

CHAPTER IX SUPPLEMENTARY INFORMATION

1. **Financial Statements for the periods January 1st – June 30th 2004 and January 1st – June 30th 2003 audited by a Chartered Auditor and arranged in tables as required by the provisions of the Regulation of the Polish Council of Ministers, dated August 11th 2004, on the detailed requirements for issue prospectuses and summary issue prospectuses (Dz. U. No. 186, item 1921).**

A. Sources of Information

The financial statements of EUROCASH Spółka Akcyjna for the periods January 1st – June 30th 2004 and January 1st – June 30th 2003 presented in this section of the Prospectus together with the notes thereto, were:

1. Audited and approved financial statements for the periods specified above, prepared by EUROCASH Spółka Akcyjna (formerly Spółka z ograniczoną odpowiedzialnością (limited-liability company)), registered office in Poznań, Poland, as filed by the Executive Board;
2. Accounting books maintained by the Issuer,
3. Auditors' Opinions on the audit of financial statements for the financial periods ended June 30th 2004 and June 30th 2003, and the relevant Audit Reports,
4. Source documents submitted by the Company's Executive Board, relating to events not covered by the financial statements,
5. Representation of the Company's Executive Board,
6. Information obtained from the Executive Board and persons authorised by the Issuer's Executive Board to disclose information.

B. Auditor's Opinion on the Financial Statements for the Periods January 1st – June 30th 2004 and January 1st – June 30th 2003

Auditor's Opinion on the Audit of Financial Statements for the Period January 1st – June 30th 2004

For the Shareholders Meeting of
Eurocash Spółka Akcyjna

We have audited the attached financial statements of Eurocash Spółka z o.o., ul. Wołczyńska 18, 60-003 Poznań, Poland, including:

- Balance sheet as at June 30th 2004, showing a balance-sheet total of **PLN 381,597,073**,
- Profit and loss account for the period January 1st – June 30th 2004, showing a net profit of **PLN 6,928,863**,
- Supplementary Information, including introduction, supplementary information and notes to the financial statements,
- Reconciliation of movements in shareholders' equity for the period January 1st – June 30th 2004, showing an increase in shareholders' equity of **PLN 12,775,249**,
- Cash-flow statement for the period January 1st – June 30th 2004, showing an increase in cash of **PLN 8,805,255**.

The Company's directors are responsible for the preparation of the financial statements. Our responsibility was to audit the financial statements and to issue an opinion on their fairness, clarity and accuracy, and on the reliability of the accounting books used to prepare these financial statements.

The audit was performed in accordance with:

- the provisions of the Polish Accountancy Act of September 29th 1994 (consolidated text: Dz. U. of 2002, No. 76, item 694, as amended),
- the professional auditing standards issued by the National Board of Chartered Auditors,
- International Standards of Auditing, in the areas not regulated by the aforementioned regulations.

The audit was planned and performed in such a manner as to obtain a reasonable and sufficient basis to issue a reliable opinion on the audited financial statements and the accounting books used in their preparation.

In particular, the audit included a general assessment of the financial statements as well as an examination, largely on a test basis, of the accounting evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the correctness of the accounting policies adopted and applied by the Company as well as of the justification of the significant estimates made in the preparation of the financial statements.

In our opinion, the attached financial statements were prepared, in all material respects, in accordance with consistently applied accounting policies as defined in the aforementioned Polish Accountancy Act, on the basis of correctly maintained accounting books. The financial statements are compliant, in terms of both form and substance, with the applicable laws and regulations and the provisions of the Company's Articles of Association. The attached financial statements are correct and present, in a fair and clear manner, the Company's assets and financial standing as at June 30th 2004, as well as its financial result for the period January 1st – June 30th 2004.

The Report on the Company's activities for the period January 1st – June 30th 2004 is complete within the meaning of the Polish Accountancy Act, and the information it includes is consistent with the data in the Financial Statements.

Jan Letkiewicz

Cecylia Pol

Chartered Auditor
Reg. No. 9530/7106

President of the Executive Board of
HLB Frąckowiak i Wspólnicy Sp. z o.o.,
firm qualified to audit financial statements, Reg. No. 238
Chartered Auditor
Reg. No. 5282/782

Poznań, August 20th 2004

Auditor's Opinion on the Audit of Financial Statements for the Period January 1st – June 30th 2003

For the Shareholders Meeting of
Eurocash Spółka z o.o.

We have audited the attached financial statement of Eurocash Spółka z o.o., ul. Wolczyńska 18, 60-003 Poznań, Poland, including:

- Balance sheet as at June 30th 2003, showing a balance-sheet total of **PLN 293,199,445**;
- Profit and loss account for the period January 1st – June 30th 2003, showing a net profit of **PLN 1,072,412**;
- Supplementary Information, including introduction and notes to the financial statements;
- Reconciliation of movements in shareholders' equity for the period January 1st – June 30th 2003, showing an increase in shareholders' equity of **PLN 6,676,324**;
- Cash-flow statement for the period January 1st – June 30th 2003, showing an increase in cash of **PLN 4,743,856**;

The Company's directors are responsible for the preparation of the financial statements. Our responsibility was to audit the financial statements and to issue an opinion on their fairness, clarity and accuracy, and on the reliability of the accounting books used to prepare these financial statements.

The audit was performed in accordance with:

- the provisions of the Polish Accountancy Act of September 29th 1994 (consolidated text: Dz. U. of 2002, No. 76, item 694, as amended),
- the professional auditing standards issued by the National Board of Chartered Auditors,
- International Standards of Auditing, in the areas not regulated by the aforementioned regulations.

The audit was planned and performed in such a manner as to obtain a reasonable and sufficient basis to issue a reliable opinion on the audited financial statements and the accounting books used in their preparation.

In particular, the audit included a general assessment of the financial statements as well as an examination, largely on a test basis, of the accounting evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the correctness of the accounting policies adopted and applied by the Company as well as of the justification of the significant estimates made in the preparation of the financial statements.

In our opinion, the attached financial statements were prepared, in all material respects, in accordance with consistently applied accounting policies as defined in the aforementioned Polish Accountancy Act, on the basis of correctly maintained accounting books. The financial statements are compliant, in terms of both form and substance, with the applicable laws and regulations and the provisions of the Company's Articles of Association. The attached financial statements are correct and present, in a fair and clear manner, the Company's assets and financial standing as at June 30th 2003, as well as its financial result for the period January 1st – June 30th 2003.

The Company was not obliged to prepare the Director's Report as the financial statements for January 1st – June 30th 2003 submitted for audit are not annual financial statements.

Jan Letkiewicz

Cecylia Pol

Chartered Auditor
Reg. No. 9530/7106

President of the Executive Board of
HLB Frąckowiak i Wspólnicy Sp. z o.o.,
firm qualified to audit financial statements, Reg. No. 238
Chartered Auditor
Reg. No. 5282/782

Poznań, August 20th 2004

C. Introduction to the Financial Statements

Section C of Chapter VIII contains the Company's data.

The Company has no division preparing separate financial statements.

The Company is not a parent undertaking and does not prepare consolidated financial statements.

These financial statements were prepared on a going concern basis, as there are no circumstances which could pose a threat to the Company continuing as a going concern in the foreseeable future.

Comparability of Financial Statements

To ensure comparability, the data relating to comparable periods, contained in the financial statements, was restated in accordance with the accounting policies effective since January 1st 2004. For the explanation of differences in relation to the previously disclosed statements, see Supplementary Note 17.

Adjustments Resulting from Auditors' Opinions

The auditor's opinions on the financial statements for the previous periods were unqualified.

Section C of Chapter VIII contains information on the accounting policies, including the methods of valuation of assets and shareholders' equity and liabilities (including depreciation and amortisation), financial result measurement and manner of preparing the financial statements within the scope left under the Act for the Company's discretion.

1. Average exchange rates of the Polish zloty

In the periods covered by the financial statements, the average exchange rates of the Polish zloty against the euro, as quoted by the National Bank of Poland, were as follows:

	Jul 31 2004	Jun 30 2004	Dec 31 2003	Jun 30 2003	Dec 31 2002	Dec 31 2001
Exchange rate as at the last day of the period	4.3759	4.5422	4.7170	4.4570	4.0202	3.5219
Average exchange rate representing the arithmetic mean of the exchange rates quoted for the last day of each month in the period	4.6804	4.7311	4.4474	4.3110	3.8697	3.6509
	4.9149	4.9149	4.7170	4.4896	4.2116	3.9569
Highest exchange rate in the period	Table No. 42/A/ NBP/2004	Table No. 42/A/ NBP/2004	Table No. 253/A/ NBP/2003	Table No. 124/A/ NBP/2003	Table No. 136/A/ NBP/2002	Table No. 180/A/ NBP/2001
	4.3759	4.5422	3.9773	3.9773	3.5015	3.3564
Lowest exchange rate in the period	Table No. 148/A/ NBP/2004	Table No. 126/A/ NBP/2004	Table No. 2/A/ NBP/2003	Table No. 2/A/ NBP/2003	Table No. 5/A/ NBP/2002	Table No. 113/A/ NBP/2001

1.1. Key balance-sheet, profit and loss account and cash-flow statement items translated into the euro.

1.1.1. Key balance-sheet Items

As at the dates (EUR '000)

	Jul 31 2004	Jun 30 2004	Dec 31 2003	Jun 30 2003	Dec 31 2002	Dec 31 2001
Total assets	89, 873	83, 103	76, 432	65, 784	69, 384	14
I. Fixed assets	28, 326	27, 113	24, 724	26, 508	29, 177	0
II. Current assets	61, 547	55, 990	51, 708	39, 276	40, 207	14
Total shareholders' equity and liabilities	89, 873	83, 103	76, 432	65, 784	69, 384	14
I. Shareholders' equity	29, 441	27, 357	24, 506	25, 255	26, 338	14
II. Liabilities and provisions for liabilities	60, 432	55, 746	51, 926	40, 529	43, 046	0

The items of the balance sheet as at July 31st 2004 were translated at the euro exchange rate quoted by the National Bank of Poland for that date, that is PLN 4.3759 : EUR 1.

The items of the balance sheet as at June 30th 2004 were translated at the euro exchange rate quoted by the National Bank of Poland for that date, that is PLN 4.5422 : EUR 1

The items of the balance sheet as at December 31st 2003 were translated at the euro exchange rate quoted by the National Bank of Poland for that date, that is PLN 4.7170 : EUR 1.

The items of the balance sheet as at June 30th 2003 were translated at the euro exchange rate quoted by the National Bank of Poland for that date, that is PLN 4.457 : EUR 1

The items of the balance sheet as at December 31st 2002 were translated at the euro exchange rate quoted by the National Bank of Poland for that date, that is PLN 4.0202 : EUR 1.

The items of the balance sheet as at December 31st 2001 were translated at the euro exchange rate quoted by the National Bank of Poland for that date, that is PLN 4.5219 : EUR 1.

1.2. Key profit and loss account items

(EUR '000)

	Jul 31 2004	Jun 30 2004	Dec 31 2003	Jun 30 2003	Dec 31 2002	Dec 31 2001
I. Net sales revenue and equivalents	193, 918	158, 383	309, 067	149, 199	70, 951	0
II. Operating expenses	188, 621	154, 678	304, 526	148, 052	72, 756	0
III. Profit (loss) on sales	5, 297	3, 705	4, 541	1, 147	-1, 805	0
VI. Operating profit (loss)	3, 166	1, 910	1, 320	257	-3, 508	0
IX. Pre-tax profit (loss) before extraordinary items	2,897	1, 690	1, 470	373	-3, 479	0
X. Result on extraordinary items	0	0	0	0	0	0
XI. Pre-tax profit (loss)	2, 897	1, 690	1, 470	373	-3, 479	0
XIV. Net profit (loss)	2, 456	1, 464	923	249	-2, 688	0

The items of the profit and loss account for the period January 1st – July 31st 2004 were translated at the average euro exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.6804 : EUR 1.

The items of the profit and loss account for the period January 1st – June 30th 2004 were translated at the average euro exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.7311 : EUR 1.

The items of the profit and loss account for the year 2003 were translated at the average euro exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.4474 : EUR 1.

The items of the profit and loss account for the period January 1st – June 30th 2003 were translated at the average euro exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.311 : EUR 1.

The items of the profit and loss account for the year 2002 were translated at the average euro exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 3.8697 : EUR 1.

The items of the profit and loss account for the year 2001 were translated at the average euro exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 3.6509 : EUR 1.

1.3. Key cash-flow statement items (EUR '000)

	Jul 31 2004	Jun 30 2004	Dec 31 2003	Jun 30 2003	Dec 31 2002	Dec 31 2001
A. Operating cash flow	6, 149	4, 534	6, 539	1, 348	11, 484	0
B. Investing cash flow	- 2, 185	- 1, 728	- 693	-363	-265	0
C. Financing cash flow	- 1, 088	-945	7, 705	116	0	0
D. Total net cash flow (A+B+C)	2, 876	1, 861	13, 551	1, 101	11, 219	0
E. Balance-sheet change in cash	3, 075	1, 939	12, 777	1, 064	10, 799	0
F. Cash at beginning of period	23, 706	27, 908	10, 811	10, 811	14	13
G. Cash at end of period	26, 781	24, 776	21, 991	10, 816	10, 811	14

The items of the cash-flow statement for the period January 1st – July 31st 2004 were translated at the following euro exchange rates:

- Data in items A, B, C, D – the average exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.6804 : EUR 1,
- Data in item F – the exchange rate quoted by the National Bank of Poland for December 31st 2003, that is PLN 4.7170 : EUR 1,
- Data in items E and G – the exchange rate quoted by the National Bank of Poland for July 31st 2004, that is PLN 4.3759 : EUR 1.

