



EUROCASH S.A.

SEMI-ANNUAL REPORT 2007

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, 28th September 2007

EUROCASH S.A.

REPORT OF THE MANAGEMENT BOARD
FOR THE PERIOD FROM 1st JANUARY 2007 TO 30th JUNE 2007

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1 Management discussion of the financial results for 1H 2007

Key financial and operational highlights in 1H 2007

Below we present the key financial and operational highlights separately for Eurocash Discount Cash&Carry and Delikatesy Centrum Distribution Centers:

Eurocash Discount Cash&Carry stores:

- In 1H 2007 sales of Eurocash Discount Cash&Carry stores amounted to PLN 984,44 m and increased by 12.86% comparing with 1H 2006.
- LFL sales growth (same number of stores) in Eurocash Discount Cash&Carry stores amounted to 8.6% in 1H 2007.
- Number of abc Eurocash Discount Cash&Carry stores amounted to 96 at the end of 1H 2007.
- Number of abc stores reached 2,565 at the end of 1H 2007.
- In 1H 2007 share of abc stores in total sales of Discount Cash & Carry stores amounted to 44.0% comparing with 43.7% in 2006.
- Sales to abc shops in 1H 2007 increased by 10.8% comparing with the same period 2006.

Delikatesy Centrum Distribution Centers:

- Sales in 1H 2007 of Delikatesy Centrum stores amounted to PLN 207.18 m.
- Number of "Delikatesy Centrum" franchise stores at the end of 1H 2007 amounted to 266 comparing with 235 at the beginning of 2007.

Profit and loss account

Table 1 Summary of financial results for 1H 2007

PLN million	1H 2007	1H 2006	change 1H 2007 / 1H 2006
Sales revenues	1 191,62	872,27	36,61%
<i>Sales in Discount Cash & Carry stores</i>	984,44	872,27	12,86%
<i>Sales of "Delikatesy Centrum" Distribution Centers</i>	207,18	-	-
Gross profit/(loss) on sales	142,05	111,63	27,25%
<i>(Gross profitability on sales %)</i>	11,92%	12,80%	-0,88%
EBITDA	35,12	27,96	25,63%
<i>(EBITDA margin%)</i>	2,95%	3,21%	-0,26%
EBIT	20,11	14,40	39,69%
<i>(EBIT margin%)</i>	1,69%	1,65%	0,04%
Gross profit	17,77	14,61	21,62%
Net income	13,99	11,25	24,34%
<i>Net profitability %</i>	1,17%	1,29%	-0,12%

Table 2 Costs analysis for 1H 2007

PLN million	1H 2007	1H 2006	change 1H 2007 / 1H 2006
Gross profit/(loss) on sales <i>(Gross profitability on sales %)</i>	142,05 11,92%	111,63 12,80%	27,25% -0,88%
Sales costs <i>(as % of sales)</i>	(82,44) 6,92%	(62,61) 7,18%	31,67% -0,26%
Administrative costs: <i>(as % of sales)</i>	(38,39) 3,22%	(32,79) 3,76%	17,06% -0,54%
Profit/loss on sales <i>(as % of sales)</i>	21,23 1,78%	16,23 1,86%	30,79% -0,08%
Other operating income	9,75	2,82	245,37%
Other operating costs	(10,87)	(4,66)	133,42%
Operating profit – EBIT <i>(EBIT margin %)</i>	20,11 1,69%	14,40 1,65%	39,69% 0,04%
<i>Depreciation</i>	15,01	13,56	10,70%
EBITDA <i>(EBITDA margin %)</i>	35,12 2,95%	27,96 3,21%	25,63% -0,26%

In 1H 2007 sales of Eurocash S.A. increased by 36.61% and amounted to PLN 1 191.6m. Main reason for such growth was the addition of sales to the Delikatesy Centrum franchise chain. Gross margin on sales was lower than in 1H 2006, however due to increase of sales in Eurocash Discount Cash & Carry stores and sales to the Delikatesy Centrum franchise chain, EBITDA amounted in 1H 2007 PLN 35.1m. Net income amounted to PLN 13.99m, comparing with 11.25m in 1H 2006.

Cash flow

Table 3 Cash flow for 1H 2007

PLN million	1H 2007	1H 2006
Operating cash flow	37,31	34,58
<i>Gross profit (loss)</i>	17,77	14,61
<i>Depreciation</i>	15,01	13,56
<i>Change in working capital</i>	11,83	12,97
<i>Other</i>	(7,29)	(6,55)
Cash flow from investments	1,15	(49,69)
Cash flow from financing activities	(15,96)	(21,59)
Total cash flow	22,50	(36,70)

Total cash flow of Eurocash S.A. in 1H 2007 amounted to PLN 22.50 million.

Working capital ratios

Table 4 Working capital ratios flow for 1H 2007

Turnover in days	1H 2007	1H 2006
1. Stocks turnover	25,99	27,61
2. Trade receivables turnover	17,54	8,88
3. Trade liabilities turnover	61,98	62,89
4. Operating cycle (1+2)	43,53	36,49
5. Cash conversion (4-3)	(18,5)	(26,4)

The cash conversion cycle in 1H 2007 was slightly worse comparing with 1H 2006, mainly due to acquisition of Delikatesy Centrum in August 2006.

Balance sheet

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 5 Eurocash S.A.: Selected balance sheet items

PLN million	30.06.2007		31.12.2006		30.06.2006	
Fixed assets	278,21	45,06%	281,94	47,90%	233,50	49,01%
Current assets	339,18	54,94%	306,70	52,10%	242,96	50,99%
Total assets	617,39	100,00%	588,64	100,00%	476,46	100,00%
Equity	179,73	29,11%	193,34	32,85%	167,35	35,12%
Liabilities and provisions	437,66	70,89%	395,30	67,15%	309,11	64,88%
Total liabilities and equity	617,39	100,00%	588,64	103,95%	476,46	100,00%

Evaluation of financial resources management

The Company's cash position amounted at the end of 1H 2007 to PLN 47.6 million and the Company had no bank debt. Due to the negative working capital, the Company generates significant positive cash flows from operating activities. All major investments realised in 1H 2007 were financed from Eurocash own financial resources.

In the opinion of the Management, there are no significant financial risks related to the ability of Eurocash to pay its liabilities.

Ratios definitions

Gross profit margin on sales – ratio of gross sales profit to net sales revenue.

EBITDA margin – ratio of EBITDA (operating profit plus amortization) to net sales revenue.

Operating profit margin (EBIT) – ratio of operating profit 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 sold traded goods 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.

2 Major events and factors affecting the 1H 2007 financial results

There have been no major events that influenced Eurocash S.A. income or loss in 1H 2007.

3 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

The prevailing form of FMCG retail distribution is a traditional distribution channel with approx. 58% 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 Company whose discount cash & carry stores supply small and mid-sized shops located off large agglomerations. A growth in the share of modern distribution will reduce the potential market of the Company's business.

The structure of the traditional FMCG distribution channel. Competition

According to the estimates of the Company, there are approx. 5,000 entities operating on the traditional FMCG distribution market, the majority of which are local stores. That enables price advantage of Eurocash, which operates a country-wide sales chain. However, price competition resulting from the market consolidation process 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 Company.

New investments

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

Suppliers

Eurocash cooperates with approximately 470 suppliers, with whom it has concluded agreements providing for discounts and favourable payment terms. While the share of the largest supplier in the Eurocash total product offering does not exceed 5%, the risk, that termination or an unfavourable change of the terms of the agreements might adversely affect Eurocash business and financial results is limited.

4 Development perspectives

External factors:

Growth in the FMCG market and its structure.

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

Fuel prices.

As logistic expenses, closely connected with fuel prices, are a vital part of selling expenses, their substantial changes may influence the Company's profit and loss.

Labour costs.

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

Internal factors:

Integration of KDWT operations and business acquired from Carment

Due to necessity of integration of KDWT and former Carment businesses on the operational level, in the opinion of the Management Board of Eurocash achievement of the full synergy effects resulting from these transactions will be possible within 1-2 years.

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 2007 :

- number of Eurocash cash & carry stores will increase by app. 6-10 stores from 96 stores at the beginning of 2007
- number of Delikatesy Centrum franchise stores will reach 300 stores at the end of 2007,
- KDWT will open app. 20 new sales platforms within Eurocash cash & carry stores from 61 stores at the beginning of 2007.

5 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 stand-alone semi-annual 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 S.A. and of the results of its operations,
- the report of the Management Board on the business activities of Eurocash S.A. in 1st half of 2007 contains a true views of the development, achievements and position of Eurocash S.A., 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, KMPG Polska Audyt Sp. z o.o., the entity qualified to review financial statements, which audited the semi-annual financial statements of Eurocash S.A., 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 opinion on the review in accordance with the applicable provisions of the law.

Signatures of the Management Board Members

Position	Name and surname	Date	Signature
President	Luis Amaral	28 September 2007	
Management Board Member Chief Executive Officer	Rui Amaral	28 September 2007	
Management Board Member Financial Executive Officer	Arnaldo Guerreiro	28 September 2007	
Management Board Member Sales Director	Pedro Martinho	28 September 2007	
Management Board Member Human Resources Director	Katarzyna Kopaczewska	28 September 2007	
Management Board Member IT Director	Ryszard Majer	28 September 2007	
Management Board Member	Roman Piątkiewicz	28 September 2007	

EUROCASH S.A.

SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1ST JANUARY 2007 TO 30TH JUNE 2007

TRANSLATORS' EXPLANATORY NOTE

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

KOMORNIKI, 28th August 2007

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting 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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<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
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GENERAL INFORMATION

1. INFORMATION ON THE COMPANY

1.1. COMPANY NAME

EUROCASH Spółka Akcyjna

1.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

1.3. CORE BUSINESS

Other wholesale (PKD 5190 Z)

1.4. REGISTRY COURT

District Court of Poznań, XXI Commercial Division of the National Court Register,
Entry no KRS 00000213765

1.5. DURATION OF THE COMPANY

Indefinite

1.6. PERIOD COVERED BY THE ABBREVIATED FINANCIAL STATEMENTS

The reporting period 1st January 2007 – 30th June 2007 and comparable periods: 1st January 2006 – 30th June 2006

2. COMPANY'S GOVERNING BODIES

2.1. MANAGEMENT BOARD

Luis Manuel Conceicao Do Amaral – President of the Management Board,
Rui Amaral – Management Board Member,
Arnaldo Guerreiro – Management Board Member,
Pedro Martinho – Management Board Member,
Katarzyna Kopaczewska – Management Board Member,
Ryszard Majer – Management Board Member,
Roman Stefan Piątkiewicz – Management Board Member.

2.2. SUPERVISORY BOARD

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

2.3. CHANGES IN THE COMPOSITION OF THE MANAGEMENT AND SUPERVISORY BOARDS

In reporting period there were any changes in the composition of both the management and supervisory boards.

<i>Separate financial statements of EUROCASH S.A.</i>			
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SELECTED CONSOLIDATED FINANCIAL DATA

SELECTED SEPARATE FIGURES AS AT 30 JUNE 2007

	for the period from 01.01.2007 to 30.06.2007 PLN	for the period from 01.01.2006 to 30.06.2006 PLN	for the period from 01.01.2007 to 30.06.2007 EUR	for the period from 01.01.2006 to 30.06.2006 EUR
Net sales	1 191 618 065	872 266 705	309 623 776	223 646 660
Operating profit (loss)	20 112 263	14 397 554	5 225 865	3 691 491
Profit (loss) before tax	17 765 827	14 607 943	4 616 179	3 745 434
Net Profit (loss) on continued operations	13 993 059	11 253 676	3 635 883	2 885 410
Net profit (loss)	13 993 059	11 253 676	3 635 883	2 885 410
Net operating cash flow	37 313 601	34 582 347	9 695 370	8 866 814
Net investment cash flow	1 150 592	(49 694 059)	298 964	(12 741 413)
Net financial cash flow	(15 961 015)	(21 589 393)	(4 147 226)	(5 535 458)
Net change in cash and cash equivalents	22 503 178	(36 701 104)	5 847 107	(9 410 057)
Weighted average number of shares	127 742 000	127 742 000	127 742 000	127 742 000
Weighted average diluted number of shares	137 923 549	135 294 398	137 923 549	135 294 398
EPS (in PLN / EUR)	0,11	0,09	0,03	0,02
Diluted EPS (in PLN / EUR)	0,10	0,08	0,03	0,02
Average PLN / EUR rate*			3,8486	3,9002
	as at 30.06.2007 PLN	as at 31.12.2006 PLN	as at 30.06.2007 EUR	as at 31.12.2006 EUR
Assets	617 391 651	588 638 910	163 947 010	153 643 482
Long-term liabilities	14 974 518	16 694 048	3 976 451	4 357 394
Short-term liabilities	422 689 372	378 605 442	112 244 244	98 821 633
Equity	179 727 760	193 339 419	47 726 316	50 464 455
Share capital	127 742 000	127 742 000	33 921 610	33 342 556
Number of shares	127 742 000	127 742 000	127 742 000	127 742 000
Diluted number of shares	137 923 549	135 294 398	137 923 549	135 294 398
Book value per share (in PLN / EUR)	1,41	1,51	0,37	0,40
Diluted book value per share (in PLN / EUR)	1,30	1,43	0,35	0,37
Declared or paid dividend (in PLN / EUR)	-	-	-	-
Declared or paid dividend per share (in PLN / EUR)	-	-	-	-
PLN / EUR rate at the end of the period**			3,7658	3,8312

* - The profit and loss account items were calculated in accordance with an exchange rate being an arithmetical mean of average exchange rates announced by the National Bank of Poland, as at the last day of each month.

