9 265 446)	(435 628 806)	986 591 813	56 800 716	1 043 392 530

* Note 2

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 30.06.2016

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 19 August 2016 the consolidated financial statements of Eurocash Group for the period from 1 January 2016 to 30 June 2016 were authorized for issue by the Management Board.

According to the information included in the report no. 2/2016 dated 13 January 2016 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its consolidated financial statements on 19 August 2016.

Eurocash S.A. is a listed company and its shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU IFRSs").

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting, approved by European Union. These condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of Eurocash as at and for the year ended 31 December 2015, which is available on the website www.eurocash.pl.

1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

These consolidated financial statements are presented in PLN, which is the Parent Entity's functional and presentation currency. All financial information presented in PLN has been rounded to the nearest PLN (unless it is otherwise indicated).

1.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with UE IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in given circumstances, and the results of estimates and judgements are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual results may differ from those estimates. The range of significant judgments, estimates and assumptions was presented in the financial statements for 2015 year and in the current period has not changed.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected, if a change in estimates relates to both the current and future periods.

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31st December 2015.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.6. INFORMATION ABOUT THE PARENT ENTITY AND THE GROUP

Eurocash S.A. is a Parent Entity, registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register; registration number: 00000213765; located in Komorniki, ul. Wiśniowa 11.

The main business activity of the Parent Entity is non-specialized wholesale trade (PKD 4690Z).

Shares of Eurocash S.A. are traded on Warsaw Stock Exchange.

Eurocash Group comprised of Eurocash S.A. and subsidiaries.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2016

No	1	2	3	4	5	6	7	8
Unit	Eurocash S.A.	Eurocash Serwis Sp. z o.o.	Eurocash Franczyza Sp. z o.o.	Eurocash Trade 1 Sp. z o.o.	Eurocash Trade 2 Sp. z o.o.	Eurocash VC2 Sp. z o.o.	Premium Distributors Sp. z o.o.	Przedsiębiorstwo Handlu Spożywczego Sp. z o.o.
address	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul. Bokserska 66a 02-690 Warszawa	ul .Wiśniowa 11 62-052 Komorniki
core business activity	PKD 4690Z	PKD 4635Z	PKD 8299Z	PKD 4634A	PKD 4634A	PKD 7740Z	PKD 4634A	PKD 4690Z
registration court	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000213765	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000040385	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329002	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329037	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000529945	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000287947	District Court Zielona Góra, VIII Commercial Division of the National Court Register KRS 0000203619
nature of relationship	Parent company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	n/a	31.03.2006	10.07.2006	06.04.2009	06.04.2009	03.11.2014	02.08.2010	02.08.2010
ownership interest	n/a	75,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
voting rights (in %)	n/a	75,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2016 (continued)

No	9	10	11	12	13	14	15	16
Unit	DEF Sp. z o.o.	Detal Podlasie Sp. z o.o.	Lewiatan Podlasie Sp. z o.o.	Euro Sklep S.A.	Ambra Sp. z o.o.	Lewiatan Śląsk Sp. z o.o.	Lewiatan Orbita Sp. z o.o.	Lewiatan Kujawy Sp. z o.o.
address	ul. Handlowa 6 15-399 Białystok	ul. Sokółska 9 15-865 Białystok	Porosły 70A 16-070 Choroszcz	ul. Bystrzańska 94a 43-309 Bielsko-Biała	ul. Hutnicza 7 43-502 Czechowice-Dziedzice	ul. Lenartowicza 39 41-219 Sosnowiec	ul. Lubelska 33/15 10-410 Olsztyn	ul. Polna 4-8 87-800 Włocławek
core business activity	PKD 4639Z	PKD 4711Z	PKD 47	PKD 4711Z	PKD 4645Z	PKD 7022Z	PKD 4690Z	PKD 4711Z
registration court	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000048125	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000033766	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000508176	District Court Bielsko Biała, VIII Commercial Division of the National Court Register KRS 0000012291	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000254307	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000175768	District Court Olsztyn, VIII Commercial Division of the National Court Register KRS 0000039244	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000109502
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	21.12.2011	21.12.2011	18.03.2014	21.12.2011	21.12.2011	21.12.2011	21.12.2011	21.12.2011
ownership interest	100%	100%	100%	100%	100%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	100%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2016 (continued)

No	17	18	19	20	21	22	23	24
Unit	Lewiatan Wielkopolska Sp. z o.o.	Lewiatan Opole Sp. z o.o.	Lewiatan Zachód Sp. z o.o.	Lewiatan Podkarpacie Sp. z o.o.	Lewiatan Holding S.A.	Lewiatan Północ Sp. z o.o.	Eurocash Detal Sp. z o.o.	PayUp Polska S.A.
address	Os. Winiary 54 60-665 Poznań	ul. Światowida 2 45-325 Opole	ul. Przemysłowa 5 73-110 Stargard Szczeciński	Straszecin 295 39-218 Straszecin	ul. Kilińskiego 10 87-800 Włocławek	ul. Bysewska 30 80-298 Gdańsk	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 7740Z	PKD 7740Z	PKD 6419Z	PKD 8299Z	PKD 7740Z	PKD 4639Z	PKD 4690Z	PKD 6120Z
registration court	District Court Poznań - Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register KRS 0000133384	District Court Opole, VIII Commercial Division of the National Court Register KRS 0000043199	District Court Szczecin Centrum, XIII Commercial Division of the National Court Register KRS 0000017136	District Court Rzeszów, XII Commercial Division of the National Court Register KRS 0000186622	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000089450	District Court Gdańsk- North in Gdańsk, VII Commercial Division of the National Court Register KRS 0000322297	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register, KRS 000049437	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000299000
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	21.12.2011	21.12.2011	21.12.2011	28.06.2013	21.12.2011	21.12.2011	18.11.2013	06.05.2014
ownership interest	100%	100%	100%	100%	67%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	71%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2016 (continued)

No	25	26	27	28	29	30
Unit	Eurocash Convenience Sp. z o.o.	Kontigo Sp. z o.o.	Inmedio Sp. z o.o.	Eurocash VC3 Sp. z o.o.	ABC na kołach Sp. z o.o.	Firma Rogala Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Al. Jerozolimskie 174 02-486 Warszawa	ul. Bokserska 66A 02-690 Warszawa	ul. Wiśniowa 11 62-052 Komorniki	ul. Grunwaldzka 59 38-350 Bobowa
core business activity	PKD 7010Z	PKD 7010Z	PKD 4617Z	PKD 7740Z	PKD 5621Z	PKD 4711Z
registration court	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000509266	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000510241	District Court Warszawa, XII Commercial Division of the National Court Register KRS 0000525507	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000560795	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000586936	District Court Kraków- Śródmieście in Kraków, XII Commercial Division of the National Court Register KRS 0000576321
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full
date of acquisition	05.03.2014	17.04.2014	01.12.2014	11.05.2015	22.07.2015	29.01.2016
ownership interest	100%	100%	51%	100%	100%	50%
voting rights (in %)	100%	100%	51%	100%	100%	50%

On 29 January 2016 Eurocash S.A. acquired of 50% shares in Firma Rogala Sp. z o.o.

On 15 March 2016 Eurocash Franczyza Sp. z o.o. and Eurocash Convenience Sp. z o.o. formed a company Detal Finanse Sp. z o.o.

On 15 March 2016 Eurocash VC4 Sp. z o.o. changed its name into ABC na kołach Sp. z o.o. and Eurocash VC5 Sp. z o.o. changed its name into Duży Ben Sp. z o.o.

On 4 May 2016 Eurocash Franczyza Sp. z o.o. formed companies Eurocash Nieruchomości Sp. z o.o. and Eurocash Food Sp. z o.o.

On 20 June 2016 Eurocash Franczyza Sp. z o.o. and Eurocash Convenience Sp. z o.o. formed a company 4vapers Sp. z o.o.

On 22 June 2016 Eurocash Food Sp. z o.o. acquired 51% of shares in Sushi to go Sp. z o.o. and joined the company Sushi to go Sp. z o.o. Sp. k. acquiring 51% of shares.

Detal Finanse Sp. z o.o., Duży Ben Sp. z o.o., Eurocash Nieruchomości Sp. z o.o., Eurocash Food Sp. z o.o., 4Vapers Sp. z o.o., Sushi to go Sp. z o.o. and Sushi to go Sp. z o.o. Sp.k. are the entities comprising the capital group, however, due to the irrelevant financial data they were not consolidated.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2016 (continued)

No	1	2
Unit	FRISCO S.A.	Partnerski Serwis Detaliczny S.A.
address	ul. Omulewska 27 04-128 Warszawa	ul. Grażyny 15 02-548 Warszawa
core business activity	PKD 4791Z	PKD 6499Z
registration court	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000401344	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000280288
nature of relationship	Associate	Joint venture
applied consolidation method	Equity method	Equity method
ownership interest	44,23%	50%
voting rights (in %)	44,23%	50%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.7. GOING CONCERN ASSUMPTION

The financial statements were prepared under the assumption that the Group will continue to operate as a going concern for the foreseeable future.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01. TO 30.06.2016

NOTE 1. ACQUISITIONS

1. Acquisition of 50% of shares in company Firma Rogala Sp. z o.o.

General information

On 29 January 2016 pursuant to the preliminary agreement of 18 August 2014, Eurocash executed with Hadrick Investments sp. z o.o., Jerzy Rogala and Ewelina Wójcik Rogala an agreement of acquisition of 50% shares in Firma Rogala. The acquisition of shares will enable the construction of a long-term partnership with one of the main franchisees Delikatesy Centrum leading 63 retail shops, what will provide further stable development and growth of the revenues of Eurocash Group.