The items of the cash-flow statement for the period January 1st – June 30th 2004 were translated at the following euro exchange rates:

- Data in items A, B, C, D – the average exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.7311 : EUR 1,
- Data in item F – the exchange rate quoted by the National Bank of Poland for December 31st 2003, that is PLN 4.7170 : EUR 1,
- Data in items E and G – the exchange rate quoted by the National Bank of Poland for June 30th 2004, that is PLN 4.5422 : EUR 1.

The items of the cash-flow statement for the period January 1st – December 31st 2003 were translated at the following euro exchange rates:

- Data in items A, B, C, D – the average exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.4474 : EUR 1,
- Data in item F – the exchange rate quoted by the National Bank of Poland for December 31st 2002, that is PLN 4.0202 : EUR 1,

- Data in items E and G – the exchange rate quoted by the National Bank of Poland for December 31st 2003, that is PLN 4.7170 : EUR 1.

The items of the cash-flow statement for the period January 1st – June 30th 2003 were translated at the following euro exchange rates:

- Data in items A, B, C, D – the average exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 4.311 : EUR 1,
- Data in item F – the exchange rate quoted by the National Bank of Poland for December 31st 2002, that is PLN 4.0202 : EUR 1,
- Data in items E and G – the exchange rate quoted by the National Bank of Poland for June 30th 2003, that is PLN 4.4570 : EUR 1.

The items of the cash-flow statement for the period January 1st – December 31st 2002 were translated at the following euro exchange rates:

- Data in items A, B, C, D – the average exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 3.8697 : EUR 1,
- Data in item F – the exchange rate quoted by the National Bank of Poland for December 31st 2001, that is PLN 3.5219 : EUR 1,
- Data in items E and G – the exchange rate quoted by the National Bank of Poland for December 31st 2002, that is PLN 4.0202 : EUR 1.

The items of the cash-flow statement for the period January 1st – December 31st 2001 were translated at the following euro exchange rates:

- Data in items A, B, C, D – the average exchange rate representing the arithmetic mean of the exchange rates quoted by the National Bank of Poland for the last day of each month in the period, that is PLN 3.6509 : EUR 1,
- Data in item F – the exchange rate quoted by the National Bank of Poland for December 31st 2000, that is PLN 3.8544 : EUR 1,
- Data in items E and G – the exchange rate quoted by the National Bank of Poland for December 31st 2001, that is PLN 3.5219 : EUR 1.

2. Differences between Polish and International Accounting Standards are described in Chapter VIII of this Prospectus.

BALANCE SHEET	Note	Jun 30 2004	Jun 30 2003
Assets			
I. Fixed assets		123,152	118,146
1. Intangible fixed assets, including:	1	42,802	43,780
- goodwill			
2. Tangible fixed assets	2	76,518	70,242
3. Long-term accounts receivable, including:	3, 8	165	534
3.1. From related undertakings			
3.2. From other undertakings		165	534
4. Long-term investments	4	0	0
4.1. Real estate			
4.2. Intangible fixed assets			
4.3. Long-term financial assets			
a) in related undertakings, including:			
- shares in subordinated undertakings valued with equity method			
b) in other undertakings			
4.4. Other long-term investments			
5. Long-term prepayments and accrued income	5	3,667	3,591
5.1. Deferred tax assets		3,646	3,401
5.2. Other prepayments and accrued income		21	190
II. Current assets		258,427	175,053
1. Stocks	6	105,764	86,823
2. Short-term accounts receivable, including:	7, 8	34,407	36,725
2.1. From related undertakings		4107	0
2.2. From other undertakings		29,337	36,725
3. Short-term investments		112,538	48,208
3.1. Short-term financial assets, including:	9	112,538	28,208
a) in related undertakings			
b) in other undertakings			
c) cash and cash equivalents		112,538	28,208
3.2. Other short-term investments			20,000
4. Short-term prepayments and accrued income	10	5,717	3,298
Total assets		381,579	293,199
Shareholders' equity and liabilities			
I. Shareholders' equity		128,370	112,560
1. Share capital	12	127,742	121,889
2. Called-up share capital not paid (negative value)		0	0
3. Treasury shares (negative value)	13	0	0
4. Reserve funds	14	1	0
5. Revaluation capital reserve	15	0	0
6. Other capital reserves	16	0	0
7. (Accumulated loss)/retained profit brought forward		-6,301	-10,401

BALANCE SHEET	Note	Jun 30 2004	Jun 30 2003
8. Net profit (loss)		6,929	1,072
9. Distributions from net profit in financial year (negative value)	17	0	0
II. Liabilities and provisions for liabilities		253,209	180,639
1. Provisions for liabilities	18	2,716	3,733
1.1. Deferred tax provision		802	739
1.2. Provision for retirement and related benefits, including:			
a) long-term			
b) short-term			
1.3. Other provisions, including:		1,914	2,994
a) long-term			
b) short-term		1,914	2,994
2. Long-term liabilities, including:	19	28,454	0
2.1. To related undertakings			
2.2. To other undertakings		28,454	
3. Short-term liabilities, including:	20	212,224	171,313
3.1. To related undertakings			
3.2. To other undertakings		212,046	170,395
3.3. Special accounts		179	918
4. Accruals and deferred income	21	9,815	5,594
4.1. Negative goodwill			
4.2. Other accruals and deferred income, including:		9,815	5,594
a) long-term		19	38
b) short-term		9,796	5,555
Total shareholders' equity and liabilities		381,579	293,199
Book value (PLN)		128,370,239	112,560,240
Number of shares outstanding		127,742,000	121,889,000
Book value per share (PLN)	22	1.00	0.92
Diluted number of shares		127,742,000	121,889,000
Diluted book value per share (PLN)	22	1.00	0.92
OFF-BALANCE-SHEET ITEMS	Note	Jun 30 2004	Jun 30 2003
1. Contingent accounts receivable	23		
2. Contingent liabilities	23	8,458	1,009
3. Other			
Total off-balance-sheet items		8,458	1,009

PROFIT AND LOSS ACCOUNT (multiple step approach)	Note	H1 2004	H1 2003
I. Net sales revenue and equivalents, including:	24	749,329	643,196
- from related undertakings			
1. Net revenue on sales of products	24	45,783	36,399
2. Net revenue on sales of goods for resale and materials	25	703,546	606,797
II. Cost of sales	26	659,241	572,616
- to related undertakings			
1. Cost of products sold			
2. Cost of goods for resale and materials sold		659,241	572,616
III. Gross profit (loss) on sales (I-II)		90,088	70,580
IV. Selling costs		53,395	54,055
V. General and administrative expenses		19,163	11,578
III. Profit (loss) on sales (I-II)		17,530	4,945
IV. Other operating income		167	462
1. Gain on disposal of non-financial fixed assets			4
2. Subsidies			
3. Other operating income	27	167	458
V. Other operating expenses		8,659	4,298
1. Loss on disposal of non-financial fixed assets		258	296
2. Revaluation of non-financial assets			
3. Other operating expenses	28	8,401	4,002
VI. Operating profit (loss) (III+IV-V)		9,037	1,109
VII. Financial income	29	2,306	889
1. Dividends and other share in profit, including:		0	
- from related undertakings		0	
2. Interest, including:		2,176	889
- from related undertakings		0	
3. Gain on disposal of investments	31		
4. Investment revaluation			
5. Other		129	
VIII. Financial expenses	30	3,347	390
1. Interest, including:		2,844	3
- to related undertakings			
2. Loss on disposal of investments	31		
3. Investment revaluation			
4. Other		502	387
IX. Pre-tax profit (loss) before extraordinary items (VI+VII-VIII)		7,996	1,608
X. Profit (loss) on extraordinary items (X.1. – X.2.)		0	0
1. Extraordinary gains	32		
2. Extraordinary losses	33		
XI. Pre-tax profit (loss) (IX+/-X)		7,996	1,608
XII. Corporate income tax	34	1,067	536
a) current		2,136	137

PROFIT AND LOSS ACCOUNT (multiple step approach)	Note	H1 2004	H1 2003
b) deferred		-1,069	399
XIII. Other mandatory decrease of profit (increase of loss)	35		
XIV. Share in net profit (loss) of subordinated undertakings consolidated with equity method	36		
XV. Net profit (loss) (XI-XII-XIII+/-XIV)		6,929	1,072
Net profit (loss) (annualised) (PLN)		9,956,567	,-9,329,675
Weighted average number of ordinary shares		122,213,474	64,377,315
Earnings (loss) per ordinary share (PLN)	37	0.081	-0.145
Diluted weighted average number of ordinary shares		122,213,474	64,377,315
Diluted earnings (loss) per ordinary share (PLN)	37	0.081	-0.145
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY		H1 2004	H1 2003
I. Balance of shareholders' equity at beginning of period		115,595	105,884
a) change in accounting policies			
b) correction of fundamental errors		-7	
I.a. Balance of shareholders' equity at beginning of period, after reconciliation to comparable data		115,588	105,884
1. Balance of share capital at beginning of period		121,889	116,285
1.1. Change in share capital		5,853	5,604
a) increase, including:		5,853	5,604
- delivery of shares - contribution in kind		5,853	5,604
b) decrease, including:			
- retirement of shares			
1.2. Balance of share capital at end of period		127,742	121,889
2. Balance of called-up share capital not paid at beginning of period			
2.1. Change in called-up share capital not paid			
a) increase			
b) decrease			
2.2. Balance of called-up share capital not paid at end of period			
3. Treasury shares at beginning of period			
3.1. Change in treasury shares			
a) increase			
b) decrease			
3.2. Treasury shares at end of period			
4. Balance of reserve funds at beginning of period			
4.1. Change in reserve funds		1	
a) increase, including:		1	
Settlement of non-cash contribution		1	
b) decrease			
4.2. Balance of reserve funds at end of period		1	
5. Balance of revaluation capital reserve at beginning of period			
5.1. Change in revaluation capital reserve			

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY	H1 2004	H1 2003
a) increase		
b) decrease		
5.2. Balance of revaluation capital reserve at end of period		
6. Other capital reserves at beginning of period		
6.1. Change in other capital reserves		
a) increase		
b) decrease		
6.2. Other capital reserves at end of period		
7. Balance of accumulated loss or retained profit brought forward at beginning of period	4,108	1
7.1. Balance of retained profit brought forward at beginning of period	4,108	1
a) change in accounting policies		
b) correction of fundamental errors	-7	
7.2. Balance of retained profit brought forward at beginning of period, after reconciliation to comparable data	4,101	
a) increase, including:		
- distribution of retained profit brought forward		
b) decrease, including:		
- transfer to reserve funds		
7.3. Balance of retained profit brought forward at end of period	4,101	1
7.4. Balance of accumulated loss brought forward at beginning of period	-10,402	-10,402
a) change in accounting policies		
b) correction of fundamental errors		
7.5. Balance of accumulated loss brought forward at beginning of period, after reconciliation to comparable data	-10,402	-10,402
a) increase		
- accumulated loss at beginning of period		
b) decrease		
7.6. Balance of accumulated loss brought forward at end of period	-10,402	-10,402
7.7. Balance of retained profit or accumulated loss brought forward at end of period	-6,301	-10,401
8. Net financial result	6,929	1,072
a) net profit	6,929	1,072
b) net loss		
c) distributions from profit		
II. Balance of shareholders' equity at end of period	128,370	112,560
III. Shareholders' equity, after proposed distribution of profit (coverage of loss)	128,370	112,560

CASH-FLOW STATEMENT	H1 2004	H1 2003
A. Operating cash flow – indirect method		
I. Net profit (loss)	6,929	1,072
II. Total adjustments	13,867	4,738
1. Share in net profit (loss) of subordinated undertakings valued with equity method		
2. Depreciation and amortisation	8,049	6,618
3. Foreign exchange gains (losses)	-129	
4. Interest and share in profit (dividends)	4,775	-886
5. Profit (loss) on investment activities	258	292
6. Change in provisions	-17	1,547
7. Change in stocks	-6,289	-1,891
8. Change in accounts receivable	5,614	-5,637
9. Change in short-term liabilities (net of loans and borrowings)	3,824	4,691
10. Change in prepayments and accrued income	1,549	57
11. Other adjustments	-3,768	-54
III. Net operating cash flow (I +/- II) – indirect method	20,795	5,810
B. Investing cash flow		
I. Investing cash inflow	128	30
1. Sale of intangible and tangible fixed assets	128	30
2. Sale of investments in real estate and intangible fixed assets		
3 From financial assets, including:		
a) in related undertakings		
- sale of financial assets		
- dividends and share in profit		
- repayment of long-term loans advanced		
- interest		
- other inflow on financial assets		
b) in other undertakings		
- sale of financial assets		
- dividends and other profit distributions		
- repayment of long-term loans advanced		
- interest		
- other inflow on financial assets		
4 . Other investing inflow		
II. Investing cash outflow	8,303	1,596
1. Acquisition of tangible and intangible fixed assets	8,303	1,596
2. Investments in real property and intangible fixed assets		
3. On financial assets, including:		
a) in related undertakings		
- acquisition of financial assets		
- long-term loans advanced		
b) in other undertakings		
- acquisition of financial assets		
- long-term loans advanced		