** - Balance-sheet items and the book value per one share were calculated in accordance with an average exchange rate announced by the National Bank of Poland, as at the balance-sheet date.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SEPARATE FINANCIAL STATEMENTS

SEPARATE PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007 (functional classification)

		2nd Quarter for the period from 01.01.2007 to 30.06.2007	2nd Quarter for the period from 01.01.2006 to 30.06.2006
	Note		
<i>Continued operations</i>			
Net sales		1 191 618 065	872 266 705
Net sales of traded goods	27	1 169 709 931	848 774 770
Net sales of services	27	21 908 134	23 491 935
Net sales of materials		-	-
Prime costs of sales		(1 049 565 762)	(760 632 465)
Costs of sold traded goods		(1 049 565 762)	(760 632 465)
Costs of sold services		-	-
Costs of sold materials		-	-
Gross profit (loss) on sales		142 052 302	111 634 240
Costs of sales	28	(82 440 694)	(62 613 708)
Costs of general management	28	(38 386 414)	(32 791 766)
Profit (loss) on sales		21 225 195	16 228 767
Other operating revenues	29	9 753 803	2 824 168
Other operating costs	29	(10 866 734)	(4 655 381)
Share in profits of companies SEPARATE with the equity method		-	-
Costs of restructuring		-	-
Operating profit (loss)		20 112 263	14 397 554
Financial revenues	30	718 150	950 796
Financial costs	30	(3 064 586)	(740 406)
Other profit (loss) on investments		-	-
Profit (loss) before tax		17 765 827	14 607 943
Income tax	24	(3 772 768)	(3 354 268)
Net profit (loss) on continued operations		13 993 059	11 253 676

Discontinued operations

Net loss on discontinued operations		-	-
Net profit (loss)		13 993 059	11 253 676

NET EARNINGS PER SHARE

		PLN / share	PLN / share
Net profit (loss) on continued operations		13 993 059	11 253 676
Net profit (loss) on continued and discontinued operations		13 993 059	11 253 676
Weighted average number of shares		127 742 000	127 742 000
Weighted average diluted number of shares		137 923 549	135 294 398
from continued operations			
- basic	33	0,11	0,09
- diluted	33	0,10	0,08
from continued and discontinued operations			
- basic	33	0,11	0,09
- diluted	33	0,10	0,08

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
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SEPARATE BALANCE SHEET AS AT 30 JUNE 2007

	Note	2nd Quarter as at 30.06.2007	2nd Quarter as at 31.12.2006	2nd Quarter as at 30.06.2006
<i>Assets</i>				
Fixed assets (long-term)		278 208 728	281 940 597	233 501 744
Goodwill	1	9 975 600	9 975 600	-
Other intangible fixed assets	1	98 480 460	103 052 844	106 145 338
Tangible fixed assets	2	94 114 406	93 562 313	63 642 715
Investment real property		-	-	-
Investments in subsidiary companies	4	73 413 012	73 413 012	61 113 012
Long-term financial assets available for sale		-	-	-
Other long-term financial assets		-	-	-
Long-term receivables	5	1 872 272	1 588 307	1 507 359
Long-term prepayments		352 977	348 521	1 093 319
Deferred income tax assets		-	-	695 341
Other long-term prepayments	26	352 977	348 521	397 978
Current assets (short-term)		339 182 923	306 698 312	242 955 571
Inventories	6	171 094 350	156 954 611	133 047 734
Trade receivables	8	115 482 452	92 539 162	42 813 721
Current income tax receivables		-	-	-
Other short-term receivables	8	2 863 100	13 979 260	2 297 535
Short-term financial assets available for sale		-	-	-
Short-term financial assets held for trade		-	-	-
Other short-term financial assets		-	15 950 000	-
Cash and cash equivalents		47 593 892	25 090 714	62 343 660
Short-term prepayments	9	2 149 129	2 184 565	2 452 919
Fixed assets classified as held for sale		-	-	-
Total assets		617 391 651	588 638 910	476 457 314

<i>Separate financial statements of EUROCASH S.A.</i>			
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SEPARATE BALANCE SHEET AS AT 30 JUNE 2007

	Note	as at 30.06.2007	as at 31.12.2006	as at 30.06.2006
<i>Liabilities</i>				
Equity		179 727 760	193 339 419	167 348 213
Share capital	10	127 742 000	127 742 000	127 742 000
Supplementary capital	13	37 992 702	29 059 203	27 693 554
Retained earnings		13 993 059	36 538 217	11 912 659
Profit (loss) of prior years		-	658 983	658 983
Net profit (loss) of the current year		13 993 059	35 879 233	11 253 676
Liabilities		437 663 891	395 299 490	309 109 101
Long-term liabilities		14 974 518	16 694 048	11 510 465
Long-term loans and credits		-	-	-
Other long-term financial liabilities	18	12 757 109	12 734 894	3 653 715
Other long-term liabilities		-	2 499 999	7 499 997
Deferred income tax provision	25	1 878 832	1 120 579	-
Provision for employee benefits	15	338 577	338 577	356 753
Other long-term provisions		-	-	-
Short-term liabilities		422 689 372	378 605 442	297 598 636
Short-term loans and credits		28 846	14 355 781	-
Other short-term financial liabilities	18	2 564 861	2 535 759	1 668 008
Trade liabilities	17	359 407 032	329 365 403	264 281 689
Current income tax liabilities	17	-	3 537 007	929 458
Other short-term liabilities	17	48 217 040	18 789 655	21 048 847
Short-term provisions	15	12 471 593	10 021 837	9 670 634
Liabilities due to fixed assets held for sale		-	-	-
Total liabilities		617 391 651	588 638 910	476 457 314

BOOK VALUE PER SHARE AS AT 30 JUNE 2007

	2nd Quarter as at 30.06.2007	2nd Quarter as at 31.12.2006	2nd Quarter as at 30.06.2006
Book value	179 727 760	193 339 419	167 348 213
Number of shares	127 742 000	127 742 000	127 742 000
Diluted number of shares	137 923 549	134 934 158	135 294 398
Book value per share	1,41	1,51	1,31
Diluted book value per share	1,30	1,43	1,24

OFF BALANCE SHEET ITEMS

Contingent Receivables	-	-	-
Related companies	-	-	-
Other companies	-	-	-
Contingent Liabilities	46 400 780	21 058 109	27 129 162
Related companies	-	-	-
Other companies	46 400 780	21 058 109	27 129 162
- guaranties and sureties granted	46 400 780	21 058 109	27 129 162
Other	-	-	-
Total	46 400 780	21 058 109	27 129 162

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**SEPARATE CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007
(indirect method)**

for the period for the period
from 01.01.2007 from 01.01.2006
to 30.06.2007 to 30.06.2006

Operating cash flow

Net profit before tax	17 765 827	14 607 943
Adjustments:	17 724 138	14 780 495
Depreciation	15 011 749	13 560 984
Loss on sold tangible fixed assets	50 927	1 010 099
Costs of interest	2 661 462	209 413
Interest received	-	-
Operating cash before changes in working capital	35 489 965	29 388 438
Changes in inventory	(14 139 739)	(12 787 182)
Changes in receivables	(12 111 096)	(6 466 587)
Changes in liabilities	59 152 095	30 860 735
Changes in provisions and accruals	6 531 468	2 312 785
Other adjustments	(27 604 718)	(952 075)
Operating cash	47 317 976	42 356 114
Interest paid	(2 485 897)	(1 568 815)
Income tax paid	(7 518 478)	(6 204 952)
Net operating cash	37 313 601	34 582 347
<i>Investment cash flow</i>		
Expenditures for purchased intangible fixed assets	(298 693)	(205 022)
Receipts from sold intangible fixed assets	-	-
Expenditures for purchased tangible fixed assets	(11 086 017)	(6 132 864)
Receipts from sold tangible fixed assets	1 585 300	256 847
Expenditures for purchased subsidiary companies (less for money taken)	(4 999 998)	(43 613 019)
Repayment received of given loans	15 950 000	-
Interest received	-	-
Net investment cash	1 150 592	(49 694 059)
<i>Financing cash flow</i>		
Receipts due to taking loans and credits	-	-
Repaid loans and credits	(14 326 935)	-
Repaid liabilities under financial lease	(1 191 657)	(951 499)
Interest	(442 423)	(199 174)
Dividends paid	-	(20 438 720)
Net financing cash	(15 961 015)	(21 589 393)
Net change in cash and cash equivalents	22 503 178	(36 701 104)
Cash and cash equivalents at the beginning of the period	25 090 714	99 044 764
Cash and cash equivalents at the end of the period	47 593 892	62 343 660

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SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Share capital	Supplementary capital	Retained earnings	Total
Balance as at 1 January 2006	127 742 000	14 782 302	33 225 132	175 749 434
Changes in the principles (policy) of accounting	-	-	-	-
Basic error corrections	-	-	-	-
Balance upon changes	127 742 000	14 782 302	33 225 132	175 749 434

Changes in equity in the period from 1 January to 30 June 2006

Net profit for the period from 1 January to 30 June 2006	-	12 127 429	(873 753)	11 253 675
Net profit for the period from 1 January to 30 June 2006	-	12 127 429	(873 753)	11 253 675
Dividends	-	-	(20 438 720)	(20 438 720)
Issued share capital	-	-	-	-
Issued options convertible into shares	-	783 823	-	783 823
Balance as at 31 December 2005	127 742 000	27 693 554	11 912 659	167 348 213

Changes in equity in the period from 1 January to 30 June 2007

Balance as at 1 January 2006	127 742 000	29 059 203	36 538 217	193 339 419
Changes in the principles (policy) of accounting	-	-	-	-
Balance upon changes	127 742 000	29 059 203	36 538 217	193 339 419
Net profit for the period from 1 January to 31 December 2006	-	35 879 233	(22 545 158)	13 334 075
Retained earnings	-	658 983	-	-
Total profit and loss recorded in the period from 1 January to 30 June 2007	-	36 538 217	(22 545 158)	13 993 059
Declared dividends	-	(29 380 660)	-	(29 380 660)
Issued options convertible into shares	-	1 775 942	-	1 775 942
Balance as at 30 June 2007	127 742 000	37 992 702	13 993 059	179 727 760

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ADDITIONAL INFORMATION TO SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2007 TO 30 JUNE 2007

1. GENERAL INFORMATION

1.1. FINANCIAL STATEMENTS PUBLICATION

Separate financial statements of Eurocash S.A. for the period from 1 January 2006 to 31 December 2006 were approved for publication by resolution of the Management Board of 27 September 2006.

In accordance with the information given in the current report on 26th April 2006 to the Polish Securities and Exchange Commission, Eurocash S.A. discloses the consolidated quarterly report with the quarterly abbreviated consolidated financial statements on 25th April 2007.

Eurocash is a joint-stock company whose shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

As at 1st January 2005 the Company decided to prepare the financial statements in accordance with International Accounting Standards, International Financial Reporting Standards and related to these interpretations announced in the form of orders of the European Commission.

1.3. INFORMATION ABOUT THE GROUNDS FOR PREPARING THE FINANCIAL STATEMENTS, REPORTING CURRENCY AND APPLIED LEVEL OF ROUNDING

Separate financial statements of EUROCASH S.A. were prepared in accordance with the International Financial Reporting Standards.

The reporting currency of these separate financial statements is Polish zloty and any amounts are rounder-off to full Polish zloty (unless provided otherwise).

1.4. COMPARABILITY OF FINANCIAL STATEMENTS

The 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 financial statements.

1.5. INFORMATION ABOUT THE PARENT ENTITY AND THE CAPITAL GROUP

The Eurocash capital group consists of Eurocash S.A. and its subsidiary company KDWT S.A.

The parent entity is Eurocash Spółka Akcyjna, registered in the District Court of Poznań, XXI Commercial Division of the National Court Register, entry no KRS 00000213765, with its registered seat in Komorniki, ul. Wiśniowa 11.

The core business of the Company is the other wholesale (PKD 5190 Z).

Eurocash S.A. shares are listed on the Warsaw Stock Exchange.

The subsidiary entities are:

- KDWT Spółka Akcyjna, registered in the District Court of Poznań, XXI Commercial Division of the National Court Register, entry no KRS 0000040385, located in Komorniki, Wiśniowa 11,
- Eurocash Franszyza Sp. z o.o., registered in the District Court of Poznań, XXI Commercial Division of the National Court Register, entry no KRS 0000259846, located in Komorniki, Wiśniowa 11,

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- Eurocash Detal Sp. z o.o., registered in the District Court of Poznań, XXI Commercial Division of the National Court Register, entry no KRS 0000259826, located in Komorniki, Wiśniowa 11.

1.6. GOING CONCERN BASIS

The financial statements were prepared on a going concern basis – there are no circumstances indicating any threat to the going concern of the Company.

2. APPLIED PRINCIPLES OF ACCOUNTING

2.1. PRINCIPLES OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost concept, except for valuation of some fixed assets and financial assets which, in accordance with IFRS, are valued at fair value.

The key principles of accounting applied by the Company are presented under items 2.2 – 2.25.

2.2. FINANCIAL YEAR AND REPORTING PERIOD

The financial year of Eurocash S.A. is a calendar year.

The reporting period is a month.

2.3. BOOKKEEPING

Books of accounts are kept in the Polish language and in the Polish currency.

The books of accounts are kept in the registered office of the Company, located at ul. Wiśniowa 11 in Komorniki.

2.4. FORMAT AND CONTENTS OF THE FINANCIAL STATEMENTS

The financial statements are prepared as at the day of books of accounts closure or as at any other balance sheet day.

The financial statements comprise in particular:

- General information
- Profit and loss account
- Balance sheet
- Cash flow statement
- Statement on changes in equity
- Statement on profit and loss
- Additional information
- Notes

2.5. INTANGIBLE FIXED ASSETS

Definition

Intangible fixed assets cover property rights acquired by the Company, designated for use for the needs of the enterprise, suitable for economic utilisation, whose expected useful economic life is longer than one year.

Intangible fixed assets of the Company comprise:

- Licences for computer software,

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- Copyrights,
- Rights to trade marks, utility and ornamental designs,
- Know-how,
- Other intangible fixed assets.

Initial value of intangible fixed assets

The initial value of intangible fixed assets is an acquisition price covering the amount due to the seller and other costs paid in direct connection with acquisition of intangible fixed assets.

Amortisation

Time during which intangible fixed assets will generate measurable economic benefits is taken into account while determining the useful life. If it is difficult to define an economically justified useful life or when there is no certainty as to expected measurable benefits, an intangible fixed asset should be charged to costs in its entirety, in accordance with the principle of prudence.

