

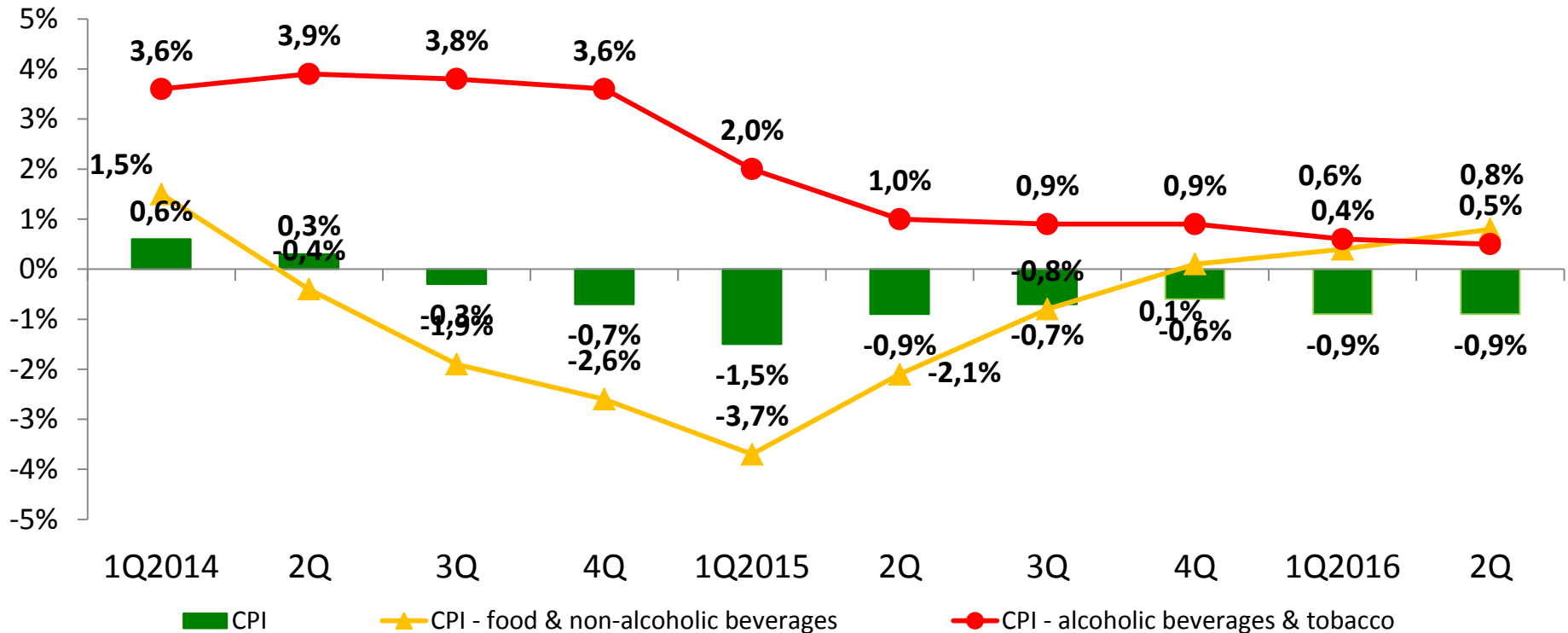


2Q 2016 RESULTS

- **SALES GROWTH AT 3% IN 2Q BUT 5% w/o DISCONTINUED SALES**
- **MARKET SHARE GROWTH IN MAIN CATEGORIES**
- **DEFLATION IN WHOLESALE PRICES AND CANNIBALIZATION AFFECTS LFL DYNAMICS**
- **STABLE CASH FLOW GENERATION AND WORKING CAPITAL ROTATION**
- **COSTS OF NEW PROJECTS AND CASH&CARRY EXPANSION RESULT IN LOWER EBITDA**