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

1. Name of acquired company	Firma Rogala Sp. z o.o.
2. Acquisition date	29.01.2016
3. Acquisition cost	39 200 000

Settlement of the acquisition of the business

Basing on the analysis performed by the Company, in accordance with IFRS 10, Firma Rogala Sp. o.o. is a subsidiary controlled by Eurocash S.A.

These consolidated financial statements include the provisional settlement of the acquisition price of shares Firma Rogala Sp. z o.o. Due to the very short period between the acquisition of the Company and the preparation of these condensed consolidated quarterly financial statements, the Group is in the process of identification and valuation of assets acquired and liabilities assumed.

ACQUISITION COST

	as at 29.01.2016
Cash	<u>39 200 000</u>

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED

Value before
restatement as at
29.01.2016

<i>Assets</i>	
Non-current assets (long-term)	13 406 217
Intangible assets	26 298
Tangible fixed assets	13 062 188
Deferred income tax assets	317 731
Current assets (short-term)	23 302 163
Inventory	17 616 998
Trade receivables	1 300 736
Other short-term receivables	955 305
Short-term prepayments	25 171
Cash and cash equivalents	3 403 954
Total assets	36 708 380
<i>Equity nad liabilities</i>	
Liabilities	32 938 509
Current liabilities	32 938 509
Other short-term financial liabilities	5 091 674
Trade liabilities	21 186 292
Other short-term liabilities	4 692 717
Current employee benefits	276 002
Other short-term provisions	1 691 823
Total liabilities	32 938 509
Net assets	3 769 870
Net assets acquired (50%)	1 884 936
Goodwill on acquisition	37 315 064
Acquisition cost	39 200 000

As part of the settlement of the acquisition of 50% of shares in Firma Rogala Sp. o.o., in these financial statements included was the option to repurchase the remaining 50% of shares by Eurocash S.A., given by Eurocash S.A. to other shareholders of Firma Rogala, which may be exercised after three years from 29 January 2016. This option in the amount of PLN 39 million was recognized in other long-term liabilities and in the equity.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 2. RESTATEMENT OF COMPARATIVE DATE

Adjustments are related to the write-down on receivables in the subsidiary, which refers to the previous years and has been recognized in these financial statements and changes in presentation concerning the allocation of the cost of services sold and the cost of goods sold.

	The amount in the approved report as at 31.12.2015	Other corrections	The corrected amount as at 31.12.2015
<i>Assets</i>			
Current assets (short-term)	2 736 410 924	(7 226 014)	2 729 184 910
Inventories	968 330 792	(398 677)	967 932 115
Other short-term receivables	113 390 483	(6 827 337)	106 563 146
Total assets	5 024 550 967	(7 226 014)	5 017 324 952
<i>Equity and liabilities</i>			
Equity	1 168 122 628	(7 226 014)	1 160 896 613
Equity attributable to Owners of the Company	1 107 314 501	(7 226 014)	1 100 088 487
Retained earnings	224 006 155	(7 226 014)	216 780 140
Accumulated profit from previous years	11 636 173	(7 226 014)	4 410 159
Total equity and liabilities	5 024 550 967	(7 226 014)	5 017 324 952

	The amount in the approved report		Correction		The corrected amount	
	for the period from 01.04.2015 to 30.06.2015	for the period from 01.01.2015 to 30.06.2015	for the period from 01.04.2015 to 30.06.2015	za okres from 01.01.2015 to 30.06.2015	for the period from 01.04.2015 to 30.06.2015	for the period from 01.01.2015 to 30.06.2015
Costs of sales	(4 668 042 065)	(8 854 546 347)	-	-	(4 668 042 065)	(8 854 546 347)
Costs of goods sold	(4 624 872 671)	(8 776 491 811)	5 464 599	9 208 733	(4 630 337 270)	(8 785 700 544)
Costs of services sold	(42 101 015)	(76 064 983)	(5 464 599)	(9 208 733)	(36 636 416)	(66 856 250)

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 3. OPERATING SEGMENTS

As a result of the analysis of Eurocash Group's business activities, the Group has distinguished the following segments that properly represent the different business characteristics:

- *Independent clients* – sales realized by distribution formats which clients do not have permanent contracts with the Eurocash Group. The segment includes wholesale operations provide by following distribution formats and companies: Eurocash Cash & Carry, Eurocash Alcohols, Eurocash Serwis Sp. z o.o., PayUp Polska S.A. and Eurocash Trade 1 Sp. z o.o.
- *Integrated clients* – sales realized by distribution formats which clients have long-term agreements with Eurocash Group, e.g. franchise systems or clients from HoReCa segment. This segment includes organization and wholesale sales to clients participating in Delikatesy Centrum franchise chains as well as operations of such a franchise systems like: Lewiatan, Groszek and Euro Sklep. The segment is related with operations provide by following companies: Eurocash S.A. (Delikatesy Centrum format), Euro Sklep S.A., Lewiatan Śląsk Sp. z o.o., Detal Podlasie Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Holding S.A., Lewiatan Zachód Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Orbita Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o. Moreover this segment includes sales realized by Eurocash Gastronomy format.
- *Active distribution* – includes wholesale activity realized by Eurocash Distribution format within the company Eurocash S.A. and sales realized by companies: DEF Sp. z o.o. and Ambra Sp. z o.o.
- *Projects* – this operating segment comprises the Group's new projects and retail formats in initial phase of development operating under the entities: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Detal Sp. z o.o., ABC na kołach Sp. z o.o. and new projects developed by Eurocash S.A.
- *Other* – sales realized by Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Eurocash VC3 Sp. z o.o., retail sale of Inmedio Sp. z o.o. and Firma Rogala Sp. z o.o. and general and administrative costs due the Group activity, not allocated to any operating segment.

There are varying levels of integration between the segments. These relationships include mutual sales of merchandise, provision of marketing services, logistics, administrative support, and other services. The accounting policies of each specific reporting segment are the same as the policies of the whole Group.

Eurocash Group operates only in the territory of Poland, considering economic conditions and business risks, it can be treated as an uniform territory.

In the FMCG wholesale, sales in the first quarter of the year is traditionally lower than in other quarters. The highest sales are provided in the summer and then are stabilized in the fourth quarter.

Key managers of Eurocash Group do not provide periodic review of the assets and liabilities of the operating segments.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Basic information about each reportable segment are shown below.

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2016 TO 30 JUNE 2016

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
Sales	6 562 970 990	2 115 381 398	1 560 658 027	60 373 789	467 204 471	(661 775 677)	10 104 812 998
External sales	6 180 487 751	2 101 688 168	1 295 261 175	60 171 432	467 204 471	-	10 104 812 998
Inter-segmental sales	382 483 239	13 693 230	265 396 851	202 357	-	(661 775 677)	-
Operating profit	50 348 114	37 313 001	28 978 814	(14 816 749)	(25 143 021)	-	76 680 159
Finance income							13 298 772
Finance costs							(20 742 209)
Share in losses of companies consolidated with the equity method							(2 811 079)
Profit before income tax							66 425 643
Income tax							(11 346 290)
Net profit							55 079 353

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
Sales	6 345 651 520	2 105 417 211	1 443 193 525	40 408 112	267 165 085	(414 371 939)	9 787 463 514
External sales	6 105 597 444	2 097 030 457	1 277 468 178	40 235 700	267 131 737	-	9 787 463 514
Inter-segmental sales	240 054 076	8 386 754	165 725 348	172 413	33 349	(414 371 939)	-
Operating profit	54 278 908	15 462 856	35 678 408	(10 386 820)	(12 933 769)	-	82 099 583
Finance income							8 637 418
Finance costs							(28 662 233)
Share in losses of companies consolidated with the equity method							(1 911 148)
Profit before income tax							60 163 619
Income tax							(11 623 563)
Net profit							48 540 056

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 4.
ITEMS NOT INCLUDED IN THE STATEMENT OF FINANCIAL POSITION

CONTINGENTIES AS AT 30 JUNE 2016

Beneficiary	Title	Currency	as at 30.06.2016	as at 31.12.2015
1 BZ WBK *	Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	20 911 592	30 546 530
			20 911 592	30 546 530

* debt value as at balance sheet date

BANK GUARANTEES AS AT 30 JUNE 2016 - SECURITIES FOR RENT LIABILITIES

The Issuer	Title	Currency	as at 30.06.2016	as at 31.12.2015
1 ING	Security for rent liabilities	PLN	-	821 100
2 ING	Security payments to suppliers	PLN	37 500	6 550 000
3 PKO BP S.A.	Security for liabilities due to Agency agreement	PLN	500 000	500 000
4 PKO BP S.A.	Security for rent liabilities	PLN	4 513 846	5 016 630
5 PKO BP S.A.	Security for rent liabilities	PLN*	23 637 491	22 121 539
6 PKO BP S.A.	Security for excise duty	PLN	2 100 000	3 100 000
7 PKO BP S.A.	Security for using of the national roads	PLN	620 100	620 100
8 PKO BP S.A.	The liabilities of the promotion lottery	PLN	523 659	384 468
9 PKO BP S.A.	Security payments to suppliers	PLN	107 070 000	115 070 000
10 PKO BP S.A.	Security for liabilities due to Improvements agreement	PLN*	486 805	-
			139 489 400	154 183 836

* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:
as at 31.12.2015: 1 EUR = 4,2615 PLN,
as at 30.06.2016: 1 EUR = 4,4255 PLN.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

COLLATERALS

SECURITIES RELATED TO ASSETS AS AT 30 JUNE 2016

Title	Secured property	Amount secure in PLN
ING security on the credit line agreement *	Deposit on inventories Eurocash S.A.	90 000 000
Securing a framework agreement to provide bank guarantees PKO BP*	Deposit on inventories Eurocash Serwis Sp. z o.o.	80 000 000
Securing a framework agreement to provide bank guarantees PKO BP*	Deposit on inventories Eurocash S.A.	50 000 000
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Serwis Sp. z o.o.	9 547 300
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Franczyza Sp. z o.o.	3 800 000
Financial leasing agreements (due to net value of fixed assets at the balance sheet date)	Ownership of fixed assets in financial leasing	12 387 030

* security nominal value

NOTE 5.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 June 2016 fair value of financial instruments approximated their carrying value. The Group has hedging interest rate risk, the IRS, which are measured at their fair value. For these IRS fair value was qualified to level 2 of the hierarchy - the fair value is determined basing on the values observed in the market but not as a direct reference to the market (eg. they are determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the valuation effect is recognized in other comprehensive income.