The Company applies the following annual rates of amortisation for particular groups of intangible fixed assets:

- | | |
|---------------------------------|----------|
| ▪ licences – computer software | 33,3% |
| ▪ copyrights | 20% |
| ▪ trade marks | 5% - 10% |
| ▪ know-how | 10% |
| ▪ other intangible fixed assets | 20% |

Since the useful life of the “Eurocash” and “ABC” trade marks is difficult to define / undefined, they are not amortised but are subject to a periodic impairment test conducted with such frequency as to ensure no material discrepancies between the book value and fair value as at the balance sheet day. The “Eurocash” and “ABC” trade marks are subject to an annual impairment test.

Intangible fixed assets are amortised with a straight-line method, from a month following their acceptance for use. The amortisation is accrued monthly.

Intangible fixed assets of a unit value below PLN 1,200 are charged directly to costs at the moment of their handing over for use.

Verification of amortisation rates, impairment loss

Not later than at the end of a financial year amortisation rates applied to intangible fixed assets are verified. If it is found out that the applied amortisation rates need adjustment – such adjustment is made in the next year and following financial years. Intangible fixed assets of indefinite useful life are subject to annual verification in the case of any circumstances indicating their impairment.

Not later than at the end of a financial year, intangible fixed assets are also verified as to their impairment and the need to make an impairment loss. An impairment loss is charged to other operating costs not later than on the balance sheet day, i.e. in the year of impairment occurrence.

Valuation of intangible fixed assets as at the balance sheet day

As at the end of a financial year (being the balance sheet day) intangible fixed assets should be valued at an acquisition price less amortisation charges and impairment losses.

2.6. TANGIBLE FIXED ASSETS

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Definition

Tangible fixed assets cover tangible assets controlled by the Company, suitable for economic utilisation (are complete, useful and allocated for the needs of the Company), whose expected economic life is longer than one year.

Tangible fixed assets of the Company comprise:

- Land,
- Perpetual usufruct right,
- Buildings and structures,
- Technical machinery and equipment,
- Means of transport,
- Other fixed assets (furniture, etc.),
- Constructions in progress,
- Advances for constructions in progress.

Initial value of tangible fixed assets

The initial value of fixed assets is an acquisition price i.e. the price of purchase of an asset, covering the amount due to the seller (excluding deductible VAT and excise tax).

In the case of import, an acquisition price includes also public and legal charges.

An acquisition price covers also costs directly connected with purchase and adaptation of an asset to a condition enabling its use or marketing, including costs of transport, loading, unloading, warehousing or marketing, less rebates, discounts and other similar reductions and recoveries.

If it is not possible to determine the acquisition price of an asset, in particular accepted free of charge, also as a gift, such asset is valued at the sales price of the same or similar object, i.e. at fair value.

Manufacturing cost of constructions in progress covers total costs incurred in the period of construction, assembly, adaptation and improvement, until the balance sheet day or acceptance for use, including but not limited to:

- non-deductible VAT and excise tax,
- cost of serving liabilities incurred to finance the said constructions and exchange gains/losses connected with such liabilities, less revenues from the same.

Fixed asset improvements

Initial value of a given fixed asset is increased by costs of its improvement, i.e. reconstruction, expansion, modernisation or adaptation – provided that improvement expenditures result in a growth of useful value of the asset, compared to the value as at the day of asset acceptance for use. Increase in the useful value may result from extended useful life, increased manufacturing capacity, improved quality of products manufactured with the given asset or reduced exploitation cost of such asset.

Any costs (e.g. periodic overhaul), connected with maintenance of a given fixed asset and not resulting in increasing its useful value, do not increase the initial value of such asset. The Company takes decision on increasing the value of a fixed asset based on the criterion of materiality.

Depreciation

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All fixed assets, excluding land and constructions in progress, are depreciated for an estimated economic useful life of the asset, with the straight-line method, while applying the following annual depreciation rates:

- buildings and structures 10%
- technical machinery and equipment 10% - 30%
- means of transport 14% - 20%
- other fixed assets 20%

Land and perpetual usufruct right to land, as well as constructions in progress are not depreciated.

In justified cases (when benefits generated by an asset are not distributed evenly in time), another relevant method of depreciation is applied (e.g. regressive, progressive or other – in any case justified with the distribution of useful life of a given asset). Presently the Company depreciates fixed assets only with the straight-line method.

Fixed assets are depreciated from a month following their acceptance for use. The depreciation is accrued monthly.

Fixed assets of a unit value below PLN 1,200 are charged directly to costs at the moment of their handing over for use.

Profits or losses on sale, liquidation or discontinuance of use of fixed assets are established as the difference between revenues from sale and net value of the said fixed assets and are recorded in the profit and loss account.

Verification of depreciation rates, impairment loss

Not later than at the end of a financial year depreciation rates and depreciation methods applied to fixed assets are verified. If it is found out that the applied depreciation rates and methods need adjustment – such adjustment is made in the next year and following financial years.

Not later than at the end of a financial year, tangible fixed assets (fixed assets, constructions in progress) are also verified as to their impairment and possible need to make an impairment loss.

Recognition that it is highly probable that an asset will not generate the whole or significant part of expected economic benefits in future is an element indicating the need to make impairment loss. Impairment takes place e.g. in the case of liquidation or withdrawal from use of a particular fixed asset.

Impairment loss should be charged not later than on the balance sheet day (i.e. in the year in which the impairment occurred), to other operating costs.

Should a circumstance of the revaluation write-off on assets, including impairment loss, be not longer prevailing, the equivalent of the whole or relevant part of the prior write-off increases the value of the given asset and is included in other operating revenues or financial revenues respectively.

Valuation of fixed assets as at the balance sheet day

Land, buildings and structures used in operating activity are disclosed in the balance sheet at the (revalued) value equal to the amount obtained from asset valuation to its fair value,

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made by an expert, based on market assumptions (as at a specified day of the said valuation), reduced in subsequent periods by depreciation charges and impairment losses. Valuations are made with such frequency as to ensure no material discrepancies between the book value and fair value as at the balance sheet day.

Increase of a value resulting from revaluation of land, buildings and structures is recorded in revaluation reserve, except for situations when the increased value reverses prior write-off recognised in the profit and loss account (in such case value increase is also recorded in the profit and loss account but only up to the value of the prior write-off). Reduction of a value due to revaluation of land, buildings and structures is recorded as a cost of the period at the amount exceeding prior valuation of the said asset recorded in revaluation reserve.

Depreciation of revalued buildings and structures is recorded in the profit and loss account. At the moment of sale or termination of use of revalued buildings and structures, unsettled amount of revaluation – referring to the said assets – is transferred directly from the revaluation reserve to retained earnings.

Assets of the Company, including land, buildings and structures, were valued at market values as at 30 September 2002 and were contributed in-kind at these values at the moment of the Company formation. According to the Management Board, in the period from 30 September 2002 to the balance sheet day, no impairment of the said assets occurred, therefore land, buildings and structures were not revalued and their book value is the fair value.

Machinery, equipment, means of transport and other fixed assets are presented in the balance sheet at historical cost less accumulated depreciation and impairment losses.

Constructions in progress, developed for the use in operating activity, as well as for so far unspecified purposes, are presented in the balance sheet at manufacturing cost less impairment losses. Manufacturing cost is increased by fees and – for specified assets – by costs of external funding, capitalised in accordance with the principles of accounting.

Stocktaking of fixed assets

Stocktaking of fixed assets is conducted every four years.

2.7. COSTS OF EXTERNAL FINANCING

Costs of external financing, directly connected with acquisition or manufacture of adapted assets, are added to manufacturing costs of such assets, until the said fixed assets are handed over for use. The said costs are reduced by revenues gained from temporary investment of funds obtained for manufacture of a given asset.

Costs of external financing cover interest and other costs incurred by the enterprise due to borrowing funds.

Any other costs of external financing are directly charged to the profit and loss account in the period of being incurred.

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2.8. LEASE

Financial lease takes place when a lease agreement, as to the principle, transfers the total risk and benefits derived from holding a leased object to the leaseholder. Any other types of lease are deemed operational lease.

Assets used under a financial lease agreement are treated equally to the assets of the Company and are valued at the moment of commencing the lease agreement at the lower of fair value of an asset being a leased object or the current value of minimum lease fees. Lease fees are divided into interest and principal, so that the interest on outstanding liability is a fixed value.

Liabilities under lease agreements are recorded under balance sheet liabilities in the item "financial liabilities", and divided into short-term and long-term ones.

Fixed assets under a financial lease agreement are depreciated in the shorter of the contractual period of the lease agreement or the economic useful life. However, when an agreement provides the Company with a right to extend the lease agreement for a definite period (and it is highly probable that the Company will exercise the said right), the depreciation period should also account for the said additional period of lease.

Lease fees under operational lease are charged to the profit and loss account on a straight-line basis for the lease period.

2.9. INVESTMENT REAL PROPERTY

Investment real property is real property which is deemed as a source of revenues from rents and/or which is held due to expected growth in their value.

Investment real property is valued as at the balance sheet day at fair value.

Gains and losses due to any change in fair value of investment real property are recorded in the profit and loss account in the period in which they are generated.

2.10. INVESTMENT IN SUBSIDIARY COMPANIES

At 31st March 2006 Eurocash purchased 100% shares of KDWT, located in Komorniki, at Wiśniowa 11 street and signed to National Court Register under KRS 0000040385 number.

On 10th June 2006 Eurocash S.A. has established two new subsidiaries, Eurocash Detal with no KRS 0000259826 and Eurocash Franszyza with no KRS 0000259846, both are register in the District Court in Poznań, XXI Commercial Division of the National Court Register.

According to International Accounting Standard no 27 investment in subsidiary the company shows in acquired price.

2.11. LONG-TERM RECEIVABLES

Definition

Long-term receivables include receivable falling due more than 1 year of the balance sheet day (excluding trade receivables).

This part of long-term receivables which falls due within a year of the balance sheet day should be recorded under short-term receivables.

Long-term receivables cover e.g. prepaid security deposits referring to long-term (multiannual) agreements on shop rental.

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Valuation of long-term receivables as at the balance sheet day

As at the balance sheet day receivables are valued at the amount due less possible allowance for bad debts.

In the case of security deposits, the balance sheet day valuation will practically be equal to par value of the said deposits.

2.12. LONG-TERM PREPAYMENTS

Deferred income tax assets

As at the balance sheet day the Company creates deferred income tax assets, if they result in receipt of future economic benefits by the enterprise.

Due to temporary differences between the value of assets and liabilities disclosed in books of accounts and their tax value and tax loss possible to be deducted in future, the enterprise creates a provision and establishes assets due to deferred income tax.

Tax value of assets is an amount reducing income tax base in the case of deriving, directly or indirectly, economic benefits from such assets. If obtainment of economic benefits due to specified assets does not reduce the income tax base, the tax value of assets is their book value.

Tax value of liabilities is their book value less amounts to reduce the income tax base in future.

Deferred income tax assets are established at the amount expected to be deducted in future from income tax, due to negative temporary differences which will result in future reduction of the income tax base, and deductible tax loss established in accordance with the principle of prudence.

The value of deferred income tax assets is established taking account of income tax rates applicable in the year when the tax obligation arises.

In accordance with IAS 12 the Company compensates deferred income tax assets and provision.

Deferred income tax recorded in "income tax" of the profit and loss account is the difference between the balance of deferred income tax provision and deferred income tax assets as at the end and the beginning of the reporting period.

Deferred income tax assets and provision, referring to operations settled with equity, are also recognised in equity.

Other long-term prepayments

Other long-term prepayments cover expenditures incurred until the balance sheet day, being costs of future reporting periods falling due more than 12 months of the balance sheet day.

An analysis of long-term prepayments is made as at each balance sheet day. The part of prepayments to be realised within 12 months of the balance sheet day should be recorded in short-term prepayments.

The aforesaid analysis is performed by the Company, taking account of rational premises and knowledge of particular prepayments.

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2.13. FIXED ASSETS AND GROUPS OF NET ASSETS CLASSIFIED AS HELD FOR SALE

Fixed assets classified as intended for disposal and groups of net fixed assets intended for disposal are valued by the lower of the two values: balance-sheet or fair value less costs of sale.

The Company classifies tangible assets element (or a group intended for sale) as intended for sale if its balance-sheet value will be recovered first of all in the course of a sale transaction and not through its further usage.

Such situation occurs if the following conditions are fulfilled:

- assets element (or a group intended for sale) is available for an immediate sale at its current state, considering only ordinary and commonly accepted conditions of selling assets (or a group intended for sale) of such type and its sale is highly likely;
- representatives of a relevant level of management are determined to complete the sales plan of the assets element (or a group intended for sale);
- an active program of soliciting a purchaser and completion of the program has been commenced;
- assets element (or a group intended for sale) must be actively offered for sale at a price which is rational in reference to its current fair value;
- the sale will be recognised as completed within one year from the day of classification, and the activities necessary for the completion of the program indicate that it is highly unlikely that any significant changes in the program will be made or that the program will be withdrawn from.

2.14. INVENTORIES

Definition

Inventories of the Company include:

- Acquired traded goods held for sale in the ordinary course of business,
- Materials acquired for use for own needs,
- Advances paid for supplies of materials and traded goods.

Principles of establishing acquisition price

Acquisition price is established in accordance with the first in - first out (FIFO) method. The Company applies the same method of establishing acquisition price to all stock items.

An acquisition price is all costs of purchase and other costs paid in the course of bringing stocks to their current place and condition.

Costs of stocks purchase comprise the purchase price, import duties and other taxes (excluding the ones which the enterprise may recover from revenue office later on) and costs of transport, loading and unloading, as well as other costs which can be directly allocated to traded goods.

Costs of purchase are reduced by discounts, trade rebates and other similar items.

Valuation of inventories as at the balance sheet day

During a year inventories are recorded in books of accounts at latest acquisition prices of particular stock items. As at the balance sheet day inventories are valued at their latest acquisition prices adjusted by relevant revaluation write-offs.

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Taking account of characteristics of goods trade carried out by the Company, and in particular fast movement of stocks, the valuation at the latest acquisition prices does not differ significantly from FIFO valuation.

The Company identifies the following circumstances indicating the need to make a revaluation write-off on inventories:

- loss of useful value of inventories (destruction, expiry, etc.)
- excess of the level of inventories resulting from the demand and selling capacity of the Company,
- low movements of inventories,
- loss of the market value of inventories due to decrease in their sales prices below the inventory valuation level – net value possible to be obtained.

