



## **EUROCASH GROUP**

### **CONSOLIDATED SEMI-ANNUAL REPORT 2011**

#### **TRANSLATORS' EXPLANATORY NOTE**

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

## **CONTENTS**

- I. AUDITOR'S REPORT**
- II. SELECTED CONSOLIDATED FINANCIAL DATA**
- III. SEMI-ANNUAL ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS**
- IV. AUDITOR'S REPORT**
- V. SELECTED SEPARATE FINANCIAL DATA**
- VI. SEMI-ANNUAL ABBREVIATED SEPARATE FINANCIAL STATEMENTS**
- VII. REPORT OF THE MANAGEMENT BOARD**

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

**INDEPENDENT AUDITORS' REPORT  
ON REVIEW OF THE INTERIM  
FINANCIAL INFORMATION OF  
EUROCASH S.A. GROUP  
FOR THE PERIOD  
FROM 1 JANUARY 2011 TO 30 JUNE 2011**

To the Shareholders of Eurocash S.A.

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Eurocash S.A. Group, with its registered office in Komorniki, Wiśniowa 11 Street as at 30 June 2011, the condensed consolidated income statement and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for six month period then ended and selected explanatory notes ("the condensed consolidated interim financial information").

Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim financial information, based on our review.

*Scope of Review*

We conducted our review in accordance with the national standard on auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34.

### *Emphasis of Matter*

Without qualifying our conclusion, we would like to draw attention to the Note 6 point 2 to the condensed consolidated interim financial information. On 9 August 2011 Eurocash S.A. ("the Company") has received a statement from Emperia Holding S.A. ("Emperia") and the subsidiary of Emperia – P1 Sp. z o.o. seated in Lublin ("P1"), that Emperia and P1 withdraw from Investment Agreement dated 21 December 2010, concerning purchase of shares of Distribution Group Tradis by the Company ("Investment Agreement") and claimed the penalty of PLN 200 million.

In the opinion of the Management Board of Eurocash S.A. the above statement made by Emperia and P1 is unjustified and ineffective in view of the Investment Agreement and the related law and therefore the Investment Agreement remains valid for both parties. In the opinion of the Management Board there is also no ground to pay the penalty claimed by Emperia and P1. However, as at the date of the preparation of the accompanying condensed consolidated interim financial information it is not possible to indicate the timing and the manner in which the matter described in this paragraph will be resolved.

On behalf of KPMG Audyt Spółka z ograniczoną  
odpowiedzialnością registration number 458  
ul. Chłodna 51, 00-867 Warsaw

*Signed on the Polish original*

.....  
Certified Auditor No. 11686  
Łukasz Łukomski

12 August 2011  
Poznań, Poland

*Signed on the Polish original*

.....  
Certified Auditor No. 90061  
Marek Gajdziński, Partner

## SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2011 to 30.06.2011 PLN	Non audited for the period from 01.01.2010 to 30.06.2010 PLN	Non audited for the period from 01.01.2011 to 30.06.2011 EUR	Non audited for the period from 01.01.2010 to 30.06.2010 EUR
Sales	4 643 999 874	3 304 989 974	1 174 506 797	826 123 575
Operating profit (loss)	60 869 392	55 063 329	15 394 383	13 763 768
Profit (loss) before income tax	49 338 455	53 364 611	12 478 112	13 339 152
Profit (loss) for the on continued operations	44 031 457	46 930 853	11 135 927	11 730 954
Profit (loss) for the period	44 031 457	46 930 853	11 135 927	11 730 954
Net cash from operating activities	80 616 195	114 400 716	20 388 517	28 595 890
Net cash used in investing activities	(40 841 392)	(36 143 347)	(10 329 133)	(9 034 482)
Net cash used in financing activities	(44 710 558)	(48 362 913)	(11 307 678)	(12 088 915)
Net change in cash and cash equivalents	(4 935 756)	29 894 455	(1 248 294)	7 472 493
Weighted average number of shares	136 814 268	136 302 486	136 814 268	136 302 486
Weighted average diluted number of shares	138 274 545	137 749 138	138 274 545	137 749 138
EPS (in PLN / EUR)	0,32	0,34	0,08	0,09
Diluted EPS (in PLN / EUR)	0,32	0,34	0,08	0,09
Average PLN / EUR rate*			3,9540	4,0006
	Non audited as at 30.06.2011 PLN	as at 31.12.2010 PLN	Non audited as at 30.06.2011 EUR	as at 31.12.2010 EUR
Assets	2 355 830 372	2 402 980 573	590 937 233	606 767 309
Non-current liabilities	286 175 733	306 904 337	71 784 411	77 495 224
Current liabilities	1 611 829 984	1 638 971 476	404 311 941	413 850 334
Equity	457 824 655	457 104 760	114 840 881	115 421 751
Share capital	136 952 211	136 429 761	34 353 136	34 449 350
Number of shares	136 952 211	136 352 068	136 952 211	136 352 068
Diluted number of shares	138 909 011	138 831 318	138 909 011	138 831 318
Book value per share (in PLN / EUR)	3,34	3,35	0,84	0,85
Diluted book value per share (in PLN / EUR)	3,30	3,29	0,83	0,83
Declared or paid dividend (in PLN / EUR) ***	50 672 318	50 396 800	12 710 660	12 725 501
Declared or paid dividend per share (in PLN / EUR)	0,37	0,37	0,09	0,09
PLN / EUR rate at the end of the period**			3,9866	3,9603

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

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

\*\*\* Dividend for 2010 year, as at 30 June 2011 was declared for employees who will have shareholders of Parent Company as at 1 July 2011.

**EUROCASH S.A.**

**SEMI-ANNUAL ABBREVIATED  
CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

**TRANSLATORS' EXPLANATORY NOTE**

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

KOMORNIKI, 12<sup>st</sup> August 2011

---

<i>Semi-annual abbreviated consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## CONTENTS

<b>General information .....</b>	<b>3</b>
1. Information about the Parent Entity .....	3
2. Information of the Company's Subsidiaries and Associates .....	3
3. Board of the parent Company .....	12
<b>Abbreviated consolidated income statement for the period from 01.01 to 30.06.2011 .....</b>	<b>13</b>
<b>Abbreviated consolidated statement of comprehensive income for the period from 01.01 to 30.06.2011 .....</b>	<b>14</b>
<b>Abbreviated consolidated statement of financial position as at 30.06.2011 .....</b>	<b>15</b>
<b>Abbreviated consolidated statement of cash flows for the period from 01.01 to 30.06.2011 .....</b>	<b>17</b>
<b>Abbreviated consolidated statement on changes in equity for the period from 01.01 to 30.06.2011 .....</b>	<b>18</b>
<b>Supplementary information to the abbreviated consolidated financial statements prepared for the period from 01.01 to 30.06.2011 .....</b>	<b>19</b>
1. General information .....	19
2. Notes to the abbreviated consolidated financial statements prepared for the period from 01.01.2011 to 30.06.2011 .....	26

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## GENERAL INFORMATION

### 1. INFORMATION ABOUT THE PARENT ENTITY

#### NAME

EUROCASH Spółka Akcyjna

#### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

#### CORE BUSINESS

Non-specialized wholesale trade  
(PKD 4690Z)

#### REGISTRATION COURT

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

Registration number: KRS 00000213765

#### PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

Indefinite period

#### PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period 1 January 2011 – 30 June 2011 and comparative period: 1 January 2010 – 30 June 2010.

Consolidated statement of financial position has been prepared as at 30 June 2011, and the comparative figures are presented as at 31 December 2010.

### 2. INFORMATION OF THE COMPANY'S SUBSIDIARIES AND ASSOCIATES

#### 2.1. KDWT S.A.

##### COMPANY NAME

KDWT Spółka Akcyjna

##### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

##### CORE BUSINESS

Wholesale of tobacco products (PKD 5135Z)

##### SHARE CAPITAL

7.380.000 PLN

##### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%



Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 2.2. EUROCASH FRANCZYZA SP. Z O.O.

### COMPANY NAME

EUROCASH FRANCZYZA Spółka z ograniczoną odpowiedzialnością

### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

### CORE BUSINESS

Other business support service activities (PKD 7487B)

### SHARE CAPITAL

3.800.000 PLN

### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

## 2.3. PAYUP POLSKA S.A.

### COMPANY NAME

PayUp Polska S.A.

### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

### CORE BUSINESS

Wireless telecommunications activities, except of satellite telecommunications activities (PKD 6120Z)

### SHARE CAPITAL

7.000.000 PLN

### OWNERSHIP PERCENTAGE AS AT 30.06.2011

49%

## 2.4. SIEĆ DETALISTÓW „NASZE SKLEPY” SP. Z O.O. W LIKWIDACJI

### COMPANY NAME

Nasze Sklepy Spółka z ograniczoną odpowiedzialnością w likwidacji

### REGISTERED OFFICE

ul. Kąpielowa 18, 21-500 Biała Podlaska

### CORE BUSINESS

Retail sale in non-specialized stores with food, beverages or tobacco predominating (PKD 4711Z)

### SHARE CAPITAL

127.000 PLN

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

97,09%

#### 2.5. EUROCASH TRADE 1 SP. Z O.O.

##### COMPANY NAME

EUROCASH TRADE 1 Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

5.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.6. EUROCASH TRADE 2 SP. Z O.O.

##### COMPANY NAME

EUROCASH TRADE 2 Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

5.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.7. EUROCASH SPÓŁKA AKCYJNA SP. K.

##### COMPANY NAME

Eurocash Spółka Akcyjna Spółka Komandytowa

##### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

##### CORE BUSINESS

Leasing of intellectual property and similar products, except copyrighted works (Polish Classification of Economic Activities - PKD 7740Z)

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### CONTRIBUTIONS OF THE SHAREHOLDERS

372.949.077 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### SHAREHOLDERS

Eurocash S.A. - General Partner  
KDWT S.A. – Limited Partner,  
Eurocash Franczyza Sp. z o.o. – Limited Partner.

### 2.8. PRZEDSIĘBIORSTWO DYSTRYBUCJI ALKOHOLI AGIS S.A.

#### COMPANY NAME

Przedsiębiorstwo Dystrybucji Alkoholi Agis S.A.

#### REGISTERED OFFICE

ul. Polna 52, 87-100 Toruń

#### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

#### SHARE CAPITAL

2.500.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

### 2.9. ASTOR SP. Z O.O.

#### COMPANY NAME

ASTOR Spółka z ograniczoną odpowiedzialnością

#### REGISTERED OFFICE

ul. Żelazna 4, 10-419 Olsztyn

#### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

#### SHARE CAPITAL

60.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 2.10. DAKO-GALANT PRZEDSIĘBIORSTWO HANDLOWO PRODUKCYJNE SP. Z O.O.

### COMPANY NAME

DAKO-GALANT Przedsiębiorstwo Handlowo Produkcyjne Spółka z ograniczoną odpowiedzialnością

### REGISTERED OFFICE

ul. Grunwaldzka 3, 73-110 Stargard Szczeciński

### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

### SHARE CAPITAL

2.570.500 PLN

### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

## 2.11. DAMIANEX S.A.

### COMPANY NAME

DAMIANEX S.A.

### REGISTERED OFFICE

ul. Głęboka 34, 37-200 Przeworsk

### CORE BUSINESS

Non-specialized wholesale of trade food, beverages and tobacco products (PKD 4639Z)

### SHARE CAPITAL

16.936.200 PLN

### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

## 2.12. DELIKATES SP. Z O.O.

### COMPANY NAME

Delikates Spółka z ograniczoną odpowiedzialnością

### REGISTERED OFFICE

ul. Zakładowa 11, 62-510 Konin

### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

### SHARE CAPITAL

3.197.000 PLN

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.13. MIRO SP. Z O.O.

##### COMPANY NAME

Miro Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Jasna 42, 57-200 Ząbkowice Śląskie

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

2.600.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.14. MTC SP. Z O.O.

##### COMPANY NAME

MTC Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Elewatorska 20, 15-620 Białystok

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

11.355.500 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.15. MULTI-EX S.A.

##### COMPANY NAME

Multi-Ex S.A.

##### REGISTERED OFFICE

ul. Bokszerska 66A, 02-690 Warszawa

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

7.000.000 PLN

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.16. ONUFRY S.A.

##### COMPANY NAME

Onufry S.A.

##### REGISTERED OFFICE

ul. Jabłoniowa 64, 80-175 Gdańsk

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

11.422.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.17. PANTA-HURT SP. Z O.O.

##### COMPANY NAME

Panta-Hurt Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

Choszczówka Stojeczka 11A, 05-300 Mińsk Mazowiecki

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

1.953.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.18. POLSKIE HURTOWNIE ALKOHOLI SP. Z O.O.

##### COMPANY NAME

Polskie Hurtownie Alkoholi Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Gen. Józefa Sowińskiego 42A, 65-419 Zielona Góra

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

2.150.000 PLN

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.19. PREMIUM DISTRIBUTORS SP. Z O.O.

##### COMPANY NAME

Premium Distributors Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Bokserska 66A, 02-690 Warszawa

##### CORE BUSINESS

Wholesale of alcohol beverages (PKD 4634A)

##### SHARE CAPITAL

280.632.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.20. SAOL DYSTRYBUCJA SP. Z O.O.

##### COMPANY NAME

Saol Dystrybucja Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Orłąt Lwowskich 146, 41-208 Sosnowiec

##### CORE BUSINESS

Non-specialized wholesale of trade food, beverages and tobacco products (PKD 4639Z)

##### SHARE CAPITAL

12.500.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.21. PRZEDSIĘBIORSTWO HANDLU SPOŻYWCZEGO SP. Z O.O.

##### COMPANY NAME

Przedsiębiorstwo Handlu Spożywczego Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Grottgera 5, 66-200 Świebodzin

##### CORE BUSINESS

Non-specialized wholesale trade (PKD 4690Z)

##### SHARE CAPITAL

457.000 PLN

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.22. POL CATER HOLDING SP. Z O.O.

##### COMPANY NAME

Pol Cater Holding Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Sokołowska 10, Puchały 05-090 Raszyn

##### CORE BUSINESS

Holdings activities (PKD 7010Z)

##### SHARE CAPITAL

50.000 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100%

#### 2.23. DANIA FAST FOOD SP. Z O.O.

##### COMPANY NAME

Dania Fast Food Spółka z ograniczoną odpowiedzialnością

##### REGISTERED OFFICE

ul. Sokołowska 10, Puchały 05-090 Raszyn

##### CORE BUSINESS

Non-specialized wholesale with food, beverages or tobacco predominating (PKD 4639Z)

##### SHARE CAPITAL

2.527.950 PLN

#### OWNERSHIP PERCENTAGE AS AT 30.06.2011

100% - indirectly by Pol Cater Holding Sp. z o.o.



Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

### 3. BOARD OF THE PARENT COMPANY

#### 3.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 June 2011 the Parent Entity's Management Board consisted of the following members:

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

#### 3.2. SUPERVISORY BOARD

As at 30 June 2011 the Parent Entity's Supervisory Board consisted of the following members:

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

#### 3.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

On 13 June 2011 Carlos Saraiva was appointed to the management Board of Eurocash S.A.  
On 22 June 2011 passed away the Member of the Management Board of Eurocash S.A.  
Ryszard Majer.