NOTE 6.

IMPORTANT EVENTS

1. Eurocash acquired 50% of shares in one of the largest Delikatesy Centrum franchisees

On 29 January 2016 pursuant to the preliminary agreement of 18 August 2014, Eurocash executed with Hadrick Investments sp. z o.o., Jerzy Rogala and Ewelina Wójcik Rogala an agreement of acquisition of 50% shares in Firma Rogala.

In 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. Eurocash to acquire 100% of shares in EKO Holding S.A

On 23rd February 2016 Eurocash S.A. concluded with Pelican Ventures Sp. z o.o. preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 100% stake in EKO Holding S.A. based in Nowa Wieś Wrocławska, entered into the register of business entities under the KRS number 0000302877.

EKO is the owner of a chain comprising over 250 supermarkets, located mainly in Southwestern Poland, concentrated in the provinces of Lower Siles, Wielkopolska, Opole and Silesia. According to the received information, the total sales of EKO in 2015 amounted to app. PLN 999 million.

Concluding the final agreement is addicted to the conditions agreed in the Preliminary Agreement, in particular to obtain the consent of the President of Office of Competition and Consumer Protection.

3. Resolution on dividend payment made by the EUROCASH S.A. Annual General Meeting

The Management Board of Eurocash S.A. announces that Resolution No. 5 of 19 April 2016 on the allocation of the profit for the year 2015, the Annual General Meeting Eurocash S.A. decided to distribute a dividend from the profit of the Company.

The Annual General Meeting of Eurocash S.A. decided that the net profit for 2015 amounting to PLN 500,681,214.00 will be distributed in the following manner:

- (1) shareholders of record on May 11, 2016, shall be eligible to receive the dividend in amount PLN 1.00 per one Company's share and;
- (2) the remaining part of the profit for 2015 shall be transferred to the Company's reserve capital.

Dividend for 2015 year was paid till 31 May 2016. Number of shares eligible for dividend as at 11 May 2016 amounted to 139,084,436.

4. Investment agreement to acquire 50% of shares in one of the largest Delikatesy Centrum franchisees

On 15th April 2016 Eurocash S.A. concluded with Marek Stodółka, Bogdan Habrat, Zofia Szubra, Aleksandra Stodółka, Anna Dąbrowska, FHC-2, M. Stodółka i Wspólnicy spółka jawna, FHC-2 spółka z ograniczoną odpowiedzialnością, Fructar spółka z ograniczoną odpowiedzialnością, Madas spółka z ograniczoną odpowiedzialnością, FHC-3 spółka z ograniczoną odpowiedzialnością preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 50% stake in FHC-2 Sp. z o.o. and Madas Sp. z o.o both based in Krosno which after restructuration will be the owner of a chain comprising over 47 supermarkets, located mainly in South-Eastern Poland. According to the received information, the total sales of acquired companies in 2015 amounted to app. PLN 270 million.

Concluding the final agreement is addicted to the conditions agreed in the Preliminary Agreement, in particular to obtain the consent of the President of Office of Competition and Consumer Protection.

NOTE 7.

IMPORTANT EVENTS AFTER BALANCE SHEET DATE

There were no significant events after balance sheet date.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	19 st August 2016	
Member of the Management Board Chief Executive Officer	Rui Amaral	19 st August 2016	
Member of the Management Board	Arnaldo Guerreiro	19 st August 2016	
Member of the Management Board	Pedro Martinho	19 st August 2016	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	19 st August 2016	
Member of the Management Board Financial Director	Jacek Owczarek	19 st August 2016	
Member of the Management Board	David Boner	19 st August 2016	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 30.06.2016 PLN	Non audited for the period from 01.01.2015 to 30.06.2015 PLN	Non audited for the period from 01.01.2016 to 30.06.2016 EUR	Non audited for the period from 01.01.2015 to 30.06.2015 EUR
Net sales	6 784 797 948	6 591 495 170	1 553 901 003	1 591 379 809
Operating profit (loss)	21 743 350	31 737 077	4 979 811	7 662 259
Profit (loss) before tax	36 189 221	70 907 444	8 288 304	17 119 132
Net Profit (loss) on continued operations	33 130 549	67 953 915	7 587 786	16 406 063
Net profit (loss)	33 130 549	67 953 915	7 587 786	16 406 063
Net operating cash flow	141 150 264	532 434 437	32 327 202	128 545 253
Net investment cash flow	206 129 056	(65 585 255)	47 209 091	(15 834 200)
Net financial cash flow	(313 695 309)	(454 553 064)	(71 844 653)	(109 742 411)
Net change in cash and cash equivalents	33 584 011	12 296 117	7 691 641	2 968 643
Weighted average number of shares	138 952 047	138 528 195	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708	139 100 635	138 620 708
EPS (in PLN / EUR)	0,24	0,49	0,05	0,12
Diluted EPS (in PLN / EUR)	0,24	0,49	0,05	0,12
Average PLN / EUR rate*			4,3663	4,1420
	Non audited as at 30.06.2016 PLN	as at 31.12.2015 PLN	Non audited as at 30.06.2016 EUR	as at 31.12.2015 EUR
Assets	5 047 390 134	5 016 924 491	1 140 524 265	1 177 267 275
Long-term liabilities	208 036 314	180 427 849	47 008 545	42 339 047
Short-term liabilities	3 786 164 707	3 649 385 875	855 533 772	856 361 815
Equity	1 053 189 113	1 187 110 767	237 981 949	278 566 413
Share capital	139 088 611	138 829 311	31 428 903	32 577 569
Number of shares	139 088 611	138 829 311	139 088 611	138 829 311
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	7,57	8,55	1,71	2,01
Diluted book value per share (in PLN / EUR)	7,55	8,51	1,71	2,00
Declared or paid dividend (in PLN / EUR)***	139 084 436	109 451 447	31 427 960	25 683 784
Declared or paid dividend per share (in PLN / EUR)	1,00	0,79	0,23	0,19
PLN / EUR rate at the end of the period**			4,4255	4,2615

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 2Q 2016.

** Balance sheet items and book value per share have been converted using the official mid-rates announced by the National Bank of Poland prevailing on the balance sheet date.

*** Dividend for 2015 year was paid till 31 May 2016 for shareholders of Parent Company as at 11 May 2016.



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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation

**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2016 TO 30 JUNE 2016**

To the Shareholders of Eurocash S.A.

Introduction

We have reviewed the accompanying 30 June 2016 condensed separate interim financial statements of Eurocash S.A., with its registered office in Komorniki, 11 Wiśniowa Street ("the condensed separate interim financial statements"), which comprise:

- the condensed separate statement of financial position as at 30 June 2016,
- the condensed separate income statement for the six-month period ended 30 June 2016,
- the condensed separate statement of comprehensive income for the six-month period ended 30 June 2016,
- the condensed separate statement of changes in equity for the six-month period ended 30 June 2016,
- the condensed separate statement of cash flows for the six-month period ended 30 June 2016, and
- supplementary information to the condensed separate interim financial statements.

Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with the IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed separate interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the National Council of Certified Auditors as the National Standard on Assurance 2410. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Assurance or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements as at 30 June 2016 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

.....
Wojciech Drzymała
Key Certified Auditor
Registration No. 90095
Limited Liability Partner with power of attorney

19 August 2016

EUROCASH S.A.

**CONDENSED INTERIM
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 JUNE 2016

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the report of the above-mentioned Polish Company.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

KOMORNIKI, 19th August 2016

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

GENERAL INFORMATION

1. INFORMATION ABOUT THE COMPANY

NAME

EUROCASH Spółka Akcyjna

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade
(PKD 4690Z)

REGISTRY COURT

District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register,
Registration number: KRS 0000213765

PERIOD FOR WHICH THE COMPANY WAS ESTABLISHED

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2016 – 30 June 2016 and in addition for the income statement and statement of comprehensive income, the reporting period is 1 January 2015 – 30 June 2015.

Separate statement of financial position has been prepared as at 30 June 2016. Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting.

2. BOARDS OF THE COMPANY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 June 2016 the Company's Management Board consisted of the following members:

Luis Manuel Conceicao Do Amaral – President of the Management Board,
Rui Amaral – Member of the Management Board,
Arnaldo Guerreiro – Member of the Management Board,
Pedro Martinho – Member of the Management Board,
Katarzyna Kopaczewska – Member of the Management Board,
Jacek Owczarek – Member of the Management Board,
David Boner – Member of the Management Board.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2.2. SUPERVISORY BOARD OF THE PARENT ENTITY

As at 30 June 2016 the Company's Supervisory Board consisted of the following members:

João Borges de Assunção – President of the Supervisory Board,
Eduardo Aguinaga de Moraes – Member of the Supervisory Board,
Francisco José Valente Hipólito dos Santos – Member of the Supervisory Board,
Hans Joachim Körber – Member of the Supervisory Board,
Jacek Szwajcowski – Member of the Supervisory Board.

