



EUROCASH

CONSOLIDATED SEMI-ANNUAL REPORT 2014

TRANSLATORS' EXPLANATORY NOTE

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

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

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SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2014 to 30.06.2014 PLN	Non audited for the period from 01.01.2013 to 30.06.2013 PLN	Non audited for the period from 01.01.2014 to 30.06.2014 EUR	Non audited for the period from 01.01.2013 to 30.06.2013 EUR
Sales	8 010 102 100	8 062 816 090	1 918 265 704	1 929 688 172
Operating profit (loss)	81 637 987	105 490 699	19 550 731	25 247 277
Profit (loss) before income tax	59 208 933	78 284 452	14 179 403	18 735 958
Profit (loss) for the on continued operations	50 684 050	72 315 205	12 137 857	17 307 327
Profit (loss) for the period	50 684 050	72 315 205	12 137 857	17 307 327
Net cash from operating activities	88 966 386	310 684 325	21 305 742	74 356 634
Net cash used in investing activities	(131 766 657)	(77 631 736)	(31 555 585)	(18 579 742)
Net cash used in financing activities	28 730 481	(261 125 301)	6 880 399	(62 495 584)
Net change in cash and cash equivalents	(14 069 789)	(28 072 711)	(3 369 445)	(6 718 692)
Weighted average number of shares	138 478 040	138 062 993	138 478 040	138 062 993
Weighted average diluted number of shares	138 657 693	138 605 371	138 657 693	138 605 371
EPS (in PLN / EUR)	0,37	0,52	0,09	0,13
Diluted EPS (in PLN / EUR)	0,37	0,52	0,09	0,12
Average PLN / EUR rate*			4,1757	4,1783
	Non audited as at 30.06.2014 PLN	as at 31.12.2013 PLN	Non audited as at 30.06.2014 EUR	as at 31.12.2013 EUR
Assets	4 960 742 509	4 825 560 156	1 192 228 246	1 163 570 640
Non-current liabilities	210 096 129	295 287 524	50 492 953	71 201 660
Current liabilities	3 921 663 484	3 645 916 689	942 503 661	879 127 288
Equity	828 982 896	884 355 944	199 231 632	213 241 692
Share capital	138 551 136	138 427 636	33 298 358	33 378 577
Number of shares	138 551 136	138 427 636	138 551 136	138 427 636
Diluted number of shares	139 554 136	139 577 136	139 554 136	139 577 136
Book value per share (in PLN / EUR)	5,98	6,39	1,44	1,54
Diluted book value per share (in PLN / EUR)	5,94	6,34	1,43	1,53
Declared or paid dividend (in PLN / EUR) ***	109 451 447	124 465 442	26 304 753	30 011 922
Declared or paid dividend per share (in PLN / EUR)	0,79	0,90	0,19	0,22
PLN / EUR rate at the end of the period**			4,1609	4,1472

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for the 1st Semester 2014.

** 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 paid for 2013 year until 02 June 2014 for persons who were shareholders of the Parent Company on 16 May 2014.



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

**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2014 TO 30 JUNE 2014**

To the Shareholders of Eurocash S.A.

Introduction

We have reviewed the accompanying 30 June 2014 condensed consolidated interim financial statements of Eurocash S.A. Group, with its parent company's registered office in Komorniki, 11 Wiśniowa Street ("the condensed consolidated interim financial statements"), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2014,
- the condensed consolidated income statement for the six-month period ended 30 June 2014,
- the condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2014,
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2014,
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2014, and
- supplementary information to the condensed consolidated interim financial statements.

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

Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with national standards on auditing and 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2014 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Sp. z o.o.
registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Wojciech Drzymała
Key Certified Auditor
Registration No. 90095
Director

26 August 2014

EUROCASH S.A. GROUP

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014

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, 26th August 2014

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.06.2014</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

GENERAL INFORMATION

1. INFORMATION ABOUT THE PARENT ENTITY

NAME

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

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade
(PKD 4690Z)

REGISTRATION COURT

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

PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

Indefinite period

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2014 – 30 June 2014 and in addition for the income statement and statement of comprehensive income the reporting period is 1 April 2014 - 30 June 2014.

Consolidated statement of financial position has been prepared as at 30 June 2014. Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting, approved by European Union.

2. BOARD OF THE PARENT ENTITY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 June 2014 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.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2.2. SUPERVISORY BOARD

As at 30 June 2014 the Parent Entity's Supervisory Board consisted of the following members:

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

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

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

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01 TO 30.06.2014

	Non audited 2nd Quarter for the period from 01.04.2014 to 30.06.2014	Non audited 1 Semi year for the period from 01.01.2014 to 30.06.2014	Non audited 2nd Quarter for the period from 01.04.2013 to 30.06.2013	Non audited 1 Semi year for the period from 01.01.2013 to 30.06.2013
			Restated*	Restated*
Sales	4 288 737 849	8 010 102 100	4 198 969 093	8 062 816 090
Sales of goods	4 043 103 109	7 563 479 399	4 003 180 302	7 697 785 781
Sales of services	244 625 072	444 762 475	195 186 426	363 763 699
Sales of materials	1 009 668	1 860 225	602 365	1 266 610
Costs of sales	(3 830 577 647)	(7 172 360 405)	(3 772 463 982)	(7 281 639 597)
Costs of goods sold	(3 799 851 446)	(7 111 121 229)	(3 742 385 040)	(7 222 146 875)
Costs of services sold	(29 851 417)	(59 632 341)	(29 577 734)	(58 372 853)
Costs of materials sold	(874 784)	(1 606 835)	(501 209)	(1 119 869)
Gross profit (loss)	458 160 202	837 741 695	426 505 111	781 176 493
Selling expenses	(308 113 169)	(595 515 463)	(275 708 142)	(540 780 333)
General and administrative expenses	(72 112 068)	(143 000 172)	(63 523 445)	(132 729 062)
Profit (loss) on sales	77 934 966	99 226 060	87 273 523	107 667 098
Other operating income	14 728 202	28 204 621	15 590 668	42 888 149
Other operating expenses	(23 087 258)	(45 792 693)	(18 585 204)	(45 064 549)
Operating profit (loss)	69 575 909	81 637 987	84 278 988	105 490 699
Financial income	4 416 178	8 856 668	2 727 595	6 377 028
Financial costs	(15 142 726)	(30 955 172)	(15 002 375)	(33 096 501)
Share in profits (losses) of equity accounted investees	29 228	(330 549)	(139 560)	(486 774)
Profit (loss) before income tax	58 878 588	59 208 933	71 864 647	78 284 452
Income tax expense	(9 538 235)	(8 524 883)	(10 816 940)	(5 969 247)
Profit (loss) for the period	49 340 353	50 684 050	61 047 707	72 315 205
Attributable to:				
Owners of the Company	49 340 353	50 684 050	61 047 707	72 315 205

EARNINGS PER SHARE

	PLN / share	PLN / share
Profit (loss)	50 684 050	72 315 205
Weighted average number of shares	138 478 040	138 062 993
Weighted average diluted number of shares	138 657 693	138 605 371
from continued operations		
- basic	0,37	0,52
- diluted	0,37	0,52
from continued and discontinued operations		
- basic	0,37	0,52
- diluted	0,37	0,52

* Note 1

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM
01.01 TO 30.06.2014**

	Non audited 2nd Quarter for the period from 01.04.2014 to 30.06.2014	Non audited 1 Semi year for the period from 01.01.2014 to 30.06.2014	Non audited 2nd Quarter for the period from 01.04.2013 to 30.06.2013	Non audited 1 Semi year for the period from 01.01.2013 to 30.06.2013
Profit (loss) for the period	49 340 353	50 684 050	61 047 707	72 315 205
Other comprehensive income for the period	(5 315 497)	(5 315 497)	-	-
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	(5 315 497)	(5 315 497)	-	-
Total comprehensive income for the period	44 024 856	45 368 553	61 047 707	72 315 205
Total Income				
Owners of the Company	44 024 856	45 368 553	61 047 707	72 315 205
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	44 024 856	45 368 553	61 047 707	72 315 205

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.06.2014

	Non audited as at 30.06.2014	as at 31.12.2013
<i>Assets</i>		
Non-current assets (long-term)	2 016 952 748	2 015 513 079
Goodwill	1 060 470 454	1 055 533 429
Intangible assets	388 193 550	393 574 808
Property, plant and equipment	456 110 770	417 745 410
Investment real estate property	1 266 151	1 283 386
Investments in equity accounted investees	-	36 167 498
Other long-term investments	556 439	1 575 462
Long-term receivables	6 061 366	5 931 200
Deferred tax assets	102 814 289	103 324 796
Other long-term prepayments	1 479 729	377 091
Current assets (short-term)	2 943 789 761	2 810 047 077
Inventories	1 177 065 270	1 017 822 128
Trade receivables	1 419 298 967	1 416 521 310
Current tax receivables	22 811 589	12 048 181
Other short-term receivables	184 199 363	213 546 440
Other short-term financial assets	-	3 042 373
Short-term prepayments	24 720 113	17 302 396
Cash and cash equivalents	88 448 909	102 518 699
Fixed assets classified as held for sale	27 245 549	27 245 549
Total assets	4 960 742 509	4 825 560 156

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.06.2014

	Non audited as at 30.06.2014	as at 31.12.2013
<i>Equity nad liabilities</i>		
Equity	828 982 896	884 355 944
Equity attributable to Owners of the Company	828 982 896	884 355 944
Share capital	138 551 136	138 427 636
Reserve capital	434 171 811	440 197 882
Hedging reserve	(9 960 497)	(4 645 000)
Retained earnings	266 220 445	310 375 426
Accumulated profit from previous years	215 536 395	89 365 948
Profit (loss) for the period	50 684 050	221 009 478
Liabilities	4 131 759 613	3 941 204 213
Non-current liabilities	210 096 129	295 287 524
Long-term loans and borrowings	-	85 978 892
Long-term financial liabilities	157 063 725	154 927 670
Other long-term liabilities	390 000	251 000
Deferred tax liabilities	49 342 417	51 032 109
Employee benefits	3 299 987	3 097 852
Current liabilities	3 921 663 484	3 645 916 689
Loans and borrowings	621 268 934	411 697 917
Short-term financial liabilities	64 313 807	27 562 105
Trade payables	3 010 832 312	2 889 702 742
Current tax liabilities	2 474 611	19 939 364
Other short-term payables	63 035 532	160 489 481
Current employee benefits	65 879 429	52 435 993
Provisions	93 858 858	84 089 086
Total equity and liabilities	4 960 742 509	4 825 560 156
BOOK VALUE PER SHARE		
	as at 30.06.2014	as at 31.12.2013
Equity attributable to Owners of the Company	828 982 896	884 355 944
Number of shares	138 551 136	138 427 636
Diluted number of shares	139 554 136	139 577 136
Book value per share	5,98	6,39
Diluted book value per share	5,94	6,34