CASH-FLOW STATEMENT	H1 2004	H1 2003
4. Other investing outflow		
III. Net investing cash flow (I - II)	-8,176	-1,565
C. Financing cash flow		
I. Financing cash inflow	2,733	889
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	656	
2. Increase in loans and borrowings		
3. Issue of debt securities		
4. Other financing cash inflow	2,076	889
II. Financing cash outflow	6,547	390
1. Purchase of treasury shares		
2. Dividends and other distributions to shareholders	4,107	
3. Profit distribution other than distributions to shareholders		
4. Repayment of loans and borrowings		
5. Redemption of debt securities		
6. Decrease in other financial liabilities		
7. Decrease in financed lease liabilities		
8. Interest	2,245	3
9. Other financing cash outflow	194	387
III. Net financing cash flow (I-II)	-3,814	499
D. Total net cash flow (A.III+/-B.III+/-C.III)	8,805	4,744
E. Balance-sheet change in cash, including:	8,805	4,744
- change in cash resulting from foreign exchange differences		
F. Cash at beginning of period	103,733	43,464
G. Cash at end of period (F+/- D), including:	112,538	48,208
- restricted cash	8,805	

NOTES AND SUPPLEMENTARY NOTES

A. Notes

Notes to Balance Sheet

Note 1

INTANGIBLE FIXED ASSETS	Jun 30 2004	Jun 30 2003
a) research and development expense		
b) goodwill		
c) acquired permits, patents, licences, and similar assets, including:	1,499	667
- software	1,499	667
d) other intangible fixed assets	41,303	43,112
e) prepayments for intangible fixed assets		
Total intangible fixed assets	42,802	43,780

CHANGES IN INTANGIBLE FIXED ASSETS (BY TYPE) AS AT JUNE 30TH 2004

	a	b	c		d	e	Total intangible fixed assets
	Research and development expense	Goodwill	Acquired permits, patents, licences, and similar assets, including: software		Other intangible fixed assets	Prepayments for intangible fixed assets	
a) gross intangible fixed assets at beginning of period			1,016	1,016	44,836		45,852
b) increase, including			1,178	1,178	431		1,609
- purchase			1,178	1,178	2		1,181
- other					428		428
c) decrease, including			187	187			187
- sale			187	187			187
d) gross intangible fixed assets at end of period			2,008	2,008	45,267		47,274
e) accumulated amortisation at beginning of period			444	444	2,825		3,269
f) amortisation for period, including:			65	65	1,138		1,203
- increase			148	148	1,138		1,286
- decrease			83	83			83
g) accumulated amortisation at end of period			509	509	3,963		4,472
h) write-off on permanent impairment of value at beginning of period							
i) write-off on permanent impairment of value at end of period							
j) net intangible fixed assets at end of period	0	0	1,499	1,499	41,303	0	42,802

CHANGES IN INTANGIBLE FIXED ASSETS (BY TYPE) AS AT JUNE 30TH 2003

	a	b	c		d	e	Total intangible fixed assets
	Research and development expense	Goodwill	Acquired permits, patents, licences, and similar assets, including: software		Other intangible fixed assets	Prepayments for other intangible fixed assets	
a) gross intangible fixed assets at beginning of period			487	487	44 626		45 113
b) increase, including:			477	477	175		653
- purchase							
- other			477	477	175		653
c) decrease, including:					2		2
- sale					2		2
d) gross intangible fixed assets at end of period			964	964	44,800		45,764
e) accumulated amortisation at beginning of period			43	43	562		605
f) amortisation for period, including:			254	254	1,125		1,379
- increase			254	254			254
- decrease							
g) accumulated amortisation at end of period			297	297	1,687		1,984
h) write-off on permanent impairment of value at beginning of period							
i) write-off on permanent impairment of value at end of period							
j) net intangible fixed assets at end of period	0	0	667	667	43,112	0	43,780

INTANGIBLE FIXED ASSETS (BY OWNERSHIP)	Jun 30 2004	Jun 30 2003
a) owned	42,802	43,780
b) used under lease, tenancy or similar contract		
Total intangible fixed assets	42,802	43,780

Note 2

TANGIBLE FIXED ASSETS	Jun 30 2004	Jun 30 2003
a) tangible fixed assets, including:	71,690	70,150
- land (including perpetual usufruct)	115	
- buildings and structures	35,855	33,419
- plant and equipment	15,437	13,774
- vehicles	7,000	6,520
- other tangible fixed assets	13,283	16,437
b) tangible fixed assets under construction	4,828	92
c) prepaid tangible fixed assets under construction		
Total tangible fixed assets	76,518	70,242

CHANGES IN TANGIBLE FIXED ASSETS (BY TYPE) AS AT JUNE 30TH 2004

	Land (including perpetual usufruct)	Buildings and structures	Plant and equipment	Vehicles	Other tangible fixed assets	Total tangible fixed assets
a) gross tangible fixed assets at beginning of period	115	41,333	15,514	7,764	19,499	84,224
b) increase, including:		1,119	4,792	1,103	870	7,884
- placement of owned tangible fixed assets in service		286	77	496	569	1,428
- placement of leased tangible fixed assets in service			4,270	312		4,582
- other increases		833	445	295	301	1,874
c) decrease, including:			2	20	370	391
- liquidation			2	5	366	373
- sale to third parties				15	3	18
- donation						
d) gross tangible fixed assets at end of period	115	42,453	20,305	8,847	19,999	91,718
e) accumulated depreciation at beginning of period		4,509	2,851	1,163	4,851	13,374
f) depreciation for period, including:		2,089	2,017	780	1,865	6,751
- increase		2,089	2,018	785	1,969	6,860
- decrease			1	5	103	109
g) accumulated depreciation at end of period		6,598	4,868	1,943	6,716	20,125
h) write-offs on permanent impairment of value at beginning of period						
i) write-offs on permanent impairment of value at end of period						
j) net tangible fixed assets at end of period	115	35,855	15,437	7,000	13,283	71,690
- owned tangible fixed assets	115	35,855	11,380	6,113	13,283	66,746
- leased tangible fixed assets			4,056	887		4,944

CHANGES IN TANGIBLE FIXED ASSETS (BY TYPE) AS AT JUNE 30TH 2003

	Land (including perpetual usufruct)	Buildings and structures	Plant and equipment	Vehicles	Other tangible fixed assets	Total tangible fixed assets
a) gross tangible fixed assets at beginning of period		35,372	13,747	4,653	17,814	71,586
b) increase, including:		768	1,675	2,617	1,899	6,960
- placement of owned tangible fixed assets in service		223	150		550	923
- placement of leased tangible fixed assets in service						
- other increases		546	1,526	2,617	1,349	6,037
c) decrease, including:		60	4	120	185	369
- liquidation		60	4	52	184	299
- sale to third party				68	1	69
- donation						
d) gross tangible fixed assets at end of period		36,080	15,419	7,150	19,528	78,177
e) accumulated depreciation at beginning of period		885	511	180	1,260	2,837
f) depreciation for period, including:		1,776	1,134	450	1,831	5,191
- increase		1,780	1,134	464	1,861	5,239
- decrease		4		14	30	48
g) accumulated depreciation at end of period		2,661	1,645	630	3,091	8,028
h) write-offs on permanent impairment of value at beginning of period						
i) write-offs on permanent impairment of value at end of period						
j) net tangible fixed assets at end of period	0	33,419	13,774	6,520	16,437	70,150
- owned tangible fixed assets		33,419	13,774	6,520	16,437	70,150
- leased tangible fixed assets						

ON-BALANCE-SHEET TANGIBLE FIXED ASSETS (BY OWNERSHIP)	Jun 30 2004	Jun 30 2003
a) owned	71,574	70,242
b) used under lease, tenancy or similar contract, including:	4,944	
- operating lease (financed lease in accordance with the Accountancy Act)	4,944	
- financed lease		
Total on-balance-sheet tangible fixed assets	76,518	70,242

OFF-BALANCE-SHEET TANGIBLE FIXED ASSETS – not applicable

Note 3

LONG-TERM ACCOUNTS RECEIVABLE	Jun 30 2004	Jun 30 2003
a) accounts receivable from related undertakings		
b) from other undertakings	531	534
Net long-term accounts receivable	531	534
c) revaluation write-offs on long-term accounts receivable		
Gross long-term accounts receivable	531	534

CHANGE IN LONG-TERM ACCOUNTS RECEIVABLE (BY TYPE)	Jun 30 2004	Jun 30 2003
a) balance at beginning of period	537	507
b) increase	0	26
guarantee deposits received under agreements on lease of premises		26
c) decrease	6	0
settlement of some of the guarantee deposits	6	
d) balance at end of period	531	534

CHANGE IN REVALUATION WRITE-OFFS ON LONG-TERM ACCOUNTS RECEIVABLE	Jun 30 2004	Jun 30 2003
Balance at beginning of period		
a) increase		
b) decrease		
Revaluation adjustments on long-term accounts receivable at end of period	0	0

LONG-TERM ACCOUNTS RECEIVABLE (BY CURRENCY)	Jun 30 2004	Jun 30 2003
a) in Polish currency	531	534
b) in foreign currencies (by currency and restated in PLN)		
Total long-term accounts receivable	531	534

Note 4

CHANGE IN INVESTMENT REAL ESTATE (BY TYPE) – not applicable

CHANGE IN INVESTMENT INTANGIBLE FIXED ASSETS (BY TYPE) – not applicable

LONG-TERM FINANCIAL ASSETS – not applicable

SHARES IN SUBORDINATED UNDERTAKINGS VALUED WITH EQUITY METHOD – not applicable

CHANGE IN GOODWILL – SUBSIDIARY UNDERTAKINGS – not applicable

CHANGE IN GOODWILL – CO-SUBSIDIARY UNDERTAKINGS – not applicable

CHANGE IN GOODWILL – ASSOCIATED UNDERTAKINGS – not applicable

CHANGE IN NEGATIVE GOODWILL – SUBSIDIARY UNDERTAKINGS – not applicable

CHANGE IN NEGATIVE GOODWILL – CO-SUBSIDIARY UNDERTAKINGS – not applicable

CHANGE IN NEGATIVE GOODWILL – ASSOCIATED UNDERTAKINGS – not applicable

CHANGE IN LONG-TERM FINANCIAL ASSETS (BY TYPE) – not applicable

SHARES IN SUBORDINATED UNDERTAKINGS – not applicable

SECURITIES, EQUITY INTERESTS AND OTHER LONG-TERM FINANCIAL ASSETS
(BY CURRENCY) – not applicableSECURITIES, EQUITY INTERESTS AND OTHER LONG-TERM FINANCIAL ASSETS
(BY MARKETABILITY) – not applicable

LONG-TERM LOANS ADVANCED (BY CURRENCY) – not applicable

OTHER LONG-TERM INVESTMENTS (BY TYPE) – not applicable

CHANGE IN OTHER LONG-TERM INVESTMENTS (BY TYPE) – not applicable

Note 5

CHANGE IN DEFERRED TAX ASSETS	Jun 30 2004	Jun 30 2003
1. Deferred tax assets at beginning of period, including:	2,596	3,278
a) charged to financial result	2,596	3,278
b) charged to shareholders' equity		
c) charged to (negative) goodwill		
2. Increase	3,646	3,401
a) charged to financial result for the period in connection with negative timing differences, including:	3,646	3,401
- differences	3,646	3,401
b) charged to financial result for the period in connection with tax loss		
c) charged to shareholders' equity in connection with negative timing differences		
d) charged to shareholders' equity in connection with tax loss		
e) charged to (negative) goodwill in connection with negative timing differences		
3. Decrease	2,596	3,278
a) charged to financial result for the period in connection with negative timing differences, including:	2,596	3,278
- change in tax rate		
- use of the asset	2,596	3,278
b) charged to financial result for the period in connection with tax loss		
c) charged to shareholders' equity in connection with negative timing differences		
d) charged to shareholders' equity in connection with tax loss		

CHANGE IN DEFERRED TAX ASSETS	Jun 30 2004	Jun 30 2003
e) charged to (negative) goodwill in connection with negative timing differences		
4. Deferred tax assets at end of period, including:	3,646	3,401
a) charged to financial result	3,646	3,401
b) charged to shareholders' equity		
c) charged to (negative) goodwill		

No.	Main groups of assets and shareholders' equity and liabilities	Cause of timing difference	Expiry date	As at Jun 30 2004	As at Jun 30 2003
ASSETS					
1	Stocks	Revaluation adjustment	until expiry	2,949	5,230
2	Accounts receivable	Revaluation adjustment	until expiry	1,111	321
SHAREHOLDERS' EQUITY AND LIABILITIES					
1	Accrued expenses	Provisions for uninvoiced expenses	until expiry	5,104	999
2	Accrued expenses	Provision for costs of closed branches	until expiry	1,928	2,994
3	Accrued expenses	Provisions for holiday leaves	until expiry	2,189	-
4	Accrued expenses	Provision for employee bonuses	until expiry	1,675	-
Total negative timing differences				14,956	9,544

OTHER ACCRUALS AND DEFERRALS	Jun 30 2004	Jun 30 2003
a) prepayments, including:	21	190
- basic rent	10	187
- computer maintenance agreement	11	3
b) other accruals and deferrals		
Total other accruals and deferrals	21	190

Note 6

STOCKS	Jul 31 2004	Jun 30 2003
a) materials	108	111
b) semi-finished products and work in progress		
c) finished products		
d) goods for resale	104,988	82,447
e) pre-paid deliveries	7,049	4,265
Total stocks	112,145	86,823

REVALUATION WRITE-OFFS ON STOCKS	Jun 30 2004	Jun 30 2003
Balance of revaluation write-offs at beginning of period	3,271	4,742
Decrease in write-offs in connection with decrease in stocks	-322	
New revaluation write-offs		488
Revaluation write-offs at end of period	2,949	5,230

Note 7

SHORT-TERM ACCOUNTS RECEIVABLE	Jun 30 2004	Jun 30 2003
a) from related undertakings	4,107	0
- trade debtors (by maturity):		
- up to 1 year		
- over 1 year		
- other	4,107	
- under court proceedings		
b) from other undertakings:	29,934	36,725
- trade debtors (by maturity):	29,337	29,693
- up to 1 year	29,337	29,693
- over 1 year		
- tax, subsidies, duty, social security, health care and other benefits receivable	80	6,545
- other	518	487
- under court proceedings		
Total net short-term accounts receivable	34,041	36,725
c) revaluation adjustments on accounts receivable	1,111	321
Total gross short-term accounts receivable	35,152	37,045