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

There were no changes in the membership of the Management and Supervisory Board in the reporting period.

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2016 TO 30.06.2016 AND FOR THE PERIOD FROM 01.04.2016 TO 30.06.2016

	Non audited 2nd Quarter for the period from 01.04.2016 to 30.06.2016	Non audited 1 Semi year for the period from 01.01.2016 to 30.06.2016	Non audited 2nd Quarter for the period from 01.04.2015 to 30.06.2015	Non audited 1 Semi year for the period from 01.01.2015 to 30.06.2015
Sales	3 620 181 911	6 784 797 948	3 489 967 827	6 591 495 170
Sales of goods	3 366 687 701	6 342 060 338	3 290 745 553	6 238 409 931
Sales of services	253 494 210	442 737 609	199 222 274	353 085 239
Costs of sales	(3 217 161 812)	(6 053 187 338)	(3 099 993 070)	(5 891 844 879)
Cost of goods and services sold	(3 217 161 812)	(6 053 187 338)	(3 099 993 070)	(5 891 844 879)
Gross profit (loss)	403 020 099	731 610 610	389 974 756	699 650 291
Selling expenses	(287 985 733)	(554 258 188)	(269 467 875)	(524 106 965)
General and administrative expenses	(63 132 789)	(120 266 572)	(64 720 899)	(119 082 357)
Profit (loss) on sales	51 901 578	57 085 850	55 785 982	56 460 970
Other operating income	15 044 068	23 092 406	8 192 034	15 088 025
Other operating expenses	(34 671 806)	(58 434 906)	(22 457 754)	(39 811 918)
Operating profit (loss)	32 273 840	21 743 350	41 520 263	31 737 077
Financial income	29 314 702	38 740 168	70 185 913	73 895 310
Financial costs	(13 141 320)	(24 294 296)	(16 441 750)	(34 724 943)
Profit before tax	48 447 222	36 189 221	95 264 425	70 907 444
Income tax expense	(6 490 884)	(3 058 672)	(7 438 070)	(2 953 529)
Profit for the period	41 956 338	33 130 549	87 826 356	67 953 915

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	33 130 549	67 953 915
Weighted average number of shares	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708
Earnings per share from continued operations		
- basic	0,24	0,49
- diluted	0,24	0,49

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2016 TO 30.06.2016 AND FOR THE PERIOD FROM 01.04.2016 TO 30.06.2016

	Non audited 2nd Quarter for the period from 01.04.2016 to 30.06.2016	Non audited 1 Semi year for the period from 01.01.2016 to 30.06.2016	Non audited 2nd Quarter for the period from 01.04.2015 to 30.06.2015	Non audited 1 Semi year for the period from 01.01.2015 to 30.06.2015
Profit (loss) for the period	41 956 338	33 130 549	87 826 356	67 953 915
Other comprehensive income (loss) for the period	1 399 402	1 378 834	4 253 095	4 124 919
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 399 402	1 378 834	4 253 095	4 124 919
Total comprehensive income (loss) for the period	43 355 740	34 509 382	92 079 451	72 078 834

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.06.2016

	Non audited as at 30.06.2016	as at 31.12.2015
<i>Assets</i>		
Non-current assets (long-term)	2 673 209 395	2 651 110 497
Goodwill	862 819 840	862 819 840
Intangible assets	546 284 797	551 860 667
Property, plant and equipment	449 708 281	461 882 685
Investment property	996 343	1 004 191
Investments in subsidiary companies	776 457 370	736 667 370
Investments in associates and joint ventures	34 529 802	34 529 802
Other long-term investments	58 723	58 723
Long-term receivables	1 905 064	1 869 819
Other long-term prepayments	449 173	417 399
Current assets (short-term)	2 374 180 740	2 365 813 994
Inventories	808 209 170	733 502 480
Trade receivables	1 293 777 913	1 163 571 931
Current tax assets	2 918 346	10 593 667
Other short-term receivables	142 885 231	59 959 761
Other short-term investments	21 647 845	334 228 360
Short-term prepayments	28 451 089	21 250 661
Cash and cash equivalents	76 291 145	42 707 133
Total assets	5 047 390 134	5 016 924 491

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.06.2016

	Non audited as at 30.06.2016	as at 31.12.2015
<i>Equity and liabilities</i>		
Equity	1 053 189 113	1 187 110 767
Share capital	139 088 611	138 829 311
Reserve capital	839 914 443	468 723 565
Hedging reserve	(9 265 446)	(10 644 280)
Option for purchase/selling the shares	(39 200 000)	-
Retained earnings	122 651 505	590 202 171
Accumulated profit (loss) from previous years	89 520 957	89 520 957
Profit for the period	33 130 549	500 681 214
Liabilities	3 994 201 021	3 829 813 724
Non-current liabilities	208 036 314	180 427 849
Other long-term financial liabilities	151 719 946	153 552 495
Other long-term liabilities	40 039 850	965 072
Deferred tax liabilities	13 386 840	23 020 603
Employee benefits	2 889 679	2 889 679
Current liabilities	3 786 164 707	3 649 385 875
Loans and borrowings	414 964 205	675 945 159
Short-term financial liabilities	134 453 760	37 551 481
Trade liabilities	3 033 957 848	2 725 182 818
Other short-term payables	40 781 144	61 139 602
Current employee benefits	55 765 803	59 098 290
Provisions	106 241 947	90 468 525
Total equity and liabilities	5 047 390 134	5 016 924 491

BOOK VALUE PER SHARE

	as at 30.06.2016	as at 31.12.2015
Book value	1 053 189 113	1 187 110 767
Number of shares	139 088 611	138 829 311
Diluted number of shares	139 530 636	139 530 636
Book value per share	7,57	8,55
Diluted book value per share	7,55	8,51

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2016 TO 30.06.2016

	Non audited 1 Semi year for the period from 01.01.2016 to 30.06.2016	Non audited 1 Semi year for the period from 01.01.2015 to 30.06.2015
<i>Cash flow from operating activities</i>		
Profit (loss) before income tax	36 189 221	70 907 444
Adjustments for:	45 298 074	15 800 784
Depreciation and amortization	54 072 862	50 463 798
Equity-settled shared share-based payment transactions	-	1 013 543
(Gain) loss on sale of property, plant and equipment	630 420	(317 271)
Interest expenses	21 229 290	31 432 178
Interest received	(8 704 573)	(1 190 292)
Dividend and remission of sales income	(21 929 926)	(65 601 172)
Operating cash before changes in working capital	81 487 295	86 708 228
Changes in inventories	(74 706 690)	236 728 550
Changes in receivables	(169 524 248)	3 755 525
Changes in payables	300 686 627	196 115 470
Changes in provisions and employee benefits	13 166 116	18 542 471
Operating cash	151 109 100	541 850 243
Interest received	741 900	590 774
Interest paid	(5 359 648)	(8 046 266)
Income tax paid	(5 341 088)	(1 960 314)
Net cash from operating activities	141 150 264	532 434 437
<i>Cash flow from investing activities</i>		
Acquisition of intangible assets	(14 395 508)	(7 966 381)
Proceeds from sale of intangible assets	-	463 936
Acquisition of property, plant and equipment	(42 444 745)	(45 973 165)
Proceeds from sale of property, plant and equipment	7 318 419	8 770 511
Acquisition of associates	-	(8 200 000)
Acquisition of subsidiaries, net of cash acquired	(39 790 000)	(216 000)
Advances for acquisition of subsidiaries	(21 000 000)	-
Loans granted	(5 294 822)	(12 500 000)
Repayment received of granted loans	317 985 001	-
Interest received	3 750 710	35 843
Net cash used in investing activities	206 129 056	(65 585 255)
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	9 853 400	-
Income/expenses for other financial liabilities	97 776 971	(760 404)
Expenses for issuance of short-term securities	-	(22 000 000)
Proceeds from loans and borrowings	1 791 327	40 331 209
Repayment of borrowings	(262 552 309)	(331 841 536)
Payment of finance lease liabilities	(1 004 976)	(1 394 828)
Other interest	(8 446 171)	(12 087 027)
Interests on loans and borrowings	(12 029 114)	(17 242 776)
Dividends paid	(139 084 436)	(109 557 702)
Net cash used in financing activities	(313 695 309)	(454 553 064)
Net change in cash and cash equivalents	33 584 011	12 296 117
Cash and cash equivalents at the beginning of the period	42 707 133	26 786 003
Cash and cash equivalents at the end of the period	76 291 145	39 082 120

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2016 TO 30.06.2016

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 30.06.2015</i>						
Balance as at 1 January 2015	138 680 636	327 174 749	-	(14 182 324)	334 100 893	785 773 954
Total comprehensive income for the reporting period						
Profit (loss) for the period from 01.01. to 30.06.2015	-	-	-	-	67 953 915	67 953 915
Net profit presented directly in equity	-	-	-	4 124 919	-	4 124 919
Total comprehensive income for the period from 01.01. to 30.06.2015	-	-	-	4 124 919	67 953 915	72 078 834
Dividends	-	-	-	-	(109 557 702)	(109 557 702)
Transfer to reserve capital	-	135 022 233	-	-	(135 022 233)	-
Equity-settled share based payment transactions	-	1 013 543	-	-	-	1 013 543
Other corrections	-	55 586	-	-	-	55 586
Total transaction with Owners of the Company recognized directly in equity	-	136 091 362	-	-	(244 579 936)	(108 488 574)
Balance as at 30.06.2015	138 680 636	463 266 111	-	(10 057 405)	157 474 872	749 364 214
<i>Changes in equity in the period from 01.01. to 30.06.2016</i>						
Balance as at 01 January 2016	138 829 311	468 723 565	-	(10 644 280)	590 202 171	1 187 110 767
Total comprehensive income for the reporting period						
Profit (loss) for the period from 01.01 to 30.06.2016	-	-	-	-	33 130 549	33 130 549
Other comprehensive income for the period 01.01 to 30.06.2016	-	-	-	1 378 834	-	1 378 834
Total comprehensive income for the period from 01.01. to 30.06.2016	-	-	-	1 378 834	33 130 549	34 509 382
Dividends	-	-	-	-	(139 084 436)	(139 084 436)
Transfer to reserve capital	-	361 596 778	-	-	(361 596 778)	-
Share options exercised	259 300	9 594 100	-	-	-	9 853 400
Settlement of acquisition and sale of shares	-	-	(39 200 000)	-	-	(39 200 000)
Total transaction with Owners of the Company recognized directly in equity	259 300	371 190 878	(39 200 000)	-	(500 681 214)	(168 431 036)
Balance as at 30.06.2016	139 088 611	839 914 443	(39 200 000)	(9 265 446)	122 651 505	1 053 189 113

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE ABBREVIATED SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 30.06.2016

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 19 August 2016 the separate financial statements of Eurocash S.A. for the period from 1 January 2016 to 30 June 2016 were authorised for issue by the Management Board.