The Company makes revaluation write-offs in accordance with the following principles:

- 100% on inventories kept for more than 9 months,
- 100% on damaged or obsolete inventories – identified during stocktaking,
- 100% on inventories which have lost their market value.

If the value of acquisition prices is higher than net realisable value as at the balance sheet day, acquisition prices are reduced to net realisable value by making a revaluation write-off.

Revaluation write-offs on inventories reduce other operating costs.

Stocktaking

Inventories held by the Company are subject to continuous inventory.

Any differences between the actual status and records of books of accounts, found out under an inventory, are analysed, clarified and accounted for in books of accounts of the year of inventory. Inventory results are recorded in books of accounts on a monthly basis.

2.15. FINANCIAL INSTRUMENTS

Definition

The Company recognizes each agreement, which simultaneously results in the creation of an item of financial assets with one party, and a financial obligation or an equity instrument with the other party as a financial instrument, provided that the contract concluded by two or more parties results in clear economic effects.

According to IAS no 39, the Company classifies financial instruments as:

- Financial assets or financial liabilities elements – these elements are valued at fair value on the basis of the profit and loss account acquired or incurred mainly to sell or buy back in near future or are a part of a portfolio of particular financial instruments which are managed jointly and for which the confirmation of the current and actual pattern of generation of short-term profits exists;
- Held-to-maturity investments – financial assets which are not derivative instruments, with payments that are defined or possible to define and with specified maturity, in relation to which the Company has strong intention and is able to maintain the ownership until their maturity;
- Loans and receivables – financial assets which are not derivative instruments, with defined or possible to define payments, which are not quoted on the active market;
- Financial assets available for sale – financial assets which are not derivative instruments, which were assessed as available for sale or which are not (a) loans

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and receivables, (b) held-to-maturity investments or (c) financial assets valued at fair value by financial result.

The Company is obligated, not later than as at the day of conclusion of a contract, to enter into the accounting books the issued or written instrument, as well as any components of the instrument, which are distinguishable, respectively qualified to shareholder's equity as equity instruments, short-term liabilities or long-term liabilities, also in the event that the liability item is not a financial instrument.

Revaluation differences and the income generated or losses incurred, affect the financial result (liabilities) or the revaluation capital (equity instruments) respectively, dependent on the classification of a particular financial instrument.

As of the day of acquisition, the Company recognizes financial assets and liabilities at cost (price) of the acquisition, i.e. the fair value paid for the assets or in the case of liabilities – the amount received. The Company includes the costs of transaction in the initial value of valuation of all the financial assets and liabilities.

Valuation of financial instruments as at the balance-sheet date

The Company values in accordance with the following:

- at amortized cost, taking into account effective interest rate: financial assets or liabilities, held-to-maturity investments, loans and receivables and financial assets available for sale.

In the event of the aforementioned items, they also may be assessed at the amount due, if the discount effects are not material,

- at due and payable amount: short-term receivables and liabilities,
- at fair value: financial assets and liabilities held for trading and financial assets held for sale.

Changes in fair value of financial instruments held for trading, which are not hedging instruments are recognized as financial income or costs at the time at which they arise.

2.16. TRADE RECEIVABLES AND OTHER SHORT-TERM RECEIVABLES

Trade receivables

Trade receivables cover receivables created under realised deliveries or services, falling due within 12 months or over 12 months.

Trade receivables do not include receivable due to advances granted to suppliers, which are classified as stocks, and advances for intangible fixed assets and constructions in progress, which increase fixed assets.

Other short-term receivables

Other short-term receivables cover receivables falling due within 1 year of the balance sheet day, excluding trade receivables.

Other short-term receivables do not include advances for intangible fixed assets and constructions in progress, which increase fixed assets.

Valuation of trade receivables and other short-term receivables as at the balance sheet day

Trade receivables and other short-term receivables are valued in books of accounts at the amount payable adjusted by relevant revaluation write-offs. The value of receivables should be discounted to the current value if the impact of value of money in time is significant.

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Default interest for delay in payment of receivables by recipients of the Company is posted at the moment of receiving funds by the Company.

Valuation as at the balance sheet day of receivables denominated in foreign currencies

According to the 21 IFRS receivables denominated in foreign currencies are valued at least as at the balance sheet day at the immediately exchange rate.

Receivables denominated in foreign currencies are valued at least as at the balance sheet day at the mid-rate of the National Bank of Poland as at the said day.

Exchange gains/losses on receivables denominated in foreign currencies, created as at the day of their valuation, are recognised as financial revenues or costs respectively.

Allowance for bad debts

Allowance for bad debts are created for:

- receivables from debtors announced bankrupt or being liquidated – up to the value of receivables not covered by a guarantee or other security,
- receivables from debtors in the case of rejecting a petition for bankruptcy, when assets of the debtor are not sufficient to cover costs of bankruptcy proceedings – up to the full value,
- receivables questioned by debtors – up to the value not covered by a security,
- overdue receivables or not yet overdue but highly probable to become overdue – at the amount fairly estimated by the Company (based on prior experiences, fair analyses, projections, etc.),
- receivables submitted to court – based on monthly analyses of the Legal Department; each account receivable submitted to court is reviewed individually and, depending on the opinion of the Legal Department on the possibility to recover a particular account receivable, an allowance for bad debts is created,
- receivables overdue more than 180 days – 100% of the account receivable value.

Allowance for bad debts takes account not only of events that have occurred until the balance sheet day but also the ones disclosed later on, until the financial statements are approved by the Management Board for publication, if such events refer to an account receivable recorded in books of accounts as at the balance sheet day.

Allowance for bad debts is charged to other operating costs and if it refers to interest – to financial costs.

Verification of the receivables

Trade receivables as at the balance-sheet date are verified through confirmation of balances as at this date.

The results of the verification of the receivables are taken into account during the revaluation of the accounts receivable as at the balance-sheet date.

2.17. SHORT-TERM FINANCIAL ASSETS AS HELD FOR TURNOVER SECURITIES

Loans and receivables are financial assets which are not derivative instruments with established or recognizable payments, which are not objects of turnover on active market. After initial valuation of loans and receivables are valued by depreciated cost with using method of effective percentage rate is lessen an impairment loss deductions. Depreciated cost is calculated with taken discount or bonus on acquisition and include fees which are integrated part of effective rate and transaction costs. Profits and loss are presented in Profit

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and Loss Account at the moment of remove loans and receivables from Balance Sheet or after affirmation impairment loss as well as depreciated cost settlement in time.

2.18. INVESTMENTS IN SECURITIES

Investments in securities classified as held for sale or available for sale are valued as at the balance sheet day at fair value. In the case of securities classified as held for sale, gains and losses due to any change in fair value are recorded in the profit and loss account for a given period. In the case of assets available for sale, gains and losses due to any change in fair value are recognised directly in equity until an asset is sold or an impairment is recorded. At that time cumulated gains or losses previously recognised in equity are transferred to the profit and loss account for a given period.

2.19. SHORT-TERM PREPAYMENTS

Short-term prepayments cover expenditures paid till the balance sheet day, being costs of future reporting periods falling due within 12 of the balance sheet day.

Short-term prepayments are analysed as at each balance sheet day. These prepayments which are realised within 12 months of the balance sheet day should be recorded in short-term prepayments.

The assessment made by the Company is based on rational premises and knowledge of particular prepayments.

Short-term prepayments cover the short-term part of the following items, amount others:

- prepaid rent,
- prepaid power and central heating,
- prepaid subscriptions, insurance,
- other prepaid services (e.g. telecommunication),
- settlement of costs of transport,
- advances for equipment lease agreements.

2.20. LONG-TERM LIABILITIES

Long-term liabilities cover liabilities falling due more than 12 months of the balance sheet day (it does not refer to trade liabilities).

Long-term liabilities cover mainly:

- liabilities due to incurred loans and credits,
- financial liabilities under financial lease agreements,
- liabilities to sub-lessees of depot premises due to security deposits paid by the same.

Valuation of long-term liabilities as at the balance sheet day

Long-term liabilities are recorded at the amount payable, covering also unpaid interest. Interest is posted at the moment of receiving interest notes.

Valuation as at the balance sheet day of liabilities denominated in foreign currencies

According to the 21 IFRS liabilities denominated in foreign currencies are valued at least as at the balance sheet day at the immediately exchange rate.

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Exchange gains/losses on long-term liabilities denominated in foreign currencies, created as at the day of their valuation, are recognised as financial revenues or costs respectively.

2.21. SHORT-TERM LIABILITIES

Short-term liabilities cover liabilities falling due within 12 months of the balance sheet day (it does not refer to trade liabilities).

Short-term liabilities cover in particular:

- liabilities due to incurred loans and credits,
- financial liabilities under financial lease agreements,
- trade liabilities,
- liabilities due to taxes, customs duties, insurance and other benefits,
- liabilities due to payroll.

Valuation of short-term liabilities as at the balance sheet day

Short-term liabilities are recorded at the amount payable, covering also unpaid interest. Interest is posted at the moment of receiving interest notes.

Valuation as at the balance sheet day of short-term liabilities denominated in foreign currencies

According to the 21 IFRS liabilities denominated in foreign currencies are valued at least as at the balance sheet day at the immediately exchange rate.

Exchange gains/losses on short-term liabilities denominated in foreign currencies, created as at the day of their valuation, are recognised as financial revenues or costs respectively.

2.22. BANK LOANS

Interest-bearing bank loans are recorded at acquisition prices corresponding to fair value of acquiring funds, less direct costs of loan acquisition. In next periods loans are valued at amortised acquisition price, accounting for an effective interest rate.

2.23. CAPITAL INSTRUMENTS

Capital instruments issued by the Company are recorded at values of obtained receipts less direct issuing costs.

2.24. PROVISIONS

Provisions are created when the Company is obliged (legally or practically) to create the same due to past events and when it is probable that fulfilment of the said obligation will result in outflow of funds, as well as when the amount of such liability can be fairly estimated.

Provisions may be used based on the lapse of time or the volume of performances. The time and manner of settlement should be justified with the nature of settled costs, in accordance with the principle of prudence.

Liabilities recorded as provisions reduce costs of the reporting period in which it has been found out that such liabilities were not created.

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An analysis of accruals per long-term and short-term ones is performed as at each balance sheet day. This part of accruals which is realised within 12 months of the balance sheet day is recorded in short-term provisions. The other part should be recorded in the long-term part.

Valuation as at the balance sheet day of provisions denominated in foreign currencies

According to the 21 IFRS provisions denominated in foreign currencies are valued at least as at the balance sheet day at the immediately exchange rate, unless provision has financial character than to the valuation as at the balance sheet day is used closing rate.

Provisions denominated in foreign currencies are valued at least as at the balance sheet day at the mid-rate of the National Bank of Poland as at the said day.

Exchange gains/losses on accruals denominated in foreign currencies, created as at the day of their valuation, are recognised as financial revenues or costs respectively.

2.25. NET SALES

Net sales are recorded – in accordance with International Accounting Standard No. 18 “Revenues” – at fair value of payments received or due and represent receivables for goods and services delivered under an ordinary course of business, reduced by rebates, VAT and other sales taxes (excise tax).

Sales of goods

Net sales are recorded when the following conditions are fulfilled:

- the enterprise transferred significant risk and benefits attached to property rights to traded goods to the buyer,
- the enterprise is no longer permanently involved in management of sold traded goods, to the extent such function is usually performed by an owner of goods, and is not exercising an effective control over the same,
- an amount of net sales may be fairly estimated,
- is probable that the enterprise will derive economic benefits from the transaction,
- paid costs and costs to be paid by the enterprise due to the transaction may be fairly estimated.

Delivery of services

If the result of a transaction on providing services can be fairly assessed, revenues from the transaction are recorded based on the degree of transaction realisation as at the balance sheet day. The result of a transaction may be fairly assessed if all the following conditions are satisfied:

- an amount of net sales may be fairly estimated,
- it is probable that the enterprise will derive economic benefits from the transaction,
- the degree of transaction realisation as at the balance sheet day may be fairly estimated,
- costs paid due to the transaction and costs of closing the transaction may be fairly estimated.

If a result on a transaction of providing services may not be fairly estimated, revenues from the transactions are recorded only up to the value of paid costs expected to be recovered by the enterprise.

Interest revenues are recorded successively as they accrue, with regard to the principal, in accordance with the effective interest rate method.

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Dividend revenues are recorded at the moment of establishing the shareholders' right to such dividends.

2.26. EMPLOYEE BENEFITS

In accordance with the provisions of the International Accounting Standards, the Company should account in its financial statements for costs due to pension benefits and other employee benefits upon termination of their employment, by creating a provision for pension benefits. Application of IAS 19 "Employee benefits" would result in establishing a provision while applying an actuarial method on projected individual rights.

The Company does not disclose balances connected with costs necessary to incur in future due to termination of the employment relation with employees, as the amount of provision calculated in accordance with IAS is insignificant for the needs of the financial statements.

2.27. TAXES

Mandatory burden on the result comprises current tax and deferred tax.

Current tax burden is calculated based on the tax result (tax base) of a given financial year. Tax profit (loss) differs from net book profit (loss) due to exclusion of taxable revenues and deductible costs in following years as well as costs and revenues which will never be taxable. Tax burden is calculated based on tax rates applicable in a given financial year.

Deferred tax is calculated with the balance sheet method as tax payable or refundable in future on differences between carrying values of assets and liabilities and tax value corresponding to the same, used to calculate the tax base.

Deferred income tax provision is created on all taxable positive temporary differences, whereas a deferred income tax assets is recognised up to the value of probable future reduction of tax profits by recognised negative temporary differences. Tax asset or liability is not created if a temporary difference arises due to goodwill or initial recognition of another asset or liability in a transaction which has no impact either on tax result or book result.

Deferred income tax provision is recognised on temporary tax differences arising due to an investment in subsidiaries, associated companies and joint ventures, unless the Group is able to control the moment of temporary difference reversal and it is probable that the temporary difference will not reverse in foreseeable future.

The value of a deferred income tax asset is analysed as at each balance sheet day and it is written-off when expected future tax profits are not sufficient to realise the asset or any part of the same.

Deferred tax is calculated based on tax rates which will be applicable when an asset is realised or a liability falls due. Deferred tax is recorded in the profit and loss account, except when it refers to items recognised directly in equity. In the latter case deferred tax is also charged directly to equity.