SHORT-TERM ACCOUNTS RECEIVABLE FROM RELATED UNDERTAKINGS	Jun 30 2004	Jun 30 2003
a) trade debtors, including:	0	0
- subsidiary undertakings		
- co-subsidiary undertakings		
- associated undertakings		
- major investor		
- Parent Entity		
b) other, including:	4,107	0
- subsidiary undertakings		
- co-subsidiary undertakings		
- associated undertakings		
- major investor		
- Parent Entity	4,107	
c) under court proceedings, including:	0	0
- subsidiary undertakings		
- co-subsidiary undertakings		

SHORT-TERM ACCOUNTS RECEIVABLE FROM RELATED UNDERTAKINGS	Jun 30 2004	Jun 30 2003
- associated undertakings		
- major investor		
- Parent Entity		
Total net short-term accounts receivable from related undertakings	4,107	0
d) revaluation adjustments on accounts receivable from related undertakings		
Total gross short-term accounts receivable from related undertakings	4,107	0

CHANGE IN REVALUATION ADJUSTMENTS ON SHORT-TERM ACCOUNTS RECEIVABLE	Jun 30 2004	Jun 30 2003
Balance at beginning of period	722	
a) increase, including:	389	321
b) decrease, including:		
Revaluation adjustments on short-term accounts receivable at end of period	1,111	321

GROSS SHORT-TERM ACCOUNTS RECEIVABLE (BY CURRENCY)	Jun 30 2004	Jun 30 2003
a) in Polish currency	35,152	37,045
b) in foreign currencies (by currency and restated in PLN)		
Total gross short-term accounts receivable	35,152	37,045

MATURITY STRUCTURE OF GROSS TRADE DEBTORS – AS FROM THE BALANCE-SHEET DATE	Jun 30 2004	Jun 30 2003
a) up to 1 month	25,152	27,480
b) from 1 month to 3 months		
c) from 3 months to 6 months		
d) from 6 months to 1 year		
e) over 1 year		
f) past due trade debtors	5,295	2,533
Total gross trade debtors	30,447	30,013
g) revaluation adjustments on trade debtors	1,111	321
Total net trade debtors	29,337	29,693

GROSS PAST DUE TRADE DEBTORS – BY PERIOD OF DELAY	Jun 30 2004	Jun 30 2003
a) up to 1 month	2,806	1,595
b) from 1 month to 3 months	519	269
c) from 3 months to 6 months	515	321
d) from 6 months to 1 year	654	209
e) over 1 year	801	140
Total gross past due trade debtors	5,295	2,533
f) revaluation adjustments on past due trade debtors	1,111	321
Total net past due trade debtors	4,184	2,212

Note 8

TOTAL ACCOUNTS RECEIVABLE	Jun 30 2004	Jun 30 2003
1. Gross long-term accounts receivable	165	534
including past due and disputed accounts receivable		
a) revaluation adjustment		
2. Gross short-term trade debtors	30,447	30,013
including past due and disputed accounts receivable	5,295	2,533
a) revaluation adjustment	1,111	321
3. Gross accounts receivable under court proceedings and after final court judgement	208	158
including past due and disputed accounts receivable	208	158
a) revaluation adjustment	208	158
4. Other gross short-term accounts receivable	4,072	7,032
including past due and disputed accounts receivable		
a) revaluation adjustment		
b) amount reducing value of accounts receivable to acquisition cost		
Net short-term accounts receivable	34,408	36,725
Net long-term accounts receivable	165	533

Note 9

SHORT-TERM FINANCIAL ASSETS	Jun 30 2004	Jun 30 2003
a) in subsidiary undertakings	0	0
- shares and other equity interests		
- dividends and other profit distributions		
- debt securities		
- other securities (by type)		
- loans advanced		
- other short-term financial assets (by type)		
b) in co-subsiary undertakings	0	0
- shares and other equity interests		
- dividends and other profit distributions		
- debt securities		
- other securities (by type)		
- loans advanced		
- other short-term financial assets (by type)		
c) in associated undertakings	0	0
- shares and other equity interests		
- dividends and other profit distributions		
- debt securities		
- other securities (by type)		
- loans advanced		
- other short-term financial assets (by type)		
d) in major investor	0	0
- shares and other equity interests		

SHORT-TERM FINANCIAL ASSETS	Jun 30 2004	Jun 30 2003
- dividends and other profit distributions		
- debt securities		
- other securities (by type)		
- loans advanced		
- other short-term financial assets (by type)		
e) in Parent Entity	0	0
- shares and other equity interests		
- dividends and other profit distributions		
- debt securities		
- other securities (by type)		
- loans advanced		
- other short-term financial assets (by type)		
f) in other undertakings	0	0
- shares and other equity interests		
- dividends and other profit distributions		
- debt securities		
- other securities (by type)		
- loans advanced		
- other short-term financial assets (by type)		
g) cash and cash equivalents, including:	112,538	28,208
- cash in hand and cash at banks	107,153	19,558
- other cash	5,385	8,649
- other cash equivalents	0	0
Total short-term financial assets	112,538	28,208

SECURITIES, EQUITY INTERESTS AND OTHER SHORT-TERM FINANCIAL ASSETS (BY CURRENCY) – not applicable

SECURITIES, EQUITY INTERESTS AND OTHER SHORT-TERM FINANCIAL ASSETS (BY MARKETABILITY) - not applicable

SHORT-TERM LOANS ADVANCED (BY CURRENCY) - not applicable

CASH AND CASH EQUIVALENTS (BY CURRENCY)	Jun 30 2004	Jun 30 2003
a) in Polish currency	112,538	28,208
b) in foreign currencies (by currency and restated in PLN)		
Total cash and cash equivalents	112,538	28,208

OTHER SHORT-TERM INVESTMENTS (BY TYPE)	Jun 30 2004	Jun 30 2003
Treasury bonds		20,000
Total other short-term investments		20,000

OTHER SHORT-TERM INVESTMENTS (BY CURRENCY)	Jun 30 2004	Jun 30 2003
a) in Polish currency		20,000
b) in foreign currencies (by currency and restated in PLN)		
Total other short-term investments		20,000

Note 10

SHORT-TERM PREPAYMENTS AND ACCRUED INCOME	Jun 30 2004	Jun 30 2003
a) prepayments and accrued income, including:	5,717	3,298
- additional income	4,219	2,735
- basic rent paid	61	320
- advertising brochures paid	22	52
- other short-term prepayments and accrued income	1,416	190
b) other prepayments and accrued income	0	0
Total short-term prepayments and accrued income	5,717	3,298

Note 11

REVALUATION WRITE-OFFS ON PERMANENT IMPAIRMENT OF ASSETS VALUE– not applicable

Note 12

SHARE CAPITAL (STRUCTURE) January-July 2004 – presented in Note 12 in Chapter VIII.

Note 13

TREASURY SHARES – not applicable

ISSUER SHARES HELD BY SUBSIDIARY UNDERTAKINGS – not applicable

Note 14

RESERVE FUNDS	Jun 30 2004	Jun 30 2003
a) share premium account		
b) statutory reserve funds		
c) set up pursuant to the Articles of Association, above statutory (minimum) value		
d) additional contributions to equity		
e) other – distributions from profit		
f) other	1	
Total reserve funds	1	0

Note 15

REVALUATION CAPITAL RESERVE – not applicable

Note 16

OTHER CAPITAL RESERVE (BY INTENDED USE) – not applicable

Note 17

DEDUCTIONS FROM NET PROFIT IN THE FINANCIAL YEAR – not applicable

Note 18

CHANGE IN DEFERRED TAX PROVISIONS	Jun 30 2004	Jun 30 2003
1. Deferred tax provisions at beginning of period, including:	820	216
a) charged to financial result	820	216
b) charged to shareholders' equity		
c) charged to (negative) goodwill		
2. Increase	0	522
a) charged to financial result in connection with positive timing differences, including:		522
- timing differences		
- deferred income		522
b) charged to shareholders' equity in connection with positive timing differences		
c) charged to (negative) goodwill in connection with positive timing differences		
3. Decrease	19	0
a) charged to financial result in connection with positive timing differences, including:	19	
- provisions used	19	
b) charged to shareholders' equity in connection with positive timing differences		
c) charged to (negative) goodwill in connection with positive timing differences		
4. Total deferred tax provisions at end of period	802	739
a) charged to financial result	802	739
b) charged in shareholders' equity		
c) charged to (negative) goodwill		

No	Main groups of assets and shareholders' equity and liabilities	Cause of timing difference	Expiry date	As at Jun 30 2004	As at Jun 30 2003
ASSETS					
SHAREHOLDERS' EQUITY AND LIABILITIES					
1	Deferred income	Uninvoiced additional income		4,219	2,735
	Positive timing differences			4,219	2,735

CHANGE IN LONG-TERM PROVISIONS FOR RETIREMENT AND RELATED BENEFITS (BY CATEGORY) – not applicable

CHANGE IN SHORT-TERM PROVISIONS FOR RETIREMENT AND RELATED BENEFITS (BY CATEGORY) – not applicable

CHANGE IN OTHER LONG-TERM PROVISIONS (BY CATEGORY) – not applicable

CHANGE IN OTHER SHORT-TERM PROVISIONS (BY CATEGORY)	Jun 30 2004	Jun 30 2003
a) balance at beginning of period	1,912	1,969
- additional income	1,912	1,969
b) increase, including:	2	1,025
- additional income	2	1,025
c) use, including:	0	0
- additional income		
d) release, including:	0	0
- invoicing of additional income		
e) balance at end of period	1,914	2,994
- restructuring provisions – branch closing	1,914	2,994

Note 19

LONG-TERM LIABILITIES	Jun 30 2004	Jun 30 2003
a) to subsidiary undertakings	0	0
- loans and borrowings		
- debt securities in issue		
- other financial liabilities		
- financed lease agreements		
- other (by type)		
b) to co-subsidiary undertakings	0	0
- loans and borrowings		
- under debt securities in issue		
- other financial liabilities		
c) to associated undertakings	0	0
- loans and borrowings		
- under debt securities in issue		
- other financial liabilities		
d) to major investor	0	0
- loans and borrowings		
- under debt securities in issue		
- other financial liabilities	0	0
e) to Parent Entity	0	0
- loans and borrowings		
- under debt securities in issue		
- other financial liabilities	0	0
f) to other undertakings	28,454	0
- loans and borrowings	24,323	
- under debt securities in issue		
- other financial liabilities	4,131	
Total long-term liabilities	28,454	0

MATURITY STRUCTURE OF LONG-TERM LIABILITIES AS FROM THE BALANCE-SHEET DATE	Jun 30 2004	Jun 30 2003
a) from 1 year to 3 years	10,284	
b) from 3 years to 5 years	11,847	
c) over 5 years	6,323	
Total long-term liabilities	28,454	0

LONG-TERM LIABILITIES (BY CURRENCY)	Jun 30 2004	Jun 30 2003
a) in Polish currency	28,454	
b) in foreign currencies (by currency and restated in PLN)		
Other currencies (in PLN '000)		
Total long-term liabilities	28,454	0

LONG-TERM LIABILITIES UNDER BANK LOANS AND BORROWINGS AS AT JUNE 30TH 2004

Undertaking (form of incorporation)	Principal place of business	Loan/borrowing amount under agreement		Outstanding amount		Interest	Maturity	Collateral	Other
		PLN '000	currency	PLN '000	currency				
Jeronimo Martins Dystrybucja Sp. z o.o.	ul. Wołczyńska 18, Poznań, Poland	30,423	PLN	24,323	PLN	WIBOR +5%	Until fully repaid with interest. The loan is to be repaid in monthly instalments in 2003–2004 and in annual instalments in subsequent years.	-	-

LONG-TERM LIABILITIES UNDER BANK LOANS AND BORROWINGS AS AT JUNE 30TH 2003 – not applicable

Note 20

SHORT-TERM LIABILITIES	Jun 30 2004	Jun 30 2003
a) to subsidiary undertakings	0	0
- loans and borrowings, including:		
- current portion of long-term liabilities		
- under debt securities in issue		
- under dividend payable		
- other financial liabilities		
- trade creditors by maturity:		
- up to 1 year		
- over 1 year		
- prepaid deliveries		
- promissory notes payable		
- other (by type)		
b) to co-subsidiary undertakings	0	0
- loans and borrowings, including:		
- current portion of long-term liabilities		
- under debt securities in issue		
- under dividend payable		
- other financial liabilities		
- trade creditors by maturity:		
- up to 1 year		
- over 1 year		
- prepaid deliveries		
- promissory notes payable		
- other (by type)	0	0
c) to associated undertakings	0	0
- loans and borrowings, including:		
- current portion of long-term liabilities		
- under debt securities in issue		
- under dividend payable		
- other financial liabilities, including:		
- trade creditors by maturity:		
- up to 1 year		
- over 1 year		
- prepaid deliveries		
- promissory notes payable		
- other (by type)		
d) to major investor	0	0
- loans and borrowings, including:		
- current portion of long-term liabilities		
- under debt securities in issue		
- under dividend payable		