Eurocash S.A. is a listed company and its shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

The condensed interim separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU IFRSs").

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the condensed interim consolidated Eurocash Group for the period ended 30 June 2016, and the separate financial statements of Eurocash as at and for the year ended 31 December 2015, which is available on the website www.eurocash.pl.

1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

These condensed interim separate financial statements are presented in PLN, which is the Company's functional and presentation currency. All financial information presented in PLN has been rounded to the nearest PLN (unless it is otherwise indicated).

1.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with UE IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in given circumstances, and the results of estimates and judgements are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected, if a change in estimates relates to both the current and future periods.

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31st December 2015.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.6. GOING CONCERN ASSUMPTION

The financial statements were prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future.

2. NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 30.06.2016

NOTE 1. OTHERS INFORMATION

Those condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash Group prepared as at 30 June 2016.

According to the Board of Eurocash S.A. in the others information to the condensed interim consolidated financial statements of Eurocash Group are included all the relevant information required for a proper assessment of the financial position of the Company in the reporting period.

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	19 th August 2016	
Member of the Management Board Chief Executive Officer	Rui Amaral	19 th August 2016	
Member of the Management Board	Arnaldo Guerreiro	19 th August 2016	
Member of the Management Board	Pedro Martinho	19 th August 2016	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	19 th August 2016	
Member of the Management Board Financial Director	Jacek Owczarek	19 th August 2016	
Member of the Management Board	David Boner	19 th August 2016	

REPORT OF THE MANAGEMENT BOARD

1. Eurocash Group - overview

EUROCASH Group is one of the largest Fast Moving Consumer Goods (FMCG) distributors in Poland. Eurocash Group concentrates on wholesale supply of FMCG to a broad range of traditional retailers across the whole country. In its business activity, Eurocash uses a range of distribution formats, which first and foremost include:

- **Cash & Carry** – a national network of discount Cash & Carry type warehouses under the “Eurocash Cash & Carry” brand, as part of which the loyalty program for the “abc” network of stores operates;
- **Delikatesy Centrum** – a franchise system for retail stores operating under the brand “Delikatesy Centrum”;
- **Tobacco & Impulse** – active distribution of tobacco products and fast moving consumer goods through Eurocash Serwis;
- **Eurocash Alcohol** – wholesale and retail distribution of alcoholic beverages throughout Poland;
- **Eurocash Food Service** – supplying HoReCa channel including restaurant chains, hotels, and independent restaurants;
- **Eurocash Distribution** - consists of:
 - active distribution companies (Eurocash S.A. after merger with Tradis sp. z o.o., DEF sp. z o.o., AMBRA sp. z o.o.);
 - companies organizing or supporting franchise chains of retail shops: Euro Sklep S.A., Lewiatan Holding S.A., Lewiatan Podlasie Sp. z o.o., Lewiatan Śląsk Sp. z o.o., Lewiatan Zachód Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o., Lewiatan Kujawy Sp. z o.o., Lewiatan Orbita Sp. z o.o.;
 - Detal Podlasie (company operating retail stores in Lewiatan chain);
- **Other** – companies: Inmedio Sp. z o.o., PayUp Polska S.A., Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Franczyza Sp. z o.o., Eurocash Detal Sp. z o.o., Eurocash Trade 1 Sp. z o.o., Eurocash VC 2 Sp. z o.o., Eurocash VC 3 Sp. z o.o., ABC na kołach Sp. z o.o., Firma Rogala Sp. z o.o.

The business of Eurocash Group is focused on the territory of Poland

2. The structure of the Eurocash Group and its affiliated companies as at June 30, 2016:

<div style="text-align: center;"> <div>Luis Amaral (through Politra B.V. s.a.r.l.)</div> <div>44%</div> <div>EUROCASH S.A.</div> </div>		
Wholesale subsidiaries	Franchise systems	Retail & Other
75% Eurocash Serwis Sp. z o.o.	100% Eurocash Franczyza Sp. z o.o.	100% PayUp Polska S.A.
100% DEF Sp. z o.o.	66,6% Lewiatan Holding S.A.	100% Eurocash Detal Sp. z o.o.
100% AMBRA Sp. z o.o.	100% Lewiatan Podkarpacie Sp. z o.o.	100% Eurocash Convenience Sp. z o.o.
	100% Lewiatan Północ Sp. z o.o.	51% Inmedio Sp. z o.o.
	100% Lewiatan Kujawy Sp. z o.o.	100% Kontigo Sp. z o.o.
	89% Lewiatan Wielkopolska Sp. z o.o.	44% Frisco S.A.
	100% Lewiatan Opole Sp. z o.o.	100% Eurocash Trade 1 Sp. z o.o.
	100% Lewiatan Orbita Sp. z o.o.	100% Eurocash Trade 2 Sp. z o.o.
	100% Lewiatan Zachód Sp. z o.o.	100% Premium Distributors Sp. z o.o.
	100% Lewiatan Podlasie Sp. z o.o.	100% Przedsiębiorstwo Handlu Spożywczego sp. z o.o.
	100% Lewiatan Śląsk Sp. z o.o.	100% Eurocash VC2 Sp. z o.o.
	100% Detal Podlasie Sp. z o.o.	100% Eurocash VC3 Sp. z o.o.
	100% EURO SKLEP S.A.	100% ABC na kołach Sp. z o.o.
	50% PSD S.A.	100% Duży Ben Sp. zo.o.
		100% Eurocash Food Sp. z o.o.
		51% Sushi To Go Sp. z o.o.
		51% Sushi To Go Sp. z o.o. Sp. k.
		100% 4vapers Sp. z o.o.
		50% Firma Rogala Sp. z o.o.
		100% Eurocash Nieruchomości Sp. z o.o.
		100% Detal Finanse Sp. z o.o.
		100% Gama Detal Sp.. z o.o

3. Summary of financial and operational results of Eurocash Group in 2Q 2016 and 1H 2016

Below we present the key financial and operational highlights for the Eurocash Group and for the following distribution formats:

- **Cash&Carry** – including Eurocash Cash&Carry and Batna stores
- **Delikatesy Centrum** – encompassing sales of Eurocash S.A. to retail stores supplied based on franchise and distribution contracts executed with Eurocash Franczyza Sp. z o.o.
- **Tobacco & Impulse** – sales of Eurocash Serwis Sp. z o.o
- **Alcohol Distribution** – sales of Eurocash S.A. in Eurocash Alkohole format
- **Eurocash Food Service** - sales of Eurocash S.A. realized to gastronomy points (HoReCa)
- **Eurocash Distribution** consisting of:
 - active distribution companies (Eurocash S.A. after merger with Tradis Sp. z o.o., DEF Sp. z o.o., AMBRA Sp. z o.o.), and
 - companies organizing or supporting franchise chains of retail shops: : Euro Sklep S.A., Lewiatan Holding S.A., Lewiatan Podlasie Sp. z o.o., Lewiatan Śląsk Sp. z o.o., Lewiatan Zachód Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o., Lewiatan Kujawy Sp. z o.o., Lewiatan Orbita Sp. z o.o.
 - Detal Podlasie Sp. z o.o. (company operating retail stores in Lewiatan chain).
- **Other** – sales revenues of companies: : Inmedio Sp. z o.o, PayUp Polska S.A., Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Franczyza Sp. z o.o., Eurocash Detal Sp. z o.o., Eurocash Trade 1 Sp. z o.o., Eurocash VC 2 Sp. z o.o., Eurocash VC 3 Sp. z o.o., ABC na kołach Sp. z o.o., Firma Rogala Sp. z o.o.

Profit & loss account

Table 1: Eurocash Group: Summary of consolidated financial results for 2Q 2016

	2Q 2016	2Q 2015	Change %
PLN m			
Sales revenues (traded goods, materials)	5 340,77	5 181,70	3,07%
Gross profit (loss) on sales	558,35	513,65	8,70%
Gross profitability on sales (%)	10,45%	9,91%	0,54 p.p.
EBITDA	110,26	114,02	-3,30%
(EBITDA margin %)	2,06%	2,20%	-0,14 p.p.
EBIT	70,04	75,34	-7,04%
(EBIT margin %)	1,31%	1,45%	-0,14 p.p.
Gross profit	63,07	65,63	-3,91%
Net Income	53,10	51,62	2,87%
(Net profitability %)	0,99%	1,00%	-0,00 p.p.