2.28. BUSINESS COMBINATIONS AND CONSOLIDATION PRINCIPLES

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Subsidiaries

Subsidiary entities included in the consolidated financial statements, considered as such, are those entities in relation to which the Group has the power to manage their financial and operational policies in order to gain profits from their activity. It is connected with possessing the majority of the total number of votes in the governing bodies of these entities. While assessing whether the Group controls a given entity, the existence and the influence of potential voting rights that in the given moment may be exercised or changed are taken into account.

Accounting recognition

In accordance with IFRS 3, the Company applies the purchase method of accounting for recognition of consolidation of business units.

Acquisition cost

The costs of business combination are valued as the sum of the fair values at the date of exchange of given assets, incurred or assumed liabilities and equity instruments issued by the acquirer with regard to the business combination, plus any potential costs directly attributable to the combination of business units.

The date of an acquisition

The day on which the acquirer obtains actual control of the acquiree is the acquisition day. In the event that such acquisition is executed by way of a single exchange transaction, the date of exchange is the same date as the acquisition date.

In the event that the business combination is conducted by way of more than one exchange transaction, for instance, when the transaction is concluded in stages, via subsequent acquisitions of shares. In such an event:

- the cost of the business combination is the total cost of all given transactions, and
- the exchange date is the date of each exchange transaction (i.e. the day on which each particular investment is included in the financial statements of the acquirer), whereas the acquisition date is the date on which the acquirer obtains control over the acquired entity.

Selected consolidation procedures

The balance-sheet value of an investment of a dominant entity in each subsidiary is subject to an exclusion under the consolidation procedure, respectively with this part of own capital of each subsidiary which reflects the particular share of the dominant entity.

Transactions, settlements, revenues, costs, and unrealized profits included in the assets resulting from the transactions conducted among the companies within the Group are eliminated. Unrealized losses are also subject to elimination, unless a transaction proves the impairment of value of the given asset.

Allocation of the business combination costs

The acquirer recognizes, at the acquisition date, the costs of the business combination, including identifiable assets, liabilities and contingent liabilities of the acquiree, which meet the criteria specified in paragraph 37 of the IFRS no 3, at their fair value as at this day, with the exception of fixed assets (or the group of assets intended for sale) classified as "Intended for sale" in accordance with IFRS no 5 "Non-current assets held for sale and discontinued operations" which are presented at their fair value less the costs of sale.

The acquirer recognizes separately identifiable assets, liabilities and contingent liabilities at the acquisition date only if they satisfy the following criteria at that date:

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- in the case of an asset other than an intangible asset, it is probable that any associated future economic benefits will flow to the acquirer and the fair value of such asset can be reliably measured;
- in the case of a liability other than a contingent liability, it is probable that an outflow of resources which embody economic benefits will be required to settle an obligation, and its fair value can be reliably measured;
- in the case of an intangible asset or a contingent liability, its fair value can be reliably measured.

Goodwill

As at the acquisition date, the acquirer:

- recognizes goodwill acquired during the business combination as an asset item,

and

- initially measures the goodwill in accordance with the acquisition price, being the excess of the cost of the business combination over the acquirer's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.

Upon the initial recognition, the acquirer measures the goodwill of the acquiree acquired in the course of acquisition in accordance with the acquisition price less the total amount of current impairment of value write-offs.

If the acquirer's interest in the net fair value of the acquired identifiable assets, liabilities or contingent liabilities exceeds the costs of the business combination, the acquirer:

- conducts subsequent evaluation of the recognition and measurement of identifiable assets, liabilities and contingent liabilities of the acquiree and the valuation of the cost of business combination

and

- recognizes immediately in the profit or loss potential gain resulting from the execution of the subsequent evaluation.

2.29. SEGMENT REPORTING

Pursuant to IAS no 14, Segment reporting, the Company is obligated to present results of its operations by operations segments.

In accordance with the provisions of the IAS, such a presentation is to help the user of financial statements to:

- better understand the results achieved by the entity,
- better assess the risks and returns on investment of the entity,
- make more justified judgments about the entity as a whole.

Segmentation of presented performance results is particularly crucial in assessment of risks and returns on investments of an entity with a diversified operations profile or a multinational entity, when obtaining required information from the aggregated data may not be possible.

IAS no 14 presents the following definitions:

Business segment

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A business segment is a distinguishable part of an entity, which provides products or services or a group of related products or services, which is subject to risks and returns on investments that are different from those of other business segments.

Geographical segment

A geographical segment is a distinguishable part of an entity, which provides products or services in a particular economic environment and that is subject to risks and returns on investments that are different from those operating in other economic environments.

Eurocash Group conducts its operations exclusively within the territory of Poland, which in terms of economic conditions and risks related to conducting operations may be considered as homogeneous. The above-mentioned determines the selection of the business sectors as the basic reporting scheme and the geographical segment as the supplementary one.

As a result of the analysis of the business activities conducted by the Eurocash Group, taking into consideration the regulations specified in IAS 14 Segment reporting, the Company made a decision to distinguish the following business segments of the capital Group:

- traditional wholesale – wholesale operations conducted by the Cash & Carry discount chain, including the entire operations of the dominant entity - Eurocash S.A.
- active distribution – wholesale operations in the area of specialist active distribution of the FMCG goods, including the entire operations of the subsidiary - KDWT S.A.
- others – real estate business running by Eurocash Detal sp. z o. o. and commercial business (franchising) running by Eurocash Franszyza sp. z o. o.

The Group does not distinguish any other areas than Poland with regard to geographical segments.

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NOTES TO SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2007 TO 30 JUNE 2007

**NOTE NO. 1.
SEGMENTS OF OPERATIONS – BUSINESS AND GEOGRAPHICAL**

In relation to the fact that the particular business segments are fully represented by the operations of Eurocash S.A. and KDWT S.A., it has been decided not to present the segment results separately in the unit financial statements of Eurocash S.A. As the traditional wholesale business segment differentiated by the Group is represented by the operations of Eurocash S.A., it should be deemed that the financial statements reflect the results achieved by this segment.

The results achieved by both business segments are presented in the consolidated financial statements.

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**NOTE NO. 2.
INTANGIBLE FIXED ASSETS**

Information about intangible fixed assets is presented in Table No. 1.

Table no 1

INTANGIBLE FIXED ASSETS IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Goodwill	Patents and licences	Other intangible fixed assets	Total
Net carrying value as at 1 January 2006	-	2 971 077	107 847 982	110 819 059
Increase due to acquisition	6 443 041	1 448 660	331 748	8 223 449
Decrease due to sale	-	-	(4 954)	(4 954)
Amortisation	-	(2 069 926)	(7 821 566)	(9 891 491)
Other changes	3 532 559	349 823	-	3 882 381
Net carrying value as at 31 December 2006	9 975 600	2 699 634	100 353 210	113 028 444
Net carrying value as at 1 January 2007	9 975 600	2 699 634	100 353 210	113 028 444
Increase due to acquisition	-	581 320	88 193	669 513
Amortisation	-	(1 303 552)	(3 938 345)	(5 241 897)
Net carrying value as at 30 June 2007	9 975 600	1 977 401	96 503 059	108 456 060

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Table no 1

INTANGIBLE FIXED ASSETS IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007 (continued)

	Goodwill	Patents and licences	Other intangible fixed assets	Total
<i>As at 1 January 2007</i>				
Gross carrying value	9 975 600	7 853 298	117 430 275	135 259 172
Total accumulated amortisation and write-offs	-	(5 153 664)	(17 077 064)	(22 230 729)
Net carrying value	9 975 600	2 699 634	100 353 210	113 028 444
<i>As at 30 June 2007</i>				
Gross carrying value	9 975 600	8 434 618	117 502 287	135 912 505
Total accumulated amortisation and write-offs	-	(6 457 217)	(20 999 228)	(27 456 444)
Net carrying value	9 975 600	1 977 401	96 503 059	108 456 060

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**NOTE NO. 3.
TANGIBLE FIXED ASSETS**

Information about tangible fixed assets is presented in Table No. 2.

Table no 2

TANGIBLE FIXED ASSETS IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Land, buildings and structures	Machinery and equipment	Means of transport	Other fixed assets	Constructions in progress	Total
Net carrying value as at 1 January 2006	32 251 902	12 791 129	9 006 689	11 494 898	2 188 260	67 732 878
Increase due to acquisition	22 525 354	3 760 286	1 327 304	3 036 870	21 708 195	52 358 009
Increase due to lease	12 343 223	939 320	1 069 753	-	-	14 352 296
Decrease due to sale	(17 977 965)	(518 243)	(14 461)	(35 020)	-	(18 545 689)
Decrease due to liquidation	(1 463 104)	(168 460)	(41 204)	(277 224)	(60 000)	(2 009 992)
Depreciation	(4 849 373)	(4 882 582)	(2 646 797)	(5 748 130)	-	(18 126 883)
Other changes	16 388 391	1 614 086	35 636	2 144 772	(22 381 192)	(2 198 307)
Net carrying value as at 31 December 2006	59 218 428	13 535 536	8 736 919	10 616 167	1 455 263	93 562 313
Net carrying value as at 1 January 2007	59 218 428	13 535 536	8 736 919	10 616 167	1 455 263	93 562 313
Increase due to acquisition	2 010 953	1 593 496	207 498	2 995 293	3 907 957	10 715 196
Increase due to lease	-	-	1 371 766	-	-	1 371 766
Decrease due to sale	(1 286 000)	(75 015)	(37 869)	-	-	(1 398 884)
Decrease due to liquidation	(298 857)	(15 422)	(197 120)	(362 276)	(5 020)	(878 695)
Depreciation	(2 632 530)	(2 365 021)	(797 305)	(2 937 976)	-	(8 732 832)
Leasing decrease	-	-	(524 459)	-	-	(524 459)
Net carrying value as at 30 June 2007	57 011 994	12 673 574	8 759 430	10 311 208	5 358 200	94 114 406

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Table no 2

INTANGIBLE FIXED ASSETS IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007 (continued)

	Land, buildings and structures	Machinery and equipment	Means of transport	Other fixed assets	Constructions in progress	Total
<i>As at 1 January 2007</i>						
Gross carrying value	75 201 853	29 946 255	15 028 615	29 298 292	1 455 263	150 930 279
Total accumulated amortisation and write-offs	(15 983 425)	(16 410 719)	(6 291 696)	(18 682 125)	-	(57 367 966)
Net carrying value	59 218 428	13 535 536	8 736 919	10 616 167	1 455 263	93 562 313
<i>As at 30 June 2007</i>						
Gross carrying value	75 627 949	31 449 314	15 848 431	31 931 310	5 358 200	160 215 204
Total accumulated amortisation and write-offs	(18 615 955)	(18 775 740)	(7 089 001)	(21 620 102)	-	(66 100 798)
Net carrying value	57 011 994	12 673 574	8 759 430	10 311 208	5 358 200	94 114 406

The Company made no impairment loss on tangible fixed assets.

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NOTE NO. 4.

ANALYSIS OF RATIONALES INDICATING POSSIBILITY OF IMPAIREMENT OF VALUE OF ASSETS

Pursuant to IAS no 36, the Company evaluated on the 31 December 2006 year whether there are any rationales indicating possible impairment of value of assets elements.

The following rationales were assessed:

- impairment of market value – during the reporting period there was no impairment of market value of assets that would be higher than a regular loss connected with timing and usufruct noted,
- assessment of the environment – within the examined period there were no significant or disadvantageous changes for the Company concerning technology, market, economic or legal environment where the entity functions and operates,
- market factors – within the examined period there was no increase in interest rates or other market return rates from investments that would influence the discount rate applied for calculation of the useable value of the examined assets and reducing their recoverable amount,
- accounting factors – balance-sheet value of the Company's net assets is lower than value of their market capitalization,
- usability factors – there are no grounds or evidence that the assets have been obsolete or damaged,
- functionality factors – during the period there were no, and it is very likely that in the near future there will be no significant or disadvantageous changes for the Company concerning the range or the way of using the assets or, as expected, will be used. The cessation of use of certain fixed assets, as well as any plans to cease or restructure operations which includes these elements was not noted or considered. No attempt was made either to dispose of the given assets before the previously foreseen time or to change the assessment of time of their usage,
- economic factors – there is no evidence that economic results achieved by the elements are or will be worse than expected in the future,
- investment factors – cash flows spent on the acquisition of the assets are not significantly higher than the amounts that were originally assumed in the budget,
- operational factors – actual net cash flows and operational profit connected with the assets is equal to the amount assumed in the budget,
- financial factors – after resuming the results of the examined period and the future results assumed in the budget, there were no net cash outflows that connected with certain assets.

Next analysis is planned on the 31 December of 2007 year.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**NOTE NO. 5.
INVESTMENT REAL ESTATE**

The Company has no investment real estate as at the balance-sheet date.

**NOTE NO. 6.
INVESTMENTS IN SUBSIDIARY COMPANIES**

Information about long-term receivables is presented in Table No. 3 and 4.

Table no 3

INVESTMENTS IN SUBSIDIARIES COMPANIES AS AT 30 JUNE 2007

Name of the subsidiary company	Registered office of the company	% of shares held	% of votes held	Consolidation method
KDWT S.A.	Wiśniowa 11, Komorniki	100%	100%	full
Eurocash Detal sp. z o.o.	Wiśniowa 11, Komorniki	100%	100%	full
Eurocash Franszyza sp. z o.o.	Wiśniowa 11, Komorniki	100%	100%	full

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 4

INVESTMENTS IN SUBSIDIARIES COMPANIES AS AT 30 JUNE 2007

	as at 30.06.2007	as at 31.12.2006
Opening balance	73 413 012	
Increase in reporting period:	-	73 413 012
joined units	-	73 413 012
reclass	-	-
other increase	-	-
Decrease in reporting period:	-	-
sale dependent unit	-	-
reclass	-	-
other decrease	-	-
exchange rates	-	-
Balance upon changes	73 413 012	73 413 012

**NOTE NO. 7.
PARTICIPATION IN JOINT VENTURES**

The Company participated in no joint ventures.

**NOTE NO. 8.
FINANCIAL ASSETS**

As at the balance sheet day the Company held no financial assets.