Macroeconomic outlook

Despite inflation in consumer prices, at wholesale level we observe deflation

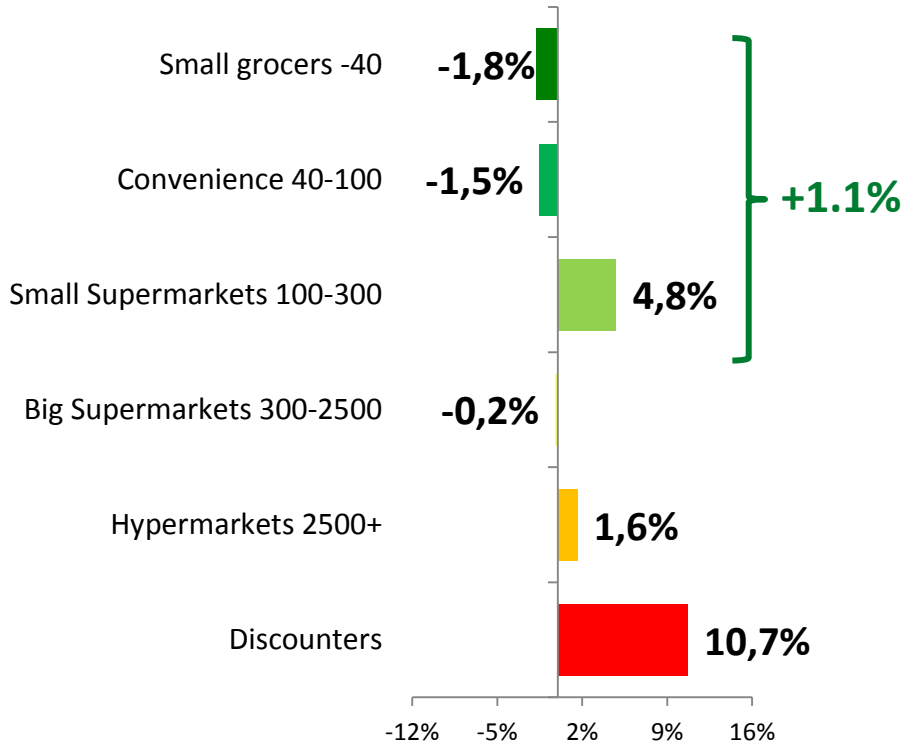


■ CPI still affected by transportation (oil price) and clothes

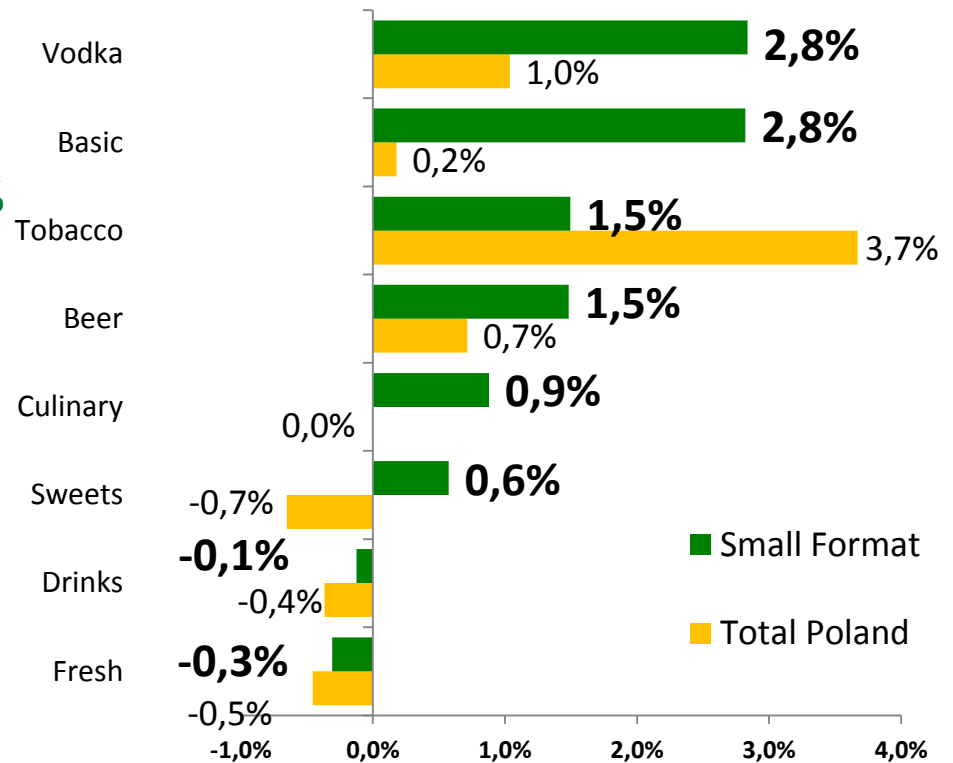
Source: CSO

FMCG Market in Poland

Small supermarkets accelerating growth in 2016



LTM* May 2016
Total Food sales change (YoY)



