

ANNUAL WRITTEN REPORT OF THE SUPERVISORY BOARD OF EUROCASH SPÓŁKA AKCYJNA FOR 2007

To the General Meeting of Shareholders of Eurocash Spółka Akcyjna (the "Company")

The report covers the fiscal year from January 1st, 2007 through December 31st, 2007.

In 2007 the following persons were the members of the Supervisory Board of the Company:

Mr. João Borges de Assunção	Chairman of the Supervisory Board
Mr. Eduardo Aguinaga de Moraes	Member of the Supervisory Board
Mr. Ryszard Wojnowski	Member of the Supervisory Board
Mr. Janusz Lisowski	Member of the Supervisory Board
Mr. António José Santos Silva Casanova	Member of the Supervisory Board

1. Information on the Supervisory Board's activities.

The Supervisory Board fulfilled its duties according to the Commercial Companies Code and the Company's Statute. In particular, the Supervisory Board was involved in the internal control and risk management systems of the Company, analyzed the Company's results and monitored the performance of the Management Board. Supervisory Board was involved in the process of taking the most vital decisions of the Company like, e.g., approval of the acquisition by the Company of shares of McLane Polska Sp. z o.o.

Pursuant to § 13.12 of the Company's Statute, in 2007 the Supervisory Board held 3 meetings: on June 28, November 26 and November 27. The Supervisory Board also held several conference calls on the following dates: February 28, April 19, May 10, August 13, September 26, October 1, October 29, November 12 and December 4.

Pursuant to § 13.8 of the Company's Statute, by virtue of resolutions adopted on May 10th, 2007, the Supervisory Board amended "By-laws of the Supervisory Board of Eurocash S.A." which was approved by the Ordinary General Shareholders Meeting of June 28th, 2007. The amendment resulted from the change in the seat of the Company from Poznań to Komorniki.

2. Supervisory Board opinion on the Company's SAR-report, including the financial statement for 2007 set the Management Board's report on the operations of the Company in 2007 and on the proposal of the Management Board concerning the distribution of profits for 2007

2.1 Opinion on the financial statements.

Pursuant to Art. 382 § 3 of the Commercial Companies Code, the Supervisory Board of the Company conducted the analysis of the financial statement of the Company for 2007, including the balance sheet for the amount of PLN 689,756,790 (six hundred and eighty nine million seven hundred and fifty six thousand seven hundred and ninety zlotys), the profit and loss statement of the Company showing the net profit in the amount of PLN 44,005,260 (forty four million five thousand two hundred and sixty

zlotys) and the cash flow report indicating an increase of net cash in the amount of PLN 94,066,178 (ninety four million sixty six thousand one hundred seventy eight zlotys).

The Supervisory Board is of the opinion that the submitted financial statements for 2007, including balance sheet, profit and loss statement and cash flow report, truly and properly represent the result of the Company's business activity for the above fiscal year, as well as the property and financial standing of the Company as of December 31, 2007.

According to the above, the Supervisory Board adopted a resolution recommending that the General Meeting of Shareholders approved the Company's financial statement for 2007.

2.2 Opinion on the Management Board's report on the operations of the Company in 2007.

The financial statements of the Company are accompanied by a written Management Board's report on the operations of the Company in 2007.

The Supervisory Board is of the opinion that the presented report of the Management Board is true and comprehensive. After the analysis of the Management Board report, the Supervisory Board adopted a resolution recommending that the General Meeting of Shareholders approved the Management Board report and acknowledged the fulfilment of duties by the members of the Management Board.

2.3 Opinion on the proposal of the Management Board on distribution of profits

Upon examination of the proposal of the Management Board of the Company to distribute profits for 2007, the Supervisory Board adopted a resolution recommending to the General Meeting of Shareholders that the Company's profits for 2007 amounting to PLN 44,005,260 (forty four million five thousand two hundred and sixty zlotys) be distributed in the following manner:

- (a) the shareholders of record on July 1st, 2008 shall be eligible to receive the dividend in amount PLN 30 (thirty groszes) per one Company share; the total dividend shall not exceed PLN 39,280,665 and shall be payable by July 15th, 2008;
- (b) the balance shall be transferred to Company's supplementary capital, of which PLN 3,520,421 (three million five hundred and twenty thousand four hundred and twenty one zlotys) constitutes 8% of the net profit required to be transferred to the supplementary capital pursuant to Art. 396 § 1 of the Commercial Companies Code.