Since exposure of the Company to interest rate risk, exchange rate risk and price change risk is limited, no hedging instruments were applied.

**NOTE NO. 9.
LONG-TERM RECEIVABLES**

Information about long-term receivables is presented in Table No. 5.

Table no 5

NALEŻNOŚCI DŁUGOTERMINOWE NA DZIEŃ 30.06.2007 ROKU

	as at 30.06.2007	as at 31.12.2006
Security deposits paid due to agreements on depot rental	1 872 272	1 588 307
	1 872 272	1 588 307

**NOTE NO. 10.
INVENTORIES**

Information about stocks is presented in Tables No. 6 and 7.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 6

INVENTORIES STRUCTURE AS AT 30 JUNE 2007

	as at 30.06.2007	as at 31.12.2006
Traded goods	167 877 524	152 630 159
Materials	170 901	197 478
Advances for deliveries	3 045 925	4 126 974
Total stocks, including:	171 094 350	156 954 611
- carrying value of stocks disclosed at fair value less costs of sale	-	-
- carrying value of stocks being a security for liabilities	41 000 000	20 200 000

Table no 7

INVENTORIES IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	for the period from 01.01.2007 to 30.06.2007	for the period from 01.01.2006 to 31.12.2006
Opening balance	4 642 388	4 672 138
- increasing	8 591 308	2 184 164
- decreasing	(9 515 588)	(2 213 914)
Closing balance	3 718 108	4 642 388

**NOTE NO. 11.
CONSTRUCTION AGREEMENTS**

The Company concluded no construction agreements.

**NOTE NO. 12.
TRADE RECEIVABLES AND OTHER RECEIVABLES**

Information about trade receivables and other receivables is presented in Table No. 8.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 8

TRADE RECEIVABLES AND OTHER RECEIVABLES AS AT 30 JUNE 2007

	as at 30.06.2007	as at 31.12.2006
Trade receivables	115 482 452	92 539 162
Credit sales	67 416 387	55 738 041
Additional revenues	47 814 496	38 294 375
ABC marketing fees	806 570	720 927
Other trade receivables	1 049 546	986 314
Allowance for trade bad debts	(1 604 548)	(3 200 495)
Other receivables	2 863 100	13 979 260
Overpaid company income tax	966 952	-
Settlement of VAT	390 218	5 829 457
Receivables due to employees	129 427	189 133
Receivables due to insurance	51 048	14 282
Other receivables	1 670 810	8 802 350
Allowance for other bad debts	(345 355)	(855 962)
Total receivables, including:	118 345 552	106 518 422
- long-term	-	-
- short-term	118 345 552	106 518 422

**NOTE NO. 13.
GIVEN LOANS**

There were any given loans in reporting period.

**NOTE NO. 14.
SHORT-TERM PREPAYMENTS**

Table no 9

SHORT-TERM PREPAYMENTS AS AT 30 JUNE 2006

	as at 30.06.2007	as at 31.12.2006
Licences for selling alcohol	727 578	622 350
Taxes	277 411	-
Insurances	235 277	21 591
Rents	105 153	604 405
Advertising folders	7 244	398 833
Other prepayments	796 466	537 386
	2 149 129	2 184 565

**NOTE NO. 15.
EQUITY**

Information about equity is presented in Tables No. 10 and 11 and 12.

Separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 10

SHARE CAPITAL AS AT 30 JUNE 2007

	as at	as at
	30.06.2007	31.12.2006
Number of shares	127 742 000	127 742 000
Par value of a share (PLN / share)	1	1
Share capital	127 742 000	127 742 000

As at 30 June 2007 share capital was comprised of 127,742,000 "A" bearer shares of the par value of PLN 1.00 each.

Shareholders structure holds more than 5% in total number of votes.

Table no 11

SHAREHOLDERS STRUCTURE

Shareholder	30.06.2007				31.12.2006			
	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)
1. Luis Manuel Conceicao do Amaral (directly and indirectly through Politra B.V.)	70 257 100	55,00%	70 257 100	55,00%	70 258 100	55,00%	70 258 100	55,00%
2. ING Nationale – Nederlanden Polska Otwarty Fundusz Emerytalny	6 843 714	5,36%	6 843 714	5,36%	6 598 714	5,17%	6 598 714	5,17%
3. Charlemagne Capital (IOM) Limited		less than 5%		less than 5%	6 488 383	5,08%	6 488 383	5,08%

Table no 12

ZMIANY KAPITAŁU PODSTAWOWEGO W OKRESIE OD 01.01 DO 30.06.2007 ROKU

	for the period	for the period
	od 01.01.2007	od 01.01.2006
	do 30.06.2007	do 31.12.2006
Share capital at the beginning of the period	127 742 000	127 742 000
Increase of share capital in the period	-	-
Issued share capital - in-kind contribution	-	-
Decrease of share capital in the period	-	-
Share capital at the end of the period	127 742 000	127 742 000

**NOTE NO. 16.
OTHER CAPITAL**

Information about other capital is presented in Table No. 13.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 13

CHANGES TO OTHER CAPITAL IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Supplementary capital	Total
<i>As at 1 January 2006</i>	14 782 302	14 782 302
Increase in the period from 1 January to 31 December 2006	14 276 901	14 276 901
Net profit for the period from 1 January to 31 December 2006	12 127 429	12 127 429
Valuation of the Incentive Scheme for employees	2 149 472	2 149 472
Decrease in the period from 1 January to 31 December 2006	-	-
<i>As at 31 December 2006</i>	29 059 203	29 059 203
<i>As at 1 January 2007</i>	29 059 203	29 059 203
Increase in the period from 1 January to 30 June 2007	38 314 159	38 314 159
Net profit for the period from 1 January to 31 December 2006	35 879 233	35 879 233
Retained earnings	658 983	658 983
Valuation of the Incentive Scheme for employees	1 775 942	1 775 942
Decrease in the period from 1 January to 31 June 2007	(29 380 660)	(29 380 660)
Declared dividends	(29 380 660)	(29 380 660)
<i>As at 30 June 2007</i>	37 992 702	37 992 702

**NOTE NO. 17.
OPTIONS FOR SHARES**

Information about options for own shares is presented in Table No. 14.

Table no 14

OPTIONS FOR SHARES IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Number of options	Weighted average performance prices (PLN/share)
Existing at the beginning of the reporting period	7 754 735	1,39
Allotted in the reporting period	1 596 775	1,93
Redeemed in the reporting period	-	0,00
Exercised in the reporting period	-	0,00
Expired in the reporting period	-	0,00
Existing at the end of the reporting period	9 351 510	1,50
Possible to exercise at the end of the period	-	-

1. Pursuant to Resolution No. 3 of the Extraordinary General Meeting of 14 September 2004 on issue of bonds with the priority right, conditional share capital increase and exclusion of the pre-emption right to new shares of the current shareholders, as amended by Resolution No. 2 of 2 November 2004 and Resolution No. 1 of 25 November 2004, it was decided to issue "B" and "C" shares under the Incentive Scheme designated for executive officers, managerial staff and key personnel of Eurocash S.A.

The Company will issue the total of 255,484 inscribed shares in two series:

- 127,742 "A" inscribed bonds of the par value of 1 grosz (PLN 0.01) each, with the right to subscribe "B" ordinary bearer shares with priority over shareholders of the Company;

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

- 127,742 "B" inscribed bonds of the par value of 1 grosz (PLN 0.01) each, with the right to subscribe "C" ordinary bearer shares with priority over shareholders of the Company.

The bonds will bear no interest.

The bond issue price will be equal to the par value.

One "A" bond gives priority to subscribe and take up 25 "B" shares.

One "B" bond gives priority to subscribe and take up 25 "C" shares.

The Company valued the incentive scheme for "A" bonds at PLN 1,921 million. The said value will be amortised for the period of 3 years, beginning from 1 January 2005.

Options for shares embedded in "B" bonds were valued at 1 January 2006 at 2.781 million, and will also be amortised for 3 years.

2. Pursuant to Resolution No. 17 of the Extraordinary General Meeting of 25 April 2006 on issue of the KDWT Incentive Scheme it was decided to issue "C" shares for specific executive officers of KDWT.

The Company will issue the total of 415,000 inscribed shares.

The bonds will bear no interest.

The bond issue price will be equal 1 polish grosz.

One "C" bond gives priority to subscribe and take up 2 "D" shares.

The Company valued the KDWT Incentive Scheme for "C" bonds at PLN 1,894 million. The said value will be amortised for the period of 3 years, beginning from 1 April 2006.

3. On 16th August 2006 Eurocash undertook to grant the selected Shareholder of Carment the rights to take over, as a part of management options, shares of Eurocash of the total amount of PLN 3,500,000, after 36 months from the day of conclusion of the final agreements, at the average price of Eurocash shares from 30 days proceeding the day of conclusion of the final agreements.

Total cost of Incentive Scheme is amounted on 974.161PLN, in 2006 year cost was 108.240PLN, in 2007 year 162.360 PLN. The rest will be depreciate until August of 2009 year.

4. Pursuant to Resolution No. 18 of the Extraordinary General Meeting of 25 April 2006 on issue of the 3rd Incentive Scheme it was decided to issue "D" shares for executive officers, managerial staff and key personnel of Eurocash S.A. and KDWT.

The Company will issue the total of 63,871 inscribed shares.

The bonds will bear no interest.

The bond issue price will be equal 1 polish grosz.

One "D" bond gives priority to subscribe and take up 25 "E" shares.

The Company valued the 3rd Incentive Scheme for "D" bonds at PLN 3,084 million. The said value has started amortised beginning from 1 January 2007.

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Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>	
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>			

**NOTE NO. 18.
PROVISIONS**

Information about provisions is presented in Tables No. 15 and 16.

Table no 15

CHANGES IN PROVISIONS IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Provision for unused paid leaves	Provision for bonuses	Provision for agency depot commissions	Provision for employee benefits	Provision for rents
Provisions as at 1 January 2006	1 812 653	2 000 000	655 002	356 753	525 772
Increase in provisions	694 307	-	206 601	-	-
Decrease in provisions	-	-	-	(18 176)	(354 827)
Provisions as at 31 December 2006	2 506 960	2 000 000	861 603	338 577	170 944
Provisions as at 1 January 2007	2 506 960	2 000 000	861 603	338 577	170 944
Increase in provisions	674 460	183 734	392 078	-	77 810
Decrease in provisions	-	-	-	-	-
Provisions as at 30 June 2007, including:	3 181 419	2 183 734	1 253 681	338 577	248 754
- short-term	3 181 419	2 183 734	1 253 681	20 990	248 754
- long-term	-	-	-	317 587	-

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 15

REZERWY W OKRESIE OD 01.01 DO 30.06.2007 ROKU (ciąg dalszy)

	Provision for costs of transport	Provision for media	Provision for postal and telecommunication costs	Other provisions	Total
Provisions as at 1 January 2006	400 000	400 075	209 876	4 591 391	10 951 522
Increase in provisions	-	-	-	-	900 908
Decrease in provisions	(92 000)	(177 479)	(148 118)	(701 416)	(1 492 016)
Provisions as at 31 December 2006	308 000	222 597	61 758	3 889 975	10 360 414
Provisions as at 1 January 2007	308 000	222 597	61 758	3 889 975	10 360 414
Increase in provisions	523 757	-	49 663	564 635	2 466 137
Decrease in provisions	-	(16 381)	-	-	(16 381)
Provisions as at 30 June 2007, including:	831 757	206 216	111 421	4 454 610	12 810 169
- short-term	831 757	206 216	111 421	4 454 610	12 492 583
- long-term	-	-	-	-	317 587

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 16

PROVISIONS AS AT 30 JUNE 2006

	as at 30.06.2007	as at 31.12.2006
Provision for unused paid leaves	3 181 419	2 506 960
Provision for bonuses	2 183 734	2 000 000
Provision for agency depot commissions	1 253 681	861 603
Provision for non-trading costs	1 022 770	1 638 975
Provision for costs of transport	831 757	308 000
Provision for restructuring	661 988	821 661
Provision for severant payment	338 577	338 577
Provision for rents	248 754	170 944
Provision for media	206 216	222 597
Provision for costs of monitoring and security	115 155	20 718
Provision for postal and telecommunication costs	111 421	61 758
Provision for costs of advisory and audit services	60 600	79 133
Provision for costs of advertising	-	139 619
Other provisions	2 594 098	1 189 869
	12 810 169	10 360 414

NOTE NO. 19.

TRADE LIABILITIES AND OTHER LIABILITIES

Information about trade liabilities and other liabilities is presented in Table No. 17.

Table no 17

TRADE LIABILITIES AND OTHER LIABILITIES AS AT 30 JUNE 2006

	as at 30.06.2007	as at 31.12.2006
Trade liabilities	359 407 032	329 365 403
Supplies of traded goods	353 921 856	320 893 781
Services	5 485 176	8 471 621
Other liabilities	63 539 011	40 097 314
Liabilities for shareholders	29 380 660	-
Financial lease	15 321 970	15 270 653
Settlement of VAT	4 097 256	629 347
Social insurance	2 464 846	1 842 948
Fixed assets	1 783 190	4 471 627
Tax, customs, insurances and other liabilities	955 120	670 797
Payroll	291 911	128 033
Current corporate income tax	-	3 537 007
Other liabilities	9 244 059	13 546 903
Total liabilities, including:	422 946 043	369 462 717
- long-term	12 757 109	15 234 893
- short-term	410 188 934	354 227 824

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**NOTE NO. 20.
LOANS AND CREDITS**

There were any loans and credits in reporting period.

**NOTE NO. 21.
CONTINGENT LEASE PAYMENTS**

In the period from 1 January 2007 to 30 June 2007 were no contingent lease payments.

**NOTE NO. 22.
OTHER FINANCIAL LIABILITIES**

Information about other financial liabilities is presented in Table No. 18.

Table no 18

OTHER SHORT-TERM AND LONG-TERM FINANCIAL LIABILITIES AS AT 30 JUNE 2006

	as at 30.06.2007	as at 31.12.2006
Liabilities under financial lease agreements	15 321 970	15 270 653
	15 321 970	15 270 653
- long-term	12 757 109	12 734 894
- short-term	2 564 861	2 535 759

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**NOTE NO. 23.
LEASE**

Specification of leased objects is presented in Tables No. 19 and 20.