Table 2: Eurocash Group: Summary of consolidated financial results for 1H 2016

	1H 2016	1H 2015	Change %
PLN m			
Sales revenues (traded goods, materials)	10 104,81	9 787,46	3,24%
Gross profit (loss) on sales	1 020,74	932,92	9,41%
Gross profitability on sales (%)	10,10%	9,53%	0,57 p.p.
EBITDA	157,61	155,81	1,15%
(EBITDA margin %)	1,56%	1,59%	-0,03 p.p.
EBIT	76,68	82,10	-6,60%
(EBIT margin %)	0,76%	0,84%	-0,08 p.p.
Gross profit	66,43	60,16	10,41%
Net Income	55,08	48,54	13,47%
(Net profitability %)	0,55%	0,50%	-0,05 p.p.

Consolidated total sales of Eurocash Group in 2Q 2016 amounted PLN 5 340.77 m and increased by 3.07% YoY. In 1H 2016 consolidated sales reached PLN 10 104.81 m comparing with 9 787.46 in the same period previous year. Sales growth was driven mainly by sales of goods to clients integrated in partnership and franchise chains. On the contrary sales dynamic was negatively impacted by reduced sales to clients exporting goods abroad. Excluding that sales consolidated results increased by 5% both in 2Q and 1H 2016 YoY.

Consolidated gross profitability amounted to 10.45% in 2Q 2016 and increased by 0.54 p.p. YoY. In 1H 2016 gross profitability increased by 0.57 p.p. YoY and amounted to 10.10%. Increase of gross margin was attributable to consolidation of retail company Firma Rogala - excluding that results gross profitability increased by 0.3 p.p. in 2Q 2016 and 1H 2016.

EBITDA in 2Q 2016 amounted to PLN 110.26 m and decreased by PLN 3.76 m. EBITDA in 1H 2016 amounted to PLN 157.61 m and increased by PLN 1.80 m. Lower EBITDA in 2Q 2016 was attributable to

higher costs of new projects: i.e. Kontigo, 1 minute, abc on wheels, as well as costs of sales driven mainly by consolidation of Firma Rogala and salary increase.

The net profit in 2Q 2016 amounted to PLN 53.10 m vs. PLN 51.62 m in 2Q 2015. In 1H 2016 the net profit amounted to PLN 55.08 m. Increase of net profit was attributable mainly to lower net financial costs in 1H 2016 vs. 1H 2015.

Sales by format

Table 3: Eurocash Group: Sales of goods dynamics by distribution format for 2Q 2016

PLN m	External sales		Change %
	2Q 2016	2Q 2015	
Cash&Carry	1 163,55	1 142,87	1,81%
Delikatesy Centrum	427,72	472,97	-9,57%
Tobacco+Impulse	1 434,75	1 443,91	-0,63%
Alcohol distribution	507,65	504,47	0,63%
Eurocash Food Service	95,93	88,80	8,03%
Eurocash Distribution	1 082,48	1 087,83	-0,49%
Other	291,32	164,32	77,29%
<i>Delikatesy Centrum incl. Rogala</i>	<i>508,54</i>	<i>472,97</i>	<i>7,52%</i>
<i>Tobacco incl Rogala, excl. PayUp</i>	<i>1 440,01</i>	<i>1 426,34</i>	<i>0,96%</i>
Total	5 003,41	4 905,17	2,00%

Table 4: Eurocash Group: Sales of goods dynamics by distribution format for 1H 2016

PLN m	External sales		
	1H 2016	1H 2015	Change %
Cash&Carry	2 149,37	2 140,94	0,39%
Delikatesy Centrum	908,17	913,17	-0,55%
Tobacco+Impulse	2 678,50	2 707,45	-1,07%
Alcohol distribution	934,71	952,41	-1,86%
Eurocash Food Service	178,32	163,95	8,76%
Eurocash Distribution	2 097,57	2 093,15	0,21%
Other	564,25	323,69	74,32%
<i>Delikatesy Centrum incl. Rogala</i>	<i>988,99</i>	<i>913,17</i>	<i>8,30%</i>
<i>Tobacco incl Rogala, excl. PayUp</i>	<i>2 683,76</i>	<i>2 670,64</i>	<i>0,49%</i>
Total	9 510,89	9 294,76	2,33%

Cash & Carry:

- In 2Q 2016 external sales of goods in Cash&Carry format amounted to PLN 1 163.55 m and increased by 1.81% comparing with 2Q 2015. In 1H 2016 external sales of goods increased by 0.39% and amounted to PLN 2 149.37m in comparison with the same period of 2015.
- LFL sales dynamic (same number of stores) in Eurocash Cash&Carry stores in 2Q 2016 amounted to negative -1.28% and -2.57% in 1H 2016.

- The number of Eurocash Cash&Carry stores at the end of 1H 2016 amounted to 189 (including 3 Batna stores).
- The number of abc stores amounted to 7 993 at the end of 1H 2016.
- In 2Q 2016 shares of abc stores in total sales of Eurocash Cash&Carry stores amounted to 61.47% and 61.76% in 1H 2016.

Delikatesy Centrum:

- External wholesale sales of goods realized by "Delikatesy Centrum" Distribution Centers in 2Q 2016 amounted to PLN 427.72 m, and decreased by 9.57% compared to 2Q 2015. In 1H 2016 external sales of goods amounted to PLN 908.17 m, which means a decrease by 0.55% comparing to 1H 2016.
- External sales in 2Q was affected by consolidation of sales to Firma Rogala franchise stores. Excluding consolidation effect, wholesale sales to "Delikatesy Centrum" stores increased in 2Q 2016 by 7.52% and in 1H 2016 by 8.30%.
- LFL growth of wholesale sales of goods realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 4.41% in 2Q 2016 and 3.57% in 1H 2016 comparing to the same period of 2015.
- LFL growth of retail sales of "Delikatesy Centrum" franchise stores amounted to 0.78% in 2Q 2016 and 0.96% in 1H 2016
- Number of "Delikatesy Centrum" franchise stores at the end of 1H 2016 amounted to 1060.

Tobacco&Impulse:

- External sales of goods in Eurocash Serwis amounted to PLN 1 434.75 m in 2Q 2016 and decreased by 0.63% YoY. In 1H 2016 sales amounted to PLN 2 678.50 m (decrease by 1.07% YoY).
- External sales of goods was affected by consolidation of Firma Rogala sales and transfer of top-ups to PayUp. Comparable to previous year sales increased by 0,96% in 2Q 2016 and 0.49% in 1H 2016.
- Sales of food and beverages category in Eurocash Serwis in 2Q 2016 increased by 13.5% YoY and 5.1% YoY in 1H 2016.
- In terms of volume, sales of cigarettes in 2Q 2016 to external clients increased by 3.46% and amounted to 2 386 m pieces of cigarettes.
- Number of Eurocash Serwis branches as of the end of 1H 2016 amounted to 175.

Alcohol Distribution:

- Sales of goods in Alcohol Distribution in 2Q 2016 amounted to PLN 507,65 m, 0.63% more than in 2Q 2015. In 1H 2016 sales amounted to PLN 934,71 m (decrease by 1.86% YoY).

Eurocash Food Service:

- External sales of goods in Eurocash Food Service amounted to PLN 95.93 m in 2Q 2016, 8.03% higher than in the same period previous year. In 1H 2016 sales amounted to PLN 178.32 m (an increase by 8.76% YoY).

Eurocash Distribution:

- External sales of goods in Eurocash Distribution in 2Q 2016 reached PLN 1 082.48 m, 0.49% lower than in 2Q 2015. During the 1H 2016 sales of Eurocash Distribution amounted to PLN 2 097.57 m in comparison to PLN 2 093.15 m previous year (an increase by 0.21%).
- Increased sales to franchisees in 1H 2016 was compensated by lower sales to Key Accounts.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 632 stores as of the end of 1H 2016.

Cash flow

Table 5: Eurocash Group: Consolidated cash flow for 2Q 2016

	2Q 2016	2Q 2015
PLN m		
Operating cash flow	95,74	466,45
<i>Gross profit (loss)</i>	63,07	65,63
<i>Depreciation</i>	40,23	38,69
<i>Change in working capital</i>	(30,87)	340,26
<i>Other</i>	22,85	21,59
Cash flow from investments	(32,01)	(31,98)
Cash flow from financing activities	(41,04)	(432,19)
Total cash flow	22,69	2,29

Table 6: Eurocash Group: Consolidated cash flow for 1H 2016

	1H 2016	1H 2015
PLN m		
Operating cash flow	142,53	559,98
<i>Gross profit (loss)</i>	66,43	60,16
<i>Depreciation</i>	80,93	73,71
<i>Change in working capital</i>	(20,24)	402,94
<i>Other</i>	14,62	22,55
Cash flow from investments	(135,55)	(83,47)
Cash flow from financing activities	33,27	(483,59)
Total cash flow	40,24	(7,09)

Total cash flow in 2Q 2016 amounted to PLN 22.69 m. while the operating cash flow reached PLN 95.74 m. In 1H total cash flows amounted to PLN 40.24 m and operational cash flows amounted to PLN 142.53 m.

Compared with 2Q 2015 operating cash flow was lower due to strong decrease of the inventory level previous year, however in 1H 2016 it was remained at long-term optimum level and amounted to 120% of last twelve month EBITDA. Cash flow from investments was impacted by payment for acquisitions and investment in IT and equipment and amounted to PLN -32.01 m in 2Q 2016 and -135.55 m in 1H 2016. Cash flow from financing activities amounted to PLN -41.04 m in 2Q 2016 and PLN + 33.27 m in 1H 2016, which was mainly driven by dividend payment for 2015.