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01 TO 30.06.2014

	Non audited 1 Semi year for the period from 01.01.2014 to 30.06.2014	Non audited 1 Semi year for the period from 01.01.2013 to 30.06.2013
<i>Cash flow from operating activities</i>		
Profit before tax	59 208 933	78 284 452
Adjustments for:	94 443 567	89 650 697
Depreciation and amortization	60 761 720	57 371 276
Share in profits (losses) of equity accounted investees	330 549	486 774
Valuation of motivational programm	6 081 257	251 159
Gain (loss) on sale of property, plant and equipment	2 328 729	2 172 916
Interest expenses	28 183 648	31 578 913
Interest received	(3 242 335)	(2 210 340)
Operating cash before changes in working capital	153 652 501	167 935 149
Changes in inventory	(155 875 120)	(151 572 144)
Changes in receivables	7 231 262	35 452 871
Changes in payables	100 799 556	354 029 089
Changes in provisions and employee benefits	13 893 674	(63 153 494)
Other adjustments	(1 225 669)	305 810
Operating cash	118 476 204	342 997 282
Interest received	898 459	1 176 855
Interest paid	(8 652 192)	(7 439 310)
Income tax paid	(21 756 085)	(26 050 502)
Net cash from operating activities	88 966 386	310 684 325
<i>Cash flow from investing activities</i>		
Aquisitionof intangible assets	(21 220 932)	(8 548 302)
Proceeds from sale of intangible assets, property, plant and equipment	21 001	793 723
Aquisition of property, plant and equipment tangible fixed assets	(93 661 126)	(58 815 674)
Proceeds from sale of property, plant and equipment	22 150 355	11 937 543
Expenditures on the acquisition of companies and organized part of the companies	-	(23 956 310)
Expenditures on the acquisition of subsidiaries	(1 723 063)	-
Expenditures on the acquisition of associates	35 401 781	-
Expenditure on VAT on sales of trade marks	(98 307 474)	0
Proceeds from VAT on purchased Trademark	23 576 742	-
Repayment received of given loans	-	96 874
Interest received	1 996 059	860 409
Net cash used in investing activities	(131 766 657)	(77 631 736)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	1 999 235	2 998 606
Cash outflows for other financial liabilities	3 424 569	(2 114 763)
Proceeds from the issuance of long term debt securities	-	140 000 000
Proceeds from the issuance of short term debt securities	30 000 000	-
Proceeds from loans and borrowings	211 752 116	-
Repayment of borrowings	(87 596 000)	(371 539 600)
Payment of finance lease liabilities	(3 979 517)	(2 002 100)
Other interests	(9 990 562)	(4 333 823)
Interests on loans and borrowings	(13 924 628)	(24 133 621)
Dividends paid	(102 954 732)	-
Net cash used in financing activities	28 730 481	(261 125 301)
Net change in cash and cash equivalents	(14 069 789)	(28 072 711)
Cash and cash equivalents at the beginning of the period	102 518 699	157 381 473
Cash and cash equivalents at the end of the period	88 448 909	129 308 762

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01 TO 30.06.2014

	Share capital	Reserve capital	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Total
<i>Changes in equity in the period from 01.01 to 30.06.2013</i>						
Balance as at 01.01.2013	137 976 536	341 097 692	(4 645 000)	309 125 159	783 554 387	783 554 387
Total comprehensive income for the reporting period						
Profit (loss) for the period from 01.01 to 30.06.2013	-	-	-	72 315 205	72 315 205	72 315 205
Total comprehensive income for the period from 01.01 to 30.06.2013	-	-	-	72 315 205	72 315 205	72 315 205
Transaction with Owners of the Company, recognized directly i equity						
Dividends	-	-	-	(124 465 442)	(124 465 442)	(124 465 442)
Transfer to reserve capital	-	88 197 817	-	(88 197 817)	-	-
Equity-settled share-based payment transactions	-	251 159	-	-	251 159	251 159
Share options excercised	318 600	2 680 006	-	-	2 998 606	2 998 606
Other	-	-	-	-	-	-
Total transaction with Owners of the Company, recognized directly in equity	318 600	91 128 982	-	(212 663 259)	(121 215 677)	(121 215 677)
Balance as at 30.06.2013	138 295 136	432 226 674	(4 645 000)	168 777 105	734 653 915	734 653 915
<i>Changes in equity in the period from 01.01 to 30.06.2014</i>						
Balance as at 01.01.2014	138 427 636	440 197 882	(4 645 000)	310 375 426	884 355 944	884 355 944
Total comprehensive income for the reporting period						
Profit for the period from 01.01 to 30.06.2014	-	-	-	50 684 050	50 684 050	50 684 050
Other comprehensive income from 01.01 to 30.06.2014	-	-	(5 315 497)	-	(5 315 497)	(5 315 497)
Total comprehensive income for the period from 01.01. to 30.06.2014	-	-	(5 315 497)	50 684 050	45 368 553	45 368 553
Transaction with Owners of the Company, recognized directly i equity						
Dividends	-	(18 680 556)	-	(90 770 891)	(109 451 447)	(109 451 447)
Transfer to reserve capital	-	4 697 751	-	(4 697 751)	-	-
Equity-settled share-based payment transactions	-	6 081 257	-	-	6 081 257	6 081 257
Share options excercised	123 500	1 875 735	-	-	1 999 235	1 999 235
Other	-	(257)	-	629 612	629 354	629 354
Total transaction with Owners of the Company, recognized directly in equity	123 500	(6 026 070)	-	(94 839 031)	(100 741 601)	(100 741 601)
Balance as at 30.06.2014	138 551 136	434 171 811	(9 960 497)	266 220 445	828 982 896	828 982 896

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01 TO 30.06.2014

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 26 August 2014 the consolidated financial statements of Eurocash S.A. Group for the period from 1 January 2014 to 30 June 2014 were authorized for issue by the management Board. According to the information included in the report no. 1/2014 dated 10 January 2014 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its consolidated financial statements on 26 August 2014.

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

1.2. STATEMENT OF COMPLIANCE

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

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting, approved by European Union. These condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of Eurocash as at and for the year ended 31 December 2013, which is available on the website www.eurocash.pl.

1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

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

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31st December 2013 except for the changes presented in Note 1.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.6. INFORMATION ABOUT THE PARENT ENTITY AND THE GROUP

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

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

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2014

No	1	2	3	4	5	6	7	8
Unit	Eurocash S.A.	KDWT S.A.	Eurocash Franczyza Sp. z o.o.	Eurocash Trade 1 Sp. z o.o.	Eurocash Trade 2 Sp. z o.o.	KDWT Spółka Akcyjna Spółka Komandytowo - Akcyjna	Premium Distributors Sp. z o.o.	Przedsiębiorstwo Handlu Spożywczego Sp. z o.o.
address	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul. Bokserska 66a 02-690 Warszawa	ul .Wiśniowa 11 62-052 Komorniki
core business activity	PKD 4690Z	PKD 4635Z	PKD 8299Z	PKD 4634A	PKD 4634A	PKD 7740Z	PKD 4634A	PKD 4690Z
registration court	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000213765	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000040385	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329002	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329037	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000490366	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000287947	District Court Zielona Góra, VIII Commercial Division of the National Court Register KRS 0000203619
nature of relationship	Parent company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	n/a	31.03.2006	10.07.2006	06.04.2009	06.04.2009	14.01.2010	02.08.2010	02.08.2010
ownership interest	n/a	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
voting rights (in %)	n/a	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.06.2014</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Entities comprising the Eurocash capital group and associates as at 30.06.2014 (continued)

No	9	10	11	12	13	14	15	16
Unit	Pol Cater Holding Sp. z o.o.	Dania Fast Food Sp. z o.o.	DEF Sp. z o.o.	Detal Podlasie Sp. z o.o.	Lewiatan Podlasie Franczyza Sp. z o.o.	Euro Sklep S.A.	Ambra Sp. z o.o.	Lewiatan Śląsk Sp. z o.o.
address	ul. Pass 20c 05-870 Błonie	ul. Pass 20c 05-870 Błonie	ul. Handlowa 6 15-399 Białystok	ul. Sokółska 9 15-865 Białystok	ul. Pułaskiego 117A 15-337 Białystok	ul. Bystrzańska 94a 43-309 Bielsko-Biała	ul. Hutnicza 7 43-502 Czechowice-Dziedzice	ul. Lenartowicza 39 41-219 Sosnowiec
core business activity	PKD 7010Z	PKD 4639Z	PKD 4639Z	PKD 4711Z	PKD 02	PKD 4711Z	PKD 4645Z	PKD 7022Z
registration court	District Court Warszawa, XIV Commercial Division of the National Court Register KRS 0000241989	District Court Warszawa, XIV Commercial Division of the National Court Register KRS 0000165007	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000048125	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000033766	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000508176	District Court Bielsko Biała, VIII Commercial Division of the National Court Register KRS 0000012291	District Court Katowice-Wschód, VIII Commercial Division of the National Court Register KRS 0000254307	District Court Katowice-Wschód, VIII Commercial Division of the National Court Register KRS 0000175768
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	01.03.2011	01.03.2011	21.12.2011	21.12.2011	18.03.2014	21.12.2011	21.12.2011	21.12.2011
ownership interest	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
voting rights (in %)	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2014 (continued)

No	17	18	19	20	21	22	23	24
Unit	Lewiatan Orbita Sp. z o.o.	Lewiatan Kujawy Sp. z o.o.	Lewiatan Wielkopolska Sp. z o.o.	Lewiatan Opole Sp. z o.o.	Lewiatan Zachód Sp. z o.o.	Lewiatan Podkarpacie Sp. z o.o.	Partnerski Serwis Detaliczny S.A.	Gama Serwis Sp. z o.o.
address	ul. Lubelska 33 10-410 Olsztyn	ul. Polna 4-8 87-800 Włocławek	Os. Winiary 54 60-665 Poznań	ul. Światowida 2 45-325 Opole	ul. Przemysłowa 5 73-110 Stargard Szczeciński	Straszęcin 295 39-218 Straszęcin	ul. Grażyny 15 02-548 Warszawa	ul. Handlowa 5 15-399 Białystok
core business activity	PKD 4690Z	PKD 4711Z	PKD 7740Z	PKD 7490Z	PKD 6419Z	PKD 8299Z	PKD 7490Z	PKD 7740Z
registration court	District Court Olsztyn, VIII Commercial Division of the National Court Register KRS 0000039244	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000109502	District Court Poznań - Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register KRS 0000133384	District Court Opole, VIII Commercial Division of the National Court Register KRS 0000043199	District Court Szczecin Centrum, XIII Commercial Division of the National Court Register KRS 0000017136	District Court Rzeszów, XII Commercial Division of the National Court Register KRS 0000186622	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000280288	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000399124
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	21.12.2011	21.12.2011	21.12.2011	21.12.2011	21.12.2011	28.06.2013	21.12.2011	21.12.2011
ownership interest	100,00%	100,00%	81,43%	100,00%	100,00%	100,00%	100,00%	100,00%
voting rights (in %)	100,00%	100,00%	81,43%	100,00%	100,00%	100,00%	100,00%	100,00%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.06.2014 (continued)

No	25	26	27	28	29	30	31	32
Unit	Gama Detal Sp. z o.o.	Lewiatan Holding S.A.	Lewiatan Północ Sp. z o.o.	Drogerie Koliber Sp. z o.o.	Eurocash Detal Sp. z o.o.	PayUp Polska S.A.	Eurocash Convenience Sp. z o.o.	Eurocash VC1 Sp. z o.o.
address	Porosły 70 16-070 Choroszcz	ul. Kilińskiego 10 87-800 Włocławek	ul. Bysewska 30 80-298 Gdańsk	ul. Lenartowicza 39 41-219 Sosnowiec	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 7740Z	PKD 7740Z	PKD 4639Z	PKD 4775Z	PKD 4690Z	PKD 6120Z	PKD 1039Z	PKD 1039Z
registration court	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000454978	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000089450	District Court Gdańsk- North in Gdańsk, VII Commercial Division of the National Court Register KRS 0000322297	District Court Katowice- East in Katowice, VIII Commercial Division of the National Court Register KRS 0000244130	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register, KRS 000049437	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000299000	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000509266	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000510241
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	07.03.2013	21.12.2011	21.12.2011	21.12.2011	18.11.2013	06.05.2014	05.03.2014	17.04.2014
ownership interest	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
voting rights (in %)	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

On 4 April 2014 previous subsidiary Tradis Sp. z o.o. was merged with entity Eurocash S.A.

On 2 June 2014 Fundusz Inwestycyjny Zamknięty RE Income repurchased from Eurocash S.A. their investment certificates. As a result, the share of Eurocash S.A. investment in the Fundusz Inwestycyjny Zamknięty RE Income decreased from 21% to 0%.

On 5 May 2014 as a result of the division of the subsidiary Detal Podlasie Sp. z o.o. (previously: Lewiatan Podlasie Sp. z o.o.) a subsidiary Lewiatan Podlasie Franczyza Sp. z o.o. was created.

On 5 March 2014 and 17 April 2014 were created subsidiaries Eurocash Convenience Sp. z o.o. and Eurocash VC1 Sp. z o.o.

On 6 May 2014, in execution of the preliminary agreement of 11 February 2014, Eurocash signed with Alverca B.V. with its registered office in Amsterdam, a sales agreement under which Eurocash acquired from Alverca 51% of the shares PayUp Polska S.A. Further details are provided in Note 2.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.06.2014</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.7. GOING CONCERN ASSUMPTION

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

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01 TO 30.06.2014

NOTE 1. CORRECTION IN PREVIOUS YEARS

1. The presentation of cost of sales and management

The Group made a correction of the allocation of costs of sales and management for the period from 1 January 2013 to 30 June 2013 and from 1 April 2013 until 30 June 2013, and therefore made the correction of the presentation of comparative data in these condensed consolidated financial statements. This correction did not affect the amount of consolidated net income and consolidated equity of the Group as at 30 June 2013.