Table no 19

LEASED OBJECTS AS AT 30 JUNE 2006

	Per groups of assets				Total
	Land, buildings and structures	Machinery and equipment	Means of transport	Other fixed assets	
Leasing company cars, agreement NIVETTE 21/2003	-	-	164 000	-	164 000
Leasing hardware, agreement HEWLETT PACKARD 04PL-0003A	-	4 269 954	-	-	4 269 954
Leasing company cars, agreement WBK ZA2/00007/2005	-	-	67 188	-	67 188
Leasing company cars, agreement WBK ZA2/00011/2005	-	-	152 870	-	152 870
Leasing company cars, agreement WBK ZA2/00017/2005	-	-	50 957	-	50 957
Leasing company cars, agreement WBK ZA2/00014/2005	-	-	152 870	-	152 870
Leasing company cars, agreement WBK ZA2/00032/2005	-	-	167 869	-	167 869
Leasing company cars, agreement WBK ZA2/00031/2005	-	-	101 913	-	101 913
Leasing company cars, agreement WBK ZA2/00037/2005	-	-	-	-	-
Leasing company cars, agreement WBK ZA2/00039/2005	-	-	-	-	-
Leasing company cars, agreement WBK ZA2/00061/2005	-	-	147 492	-	147 492
Leasing company cars, agreement WBK ZA2/00062/2005	-	-	125 410	-	125 410
Leasing forklifts, agreement Linde Material Handling Polska Sp. z.o. LTR+FSA 05/20852/JP	-	-	1 949 581	-	1 949 581
Leasing forklifts, agreement Linde Material Handling Polska Sp. z.o. LTR+FSA 05/20852/JP Aneks nr 3 z dnia 20 marca 2006	-	-	228 249	-	228 249
Leasing forklifts, agreement Linde Material Handling Polska Sp. z.o. LTR+FSA 06/21774/JP z dnia 4 sierpnia 2006	-	-	489 156	-	489 156
Leasing sprzęt komputerowy, agreement HEWLETT PACKARD 04PL-0003A Aneks nr 1	-	939 320	-	-	939 320
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	47 459	-	47 459

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 19

LEASED OBJECTS AS AT 30 JUNE 2006 (continued)

Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	56 492	-	56 492
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	56 492	-	56 492
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	56 492	-	56 492
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	56 492	-	56 492
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	56 492	-	56 492
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	56 492	-	56 492
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	56 492	-	56 492
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	62 721	-	62 721
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	62 721	-	62 721
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	62 721	-	62 721
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	45 697	-	45 697
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	45 697	-	45 697
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	45 697	-	45 697
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	45 697	-	45 697
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	47 459	-	47 459
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	47 459	-	47 459
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	47 459	-	47 459
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	47 459	-	47 459

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 19

PRZEDMIOTY LEASINGU NA DZIEŃ 30.06.2007 ROKU (ciąg dalszy)

Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	45 697	-	45 697
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	45 697	-	45 697
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	44 180	-	44 180
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	44 180	-	44 180
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Leasing company cars, agreement ING CAR LEASE NR 2006/09/00528/OL	-	-	46 311	-	46 311
Fortis, company car			21 394		21 394
Leasing Tęgoborze property, agreement ING LEASE NR 705707/3/K/0	12 343 223	-	-	-	12 343 223
Gross carrying value of leased objects	12 343 223	5 209 274	5 465 506	-	23 018 003

Detailed specification of lease agreements is presented in Table No. 20.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 20

LEASE AGREEMENTS AS AT 30 JUNE 2006

Value of liability at 30.06.2007

No.	Financing party	Agreement No.	Initial value	Initial value (currency)	Currency	Agreement completion term	Total	Short-term	Long-term
1	Nivette Fleet Management	21/2003	164000		PLN	06.2007	9 624	9 624	-
2	Hewlett-Packard Polska Sp. z o.o.	04PL-0003A	4 269 954		PLN	03.2009	1 639 904	973 485	666 418
3	WBK Leasing S.A. Poznań	ZA/00007/20	67 188		PLN	04.2008	16 264	16 264	-
4	WBK Leasing S.A. Poznań	ZA/00011/20	152 870		PLN	04.2008	36 609	36 609	-
5	WBK Leasing S.A. Poznań	ZA/00017/20	50 957		PLN	06.2008	15 172	15 172	-
6	WBK Leasing S.A. Poznań	ZA/00014/20	152 870		PLN	05.2008	44 548	44 548	-
7	WBK Leasing S.A. Poznań	ZA/00032/20	167 869		PLN	06.2008	70 678	64 271	6 406
8	WBK Leasing S.A. Poznań	ZA/00031/20	101 913		PLN	06.2008	34 939	34 939	-
9	WBK Leasing S.A. Poznań	ZA2/00037/2	-		PLN	07.2008	-	-	-
10	WBK Leasing S.A. Poznań	ZA2/00039/2	-		PLN	08.2008	-	-	-
11	WBK Leasing S.A. Poznań	ZA2/00061/2	147 492		PLN	12.2008	89 333	61 995	27 338
12	WBK Leasing S.A. Poznań	ZA2/00062/2	125 410		PLN	12.2008	35 361	35 361	-
13	Linde Material Handling Polska Sp. z o.o.	LTR+FSA 05	1 949 581		PLN	11.2010	1 385 207	340 744	1 044 463
14	Linde Material Handling Polska Sp. z o.o.	LTR+FSA 05	228 249		PLN	02.2011	192 707	43 613	149 094
15	Linde Material Handling Polska Sp. z o.o.	LTR+FSA 06	489 156		PLN	02.2010	419 896	81 853	338 043
16	Hewlett-Packard Polska Sp. z o.o.	04PL-0003A	939 320		PLN	03.2009	629 486	413 112	216 374

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 20

LEASE AGREEMENTS AS AT 30 JUNE 2007 (continued)

Value of liability at 30.06.2007

17	ING CAR LEASE	1024342/1/1	47 459	PLN	04.2010	46 679	5 339	41 340
18	ING CAR LEASE	1024542/1/1	56 492	PLN	04.2010	55 829	4 934	50 895
19	ING CAR LEASE	1024543/1/1	56 492	PLN	04.2010	55 829	4 934	50 895
20	ING CAR LEASE	1024507/1/1	56 492	PLN	04.2010	55 829	4 934	50 895
21	ING CAR LEASE	1024506/1/1	56 492	PLN	04.2010	55 829	4 934	50 895
22	ING CAR LEASE	104505/1/1	56 492	PLN	04.2010	55 829	4 934	50 895
23	ING CAR LEASE	1024504/1/1	56 492	PLN	04.2010	55 829	4 934	50 895
24	ING CAR LEASE	1024503/1/1	56 492	PLN	04.2010	55 829	4 934	50 895
25	ING CAR LEASE	1024508/1/1	62 721	PLN	04.2010	61 701	6 994	54 707
26	ING CAR LEASE	1024584/1/1	62 721	PLN	04.2010	61 701	6 994	54 707
27	ING CAR LEASE	1024583/1/1	62 721	PLN	04.2010	61 701	6 994	54 707
28	ING CAR LEASE	1024453/1/1	45 697	PLN	04.2010	45 195	3 845	41 350
29	ING CAR LEASE	1024450/1/1	45 697	PLN	04.2010	45 195	3 845	41 350
30	ING CAR LEASE	1024616/1/1	45 697	PLN	04.2010	45 195	3 845	41 350
31	ING CAR LEASE	1024776/1/1	45 697	PLN	04.2010	45 195	3 845	41 350
32	ING CAR LEASE	1024343/1/1	47 459	PLN	04.2010	46 267	5 500	40 767
33	ING CAR LEASE	1024340/1/1	47 459	PLN	04.2010	46 267	5 500	40 767
34	ING CAR LEASE	1024339/1/1	47 459	PLN	04.2010	46 267	5 500	40 767
35	ING CAR LEASE	1024341/1/1	47 459	PLN	04.2010	46 267	5 500	40 767

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 20

LEASE AGREEMENTS AS AT 30 JUNE 2007 (continued)

						Value of liability at 30.06.2007			
36	ING CAR LEASE	1024451/1/1	45 697	PLN	04.2010	44 922	4 012	40 909	
37	ING CAR LEASE	1024455/1/1	45 697	PLN	04.2010	44 922	4 012	40 909	
38	ING CAR LEASE	1018657/1/1	44 180	PLN	10.2009	40 809	5 342	35 466	
39	ING CAR LEASE	1019592/1/1	44 180	PLN	10.2009	42 120	4 397	37 722	
40	ING CAR LEASE	1019585/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
41	ING CAR LEASE	1019578/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
42	ING CAR LEASE	1019590/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
43	ING CAR LEASE	1019576/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
44	ING CAR LEASE	1019588/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
45	ING CAR LEASE	1019668/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
46	ING CAR LEASE	1019666/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
47	ING CAR LEASE	1018655/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
48	ING CAR LEASE	1019575/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
49	ING CAR LEASE	1019580/1/1	46 311	PLN	10.2009	43 074	5 965	37 109	
50	ING LEASE	0	12 343 223	PLN	12.2016	9 107 698	215 014	8 892 684	
51	FORTIS		21 394	PLN	12.2007	2 601	2 601	-	
			23 018 003	-	-	-	15 321 970	2 564 861	12 757 109

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 21

LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS AS AT 30 JUNE 2006

	as at 30.06.2007 minimum fees	as at 30.06.2007 current value of minimum fees	as at 31.12.2006 minimum fees	as at 31.12.2006 current value of minimum fees
<i>Future minimum fees due to financial lease agreements</i>				
Payable within 1 year	3 128 506	2 519 722	2 155 837	1 758 963
Payable in the period from 1 year to 5 years	14 359 534	5 367 556	3 120 326	2 684 578
Payable in the period of over 5 years	2 679 235	7 434 692	-	-
Total future minimum fees due to financial lease agreements	20 167 275	15 321 970	5 276 163	4 443 540
Financial costs	4 845 304		832 623	X
Current value of minimum fees under financial lease agreements	15 321 970	15 321 970	4 443 540	4 443 540

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

OPERATING LEASE

Pursuant to IAS no 17 the Company recognized operating lease agreements for tenancy and lease of premises, on the basis of which, in return for a fee or a series of fees, the lessor transfers to the lessee the right to use a particular item of assets for an agreed period of time without transfer of risks and benefits resulting from being an owner of the particular asset.

The indicated agreements concern lease and tenancy of space in order to conduct commercial activities in there, with regard to the sale of goods, tobacco products, alcoholic beverages, domestic detergents and industrial goods. Moreover, one of the agreements concerns the usage of the warehouse space for logistics and transportation purposes and the office space for administration needs of employees of the headquarters.

In the case of the agreements concerning trading premises, the price was established per one square meter. Valorization of the prices in conducted on the basis of an annual level of inflation announced by the Main Statistical Office, the changes of the real estate taxes, the changes of the fees for perpetual usufruct and the changes of local fees concerning the leased or tenanted real estate. The payment is the product of the square meters of the area and the price per square meter.

In the event of the tenancy of the warehouse and office space, regarding the distribution center in Komorniki, there were two fixed monthly rental fees established. The first one applies to the period of the first eight years and the following one to the period of the following eight years.

The terms and conditions concerning the period of the agreements being in force and their terminations provide that in the event that within the period of 12 months before the expiry of a particular agreement one of the parties does not notify the other of his decision not to prolong the agreement, the agreement shall be prolonged for a period analogical to the period of the main agreement.

The specificity of the minimal fees for the operation lease is presented in table no 22.

Table no 22

LIABILITIES UNDER OPERATING LEASE AGREEMENTS AS AT 30 JUNE 2006

	as at 30.06.2007	as at 31.12.2006
<i>LIABILITIES UNDER OPERATING LEASE</i>		
Payable within 1 year	15 965 239	15 534 397
Payable in the period from 1 year to 5 years	58 506 170	58 899 108
Payable in the period of over 5 years	17 480 124	18 865 339
Total future minimum fees due to operating lease agreements	91 951 533	93 298 844

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE NO. 24.
INCOME TAX**

Specification of income tax for the reporting period is presented in Table No. 23 and 24.

Table no 23

INCOME TAX FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2005 (main components)

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
<i>Profit and loss account</i>		
Current income tax	(3 014 515)	(2 946 153)
Current income tax burden	(3 014 515)	(2 946 153)
Adjustment of prior years on current income tax	-	-
Deferred income tax	(758 254)	(408 115)
Due to creation and reversal of temporary differences	(758 254)	(408 115)
Due to income tax rate reduction	-	-
Tax burden recorded in profit and loss account	(3 772 768)	(3 354 268)

Statement on changes in equity

Current income tax	-	-
Current income tax due to exchange gains/losses on a loan	-	-
Deferred income tax	-	-
Net loss due to revaluation of security for cash flows	-	-
Unrealised gains due to financial assets available for sale	-	-
Net deferred income tax recognised in capital reserve at first application of IAS 39	-	-
Net deferred income tax on security for cash flows settled during the financial year	-	-
Net deferred income tax on financial assets available for sale sold during the financial year	-	-
Financial benefit recognised in equity	-	-

Table no 24

ESTABLISH INCOME TAX BURDEN FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2005 (main components)

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
Gross profit	17 765 827	14 607 943
Tax calculated on tax base 19%	3 375 507	2 775 509
Tax influence from permanent differences between gross profit and tax base	277 849	277 164
Negative passing differences and tax losses, in connection which the deferred income tax provision was no recognized	-	-
Others	119 412	301 595
Tax burden shown in profit and losses	3 772 768	3 354 268
Effective tax rate	21,24%	22,96%

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE NO. 25.
DEFERRED INCOME TAX**

Deferred income tax is presented in Table No. 25.