3. Report on Audit Committee's activities.

The Audit Committee has its responsibilities defined in § 10 of the "By-laws of the Supervisory Board". One of such responsibilities is to issue an annual report on its activities. In 2007 the Audit Committee held two conference calls.

During the conference call held on May 10, 2007, the Audit Committee discussed the choice of the new external auditor of the Company.

During the conference call held on September 26, 2007 the Audit Committee discussed the compliance of the Financial Statement of the company for the first half of 2007.

Furthermore, on Mr. Ryszard Wojnowski, as representative of the Audit Committee, in May 2007 held a meeting with the exiting external auditor of the Company.

Final remarks: The Audit Committee is of the opinion that it performed its responsibilities in 2007, and that the auditors, not having other commercial relations with the Company, can perform their duties in an independent manner.

4. Report on Remuneration Committee's activities.

The remuneration Committee held one meeting in 2007 (on November 27) which is the minimum required by "By-laws of the Supervisory Board of Eurocash S.A.".

Remuneration Committee reports that it has obtained full disclosure and access to all necessary information regarding both Company's policy regarding remuneration of Management Board members and its application. The Committee was satisfied that no material departure from stated Management policy has taken place, and expresses appreciation for Management's rigorous approach to alignment of performance incentives with Company objectives.

The Company's Human Resources Director has provided a complete description of how the fixed and variable components of remuneration policy relate to the yearly cycle of objective-setting and performance evaluation. The Committee is satisfied that Management is rigorous both in the design and in the application of a policy that appears to be adequate, in the competitive context of Poland, to encourage the achievement of Company targets.

Final remarks: Based on the above, the Remuneration Committee expresses a positive opinion on the mechanisms used to apply Management Board remuneration policy during 2007, and confirm that remuneration payments made during 2007 are in compliance with this policy.

5. Evaluation of internal control system and risk management system of the Company.

Supervisory Board systematically evaluates the quality of the internal control systems and risk management of the Company. The key elements of this system include (i) yearly business plan and budget adopted by the Management Board and approved by the Supervisory Board; (ii) the internal control carried out by the internal audit department; (iii) the Management Board's daily analysis of the results of the Company and comparison thereof with the budget (iv) a verification of the financial statements by an independent auditor selected by the Supervisory Board; and (v) evaluation of financial statements by the Supervisory Board.

On the basis of the evaluation carried out, the Supervisory Board is of the opinion that there were no weaknesses which could significantly impact on the effectiveness of the internal control and risk management system of the Company.

6. Concise evaluation of the Company's standing.

The Supervisory having analysed the financial statements, Eurocash results and the plans for future developments, has given positive opinion on the Company's standing and prospects of development thereof. Concurrently the Supervisory Board recommended to the General Assembly to acknowledge fulfilment of the Management Board Duties in 2007. The more detailed comments are highlighted in the following points:

Key financial results: In the fiscal year of 2007 the Company has yet again improved its economic results. Consolidated sales of Eurocash Group in 2007 amounted to PLN 4,729.87 million and increased by 46.12% comparing with 2006. Consolidated net profit amounted to PLN 58.08 million, what represents an increase of 41.63% as compared to 2006. Stand alone Eurocash S.A. sales amounted to 2,609.9 million and increased by 31.92% comparing with 2006. Net profit of Eurocash S.A. amounted to PLN 41.01 million and increased by 22.65% comparing with 2006. These results are a combination of successful integration of companies acquired during 2006 and strong organic growth posted by all business units of Eurocash Group in 2007.

Other relevant developments: On December 5, 2007 Eurocash S.A. and McLane International LLC executed a preliminary agreement to acquire by the Comapny 100% shares in McLane Polska sp. z o.o. („McLane Polska”). The transaction was finalised on April 17th 2008. The acquisition of McLane Polska will enable the Eurocash Group to accelerate growth in active distribution. McLane Polska is the market leader in supply of impulse products to gasoline stations and in Food Service, which are new market segments for Eurocash Group. The acquisition will also expand portfolio of the franchise chains operated by the Eurocash Group.

Final comments: The Eurocash Group has strong market position with growth perspectives in all business units. Additionally along with realised acquisitions and synergy effect related to the acquired companies, the Eurocash Group will be able to gain further market share and improve the profitability of the business. The quality of its operations combined with experienced management, know-how, client base and track record of successful integration of acquired companies give a solid base for Company's future healthy development.

The Report of the Supervisory Board of the Company was adopted in accordance with § 14.2.(iii) of the Company's Statute and § 5.7 of the “By-Laws of the Supervisory Board of Eurocash S.A.”