SHORT-TERM LIABILITIES	Jun 30 2004	Jun 30 2003
- other financial liabilities, including:		
- trade creditors by maturity:		
- up to 1 year		
- over 1 year		
- prepaid deliveries		
- promissory notes		
- other (by type)		
e) to Parent Enityt	0	0
- loans and borrowings, including:		
- current portion of long-term liability		
- under debt securities in issue		
- under dividend payable		
- other financial liabilities, including:		
- trade creditors by maturity:		
- up to 1 year		
- over 1 year		
- prepaid deliveries		
- promissory notes payable		
- other (by type)		
f) to other undertakings	212,046	170,395
- loans and borrowings, including:	4,174	
- current portion long-term liabilities		
- under debt securities in issue		
- under dividend payable		
- other financial liabilities, including:	783	
- trade creditors by maturity:	199,225	166,672
- up to 1 year	199,225	166,672
- over 1 year		
- prepaid deliveries		
- promissory notes payable		
- taxes, duties, social security and other benefits	2,110	1,698
- salaries and wages payable	1,650	1,444
- other (by type)	4,104	580
g) special accounts (by type)	179	918
- Social Benefits Fund	179	918
Total short-term liabilities	212,224	171,313

SHORT-TERM LIABILITIES (BY CURRENCY)	Jun 30 2004	Jun 30 2003
a) in Polish currency	211,910	171,313
b) in foreign currencies (by currency and restated in PLN)	314	0
trade creditors, including:	314	
REDWOD DE / EUR	269	
FALCAO POR / EUR	31	
SIMAO POR / EUR	9	
CC LONDON / GBP	5	
Total short-term liabilities	212,224	171,313

SHORT-TERM LIABILITIES UNDER LOANS AND BORROWINGS AS AT JUNE 30TH 2004

No.	Undertaking (form of incorporation)	Principal place of business	Loan/borrowing amount under agreement		Outstanding amount		Interest	Maturity	Other
			PLN '000	curre ncy	PLN '000	curre ncy			
1	Jeronimo Martins Dystrybucja Sp. z o.o.	ul. Wołczyńska 18, Poznań, Poland	30,423	PLN	4,174	PLN	WIBOR +5%	Until fully repaid with interest. The loan is to be repaid in monthly instalments in 2003– 2004 and in annual instalments in subsequent years.	-

SHORT-TERM LIABILITIES UNDER LOANS AND BORROWINGS AS AT JUNE 30TH 2003 – not applicable

Note 21

CHANGE IN NEGATIVE GOODWILL – not applicable

OTHER ACCRUALS AND DEFERRED INCOME	Jun 30 2004	Jun 30 2003
a) accrued expenses, including:	9,796	5,536
- long-term		
- short-term, including:	9,796	5,536
- provision for holidays in arrears	2,189	2,744
- provision for expenses on lease rents and utilities	385	1,139
- provision for employee bonuses	1,675	
- provision for costs of advertising	624	
- provision for costs of transport		161
- provision for commissions payable to agents	512	355
- provision for post and telecommunications expenses		200
- other accrued expenses	4,410	937
b) deferred income, including:	19	58
- long-term, including:	19	38
- funds received to finance purchase or production of tangible fixed assets	19	38
- short-term, including:		19
- funds received to finance purchase or production of tangible fixed assets		19
Total other accruals and deferred income	9,815	5,594

Note 22

BOOK VALUE AND DILUTED BOOK VALUE PER SHARE	Jun 30 2004	Jun 30 2003
Book value	128,370,239	112,560,240
Number of shares	127,742	121,889
Number of shares after reconciliation to comparable data	127,742,000	121,889,000
Book value per share (PLN)	1,00	0,92
Diluted book value per share (PLN)	1,00	0,92

Book value per share was computed as the ratio of the book value to the number of shares. In order to achieve comparability with the period January 1st – July 31st 2004, the number of shares as at the end of all periods was multiplied by 1,000.

No dilution occurred.

NOTES TO OFF-BALANCE-SHEET ITEMS

Note 23

CONTINGENT ACCOUNTS RECEIVABLE FROM RELATED UNDERTAKINGS – not applicable

CONTINGENT LIABILITIES TO RELATED UNDERTAKINGS – not applicable

CONTINGENT LIABILITIES TO OTHER UNDERTAKINGS

CONTINGENT LIABILITIES TO OTHER UNDERTAKINGS	Jun 30 2004	Jun 30 2003
a) bank guarantees granted	8,458	1,009
Total contingent liabilities	8,458	1,009

NOTES TO PROFIT AND LOSS ACCOUNT

Note 24

NET REVENUE ON SALES OF PRODUCTS (BY TYPE AND ACTIVITY)	H1 2004	H1 2003
- revenue on sales of services, including:	45,783	36,399
- from related undertakings		
Total net revenue on sales of products, including:	45,783	36,399
- from related undertakings		

NET REVENUE ON SALES OF PRODUCTS (GEOGRAPHICAL STRUCTURE)	H1 2004	H1 2003
a) domestic market, including:	45,783	36,399
- from related undertakings		
b) exports, including:		
- from related undertakings		
Total net revenue on sales of products, including:	45,783	36,399
- from related undertakings		

Note 25

NET REVENUE ON SALES OF GOODS FOR RESALE AND MATERIALS (BY TYPE AND ACTIVITY)	H1 2004	H1 2003
- revenue on sales of goods for resale and materials, including:	703,546	606,797
- from related undertakings		
Total net revenue on sales of goods for resale and materials, including:	703,546	606,797
- from related undertakings		

NET REVENUE ON SALES OF GOODS FOR RESALE AND MATERIALS (GEOGRAPHICAL STRUCTURE)	H1 2004	H1 2003
a) domestic market, including:	703,546	606,797
- from related undertakings		
b) exports, including:		
- from related undertakings		
Total net revenue on sales of goods for resale and materials, including:	703,546	606,797
- from related undertakings		

Note 26

COST BY TYPE	H1 2004	H1 2003
a) depreciation and amortisation	8,049	6,618
b) raw materials and energy used	4,577	4,620
c) contracted services	28,615	29,884
d) taxes and charges	821	681
e) salaries and wages	20,628	16,876
f) social security and other benefits	3,975	3,704
g) other cost by type, including:	5,893	3,253
Total cost by type	72,558	65,635
Selling costs (negative value)	-53,395	-54,055
General and administrative expenses (negative value)	-19,163	-11,578
Cost of products sold	0	0

Note 27

OTHER OPERATING INCOME	H1 2004	H1 2003
a) Released provisions	0	0
b) other, including:	167	462
- re-invoices, lease, advisory services etc.		4
- other	167	458
Total other operating income	167	462

Note 28

OTHER OPERATING EXPENSES	H1 2004	H1 2003
a) created provisions	0	0
b) other, including:	8,659	4,298
- licence fees	5,377	
- amortisation of goodwill	258	296
- other	3,024	4,002
Total other operating expenses	8,659	4,298

REVALUATION WRITE-OFFS ON NON-FINANCIAL ASSETS	H1 2004	H1 2003
- revaluation write-offs on impaired and useless stocks	-322	488
- revaluation write-offs on doubtful or disputed accounts receivable	389	321
Total revaluation write-offs on non-financial assets	67	809

Note 29

FINANCIAL INCOME UNDER DIVIDEND AND DISTRIBUTION OF PROFIT – not applicable

INTEREST INCOME	H1 2004	H1 2003
a) interest on loans advanced	0	0
- from related undertakings, including:		
- subsidiary undertakings		
- co-subsidiary undertakings		
- associated undertakings		
- major investor		
- Parent Entity		
- other undertakings		
b) other interest, including:	2,176	889
- from related undertakings, including:		
- subsidiary undertakings		
- co-subsidiary undertakings		
- associated undertakings		
- major investor		
- Parent Entity		
- other undertakings	2,176	889
Total interest income	2,176	889

OTHER FINANCIAL INCOME	H1 2004	H1 2003
a) foreign exchange gains	0	0
- realised		
- unrealised		
b) released provisions	0	0
c) other, including:	129	0
- other	129	
Total other financial income	129	0

Note 30

INTEREST EXPENSES	H1 2004	H1 2003
a) interest on loans and borrowings, including:	2,374	0
- to related undertakings, including:	0	0
- subsidiary undertakings		
- co-subsidiary undertakings		
- associated undertakings		
- major investor		
- Parent Entity		
- other undertakings	2,374	
b) other interest, including:	470	3
- to related undertakings, including:	0	0
- subsidiary undertakings		
- co-subsidiary undertakings		
- associated undertakings		
- major investor		
- Parent Entity		
- other undertakings	470	3
Total interest expenses	2,844	3

OTHER FINANCIAL EXPENSES	H1 2004	H1 2003
a) foreign exchange losses, including:	45	0
- realised	45	
- unrealised		
b) created provisions, including:	433	0
- provision for interest to a supplier	433	
c) other, including:	24	387
- other	24	387
Total other financial expenses	502	387

Note 31

RESULT ON SALE OF SHARES IN SUBSIDIARY, CO-SUBSIDIARY AND ASSOCIATED UNDERTAKINGS – not applicable

Note 32

EXTRAORDINARY GAINS – not applicable

Note 33

EXTRAORDINARY LOSSES – not applicable

Note 34

CURRENT INCOME TAX	H1 2004	H1 2003
1. Pre-tax profit (loss)	8	2
2. Differences between pre-tax profit and taxable income (by category)	5,163	1,951
a) income classified as non-taxable in accordance with tax legislation – decreasing taxable income	9	-1,934
- additional uninvoiced income		-1,934
b) items increasing taxable income		
- provision for SG adjustment	9	
c) expenses and losses not classified as tax-deductible under tax legislation – increasing taxable income	5,151	3,885
- depreciation of passenger cars above EUR 20,000		0
- accrued expenses – commissions for agents	-211	241
- accrued expenses other than relating to trade creditors	2,788	351
- provision for municipal services (heating, electricity)	130	237
- provision for collection, monitoring and security services	119	119
- provision for interest to suppliers	433	0
- provision for accounts receivable (marketing fee)	150	140
- other provisions	191	2,347
- interest on borrowings	803	0
- provision for non-tax-deductible lease rents		0
- other non-tax-deductible expenses	91	393
- contributions to the State Fund for the Disabled	229	
- exceeded entertainment and advertising limit (above 0.25% of taxable income)	379	
- liquidation of assets		56
- default interest paid – financial expenses	1	
- delayed payment interest paid (recorded in December 2003, paid in January 2004)		
- amounts accrued and unpaid under temporary employment contracts	16	
- depreciation of HP hardware	213	
- interest on HP Leasing	81	
- principal instalment of HP Leasing	-262	
- revaluation write-off on stocks		
d) items increasing tax-deductible expenses – decreasing taxable income		
e) allowable donations	3	
- donations	3	
3. Taxable income	5,171	1,952
allowances – donations	3	
allowances – settlement of loss	3,053	3,053
4. Taxable income	2,116	-1,101

CURRENT INCOME TAX	H1 2004	H1 2003
5. Corporate income tax at ...%	403	-297
6. Increase, reliefs, exemptions, allowances, and reductions in/of corporate income tax		
7. Current corporate income tax disclosed in the tax return for the period, including:		
- disclosed in the profit and loss account	2,136	137
- relating to items increasing or decreasing shareholders' equity		
- relating to items increasing or decreasing (negative) goodwill		
DEFERRED INCOME TAX AS DISCLOSED IN THE PROFIT AND LOSS ACCOUNT	H1 2004	H1 2003
- decrease (increase) in connection with (reversed) timing differences	-1,069	239
- decrease (increase) in connection with tax rate changes		161
- decrease (increase) under previously undisclosed tax loss, tax relief or timing difference of previous period		
- decrease (increase) under write-off of deferred tax assets or impossibility of using the deferred tax provision		
- other items of deferred income tax		
Total deferred income tax	-1,069	399
TOTAL DEFERRED INCOME TAX	H1 2004	H1 2003
- disclosed under shareholders' equity		
- disclosed under (negative) goodwill		
CORPORATE INCOME TAX DISCLOSED IN PROFIT AND LOSS ACCOUNT:	H1 2004	H1 2003
- discontinued operations		
- result on extraordinary items		
PROPOSED DISTRIBUTION OF PROFIT/COVERAGE OF LOSS	H1 2004	H1 2003
Profit/loss for period	6,929	1,072
Change in accounting policies		
Distribution of profit/coverage of loss		
- coverage of loss brought forward	6,929	1,072
- coverage of loss with profit		
- contribution to reserve funds		
- contribution to Social Benefits Fund		
- distribution of profit to shareholders		

Note 35

OTHER MANDATORY DECREASE OF PROFIT (INCREASE OF LOSS) – not applicable

Note 36

SHARE IN NET PROFIT (LOSS) OF SUBORDINATED UNDERTAKINGS CONSOLIDATED WITH EQUITY METHOD – not applicable

Note 37

NET EARNINGS PER SHARE	H1 2004	H1 2003
Net profit/loss	6,928,864	1,072,413
Annualised profit/loss	9,956,567	-9,329,675
Weighted average number of shares	122,213,474	64,377,315
Annualised earnings/loss per share (PLN)	0.081	-0.145
Diluted earnings/loss per share (PLN)	0.081	-0.145

For each period which is not a full 12-month financial year, profit was annualised by adding to the period's financial result the financial result for the period, extrapolated over the remaining months of the year.

To ensure comparability of data with the data for the most recent period presented, the number of shares for each of the earlier periods was multiplied by 1,000. No dilution occurred.

Computation of the weighted average number of shares for periods presented (including annualised periods):

H1 2003: $(50,000 * 163 \text{ days} + 116,285,000 * 202 \text{ days}) / 365 \text{ days}$

H1 2004: $(116,285,000 * 27 \text{ days} + 121,889,000 * 289 \text{ days} + 127,086,000 * 26 \text{ days} + 127,742,000 * 23 \text{ days}) / 365 \text{ days}$

Structure of cash and cash equivalents at beginning and end of period

(PLN '000)

Item	H1 2004	H1 2003
Cash in hand	37	21
Cash at banks	107,116	19,537
Other cash	5,385	8,649
Other cash equivalents		20,000
Total cash and cash equivalents	112,538	48,208

Part A – Operating cash flows – include inflows and outflows relating to the Company's core business, namely inflows and outflows related to purchase and sale of goods, inflows and outflows related to liabilities and accounts receivable, inflows and outflows related to foreign exchange differences resulting from settlements denominated in foreign currencies with suppliers and customers.