Table no 25

DEFERRED INCOME TAX IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Balance sheet		Profit and loss account	
	as at 30.06.2007	as at 31.12.2006	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
<i>Deferred income tax provision</i>				
- difference between tax and accounting depreciation and amortization	5 555 784	4 979 520	576 263	501 678
- future revenues	1 672 676	1 210 258	462 418	(65 200)
- lease liabilities	438 751	475 415	(36 664)	(174 523)
- unrealized exchange rates	-	-	-	(52 219)
Gross deferred income tax provision	7 667 211	6 665 194	1 002 017	209 736

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Table no 25

DEFERRED INCOME TAX IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007 (continued)

	Balance sheet		Profit and loss account	
	as at 30.06.2007	as at 31.12.2006	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
<i>Deferred income tax provision</i>				
- deferment of rebates	2 096 980	1 745 105	(351 875)	(125 122)
- revaluation write-off on inventories	657 926	783 617	125 692	(59 548)
- allowance for bad debts	278 425	693 438	415 014	(23 401)
- provision for paid leaves	604 470	476 322	(128 147)	(65 020)
- provision for bonuses	414 910	380 000	(34 910)	0
- unpaid payable payroll	230 991	186 777	(44 214)	(87 399)
- provision for agency depot commissions	191 900	163 705	(28 196)	(31 009)
- provision for costs of transport	158 034	58 520	(99 514)	(49 582)
- provision for costs of media	61 898	42 293	(19 605)	(467)
- unrealized exchange rates	4 558	28 140	23 582	-
- provision for postal and telecommunication costs	21 174	11 734	(9 440)	5 655
- interests concern lease	4 779	9 740	4 961	(1 661)
- other provisions	1 062 335	965 222	(97 113)	635 933
- deferred income tax assets	5 788 379	5 544 615	(243 763)	198 379
Deferred income tax burden			758 254	408 114
Net deferred income tax provision	1 878 832	1 120 579	X	X
Net deferred income tax assets	-	-	X	X

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**NOTE NO. 26.
OTHER LONG-TERM PREPAYMENTS**

Other long-term prepayments are presented in Table No. 26.

Table no 26

OTHER LONG-TERM PREPAYMENTS AS AT 30 JUNE 2006

	as at 30.06.2007	as at 31.12.2006
Other prepayments	352 977	348 521
	352 977	348 521

**NOTE NO. 27.
NET SALES IN THE REPORTING PERIOD**

Net sales are presented in Table No. 27.

Table no 27

NET SALES IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2006

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
Sales of traded goods	1 169 709 931	848 774 770
Provision of services	21 908 134	23 491 935
Total net sales	1 191 618 065	872 266 705

**NOTE NO. 28.
COSTS BY NATURE**

Costs by nature are presented in Table No. 28.

Table no 28

COSTS BY NATURE IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
Amortisation	(15 011 749)	(13 561 867)
Materials and power	(6 470 341)	(5 669 984)
Third party services	(44 948 109)	(35 874 133)
Fees and taxes	(2 158 327)	(1 316 595)
Payroll	(36 559 325)	(27 367 809)
Social insurance and other benefits	(7 539 679)	(5 601 971)
Other costs by nature	(8 139 578)	(6 013 115)
Costs by nature	(120 827 108)	(95 405 473)
including:		
Costs of sales	(82 440 694)	(62 613 708)
Costs of general management	(38 386 414)	(32 791 766)

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**NOTE NO. 29.
OTHER OPERATING REVENUES AND COSTS**

Other operating revenues and costs are presented in Table No. 29.

Table no 29

OTHER OPERATING REVENUES AND COSTS IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
Other operating revenues	9 753 803	2 824 168
Other sales	1 370 933	859 141
Sub-lease of premises	820 255	306 865
Compensation received	373 887	51 237
Other operating revenues	7 188 728	1 606 924
Other operating costs	(10 866 734)	(4 655 381)
Inventory shortages	(6 133 159)	(1 571 961)
Liquidation of damaged and expired goods	(1 389 673)	(1 241 539)
Other operating costs	(3 343 902)	(1 841 881)
Net other operating revenues (costs)	(1 112 932)	(1 831 213)

**NOTE NO. 30.
FINANCIAL REVENUES AND COSTS**

Financial revenues and costs are presented in Table No. 30.

Table no 30

FINANCIAL REVENUES AND COSTS IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2006

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
Financial revenues	718 150	950 796
Interest	(19 315)	965 929
Exchange gains	(622)	(38 502)
Other financial revenues	738 087	23 369
Financial costs	(3 064 586)	(740 406)
Interest	(2 661 462)	(209 413)
Bank fees	(214 074)	(330 143)
Exchange losses	(28 679)	(64 150)
Other financial costs	(160 371)	(136 701)
Net financial revenues (costs)	(2 346 436)	210 389

(Net) exchange gains (losses) are presented in Table No. 31.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 31

NET EXCHANGE GAINS/LOSSES IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2006

	for the period	for the period
	od 01.01.2007	od 01.01.2006
	do 30.06.2007	do 30.06.2006
Financial revenues	(622)	(38 502)
Financial costs	(28 679)	(64 150)
Total	(29 301)	(102 653)

**NOTE NO. 31.
RESULT ON DISCONTINUED OPERATIONS**

In the period from 1 January 2007 to 30 June 2007 the Company discontinued no operation under its business activity and plans no such discontinuance in the next financial year.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.06.2007	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE NO. 32.
EARNINGS PER SHARE**

Information about earnings per share is presented in Table No. 32.

Table no 32

EARNINGS PER SHARE FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2006

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
<i>Earnings</i>		
Net earnings of a given year for the purpose of calculating earnings per share for distribution among shareholders	13 993 059	11 253 676
Effect of dilution of ordinary shares:		-
Interest on bonds convertible into shares (after tax)	-	-
Earnings disclosed for the needs of calculating diluted earnings per share	<u>13 993 059</u>	<u>11 253 676</u>
<i>Number of issued shares</i>		
Weighted average number of shares disclosed for the needs of calculating diluted earnings per share	127 742 000	127 742 000
Effect of dilution of a potential number of ordinary shares:		
Share options	-	-
Bonds convertible into shares	9 351 549	7 754 774
Weighted average number of ordinary shares (for the needs of calculating diluted earnings per share)	<u>137 923 549</u>	<u>134 544 100</u>
<i>Continued operations</i>		
Net earnings of a given year to be distributed among shareholders	13 993 059	11 253 676
Exclusion of loss on discontinued operations	-	-
Net earnings on continued operations, upon excluding the result on discontinued operations	13 993 059	11 253 676
Effect of dilution of the number of ordinary shares:		
Interest on bonds convertible into shares (after tax)	-	-
Earnings on continued operations disclosed for the needs of calculating diluted earnings per share, upon excluding the result on discontinued operations	<u>13 993 059</u>	<u>11 253 676</u>

Calculation of weighted average number of shares

1 Semi year 2007

$(127,742,000 \times 181 \text{ days}) / 181 \text{ days} = 127,742,000$

1 Semi year 2006

$(127,742,000 \times 181 \text{ days}) / 181 \text{ days} = 127,742,000$

Calculation of weighted average diluted number of shares

1 Semi year 2007

$(137.923.549 \times 181 / 181 \text{ days}) = 137.923.549$

1 Semi year 2006

$(134.129.100 \times 181 / 181 \text{ days}) + (830.000 \times 90) / 181 \text{ days} = 134.544.100$

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Description of share diluting factors

Pursuant to Resolution No. 18 of the Extraordinary General Meeting of 25 April 2006 on issue of the 3rd Incentive Scheme it was decided to issue "D" shares for specific executive officers of Eurocash and KDWT.

The Company will issue the total of 63,871 inscribed shares.

The bonds will bear no interest.

The bond issue price will be equal 1 polish grosz.

One "D" bond gives priority to subscribe and take up 25 "E" shares.

The Company valued the 3rd Incentive Scheme for "D" bonds at PLN 3,084 million. The said value has started amortised beginning from 1 January 2007.

NOTE NO. 33.

BOOK VALUE PER SHARE

Book value per share was calculated as a quotient of the book value and the number of shares as at the end of the reporting period.

Table no 33

BOOK VALUE PER SHARE AS AT 30 JUNE 2007

	as at 30.06.2007	as at 31.12.2006
Book value	179 727 760	193 339 419
Number of shares	127 742 000	127 742 000
Diluted number of shares	137 923 549	135 294 398
Book value per share	1,41	1,51
Diluted book value per share	1,30	1,43

NOTE NO. 34.

INFORMATION ABOUT RELATED COMPANIES

In the first half of 2007 no significant transactions with related undertakings were concluded, except for transactions resulting from the ordinary economic activity on the market conditions.

The below table presents information about the total value of salaries, bonuses, awards and other benefits paid or due to members of the Management Board and the Supervisory Board in the period from 1 January 2007 to 30 June 2006.

Separate financial statements of EUROCASH S.A.			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 34

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF DOMINANT UNIT IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2007

	Basic salary	Other benefits	Total
<i>Remuneration of Management Board members</i>			
Luis Amaral	150 000	467 524	617 524
Rui Amaral	270 000	38 826	308 826
Arnaldo Guerreiro	240 000	41 707	281 707
Pedro Martinho	240 000	40 773	280 773
Katarzyna Kopaczewska	180 000	39 828	219 828
Ryszard Majer	151 786	50 317	202 103
Roman Piątkiewicz	60 000	7 000	67 000
	1 291 786	685 975	1 977 761
<i>Remuneration of Supervisory Board members</i>			
Joao Borges de Assuncao	48 830	-	48 830
Eduardo Aguinaga de Moraes	23 438	-	23 438
Ryszard Wojnowski	23 438	-	23 438
Janusz Lisowski	23 438	-	23 438
Antonio Jose Santos Silva Casanova	23 438	-	23 438
	142 582	-	142 582

**NOTE NO. 35.
INFORMATION ABOUT THE HEADCOUNT**

Information about the headcount as at 30 June 2007 is presented in Table No. 35.

Table no 35

HEADCOUNT AS AT 30 JUNE 2006

	as at 30.06.2007	as at 31.12.2006
Number of employees	2 248	2 076
Number of full-time jobs	2 205	2 005

Information about the structure of employment as at 31 December 2006 is presented in Table No. 36.

Table no 36

STRUCTURE OF EMPLOYMENT AS AT 30 JUNE 2006

	Depots and distribution centres	Head office	Total
Number of employees	1 930	318	2 248
Number of full-time jobs	1 891	314	2 205

Information about rotation of personnel as at 31 December 2006 is presented in Table No. 37.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Table no 37

ROTATION OF PERSONNEL IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2006

	for the period od 01.01.2007 do 30.06.2007	for the period od 01.01.2006 do 30.06.2006
Number of employees hired	605	318
Number of employees dismissed	(433)	(265)
	<u>172</u>	<u>53</u>

**NOTE NO. 36.
OFF-BALANCE SHEET ITEMS**

As at 30 June 2007 the value of contingent liabilities due to granted bank guarantees amounted to PLN 38,400,780. Detailed specification is presented in Table No. 38.

Table no 38

CONTINGENT LIABILITIES DUE TO GRANTED BANK GUARANTEES AS AT 30 JUNE 2006

No.	Guarantee for	Title	Currency	as at 30.06.2007	as at 31.12.2006
1	KDWT S.A.	guarantee for credit	PLN	23 000 000	-
2	Eurocash Franszyza i Eurocash Detal sp. z o.o.	guarantee for credit	PLN	10 000 000	15 000 000
3	TULIPAN	payables concern distribution center	EUR*	3 577 510	3 639 640
4	Hewlett Packard	payables concern computer hardware	PLN	1 823 270	2 344 205
5	ELTA	payables concern Suwałki store	PLN	-	74 264
				<u>38 400 780</u>	<u>21 058 109</u>

* converted at an average rate of NBP as at 29 June 2007 = 3,7658

**NOTE NO. 37.
RELATED PARTY TRANSACTIONS**

In the first half of 2007 no material related party transactions took place, and the ones resulting from the ordinary course of business conducted on market conditions.

**NOTE NO. 38.
ESSENTIAL EVENTS BEFORE-BALANCE SHEET**

1. Pursuant to Resolution No. 3 of the Ordinary General Meeting of 28 June 2007 the net result of 2006 year was divided.

The amount 29,380,660 PLN was allocated on dividend which is equal 0,23 PLN on each share of Company.

<i>Separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

The amount 7,157,556.54 was allocated on supplementary capital what 2.923.057 PLN determines 8% of net result, which is required by article 396 § 1 of the Commercial Companies Code as a supplementary capital.

2. Pursuant to Resolution No. 18 of the Ordinary General Meeting of 28 June 2007 puts Incentive Schemes (Fourth and Fifth Incentive Scheme for 2007 and 2008 years) for specific executive officers of Company and subsidiaries of Capital Group. On issue of the Incentive Schemes it was decided to issue shares with taking precedence of "F" bonds and "G" bonds. "F" bonds and "G" bonds will grant subscription rights normal "G" shares and "H" shares, each of them with nominal value 1 PLN.

The Company will issue the total of 81,600 inscribed bonds:

- a) 40,800 "F" inscribed bonds, each with nominal value 0,01 PLN, one "F" bond gives priority to subscribe and take up 25 "G" shares,
- b) 40,800 "G" inscribed bonds, each with nominal value 0,01 PLN, one "H" bond gives priority to subscribe and take up 25 "G" shares.

The bonds will bear no interest.

The "G" bond issue price will be determine by Supervisory Board with assumption that the price will be equal weighted average of share quotation on November 2007 corrected on share rights.

The "H" bond issue price will be determine by Supervisory Board with assumption that the price will be equal weighted average of share quotation on November 2008 corrected on share rights.

The purpose of issue "F" series and "G" series of bonds is initiation and execution Fourth and Fifth Incentive Scheme for 2007 and 2008 years, which create additionally motivating mechanisms for specific executive officers of Company and subsidiaries of Capital Group.

**NOTE NO. 39.
POST BALANCE-SHEET EVENTS**

1. Pursuant to Resolution No. 26 of the Ordinary General Meeting of 26 July 2007

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Separate financial statements of EUROCASH S.A.			
Financial statements period:	<i>01.01-30.06.2007</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Position	Name and surname	Date	Signature
President	Luis Amaral	28 August 2007	
Management Board Member Chief Executive Officer	Rui Amaral	28 August 2007	
Management Board Member Financial Executive Officer	Arnaldo Guerreiro	28 August 2007	
Management Board Member Sales Director	Pedro Martinho	28 August 2007	
Management Board Member Human Resources Director	Katarzyna Kopaczewska	28 August 2007	
Management Board Member IT Director	Ryszard Majer	28 August 2007	
Management Board Member	Roman Piątkiewicz	28 August 2007	