Table no. 1

CONSOLIDATED INCOME STATEMENT

	Value presented in accepted report	Correction	Restated value
For the period from 01.01-30.06.2013			
Costs of sales	(530 474 896)	(10 305 437)	(540 780 333)
Management costs	(143 034 499)	10 305 437	(132 729 062)
 For the period 01.04-30.06.2013			
Costs of sales	(270 255 460)	(5 452 682)	(275 708 142)
Management costs	(68 976 127)	5 452 682	(63 523 445)

NOTE 2. ACQUISITIONS

1. Acquisition of 51% of shares in associated company PayUp Polska S.A.

General information

On 6 May 2014, in execution of the preliminary agreement of 11 February 2014, Eurocash signed with Alverca B.V. with its registered office in Amsterdam, a sales agreement under which Eurocash acquired from Alverca 51% of the shares PayUp Polska S.A. As a result of this transaction Eurocash holds 100% of shares PayUp Polska S.A.

Settlement of the acquisition of the business

These consolidated financial statements include the settlement of the acquisition price of shares PayUp Polska S.A..

ACQUISITION COST

	as at 06.05.2014
Own resources	2 733 445

Until 30 June 2014 the total acquisition price has been paid.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Settlement of the acquisition price as at 06.05.2014
Assets	
Intangible fixed assets	3 754 698
Tangible fixed assets	3 602 020
Deferred income tax assets	2 037 525
Inventory	3 368 022
Trade receivables	14 013 584
Other short-term receivables	2 479 002
Short-term prepayments	127 245
Cash and cash equivalents	1 010 382
	30 392 477
Equity and liabilities	
Long-term loans and credits	747 500
Deferred income tax provision	209 721
Short-term loans and credits	3 044 846
Other short-term financial liabilities	158 302
Trade liabilities	25 991 856
Other short-term liabilities	924 389
Current employee benefits	231 731
Other short-term provisions	852 545
Total liabilities	32 160 889
Net assets	(1 768 412)
Value of shares in PayUp (associated company) at the day of the acquisition of remaining 51% shares	435 168
Goodwill on acquisition	4 937 025
Acquisition cost	2 733 445

NOTE 3. OPERATING SEGMENTS

Group identified the following segments that show a differential specificity of the activity:

- *Independent clients* – which do not have permanent contracts with the Eurocash Group eg cash & carry, cigarettes, alcohol distribution. The segment includes wholesale operations provide by the Cash & Carry as well as the operations of the Premium Distributors Group and KDWT S.A.,
- *Integrated clients* – which have long-term agreements with Eurocash Group, e.g. HoReCa, petrol stations and franchise systems. This segment is connected with Eurocash Dystrybucja Sp. z o.o., spółkami Grupy Tradis: Euro Sklep S.A., Lewiatan Śląsk Sp. z o.o., Detal Podlasie Sp. z o.o., Lewiatan Podlasie Franczyza Sp. z o.o., Lewiatan Holding S.A., Lewiatan Zachód Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Orbita Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o., Drogerie Koliber Sp. z o.o., Eurocash Detal Sp. z o.o., PolCater Holding Sp. z o.o., connected activity of Eurocash Franczyza Sp. z o.o. and

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Delikatesy Centrum and connected activity of franchise system in Tradis company (after connection with Detal Koncept Sp. z o.o.),

- *active distribution* – Tradis Group Companies - which represents the wholesale activity of the Tradis Group companies engaged in active distribution. The segment is related to the activities of the companies Tradis Sp. z o.o., DEF Sp. z o.o. and Ambra Sp. z o.o. These companies have been presented as a separate segment to show their meaning,
- *others* – Eurocash Trade 1 Sp. z o.o. and Eurocash Trade 2 Sp. z o.o., KDWT Spółka Akcyjna sp. k.a, Tradis Group companies: Partnerski Serwis Detaliczny S.A., Gama Serwis Sp. z o.o., Gama Detal Sp. z o.o. Eurocash Convenience Sp. z o.o., Eurocash VC1 Sp. z o.o. and PayUp Polska S.A. None of these types of activities meets the individual quantitative criteria of determination of separate reporting segments.

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

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

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

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

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2014 TO 30 JUNE 2014

	Independent clients	Active Distribution - Tradis Group	Integrated clients	Other	Exclusions	Total
Sales	4 881 976 222	1 992 385 783	1 416 549 599	68 929 386	(349 738 890)	8 010 102 100
External sales	4 689 493 955	1 990 874 548	1 282 829 661	46 903 936	-	8 010 102 100
Inter-segmental sales	192 482 267	1 511 235	133 719 938	22 025 450	(349 738 890)	-
Operating profit	62 669 475	4 490 197	15 898 356	(1 396 697)	(23 344)	81 637 987
Finance income						8 856 668
Finance costs						(30 955 172)
Share in losses of companies consolidated with the equity method						(330 549)
Profit before income tax						59 208 933
Income tax						(8 524 883)
Net profit						50 684 050

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2013 TO 30 JUNE 2013

	Independent clients	Active Distribution - Tradis Group	Integrated clients	Other	Exclusions	Total
Sales	4 616 008 855	2 442 275 272	1 437 014 964	66 772 751	(499 255 752)	8 062 816 090
External sales	4 300 828 671	2 389 764 708	1 320 537 454	51 685 257	-	8 062 816 090
Inter-segmental sales	315 180 184	52 510 564	116 477 510	15 087 494	(499 255 752)	-
Operating profit	36 132 042	31 558 219	21 245 546	16 570 923	(16 031)	105 490 699
Finance income						6 377 028
Finance costs						(33 096 501)
Share in losses of companies consolidated with the equity method						(486 774)
Profit before income tax						78 284 452
Income tax						(5 969 247)
Net profit						72 315 205

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

CONTINGENTIES AS AT 30 JUNE 2014

Beneficiary	Title	Currency	as at	as at
			30.06.2014	31.12.2013
1 BZ WBK ***	Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	7 853 658	2 226 400
2 ING Bank Śląski **	Surety of the bank guarantee for Prepaid Services Company for PayUp liabilities	PLN	624 135	622 080
			8 477 793	2 848 480

* - Guarantee in EUR is translated into PLNB at the average exchange rate of NBP:

as at 30.06.2014: 1 EUR = 4,1609 PLN,

as at 31.12.2013: 1 EUR = 4,1472 PLN.

** nominal value

*** debt value as at balance sheet date

BANK GUARANTEES AS AT 30 JUNE 2014 - SECURITIES FOR RENT LIABILITIES

The Issuer	Title	Currency	as at	as at
			30.06.2014	31.12.2013
1 ING Bank Śląski	Security for rent liabilities	PLN	821 100	858 176
2 PKO BP S.A.	Security for rent liabilities	PLN	5 588 187	5 596 553
3 PKO BP S.A.	Security for rent liabilities	PLN*	19 794 689	13 367 042
4 PKO BP S.A.	Security for organization of the distribution of tickets liabilities	PLN	-	200 000
5 ING Bank Śląski	Security for excise duty	PLN	50 000	50 000
6 PKO BP S.A.	Security for excise duty	PLN	500 000	1 000 000
7 PKO BP S.A.	Surety of the bank guarantee for Generalna Dyrekcja Dróg i Autostrad	PLN	620 100	620 100
8 PKO BP S.A.	The liabilities of the promotion lottery	PLN	4 188 900	500 000
9 ING Bank Śląski	Security payments to suppliers	PLN	8 100 000	-
10 PKO BP S.A.	Security payments to suppliers	PLN	120 009 225	90 009 225
11 PKO BP S.A.	The liabilities related to the supply of alcohol	PLN	21 351	21 351
			159 693 552	112 222 447

* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:

as at 30.06.2014: 1 EUR = 4,1609 PLN,

as at 31.12.2013: 1 EUR = 4,1472 PLN.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

COLLATERALS

SECURITIES RELATED TO ASSETS AS AT 30 JUNE 2014

Title	Secured property	Amount secure in PLN
Repayment of the loan and investment ING and BZ WBK (by debt value at the balance sheet)	Deposit on shares in Eurocash Group Companies and Tradis	179 028 450
ING Guarantee on securing the payment for suppliers**	Deposit on inventories Eurocash S.A.	180 000 000
PKO BP Guarantee on securing the payment for suppliers**	Deposit on inventories KDWT S.A.	112 500 000
BRE Guarantee on securing the payment for suppliers**	Deposit on shares KDWT S.A.*	9 547 290
BRE Guarantee on securing the payment for suppliers**	Deposit on inventories Eurocash S.A.	37 500 000
BNP Guarantee on securing the payment for suppliers**	General assignment of receivables Premium Distributors	150 000 000
Financial leasing agreements (due to net value of fixed assets at the balance sheet date)	Ownership of fixed assets in financial leasing	17 555 185

*-shares are collateral for the loan at BRE Bank with a limit of PLN 200 million, the value of the loan at 30 June 2014 was PLN 60,00 milion.

** security nominal value

NOTE 5.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 June 2014, fair value of financial instruments approximated their carrying value. The Group has hedging interest rate risk, the IRS, which are measured at their fair value. For these IRS fair value was qualified to level 2 of the hierarchy - the fair value is determined basing on the values observed in the market but not as a direct reference to the market (eg. they are determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the valuation effect is recognized in other comprehensive income.

NOTE 6.

IMPORTANT EVENTS

1. Merger of Eurocash S.A. with Tradis Sp. z o.o.

On 4 April 2014, the District Court Poznań – Nowe Miasto I Wilda, VIII Commercial Division National Court Register, entered the Company's merger with Tradis Sp. z o.o. with its registered office in Lublin.

The merger was effected by Eurocash, by transferring all Tradis assets as an acquired company to Eurocash as the acquiring company.

2. Notification of a change in ownership as a result of which the entity has become a holder of shares representing more than 5% of the total number of votes at the General Meeting of Shareholders.

On 23 April 2014, Eurocash received from the company Cartica Management, LLC, information that in connection with a transaction executed on the regulated market on the Warsaw Stock Exchange on 11 April 2014, which was settled on 16 April 2014, involving the purchase by the Funds managed by Cartica Management of 30.000

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ordinary bearer shares in Eurocash S.A. (the 'Company'), became the holder of providing more than 5% of the total number of votes at the EUROCASH S.A. General Meeting.

After the settlement of the transaction, the Funds managed by Cartica Management hold 6,994,140 shares in the Company, which represent a 5.015% stake in the Company's shares capital and 5.015% of the total number of votes at the General Meeting of the Company.

3. Dividend payment for the year 2013

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 29 April 2014, persons who are shareholders of the Company on 16 May 2014 received a dividend of PLN 0,79 per one Company share.

On 16 May 2014 the number of shares of the Company was 138 546 136. This means that the total amount of the dividend amounted to the PLN 109 451 447.44

4. Acquisition 51% of shares in the company which will operate retail chain under Inmedio brand

On June 10th 2014 Eurocash executed with Lagardere Services S.A. with seat in Paris and HDS Polska Sp. z o.o. with seat in Warsaw a preliminary share purchase agreement, based on which Eurocash will purchase 51% of shares in the company which will operate retail chain under Inmedio brand in Poland.

After completion of the transaction, Eurocash will control the company operating chain of over 410 Inmedio retail outlets. Execution of the final agreement depends on fulfillment of the agreed conditions in particular on obtaining by Eurocash the consent of the Antimonopoly office in Poland (UOKIK).

On the same day, subsidiary of Eurocash - Eurocash Convenience sp. z o.o. executed with HDS Polska and Relay Duo sp. z o.o. a master-franchise agreement, based on which ECC will be entitled to use the "1minute" brand in order to develop in Poland a chain of convenience stores under 1minute brand, according to the store concept developed by HDS and currently used in over 70 retail stores operated under "1minute" brand.

NOTE 7.

IMPORTANT EVENTS AFTER BALANCE SHEET DATE

1. Notification of a change in ownership as a result of which the entity has become a holder of shares representing more than 5% of the total number of votes at the General Meeting of Shareholders

On 9 July 2014 the company received from Coronation Asset Management Limited the information that in connection with transactions entered into on regulated market of the Warsaw Stock Exchange in Warsaw on 1 July 2014 that were settled on 4 July 2014, Coronation Asset Management customers became the owners of shares entitling Coronation AM to over 5% of the total number of votes at the General Meeting Eurocash S.A.