LTM* May 2016
Eurocash market shares growth
in key categories

Source: Nielsen

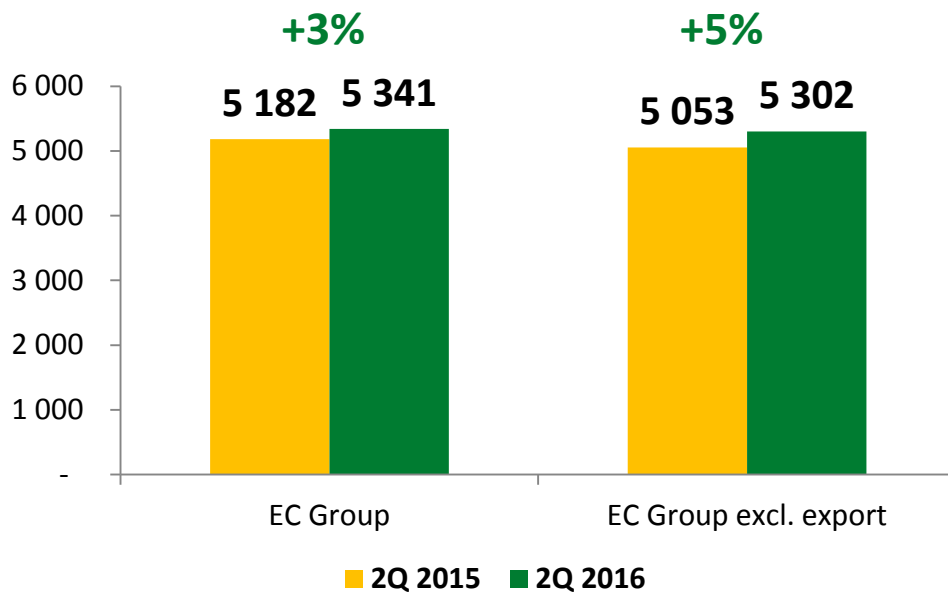
- Total market growing by 3.5% LTM
- Eurocash gaining market share in key categories

*LTM – Last Twelve Month Sales

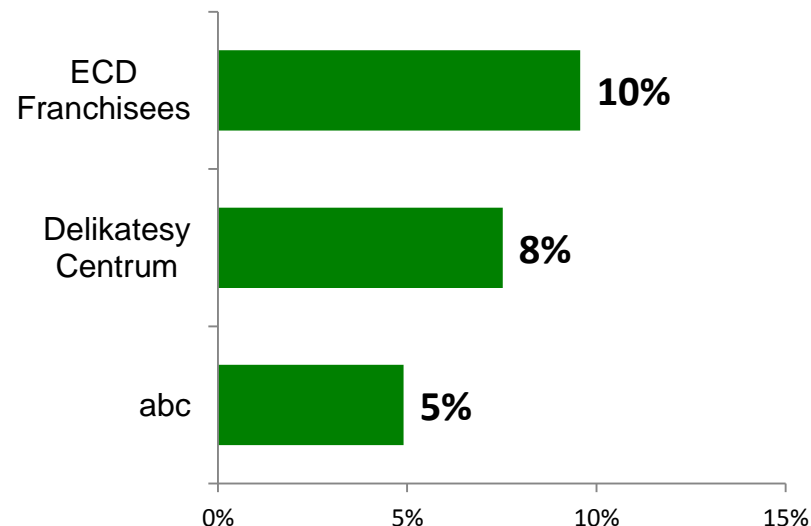
Healthy sales growth to franchisees

Group sales impacted by reduced export sales

Sales development (PLN m)