Part B – Investing cash flows – include outflows on the acquisition of tangible and intangible fixed assets and financial assets, as well as inflows on the sale of such assets.

Part C – Financing cash flows – include inflows on contracted long- and short-term loans, inflows on contributions and additional contributions to equity and outflows relating to purchase of treasury shares, servicing of loans and repayment of loan instalments.

“Other adjustments”, “Other inflow” and “Other outflow” in excess of 5% of total adjustments, inflow, or outflow, as appropriate, relating to individual types of activities, within the periods presented in the Prospectus

In the cash-flow statement for **January 1st – June 30th 2004:**

Adjustment to operating cash flows disclosed under “Other” comprises:

Balance of financial income/expenses relating to financing activities	PLN 502 thousand
Balance of increase in tangible fixed assets (under lease agreements)	PLN - 4,270 thousand
Total:	PLN - 3,768 thousand

Balance of other financing inflow comprises:

Interest income on term deposits PLN 2,076 thousand

Balance of other financing outflow comprises:

Balance of outflow relating to financing activities PLN 194 thousand

Reconciliation of the Cash Flow Statement Prepared with the Direct Method and Indirect Method

Not applicable.

2. Quarterly Report for the First Three Quarters of 2004

Form SA-Q 09/2004
(quarter/year)

(for issuers in the manufacturing, construction, trade and service sectors)

Prepared in accordance with Par. 57.1.1 of the Regulation of the Polish Council of Ministers of October 16th 2001 (Dz.U. No. 139, item 1569 and Dz. U. of 2002, No. 31, item 280).

Executive Board of Eurocash SA
hereby releases the quarterly report for the third quarter of 2004

October 29th 2004
(date of release)

FINANCIAL HIGHLIGHTS	PLN '000		EUR '000	
	3 quarters cumulatively (current year) Jan 1–Sep 30 2004	3 quarters cumulatively (previous year) Jan 1–Sep 30 2003	3 quarters cumulatively (current year) Jan 1–Sep 30 2004	3 quarters cumulatively (previous year) Jan 1–Sep 30 2003
I. Net sales revenue	1,195,982	1,019,463	258,836	233,725
II. Operating profit (loss)	21,527	1,418	4,659	325
III. Pre-tax profit (loss)	20,296	1,994	4,392	457
IV. Net profit (loss)	17,141	950	3,710	218
V. Net operating cash flow	34,762	21,549	7,523	4,940
VI. Net investing cash flow	-69,238	-1,849	-14,985	-424
VII. Net financing cash flow	-28,719	551	-6,215	126
VIII. Total net cash flow	-63,195	20,252	-13,677	4,643
IX. Total assets	367,070	317,563	83,745	68,389
X. Liabilities and provisions for liabilities	228,544	205,125	52,141	44,175
XI. Long-term liabilities	3,790	0	865	0
XII. Short-term liabilities	214,165	192,311	48,860	41,415
XIII. Shareholders' equity	138,527	112,438	31,604	24,214
XIV. Share capital	127,742	121,889	29,144	26,249

FINANCIAL HIGHLIGHTS	PLN '000		EUR '000	
	3 quarters cumulatively (current year) Jan 1–Sep 30 2004	3 quarters cumulatively (previous year) Jan 1–Sep 30 2003	3 quarters cumulatively (current year) Jan 1–Sep 30 2004	3 quarters cumulatively (previous year) Jan 1–Sep 30 2003
XV. Number of shares	127,742	121,889	127,742	121,889
XVI. Earnings (loss) per ordinary share (PLN/EUR)	0.13	0.01	0.03	0.00
XVII. Diluted earnings (loss) per ordinary share (PLN/EUR)	0.13			
XVIII. Book value per share (PLN/EUR)	1.08	1.00	0.92	0.92
XIX. Diluted book value per share (PLN/EUR)	1.03			
XX. Dividend per share declared or paid (PLN/EUR)	0			

BALANCE SHEET	As at Sep 30 2004 end of quarter (current year)	As at Jun 30 2004 end of previous quarter (current year)	As at Sep 30 2003 end of quarter (previous year)	As at June 30 2003 end of previous quarter (previous year)
Assets				
I. Fixed assets	177,704	123,152	114,910	118,146
1. Intangible fixed assets, including:	102,572	42,802	43,162	43,780
- goodwill	0	0	0	0
2. Tangible fixed assets	71,376	76,518	67,626	70,242
3. Long-term accounts receivable, including:	189	165	531	534
3.1. From related undertakings	0	0	0	0
3.2. From other undertakings	189	165	531	534
4. Long-term investments	0	0	0	0
4.1. Real estate	0	0	0	0
4.2. Intangible fixed assets	0	0	0	0
4.3. Long-term financial assets	0	0	0	0
a) in related undertakings, including:	0	0	0	0
- shares in subordinated undertakings valued with equity method	0	0	0	0
b) in other undertakings	0	0	0	0
4.4. Other long-term investments	0	0	0	0
5. Long-term prepayments and accrued income	3,568	3,667	3,591	3,591
5.1. Deferred tax assets	3,544	3,646	3,401	3,401
5.2. Other prepayments and accrued income	24	21	190	190
II. Current assets	189,366	258,427	202,653	177,651
1. Stocks	110,931	105,764	86,569	89,442
2. Short-term accounts receivable, including:	31,423	34,408	47,032	36,694
2.1. From related undertakings	0	4,107	0	0
2.2. From other undertakings	31,423	30,301	47,032	36,694

BALANCE SHEET	As at Sep 30 2004 end of quarter (current year)	As at Jun 30 2004 end of previous quarter (current year)	As at Sep 30 2003 end of quarter (previous year)	As at June 30 2003 end of previous quarter (previous year)
3. Short-term investments	40,538	112,538	63,468	48,205
3.1. Short-term financial assets, including:	40,538	112,538	43,468	28,205
a) in related undertakings	0	0	0	0
b) in other undertakings	0	0	0	0
c) cash and cash equivalents	40,538	112,538	43,468	28,205
3.2. Other short-term investments	0	0	20,000	20,000
4. Short-term prepayments and accrued income	6,475	5,717	5,584	3,310
Total assets	367,070	381,579	317,563	295,797
Shareholders' equity and liabilities				
I. Shareholders' equity	138,527	128,370	112,438	112,560
1. Share capital	127,742	127,742	121,889	121,889
2. Called-up share capital not paid (negative value)	0	0	0	0
3. Treasury shares (negative value)	0	0	0	0
4. Reserve funds	1	1	0	0
5. Revaluation capital reserve	0	0	0	0
6. Other capital reserves	0	0	0	0
7. (Accumulated loss)/retained profit brought forward	-6,356	-6,301	-10,401	-10,401
8. Net profit (loss)	17,141	6,929	950	1,072
9. Distributions from net profit in financial year (negative value)	0	0	0	0
II. Liabilities and provisions for liabilities	228,544	253,209	205,125	183,237
1. Provisions for liabilities	3,004	2,716	3,724	3,733
1.1. Deferred tax provision	1,092	802	739	739
1.2. Provision for retirement and related benefits, including:	0	0	0	0
a) long-term	0	0	0	0
b) short-term	0	0	0	0
1.3. Other provisions, including:	1,912	1,914	2,985	2,994
a) long-term	0	0	0	0
b) short-term	1,912	1,914	2,985	2,994
2. Long-term liabilities, including:	3,790	28,454	0	0
2.1. To related undertakings	0	0	0	0
2.2. To other undertakings	3,790	28,454	0	0
3. Short-term liabilities, including:	214,165	212,224	192,311	173,902
3.1. To related undertakings	0	0	0	0
3.2. To other undertakings	213,840	212,046	190,483	172,067
3.3. Special accounts	324	179	914	918
4. Accruals and deferred income	7,584	9,815	9,090	5,602
4.1. Negative goodwill	0	0	0	0

BALANCE SHEET	As at Sep 30 2004 end of quarter (current year)	As at Jun 30 2004 end of previous quarter (current year)	As at Sep 30 2003 end of quarter (previous year)	As at June 30 2003 end of previous quarter (previous year)
4.2. Other accruals and deferred income, including:	7,584	9,815	9,090	5,602
a) long-term	9	19	48	58
b) short-term	7,575	9,796	9,042	5,545
Total shareholders' equity and liabilities	367,070	381,579	317,563	295,797
Book value	138,527	128,370	112,438	112,560
Number of shares outstanding	127,742	127,742	121,889	121,889
Book value per share (PLN)	1.08	1.00	0.92	0.92
Diluted number of shares	134,129			
Diluted book value per share (PLN)	1.03			

OFF-BALANCE-SHEET ITEMS	As at Sep 30 2004 end of quarter (current year)	As at Jun 30 2004 end of previous quarter (current year)	As at Sep 30 2003 end of quarter (previous year)	As at Jun 30 2003 end of previous quarter (previous year)
1. Contingent accounts receivable				
1.1. From related undertakings, including:				
- guarantees and sureties received				
1.2. From other undertakings, including:				
- guarantees and sureties received				
2. Contingent liabilities, including:	6,793	8,458	3,409	1,009
1.1. To related undertakings, including:				
1.2. To other undertakings, including:	6,793	8,458	3,409	1,009
- guaranties and sureties granted	6,793	8,458	3,409	1,009
3. Other, including:				
Total off-balance-sheet items				

PROFIT AND LOSS ACCOUNT	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
I. Net sales revenue, including:	446,653	1,195,982	376,267	1,019,463
- from related undertakings	0	0	0	0
1. Net revenue on sales of products	31,468	77,251	22,125	58,523
2. Net revenue on sales of goods for resale and materials	415,185	1,118,731	354,143	960,940
II. Cost of sales, including:	391,070	1,050,310	333,598	906,214
- to related undertakings	0	0	0	0
1. Cost of products sold	0	0	0	0
2. Cost of goods for resale and materials sold	391,070	1,050,310	333,598	906,214
III. Gross profit (loss) on sales (I-II)	55,583	145,672	42,669	113,249
IV. Selling costs	28,415	81,810	27,735	81,791
V. General and administrative expenses	11,523	30,686	6,742	18,321
VI. Profit (loss) on sales (III-IV-V)	15,646	33,176	8,192	13,138
VII. Other operating income	252	431	292	754
1. Gain on disposal of non-financial fixed assets	3	15	1	5
2. Subsidies	0	0	0	0
3. Other operating income	249	416	290	748
VIII. Other operating expenses	3,408	12,079	8,175	12,473
1. Loss on disposal of non-financial fixed assets	78	349	194	490
2. Revaluation of non-financial assets	0	0	0	0
3. Other operating expenses	3,330	11,731	7,981	11,984
IX. Operating profit (loss) (VI+VII-VIII)	12,490	21,527	309	1,418
X. Financial income	1,439	3,745	495	1,384
1. Dividends and other share in profit, including:	0	0	0	0
- from related undertakings	0	0	0	0
2. Interest, including:	1,154	3,331	347	1,236
- from related undertakings	0	0	0	0
3. Gain on disposal of investments	0	0	0	0
4. Investment revaluation	0	0	0	0
5. Other	198	198	0	0
XI. Financial expenses	1,630	4,977	419	808
1. Interest, including:	1,320	4,165	3	6
- to related undertakings	0	0	0	0
2. Loss on disposal of investments	0	0	0	0
3. Investment revaluation	0	0	0	0
4. Other	1,223	812	1,190	803

PROFIT AND LOSS ACCOUNT	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
XII. Pre-tax profit (loss) before extraordinary items (IX+X-XI)	12,299	20,296	386	1,994
XIII. Profit (loss) on extraordinary items (XIII.1. – XIII.2.)	0	0	0	0
1. Extraordinary gains	0	0	0	0
2. Extraordinary losses	0	0	0	0
XIV. Pre-tax profit (loss) (XII+/-XIII)	12,299	20,296	386	1,994
XV. Corporate income tax	-50	3,155	508	1,043
a) current	1,696	3,832	508	1,043
b) deferred	392	-677	0	0
XVI. Other mandatory decrease of profit (increase of loss)	0	0	0	0
XVII. Share in net profit (loss) of subordinated undertakings consolidated with equity method	0	0	0	0
XVIII. Net profit (loss) (XIV-XV-XVI+/-XVII)	10,212	17,141	-122	950
Net profit (loss) (annualised)	20,290		-9,452	
Weighted average number of ordinary shares	124,118		94,339	
Earnings (loss) per ordinary share (PLN)	0.16		-0.10	
Diluted weighted average number of ordinary shares	124,398			
Diluted weighted average number of ordinary shares	0.16			

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
I. Balance of shareholders' equity at beginning of period	128,370	115,595	112,560	105,883
a) change in accounting policies				
b) correction of fundamental errors	0	-62	0	1
I.a. Balance of shareholders' equity at beginning of period, after reconciliation to comparable data	128,370	115,533	112,560	105,884
1. Balance of share capital at beginning of period	127,742	121,889	121,889	116,285
1.1. Change in share capital	0	5,853	0	5,604
a) increase, including:	0	5,853	0	5,604
- shares issued	0	5,853	0	5,604
b) decrease, including:				