After settlement of the transaction, Coronation Asset Management customers have 6,929,097 shares of the Company, of which 6,929,097 entitled Coronation Asset Management votes at the EUROCASH S.A. General Meeting which represents 5.001% of the share capital of the Company and 5.001% of the total number of votes at the Eurocash S.A. General Meeting.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.06.2014	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	26 th August 2014	
Member of the Management Board Chief Executive Officer	Rui Amaral	26 th August 2014	
Member of the Management Board	Arnaldo Guerreiro	26 th August 2014	
Member of the Management Board	Pedro Martinho	26 th August 2014	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	26 th August 2014	
Member of the Management Board	Carlos Saraiva	26 th August 2014	
Member of the Management Board Financial Director	Jacek Owczarek	26 th August 2014	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2014 to 30.06.2014 PLN	Non audited for the period from 01.01.2013 to 30.06.2013 PLN	Non audited for the period from 01.01.2014 to 30.06.2014 EUR	Non audited for the period from 01.01.2013 to 30.06.2013 EUR
Net sales	5 308 828 104	3 255 249 728	1 271 362 431	779 084 730
Operating profit (loss)	55 967 199	25 250 332	13 403 070	6 043 207
Profit (loss) before tax	201 010 315	40 372 700	48 138 112	9 662 470
Net Profit (loss) on continued operations	196 895 286	42 273 393	47 152 642	10 117 367
Net profit (loss)	196 895 286	42 273 393	47 152 642	10 117 367
Net operating cash flow	32 163 589	187 888 246	7 702 562	44 967 629
Net investment cash flow	69 994 030	(43 832 026)	16 762 227	(10 490 397)
Net financial cash flow	(93 843 183)	(161 070 392)	(22 473 641)	(38 549 264)
Net change in cash and cash equivalents	8 314 436	(17 014 172)	1 991 148	(4 072 032)
Weighted average number of shares	138 478 040	138 062 993	138 478 040	138 062 993
Weighted average diluted number of shares	138 657 693	138 605 371	138 657 693	138 605 371
EPS (in PLN / EUR)	1,42	0,31	0,34	0,07
Diluted EPS (in PLN / EUR)	1,42	0,30	0,34	0,07
Average PLN / EUR rate*			4,1757	4,1783
	Non audited as at 30.06.2014 PLN	Non audited as at 31.12.2013 PLN	Non audited as at 30.06.2014 EUR	Non audited as at 31.12.2013 EUR
Assets	5 180 662 403	4 412 294 365	1 245 082 170	1 063 921 288
Long-term liabilities	166 673 616	242 579 840	40 057 107	58 492 438
Short-term liabilities	4 291 423 588	3 722 715 909	1 031 369 076	897 645 618
Equity	722 565 199	446 998 616	173 655 988	107 783 231
Share capital	138 551 136	138 427 636	33 298 358	33 378 577
Number of shares	138 551 136	138 427 636	138 551 136	138 427 636
Diluted number of shares	139 554 136	139 577 136	139 554 136	139 577 136
Book value per share (in PLN / EUR)	5,22	3,23	1,25	0,78
Diluted book value per share (in PLN / EUR)	5,18	3,20	1,24	0,77
Declared or paid dividend (in PLN / EUR)***	109 451 447	124 465 442	26 304 753	30 011 922
Declared or paid dividend per share (in PLN / EUR)	0,79	0,90	0,19	0,22
PLN / EUR rate at the end of the period**			4,1609	4,1472

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 1 Semester 2014,

** 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 paid for 2013 year until 02 June 2014 for persons who were shareholders of the Parent Company on 16 May 2014.



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

**INDEPENDENT AUDITORS' REPORT
ON REVIEW OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 1 JANUARY 2014 TO 30 JUNE 2014**

To the Shareholders of Eurocash S.A.

Introduction

We have reviewed the accompanying 30 June 2014 condensed separate interim financial statements of Eurocash S.A., with its registered office in Komorniki, 11 Wiśniowa Street ("the condensed separate interim financial statements"), which comprise:

- the condensed separate statement of financial position as at 30 June 2014,
- the condensed separate income statement for the six-month period ended 30 June 2014,
- the condensed separate statement of comprehensive income for the six-month period ended 30 June 2014,
- the condensed separate statement of changes in equity for the six-month period ended 30 June 2014,
- the condensed separate statement of cash flows for the six-month period ended 30 June 2014, and
- supplementary information to the condensed separate interim financial statements.

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

Scope of Review

We conducted our review in accordance with the National Standard on Auditing no. 3 *General principles of review of the financial statements/condensed financial statements and conducting of other assurance services* issued by the National Council of Certified Auditors 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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with national standards on auditing and 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.

Siedziba spółki:
ul. Chłodna 51, 00-867 Warszawa
tel. +48 22 528 11 00

KPMG Sp. z o.o., a Polish limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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Spółka zarejestrowana w Sądzie Rejonowym dla m.st. Warszawy w Warszawie, XII Wydział Gospodarczy Krajowego Rejestru Sądowego.

KRS 0000121862
Kapitał zakładowy: 1 289 125 PLN
NIP 526-020-23-93
REGON 002003764



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2014 condensed separate interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Sp. z o.o.
registration number 458
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Wojciech Drzymała
Key Certified Auditor
Registration No. 90095
Director

26 August 2014

EUROCASH S.A.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014

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, 26th August 2014

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	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 is 1 January 2014 – 30 June 2014 and in addition for the income statement and statement of comprehensive income, the reporting period is 1 April 2014 - 30 June 2014.

Separate statement of financial position has been prepared as at 30 June 2014. Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting, approved by European Union.

2. BOARDS OF THE COMPANY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 June 2014 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>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2014</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

2.2. SUPERVISORY BOARD OF THE PARENT ENTITY

As at 30 June 2014 the Company's Supervisory Board consisted of the following members:

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

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

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

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2014 TO 30.06.2014

	Non audited 2nd Quarter for the period from 01.04.2014 to 30.06.2014	Non audited 1st Semi year for the period from 01.01.2014 to 30.06.2014	Non audited 2nd Quarter for the period from 01.04.2013 to 30.06.2013	Non audited 1st Semi year for the period from 01.01.2013 to 30.06.2013
Sales	3 310 331 426	5 308 828 104	1 724 208 502	3 255 249 728
Sales of goods	3 121 926 915	4 999 839 398	1 627 696 567	3 080 108 351
Sales of services	188 404 511	308 988 706	96 511 935	175 141 377
Costs of sales	(2 940 933 992)	(4 730 827 753)	(1 537 563 199)	(2 919 710 705)
Costs of goods sold	(2 939 623 389)	(4 729 517 151)	(1 533 351 037)	(2 911 891 558)
Costs of services sold	(1 310 603)	(1 310 603)	(4 212 162)	(7 819 147)
Gross profit (loss)	369 397 435	578 000 350	186 645 303	335 539 023
Selling expenses	(262 982 803)	(418 526 399)	(105 653 287)	(216 603 082)
General and administrative expenses	(51 781 230)	(91 202 960)	(41 815 603)	(82 163 521)
Profit (loss) on sales	54 633 402	68 270 991	39 176 413	36 772 420
Other operating income	13 139 646	20 962 073	1 098 980	7 277 314
Other operating expenses	(18 999 770)	(33 265 865)	(8 849 240)	(18 799 403)
Operating profit (loss)	48 773 278	55 967 199	31 426 153	25 250 332
Financial income	187 915 419	189 638 347	47 365 094	49 310 756
Financial costs	(22 016 769)	(44 595 231)	(15 847 261)	(34 188 388)
Profit (loss) before income tax	214 671 928	201 010 315	62 943 986	40 372 700
Income tax expense	(8 017 670)	(4 115 029)	(2 819 574)	1 900 693
Profit (loss) for the period	206 654 258	196 895 286	60 124 411	42 273 393

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	196 895 286	42 273 393
Weighted average number of shares	138 478 040	138 062 993
Weighted average diluted number of shares	138 657 693	138 605 371
- basic	1,42	0,31
- diluted	1,42	0,30

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2014 TO 30.06.2014

	Non audited 2nd Quarter for the period from 01.04.2014 to 30.06.2014	Non audited 1st Semi year for the period from 01.01.2014 to 30.06.2014	Non audited 2nd Quarter for the period from 01.04.2013 to 30.06.2013	Non audited 1st Semi year for the period from 01.01.2013 to 30.06.2013
Profit (loss) for the period	206 654 258	196 895 286	60 124 411	42 273 393
Other comprehensive income (loss) for the period	(5 315 497)	(5 315 497)	-	-
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	(5 315 497)	(5 315 497)	-	-
Total comprehensive income (loss) for the period	201 338 761	191 579 789	60 124 411	42 273 393

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.06.2014

	Non audited as at 30.06.2014	as at 31.12.2013
<i>Assets</i>		
Non-current assets (long-term)	2 736 275 617	2 745 242 746
Goodwill	851 391 479	322 376 996
Intangible assets	588 836 521	360 796 349
Property, plant and equipment	412 405 477	264 338 577
Investment real property	1 266 151	-
Investments in subsidiary companies	874 529 684	1 715 725 823
Investments in equity investees	-	43 766 081
Other long-term investments	806 223	748 590
Long-term receivables	5 612 028	4 735 173
Deferred tax assets	-	32 463 190
Other long-term prepayments	1 428 054	291 967
Current assets (short-term)	2 444 386 786	1 667 051 620
Inventories	1 001 030 719	664 661 454
Trade receivables	1 150 693 076	795 852 907
Current tax assets	20 503 391	8 095 052
Other short-term receivables	172 142 842	119 425 210
Other short-term investments	3 003 749	3 004 065
Short-term prepayments	21 904 878	9 219 236
Cash and cash equivalents	47 862 583	39 548 147
Fixed assets classified as held for sale	27 245 549	27 245 549
Total assets	5 180 662 403	4 412 294 365

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.06.2014

	Non audited as at 30.06.2014	as at 31.12.2013
<i>Equity and liabilities</i>		
Equity	722 565 199	446 998 616
Share capital	138 551 136	138 427 636
Reserve capital	314 535 403	217 015 492
Hedging reserve	(9 960 497)	(4 645 000)
Retained earnings	279 439 158	96 200 488
Accumulated profit (loss) from previous years	82 543 872	5 279 245
Profit (loss) for the period	196 895 286	90 921 243
Liabilities	4 458 097 204	3 965 295 749
Non-current liabilities	166 673 616	242 579 840
Long-term loans and borrowings	-	85 893 892
Other long-term financial liabilities	156 477 050	154 267 086
Other long-term liabilities	390 000	250 000
Deferred tax liabilities	7 168 469	-
Employee benefits	2 638 097	2 168 861
Current liabilities	4 291 423 588	3 722 715 909
Loans and borrowings	1 330 247 947	1 227 699 721
Short-term financial liabilities	63 973 948	27 314 687
Trade liabilities	2 709 607 925	1 976 151 567
Other short-term payables	49 837 532	420 746 364
Current employee benefits	56 310 957	32 476 063
Provisions	81 445 279	38 327 508
Total equity and liabilities	5 180 662 403	4 412 294 365

BOOK VALUE PER SHARE AS AT 30 JUNE 2014

	as at 30.06.2014	as at 31.12.2013
Book value	722 565 199	446 998 616
Number of shares	138 551 136	138 427 636
Diluted number of shares	139 554 136	139 577 136
Book value per share	5,22	3,23
Diluted book value per share	5,18	3,20

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2014 TO 30.06.2014

Non audited	Non audited
1st Semi year	1st Semi year
for the period	for the period
from 01.01.2014	from 01.01.2013
to 30.06.2014	to 30.06.2013