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01 TO 30.06.2011

	Non audited 2nd Quarter for the period from 01.04.2011 to 30.06.2011	Non audited 1 Semi year for the period from 01.01.2011 to 30.06.2011	Non audited 2nd Quarter for the period from 01.04.2010 to 30.06.2010	Non audited 1 Semi year for the period from 01.01.2010 to 30.06.2010
<b>Sales</b>	<b>2 564 628 848</b>	<b>4 643 999 874</b>	<b>1 764 363 022</b>	<b>3 304 989 974</b>
Sales of goods	2 483 160 613	4 498 933 429	1 703 994 098	3 197 979 877
Sales of services	81 468 235	145 066 445	60 368 924	107 010 097
<b>Costs of sales</b>	<b>(2 316 617 518)</b>	<b>(4 195 072 481)</b>	<b>(1 587 120 817)</b>	<b>(2 984 745 368)</b>
Costs of goods sold	(2 315 466 675)	(4 193 124 593)	(1 586 926 480)	(2 983 660 704)
Costs of services sold	(1 150 843)	(1 947 888)	(194 337)	(1 084 664)
<b>Gross profit (loss)</b>	<b>248 011 329</b>	<b>448 927 392</b>	<b>177 242 205</b>	<b>320 244 606</b>
Selling expenses	(148 743 552)	(288 516 764)	(96 010 739)	(187 502 412)
General nad administrative expenses	(54 908 572)	(104 832 967)	(40 677 262)	(76 462 774)
<b>Profit (loss) on sales</b>	<b>44 359 205</b>	<b>55 577 661</b>	<b>40 554 204</b>	<b>56 279 420</b>
Other operating income	17 823 757	25 878 557	8 948 006	14 128 342
Other operating expenses	(15 868 586)	(20 586 826)	(10 713 205)	(15 344 433)
<b>Operating profit (loss)</b>	<b>46 314 376</b>	<b>60 869 392</b>	<b>38 789 005</b>	<b>55 063 329</b>
Financial income	2 918 998	5 645 416	1 494 060	2 794 131
Financial costs	(8 899 797)	(15 472 405)	(1 694 982)	(4 000 720)
Share in profits (losses) of equity accounted investees	(705 979)	(1 703 948)	(222 738)	(492 129)
<b>Profit (loss) before income tax</b>	<b>39 627 600</b>	<b>49 338 455</b>	<b>38 365 345</b>	<b>53 364 611</b>
Income tax expense	(4 370 487)	(5 306 998)	(4 911 971)	(6 433 758)
<b>Profit (loss) for the period</b>	<b>35 257 112</b>	<b>44 031 457</b>	<b>33 453 374</b>	<b>46 930 853</b>
Attributable to:				
Owners of the Company	35 261 789	44 043 002	33 451 049	46 931 091
Non-controlling interests	(4 677)	(11 545)	2 325	(239)

## EARNINGS PER SHARE

	PLN / share	PLN / share
Profit (loss)	44 043 002	46 931 091
Weighted average number of shares	136 814 268	136 302 486
Weighted average diluted number of shares	138 274 545	137 749 138
- basic	0,32	0,34
- diluted	0,32	0,34

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01 TO 30.06.2011**

	Non audited 2nd Quarter for the period from 01.04.2011 to 30.06.2011	Non audited 1 Semi year for the period from 01.01.2011 to 30.06.2011	Non audited 2nd Quarter for the period from 01.04.2010 to 30.06.2010	Non audited 1 Semi year for the period from 01.01.2010 to 30.06.2010
<b>Profit (loss) for the period</b>	<b>35 257 112</b>	<b>44 031 457</b>	<b>33 453 374</b>	<b>46 930 853</b>
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>35 257 112</b>	<b>44 031 457</b>	<b>33 453 374</b>	<b>46 930 853</b>
<b>Total Income</b>				
Owners of the Company	35 261 789	44 043 002	33 451 049	46 931 091
Non-controlling interests	(4 677)	(11 545)	2 325	(239)
<b>Total comprehensive income for the period</b>	<b>35 257 112</b>	<b>44 031 457</b>	<b>33 453 374</b>	<b>46 930 853</b>

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.06.2011

	Non audited	
	as at	as at
	30.06.2011	31.12.2010
<i>Assets</i>		
<b>Non-current assets (long-term)</b>	<b>817 744 656</b>	<b>811 253 267</b>
Goodwill	408 385 086	394 756 727
Intangible assets	141 026 147	144 167 046
Property, plant and equipment	230 376 038	233 868 131
Investments in equity accounted investees	-	25 308
Other long-term investments	4 474 360	6 353 000
Long-term receivables	2 011 128	1 819 847
Deferred tax assets	28 849 792	27 577 406
Other long-term prepayments	2 622 104	2 685 803
<b>Current assets (short-term)</b>	<b>1 538 085 716</b>	<b>1 591 727 305</b>
Inventories	601 299 028	634 924 788
Trade receivables	657 803 417	668 675 347
Current tax receivables	9 302 944	4 196 979
Other short-term receivables	30 545 549	57 560 523
Other short-term financial assets	3 219 903	3 000 000
Short-term prepayments	29 350 710	11 869 746
Cash and cash equivalents	206 564 166	211 499 922
<b>Total assets</b>	<b>2 355 830 372</b>	<b>2 402 980 573</b>

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.06.2011

	Non audited as at 30.06.2011	as at 31.12.2010
<i>Equity nad liabilities</i>		
<b>Equity</b>	<b>457 824 655</b>	<b>457 104 760</b>
<b>Equity attributable to Owners of the Company</b>	<b>457 824 655</b>	<b>457 093 215</b>
Share capital	136 952 211	136 429 761
Treasury shares	-	(1 115 507)
Reserve capital	262 874 482	174 900 870
Treasury shares reserve	-	12 884 493
Hedging reserve	(4 645 000)	(4 645 000)
Retained earnings	62 642 962	138 638 597
Accumulated profit from previous years	18 599 960	10 182 810
Profit (loss) for the period	44 043 002	128 455 787
<b>Non-controlling interests</b>	<b>-</b>	<b>11 546</b>
<b>Liabilities</b>	<b>1 898 005 717</b>	<b>1 945 875 812</b>
<b>Non-current liabilities</b>	<b>286 175 733</b>	<b>306 904 337</b>
Long-term loans and borrowings	245 586 164	256 586 164
Long-term financial liabilities	20 929 396	23 225 866
Other long-term liabilities	-	400 000
Deferred tax liabilities	8 540 236	8 408 365
Employee benefits	1 107 437	1 139 941
Provisions	10 012 500	17 144 000
<b>Current liabilities</b>	<b>1 611 829 984</b>	<b>1 638 971 476</b>
Loans and borrowings	78 900 792	86 897 780
Short-term financial liabilities	37 916 486	39 493 868
Trade payables	1 346 430 824	1 408 794 731
Current tax liabilities	3 086 769	2 151 797
Other short-term payables	78 265 269	45 181 673
Current employee benefits	26 311 440	15 755 960
Provisions	40 918 405	40 695 666
<b>Total equity and liabilities</b>	<b>2 355 830 372</b>	<b>2 402 980 573</b>

## BOOK VALUE PER SHARE AS AT 30 JUNE 2011

	as at 30.06.2011	as at 31.12.2010
<b>Equity attributable to Owners of the Company</b>	<b>457 824 655</b>	<b>457 093 215</b>
Number of shares	136 952 211	136 352 068
Diluted number of shares	138 909 011	138 831 318
<b>Book value per share</b>	<b>3,34</b>	<b>3,35</b>
<b>Diluted book value per share</b>	<b>3,30</b>	<b>3,29</b>

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01 TO 30.06.2011

Non audited	Non audited
1 Semi year	1 Semi year
for the period	for the period
from 01.01.2011	from 01.01.2010
to 30.06.2011	to 30.06.2010

### Cash flow from operating activities

<b>Profit before tax</b>	<b>49 338 455</b>	<b>53 364 611</b>
<b>Adjustments for:</b>	<b>47 835 296</b>	<b>31 827 509</b>
Depreciation and amortization	36 097 100	26 813 142
Share in profits (losses) of equity accounted investees	1 703 948	492 129
Equity-settled share-based payment transactionsValuation of potivational programm	1 173 111	1 363 651
Gain (loss) on sale of property, plant and equipment	546 204	1 034 213
Interest expenses	11 374 638	3 056 987
Interest received	(3 059 705)	(932 614)
<b>Operating cash before changes in working capital</b>	<b>97 173 750</b>	<b>85 192 119</b>
Changes in inventory	40 200 090	(2 696 712)
Changes in receivables	52 302 367	14 337 382
Changes in payables	(75 828 214)	50 889 263
Changes in provisions and employee benefits	(13 346 034)	(6 226 378)
Other adjustments	346 296	402 184
<b>Operating cash</b>	<b>100 848 256</b>	<b>141 897 859</b>
Interest paid	(10 255 415)	(8 292 064)
Income tax paid	(9 976 646)	(19 205 079)
<b>Net cash from operating activities</b>	<b>80 616 195</b>	<b>114 400 716</b>

### Cash flow from investing activities

Aquisitionof intangible assets	(6 312 656)	(12 261 200)
Proceeds from sale of intangible assets, property, plant and equipment	-	30 000
Aquisition of property, plant and equipment tangible fixed assets	(27 251 765)	(21 891 175)
Proceeds from sale of property, plant and equipment	1 575 151	1 646 414
Aquisition of subsidiaries, net of cash aquired	(11 884 683)	(4 600 000)
Interest received	3 032 559	932 614
<b>Net cash used in investing activities</b>	<b>(40 841 392)</b>	<b>(36 143 347)</b>

### Cash flow from financing activities

Proceeds from issue of share capital	5 094 446	11 585 682
Repurchase of treasury shares	1 115 507	-
Financing for franchisees	(1 496 959)	(3 000 470)
Repayment of borrowings	(33 569 804)	-
Payment of finance lease liabilities	(3 877 886)	(4 389 616)
Interest on finance lease	(1 056 105)	(1 039 920)
Interests on loans and borrowings	(10 919 756)	(1 121 788)
Dividends paid	-	(50 396 800)
<b>Net cash used in financing activities</b>	<b>(44 710 558)</b>	<b>(48 362 913)</b>
<b>Net change in cash and cash equivalents</b>	<b>(4 935 756)</b>	<b>29 894 455</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>211 499 922</b>	<b>157 451 962</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>206 564 166</b>	<b>187 346 418</b>

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01 TO 30.06.2011

	Share capital	Treasury shares	Reserve capital	Treasure shares reserve	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Non-controlling interests	Total
<i>Changes in equity in the period from 01.01 to 30.06.2010 (non audited)</i>									
Balance as at 01.01.2010	134 704 736	(1 115 507)	117 714 270	12 884 493	(4 645 000)	107 246 534	366 789 526	20 912	366 810 438
Impact of change in accounting	-	-	(3 336 827)	-	-	-	(3 336 827)	-	(3 336 827)
Balance as at 01.01.2010 after changes	134 704 736	(1 115 507)	114 377 443	12 884 493	(4 645 000)	107 246 534	363 452 699	20 912	363 473 611
Total comprehensive income for the reporting period									
Profit (loss) for the period from 01.01. to 30.06.2010	-	-	-	-	-	46 931 091	46 931 091	(239)	46 930 853
Total comprehensive income for the period from 01.01. to 30.06.2010	-	-	-	-	-	46 931 091	46 931 091	(239)	46 930 853
Transaction with Owners of the Company, recognized directly i equity									
Contributions by and distributions to Owners of the Company									
Dividends	-	-	-	-	-	(50 396 800)	(50 396 800)	-	(50 396 800)
Transfer to reserve capital	-	-	45 630 378	-	-	(45 630 378)	-	-	-
Equity-settled share-based payment transactions	-	-	1 363 651	-	-	-	1 363 651	-	1 363 651
Share options excercised	1 615 525	-	9 970 157	-	-	-	11 585 682	-	11 585 682
Other	-	-	25 645	-	-	-	25 645	-	25 645
Total contributions by and distributions to Owners of the Company	1 615 525	-	56 989 830	-	-	(96 027 178)	(37 421 823)	-	(37 421 823)
Total transaction with Owners of the Company, recognized directly in equity	1 615 525	-	56 989 830	-	-	(96 027 178)	(37 421 823)	-	(37 421 823)
Balance as at 30.06.2010	136 320 261	(1 115 507)	171 367 273	12 884 493	(4 645 000)	58 150 448	372 961 968	20 674	372 982 642
<i>Changes in equity in the period from 01.01. to 30.06.2011 (non audited)</i>									
Balance as at 01.01.2011	136 429 761	(1 115 507)	174 900 870	12 884 493	(4 645 000)	138 638 597	457 093 215	11 546	457 104 760
Total comprehensive income for the reporting period									
Profit for the period from 01.01. to 30.06.2011	-	-	-	-	-	44 043 002	44 043 002	(11 545)	44 031 457
Total comprehensive income for the period from 01.01. to 30.06.2011	-	-	-	-	-	44 043 002	44 043 002	(11 545)	44 031 457
Transaction with Owners of the Company, recognized directly i equity									
Contributions by and distributions to Owners of the Company									
Dividends declared	-	-	-	-	-	(50 672 318)	(50 672 318)	-	(50 672 318)
Transfer to reserve capital	-	-	69 344 012	-	-	(69 344 012)	-	-	-
Equity-settled share-based payment transactions	-	-	1 173 111	-	-	-	1 173 111	-	1 173 111
Share options excercised	522 450	-	4 571 996	-	-	-	5 094 446	-	5 094 446
Share buy-back programme	-	-	12 884 493	(12 884 493)	-	-	-	-	-
Share buy-back programme	-	1 115 507	-	-	-	-	1 115 507	-	1 115 507
Other	-	-	-	-	-	(22 307)	(22 307)	-	(22 307)
Total contributions by and distributions to Owners of the Company	522 450	1 115 507	87 973 612	(12 884 493)	-	(120 038 637)	(43 311 562)	-	(43 311 562)
Total transaction with Owners of the Company, recognized directly in equity	522 450	1 115 507	87 973 612	(12 884 493)	-	(120 038 637)	(43 311 562)	-	(43 311 562)
Balance as at 30.06.2011	136 952 211	-	262 874 482	-	(4 645 000)	62 642 962	457 824 655	-	457 824 655

<i>Semi-annual abbreviated consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## **SUPPLEMENTARY INFORMATION TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01 TO 30.06.2011**

### **1. GENERAL INFORMATION**

#### **1.1. ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS**

According to the resolution of the Management Board dated 12 August 2011 the abbreviated consolidated financial statements of Eurocash S.A. Group for the period from 1 January 2011 to 30 June 2011 were authorized for issue by the management Board.

According to the information included in the report sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its abbreviated consolidated financial statements on 16 August 2011. Eurocash S.A. is a listed company and its shares are publicly traded.

#### **1.2. STATEMENT OF COMPLIANCE**

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

These abbreviated consolidated financial statement of Eurocash Group have been prepared in accordance with IFRS 34.

That the semi-annual abbreviated consolidated financial statements should be read in conjunction with audited consolidated financial statements of Eurocash Group prepared as at 31 December 2010.

#### **1.3. BASIS OF PREPARATION, FUNCTIONAL AND PRESENTATION CURRENCY**

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

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

#### **1.4. USE OF ESTIMATES AND JUDGEMENTS**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### **1.5. COMPARABILITY OF FINANCIAL STATEMENTS**

The accounting principles as well as calculation methods applied in the preparation of the abbreviated semi-annual consolidated financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statement.