Working capital

Table 7: Eurocash Group: Consolidated working capital ratios flow for 2Q 2016

Turnover in days	2Q 2016	2Q 2015
1. Inventories turnover	19,55	19,36
2. Trade receivables turnover	29,40	27,68
3. Trade liabilities turnover	69,21	64,72
4. Operating cycle (1+2)	48,95	47,05
5. Cash conversion (4-3)	(20,26)	(17,67)

Table 8: Eurocash Group: Consolidated working capital ratios flow for 1H 2016

Turnover in days	1H 2016	1H 2015
1. Inventories turnover	20,67	20,39
2. Trade receivables turnover	31,08	29,15
3. Trade liabilities turnover	72,88	67,86
4. Operating cycle (1+2)	51,75	49,54
5. Cash conversion (4-3)	(21,13)	(18,32)

Cash conversion in 2Q 2016 reached -20.26 days comparing with -17.67 days in 2Q 2015. In 1H 2016 cash conversion cycle was improved by 2.81 days comparing with the same period of previous year and reached -21.13 days. Faster cash conversion was attributable to longer trade liabilities turnover.

Statement of the financial position

The volume of fixed and current assets, equity, liabilities and provisions for liabilities, as well as their share in the total value of assets is presented in the table below:

Table 9: Eurocash Group: Selected consolidated balance sheet items

PLN m	30.06.2016		31.12.2015	
Fixed assets	2 307,43	41,72%	2 288,14	45,60%
Current assets	3 223,33	58,28%	2 729,18	54,40%
Total assets	5 530,76	100,00%	5 017,32	100,00%

Equity	1 043,39	18,87%	1 160,90	23,14%
Liabilities and provisions	4 487,36	81,13%	3 856,43	76,86%
Total liabilities and equity	5 530,76	100,00%	5 017,32	100,00%

Net debt of Eurocash Group at the end of June 2016 amounted to PLN 317.05 m compared with PLN 506.13 m at the end of 1H 2015. According the net debt definition from revolving credit agreement (including contingencies) net debt amounted to PLN 337.92 m.

4. Summary of financial results of Eurocash S.A. in 2Q and 1H 2016

Profit & loss account

Table 10: Eurocash S.A.: Summary of financial results for 2Q 2016

PLN m	2Q 2016	2Q 2015	Change %
Sales revenues (traded goods, materials)	3 620,18	3 489,97	3,73%
Gross profit (loss) on sales	403,02	389,97	3,35%
Gross profitability on sales (%)	11,13%	11,17%	-0,04 p.p.
EBITDA	59,44	67,03	-11,32%
(EBITDA margin %)	1,64%	1,92%	-0,28 p.p.
EBIT	32,27	41,52	-22,27%
(EBIT margin %)	0,89%	1,19%	-0,30 p.p.
Gross profit	48,45	95,26	-49,14%
Net Income	41,96	87,83	-52,23%
(Net profitability %)	1,16%	2,52%	-1,36 p.p.

Table 11: Eurocash S.A.: Summary of financial results for 1H 2016

PLN m	1H 2016	1H 2015	Change %
Sales revenues (traded goods, materials)	6 784,80	6 591,50	2,93%
Gross profit (loss) on sales	731,61	699,65	4,57%
Gross profitability on sales (%)	10,78%	10,61%	0,17 p.p.
EBITDA	75,82	82,20	-7,77%
(EBITDA margin %)	1,12%	1,25%	-0,13 p.p.
EBIT	21,74	31,74	-31,49%
(EBIT margin %)	0,32%	0,48%	-0,16 p.p.
Gross profit	36,19	70,91	-48,96%
Net Income	33,13	67,95	-51,25%
(Net profitability %)	0,49%	1,03%	-0,54 p.p.

Sales of Eurocash S.A. in 2Q 2016 amounted to PLN 3 620.18 m and increased by 3.73%. In 1H 2016 sales reached PLN 6 784.80 m and increased by 2.93% YoY. Consolidated gross margin on sales realized by Eurocash S.A. in 2Q 2016 was at comparable level as in previous year and amounted to 11.13%. In 1H 2016 consolidated gross margin on sales amounted to 10.78%, which means increase by 0.17 p.p. YoY. In 2Q 2016 EBITDA amounted to PLN 59.44 m, while in 1H 2016 it reached PLN 75.82 m. Net profit in 2Q 2016 amounted to PLN 41.96 m and in 1H 2016 reached the level of PLN 33.13 m.

Cash flow

Table 12: Eurocash S.A.: Cash flow for 2Q 2016

	PLN m	2Q 2016	2Q 2015
Operating cash flow		183,25	440,23
<i>Gross profit (loss)</i>		48,45	95,26
<i>Depreciation</i>		27,17	25,51
<i>Change in working capital</i>		106,83	351,92
<i>Other</i>		0,34	(32,72)
Cash flow from investments		302,69	(17,79)
Cash flow from financing activities		(464,58)	(417,99)
Total cash flow		21,37	4,46

Table 13: Eurocash S.A.: Cash flow for 1H 2015

	PLN m	1H 2016	1H 2015
Operating cash flow		141,15	532,43
<i>Gross profit (loss)</i>		36,19	70,91
<i>Depreciation</i>		54,07	50,46
<i>Change in working capital</i>		56,46	436,60
<i>Other</i>		(6,31)	(26,13)
Cash flow from investments		206,13	(65,59)
Cash flow from financing activities		(313,70)	(454,55)
Total cash flow		33,58	12,30

Total cash flow of Eurocash S.A. in 2Q 2016 amounted to PLN 21.37 m. In 1H 2016 cash flows reached PLN 33.58 m.

Working capital

Table 14: Eurocash S.A.: Working capital ratios for 2Q 2016

Turnover in days	2Q 2016	2Q 2015
1. Inventories turnover	20,32	21,53
2. Trade receivables turnover	32,52	31,49
3. Trade liabilities turnover	85,82	84,07
4. Operating cycle (1+2)	52,84	53,02
5. Cash conversion (4-3)	(32,98)	(31,06)

Table 15: Eurocash S.A.: Working capital ratios for 1H 2016

Turnover in days	1H 2016	1H 2015
1. Inventories turnover	21,68	22,67
2. Trade receivables turnover	34,71	33,16
3. Trade liabilities turnover	91,22	87,99
4. Operating cycle (1+2)	56,39	55,83
5. Cash conversion (4-3)	(34,84)	(32,15)

Cash conversion in 2Q 2016 was improved by o 1.93 days and in 1H 2015 by 2.69 days comparing with the same period of previous year.

Statement of the financial position

The volume of fixed and current assets, equity, liabilities and provisions for liabilities, as well as their share in the total value of assets is presented in the table below:

Table 16: Eurocash S.A.: Selected balance sheet items

PLN m	30.06.2016		31.12.2015	-
Fixed assets	2 673,21	52,96%	2 651,11	52,84%
Current assets	2 374,18	47,04%	2 365,81	47,16%
Total assets	5 047,39	100,00%	5 016,92	100,00%
Equity	1 053,19	20,87%	1 187,11	23,66%
Liabilities and provisions	3 994,20	79,13%	3 829,81	76,34%
Total liabilities and equity	5 047,39	100,00%	5 016,92	100,00%

5. Definitions of the financial ratios

Gross profit margin on sales:	ratio of gross sales profit to net sales revenue
EBITDA margin:	ratio of EBITDA (operating profit plus depreciation) to net sales revenue
Operating profit margin:	ratio of operating profit (EBIT) to net sales revenue
Net profit margin on sales:	ratio of net profit to net sales revenue
Inventories turnover:	the ratio of balance of stocks at the end of period to net sales for period. multiplied by the number of days in the period
Trade receivables turnover:	the ratio of balance of trade receivables at the end of period to net sales for period. multiplied by the number of days in the period
Trade liabilities turnover:	the ratio of balance of trade liabilities at end of period to costs of goods sold for period. multiplied by the number of days in the period
Operating cycle:	the sum of stocks turnover and receivables turnover
Cash conversion cycle:	the difference between operating cycle and liabilities turnover
Net debt:	the sum of long and short term loans, borrowings and financial liabilities lessened by cash and cash equivalents

6. Major events and factors that influenced consolidated income or loss of Eurocash Group in 1H 2016

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 19th April 2016, persons who were shareholders of the Company on 11th May 2016, received a dividend of PLN 1.00 per one Company share. The total dividend paid on 31st May 2016 amounted to PLN 139,084,436.00

7. Development perspectives

External Factors

Growth in the FMCG market and its structure.

The Group expects further growth of modern distribution channels; its unfavorable impact on company's income will be compensated by growth of the FMCG market in absolute terms and consolidation in the traditional wholesale market.

Inflation.

Unexpected substantial changes in prices of food, beverages, alcohol and other FMCG products, as well as fuel prices affecting logistic expenses may influence the Group's profit and loss.

Labour costs.

Potential pressure on labour costs could in medium-term perspective negatively influence the Group's profit and loss. However, potential of growing wages and salaries impacts the whole Polish market. As the Group sales are realized in Poland, its competitive position should remain unchanged due to this factor.

Internal Factors

New business formats

Development of new formats of wholesale distribution or new formats of retail stores and franchise chains, in order to give a full offer to our clients and on the same time to achieve economies of scale.

Organic expansion

Management of Eurocash Group expects that during 2016:

- number of Eurocash Cash&Carry stores will increase by app. 8-10 stores,
- number of Delikatesy Centrum franchise stores will increase by app. 60-80 stores.

Integration of acquired companies

Due to the necessity of integrating the acquired companies, in the opinion of Eurocash S.A. Management Board, full synergies associated with transactions will be possible to reach within 3 years after the acquisition of control over these companies.