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
- retirement of shares				
1.2. Balance of share capital at end of period	127,742	127,742	121,889	121,889
2. Balance of called-up share capital not paid at beginning of period				
2.1. Change in called-up share capital not paid				
a) increase				
b) decrease				
2.2. Balance of called-up share capital not paid at end of period				
3. Treasury shares at beginning of period				
3.1. Change in treasury shares				
a) increase				
b) decrease				
3.2. Treasury shares at end of period				
4. Balance of reserve funds at beginning of period	1	0	0	0
4.1. Change in reserve funds	0	0	0	0
a) increase, including:	0	0	0	0
- share premium	0	0	0	0
- distribution from profit (statutory)				
- distribution from profit (above the statutory minimum)				
b) decrease, including:				
- covered loss				
4.2. Balance of reserve funds at end of period	1	1	0	0
5. Balance of revaluation capital reserve at beginning of period				
5.1. Change in revaluation capital reserve				
a) increase				
b) decrease				
- disposal of fixed assets				
5.2. Balance of revaluation capital reserve at end of period				
6. Other capital reserves at beginning of period				
6.1. Change in other capital reserves				
a) increase				
b) decrease				
6.2. Other capital reserves at end of period				
7. Balance of accumulated loss or retained profit brought forward at beginning of period	572	-10,401	-9,329	0

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
7.1. Balance of retained profit brought forward at beginning of period	572			
a) change in accounting policies				
b) correction of fundamental errors				
7.2. Balance of retained profit brought forward at beginning of period, after reconciliation to comparable data	572			
a) increase				
b) decrease				
7.3. Balance of retained profit brought forward at end of period	572			
7.4. Balance of accumulated loss brought forward at beginning of period		-10,401	-9,329	0
a) change in accounting policies				
b) correction of fundamental errors				
7.5. Balance of accumulated loss brought forward at beginning of period, after reconciliation to comparable data		-10,401	-9,329	0
a) increase, including:		-62		
- correction of fundamental errors		-62		
b) decrease, including:		4,107		
- distribution of retained profit brought forward		4,107		-10,402
7.6. Balance of accumulated loss brought forward at end of period		-6,356	-9,329	-10,402
7.7. Balance of retained profit or accumulated loss brought forward at end of period	572	-6,356	-9,329	-10,402
8. Net financial result	10,212	17,141	-122	950
a) net profit	10,212	17,141	-122	950
b) net loss				
c) distributions from profit				
II. Balance of shareholders' equity at end of period	138,527	138,527	112,438	112,438
III. Shareholders' equity, after proposed distribution of profit (coverage of loss)				

CASH-FLOW STATEMENT	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
A. Operating cash flow – direct method				
I. Operating cash inflow				
1. Sales				
2. Other income on operating activities				
II. Operating cash outflow				
1. Supplies and services				
2. Net salaries and wages				
3. Social and health insurance and other employee benefits				
4. Taxes and charges payable to state budget				
5. Other operating outflow				
III. Net operating cash flow (I-II)				
A. Operating cash flow – indirect method				
I. Net profit (loss)	10,212	17,141	-122	950
II. Total adjustments	7,862	17,621	15,612	20,599
1. Share in net profit (loss) of subordinated undertakings valued with equity method				
2. Depreciation and amortisation	5,670	13,719	3,324	9,942
3. Foreign exchange gains (losses)	26	-104	0	0
4. Interest and share in profit (dividends)	104	4,879	-344	-1,230
5. Profit (loss) on investment activities	75	333	192	484
6. Change in provisions	288	271	192	484
7. Change in stocks	-5,167	-11,457	2,873	-1,898
8. Change in accounts receivable	2,960	4,467	-10,336	-15,943
9. Change in short-term liabilities (net of loans and borrowings)	6,506	10,331	18,410	31,805
10. Change in prepayments and accrued income	-2,888	-1,339	1,220	1,277
11. Other adjustments	288	-3,480	282	-5,376
III. Net operating cash flow (I +/- II)	18,074	34,762	15,490	21,549
B. Investing cash flow				
I. Investing cash inflow	11	139	126	156
1. Sale of intangible and tangible fixed assets	11	139	126	156
2. Sale of investments in real estate and intangible fixed assets				
3. From financial assets, including:				
a) in related undertakings				
- sale of financial assets				

CASH-FLOW STATEMENT	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
- dividends and share in profit				
- repayment of long-term loans advanced				
- interest				
- other inflow on financial assets				
b) in other undertakings				
- sale of financial assets				
- dividends and other profit distributions				
- repayment of long-term loans advanced				
- interest				
- other inflow on financial assets				
4. Other investing inflow				
II. Outflow	-61,074	-69,377	-409	-2,004
1. Acquisition of tangible and intangible fixed assets	-61,074	-69,377	-409	-2,004
2. Investments in real property and intangible fixed assets				
3. On financial assets, including:				
a) in related undertakings				
- acquisition of financial assets				
- long-term loans advanced				
b) in other undertakings				
- acquisition of financial assets				
- long-term loans advanced				
4. Other investing outflow				
III. Net investing cash flow (I - II)	-61,062	-69,238	-283	-1,849
C. Financing cash flow				
I. Financing cash inflow	1,452	4,185	347	1,236
1. Net proceeds from issue of shares, other equity instruments and additional contributions to equity	0	656	0	0
2. Increase in loans and borrowings	0	0	0	0
3. Issue of debt securities	0	0	0	0
4. Other financing cash inflow	1,452	3,528	347	1,236
II. Financing cash outflow	-30,464	-32,904	-291	-685
1. Purchase of treasury shares	0	0	0	0
2. Dividends and other distributions to shareholders	0	0	0	0
3. Profit distribution other than distributions to shareholders	0	0	0	0
4. Repayment of loans and borrowings	-27,923	-27,923	0	0
5. Redemption of debt securities	0	0	0	0

CASH-FLOW STATEMENT	Q3 (current year) Jul 1 – Sep 30 2004	Three quarters cumulatively (current year) Jan 1–Sep 30 2004	Q3 (previous year) Jul 1st – Sep 30 2003	Three quarters cumulatively (previous year) Jan 1 – Sep 30 2003
6. Decrease in other financial liabilities	0	0	0	0
7. Decrease in financed lease liabilities	0	0	0	0
8. Interest	-1,919	-4,165	-3	-6
9. Other financing cash outflow	-622	-817	-288	-679
III. Net financing cash flow (I-II)	-29,012	-28,719	56	551
D. Total net cash flow (A.III+/-B.III+/-C.III)	-72,001	-63,195	15,263	20,252
E. Balance-sheet change in cash, including:	-72,001	-63,195	15,263	20,252
- change in cash resulting from foreign exchange differences				
F. Cash at beginning of period	112,538	103,733	48,205	43,215
G. Cash at end of period (F+/- D), including:	40,538	40,538	63,468	63,468
- restricted cash				

In Q3 2004 the rules governing preparation of the financial statements, and in particular the valuation of assets and shareholders' equity and liabilities and the computation of the financial result, did not change.

In Q3 2004 the Company acquired know-how, which was capitalised and disclosed under intangible fixed assets, to be amortised using an amortisation rate of 20% per annum.

Comparable data

The comparable data is the data for the third quarter of 2003. The comparable data was prepared in a way ensuring its comparability.

Provisions; Deferred Tax Provisions and Assets

- As at September 30th 2004, provisions for holidays in arrears amounted to PLN 1,936.4 thousand, having decreased by PLN 252.3 thousand in Q3 2004.
- As at September 30th 2004, deferred tax assets amounted to PLN 3,544.1 thousand, having decreased PLN 101.9 thousand in Q3 2004.
- As at September 30th 2004, deferred tax provisions amounted to PLN 1,091.7 thousand, having increased by PLN 290.0 thousand in Q3 2004.
- As at September 30th 2004, revaluation write-offs on stocks amounted to PLN 3,690.0 thousand and write-offs on bad and doubtful accounts receivable from trade debtors amounted to PLN 1,195.4 thousand.

Significant Events Relating to Past Years Disclosed in the Financial Statements for the Current Period

No significant events relating to past years were disclosed in the financial statements for Q3 2004.

Key financial items were translated into the euro at the following rates:

- Profit and loss account and cash-flow statement items – arithmetic mean of the mid exchange rates quoted by the NBP on the last day of each month in the period: PLN 4.6206 : EUR 1 in Q3 2004 and PLN 4.3618 : EUR 1 in Q3 2003;
- Balance-sheet items and (diluted) book values – mid exchange rate quoted by the NBP as at the balance-sheet date: PLN 4.3832 : EUR 1 as at September 30th 2004 and PLN 4.6435 : EUR 1 as at September 30th 2003.

Brief Overview of Significant Achievements or Failures in the Reporting Period and the Most Important Related Events

FINANCIAL RESULTS OF EUROCASH SA AS AT SEPTEMBER 9TH 2004

	Jan - Sep 2004	% of sales revenue	Jan - Sep 2003	% of sales revenue	Δ %
Net sales revenue	1 195 981,93		1 019 463,37		17,3%
EBIT	21 527,35	1,80	1 417,90	0,14	1418,3%
EBITDA	35 246,62	2,95	11 359,98	1,11	210,3%
Net financial result	17 140,57	1,43	950,45	0,09	1703,4%

- Eurocash SA opened wholesale stores in Nakło, Dębica and Lesko;
- Its 'abc' shop chain comprised 1,838 outlets as at the end of September;
- The process of IT system migration was completed and the Company has its own Integrated IT System.

Non-Recurring Factors and Events with Material Bearing on Financial Performance

Transfer of Costs Connected with Licence Fees

Costs of licence fees, calculated as percentage share of sales revenue recorded in January-August 2004 and March-December 2003, were disclosed in the periods under other operating expenses. As Eurocash SA terminated the licence agreement (dated August 18th 2004) and acquired rights to know-how, which was capitalised under intangible fixed assets, the Company began to amortise (with straight-line method) the capitalised rights as of September.

Interest Expense on Loan from Jeronimo Martins Dystrybucja Sp. z o.o.

In October 2003, the Company contracted a loan in the amount of PLN 30,422,511.72 from Jeronimo Martins Dystrybucja Sp. z o.o. In the period January–September 2004, interest expense paid under the loan totalled PLN 3,095 thousand. On September 14th 2004, the Company repaid all liabilities outstanding under the loan.

Material Events Subsequent to the Balance-Sheet Date

No material events took place after the balance-sheet date.

Factors with Material Bearing on the Company's Financial Performance in the Next Quarter and in Future Periods

- Poland's economic development;
- Competition and changes in the structure of Polish retail and wholesale trade;
- Retail market regulations;
- Limited capex required for development;
- Logistics development;
- IT system modification.

Executive Board's Position on the Feasibility of Meeting the Annual Forecasts Published Earlier against the Actual Performance as Disclosed in the Quarterly Financial Statements

The 2004 financial forecast is set forth below.

	Jan - Sep 2004	% of sales revenue	2004 budget	% of sales revenue	% of forecast
Net sales revenue	1 195 981,93		1 582 165,66		75,59
EBIT	21 527,35	1,80	27 192,34	1,72	79,17
EBITDA	35 246,62	2,95	48 696,65	3,08	72,38
Net financial result	17 140,57	1,43	21 268,61	1,34	80,59

Based on the results achieved to date, the Company's Executive Board believes that the above forecast of 2004 results will be met.

Shareholders with at Least 5% of the Total Vote at the General Shareholders Meeting

Shareholder	No. of shares as at Sept 30 2004	% of share capital	Change (%)	No. of shares as at Dec 31 2003	% of share capital	No. of votes	% of total vote at the GM
Politra B.V.	127,741,000	18.42%	84.0%	69,505,000	57.02%	127,741,000	99.99%
Kipi N.V.	0	0%	-100.0%	46,337,000	38.02%	0	0.00%
Jeronimo Martins Dystrybucja Sp. z o.o.	0	0%	-100.0%	6,046,000	4.96%	0	0.00%

Changes in Shareholdings of Executive Board Members

In the reporting period, there were no changes in the number of the Company shares held by members of its Executive Board.

Changes in Shareholdings of Supervisory Board Members

In the reporting period, there were no changes in the number of the Company shares held by members of its Supervisory Board.

Information on Pending Proceedings

In 2004, Eurocash SA was not party to any proceedings before a court or other authority, concerning debts or claims whose aggregate value would amount to at least 10% of its shareholders' equity.

Transactions with Related Undertakings

In the third quarter of 2004, Eurocash SA acquired know-how from Politra B.V. for EUR 11,796,418; earlier, the Company had used the know-how under a licence agreement.

In 2004, Eurocash SA paid PLN 6,956,76 thousand of licence fees to Politra B.V.

Guarantees, Sureties and Loans

In the third quarter of 2004, Eurocash SA obtained a bank guarantee in the amount of PLN 1,395,777.80 for the benefit of the Ministry of Finance, in connection with the Ministry issuing consent to organise a lottery.