<i>Semi-annual abbreviated consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 1.6. INFORMATION ABOUT THE PARENT ENTITY AND THE GROUP

The Eurocash Capital Group consists of Eurocash S.A. and its subsidiary companies: KDWT S.A., Eurocash Franczyza Sp. z o.o., Nasze Sklepy Sp. z o.o. w likwidacji, Eurocash Trade 1 Sp. z o.o., Eurocash Trade 2 Sp. z o.o., Eurocash Spółka Akcyjna Sp. Komandytowa, Przedsiębiorstwo Dystrybucji Alkoholi Agis S.A., Astor Sp. z o.o., Dako-Galant Przedsiębiorstwo Handlowo Produkcyjne Sp. z o.o., Damianex S.A., Delikates Sp. z o.o., Miro Sp. z o.o., MTC Sp. z o.o., Multi-Ex S.A., Onufry S.A., Panta-Hurt Sp. z o.o., Polskie Hurtownie Alkoholi Sp. z o.o., Premium Distributors Sp. z o.o., Saol Dystrybucja Sp. z o.o., Przedsiębiorstwo Handlu Spożywczego Sp. z o.o., Pol Cater Holding Sp. z o.o., Dania Fast Food Sp. z o.o., and the associate PayUp Polska S.A.

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

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

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

Subsidiaries comprise:

- KDWT S.A., registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań; VIII Commercial Department of the National Court Register, registration number: 0000040385, located in Komorniki, ul. Wiśniowa 11,
- Eurocash Franczyza Sp. z o.o., registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań; VIII Commercial Department of the National Court Register; registration number: 0000259846; located in Komorniki, ul. Wiśniowa 11,
- Nasze Sklepy Sp. z o.o. w likwidacji, registered in the District Court in Lublin; XI Commercial Department of the National Court Register; registration number: 0000000139; located in Biała Podlaska, ul. Kąpielowa 18,
- Eurocash Trade 1 Sp. z o.o. registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań; VIII Commercial Department of the National Court Register; registration number: 0000329002; located in Komorniki, ul. Wiśniowa 11,
- Eurocash Trade 2 Sp. z o.o. registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań; VIII Commercial Department of the National Court Register; registration number: 0000329037; located in Komorniki, ul. Wiśniowa 11,
- Eurocash Spółka Akcyjna Sp. k. registered in the District Court Poznań - Nowe Miasto and Wilda; VIII Commercial Department of the National Court Register; registration number 0000346187; located in Komorniki, ul. Wiśniowa 11,
- Przedsiębiorstwo Dystrybucji Alkoholi Agis S.A., registered in the District Court Toruń, VII Commercial Department of the National Court Register, registration number 0000103408, located in Toruń, ul. Polna 52,
- Astor Sp. z o.o., registered in the District Court Olsztyn, VIII Commercial Department of the National Court Register, registration number 0000035560, located in Olsztyn, ul. Żelazna 4,
- Dako-Galant Przedsiębiorstwo Handlowo Produkcyjne Sp. z o.o., registered in the District Court Szczecin - Centrum, XIII Commercial Department of the National Court Register, registration number 0000035408, located in Stargard Szczeciński, ul. Grunwaldzka 3,
- Damianex S.A., registered in the District Court Rzeszów, XII Commercial Department of the National Court Register, registration number 0000108201, located in Przeworsk, ul. Głęboka 34,

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

- Delikates Sp. z o.o., registered in the District Court Poznań Nowe Miasto and Wilda w Poznaniu, IX Commercial Department of the National Court Register, registration number 0000108575, located in Konin, ul. Zakładowa 11,
- Miro Sp. z o.o., registered in the District Court Wrocław - Fabryczna, IX Commercial Department of the National Court Register, registration number 0000065440, located in Ząbkowice Śląskie, ul. Jasna 42,
- MTC Sp. z o.o., registered in the District Court Białystok, XII Commercial Department of the National Court Register, registration number 0000141499, located in Białystok, ul. Elewatorska 20,
- Multi-Ex S.A., registered in the District Court Warszawa, XIII Commercial Department of the National Court Register, registration number 0000034424, located in Warszawa, ul. Bokserska 66A,
- Onufry S.A., registered in the District Court Gdańsk - Północ, VII Commercial Department of the National Court Register, registration number 0000044301, located in Gdańsk, ul. Jabłoniowa 64,
- Panta-Hurt Sp. z o.o., registered in the District Court Warszawa, XVI Commercial Department of the National Court Register, registration number 0000065197, located in Mińsk Mazowiecki, Choszczówka Stojcka 11A,
- Polskie Hurtownie Alkoholi Sp. z o.o., registered in the District Court Zielona Góra, VIII Commercial Department of the National Court Register, registration number 0000072448, located in Zielona Góra, ul. Gen. Józefa Sowińskiego 42A,
- Premium Distributors Sp. z o.o., registered in the District Court Warszawa, XIII Commercial Department of the National Court Register, registration number 0000287947, located in Warszawa, ul. Bokserska 66a,
- Saol Dystrybucja Sp. z o.o., registered in the District Court Katowice - Wschód, VIII Commercial Department of the National Court Register, registration number 0000207117, located in Sosnowiec, ul. Orłąt Lwowski 146,
- Przedsiębiorstwo Handlu Spożywczego Sp. z o.o., registered in the District Court Zielona Góra, VIII Commercial Department of the National Court Register, registration number 0000203619, located in Świebodzin, ul. Grottera 5,
- Pol Cater Holding Sp. z o.o., registered in the District Court Warszawa, XIV Commercial Department of the National Court Register, registration number 0000241989, located in Puchały, ul. Sokołowska 10.
- Dania Fast Food Sp. z o.o., registered in the District Court Warszawa, XIV Commercial Department of the National Court Register, registration number 0000165007, located in Puchały, ul. Sokołowska 10.

PayUp Polska S.A. is an associate registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register, registration number: 0000299000, located in Komorniki, ul. Wiśniowa 11.

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### Entities comprising the Eurocash capital group covered by the consolidated financial statements as at 30.06.2011

Unit	Eurocash S.A.	KDWT S.A.	Eurocash Franczyza Sp. z o.o.	PayUp Polska S.A.	Sieć Detalistów Nasze Sklepy Sp. z o.o. w likwidacji	Eurocash Trade 1 Sp. z o.o.	Eurocash Trade 2 Sp. z o.o.	Eurocash S.A. Sp. Komandytowa
address	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul. Kapielowa 18 21-500 Biała Podlaska	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki
core business activity	PKD 4690Z	PKD 4635Z	PKD 8299Z	PKD 6120Z	PKD 4711Z	PKD 4634A	PKD 4634A	PKD 7740Z
registration court	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000213765	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000040385	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000299000	District Court Lublin XI Commercial Division of the National Court Register KRS 000000139	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329002	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329037	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000346187
nature of relationship	Parent company	Subsidiary	Subsidiary	Associate	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Equity method	Full	Full	Full	Full
date of aquisition	n/a	31 March 2006	10 July 2006	13 May 2008	14 May 2008	06 April 2009	06 April 2009	14 January 2010
ownership interest	n/a	100%	100%	49%	97,09%	100%	100%	100%
voting rights (in %)	n/a	100%	100%	49%	91,74%	100%	100%	100%

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### Entities comprising the Eurocash capital group covered by the consolidated financial statements as at 30.06.2011 (continued)

Unit	Przedsiębiorstwo Dystrybucji Alkoholi Agis S.A.	Astor Sp. z o.o.	Premium Distributors Sp. z o.o.	Dako-Galant Przedsiębiorstwo Handlowo Produkcyjne Sp. z o.o.	Damianex S.A.	Delikates Sp. z o.o.	Miro Sp. z o.o.	MTC Sp. z o.o.	Multi-Ex S.A.
address	ul. Polna 52 87-100 Toruń	ul. Żelazna 4 10-419 Olsztyn	ul. Bokszerska 66a 02- 690 Warszawa	ul. Grunwaldzka 3 73-100 Stargard Szczeciński	ul. Głęboka 34 37-200 Przeworsk	ul. Zakładowa 11 62-510 Konin	ul. Jasna 42 57-200 Ząbkowice Śląskie	ul. Elewatorska 20 15-620 Białystok	ul. Bokszerska 66A 02-690 Warszawa
core business activity	PKD 4634A	PKD 4634A	PKD 4634A	PKD 4634A	PKD 4639Z	PKD 4634A	PKD 4634A	PKD 4634A	PKD 4634A
registration court	Sąd Rejonowy w Toruniu, VII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000103408	Sąd Rejonowy w Olsztynie, VIII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000035560	Sąd Rejonowy dla M. St. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000287947	Sąd Rejonowy Szczecin- Centrum, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000035408	Sąd Rejonowy w Rzeszowie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000108201	Sąd Rejonowy Poznań Nowe Miasto i Wilda w Poznaniu, IX Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000108575	Sąd Rejonowy dla Wrocławia - Fabrycznej we Wrocławiu, IX Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000065440	Sąd Rejonowy w Białymstoku, XII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000141499	Sąd Rejonowy dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000034424
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	02 August 2010	02 August 2010	02 August 2010	02 August 2010	02 August 2010	02 August 2010	02 August 2010	02 August 2010	02 August 2010
ownership interest	100%	100%	100%	100%	100%	100%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	100%	100%	100%	100%	100%

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**Entities comprising the Eurocash capital group covered by the consolidated financial statements as at 30.06.2011 (continued)**

Unit	Onufry S.A.	Panta-Hurt Sp. z o.o.	Polskie Hurtownie Alkoholi Sp. z o.o.	Saol Dystrybucja Sp. z o.o.	Przedsiębiorstwo Handlu Spożywczego Sp. z o.o.	Pol Cater Holding Sp. z o.o.	Dania Fast Food Sp. z o.o.
address	ul. Jabłoniowa 64 80-175 Gdańsk	Choszczówka Stojcka 11A 05-300 Mińsk Mazowiecki	ul. Gen. Józefa Sowińskiego 42A 65-419 Zielona Góra	ul. Orłąt Lwowski 146 41-208 Sosnowiec	ul. Grottgera 5 66-200 Świebodzin	ul. Sokołowska 10 05-090 Raszyn	ul. Sokołowska 10 05-090 Raszyn
core business activity	PKD 4634A	PKD 4634A	PKD 4634A	PKD 4639Z	PKD 4690Z	PKD 7010Z	PKD 4639Z
registration court	Sąd Rejonowy Gdańsk - Północ w Gdańsku, VII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000044301	Sąd Rejonowy dla m. st. Warszawy w Warszawie, XVI Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000065197	Sąd Rejonowy w Zielonej Górze, VIII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000072448	Sąd Rejonowy Katowice - Wschód w Katowicach, Wydział VIII Krajowego Rejestru Sądowego KRS 0000207117	Sąd Rejonowy w Zielonej Górze, VIII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000203619	Sąd Rejonowy w Warszawie, XIV Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000241989	Sąd Rejonowy w Warszawie, XIV Wydział Gospodarczy Krajowego Rejestru Sądowego KRS 0000165007
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary - indirectly
applied consolidation method	Full	Full	Full	Full	Full	Full	Full
date of aquisition	02 August 2010	02 August 2010	02 August 2010	02 August 2010	02 August 2010	01 March 2011	01 March 2011
ownership interest	100%	100%	100%	100%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	100%	100%	100%

<i>Semi-annual abbreviated consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### **1.7. GOING CONCERN ASSUMPTION**

The financial statements were prepared under the assumption that the Group will continue to operate as a going concern for the foreseeable future. There is no evidence indicating that the Group will not be able to continue its activities as a going concern.

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 2. NOTES TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2011 TO 30.06.2011

### NOTE 1. ACQUISITIONS

#### 1. Acquisition of shares in Pol Cater Holding Sp. z o.o.

On 27 January 2011, the President of the Office for Competition and Consumer Protection approved acquisition of Pol Cater Holding Sp. z o.o. by Eurocash S.A. Obtaining the above approval was one of the prerequisites for signing the Promised Contract where under the Company acquired shares in Pol Cater according to preliminary agreement signed on 28 July 2010.

On 1 March 2011 the Companies entered into the Promised Contract where under Eurocash S.A. acquired 100% shares in Pol Cater Holding Sp. z o.o.

#### GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNIT

1. Name of acquired company	Pol Cater Holding Sp. z o.o.
2. Acquisition date	1 March 2011
3. Takeover date	1 March 2011
4. Acquired stake (%)	100 % shares
5. Acquisition cost	12 000 000 PLN

#### Purchase price allocation

These abbreviated consolidated financial statements include provisional purchase price allocation of Pol Cater Holding Sp. z o.o. Because it was not feasible to completely determine the final fair values of identifiable assets, liabilities and contingent debt (as the Group has not yet completed valuation of acquired intangible assets and potential contingencies). Therefore, the above specified purchase price allocation should be considered as provisional. The Group has a right to adjust the provisional purchase price allocation within 12 months from the date of the acquisition.

#### Acquisition cost

Table no 1

#### ACQUISITION COST

	as at 01.03.2011
Cash	<u>12 000 000</u> <u>12 000 000</u>

As at 30 June 2011 the whole acquisition price was paid.

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 2

NET ASSETS ACQUIRED	Fair value as at 01.03.2011
Other intangible fixed assets	68 754
Tangible fixed assets	697 329
Deferred tax assets	400 000
Long-term prepayments	480 000
Inventory	7 286 886
Trade receivables	16 017 157
Other short-term receivables	651 730
Cash and cash equivalents	115 577
Short-term prepayments	1 456 325
<b>Total assets</b>	<b>27 173 758</b>
Short-term loans and credits	14 243 867
Trade liabilities	12 497 723
Other short-term liabilities	398 215
Provision for employee benefits	378 142
Other short-term provisions	1 284 170
<b>Total liabilities</b>	<b>28 802 117</b>
<b>Net assets</b>	<b>(1 628 359)</b>
Goodwill on acquisition	13 628 359
<b>Acquisition cost</b>	<b>12 000 000</b>

In connection with the analysis, conducted by Eurocash S.A., concerning initial settlement of the purchase price of Pol Cater Holding Sp. o.o., provisionally determined values were adjusted to those presented in the annual consolidated financial statements on 31 December 2010. As a result, the acquired net assets were reduced by PLN 1.328.823, mainly due to the creation of write-off for bad debts, provisions for unused leave and provisions for bonuses for customers.

The goodwill is recognized mainly due to the fact that with acquisition of Pol Cater Holding Sp. z o.o., Eurocash Group has strongly reinforced its position in the HoReCa segment. Pol Cater Holding Sp. z o.o., through its subsidiary Dania Fast Food Sp. z o.o. is among the leading distributors of fast moving consumer goods (FMCG) to HoReCa segment in Poland. The main customers are restaurant chains and independent restaurants, catering companies, and chains of fuel stations. Dania Fast Food Sp. z o.o. resells goods through its distribution centers located in Warsaw, Krakow, Katowice, Poznań, Łódź and Gdańsk. Pursuant to acquisition, the Group also expanded its customer base.

## NOTE 2. OPERATING SEGMENTS

As a result of the analysis of the business activities conducted by the Eurocash Group, taking into consideration the regulations specified in IFRS 8 Segment reporting, the Company made a decision to distinguish the following business segments of the capital Group:

- *traditional wholesale* – wholesale operations conducted by the Cash & Carry discount chain, including the entire operations of the dominant entity - Eurocash S.A., including a wholesale for franchisees Delikatesy



Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Centrum and franchisees chain ABC and wholesale operations conducted by Batna, so that the total wholesale margins achieved by the Company was shown in one segment.