Cash flow from operating activities

Profit (loss) before income tax	201 010 315	40 372 700
Adjustments for:	(94 982 213)	13 814 279
Depreciation and amortization	43 828 078	27 711 793
Equity-settled shared share-based payment transactions	6 081 257	251 159
(Gain) loss on sale of property, plant and equipment	410 153	205 205
Interest expenses	42 934 379	32 141 653
Interest received	(3 087 825)	(983 137)
Dividend income	(185 148 254)	(45 512 394)
Operating cash before changes in working capital	106 028 102	54 186 979
Changes in inventories	(99 840 180)	(88 520 927)
Changes in receivables	28 072 604	(12 678 331)
Changes in payables	(2 837 805)	235 394 013
Changes in provisions and employee benefits	16 079 399	13 959 748
Other adjustments	(232 680)	-
Operating cash	47 269 440	202 341 482
Interest received	805 434	840 605
Interest paid	(8 172 109)	(5 860 336)
Income tax paid	(7 739 176)	(9 433 504)
Net cash from operating activities	32 163 589	187 888 246

Cash flow from investing activities

Cash and cash equivalents acquired in a business merger	269 827 909	-
Acquisition of intangible assets	(309 515 817)	(4 089 393)
Acquisition of property, plant and equipment	(86 232 375)	(43 140 676)
Proceeds from sale of property, plant and equipment	21 129 730	3 144 909
Acquisition of subsidiaries, net of cash acquired	(3 727 623)	-
Disposal of subsidiaries	35 401 781	-
Loans granted	(135 164)	(36 544 343)
Repayment received of granted loans	316	36 544 343
Interest received	2 008 286	253 133
Dividends received	141 236 988	-
Net cash used in investing activities	69 994 030	(43 832 026)

Cash flows from financing activities

Proceeds from issue of share capital	1 999 235	2 998 606
Cash changes for other financial liabilities	3 424 569	(2 114 763)
Proceeds from the issuance of long term debt securities	-	140 000 000
Proceeds from the issuance of short term debt securities	30 000 000	-
Proceeds from loans and borrowings	211 721 700	158 023 279
Repayment of borrowings	(195 068 271)	(426 569 601)
Payment of finance lease liabilities	(3 864 007)	(2 033 072)
Other interest	(9 957 494)	(2 003 799)
Interests on loans and borrowings	(29 144 184)	(29 371 043)
Dividends paid	(102 954 732)	-
Net cash used in financing activities	(93 843 183)	(161 070 392)
Net change in cash and cash equivalents	8 314 436	(17 014 172)
Cash and cash equivalents at the beginning of the period	39 548 147	56 783 480
Cash and cash equivalents at the end of the period	47 862 583	39 769 308

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2014 TO 30.06.2014

	Share capital	Reserve capital	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 30.06.2013</i>					
Balance as at 1 January 2013	137 976 536	185 352 771	(4 645 000)	158 331 327	477 015 634
Total comprehensive income for the reporting period					
Profit for the period from 1 January to 30 June 2013	-	-	-	42 273 393	42 273 393
Total comprehensive income for the period from 01.01 to 30.06.2013	-	-	-	42 273 393	42 273 393
Transaction with Owners of the Company, recognized directly i equity	-	-	-	-	-
Dividends	-	-	-	(124 465 442)	(124 465 442)
Transfer to reserve capital	-	20 743 259	-	(20 743 259)	-
Equity-settled share based payment transactions	-	251 159	-	-	251 159
Share options exercised	318 600	2 680 006	-	-	2 998 606
Total transaction with Owners of the Company recognized directly in equity	318 600	23 674 424	-	(145 208 702)	(121 215 678)
Balance as at 30.06.2013	138 295 136	209 027 195	(4 645 000)	55 396 018	398 073 350
<i>Changes in equity in the period from 01.01. to 30.06.2014</i>					
Balance as at 01 January 2014	138 427 636	217 015 492	(4 645 000)	96 200 488	446 998 616
Total comprehensive income for the reporting period					
Profit for the period from 01.01 to 30.06.2014	-	-	-	196 895 286	196 895 286
Other comprehensive income from 01.01 to 30.06.2014	-	-	(5 315 497)	-	(5 315 497)
Total comprehensive income for the period from 01.01. to 30.06.2014	-	-	(5 315 497)	196 895 286	191 579 789
Transaction with Owners of the Company, recognized directly i equity					
Dividends	-	(18 680 556)	-	(90 770 891)	(109 451 447)
Transfer to reserve capital	-	150 352	-	(150 352)	-
Equity-settled share based payment transactions	-	6 081 257	-	-	6 081 257
Share options exercised	123 500	1 875 735	-	-	1 999 235
Merger with subsidiary company	-	108 093 123	-	77 293 734	185 386 857
Other	-	-	-	(29 107)	(29 107)
Total transaction with Owners of the Company recognized directly in equity	123 500	97 519 911	-	(13 656 616)	83 986 794
Balance as at 30.06.2014	138 551 136	314 535 403	(9 960 497)	279 439 158	722 565 199

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2014 TO 30.06.2014

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 26 August 2014 the separate financial statements of Eurocash S.A. for the period from 1 January 2014 to 30 June 2014 were authorised for issue by the management Board. According to the information included in the report no. 1/2014 dated 10 January 2014 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its separate financial statements on 26 August 2014. Eurocash S.A. is a listed company and its shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

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

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting, approved by European Union. These condensed interim financial statements should be read in conjunction with the condensed interim consolidated Eurocash Group for the period ended 30 June 2014, and the separate financial statements of Eurocash as at and for the year ended 31 December 2013, which is available on the website www.eurocash.pl.

1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

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

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31 December 2013.

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.6. GOING CONCERN ASSUMPTION

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

2. NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2014 TO 30.06.2014

NOTE 1. OTHERS INFORMATION

Those condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash Group prepared as at 30 June 2014.

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

NOTE 2. MERGER OF BUSINESS

The merger of Eurocash S.A. with an entity Tradis Sp. z o.o.

On 4 April 2014, the District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, confirmed the merger of the Company and Tradis Sp. z o.o. with its registered office in Lublin.

The merger was effected by transferring all assets of Tradis Sp. z o.o., as the acquired company, to Eurocash S.A. as the acquiring company (merger by acquisition).

Due to the fact that the acquiring company held 100% of Tradis Sp. z o.o. as the acquired company, the connection took place without a capital increase in Eurocash S.A.

According to the Board of Eurocash S.A. the merger will maximize the profits of the merging companies. The merger will reduce in particular the administrative costs, including the costs of corporate governance. The incorporation will provide the synergy effect and will enable a smooth shifting resources without creating the additional transactions between companies (associates) functioning earlier as a separate legal entities.

Basic information about the acquired company shows the following table:

Table no. 1

BASIC INFORMATION ABOUT THE MERGER OF THE COMPANIES

1. Acquired company name	Tradis Sp. z o.o.
2. Main activity	Non-specialized wholesale trade of food, beverage and tobacco articles (PKD 4639Z)
3. Date of acquisition	21.12.2011
4. Date of merger	04.04.2014
5. Percentage of share capital held	100% shares
6. Share in the total number of votes	100% shares

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

The presentation of merger of companies shows the following table:

Table no. 2

SETTLEMENT OF THE MERGER WITH TRADIS SP. Z O.O.

	Statement of financial position of Tradis Sp. z o.o. as at 04.04.2014	Shares of Eurocash S.A. as at 04.04.2014	Corrections in statement of financial position of Eurocash S.A. after the merger as at 04.04.2014	The impact on the statement of financial position of Eurocash S.A. after merger corrections
Goodwill	-	-	529 014 483	529 014 483
Intangible assets	-	-	223 639 850	223 639 850
Investments in subsidiary companies	-	1 100 779 435	(1 100 779 435)	-
Share capital	365 324 500	-	(365 324 500)	-
Supplementary capital	342 264 977	-	(234 171 854)	108 093 123
Reserve capital	7 116 387	-	(7 116 387)	-
Capital on connection	(69 005 738)	-	69 005 738	-
Retained earnings	(70 031 918)	-	147 325 652	77 293 734
Deferred tax	-	-	42 156 250	42 156 250

The acquired assets and liabilities arising from the merger, which are a combination of entities under common control, were included at book value in the consolidated financial statements of Eurocash Capital Group.

The goodwill was created mainly as a result of the acquisition and merger of Tradis Sp. z o.o. the company expanded its distribution channels of food, chemical and cosmetic products, as well as become the leading distributor in Poland in terms of sales value. The merger created client relationships in intangible assets which will be amortized over the 20 years from the date of acquisition of Tradis.

After the merger, Eurocash SA took over the short-term and long-term trade receivables from Tradis Sp. z o.o., with the gross value at the merger date of PLN 397,346,142, of which the amount of PLN 22,965,708 were represented on bad debts at risk.

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Data of merged entities

According to the merger of Eurocash S.A. and Tradis Sp. z o.o on 4 April 2014, the following table presents the financial data of companies on the date of the merger with the exception of their intercompany transactions.

Table no. 3

STATEMENT OF FINANCIAL POSITION

EUROCASH S.A. AND TRADIS SP. Z O.O. AT THE DAY OF MERGER

	Eurocash S.A.	Tradis Sp. z o.o.	Total as at 04.04.2014	Corrections as at 04.04.2014	Total after corrections as at 04.04.2014
Assets					
Non-current assets (long-term)	2 765 244 252	385 529 115	3 150 773 367	(348 125 101)	2 802 648 265
Goodwill	322 376 998	-	322 376 998	529 014 483	851 391 481
Intangible assets	358 804 698	10 665 892	369 470 590	223 639 850	593 110 440
Property, plant and equipment	282 661 353	115 301 791	397 963 144	-	397 963 144
Investments real estate property	-	1 274 769	1 274 769	-	1 274 769
Investments in subsidiary companies	1 715 725 823	247 491 372	1 963 217 196	(1 100 779 435)	862 437 761
Investments in associates - equity method	43 766 081	-	43 766 081	-	43 766 081
Other long-term investments	748 590	57 633	806 223	-	806 223
Long-term receivables	4 860 037	765 372	5 625 409	-	5 625 409
Deferred tax assets	34 588 951	9 972 285	44 561 236	-	44 561 236
Other long-term prepayments	1 711 722	-	1 711 722	-	1 711 722
Current assets (short-term)	1 453 297 681	910 768 129	2 364 065 809	(5 087 762)	2 358 978 047
Inventories	606 049 395	236 529 085	842 578 480	-	842 578 480
Trade receivables	631 047 072	374 304 343	1 005 351 414	(3 771 798)	1 001 579 617
Current tax receivables	12 277 278	160 087	12 437 365	-	12 437 365
Other short-term receivables	114 110 723	18 538 889	132 649 613	(1 315 964)	131 333 649
Short-term financial assets in subsidiary companies	-	251 716 971	251 716 971	-	251 716 971
Other short-term financial assets	3 034 651	-	3 034 651	-	3 034 651
Short-term prepayments	18 541 182	11 386 329	29 927 512	-	29 927 512
Cash and cash equivalents	40 991 831	18 132 424	59 124 255	-	59 124 255
Fixed assets classified as held for sale	27 245 549	-	27 245 549	-	27 245 549
Total assets	4 218 541 933	1 296 297 243	5 514 839 176	(353 212 863)	5 161 626 313

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

STATEMENT OF FINANCIAL POSITION
EUROCASH S.A. AND TRADIS SP. Z O.O. AT THE DAY OF MERGER

	Eurocash S.A.	Tradis Sp. z o.o.	Total as at 04.04.2014	Corrections as at 04.04.2014	Total after corrections as at 04.04.2014
Equity nad liabilities					
Equity	440 941 981	575 668 208	1 016 610 189	(390 281 351)	626 328 838
Share capital	138 455 136	365 324 500	503 779 636	(365 324 500)	138 455 136
Supplementary capital	220 719 696	342 264 977	562 984 673	(234 171 854)	328 812 819
Reserve capital	-	7 116 387	7 116 387	(7 116 387)	-
Hedging transaction	(4 645 000)	-	(4 645 000)	-	(4 645 000)
Capital connection	-	(69 005 738)	(69 005 738)	69 005 738	-
Retained earnings	86 412 150	(70 031 918)	16 380 231	147 325 652	163 705 883
Accumulated profit from previous years	96 171 122	(67 522 090)	28 649 032	147 325 652	175 974 684
Accumulated profit from current year	(9 758 972)	(2 509 828)	(12 268 800)	-	(12 268 800)
Liabilities	3 777 599 952	720 629 035	4 498 228 987	37 068 488	4 535 297 475
Non-current liabilities	195 587 228	469 236	196 056 464	42 156 250	238 212 714
Long-term loans and borrowings	39 914 302	-	39 914 302	-	39 914 302
Other long-term finance liabilities	153 194 065	-	153 194 065	-	153 194 065
Other long-term liabilities	310 000	-	310 000	-	310 000
Deferred tax liabilities	-	-	-	42 156 250	42 156 250
Employee benefits	2 168 861	469 236	2 638 097	-	2 638 097
Current liabilities	3 582 012 724	720 159 799	4 302 172 523	(5 087 762)	4 297 084 761
Loans and borrowings	1 861 986 408	-	1 861 986 408	-	1 861 986 408
Other short-term finance liabilities	32 079 365	-	32 079 365	-	32 079 365
Trade payables	1 573 786 916	653 408 417	2 227 195 333	(3 771 798)	2 223 423 535
Other short-term liabilities	34 162 279	18 357 800	52 520 079	(1 181 763)	51 338 316
Employee benefits	34 441 933	18 028 234	52 470 167	-	52 470 167
Provisions	45 555 821	30 365 349	75 921 171	(134 201)	75 786 969
Total equity and liabilities	4 218 541 933	1 296 297 243	5 514 839 176	(353 212 863)	5 161 626 313