3. Closing Balance Sheet of the Issuer's Legal Predecessor and the Issuer's Opening Balance Sheet

BALANCE SHEET	Opening balance sheet of the Issuer's legal predecessor as at Jul 30 2004	Closing balance sheet of the Issuer's legal predecessor as at Jul 29 2004
ASSETS		
I. Fixed assets	123,951	123,951
1. Intangible fixed assets, including:	42,638	42,638
- consolidation goodwill	0	0
2. Tangible fixed assets	77,177	77,177
3. Long-term accounts receivable	531	531
3.1. from related undertakings	0	0
3.2. from other undertakings	531	531
4. Long-term investments	0	0
4.1. Real estate	0	0
4.2. Intangible fixed assets	0	0
4.3. Long-term financial assets, including:	0	0
a) In related undertakings, including:	0	0
- shares in subordinated undertakings valued with equity method	0	0
b) in other undertakings	0	0
4.4. Other long-term investments	0	0
5. Long-term prepayments and accrued income	3,605	3,605
5.1. Deferred tax assets	3,584	3,584
5.2. Other long-term prepayments and accrued income	21	21
II. Current assets	273,434	273,434
1. Stocks	112,145	112,145
2. Short-term accounts receivable	36,966	36,966
2.1. from related undertakings	4107	4107
2.2. from other undertakings	32,859	32,859
3. Short-term investments	117,191	117,191
3.1. Short-term financial assets	117,191	117,191
a) in related undertakings	0	0
b) in other undertakings	0	0
c) cash and cash equivalents	117,191	117,191
3.2. Other short-term investments	0	0
4. Short-term prepayments and accrued income	7,132	7,132
Total assets	397,385	397,385

BALANCE SHEET	Opening balance sheet of the Issuer's legal predecessor as at Jul 30 2004	Closing balance sheet of the Issuer's legal predecessor as at Jul 29 2004
SHAREHOLDERS' EQUITY AND LIABILITIES		
I. Shareholders' equity	132,937	132,937
1. Share capital	127,742	127,742
2. Called-up share capital not paid (negative value)	0	0
3. Treasury shares (negative value)	0	0
4. Reserve funds	1	1
5. Revaluation capital reserve	0	0
6. Other capital reserves	0	0
7. (Accumulated loss)/retained profit brought forward	-6,301	-6,301
8. Net (loss) profit	11,496	11,496
9. Distributions from net profit in financial year (negative value)	0	0
II. Liabilities and provisions for liabilities	264,447	264,447
1. Provisions for liabilities	3,004	3,004
1.1. Deferred tax provision	1,092	1,092
1.2. Provision for retirement and related benefits, including:	0	0
a) long-term	0	0
b) short-term	0	0
1.3. Other provisions	1,912	1,912
a) long-term	0	0
b) short-term	1,912	1,912
2. Long-term liabilities	28,113	28,113
2.1. To related undertakings, including:	0	0
2.2. To other undertakings, including:	28,113	28,113
3. Short-term liabilities	224,187	224,187
3.1. To related undertakings	0	0
3.2. To other undertakings	223,961	223,961
3.3. Special accounts	225	225
4. Accruals and deferred income	9,144	9,144
4.1. Negative goodwill	0	0
4.2. Other accruals and deferred income, including:	9,144	9,144
a) long-term	16	16
b) short-term	9,128	9,128
Total shareholders' equity and liabilities	397,385	397,385

4. Auditor's Report on the Performance of the Agreed Procedures Relating to the Financial Information Presented in Section 14 of Chapter VI, of the Issue Prospectus

Auditor's Report on the Performance of the Agreed Procedures Relating to the Financial Information

To the Shareholders, Supervisory Board, Executive Board and Investors acquiring Eurocash Spółka Akcyjna Shares

Eurocash Spółka Akcyjna

ul. Wołczyńska 18

60-003 Poznań, Poland

Introduction

This document has been prepared by HLB Frąckowiak i Wspólnicy Sp. z o.o., ul. Składowa 4, of Poznań, Poland (entered in the register of firms qualified to audit financial statements, under No. 238) to the order of Eurocash Spółka Akcyjna.

This document is not a report within the meaning of Art. 65.1 of the Polish Accountancy Act of September 29th 1994. The purpose of this document was to verify the correctness of the information disclosed in the Issue Prospectus of Eurocash Spółka Akcyjna, in Section 14 of Chapter VI, presenting the effects of two material transactions executed by the Company following the balance-sheet date of July 30th 2004, involving:

1. One-off repayment of a loan contracted from JMD Sp. z o.o. in the amount of PLN 28,617,915.28;
2. Purchase for the price of EUR 11,796,418 of the economic rights to know-how from Politra B.V., which had been previously used under a license agreement against consideration.

Scope of Work

2. The scope of work comprised:
 - 2.1. Analysis of the agreements concluded by Eurocash Spółka Akcyjna which served as the basis for the execution of the transactions we have reviewed,
 - 2.2. Analysis of the source documents, including banking documents related to the payments performed in connection with the executed transactions.
3. These procedures were applied in accordance with the arrangements made with the Executive Board of Eurocash Spółka Akcyjna.

Methodology

The work has been performed pursuant to the procedures prepared by HLB Frąckowiak i Wspólnicy Sp. z o.o. on the basis of Polish regulations on the audit of financial statements, in particular:

4. Accountancy Act of September 29th 1994 (Dz.U. No. 121, item 591, as amended),
5. Auditing standards issued by the National Board of Chartered Auditors,
6. Standards set by HLB Frąckowiak i Wspólnicy Sp. z o.o. pursuant to the International Standards on Auditing issued by IFAC (The International Federation of Accountants).
7. The agreed procedures consisted in:
 - 7.1. Loan Agreement
 - 7.1.1. confirmation of termination of the loan agreement concluded between Eurocash SA and JMD Sp. z o.o.,
 - 7.1.2. confirmation of a cash transfer in order to repay the loan
 - 7.2. Purchase Agreement on the rights to know-how
 - 7.2.1. confirmation of termination of the existing agreement
 - 7.2.2. confirmation of concluding a purchase agreement on the rights to know-how,

- 7.2.3. confirmation of a cash transfer in order to repay the liability resulting under the abovementioned agreement.

Auditor's Responsibility

8. In the course of their work, the employees of HLB Frąckowiak i Wspólnicy Sp. z o.o. of Poznań used the information provided by the employees and the managing staff of Eurocash Spółka Akcyjna. Therefore, HLB Frąckowiak i Wspólnicy Sp. z o.o. of Poznań does not bear responsibility for the accuracy of this information.
9. HLB Frąckowiak i Wspólnicy Sp. z o.o. of Poznań does not bear responsibility for the results of any decisions made on the basis of the information contained in this document.
10. The scope and methodology of the work differ from the research underlying the opinion of fairness, accuracy and clarity of the annual financial statements and the review report on interim financial statements, therefore we cannot issue such an opinion or a report as a result of our work.

Conclusions

In the course of our work we have established the following:

1. One-off repayment of outstanding loan to JMD Sp. z o.o.

Pursuant to Par. 2 of the agreement executed on September 14th 2004 between:

- a) Beleggingsmaatschappij Tand B.V.
- b) Jeronimo Martins Dystrybucja Sp. z o.o.
- c) POLITRA B.V.
- d) Mr Luis Amaral
- e) KIPI N.V.
- f) Eurocash SA

JMD Sp. z o.o. (the lender) and Eurocash SA (the borrower) terminated the loan agreement concluded on September 29th 2003. On September 14th 2004, Eurocash SA made a one-off payment of PLN 28,617,915.28, thus repaying the outstanding loan amount together with interest due to the lender.

2. Purchase of economic rights to know-how from Politra B.V.

Pursuant to the agreement executed on August 18th 2004 between Eurocash SA and Politra B.V., the parties agreed to terminate the licence agreement on the use of know-how with effect from August 31st 2004, and concurrently sell the know-how owned by Politra B.V. to Eurocash SA. Under the agreement, Eurocash SA will pay a consideration equal to 0.7% of projected net sales revenue for the period for which the licence agreement was concluded (until April 2009), discounted to its current value. The payment of the acquisition price of EUR 11,796,418 agreed upon in the agreement was made by Eurocash SA on September 10th 2004.

On the basis of the applied procedures we state that the description of the transactions presented by the Company's Executive Board in the Prospectus is consistent with the actual substance of the transactions executed by the Company.

Jan Letkiewicz

Cecylia Pol

Chartered Auditor
No. 9530/7106

President of the Executive Board
HLB Frąckowiak i Wspólnicy Sp. z o.o.,
firm qualified to audit financial statements, Reg. No. 238
Chartered Auditor
No. 5282/782

Poznań, October 25th 2004

5. Information on Selected Restated Data Presented in Section 6 of Chapter VI of the Issue Prospectus

Auditor's Report on the Performance of the Agreed Procedures Relating to the Financial Information

To the Shareholders, Supervisory Board, Executive Board and investors acquiring the Eurocash Spółka Akcyjna Shares

Eurocash Spółka Akcyjna

ul. Wołczyńska 18

60-003 Poznań, Poland

Introduction

This document has been prepared by HLB Frąckowiak i Wspólnicy Sp. z o.o., ul. Składowa 4, of Poznań, Poland (entered in the register of firms qualified to audit financial statements under No. 238) to the order of Eurocash Spółka Akcyjna.

This document is not a report within the meaning of Art. 65.1 of the Polish Accountancy Act of September 29th 1994. The purpose of this document was to verify the correctness of the calculations disclosed in the Issue Prospectus of Eurocash Spółka Akcyjna, in Section 6 of Chapter VI, relating to the presentation of selected financial data for 2003, the period from January 1st 2004 to September 30th 2009, as well as their budgeted values for 2004, as presented in the Issue Prospectus of Eurocash Spółka Akcyjna:

The selected financial data presented by Eurocash Spółka Akcyjna was restated in connection with a significant transaction executed by the Company subsequently to the balance-sheet date of July 30th 2004, involving purchase for the price of EUR 11,796,418 of the economic rights to know-how from Politra BV, which had been previously used under a license agreement against consideration.

The costs of the license fee calculated as a percentage of total sales revenue in the period January to August 2004 and March to December 2003 were charged to other operating expenses in these periods. As a result of the termination of the license agreement (agreement of August 18th 2004) and acquisition of economic rights to know-how, which were disclosed in the assets as intangible fixed assets, following from September the Company started to amortise the capitalised rights using the straight-line method. Therefore, for the sake of comparability of future financial results with the historic data, charges related to license fees disclosed in 2003 and 2004, as well as in the 2004 budget, under other operating expenses were statistically transferred to amortisation cost.

Restatement of the selected financial data for 2003 and for the period from January 1st to September 30th 2004, as well as their budgeted values for 2004, involved disclosure of fees for the use of the rights under the license agreement, which had been previously charged to other operating expenses, under amortisation cost.

11. The selected items before restatement

Adjustments – Jan – Sep 2004

Know how	6,956,764.63
Before adjustment:	Other operating expenses
After adjustment:	Amortisation

Adjustments – 2003

Know how	8,709,456.42
Before adjustment:	Other operating expenses
After adjustment:	Amortisation

	2003	I - IX 2004
Sales revenue	1,374,545,287.00	1,195,981,933.52
EBIT	5,879,435.00	21,527,351.59
EBITDA	19,284,391.00	35,246,622.23
Net financial result	4,100,113.00	17,140,568.79
Adjusted for:		
license fees in connection with Politra know how	8,709,456.42	6,956,764.63

12. Adjustments

2003	Published data	Adjustments	Adjusted data
EBIT	5,879,435.00		5,879,435.00
EBITDA	19,284,391.00	8,709,456.42	27,993,847.42
Net financial result	4,100,113.00		4,100,113.00

Jan-Sep 2004	Published data	Adjustments	Adjusted data
EBIT	21,527,351.59	0.00	21,527,351.59
EBITDA	35,246,622.23	6,956,764.63	42,203,386.86
Net financial result	17,140,568.79		17,140,568.79

13. Results of calculations

	2003	Sales revenue (%)	Jan-Sep 2004	Sales revenue (%)	2004 budget	Sales revenue (%)	Forecast performance (%)
Sales revenue	1,374,545.29		1,195,981.93		1,582,165.66		75.59
EBIT	5,879.44	0.43	21,527.35	1.80	27,192.34	1.72	79.17
EBITDA	27,993.85	2.04	42,203.39	3.53	55,653.41	3.52	75.83
Net result	4,100.11	0.30	17,140.57	1.43	21,268.61	1.34	80.59

Scope of Work

14. The scope of work comprised:

- 14.1. Analysis of the correctness of restated financial data, in accordance with the rules adopted for restatement of this data by the Company's Executive Board and presented in the introduction to this Report.

15. The procedures were applied in accordance with the arrangements with the Executive Board of Eurocash Spółka Akcyjna.

Methodology

The work has been performed pursuant to the procedures prepared by HLB Frąckowiak i Wspólnicy Sp. z o.o. on the basis of Polish regulations on the audit of financial statements, in particular:

16. Accountancy Act of September 29th 1994 (Dz.U. No. 121, item 591, as amended),
17. auditing standards issued by the National Board of Chartered Auditors,
18. standards set by HLB Frąckowiak i Wspólnicy Sp. z o.o. pursuant to the International Standards on Auditing issued by IFAC (The International Federation of Accountants).

The agreed procedures consisted in the review of:

- assumptions behind the computations made,
- correctness of the computation of the amounts subject to adjustment,

- correctness of the computation of the selected items,
- correctness of the computations made and of the data presented after computation.

Auditor's Responsibility

19. HLB Frąckowiak i Wspólnicy Sp. z o.o. of Poznań does not bear responsibility for the results of any decisions taken on the basis of the information contained in this document.
20. The scope and methodology of work differ from the research underlying the opinion of fairness, accuracy and clarity of the annual financial statements and review report on interim financial statements, therefore we cannot issue such an opinion or a report as a result of our work.

Conclusions

We obtained selected financial data for 2003, for the period from January 1st to September 30th 2004, as well as the projected values of these items (budgeted) for 2004, prepared by Eurocash Spółka Akcyjna; we also reviewed the rules adopted for the restatement of the data by the Executive Board, which were presented in the introduction to this Report.

In our opinion the presented data was calculated correctly. The expenses related to license fees which were transferred are derived from source documents. We have also stated that the selected data was restated and presented in line with the methodology adopted by the Company's Executive Board in that respect. Assuming that the economic effects of the license fees paid to date and the amortisation write-offs under the acquired economic rights to know-how to be made in the future are the same, the assumptions made by the Executive Board in the calculations made should be deemed justified.

Jan Letkiewicz

Cecylia Pol

Chartered Auditor
nr 9530/7106

President of the Executive Board
HLB Frąckowiak i Wspólnicy Sp. z o.o.,
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Chartered Auditor
No. 5282/782

Poznań, October 25th 2004