- *active distribution* – wholesale operations in the range of specialist active distribution of the FMCG goods, including operations of the subsidiary - KDWT S.A., active distribution segment of Eurocash S.A., which represents old Eurocash Dystrybucja activity, Premium Distributors companies, as well as all newly acquired company Pol Cater Holding sp. z o.o.. In this operating segment companies Group provide full logistic service to independent customers who buy from one of those (usually using trade credit)
- *others* –commercial business (franchising) running by Eurocash Franczyza sp. z o.o., Eurocash Trade 1 Sp. z o.o. and Eurocash Trade 2 Sp. z o.o., mainly acquisition of stores to Delikatesy Centrum franchise system running by Nasze Sklepy Sp. z o.o. w likwidacji, Eurocash S.A. Sp. Komandytowa. None of these types of activities meets the individual quantitative criteria of determination of separate reporting segments

The main criteria for determination of operating segments in the Group are the types of distribution channels operated.

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

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

The management of the Group Eurocash S.A. not conduct periodic review of assets and liabilities of individual business segments.

Financial information about each reporting segment is presented below.

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 3

**REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2011 TO 30 JUNE 2011**

	Traditional wholesale	Active distribution	Other	Exclusions	Total
<b>Sales</b>	<b>2 330 712 434</b>	<b>2 530 171 872</b>	<b>48 380 866</b>	<b>(265 265 298)</b>	<b>4 643 999 874</b>
External sales	2 229 669 338	2 388 189 296	26 141 240	-	4 643 999 874
Inter-segmental sales	101 043 095	141 982 576	22 239 626	(265 265 298)	-
<b>Operating profit</b>	<b>21 987 525</b>	<b>15 060 520</b>	<b>23 826 301</b>	<b>(4 954)</b>	<b>60 869 392</b>
Finance income					5 645 416
Finance costs					(15 472 405)
Share in profits (losses) of companies consolidated with the equity method					(1 703 948)
<b>Profit before income tax</b>					<b>49 338 454</b>
Income tax					(5 306 998)
<b>Net profit</b>					<b>44 031 457</b>

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 4

**REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2010 TO 30 JUNE 2010**

	Traditional wholesale	Active distribution	Other	Exclusions	Total
<b>Sales</b>	<b>2 227 551 312</b>	<b>1 432 801 489</b>	<b>36 043 350</b>	<b>(391 406 177)</b>	<b>3 304 989 974</b>
External sales	1 931 813 352	1 352 891 995	20 284 627	-	3 304 989 974
Inter-segmental sales	295 737 960	79 909 494	15 758 723	(391 406 177)	-
<b>Operating profit</b>	<b>36 183 020</b>	<b>5 074 681</b>	<b>17 224 769</b>	<b>(3 419 141)</b>	<b>55 063 329</b>
Finance income					2 794 131
Finance costs					(4 000 720)
Share in profits (losses) of companies consolidated with the equity method					(492 129)
<b>Profit before income tax</b>					<b>53 364 611</b>
Income tax					(6 433 758)
<b>Net profit</b>					<b>46 930 853</b>

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

### NOTE 3. CONTINGENCIES

As at 30 June 2011, the value of securities granted to other parties in the form of sureties of loans and bank guarantees amounted to PLN 5.270.000. Moreover, the value of bank guarantees issued for Group companies amounted to PLN 8.384.132. A detailed specification is summarized below:

Table no 5

#### CONTINGENCIES AS AT 30 JUNE 2011

Beneficjent	Title	Currency	as at	as at
			30.06.2011	31.12.2010
1. Millennium S.A.	Surety of the bank guarantee for PTK Centertel S.A. for PayUp liabilities	PLN	1 500 000	1 500 000
2. Millennium S.A.	Surety of the bank guarantee for Polkomtel S.A. for PayUp liabilities	PLN	2 250 000	2 250 000
3. Millennium S.A.	Surety of the bank guarantee for PTC Sp. z o.o. for PayUp liabilities	PLN	1 500 000	1 500 000
4. BZ WBK	Surety of the bank guarantee for Totalizator Sportowy	PLN	20 000	20 000
			<b>5 270 000</b>	<b>5 270 000</b>

Additionally, the Group Eurocash companies have given ING Bank Śląski S.A. guarantees connected with a cash pooling agreement with daily credits in amount admitted daily limits.

Table no 6

#### OTHER BANK GUARANTEES AS AT 30 JUNE 2011

Wystawca gwarancji	Title	Currency	as at	as at
			30.06.2011	31.12.2010
1. HSBC	Security for rent liabilities	PLN*	77 739	77 226
2. ING	Security for rent liabilities	PLN	7 624 210	15 518 914
3. ING	Security for rent liabilities	PLN*	185 591	184 366
4. Svenska Handelsbanken S.A. Oddział w Polsce	Security for rent liabilities	PLN*	296 593	-
5. ING	Security for organization of the distribution of tickets liabilities	PLN	200 000	-
			<b>8 384 132</b>	<b>15 780 506</b>

\* Converted at an average rate of NBP as at 31 December 2010 = 3,9603 PLN; as at 30 June 2011 = 3,9866 PLN.

Semi-annual abbreviated consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

#### NOTE 4. COLLATERALS

As at 30 June 2011 the value of collaterals on the Group's assets amounted to PLN 441.069.182. A detailed specification is summarized below:

Table no 7

#### **SECURITIES RELATED TO ASSETS AS AT 30 JUNE 2011**

Title	Secured property	Amount secure in PLN
Collateral for loan payment	Deposit on shares in companies from Premium Distributors Group	324 488 369
ING Guarantee on securing the payment for suppliers	Deposit on inventories	85 500 000
Financial leasing agreements	Deposit on fixed assets in financial leasing	31 080 813
<b>Total securings</b>		<b>441 069 182</b>

#### NOTE 5. IMPORTANT IVENTS

##### 1. Changes in equity

In the period between 1 January 2011 and 30 June 2011 were issued 522.450 shares in respect of the option programs.

##### 2. Acquisition of shares in Pol Cater Holding Sp. z o.o.

On 27 January 2011 the President of the Office for Competition and Consumer Protection approved acquisition of Pol Cater Holding Sp. z o.o. by Eurocash S.A. Obtaining the above approval was one of the prerequisites for signing the Promised Contract whereunder the Company will acquire shares in Pol Cater according to preliminary agreement dated 28 July 2010.

On 1 March 2011 the Companies entered into the Promised Contract whereunder Eurocash S.A. acquired 100% shares in Pol Cater Holding Sp. z o.o.

##### 3. Resolution to increase the initial capital

On 5 February 2011 a resolution was passed by the Management Board of Eurocash to the effect of increasing the initial capital within the framework of target capital, to the exclusion of preemptive right to existing shareholders, in the form of issue of up to 21,262,820 K ordinary bearer shares with a nominal value of 1 PLN each (K Shares).

Under the aforesaid resolution K shares will be offered to and taken up by:

- Emperia Holding S.A., a joint-stock company located in Lublin, or
- a direct subsidiary of Emperia Holding S.A. if before the date of offering the K Shares and signing the agreement to take up the K Shares, such subsidiary is the lawful holder of shares or stocks of Emperia subsidiaries sold to the Company under an Investment Agreement dated 21 December 2010 (Emperia Holding S.A. and such subsidiary hereinafter referred to as "Emperia").

"K" shares will be taken up by Emperia for a non-cash contribution of the shares and stocks enumerated below:

- 100% shares in Detal Koncept Sp. z o.o.
- 32.49% or 15.62% shares in Tradis Sp. z o.o.
- 100% shares in Lewiatan Zachód Sp. z o.o.
- 100% shares in Lewiatan Północ Sp. z o.o.

<i>Semi-annual abbreviated consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

- e) 100% shares in Drogerie Koliber Sp. z o.o.
- f) 100% shares in Euro Sklep S.A.
- g) 100% shares in Partnerski Serwis Detaliczny S.A.

where the following quantities of "K" Shares will be offered to Emperia:

- a) 21,262,820 K Shares, or
- b) 13,775,446 K Shares (if Emperia supplies 15.62% shares in Tradis Sp. z o.o. as a non-cash contribution).

The remaining shares in Tradis Sp. z o.o. will be sold to the Company by Emperia so that after closing the transaction, the Company will be holding 100% shares in Tradis sp. z o.o.

K Shares will be offered to Emperia, an agreement for taking-up the K Shares will be signed and non-cash contributions will be provided specifically after obtaining approval of the competent competition and consumer protection authority by the Company, however not later than: 30 June 2011 (if Emperia is offered 21,262,820 K Shares), or 15 July 2011 (if Emperia is offered 13,775,446 K Shares).

Issue price of K Shares is PLN 22.21 each.

The above resolution was approved by the Supervisory Board of Eurocash.

#### **4. Distribute the net profit for 2010**

On 13 June 2011 accordance with the resolution no 5 of the Ordinary Shareholders Meeting divided the net profit for 2010 in amount 63.149.188.

The amount 50.672.318 PLN was designed for dividend in amount PLN 37 groszes per one Company share, paid as at 14 July 2011.

The other part of net profit was transferred to Company's reserve capital.

#### **5. Share buyback program**

On 13 June 2011 Annual General Meeting of Eurocash S.A. decided to dissolve the reserve capital allocated to the implementation of the buyback and transfer cash to that part of the capital reserve, which can be distributed among shareholders.

Purchased own shares in the amount of 77,693, were sold to the company's senior executives.

At the reporting date Eurocash S.A. does not have its own shares.

#### **6. Conclusion of loan agreement**

On 17 June 2011 Bank Pekao S.A. and ING Bank Slaski S.A. granted Eurocash S.A. credit in the amount of PLN 1,070,000,000 to finance the purchase of shares in the companies purchased from Emperia Holding SA. The agreement provides for the obligation to repay the loan until 17 June 2015, the Company's obligations under the loan have been guaranteed by the subsidiaries.

### **NOTE 6.**

#### **SUBSEQUENT EVENTS**

##### **1. Non- issuance of Shares Series K and the loss of validity of prospectus**

The Board of Eurocash S.A. based in Komorniki (the "Company") announces that in connection with failure to report by the Board to the court registry in the six-month time limit under Article. 431 § 4 of the Commercial Companies Code (ie until 5 August 2011) the resolution of the Board on 5 February 2011 on the Company's share capital increase in the authorized capital, excluding pre-emptive rights of existing shareholders of the Company (the "Issue Resolution") through the issuance of 21,262,820 Shares Series C ("Series C Shares") issuance of Shares Series K did not take place.

In addition, the Company announces that in consequence, the Company's prospectus, approved by the Financial Supervision Authority on 17 June 2011, prepared in connection with the intention of applying for admission of the Shares Series K to trading on the Stock Exchange in Warsaw SA, fell and lost its validity.

<i>Semi-annual abbreviated consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## **2. Investment Agreement between Eurocash S.A. and Emperia Holding S.A.**

On 9 August 2011 Eurocash S.A. received from Emperia Holding S.A. ("Emperia") and its subsidiary Emperia - P1 Sp. z o.o. based in Lublin ("P1") statement, which states that Emperia and P1 waive the Investment Agreement dated 21 December 2010, concerning the purchase of shares by Eurocash Tradis Distribution Group ("Investment Agreement") and call for payment by Eurocash compensation in amount of 200 million PLN.

In the opinion of Eurocash S.A. Board and on the basis of the opinion of legal advisor, the above statement made by Emperia and P1 has no basis in the text of the Investment Agreement and in the legal provisions and thus is void, and the Investment Agreement remains binding on the parties. Eurocash S.A. is not obliged to pay compensation, that is demanded by Emperia and P1.

Eurocash takes appropriate action to implement the transactions described in the Investment Agreement, in accordance with the provisions of this agreement. However, at the date of abbreviated consolidated semi-year financial statement preparation, the effects of the final settlement of this issue can not be assessed.

<i>Semi-annual abbreviated consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	12 August 2011	
Member of the Management Board Chief Executive Officer	Rui Amaral	12 August 2011	
Member of the Management Board	Arnaldo Guerreiro	12 August 2011	
Member of the Management Board	Pedro Martinho	12 August 2011	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	12 August 2011	
Member of the Management Board Financial Director	Jacek Owczarek	12 August 2011	
Member of the Management Board	Carlos Saraiva	12 August 2011	



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

**INDEPENDENT AUDITORS' REPORT  
ON REVIEW OF THE INTERIM  
FINANCIAL INFORMATION OF  
EUROCASH S.A.  
FOR THE PERIOD  
FROM 1 JANUARY 2011 TO 30 JUNE 2011**

To the Shareholders of Eurocash S.A.

*Introduction*

We have reviewed the accompanying condensed separate statement of financial position of Eurocash S.A. ("the Company"), with its registered office in Komorniki, Wiśniowa 11 Street as at 30 June 2011, the condensed separate income statement and the condensed separate statements of comprehensive income, changes in equity and cash flows for six month period then ended and selected explanatory notes ("the condensed separate interim financial information").

Management is responsible for the preparation and presentation of these condensed separate interim financial information in accordance with the International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed separate interim financial information, based on our review.

*Scope of Review*

We conducted our review in accordance with the national standard on auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* and the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34.

### *Emphasis of Matter*

Without qualifying our conclusion, we would like to draw attention to the Note 6 point 2 to the condensed consolidated interim financial information. On 9 August 2011 the Company has received a statement from Emperia Holding S.A. ("Emperia") and the subsidiary of Emperia – P1 Sp. z o.o. seated in Lublin ("P1"), that Emperia and P1 withdraw from Investment Agreement dated 21 December 2010, concerning purchase of shares of Distribution Group Tradis by the Company ("Investment Agreement") and claimed the penalty of PLN 200 million.

In the opinion of the Management Board of Eurocash S.A. the above statement made by Emperia and P1 is unjustified and ineffective in view of the Investment Agreement and the related law and therefore the Investment Agreement remains valid for both parties. In the opinion of the Management Board there is also no ground to pay the penalty claimed by Emperia and P1. However, as at the date of the preparation of the accompanying condensed separate interim financial information it is not possible to indicate the timing and the manner in which the matter described in this paragraph will be resolved.

On behalf of KPMG Audyt Spółka z ograniczoną  
odpowiedzialnością registration number 458  
ul. Chłodna 51, 00-867 Warsaw

*Signed on the Polish original*

.....  
Certified Auditor No. 11686  
Łukasz Łukomski

12 August 2011  
Poznań, Poland

*Signed on the Polish original*

.....  
Certified Auditor No. 90061  
Marek Gajdziński, Partner

## SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period 01.01.2011 to 30.06.2011 PLN	Non audited for the period 01.01.2010 to 30.06.2010 PLN	Non audited for the period 01.01.2011 to 30.06.2011 EUR	Non audited for the period 01.01.2010 to 30.06.2010 EUR
Net sales	2 538 698 057	2 300 313 123	642 058 183	574 992 032
Operating profit (loss)	27 914 508	28 535 735	7 059 815	7 132 864
Profit (loss) before tax	18 838 408	27 665 655	4 764 392	6 915 377
Net Profit (loss) on continued operations	17 493 034	23 948 552	4 424 136	5 986 240
Net profit (loss)	17 493 034	23 948 552	4 424 136	5 986 240
Net operating cash flow	134 887 661	79 925 071	34 114 229	19 978 271
Net investment cash flow	(139 052 570)	(48 954 129)	(35 167 569)	(12 236 697)
Net financial cash flow	(5 024 109)	(4 423 597)	(1 270 640)	(1 105 733)
Net change in cash and cash equivalents	(9 189 018)	26 547 346	(2 323 980)	6 635 841
Weighted average number of shares	136 814 268	136 302 486	136 814 268	136 302 486
Weighted average diluted number of shares	138 274 545	137 749 138	138 274 545	137 749 138
EPS (in PLN / EUR)	0,13	0,18	0,03	0,04
Diluted EPS (in PLN / EUR)	0,13	0,17	0,03	0,04
Average PLN / EUR rate*			3,9540	4,0006
	Non audited as at 30.06.2011 PLN	Non audited as at 31.12.2010 PLN	Non audited as at 30.06.2011 EUR	Non audited as at 31.12.2010 EUR
Assets	1 839 083 529	1 712 916 224	461 316 292	432 521 835
Long-term liabilities	355 911 605	340 463 533	89 276 979	85 969 127
Short-term liabilities	1 183 603 425	1 047 087 971	296 895 456	264 396 124
Equity	299 568 499	325 364 719	75 143 857	82 156 584
Share capital	136 952 211	136 429 761	34 353 136	34 449 350
Number of shares	136 952 211	136 352 068	136 952 211	136 352 068
Diluted number of shares	138 909 011	138 831 318	138 909 011	138 831 318
Book value per share (in PLN / EUR)	2,19	2,39	0,55	0,60
Diluted book value per share (in PLN / EUR)	2,16	2,34	0,54	0,59
Declared or paid dividend (in PLN / EUR)***	50 672 318	50 396 800	12 710 660	12 725 501
Declared or paid dividend per share (in PLN / EUR)	0,37	0,37	0,09	0,09
PLN / EUR rate at the end of the period**			3,9866	3,9603

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

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

\*\*\* Dividend for 2010 year, as at 30 June 2011 was declared for employees who will have shareholders of Parent Company as at 1 July 2011.