8. Major risks and threats related to the operational activities

External Factors

Macroeconomic situation. Purchasing power of the population

Economic slowdown, drop of the purchasing power and decrease in household expenditures for consumption may have a negative impact on the sales volume of the Company.

The structure of the FMCG retail distribution market in Poland

In 2015 the prevailing form of FMCG retail distribution was a traditional distribution channel with approx. 41% share. Such high share (as compared to other European countries) results from a low concentration of population in the area of the country and bad housing conditions, stimulating more frequent purchases. This situation is advantageous for the Eurocash Group for which small and mid-sized shops located off large agglomerations are the most relevant group of customers. A growth in the share of modern distribution will reduce the potential market of the Eurocash Group business.

The structure of the traditional FMCG distribution channel. Competition

According to the estimates of the Eurocash Group, there is approx. 3,000 - 4,000 entities operating on the wholesale FMCG distribution market. Market consolidation, appearance of new strong entities could have a negative impact on the level of margins.

Internal Factors

IT systems

An efficient, uniform IT system allows for centralized and effective management of business processes, allowing for an exact analysis of profitability of particular products and particular discount stores, which guarantees high safety of the conducted business. Possible disturbances in the system operation would be a threat for the business of the Group.

New investments

Eurocash Group wants to be an active participant in the process of market consolidation by taking over FMCG wholesalers. Taking over other enterprises, the Group bears numerous material risks connected among others with integration, realization of the assumed synergies or wrong assessment of the market potential.

Suppliers

Due to the range of products offered by Eurocash Group and the geographically diverse sales, the group of the main suppliers of the Group is very large and as at 30 June 2016 covered more than 1000 entities.

The brand name product suppliers to which the leading producers and importers of FMCG products belong, including of tobacco products and alcoholic beverages, are chosen mainly based on their market shares, the meaning of the given brand, as well as the coverage of individual product segments and regional variability.

Due the nature of the FMCG product market, competition on this market and the recorded decrease in the sale of tobacco products in Poland, as well as the significant increase in the value of sales in relation to development of distribution formats Eurocash Distribution, Eurocash Alcohols and Eurocash Food Service, the business activity of the Group is not dependent on tobacco product suppliers, therefore the risk, that termination or an unfavorable change of the terms of the agreements for distribution of might have a significant adverse effect Eurocash Group business and financial results is limited.

9. Additional information

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 19th April 2016, persons who were shareholders of the Company on 11th May 2016, received a dividend of PLN 1.00 per one Company share. The total dividend paid on 31st May 2016 amounted to PLN 139,084,436.00

Explanations regarding seasonality

In FMCG wholesale sales are traditionally lower in 1Q, then sales peak during summer period and stabilize in the 4Q.

Issuance redemption and repayment of debt and capital securities

In the period between 1st January 2016 and 30th June 2016 259 300 were issued.

On 30 June 2016 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0m bonds issued under the long-term bonds issue program.

Changes in the basic management principles

Acquisition of 50% of shares in one of the largest Delikatesy Centrum franchisees

On 29 January 2016 pursuant to the preliminary agreement of 18 September 2014, Eurocash executed with Hadrick Investments sp. z o.o, Jerzy Rogala and Ewelina Wójcik Rogala an agreement of acquisition of 50% shares in Firma Rogala.

According to received information, in 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue. For these reasons, the Management Board of Eurocash S.A. decided to recognize the Agreement as confidential information.

Investment agreement to acquire 100% of shares in EKO Holding S.A

On 23rd February 2016 Eurocash S.A. concluded with Pelican Ventures Sp. z o.o. preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 100% stake in EKO Holding S.A. based in Nowa Wieś Wrocławska, entered into the register of business entities under the KRS number 0000302877. EKO is the owner of a chain comprising over 250 supermarkets, located mainly in Southwestern Poland, concentrated in the provinces of Lower Siles, Wielkopolska, Opole and Silesia. According to the received information, the total sales of EKO in 2015 amounted to app. PLN 999 million.

Investment agreement to acquire 50% of shares in one of the largest Delikatesy Centrum franchisees

On 15th April 2016 Eurocash S.A. concluded with Marek Stodółka, Bogdan Habrat, Zofia Szubra, Aleksandra Stodółka, Anna Dąbrowska, FHC-2, M. Stodółka i Wspólnicy spółka jawna, FHC-2 spółka z ograniczoną odpowiedzialnością, Fructar spółka z ograniczoną odpowiedzialnością, Madas spółka z ograniczoną odpowiedzialnością, FHC-3 spółka z ograniczoną odpowiedzialnością preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 50% stake in FHC-2 Sp. z o.o. and Madas Sp. z o.o both based in Krosno which after restructuration will be the owner of a chain comprising over 47 supermarkets,

located mainly in South-Eastern Poland. According to the received information, the total sales of acquired companies in 2015 amounted to app. PLN 270 million.

In 1H 2016 there were no changes in the basic management principles.

The Board opinion on the possibilities to carry out previously published financial forecasts for a given year.

The Management Board of Eurocash S.A. has not published or does not intend to publish financial forecast for 2016.

Shareholders owning directly or indirectly – through dependent entities – at least 5 % of total number of votes at the general assembly.

	19.08.2016				13.05.2016			
Shareholder	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes
Luis Amaral (directly and indirectly through Politra B.V. S.à.r.l.)	60 615 240	43,58%	60 615 240	43,58%	60 615 240	43,66%	60 615 240	43,66%
Others	78 473 371	56,42%	78 473 371	56,42%	78 216 721	56,34%	78 216 721	56,34%
Total	139 088 611	100,00%	139 088 611	100,00%	138 831 961	100,00%	138 831 961	100,00%

* On 19.08.2015 The Management Board of Eurocash has information on the number of shares as of 12.07.2016.

Number of shares (or rights to shares) held by the members of the Management Board and Supervisory Board of Eurocash

	Shares or rights to acquire Eurocash shares	
	19.08.2016	13.05.2016
<i>Management Board members</i>		
Luis Amaral (directly and indirectly)	60 615 240	60 615 240
Rui Amaral	397 025	397 025
Katarzyna Kopaczewska	330 000	330 000
Arnaldo Guerreiro	325 500	325 500
Pedro Martinho	818 050	818 050
Jacek Owczarek	58 500	58 500
<i>Supervisory Board members</i>		
Eduardo Aguinaga de Moraes	0	0
Joao Borges de Assuncao	0	0
Hans-Joachim Körber	0	0
Jacek Szwajcowski	0	0
Francisco Santos	0	0

Information on legal suits

In the 1H 2016 companies belonging to Eurocash Group were not involved in any other legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10% of equity.

Information concerning granting by the issuer or its subsidiary credit or loan surety or a guarantee

In the 1H 2016 companies belonging to Eurocash Group did not grant any surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

Information concerning execution by the issuer or its subsidiary transaction with related parties

In the 1H 2016 companies belonging to Eurocash Group did not execute transactions with related parties otherwise than in the ordinary course of business on an arm's length basis.

Other information significant to assess the issuer's situation or ability to satisfy liabilities by the issuer

Apart of information provided in this report, there is no other information which would be material to assess the staffing and financial situation of the Company.

Factors that will affect the results achieved by the issuer

Acquisition of 50% of shares in one of the largest Delikatesy Centrum franchisees

On 29 January 2016 pursuant to the preliminary agreement of 18 September 2014, Eurocash executed with Hadrick Investments sp. z o.o, Jerzy Rogala and Ewelina Wójcik Rogala an agreement of acquisition of 50% shares in Firma Rogala.

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Apart of information provided in this report there are no other material factors which might influence the results of the Eurocash Group during the next quarter of the year.

10. Representations of the Management Board

Accuracy and reliability of the reports presented

The members of the Management Board of Eurocash S.A. represent that, according to their best knowledge:

- the abbreviated semi-annual consolidated financial statements and comparable data have been drawn up in accordance with the applicable accounting principles and give a true and fair view of the economic and financial position of Eurocash Group and of the results of its operations for the 1H 2016,
- the abbreviated semi-annual separate financial statements and comparable data have been drawn up in accordance with the applicable accounting principles and give a true and fair view of the economic and financial position of Eurocash and of the results of its operations for the 1H 2016,
- the report of the Management Board on the business activities of Eurocash Group for the 1H 2016 contains a true views of the development, achievements and position of Eurocash Group, including a description of main risks and threats.

Appointment of the entity qualified to audit financial statements

The members of the Management Board of Eurocash S.A. represent that:

- KPMG Audyt Sp. z o.o. Sp. k., the entity qualified to audit financial statements, which reviewed the abbreviated semi-annual consolidated of Eurocash Group, has been appointed in compliance with the applicable laws and regulations. The entity and the auditors have met the prerequisites for giving an impartial and independent report from the review in accordance with the applicable provisions of the law
- KPMG Audyt Sp. z o.o. Sp. k., the entity qualified to audit financial statements, which reviewed the abbreviated semi-annual separate of Eurocash, has been appointed in compliance with the applicable laws and regulations. The entity and the auditors have met the prerequisites for giving an impartial and independent report from the review in accordance with the applicable provisions of the law.

Signatures of the Management Board Members:

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	19th August 2016	
Member of the Management Board Chief Executive Officer	Rui Amaral	19th August 2016	
Member of the Management Board	Arnaldo Guerreiro	19th August 2016	
Member of the Management Board	Pedro Martinho	19th August 2016	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	19th August 2016	
Member of the Management Board	David Boner	19th August 2016	
Member of the Management Board Financial Director	Jacek Owczarek	19th August 2016	