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2014	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	26 th August 2014	
Management Board Member Chief Executive Officer	Rui Amaral	26 th August 2014	
Management Board Member	Arnaldo Guerreiro	26 th August 2014	
Management Board Member	Pedro Martinho	26 th August 2014	
Management Board Member Human Resources Director	Katarzyna Kopaczewska	26 th August 2014	
Management Board Member Financial Director	Jacek Owczarek	26 th August 2014	
Management Board Member	Carlos Saraiva	26 th August 2014	

REPORT OF THE MANAGEMENT BOARD

1. Eurocash Group - overview

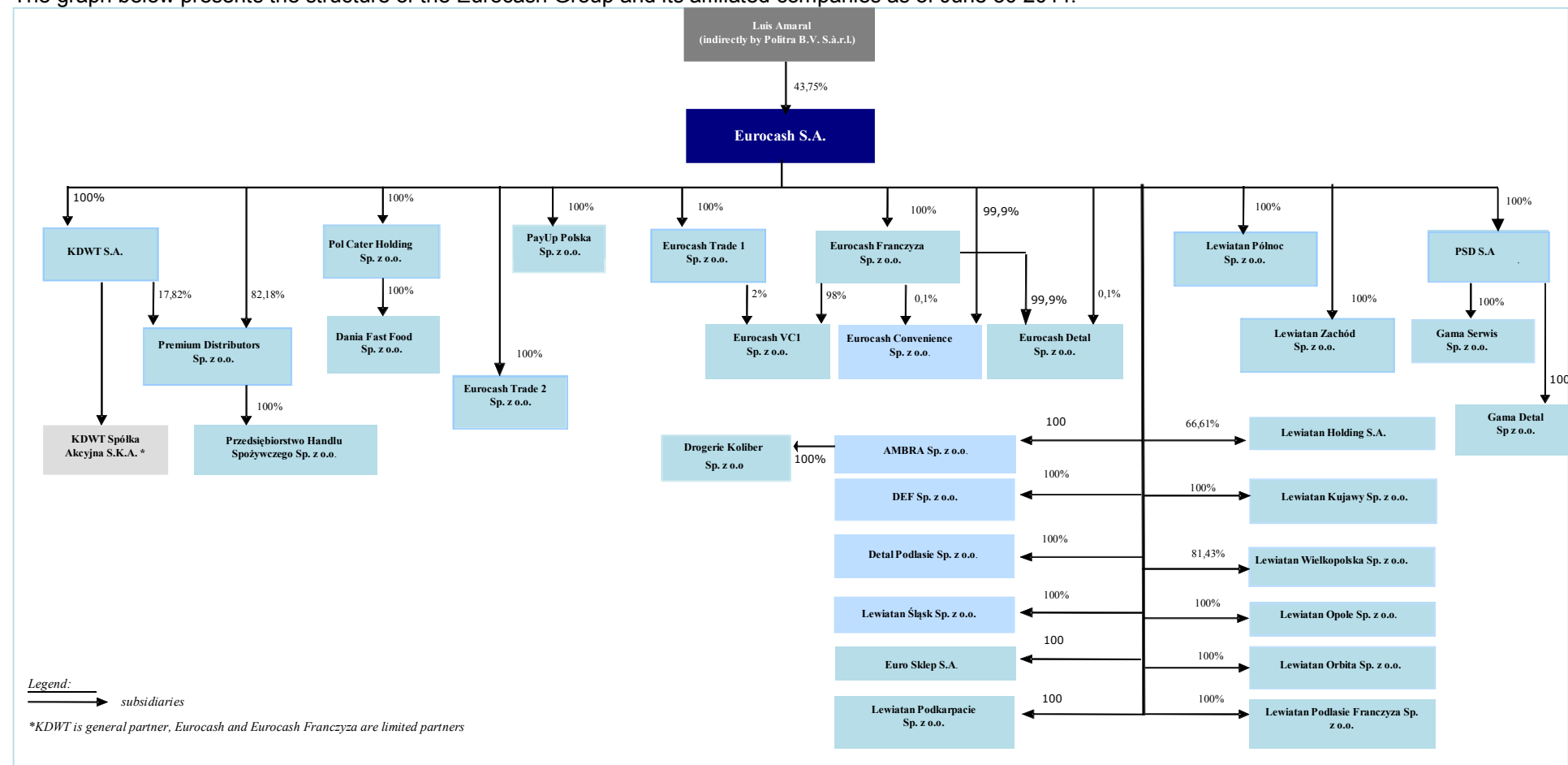
EUROCASH Group is one of the largest Fast Moving Consumer Goods (FMCG) distributors in Poland. Eurocash Group concentrates on wholesale supply of FMCG to a broad range of traditional retailers across the whole country. In its business activity, Eurocash uses a range of distribution formats, which first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

- **Cash & Carry** – a national network of discount Cash & Carry type warehouses under the “Eurocash Cash & Carry” brand, as part of which the loyalty program for the “abc” network of stores operates;
- **Delikatesy Centrum** – a franchise system for retail stores operating under the brand “Delikatesy Centrum”;
- **Tobacco & Impulse** – active distribution of tobacco products and fast moving consumer goods through KDWT;
- **Eurocash Gastronomia** – supplying HoReCa channel including restaurant chains, hotels, and independent restaurants.
- **Eurocash Alcohol (former Premium Distributors)** – wholesale and retail distribution of alcoholic beverages throughout Poland.
- **Eurocash Distribution (former Tradis)** - consists of:
 - active distribution companies (Eurocash S.A. after merger with Tradis sp. z o.o., DEF sp. z o.o., AMBRA sp. z o.o.),
 - companies organizing or supporting franchise chains of retail shops: Euro Sklep S.A., Partnerski Serwis Detaliczny S.A., Gama Serwis sp. z o.o., Gama Detal sp. z o.o., Lewiatan Holding S.A., Lewiatan Podlasie sp. z o.o., Lewiatan Śląsk sp. z o.o., Lewiatan Zachód sp. z o.o., Lewiatan Północ sp. z o.o., Lewiatan Opole sp. z o.o., Lewiatan Wielkopolska sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Orbita sp. z o.o., Lewiatan Podkarpacie sp. z o.o., Drogerie Koliber sp. z o.o. and
 - Detal Podlasie (company operating retail stores in Lewiatan chain)
- **PayUp** - distribution of electronic financial services through a network of app. 5,000 terminals located in stores nationwide through PayUp, which offers, among others, the ability to check 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

The graph below presents the structure of the Eurocash Group and its affiliated companies as of June 30 2014:



Main shareholder of Eurocash is Luis Amaral (directly and indirectly through Politra B.V.) holding 43,75% of shares as at 30.06.2014. 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 1.6 in the additional information to the abbreviated semi-annual consolidated financial statements.

3. Eurocash: Key financial and operational highlights in 2Q 2014 and 1H 2014

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

- **Cash&Carry** – including Eurocash Cash&Carry and Batna stores
- **Delikatesy Centrum** – encompassing sales of Eurocash S.A. to retail stores supplied based on franchise and distribution contracts executed with Eurocash Franczyza sp. z o.o.
- **Tobacco & Impulse** – sales of KDWT S.A.
- **Alcohol Distribution** – sales of Eurocash S.A. in Eurocash Alkohole format (former Premium Distributors)
- **Eurocash Dystrybucja** - sales of Eurocash S.A. and Pol Cater sp. z o.o. realized to gas stations and HoReCa segment
- **Eurocash Dystrybucja** (former **Tradis**) consisting of:
 - active distribution companies (Eurocash S.A. after merger with Tradis sp. z o.o., DEF sp. z o.o., AMBRA sp. z o.o.), and
 - companies organizing or supporting franchise chains of retail shops: Detal Koncept sp. z o.o., Euro Sklep S.A., Partnerski Serwis Detaliczny S.A., Gama Serwis sp. z o.o., Lewiatan Holding S.A., Lewiatan Podlasie Franczyza sp. z o.o., Lewiatan Śląsk sp. z o.o., Lewiatan Zachód sp. z o.o., Lewiatan Północ sp. z o.o., Lewiatan Opole sp. z o.o., Lewiatan Wielkopolska sp. z o.o., Lewiatan Podkarpacie sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Orbita sp. z o.o., Drogerie Koliber sp. z o.o.
 - Detal Podlasie sp. z o.o. (company operating retail stores in Lewiatan chain).

Sales by format

Table 1: Eurocash Group: Sales dynamics by distribution format for 2Q 2014

	External sales		
	2Q 2014	2Q 2013	%change
PLN m			
Cash&Carry	1 210,73	1 116,16	8,47%
Delikatesy Centrum	450,07	381,74	17,90%
Tobacco+Impulse	818,68	767,11	6,72%
Alcohol distribution	499,24	442,22	12,89%
Eurocash Gastronomy	146,49	205,39	-28,68%
Eurocash Dystrybucja	1 110,97	1 260,05	-11,83%
Other	52,56	26,30	99,85%
Total	4 288,74	4 198,97	2,14%

Table 2: Eurocash Group: Sales dynamics by distribution format for 1H 2014

PLN m	External sales		
	1H 2014	1H 2013	%change
Cash&Carry	2 294,50	2 036,54	12,67%
Delikatesy Centrum	841,71	751,60	11,99%
Tobacco+Impulse	1 515,09	1 404,58	7,87%
Alcohol distribution	879,9	859,71	2,35%
Eurocash Gastronomy	278,92	420,11	-33,61%
Eurocash Dystrybucja	2 124,25	2 521,60	-15,76%
Other	75,73	68,67	10,28%
Total	8 010,10	8 062,82	-0,65%

Cash & Carry:

- In 2Q 2014 external sales of Cash&Carry format amounted to PLN 1 210,73million and increased by 8.47% comparing with 2Q 2013. In 1H 2014 external sales increased by 12.67% and amounted to PLN 2 294,50 million in comparison with the same period 2013.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 2Q 2014 amounted to 2.57% and 1.98% in 1H 2014.
- Excluding categories of tobacco and phone cards, the LFL sales growth in Eurocash Cash&Carry stores in 2Q 2014 amounted to 2.87% and 2.33% in 1H 2014.
- LFL sales growth for locations not impacted by integration of Tradis cash&carry locations amounted to 2.46% in 2Q 2014 and 1.47% in 1H 2014.
- The number of Eurocash Cash&Carry stores at the end of 1H 2014 amounted to 160 (including 3 Batna stores).
- The number of abc stores amounted to 6 451 at the end of 1H 2014.
- In 2Q 2014 shares of abc stores in total sales of Eurocash Cash&Carry stores amounted to 53.75% and 53.23% in 1H 2014.

Delikatesy Centrum:

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers in 2Q 2014 amounted to PLN 450.07 million, and increased by 17.90% compared to 2Q 2013. In 1H 2014 external sales amounted 841.71, which means increase of 11.99% comparing to 1H2013.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 6.15% of increase in 2Q 2014. In 1H 2014 external sales increased by 0.80% comparing to 2013.
- Number of "Delikatesy Centrum" franchise stores at the end of 1H 2014 amounted to 918 vs. 820 year ago.