**EUROCASH S.A.**

**SEMI-ANNUAL ABBREVIATED  
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

**TRANSLATORS' EXPLANATORY NOTE**

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

KOMORNIKI, 12<sup>st</sup> August 2011

---

<i>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2011</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

## CONTENTS

<b>General information .....</b>	<b>3</b>
1. Information about the company .....	3
2. Boards of the company .....	3
<b>Abbreviated Separate income statement for the period from 01.01.2011 to 30.06.2011 .....</b>	<b>5</b>
<b>Abbreviated Separate statement of comprehensive income for the period from 01.01.2011 to 30.06.2011 .....</b>	<b>6</b>
<b>Abbreviated Separate statement of the financial position as at 30.06.2011 .....</b>	<b>7</b>
<b>Abbreviated Separate statement of cash flows for the period from 01.01.2011 to 30.06.2011 .....</b>	<b>9</b>
<b>Abbreviated Separate statement on changes in equity in the period from 01.01.2011 to 30.06.2011 .....</b>	<b>10</b>
<b>Supplementary Information to the abbreviated separate financial statements prepared for the period from 01.01.2011 to 30.06.2011 .....</b>	<b>11</b>
1. General information .....	11
2. Notes to abbreviated separate financial statements prepared for the period from 01.01.2011 to 30.06.2011 .....	13

Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## GENERAL INFORMATION

### 1. INFORMATION ABOUT THE COMPANY

#### NAME

EUROCASH Spółka Akcyjna

#### REGISTERED OFFICE

Ul. Wiśniowa 11, 62-052 Komorniki

#### CORE BUSINESS

Non-specialized wholesale trade  
(PKD 4690Z)

#### REGISTRY COURT

District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register,  
Registration number: KRS 00000213765

#### PERIOD FOR WHICH THE COMPANY WAS ESTABLISHED

Indefinite

#### PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period 1 January 2011 – 30 June 2011 and comparative period: 1 January 2010 – 30 June 2010.

Separate statement of financial position has been prepared as at 30 June 2011, and the comparative figures are presented as at 31 December 2010.

### 2. BOARDS OF THE COMPANY

#### 2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 June 2011 the Company's Management Board consisted of the following members:

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

<i>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## **2.2. SUPERVISORY BOARD OF THE PARENT ENTITY**

As at 30 June 2011 the Company's Supervisory Board consisted of the following members:

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

## **2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD**

On 13 June 2011 Carlos Saraiva was appointed to the Management Board of Eurocash S.A.  
On 22 June 2011 passed away the Member of the Management Board of Eurocash S.A.  
Ryszard Majer.

Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2011 TO 30.06.2011

	Non audited 2nd Quarter for the period from 01.04.2011 to 30.06.2011	Non audited 1st Semi year for the period from 01.01.2011 to 30.06.2011	Non audited 2nd Quarter for the period from 01.04.2010 to 30.06.2010	Non audited 1st Semi year for the period from 01.01.2010 to 30.06.2010
			Transformed	Transformed
<b>Sales</b>	<b>1 407 573 915</b>	<b>2 538 698 057</b>	<b>1 216 824 079</b>	<b>2 300 313 123</b>
Sales of goods	1 343 803 582	2 429 702 746	1 169 032 693	2 212 164 228
Sales of services	63 770 333	108 995 310	47 791 386	88 148 894
<b>Costs of sales</b>	<b>(1 259 648 098)</b>	<b>(2 266 277 018)</b>	<b>(1 073 335 733)</b>	<b>(2 040 313 156)</b>
Costs of goods sold	(1 256 222 519)	(2 260 125 463)	(1 070 575 112)	(2 035 960 218)
Costs of services sold	(3 425 579)	(6 151 554)	(2 760 621)	(4 352 938)
<b>Gross profit (loss)</b>	<b>147 925 817</b>	<b>272 421 039</b>	<b>143 488 346</b>	<b>259 999 967</b>
Selling expenses	(88 531 320)	(173 466 535)	(82 270 984)	(164 027 705)
General and administrative expenses	(37 767 989)	(71 501 903)	(37 869 817)	(66 800 268)
<b>Profit (loss) on sales</b>	<b>21 626 508</b>	<b>27 452 601</b>	<b>23 347 546</b>	<b>29 171 994</b>
Other operating income	12 472 079	14 770 690	5 508 086	12 606 303
Other operating expenses	(6 305 291)	(14 308 782)	(7 840 473)	(13 242 562)
<b>Operating profit (loss)</b>	<b>27 793 295</b>	<b>27 914 508</b>	<b>21 015 158</b>	<b>28 535 735</b>
Financial income	1 856 281	3 828 136	1 124 072	2 078 665
Financial costs	(7 140 263)	(12 904 237)	(1 121 104)	(2 948 744)
<b>Profit (loss) before income tax</b>	<b>22 509 313</b>	<b>18 838 408</b>	<b>21 018 126</b>	<b>27 665 655</b>
Income tax expense	(1 749 500)	(1 345 374)	(2 994 381)	(3 717 104)
<b>Profit (loss) for the period</b>	<b>20 759 813</b>	<b>17 493 034</b>	<b>18 023 745</b>	<b>23 948 552</b>

### NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss) on continued operations	17 493 034	23 948 552
Weighted average number of shares	136 814 268	136 302 486
Weighted average diluted number of shares	138 274 545	137 749 138
- basic	0,13	0,18
- diluted	0,13	0,17



<i>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2011</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**ABBREVIATED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2011 TO 30.06.2011**

	Non audited 2nd Quarter for the period from 01.04.2011 to 30.06.2011	Non audited 1st Semi year for the period from 01.01.2011 to 30.06.2011	Non audited 2nd Quarter for the period from 01.04.2010 to 30.06.2010 Transformed	Non audited 1st Semi year for the period from 01.01.2010 to 30.06.2010 Transformed
<b>Profit (loss) for the period</b>	<b>20 759 813</b>	<b>17 493 034</b>	<b>18 023 745</b>	<b>23 948 552</b>
<b>Other comprehensive income (loss) for the period</b>	-	-	-	-
<b>Total comprehensive income (loss) for the period</b>	<b>20 759 813</b>	<b>17 493 034</b>	<b>18 023 745</b>	<b>23 948 552</b>

Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

# ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.06.2011

	Non audited	
	as at	as at
	30.06.2011	31.12.2010
<i>Assets</i>		
<b>Non-current assets (long-term)</b>	<b>905 162 238</b>	<b>899 225 067</b>
Goodwill	96 024 468	96 024 468
Intangible assets	33 377 960	36 784 996
Property, plant and equipment	188 224 755	190 796 022
Investments in subsidiary companies	566 728 775	554 728 775
Investments in equity investees	3 464 300	3 464 300
Other long-term investments	6 047 500	6 247 500
Long-term receivables	1 879 998	1 801 896
Deferred tax assets	7 344 765	6 880 010
Other long-term prepayments	2 069 717	2 497 099
<b>Current assets (short-term)</b>	<b>933 921 291</b>	<b>813 691 157</b>
Inventories	279 350 885	300 778 541
Trade receivables	327 107 056	297 878 741
Current tax assets	7 167 862	4 048 090
Other short-term receivables	9 093 747	12 907 770
Short-term financial assets in subsidiary companies	106 831 851	-
Other short-term investments	3 308 559	3 000 000
Short-term prepayments	22 990 949	7 818 615
Cash and cash equivalents	178 070 383	187 259 401
<b>Total assets</b>	<b>1 839 083 529</b>	<b>1 712 916 224</b>

Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.06.2011

	Non audited	
	as at	as at
	30.06.2011	31.12.2010
<i>Equity and liabilities</i>		
<b>Equity</b>	<b>299 568 499</b>	<b>325 364 719</b>
Share capital	136 952 211	136 429 761
Treasury shares	-	(1 115 507)
Reserve capital	136 645 628	105 539 159
Treasury shares reserve	-	12 884 493
Hedging reserve	(4 645 000)	(4 645 000)
Retained earnings	30 615 660	76 271 814
Accumulated profit (loss) from previous years	13 122 625	13 122 625
Profit (loss) for the period	17 493 034	63 149 188
<b>Liabilities</b>	<b>1 539 515 030</b>	<b>1 387 551 505</b>
<b>Non-current liabilities</b>	<b>355 911 605</b>	<b>340 463 533</b>
Long-term loans and borrowings	324 894 015	299 894 015
Other long-term financial liabilities	20 500 670	22 521 098
Other long-term liabilities	-	400 000
Employee benefits	504 420	504 420
Provisions	10 012 500	17 144 000
<b>Current liabilities</b>	<b>1 183 603 425</b>	<b>1 047 087 971</b>
Loans and borrowings	79 824 733	98 484 256
Short-term financial liabilities	35 786 917	37 241 663
Trade liabilities	921 244 918	817 104 869
Other short-term payables	104 516 309	67 808 891
Current employee benefits	20 109 652	11 893 078
Provisions	22 120 896	14 555 215
<b>Total equity and liabilities</b>	<b>1 839 083 529</b>	<b>1 712 916 224</b>

## BOOK VALUE PER SHARE AS AT 30 JUNE 2011

	as at	as at
	30.06.2011	31.12.2010
<b>Book value</b>	<b>299 568 499</b>	<b>325 364 719</b>
Number of shares	136 952 211	136 352 068
Diluted number of shares	138 909 011	138 831 318
<b>Book value per share</b>	<b>2,19</b>	<b>2,39</b>
<b>Diluted book value per share</b>	<b>2,16</b>	<b>2,34</b>

Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

# ABBREVIATED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2011 TO 30.06.2011

	Non audited 1st Semi year for the period from 01.01.2011 to 30.06.2011	Non audited 1st Semi year for the period from 01.01.2010 to 30.06.2010 Transformed
<i>Cash flow from operating activities</i>		
<b>Profit (loss) before tax</b>	<b>18 838 408</b>	<b>27 665 655</b>
<b>Adjustments for:</b>	<b>37 559 840</b>	<b>26 847 418</b>
Depreciation and amortization	26 199 775	23 113 212
Equity-settled shared share-based payment transactions	1 173 111	1 363 651
(Gain) loss on sale of property, plant and equipment	26 438	608 029
Interest expenses	12 343 449	2 346 474
Interest received	(2 182 933)	(583 949)
<b>Operating cash before changes in working capital</b>	<b>56 398 248</b>	<b>54 513 073</b>
Changes in inventories	21 427 656	10 206 099
Changes in receivables	(25 976 379)	32 813 751
Changes in payables	104 176 515	12 800 142
Changes in provisions and employee benefits	(5 861 561)	(5 882 100)
Other adjustments	136 188	385 640
<b>Operating cash</b>	<b>150 300 667</b>	<b>104 836 606</b>
Interest paid	(10 483 100)	(8 201 414)
Income tax paid	(4 929 906)	(16 710 121)
<b>Net cash from operating activities</b>	<b>134 887 661</b>	<b>79 925 071</b>
<i>Cash flow from investing activities</i>		
Short-term financial assets in subsidiary companies	(106 831 851)	20 081 964
Acquisition of intangible assets	(2 565 033)	(4 026 909)
Acquisition of property, plant and equipment	(20 585 311)	(17 846 984)
Proceeds from sale of property, plant and equipment	855 251	166 703
Acquisition of subsidiaries, net of cash acquired	(12 000 000)	(4 605 000)
Expenditures on VAT on the trade marks made in a part	-	(43 307 851)
Loans granted	(108 559)	-
Interest received	2 182 933	583 949
<b>Net cash used in investing activities</b>	<b>(139 052 570)</b>	<b>(48 954 129)</b>
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	5 094 446	11 585 682
Sales of treasury shares	1 115 507	-
Financing for franchising	(1 496 959)	(3 000 470)
Proceeds from loans and borrowings	36 000 000	43 307 851
Repayment of borrowings	(29 988 471)	-
Payment of finance lease liabilities	(3 274 081)	(4 378 778)
Interest of finance lease	(989 772)	(1 035 134)
Interests on loans and borrowings	(11 484 778)	(505 947)
Dividends paid	-	(50 396 800)
<b>Net cash used in financing activities</b>	<b>(5 024 109)</b>	<b>(4 423 597)</b>
<b>Net change in cash and cash equivalents</b>	<b>(9 189 018)</b>	<b>26 547 346</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>187 259 401</b>	<b>149 655 273</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>178 070 383</b>	<b>176 202 619</b>

Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2011 TO 30.06.2011

	Share capital	Treasury shares	Reserve capital	Treasure shares reserve	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 1 January to 30 June 2010 (non audited, transformed)</i>							
<b>Balance as at 1 January 2010</b>	<b>134 704 736</b>	<b>(1 115 507)</b>	<b>82 105 488</b>	<b>12 884 493</b>	<b>(4 645 000)</b>	<b>76 458 961</b>	<b>300 393 172</b>
Impact of change in accounting	-	-	(3 336 827)	-	-	-	(3 336 827)
<b>Balance as at 1 January 2010 after changes</b>	<b>134 704 736</b>	<b>(1 115 507)</b>	<b>78 768 661</b>	<b>12 884 493</b>	<b>(4 645 000)</b>	<b>76 458 961</b>	<b>297 056 345</b>
<b>Total comprehensive income for the reporting period</b>							
Profit for the period from 1 January to 30 June 2010	-	-	-	-	-	23 948 552	<b>23 948 552</b>
<b>Total comprehensive income for the period from 1 January to 30 June 2010</b>	-	-	-	-	-	<b>23 948 552</b>	<b>23 948 552</b>
<b>Transaction with Owners of the Company, recognized directly in equity</b>	-	-	-	-	-	-	-
<b>Additional payments from and payments for owners</b>	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(50 396 800)	<b>(50 396 800)</b>
Transfer to reserve capital	-	-	11 903 092	-	-	(11 903 092)	-
Equity-settled share based payment transactions	-	-	1 363 651	-	-	-	<b>1 363 651</b>
Share options exercised	1 615 525	-	9 970 157	-	-	-	<b>11 585 682</b>
<b>Total transaction with Owners of the Company recognized directly in equity</b>	<b>1 615 525</b>	<b>-</b>	<b>23 236 900</b>	<b>-</b>	<b>-</b>	<b>(62 299 893)</b>	<b>(37 447 468)</b>
<b>Balance as at 30 June 2010</b>	<b>136 320 261</b>	<b>(1 115 507)</b>	<b>102 005 561</b>	<b>12 884 493</b>	<b>(4 645 000)</b>	<b>38 107 620</b>	<b>283 557 428</b>

*Changes in equity in the period from 1 January to 30 June 2011 (non audited, transformed)*

<b>Balance as at 01 January 2011</b>	<b>136 429 761</b>	<b>(1 115 507)</b>	<b>105 539 159</b>	<b>12 884 493</b>	<b>(4 645 000)</b>	<b>76 271 814</b>	<b>325 364 719</b>
<b>Total comprehensive income for the reporting period</b>							
Profit for the period from 1 January to 30 June 2011	-	-	-	-	-	17 493 034	<b>17 493 034</b>
<b>Total comprehensive income for the period from 1 January to 30 June 2011</b>	-	-	-	-	-	<b>17 493 034</b>	<b>17 493 034</b>
<b>Transaction with Owners of the Company, recognized directly in equity</b>							
<b>Additional payments from and payments for owners</b>							
Dividends declared	-	-	-	-	-	(50 672 318)	<b>(50 672 318)</b>
Transfer to reserve capital	-	-	12 476 870	-	-	(12 476 870)	-
Equity-settled share based payment transactions	-	-	1 173 111	-	-	-	<b>1 173 111</b>
Share options exercised	522 450	-	4 571 996	-	-	-	<b>5 094 446</b>
Treasury shares	-	1 115 507	-	-	-	-	<b>1 115 507</b>
Treasury shares acquired	-	-	12 884 493	(12 884 493)	-	-	-
<b>Total transaction with Owners of the Company recognized directly in equity</b>	<b>522 450</b>	<b>1 115 507</b>	<b>31 106 469</b>	<b>(12 884 493)</b>	<b>-</b>	<b>(63 149 188)</b>	<b>(43 289 255)</b>
<b>Balance as at 30 June 2011</b>	<b>136 952 211</b>	<b>-</b>	<b>136 645 628</b>	<b>-</b>	<b>(4 645 000)</b>	<b>30 615 660</b>	<b>299 568 499</b>

<i>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## **SUPPLEMENTARY INFORMATION TO THE ABBREVIATED SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2011 TO 30.06.2011**

### **1. GENERAL INFORMATION**

#### **1.1. ISSUE OF THE FINANCIAL STATEMENT**

According to the resolution of the Management Board dated 12 August 2011 the abbreviated separate financial statements of Eurocash S.A. for the period from 1 January 2011 to 30 June 2011 were authorised for issue by the management Board. According to the information included in the report sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its abbreviated separate financial statements on 16 August 2011. Eurocash S.A. is a listed company and its shares are publicly traded.

#### **1.2. STATEMENT OF COMPLIANCE**

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

These abbreviated separate financial statement of Eurocash have been prepared in accordance with IFRS 34.

Those semi-annual abbreviated separate financial statements should be read in conjunction with abbreviated semi-annual consolidated financial statements of Eurocash Group prepared as at 30 June 2011.

#### **1.3. BASIS OF PREPARATION, FUNCTIONAL AND PRESENTATION CURRENCY**

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

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

#### **1.4. USE OF ESTIMATES AND JUDGEMENTS**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

<i>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2011</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

#### **1.5. COMPARABILITY OF FINANCIAL STATEMENTS**

The accounting principles as well as calculation methods applied in the preparation of the abbreviated semi-annual separate financial statements remained unchanged in comparison to the ones applied in the last annual separate financial statement.

#### **1.6. GOING CONCERN ASSUMPTION**

The financial statements were prepared under the assumption that the Company will continue to operate as a going concern for the foreseeable future. There is no evidence indicating that the Company will not be able to continue its activities as a going concern.

<i>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 2. NOTES TO ABBREVIATED SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2011 TO 30.06.2011

### NOTE 1. PRESENTATION THE COMPARATIVE FINANCIAL STATEMENT FOR THE YEAR 2010

Taking into consideration that merged among Eurocash S.A., Eurocash Dystrybucja Sp. z o.o. and PH Batna Sp. z o.o. took place in 2010, all comparatives were restated for 2010 assuming all companies were merged over 2010 and all transactions among them were eliminated.

Following tables present profit and loss account for the period from 01.01.2010 to 30.06.2010 and Cash flow statement for the period from 01.01.2010 to 30.06.2010.



Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 1  
**INCOME STATEMENT - COMPARATIVE DATA FOR THE PERIOD FROM 01.01.2010 TO 30.06.2010**

	Eurocash Eurocash S.A. Semi 2010	Eurocash Dystrybucja Sp. z o.o. Semi 2010	PH Batna Sp. z o.o. Semi 2010	Total Semi 2010	The exclusion of group transactions Semi 2010	Total ater the exclusion of group transactions Semi 2010
<b>Sales</b>	<b>2 112 615 699</b>	<b>301 303 356</b>	<b>114 935 613</b>	<b>2 528 854 668</b>	<b>(228 541 545)</b>	<b>2 300 313 123</b>
Sales of goods	2 028 064 958	294 211 569	109 688 179	2 431 964 706	(219 800 477)	2 212 164 228
Sales of services	84 550 741	7 091 787	5 247 434	96 889 963	(8 741 068)	88 148 894
<b>Costs of sales</b>	<b>(1 899 807 115)</b>	<b>(266 844 430)</b>	<b>(100 013 315)</b>	<b>(2 266 664 859)</b>	<b>226 351 703</b>	<b>(2 040 313 156)</b>
Costs of goods sold	(1 895 454 177)	(266 844 430)	(100 013 315)	(2 262 311 921)	226 351 703	(2 035 960 218)
Costs of services sold	(4 352 938)	-	-	(4 352 938)	-	(4 352 938)
<b>Gross profit</b>	<b>212 808 584</b>	<b>34 458 927</b>	<b>14 922 298</b>	<b>262 189 809</b>	<b>(2 189 843)</b>	<b>259 999 967</b>
Selling expenses	(124 244 111)	(32 990 384)	(8 931 345)	(166 165 840)	2 138 135	(164 027 705)
General and administrative expenses	(54 418 645)	(10 822 571)	(1 559 052)	(66 800 268)	-	(66 800 268)
<b>Profit (loss) on sales</b>	<b>34 145 829</b>	<b>(9 354 028)</b>	<b>4 431 901</b>	<b>29 223 702</b>	<b>(51 708)</b>	<b>29 171 994</b>
Other operating income	7 806 047	7 073 047	1 192 913	16 072 007	(3 465 704)	12 606 303
Other operating expenses	(10 752 626)	(1 947 186)	(641 043)	(13 340 855)	98 293	(13 242 562)
<b>Operating profit (loss)</b>	<b>31 199 249</b>	<b>(4 228 167)</b>	<b>4 983 771</b>	<b>31 954 854</b>	<b>(3 419 119)</b>	<b>28 535 735</b>
Financial income	1 256 774	677 596	144 295	2 078 665	-	2 078 665
Financial costs	(2 540 027)	(406 968)	(1 749)	(2 948 744)	-	(2 948 744)
<b>Profit (loss) before income tax</b>	<b>29 915 996</b>	<b>(3 957 539)</b>	<b>5 126 316</b>	<b>31 084 774</b>	<b>(3 419 119)</b>	<b>27 665 655</b>
Income tax expense	(4 392 819)	1 071 312	(1 035 405)	(4 356 912)	639 808	(3 717 104)
<b>Profit (loss) for the period</b>	<b>25 523 177</b>	<b>(2 886 226)</b>	<b>4 090 911</b>	<b>26 727 862</b>	<b>(2 779 311)</b>	<b>23 948 552</b>

Semi-annual abbreviated separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2011	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 2

**STATEMENT OF CASH FLOWS - COMPARATIVE DATA FOR THE PERIOD FROM 01.01.2010 TO 30.06.2010**

	Eurocash S.A.	Eurocash Dystrybucja Sp. z o.o.	PH Batna Sp. z o.o.	Total	The exclusion of group transactions	Total after the exclusion of group transactions
	semi 2 010	semi 2 010	semi 2 010	semi 2010	semi 2010	semi 2010
<i>Cash flow from operating activities</i>						
<b>Profit before tax</b>	<b>29 915 996</b>	<b>(3 957 539)</b>	<b>5 126 316</b>	<b>31 084 774</b>	<b>(3 419 119)</b>	<b>27 665 655</b>
<b>Adjustments for:</b>	<b>23 771 960</b>	<b>(738 836)</b>	<b>446 883</b>	<b>23 480 007</b>	<b>3 367 411</b>	<b>26 847 418</b>
Depreciation and amortization	20 010 715	2 655 615	446 883	23 113 212	-	23 113 212
Equity-settled shared share-based payment transactions	1 363 651	-	-	1 363 651	-	1 363 651
Gain (loss) on sale of property, plant and equipment	342 026	(3 101 408)	-	(2 759 382)	3 367 411	608 029
Interest expenses	2 055 568	290 906	-	2 346 474	-	2 346 474
Interest received	-	(583 949)	-	(583 949)	-	(583 949)
<b>Operating cash before changes in working capital</b>	<b>53 687 957</b>	<b>(4 696 375)</b>	<b>5 573 199</b>	<b>54 564 781</b>	<b>(51 708)</b>	<b>54 513 073</b>
Changes in inventories	13 150 198	(2 719 974)	(275 832)	10 154 392	51 708	10 206 099
Changes in receivables	16 336 362	24 041 283	(2 779 425)	37 598 220	(4 784 469)	32 813 751
Changes in payables	28 882 939	(38 648 501)	17 781 236	8 015 673	4 784 469	12 800 142
Changes in provisions and employee benefits	(3 126 785)	(2 961 111)	205 796	(5 882 100)	-	(5 882 100)
Other adjustments	419 053	-	(33 413)	385 640	-	385 640
<b>Operating cash</b>	<b>109 349 723</b>	<b>(24 984 678)</b>	<b>20 471 561</b>	<b>104 836 606</b>	<b>-</b>	<b>104 836 606</b>
Interest paid	(8 171 462)	(29 952)	-	(8 201 414)	-	(8 201 414)
Income tax paid	(15 613 279)	-	(1 096 842)	(16 710 121)	-	(16 710 121)
<b>Net cash from operating activities</b>	<b>85 564 982</b>	<b>(25 014 630)</b>	<b>19 374 719</b>	<b>79 925 071</b>	<b>-</b>	<b>79 925 071</b>
<i>Cash flow from investing activities</i>						
Acquisition of intangible assets	(4 014 981)	(10 460)	(1 468)	(4 026 909)	-	(4 026 909)
Acquisition of property, plant and equipment	(29 167 374)	(591 781)	(591 439)	(30 350 594)	12 503 609	(17 846 984)
Proceeds from sale of investment property	79 258	12 587 679	3 375	12 670 312	(12 503 609)	166 703
Acquisition of subsidiaries, net of cash acquired	(4 605 000)	-	-	(4 605 000)	-	(4 605 000)
Expenditures on VAT on the trade marks made in a part	(43 307 851)	-	-	(43 307 851)	-	(43 307 851)
Received Interests - cash pooling	-	583 949	-	583 949	-	583 949
Short-term financial assets in subsidiary companies	3 937 495	16 144 470	-	20 081 964	-	20 081 964
<b>Net cash used in investing activities</b>	<b>(77 078 453)</b>	<b>28 713 857</b>	<b>(589 532)</b>	<b>(48 954 129)</b>	<b>-</b>	<b>(48 954 129)</b>
<i>Cash flows from financing activities</i>						
Proceeds from issue of share capital	11 585 682	-	-	11 585 682	-	11 585 682
Financing for franchising	(3 000 470)	-	-	(3 000 470)	-	(3 000 470)
Repayment of borrowings	43 307 851	-	-	43 307 851	-	43 307 851
Payment of finance lease liabilities	(1 500 149)	(2 878 629)	-	(4 378 778)	-	(4 378 778)
Interest of finance lease	(774 191)	(260 943)	-	(1 035 134)	-	(1 035 134)
Interests on loans and borrowings	(505 936)	-	-	(505 936)	-	(505 936)
Other interests	-	(11)	-	(11)	-	(11)
Dividends paid	(50 396 800)	-	-	(50 396 800)	-	(50 396 800)
<b>Net cash used in financing activities</b>	<b>(1 284 014)</b>	<b>(3 139 582)</b>	<b>-</b>	<b>(4 423 597)</b>	<b>-</b>	<b>(4 423 597)</b>
<b>Net change in cash and cash equivalents</b>	<b>7 202 514</b>	<b>559 644</b>	<b>18 785 187</b>	<b>26 547 346</b>	<b>-</b>	<b>26 547 346</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>141 016 566</b>	<b>1 018 297</b>	<b>7 620 411</b>	<b>149 655 273</b>	<b>-</b>	<b>149 655 273</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>148 219 080</b>	<b>1 577 941</b>	<b>26 405 598</b>	<b>176 202 619</b>	<b>-</b>	<b>176 202 619</b>

<i>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2011</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**NOTE 2.  
OTHERS INFORMATION**

Those semi-annual abbreviated separate financial statements should be read in conjunction with abbreviated semi-annual consolidated financial statements of Eurocash Group prepared as at 30 June 2011.

<b>Semi-annual abbreviated separate financial statements of EUROCASH S.A.</b>			
<b>Financial statements period:</b>	<b>01.01-30.06.2011</b>	<b>Presentation currency:</b>	<b>Polish zloty (PLN)</b>
<b>Level of round-offs:</b>	<b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b>		

## SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

<b>Position</b>	<b>Name and surname</b>	<b>Date</b>	<b>Signature</b>
President of the Management Board	Luis Amaral	12 August 2011	
Member of the Management Board Chief Executive Officer	Rui Amaral	12 August 2011	
Member of the Management Board	Arnaldo Guerreiro	12 August 2011	
Member of the Management Board	Pedro Martinho	12 August 2011	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	12 August 2011	
Member of the Management Board Financial Director	Jacek Owczarek	12 August 2011	
Member of the Management Board	Carlos Saraiva	12 August 2011	

## REPORT OF THE MANAGEMENT BOARD

### 1. Eurocash Group - overview

EUROCASH Group is the leader in wholesale distribution of the Fast Moving Consumer Goods (FMCG) in Poland. With a range of wholesale distribution formats it concentrates on wholesale supply of FMCG to a broad range of traditional retailers across the whole country.