Tobacco&Impulse:

- External sales in KDWT amounted in 2Q 2014 to PLN 818.68 million 2013 and increased by 6.72% YoY. In 1H 2014 sales amounted to PLN 1 515.09 million (an increase of 7.87%).
- Growth of sales in food category in 2Q 2014 amounted to 7.87% in comparison to 2Q 2013 and in 1H 2014 5.38% YoY.
- In terms of volume, sales of cigarettes in 2Q 2014 to external clients increased by 2.90% and amounted to 1 318 million pieces of cigarettes.
- Number of KDWT branches as of the end of 1H 2014 amounted to 161 and 2 distribution centers.

Eurocash Gastronomy (former Eurocash Dystrybucja):

- External sales of Eurocash Gastronomy amounted to PLN 146.49 million in 2Q 2014 – 28.68% lower than in the same period last year. In 1H 2014 sales amounted to PLN 278.92 million (a decrease of 33.61%).
- Lower y/y sales in Eurocash Gastronomy have been caused by transfer of sales to petrol station chains to Tradis during 2013.
- As a result of this change, sales of Eurocash Gastronomy are realized mainly to restaurant chains and independent HoReCa clients.

Alcohol Distribution:

- Sales of Alcohol Distribution in 2Q 2014 amounted to PLN 499.24 million, 12.89% more than in 2Q 2013. In 1H 2014 sales amounted to PLN 879.90 million (an increase by 2.35% Y/Y).

Eurocash Dystrybucja (Tradis):

- Sales of Eurocash Dystrybucja in 2Q 2014 reached PLN 1 110.97 million, 11.83% less than in 2Q 2013. During the 1H 2014 sales of Eurocash Dystrybucja amounted to PLN 2 124.25 million in comparison to PLN 2 521.60 million Y/Y (a decrease by 15.76%).
- Decrease of sales was caused mainly by termination of contract with Stokrotka chain in 2013 (app. PLN 177 million in 2Q 2013) and transfer of cash&carry locations to Eurocash Cash&Carry (app. PLN 15m in 2Q 2013).
- In the same time Tradis benefitted from additional sales realized to petrol station clients, service of which has been transferred from Premium Distributors and Eurocash Gastronomy (former Eurocash Dystrybucja).

Table 3: Number of partnership or franchise stores of Eurocash Dystrybucja (Tradis)

Name of chain / operating company	Number of stores	
	30.06.2014	30.06.2013
Groszek	1 348	1 178
Euro Sklep S.A.	502	548
Lewiatan*	1856	1825
PSD	656	654
Total	4 362	4 205

**franchise stores organized by companies belonging to Eurocash Group*

Table 4: Number of partnership stores co-operating within Partnerski Serwis Detaliczny

	30.06.2014	30.06.2013
Number of cooperating Consumer Cooperative	80	73
Number of stores	656	654

4. Summary of financial results of Eurocash Group in 2Q 2014 and 1H 2014

Profit & loss account

Table 5: Eurocash Group: Summary of consolidated financial results for 2Q 2014

PLN m	Q2 2014	Q2 2013	Change % 2014/ 2013
Sales revenues (traded goods, materials)	4 288.74	4 198.97	2.14%
Gross profit (loss) on sales	458.16	426.51	7.42%
Gross profitability on sales (%)	10.68%	10.16%	0.53 p.p.
EBITDA	100.85	112.68	-10.50%
(EBITDA margin %)	2.35%	2.68%	-0.33 p.p.
EBIT	69.58	84.28	-17.45%
(EBIT margin %)	1.62%	2.01%	-0.38 p.p.
Gross profit	58.88	71.86	-18.07%
Net Income	49.34	61.05	-19.18%
(Net profitability %)	1.15%	1.45%	-0.30 p.p.

Table 6: Eurocash Group: Summary of consolidated financial results for 1H 2014

	2014	2013	Change % 2014 YTD/ 2013 YTD
PLN m			
Sales revenues (traded goods, materials)	8 010.10	8 062.82	-0.65%
Gross profit (loss) on sales	837.74	781.18	7.24%
Gross profitability on sales (%)	10.46%	9.69%	0.77 p.p.
EBITDA	142.41	162.86	-12.56%
(EBITDA margin %)	1.78%	2.02%	-0.24 p.p.
EBIT	81.64	105.49	-22.61%
(EBIT margin %)	1.02%	1.31%	-0.29 p.p.
Gross profit	59.21	78.28	-24.37%
Net Income	50.68	72.32	-29.91%
(Net profitability %)	0.63%	0.90%	-0.26 p.p.

Eurocash Group consolidated sales in Q2 2014 achieved level of PLN 4 288.74 million, which means increase by 2.14% in comparison to the 2nd quarter 2013. In 2Q 2014 increase in sales has been influenced by the calendar effect of Eastern sales shifted to 2Q (while in 2013 Eastern took place in 1Q).

In 1H 2014 consolidated sales amounted to PLN 8 010.10 down by 0.65% y/y. Sales increase was noted in Cash & Carry, Delikatesy Centrum, Tobacco and Impulse and Alcohol Distribution. Termination of contract with Stokrotka chain as of end of 2Q 2013 and a general deterioration in consumer sentiment visible on the retail market negatively affected the sales dynamic of the Eurocash Group.

Consolidated gross margin in 2Q 2014 increase by 0.53 pp in comparison to 2Q 2013 and amounted to 10.68%. In 1H 2014 gross margin increased by 0.77 pp and amounted to 10.46%. Main result of improved gross margin in 2Q and 1H 2014 was higher margin on alcohol sales and regaining of the operational control in Eurocash Dystrybucja (Tradis).

Group EBITDA decreased in Q2 2014 by 10.50% y/y and amounted to PLN 100.85 million (compared to Q2 2013). In 1H 2014 EBITDA decreased by 12.56% and amounted to PLN 142.41 million. EBITDA margin declined in Q2 2014 by 0.33 pp and amounted to 2.35% y/y, while in 1H 2014 decrease in EBITDA margin amounted to 0.24 pp and resulted in the level of 1.78%.

The decrease in EBITDA despite stable sales and gross margin increase was affected by cost increase (selling expenses and general and administrative expenses) noted in 2Q 2014 and 1H 2014. Main drivers of cost increase was increasing expenses of marketing campaigns and costs of sales support activities. In addition, Eurocash Dystrybucja recorded higher logistics costs associated with the integration process of logistics systems between Delikatesy Centrum and Eurocash Dystrybucja.

The net profit amounted to PLN 49.34 million in 2Q 2014, 19.18% decrease to the results from 2Q 2013. In 1H 2014 net profit amounted to PLN 50.68 million (decrease by 29.91% y/y).

Cash flow**Table 7: Eurocash Group: Consolidated cash flow for 2Q 2014**

	Q2 2014	Q2 2013
PLN m		
Operating cash flow	288.05	244.48
<i>Gross profit (loss)</i>	58.88	71.86
<i>Depreciation</i>	31.27	28.40
<i>Change in working capital</i>	169.88	154.14
<i>Other</i>	28.02	(9.92)
Cash flow from investments	(74.71)	(21.17)
Cash flow from financing activities	(215.16)	(190.68)
Total cash flow	(1.82)	32.62

Table 8: Eurocash Group: Consolidated cash flow for 1H 2014

	1H 2014	1H 2013
PLN m		
Operating cash flow	88.97	310.68
<i>Gross profit (loss)</i>	59.21	78.28
<i>Depreciation</i>	60.77	57.37
<i>Change in working capital</i>	(47.84)	237.91
<i>Other</i>	16.83	(62.88)
Cash flow from investments	(131.77)	(77.63)
Cash flow from financing activities	28.73	(261.13)
Total cash flow	(14.07)	(28.07)

Total cash flow in 2Q 2014 amounted to negative PLN 1.82 million. where the operating cash flow reached PLN 288.05 million.

In 1H total cash flows amounted to negative 14.07 and operational cash flows amounted to PLN 88.97 million.

Operating cash flow in 2Q 2014 amounted to PLN 288.05m and was higher than in 2Q 2013 by app. PLN 44m. In 1H 2014 operational cash flow was lower than in 1H 2013, mainly due to higher needs for working capital in 1Q 2014. Cash flow from financing activities amounted to PLN -215.16m in 2Q 2014 and 28.73 in 1H 2014, which was mainly driven by dividend payment for 2013.

Working capital

Table 9: Eurocash Group: Consolidated working capital ratios flow for 2Q 2014

Turnover in days	Q2 2014	Q2 2013
1. Inventories turnover	24,98	25,03
2. Trade receivables turnover	30,12	29,66
3. Trade liabilities turnover	71,53	71,77
4. Operating cycle (1+2)	55,09	54,69
5. Cash conversion (4-3)	(16,44)	(17,08)

Table 10: Eurocash Group: Consolidated working capital ratios flow for 1H 2014

Turnover in days	1H 2014	1H 2013
1. Inventories turnover	26,60	25,92
2. Trade receivables turnover	32,07	30,73
3. Trade liabilities turnover	75,98	73,96
4. Operating cycle (1+2)	58,67	56,65
5. Cash conversion (4-3)	(17,31)	(17,31)

Cash conversion in 2Q 2014 reached – 16.44 days comparing with -17.08 days in 2Q 2013. In 1H 2014 cash conversion cycle was stable in comparison to 1H 2013 and reached -17.31 days.

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 11: Eurocash Group: Selected consolidated balance sheet items

PLN m	30.06.2014		30.06.2013	
Fixed assets	2 016.95	40.66%	2 015.51	41.77%
Current assets	2 943.79	59.34%	2 810.05	58.23%
Total assets	4 960.74	100.00%	4 825.56	100.00%
Equity	828.98	16.71%	884.36	18.33%
Liabilities and provisions	4 131.76	83.29%	3 941.20	81.67%
Total liabilities and equity	4 960.74	100.00%	4 825.56	100.00%

Net debt of Eurocash Group at the end of 2Q 2014 amounted to PLN 754.20m compared with 588.77 at the end of 2Q 2013. It should be noted that in 2Q 2014 Eurocash Group paid dividend which is main driver of this difference.

5. Summary of financial results of Eurocash S.A. in 1Q 2014

Profit & loss account

Table 12: Eurocash S.A.: Summary of financial results for 2Q 2014

PLN m	Q2 2014	Q2 2013	Change YTD 14/ YTD 13
Sales revenues (traded goods, materials)	3 310.33	1 724.21	91.99%
Gross profit (loss) on sales	369.40	186.65	97.91%
Gross profitability on sales (%)	11.16%	10.82%	0.34 p.p.
EBITDA	76.39	45.70	67.16%
(EBITDA margin %)	2.31%	2.65%	-0.34 p.p.
EBIT	48.77	31.43	55.20%
(EBIT margin %)	1.47%	1.82%	-0.35 p.p.
Gross profit	214.67	62.94	241.05%
Net Income	206.65	60.12	243.71%
(Net profitability %)	6.24%	3.49%	2.76 p.p.

Table 13: Eurocash S.A.: Summary of financial results for 1H 2014

PLN m	1H 2014	1H 2013	Change YTD 14/ YTD 13
Sales revenues (traded goods, materials)	5 308.83	3 255.25	63.09%
Gross profit (loss) on sales	578.00	335.54	72.26%
Gross profitability on sales (%)	10.89%	10.31%	0.58 p.p.
EBITDA	99.80	52.96	88.43%
(EBITDA margin %)	1.88%	1.63%	0.25 p.p.
EBIT	55.97	25.25	121.65%
(EBIT margin %)	1.05%	0.78%	0.28 p.p.
Gross profit	201.01	40.37	397.89%
Net Income	196.90	42.27	365.77%
(Net profitability %)	3.71%	1.30%	2.41 p.p.

Sales of Eurocash S.A. in 2Q 2014 amounted to PLN 3 310.33 million and increased by 91.99%. In 1H 2014 sales reached 5 308.83 and increased by 63.09%. Such result was mainly attributable to merger of Eurocash S.A. with Tradis sp. z o.o. and acquisition by Eurocash S.A. enterprise of its subsidiary Premium Distributors.

Consolidated gross margin on sales realized by Eurocash S.A. in 2Q 2014 amounted to 11.16% and was 0.34 pp higher than in 2Q 2013. In 1H 2014 consolidated gross margin on sales amounted to 10.89%, which means increase by 0.58 pp y/y. In 2Q 2014 EBITDA amounted to PLN 76.39 million, while in 1H 2014 it was PLN 99.80 million. Net profit in 2Q 2014 amounted to PLN 206.65 million and in 1H 2014 it was PLN 196.90 million.

Cash flow**Table 14: Eurocash S.A.: Cash flow for 2Q 2014**

PLN m	Q2 2014	Q2 2013
Operating cash flow	260.74	125.76
<i>Gross profit (loss)</i>	214.67	62.94
<i>Depreciation</i>	27.62	14.27
<i>Change in working capital</i>	172.88	75.03
<i>Other</i>	(154.43)	(26.48)
Cash flow from investments	416.88	(16.30)
Cash flow from financing activities	(670.75)	(103.52)
Total cash flow	6.87	5.94

Table 15: Eurocash S.A.: Cash flow for 1H 2014

PLN m	1H 2014	1H 2013
Operating cash flow	32.16	187.89
<i>Gross profit (loss)</i>	201.01	40.37
<i>Depreciation</i>	43.83	27.71
<i>Change in working capital</i>	(74.61)	134.19
<i>Other</i>	(138.07)	(14.39)
Cash flow from investments	69.99	(43.83)
Cash flow from financing activities	(93.84)	(161.07)
Total cash flow	8.31	(17.01)

Total cash flow of Eurocash S.A. in 2Q 2014 amounted to PLN 6.87 million. In 1H 2014 cash flows reached PLN 8.31 million. Cash flow from financing activities amounted to negative PLN 670.75 in 2Q 2014 and negative PLN 93.84 million in 1H 2014.

Working capital**Table 16: Eurocash S.A.: Working capital ratios for 2Q 2014**

Turnover in days	Q2 2014	Q2 2013
1. Inventories turnover	27.52	23.28
2. Trade receivables turnover	31.63	22.39
3. Trade liabilities turnover	83.84	81.58
4. Operating cycle (1+2)	59.15	45.67
5. Cash conversion (4-3)	(24.69)	(35.91)

Table 17: Eurocash S.A.: Working capital ratios for 1H 2014

Turnover in days	1H 2014	1H 2013
1. Inventories turnover	34.13	24.52
2. Trade receivables turnover	39.23	23.59
3. Trade liabilities turnover	103.67	85.45
4. Operating cycle (1+2)	73.36	48.11
5. Cash conversion (4-3)	(30.31)	(37.34)

Cash conversion in 2Q 2014 decreased by 7.03 days comparing with 2Q 2013, while in 1H 2013 was worse by 7.03 days and reached 30.31 days.

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 18: Eurocash S.A.: Selected balance sheet items

PLN m	31.03.2014		31.12.2013	-
Fixed assets	2 736.27	52.81%	2 745.24	62.22%
Current assets	2 444.39	47.19%	1 667.05	37.78%
Total assets	5 180.66	100.00%	4 412.29	100.00%
Equity	722.56	13.94%	447.00	10.13%
Liabilities and provisions	4 458.10	86.06%	3 965.30	89.87%
Total liabilities and equity	5 180.66	100.00%	4 412.29	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 in 1H 2014

Changes in equity

On 3 July 2014 pursuant to the provisions of the National Court Register was revealed and the change in the capital structure of the Company. The amount of the share capital of the Company was changed from the amount of PLN 135,074,736.00 for the amount of PLN 137,486,636.00. Moreover, in the National Court Register was revealed:

- 1) issuance of ordinary shares of Series E preferred not to the number of 1,414,900 (one million four hundred fourteen thousand nine hundred) with a par value PLN 1.00 each;
- 2) issuance of ordinary shares of Series G preferred not to the number of 997,000 (nine hundred ninety seven thousand) with a par value PLN 1.00 each.

In the period between 1 January 2013 and 30 June 2014 were issued 123,500 shares in respect of the option programs.

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 29 April 2014, persons who are shareholders of the Company on 16 May 2014 received a dividend of PLN 0,79 per one Company share. The total dividend paid on 2 June 2014 amounted to PLN 109 451 447.44.

Conclusion of significant agreement

On 17.02.2014 between the Company and ING Bank Śląski S.A. with its seats in Katowice concluded an annex to the credit agreement (the "Loan Agreement"), which increases in the period from 17 February 2014 to 17 April 2014 granted limit of the current account of 240,000,000.00 PLN (in words: two hundred forty million PLN) to the amount of 440,000,000.00 PLN (in words: four hundred and forty million PLN).

8. Development perspectives

External Factors

Growth in the FMCG market and its structure.

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

Inflation.

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

Labour costs.

Potential pressure on labour costs could in medium-term perspective negatively influence the Group's profit and loss. However, potential of growing wages and salaries impacts the whole Polish market. As the Group sales are 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 2014:

- number of Eurocash Cash&Carry stores will increase by app. 8-10 stores,
- number of Delikatesy Centrum franchise stores will increase by app. 150 stores.

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 2013 the prevailing form of FMCG retail distribution was a traditional distribution channel with approx. 48% 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 wholesale FMCG distribution market. Market consolidation, appearance of new strong entities could have a negative impact on the level of margins.

Internal Factors

IT systems

An efficient, uniform IT system allows for 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

Due to the range of products offered by Eurocash Group and the geographically diverse sales, the group of the main suppliers of the Group is very large and as at 30 June 2014 covered more than 1000 entities.

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

Due the nature of the FMCG product market, competition on this market and the recorded decrease in the sale of tobacco products in Poland, as well as the significant increase in the value of sales in relation to the

purchase of Tradis Distribution Group, Pol Cater and Premium Distributors, the business activity of the Group is not dependent on tobacco product suppliers, therefore the risk, that termination or an unfavorable change of the terms of the agreements for distribution of might have a significant adverse effect Eurocash Group business and financial results is limited.

10. Additional information

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 29 April 2014, persons who are shareholders of the Company on 16 May 2014 received a dividend of PLN 0,79 per one Company share. The total dividend paid on 2 June 2014 amounted to PLN 109 451 447.44.

Explanations regarding seasonality

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

Issuance redemption and repayment of debt and capital securities

In the period between 1st January 2014 and 30th June 2014 were issued 123,500 shares due to the option programs.

Changes in the basic management principles

Merger of Eurocash S.A. with Tradis Sp. z o.o.

On 4 April 2014, the District Court Poznań – Nowe Miasto I Wilda, VIII Commercial Division National Court Register, entered the Company's merger with Tradis Sp. z o.o. with its registered office in Lublin.

The merger was effected by Eurocash, by transferring all Tradis assets as an acquired company to Eurocash as the acquiring company. As result the structure of the Eurocash Group has been simplified, what should allow for full integration of Tradis within structure of Eurocash S.A.

In 1H 2014 there were no changes in the basic management principles.

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

The Management Board of Eurocash S.A. has not published or does not intend to publish financial forecast for 2014.

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

Shareholder	26.08.2014				13.05.2014			
	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)
Luis Amaral (directly and indirectly through Politra B.V. S.à.r.l.)	60 615 240	43,75%	60 615 240	43,75%	60 615 240	43,78%	60 615 240	43,78%
Funds managed by Cartica Management	6 994 140	5,05%	6 994 140	5,05%	6 994 140	5,05%	6 994 140	5,05%
Funds managed by Coronation Assets Management (Pty) Limited	6 929 097	5,00%	6 929 097	5,00%	-	-	-	-
Others	64 023 659	46,21%	64 023 659	46,21%	70 846 756	51,17%	70 846 756	51,17%
Total	138 562 136	100,00%	138 562 136	100,00%	138 456 136	100,00%	138 456 136	100,00%

* On 26.08.2014 The Management Board of Eurocash has information on the number of shares as of 31.07.2014 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	
	26.08.2014	13.05.2014
Management Board members		
Luis Amaral (directly and indirectly)	60 615 240	60 615 240
Rui Amaral	268 625	268 625
Katarzyna Kopaczewska	240 500	240 500
Arnaldo Guerreiro	204 000	204 000
Pedro Martinho	725 050	725 050
Carlos Saraiva	0	0
Jacek Owczarek	38 500	38 500
Supervisory Board members		
João Borges de Assuncao	0	0
Eduardo Aguinaga de Moraes	0	0
Francisco José Valente Hipólito dos Santos	0	0
Hans Joachim Körber	0	0
Jacek Sz wajcowski	0	0

Information on legal suits

In the 1Q 2014 companies belonging to Eurocash Group were not involved in any other legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10% of equity.

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

On 28 April 2014 as part of the issuance of bonds to the amount of PLN 500,000,000 (five hundred million) established under an agreement between the Issuer and ING Bank Śląski S.A., mBank S.A., Bank Polska KaS.A. Opieki S.A. oraz Powszechna Kasa Oszczędności Bank Polski S.A., under which the Issuer proposes to issue repeatedly ordinary bearer bonds of different series, discount or interest-bearing, with a total nominal value of PLN 500,000,000 (five hundred million) at a time ("Short-Term Bonds Program"), subsidiaries of the Issuer - KDWT S.A. based in Komorniki and Eurocash Franczyza sp. z o.o. located in Komorniki ("Guarantors"), in order to secure the obligations of the Issuer under all bonds to be issued under the Short-Term Bonds Program (the "Short-Term Bonds"), filed on April 28, 2014, a statement of indemnification claims under the Short-Term Bonds which will be issued under the Short-Term Bonds Program, to an amount equal to 120% of the nominal value of each Short-Term Bond, to be issued under the Short-Term Note Program and not higher than PLN 600,000,000 (six hundred million PLN) in relation to all the Short-Term Bonds given time ("surety Bond").

The total value of Surety Bonds issued by each of the Guarantors exceeds 10% of the equity of the Issuer.

In 1H 2014, Eurocash Group did not grant other credit or loan and not grant any guarantee of the total value equivalent to 10% of the Eurocash equity.

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

In the 1Q 2014 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.

Factors that will affect the results achieved by the issuer

Merger of Eurocash S.A. and Tradis Sp. z o.o.

On 4 April 2014, the District Court Poznań - Nowe Miasto i Wilda, VIII Commercial Division National Court Register, entered the Company's merger with Tradis sp. z o.o. with its registered office in Lublin ("Tradis"). The merger was effected pursuant to Art. 492, § 1. 1 Commercial Code ("CCC") by Tradis acquisition by the Company, ie by transferring all Tradis assets as an acquired company to the Company as the acquiring company.

Acquisition of PayUp Polska S.A.

On 6 May 2014, in execution of the preliminary agreement of 11 February 2014, Eurocash concluded with Alverca BV ("Alverca") with its registered office in Amsterdam, a sales agreement under which Eurocash acquired from Alverca 51% of the shares PayUp Poland S.A. As a result of this transaction Eurocash holds 100% of shares PayUp Polska S.A. PayUp Polska S.A. distributes electronic financial services through a network of approximately 4.9 thousand terminals located in stores across the country, offering among other things, mobile phones recharge cards, accounts payments and acceptance of payment cards.

Acquisition of HDS Polska sp. z o.o. shares

On June 10th 2014 Eurocash executed with Lagardere Services S.A. with seat in Paris („LS”) and HDS Polska sp. o.o. with seat in Warsaw („HDS Polska”) a preliminary share purchase agreement, based on which Eurocash will purchase 51% of shares in the company which will operate retail chain under Inmedio brand in Poland. After completion of the transaction, Eurocash will control the company operating chain of over 410 Inmedio retail outlets.

The conclusion of the franchise agreement with HDS Polska sp. z o.o. and Relay Duo sp. z o.o.

On June 10th 2014 subsidiary of Eurocash - Eurocash Convenience sp. z o.o. („ECC”) executed with HDS Polska and Relay Duo sp. z o.o. a master-franchise agreement, based on which ECC will be entitled to use the “1minute” brand in order to develop in Poland a chain of convenience stores under 1minute brand, according to the store concept developed by HDS and currently used in over 70 retail stores operated under “1minute” brand. HDS Polska is a part of the Lagardere Services group. In Poland it operates app. 740 retail outlets.

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 2014,
- 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 2014,
- the report of the Management Board on the business activities of Eurocash Group for the 1H 2014 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:

Position	Name and surname	Date	Signature
President of the Management Board	Luis Amaral	26th August 2014	
Member of the Management Board Chief Executive Officer	Rui Amaral	26th August 2014	
Member of the Management Board	Arnaldo Guerreiro	26th August 2014	
Member of the Management Board	Pedro Martinho	26th August 2014	
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	26th August 2014	
Member of the Management Board	Carlos Saraiva	26th August 2014	
Member of the Management Board Financial Director	Jacek Owczarek	26th August 2014	