In its business activity, Eurocash uses a range of distribution formats, which first and foremost include:

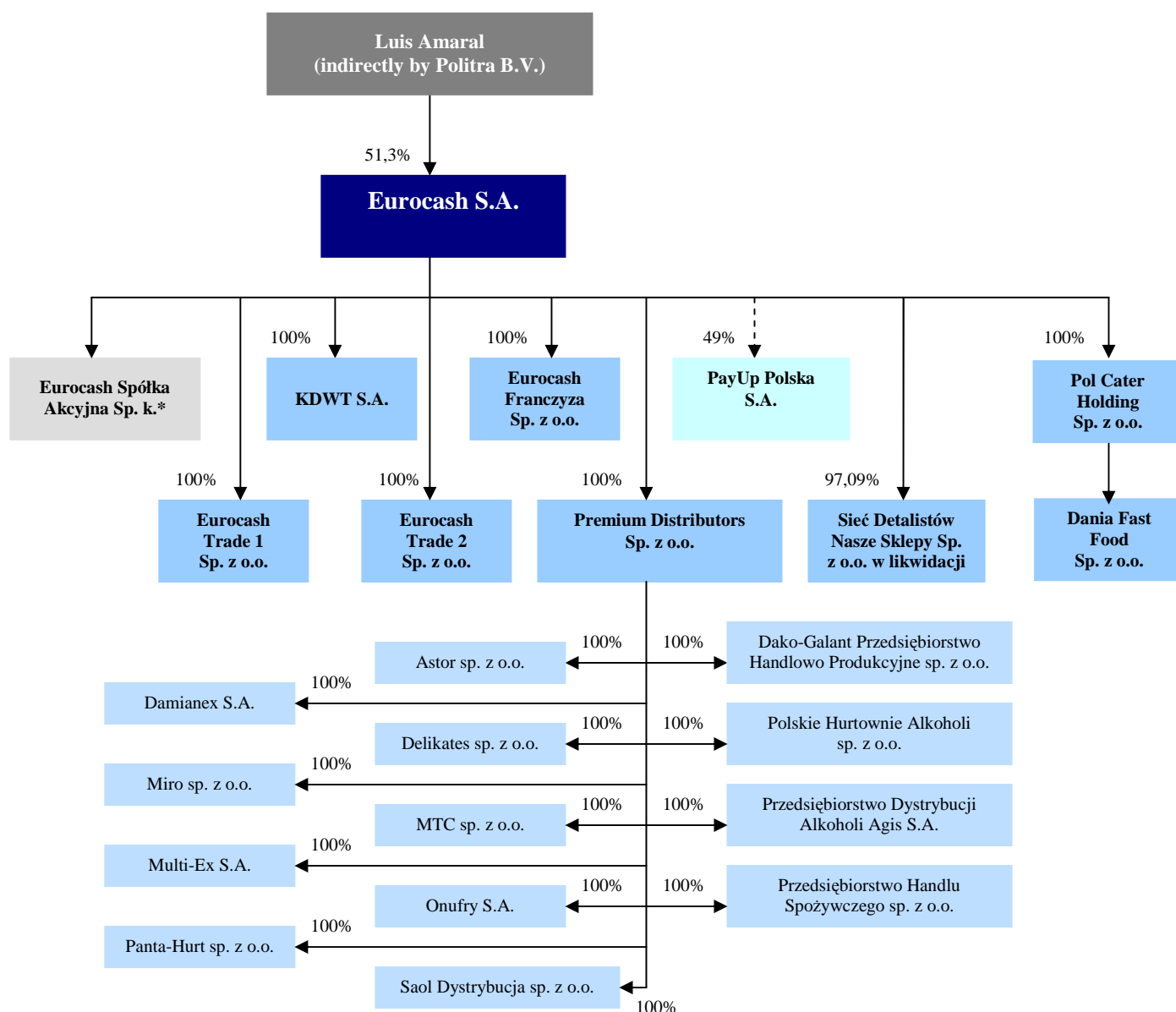
- **Cash & Carry** – a national network of discount Cash & Carry type warehouses under the “Eurocash Cash & Carry” brand, as part of which the loyalty programme for the “abc” network of stores operates;
- **Delikatesy Centrum** – a franchise system for retail stores operating under the brands “Delikatesy Centrum” and System Francyzowy IGA;
- **KDWT** – active distribution of tobacco products and fast moving consumer goods through KDWT;
- **Eurocash Dystrybucja** – supplying restaurant chains, hotels, and petrol stations as part of Eurocash Dystrybucja and Eurocash Gastronomia, and
- **Premium Distributors** – wholesale and retail distribution of alcoholic beverages through Premium Distributors companies throughout Poland.

Additionally on 1 March 2011 the Company acquired 100% shares in Pol Cater Holding Sp. z o.o. Pol Cater Holding Sp. z o.o. through its subsidiary Dania Fast Food leading activity of fast moving consumer goods (FMCG) to the HoReCa segment in Poland (hotels, restaurants, catering companies).

Aside from the core business activity indicated above, Eurocash Group also distributes electronic financial services through a network of approximately 4,200 terminals located in stores nationwide through PayUp, which offers, among others, the ability the balance on mobile phones, pay bills, and accept payment cards. The business of Eurocash Group is focused on the territory of Poland.

## 2. Capital and organizational relations in Eurocash Group A

The graph below presents the structure of the Eurocash Group and its affiliated companies as of June 30 2011:



### Legenda:

→ subsidiary

- - - - - affiliate

\* Eurocash is general partner, a KDWT i Eurocash Franczyza are arelimited partners

Main shareholder of Eurocash is Luis Amaral (directly and indirectly through Politra B.V.) holding 51,30% of shares as at 30.06.2011. Luis Amaral serves as President the Management Board.

Detailed information regarding the Group organisational structure with emphasis on the entities included in the consolidation process can be found in the paragraph 2 in the additional information to the abbreviated semi-annual consolidated financial statements.

### **3. Eurocash Group: Key operational highlights in 1H 2011**

- Cash&Carry – including Eurocash Cash&Carry and Batna stores
- Delikatesy Centrum – encompassing sales of Eurocash S.A. to retail stores supplied based on franchise and distribution contracts executed with the companies from Eurocash Group
- KDWT
- Eurocash Dystrybucja (former Eurocash Dystrybucja sp. z o.o.) encompassing sales realized to gas stations and HoReCa segment
- Premium Distributors (Premium Distributors Sp. z o.o. and its subsidiaries - Damianex S.A.; Astor Sp. z o.o.; Dako-Galant Przedsiębiorstwo Handlowo Produkcyjne Sp. z o.o.; Delikates Sp. z o.o.; Miro Sp. z o.o.; MTC Sp. z o.o Multi-Ex S.A.; Onufry S.A.; Panta-Hurt Sp. z o.o.; Polskie Hurtownie Alkoholi Sp. z o.o., Przedsiębiorstwo Dystrybucji Alkoholi "Agis" S.A. Przedsiębiorstwo Handlu Spożywczego Sp. z o.o., Saol Dystrybucja Sp. z o.o.)

#### **Eurocash Cash&Carry:**

- In 1H 2011 sales of Eurocash Cash&Carry amounted to PLN 1 739.24m and decreased by 1.41% comparing with 1H 2010. This situation is connected with decrease of sales in Group.
- External sales in Eurocash Cash&Carry stores in 1H 2011 amounted to 1 638,20 m and increased by 11.6% y/y.
- LFL sales growth (same number of stores without Batna) in Eurocash Cash&Carry stores in 1H 2011 amounted to 8.34%.
- Without categories of tobacco and phone cards, the LFL sales growth in Eurocash Cash&Carry stores in 1H 2011 amounted to 9.30%.
- Number of Eurocash Cash&Carry stores amounted to 127 + 3 Batna stores at the end of 1H 2011.
- Number of abc stores amounted to 4 217 at the end of 1H 2011.
- In 1H 2011 share of abc stores in total sales of Eurocash Cash&Carry stores amounted to 47.9%.
- Sales to abc shops in 1H 2011 increased by 19.9% comparing with 1H 2010.

#### **Delikatesy Centrum**

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers in 1H 2011 of amounted to PLN 591.47m, and increased by 27.64% comparing with 1H 2010.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores in 1H 2011 amounted to 8.38% comparing with 1H 2010.
- LFL growth of the retail sales of "Delikatesy Centrum" franchise stores in 1H 2011 amounted to 8.14% comparing with 1H 2010.
- Number of "Delikatesy Centrum" franchise stores at the end of 1H 2011 amounted to 595.

#### **KDWT**

- In 1H 2011 sales of KDWT amounted to PLN 1 277.12 m, what means increase by 12.87%. This amount includes sales realized to other entities of Eurocash Group (mainly Eurocash S.A.).
- External sales in KDWT amounted in 1H 2011 to PLN 1 206.51m and increased by 13.93% yoy.
- Growth of sales in food category in 1H 2011 amounted to 11.7% comparing with the same period 2010.
- In terms of volume, sales of cigarettes in 1H 2011 to external clients increased by 6,9%

- Number of KDWT branches as of the end of 1H 2011 amounted to 90 and 2 distribution centers

#### **Eurocash Dystrybucja:**

- Sales of Eurocash Dystrybucja amounted in 1H 2011 to PLN 207.99 m, 31,0% decrease compared with 1H 2010.
- In comparison to previous periods sales in 1 H 2011 does not take into account part of sales to shops connected with franchise agreement. From 4Q 2010 this sales takes into account in Delikatesy Centrum sales.
- Apart of changes resulting from allocation of part of the sales to Delikatesy Centrum format, sales decrease was caused by end of contract for supplies to gas stations belonging to Orlen chains.

#### **Premium Distributors**

- Sales of Premium Distributors in 1H 2011 amounted to PLN 981.21.
- Companies from Premium Distributors group are consolidated since August 2, 2010.



#### 4. Summary of financial results of Eurocash Group in 1H 2011

##### Profit & loss account

**Table 1 Eurocash Group: Summary of consolidated financial results for 1H 2011**

PLN m	1 H 2011	1 H 2010	Change % 2011 YTD/ 2010 YTD
Sales revenues (traded goods, materials)	4 644,00	3 304,99	40,51%
<i>Sales in Discount Cash &amp; Carry stores and Batna</i>	-	-	-
<i>Sales in KDWT</i>	1 739,24	1 764,14	-1,41%
<i>Sales of „Delikatesy Centrum” Distribution Centers</i>	1 277,12	1 131,50	12,87%
<i>Sales in Eurocash Dystrybucja</i>	591,47	463,41	27,64%
<i>Sales in PD</i>	207,99	301,30	-30,97%
<i>Other</i>	981,21	-	-
<i>Other</i>	112,24	36,04	211,41%
<i>Exclusions and consolidation adjustments</i>	(265,27)	(391,41)	-32,23%
Gross profit (loss) on sales	448,93	320,24	40,18%
Gross profitability on sales (%)	9,67%	9,69%	-0,02 p.p.
EBITDA	96,97	81,88	18,43%
(EBITDA margin %)	2,09%	2,48%	-0,39 p.p.
EBIT	60,87	55,06	10,54%
(EBIT margin %)	1,31%	1,67%	-0,36 p.p.
Gross profit	49,34	53,36	-7,54%
Net Income	44,03	46,93	-6,18%
(Net profitability %)	0,95%	1,42%	-0,47 p.p.

Consolidated sales of Eurocash Group in 1H 2011 increased by 40.51% YoY. Such dynamics was mainly attributable to acquisition of Premium Distributors companies., which sales in 1 H 2011 amounted 981,21 m.

Consolidated gross margin is on the similar level like in 1H 2010 and amounted 9.69%. In 1H 2011 EBITDA increased by 18.43% to PLN 96.97m. The consolidated EBITDA margin in 1H 2011 decreased to 2.09%. Net profit amounted to PLN 44.03m, 6.18% lower than in 1H 2010. It was connected with Premium Distributors acquisition.

##### Cash flow

**Table 2 Eurocash Group: Consolidated cash flow for 1H 2011**

PLN m	1 H 2011	1 H 2010
Operating cash flow	80,62	114,40
<i>Gross profit (loss)</i>	49,34	53,36
<i>Depreciation</i>	36,10	26,81
<i>Change in working capital</i>	16,67	62,53
<i>Other</i>	(21,49)	(28,31)
Cash flow from investments	(40,84)	(36,14)
Cash flow from financing activities	(44,71)	(48,36)
<b>Total cash flow</b>	<b>(4,94)</b>	<b>29,89</b>

Cash flow from operating activities in 1H 2011 amounted to PLN 80.62m. Cash flow from investments activities include expenditures on Polcater Sp. z o.o. acquisition. Cash flow from financial activities include connected with loan on Premium Distributors acquisition and net cash from share issue related to the motivation.

## Working capital

**Table 3 Eurocash Group: Consolidated working capital ratios flow for 1H 2011**

Turnover in days	1 H 2011	1 H 2010
1. Inventories turnover	23,44	19,95
2. Trade receivables turnover	25,64	19,79
3. Trade liabilities turnover	58,09	54,50
<b>4. Operating cycle (1+2)</b>	49,08	39,74
<b>5. Cash conversion (4-3)</b>	(9,01)	(14,76)

Trade liabilities turnover ratio has been decreased in 1H 2011 to -9.01 days. There was caused mainly of consolidation Premium Distributors and Polcater.

## Statement of the financial position

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

**Table 4 Eurocash Group: Selected consolidated balance sheet items**

PLN m	30.06.2011		31.12.2010	
Fixed assets	817,74	34,71%	811,25	33,76%
Current assets	1 538,09	65,29%	1 591,73	66,24%
Total assets	2 355,83	100,00%	2 402,98	100,00%
Equity	457,83	19,43%	457,10	19,02%
Liabilities and provisions	1 898,00	80,57%	1 945,88	80,98%
Total liabilities and equity	2 355,83	100,00%	2 402,98	100,00%

## 5. Summary of financial results of Eurocash S.A. in 1H 2011

### Profit & loss account

**Table 5 Eurocash S.A.: Summary of financial results for 1H 2011**

PLN m	1 H 2011	1 H 2010	Change YTD 11/ YTD 10
Sales revenues (traded goods, materials)	2 538,70	2 300,31	10,36%
Gross profit (loss) on sales	272,42	260,00	4,78%
Gross profitability on sales (%)	10,73%	11,30%	-0,57 p.p.
EBITDA	54,11	51,65	4,77%
(EBITDA margin %)	2,13%	2,25%	-0,11 p.p.
EBIT	27,91	28,54	-2,18%
(EBIT margin %)	1,10%	1,24%	-0,14 p.p.
Gross profit	18,84	27,67	-31,91%
Net Income	17,49	23,95	-26,96%
(Net profitability %)	0,69%	1,04%	-0,35 p.p.

In 1H 2011 sales of Eurocash S.A. increased by 10.36% and amounted to PLN 2 538,70m. Such result was mainly attributable significant organic sales growth was noted in Eurocash Cash&Carry and Delikatesy Centrum and sales realized to other entities from Eurocash Group.

Consolidated gross margin on sales realized by Eurocash in 1H 2011 was 0.57 p.p. lower than in 1H 2010. It should be also noted, that part of supplementary gains related to the sales to the Delikatesy Centrum franchise chain is realized by the master franchisor of the chain - Eurocash Franszyza Sp. z o.o. and is presented under segment "Other" – see Note1 to abbreviated semi-annual consolidated financial statement.

In 1H 2011 EBITDA amounted to PLN 54.11m, and net profit amounted to PLN 17.49m.

### Cash flow

**Table 6 Eurocash S.A.: Cash flow for 1H 2011**

PLN m	1 H 2011	1 H 2010
Operating cash flow	134,89	79,93
<i>Gross profit (loss)</i>	18,84	27,67
<i>Depreciation</i>	26,20	23,11
<i>Change in working capital</i>	99,63	55,82
<i>Other</i>	(9,78)	(26,67)
Cash flow from investments	(139,05)	(48,95)
Cash flow from financing activities	(5,02)	(4,42)
<b>Total cash flow</b>	<b>(9,19)</b>	<b>26,55</b>

Total cash flow of Eurocash S.A. in 1H 2011 amounted to PLN - 9.19 million. Cash flow from investment activities include cash flow from financing subsidiary companies connected with cash pooling agreement. Cash flow from financing activities include net cash from share issue related to the motivation schemes.

## Working capital

**Table 7 Eurocash S.A.: Working capital ratios for 1H 2011**

Turnover in days	1 H 2011	1 H 2010
1. Inventories turnover	19,92	21,72
2. Trade receivables turnover	23,32	22,32
3. Trade liabilities turnover	73,58	73,30
<b>4. Operating cycle (1+2)</b>	43,24	44,04
<b>5. Cash conversion (4-3)</b>	(30,34)	(29,26)

Trade liabilities turnover ratio in 1 H 2011 has been similar like in 1H 2010.

## Statement of the financial position

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

**Table 8 Eurocash S.A.: Selected balance sheet items**

PLN m	30.06.2011		31.12.2010	
Fixed assets	905,16	49,22%	899,23	52,50%
Current assets	933,92	50,78%	813,69	47,50%
Total assets	1 839,08	100,00%	1 712,92	100,00%
Equity	299,57	16,29%	325,36	18,99%
Liabilities and provisions	1 539,52	83,71%	1 387,55	81,01%
Total liabilities and equity	1 839,08	100,00%	1 712,92	100,00%

## 6. Definitions of the financial ratios

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

## 7. Major events and factors that influenced consolidated income or loss of Eurocash Group

### Changes in equity

In the period between 1 January 2011 and 30 June 2011 were issued 522,450 shares in respect of the option programs.

### Acquisition of shares in Pol Cater Holding Sp. z o.o.

On 27 January 2011 the President of the Office for Competition and Consumer Protection approved acquisition of Pol Cater Holding Sp. z o.o. by Eurocash S.A. Obtaining the above approval was one of the prerequisites for signing the Promised Contract whereunder the Company will acquire shares in Pol Cater according to preliminary agreement dated 28 July 2010.

On 1 March 2011 the Companies entered into the Promised Contract whereunder Eurocash S.A. acquired 100% shares in Pol Cater Holding Sp. z o.o.

### Resolution to increase the initial capital

On 5 February 2011 a resolution was passed by the Management Board of Eurocash to the effect of increasing the initial capital within the framework of target capital, to the exclusion of preemptive right to existing shareholders, in the form of issue of up to 21,262,820 K ordinary bearer shares with a nominal value of 1 PLN each (K Shares).

Under the aforesaid resolution K shares will be offered to and taken up by:

Emperia Holding S.A., a joint-stock company located in Lublin, or

a direct subsidiary of Emperia Holding S.A. if before the date of offering the K Shares and signing the agreement to take up the K Shares, such subsidiary is the lawful holder of shares or stocks of Emperia subsidiaries sold to the Company under an Investment Agreement dated 21 December 2010 (Emperia Holding S.A. and such subsidiary hereinafter referred to as "Emperia").

"K" shares will be taken up by Emperia for a non-cash contribution of the shares and stocks enumerated below:

100% shares in Detal Koncept Sp. z o.o.

32.49% or 15.62% shares in Tradis Sp. z o.o.

100% shares in Lewiatan Zachód Sp. z o.o.

100% shares in Lewiatan Północ Sp. z o.o.

100% shares in Drogerie Koliber Sp. z o.o.

100% shares in Euro Sklep S.A.

100% shares in Partnerski Serwis Detaliczny S.A.

where the following quantities of "K" Shares will be offered to Emperia:

21,262,820 K Shares, or

13,775,446 K Shares (if Emperia supplies 15.62% shares in Tradis Sp. z o.o. as a non-cash contribution).

The remaining shares in Tradis Sp. z o.o. will be sold to the Company by Emperia so that after closing the transaction, the Company will be holding 100% shares in Tradis sp. z o.o.

K Shares will be offered to Emperia, an agreement for taking-up the K Shares will be signed and non-cash contributions will be provided specifically after obtaining approval of the competent competition and consumer protection authority by the Company, however not later than: 30 June 2011 (if Emperia is offered 21,262,820

K Shares), or 15 July 2011 (if Emperia is offered 13,775,446 K Shares).

Issue price of K Shares is PLN 22.21 each.

The above resolution was approved by the Supervisory Board of Eurocash.

Following to non-submission by the Management Board of the Company to the registry court within the six month period resulting from the Section 431 Art. 4 of the Commercial Code (this is to 5 August 2011) of the resolution the issue of the Series K Shares failed to be completed.

### Distribution of the net profit for 2010

On 13 June 2011 accordance with the resolution no 5 of the Ordinary Shareholders Meeting divided the net profit for 2010 in amount 63,149,188.

The amount 50,672,318 PLN was designed for dividend in amount PLN 37 groszes per one Company share, paid as at 14 July 2011.

The other part of net profit was transferred to Company's reserve capital.

### Share buyback program

On 13 June 2011 Annual General Meeting of Eurocash S.A. decided to dissolve the reserve capital allocated to the implementation of the buyback and transfer cash to that part of the capital reserve, which can be distributed among shareholders.

Purchased own shares in the amount of 77,693, were sold to the company's senior executives.

At the reporting date Eurocash S.A. does not have its own shares.

### Conclusion of loan agreement

On 17 June 2011 Bank Pekao S.A. and ING Bank Śląski S.A. granted Eurocash S.A. credit in the amount of PLN 1,070,000,000 to finance the purchase of shares in the companies purchased from Emperia Holding SA. The agreement provides for the obligation to repay the loan until 17 June 2015, the Company's obligations under the loan have been guaranteed by the subsidiaries.

### Non- issuance of Shares Series K and the loss of validity of prospectus

The Board of Eurocash S.A. based in Komorniki (the "Company") announces that in connection with failure to report by the Board to the court registry in the six-month time limit under Article. 431 § 4 of the Commercial Companies Code (ie until 5 August 2011) the resolution of the Board on 5 February 2011 on the Company's share capital increase in the authorized capital, excluding pre-emptive rights of existing shareholders of the Company (the "Issue Resolution") through the issuance of 21,262,820 Shares Series C ("Series C Shares") issuance of Shares Series K did not take place.

In addition, the Company announces that in consequence, the Company's prospectus, approved by the Financial Supervision Authority on 17 June 2011, prepared in connection with the intention of applying for admission of the Shares Series K to trading on the Stock Exchange in Warsaw SA, fell and lost its validity.

### Investment Agreement between Eurocash S.A. and Emperia Holding S.A.

On 9 August 2011 Eurocash S.A. received from Emperia Holding S.A. ("Emperia") and its subsidiary Emperia - P1 Sp. z o.o. based in Lublin ("P1") statement, which states that Emperia and P1 waive the Investment Agreement dated 21 December 2010, concerning the purchase of shares by Eurocash Tradis Distribution Group ("Investment Agreement") and call for payment by Eurocash compensation in amount of 200 million PLN.

In the opinion of Eurocash S.A. Board and on the basis of the opinion of legal advisor, the above statement made by Emperia and P1 has no basis in the text of the Investment Agreement and in the legal provisions and thus is void, and the Investment Agreement remains binding on the parties. Eurocash S.A. is not obliged to pay compensation, that is demanded by Emperia and P1.

Eurocash takes appropriate action to implement the transactions described in the Investment Agreement, in accordance with the provisions of this agreement. However, at the date of abbreviated consolidated semi-year financial statement preparation, the effects of the final settlement of this issue can not be assessed.

There have been no other major events that influenced Eurocash Group income or loss in 1H 2011.

## 8. Factors significant for the development of the Eurocash Group

### External Factors

*Growth in the FMCG market and its structure.*

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

*Inflation.*

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

#### *Labour costs.*

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

### **Internal Factors**

#### *New business formats*

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

#### *Organic expansion*

Management of Eurocash Group expects, that during 2011:

- number of Eurocash Cash&Carry stores will increase by app. 6-8 stores,
- number of Delikatesy Centrum franchise stores will increase by app. 100 stores,
- in the active distribution channel of KDWT– the actions to achieve the growth of sales of impulse products (grocery) will be continued in order to get a higher profitability and improvement of a working capital dynamics.

#### *Integration of Premium Distributors and Pol Cater .*

Due to the necessity of integrating the companies of Premium Distributors and Pol Cater at the operational level, in the opinion of Eurocash S.A. Board full synergies associated with this transaction will be possible to reach within 3 years after the acquisition of control over these companies.

#### *Takeovers and acquisitions of other entities.*

Conclusion of the investment agreement between Eurocash S.A. and Emperia Holding S.A.

On 21 December 2010 the investment agreement between Eurocash and Emperia was concluded for the purchase by Eurocash Emperia Distribution Companies covering wholesale food distribution, as well as a retail franchise network.

On 9 August 2011 Eurocash S.A. received from Emperia Holding S.A. ("Emperia") and its subsidiary Emperia - P1 Sp. z o.o. based in Lublin ("P1") statement, which states that Emperia and P1 waive the Investment Agreement dated 21 December 2010, concerning the purchase of shares by Eurocash Tradis Distribution Group ("Investment Agreement") and call for payment by Eurocash compensation in amount of 200 million PLN.

In the opinion of Eurocash S.A. Board and on the basis of the opinion of legal advisor, the above statement made by Emperia and P1 has no basis in the text of the Investment Agreement and in the legal provisions and thus is void, and the Investment Agreement remains binding on the parties. Eurocash S.A. is not obliged to pay compensation, that is demanded by Emperia and P1.

Eurocash takes appropriate action to implement the transactions described in the Investment Agreement, in accordance with the provisions of this agreement. However, at the date of abbreviated consolidated semi-year financial statement preparation, the effects of the final settlement of this issue can not be assessed.

## **9. Major risks and threats related to the operational activities**

### **External Factors**

#### *Macroeconomic situation. Purchasing power of the population*

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

#### *The structure of the FMCG retail distribution market in Poland*

In 2010 the prevailing form of FMCG retail distribution was a traditional distribution channel with approx. 50% share. Such high share (as compared to other European countries) results from a low concentration of population in the area of the country and bad housing conditions, stimulating more frequent purchases. This situation is advantageous for the Eurocash Group for which small and mid-sized shops located off large agglomerations are the most relevant group of customers. A growth in the share of modern distribution will reduce the potential market of the Eurocash Group business.

#### *The structure of the traditional FMCG distribution channel. Competition*

According to the estimates of the Eurocash Group, there is approx. 4,000 entities operating on the traditional FMCG distribution market, the majority of which are local stores. That enables price advantage of Eurocash Group, which operates country-wide. Market consolidation, appearance of new strong entities could have a negative impact on the level of margins.

### **Internal Factors**

#### *IT systems*

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

#### *New investments*

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

#### *Suppliers*

Eurocash Group cooperates with approximately 500 suppliers, with whom it has concluded agreements providing for discounts and favorable payment terms. The only supplier, which share in total sales of Eurocash Group exceeds 10% is Philip Morris Polska Distribution Sp. z o.o. (PM Polska). Despite of high volume of cigarette purchases from these suppliers, due low margins realized on sales of tobacco, sales of cigarettes do not have significant impact on level of profits generated by the Eurocash Group.

Due to the fact, that the share of the largest non tobacco supplier in the Eurocash Group total product offering does not exceed 10% and sales of cigarettes do not have significant impact on level of profits generated by the Eurocash Group, the risk, that termination or an unfavourable change of the terms of the agreements for distribution of might have a significant adverse affect Eurocash Group business and financial results is limited.

## **10. Additional information**

### **Information regarding dividends**

On 13 June 2011 accordance with the resolution no 5 of the Ordinary Shareholders Meeting divided the net profit for 2010 in amount PLN 63.149.188.

The amount 50.672.318 PLN was designed for dividend in amount PLN 37 groszes per one Company share, paid as at 14 July 2011.

The other part of net profit was transferred to Company's reserve capital.

### **Explanations regarding seasonality**

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



## Issuance, redemption and repayment of debt and capital securities

In the period between 1 January 2011 and 30 June 2011 were issued 522.450 shares in respect of the option programs.

In 1H 2011 Eurocash S.A. did not issue, acquire or repay debt securities.

## Changes in the basic management principles

On 1 March 2011 the Company acquired 100% shares in Pol Cater Holding Sp. z o.o. Pol Cater Holding Sp. z o.o. through its subsidiary Dania Fast Food Sp. z o.o. leading activity of fast moving consumer goods (FMCG) to the HoReCa segment in Poland (hotels, restaurants, catering companies).

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

The Management Board of Eurocash S.A. has not published or does not intend to publish financial forecasts for 2011.

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

Shareholder	12.08.2011				13.05.2011			
	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)
Luis Amaral (bezpośrednio i pośrednio przez Politra B.V.)	70 258 100	51,30%	70 258 100	51,30%	70 258 100	51,40%	70 258 100	51,43%
Fidelity	6 871 178	5,02%	6 871 178	5,02%	6 871 178	5,03%	6 871 178	5,03%
Others	59 823 483	43,68%	59 823 483	43,68%	59 471 790	43,51%	59 471 790	43,54%
<b>TOTAL</b>	<b>136 952 761</b>	<b>100,00%</b>	<b>136 952 761</b>	<b>100,00%</b>	<b>136 601 068</b>	<b>99,94%</b>	<b>136 601 068</b>	<b>100,00%</b>
Treasury shares	0	0,00%	0	0,00%	77 693	0,06%	0	0,00%
<b>TOTAL</b>	<b>136 952 761</b>	<b>100,00%</b>	<b>136 952 761</b>	<b>100,00%</b>	<b>136 678 761</b>	<b>100,00%</b>	<b>136 601 068</b>	<b>100,00%</b>

\* On 12.08.2011 The Management Board of Eurocash has information on the number of shares as of 31.07.2011 r.

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

	Shares or rights to acquire Eurocash shares	
	12.08.2011	13.05.2011
<i>Management Board members</i>		
Luis Amaral (directly and indirectly)	70 258 100	70 258 100
Rui Amaral	388 625	380 625
Katarzyna Kopaczewska	329 000	325 000
Arnaldo Guerreiro	345 000	341 000
Pedro Martinho	833 750	829 750
Carlos Sarava	0	0
Jacek Owczarek	94 693	65 625
<i>Supervisory Board members</i>		
Eduardo Aguinaga de Mores	0	0
Joao Borges de Assuncao	0	0
Ryszard Wojnowski	0	0
Janusz Lisowski	0	0
Antonio Jose Santos Silva Casanova	0	0

### Information on legal suits.

In the 1H 2011 companies belonging to Eurocash Group were not involved into any legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10 % of equity.

### Information concerning granting by the issuer or a dependent unit credit or loan surety or a guarantee.

In the 1H 2011 companies belonging to Eurocash Group did not grant any surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

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

In the 1H 2010 companies belonging to Eurocash Group did not execute transactions with related parties otherwise than in the ordinary course of business on an arm's length basis.

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

Apart of information provided in this report, there are no other information which would be material to assess the staffing, and financial situation of the Company or its changes, as well as there are no other information material to assess ability to realize by Eurocash it's liabilities.

### Factors that will affect the results achieved by the issuer

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

## 11. Representations of the Management Board

### Accuracy and reliability of the reports presented

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

- the abbreviated semi-annual consolidated financial statements and comparable data have been drawn up in accordance with the applicable accounting principles and give a true and fair view of the economic and financial position of Eurocash Group and of the results of its operations for the 1H 2011,
- the abbreviated semi-annual separate financial statements and comparable data have been drawn up in accordance with the applicable accounting principles and give a true and fair view of the economic and financial position of Eurocash and of the results of its operations for the 1H 2011,
- the report of the Management Board on the business activities of Eurocash Group for the 1H 2011 contains a true views of the development, achievements and position of Eurocash Group, including a description of main risks and threats.

### Appointment of the entity qualified to audit financial statements

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

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

**SIGNATURES OF THE MANAGEMENT BOARD MEMBERS**

<b>Position</b>	<b>Name and surname</b>	<b>Date</b>	<b>Signature</b>
President of the Management Board	Luis Amaral	12 August 2011	
Member of the Management Board Chief Executive Officer	Rui Amaral	12 August 2011	
Member of the Management Board	Arnaldo Guerreiro	12 August 2011	
Member of the Management Board	Pedro Martinho	12 August 2011	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	12 August 2011	
Member of the Management Board Financial Director	Jacek Owczarek	12 August 2011	
Member of the Management Board	Carlos Saraiva	12 August 2011	