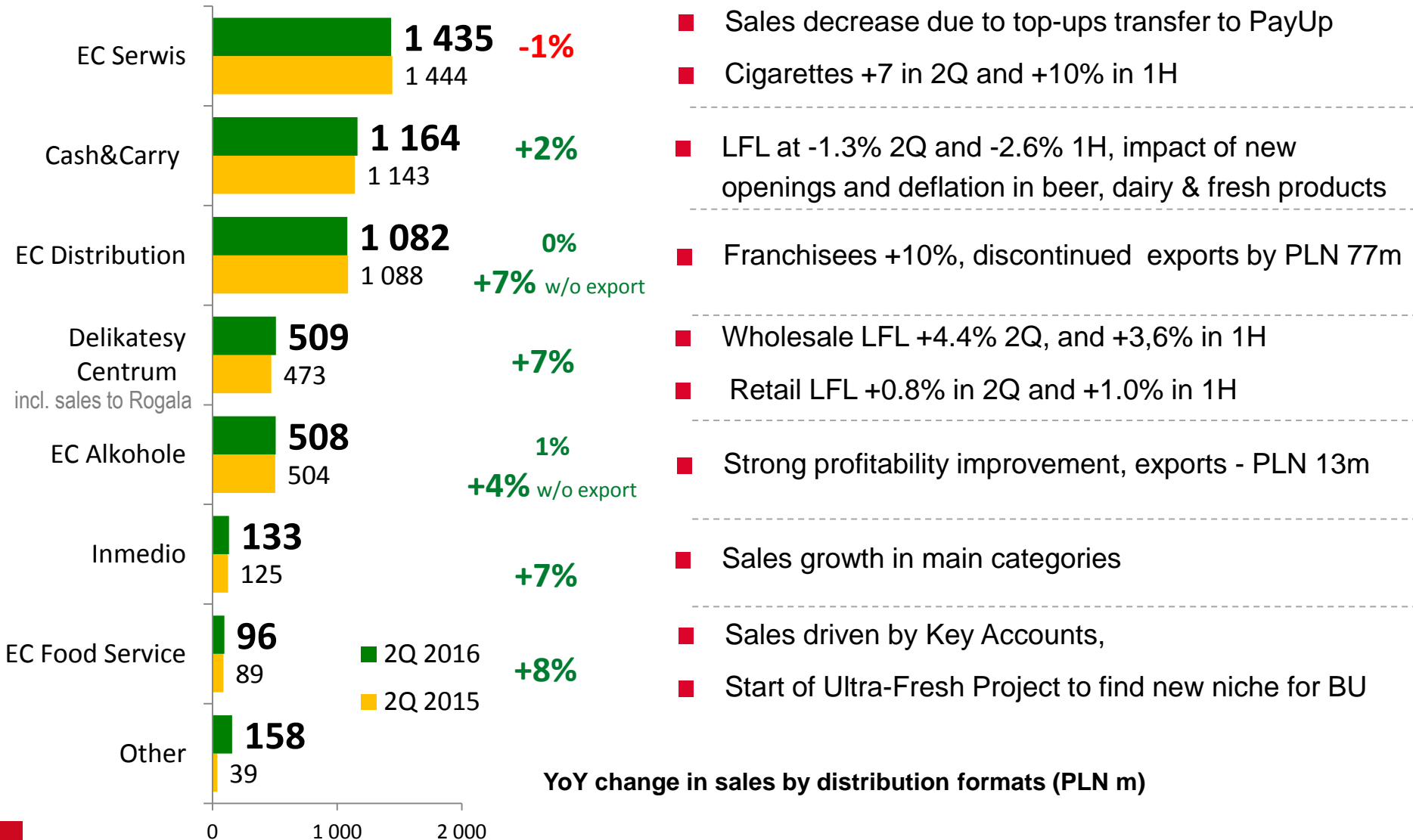
2Q YoY sales growth to Franchisees



- Sales impacted by declining export - PLN 90m in 2Q and 119m in 1H YoY
- Sales excluding export grew by 5% in EC Group (+7% in ECD, +4% in ECA) in 2Q 2016
- Increasing sales to main clients – partners and franchisees
- Over 1% sales of CC moved to ECD & ECA due to migration of clients

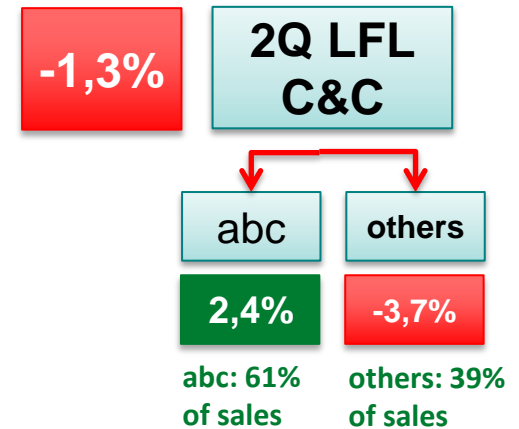
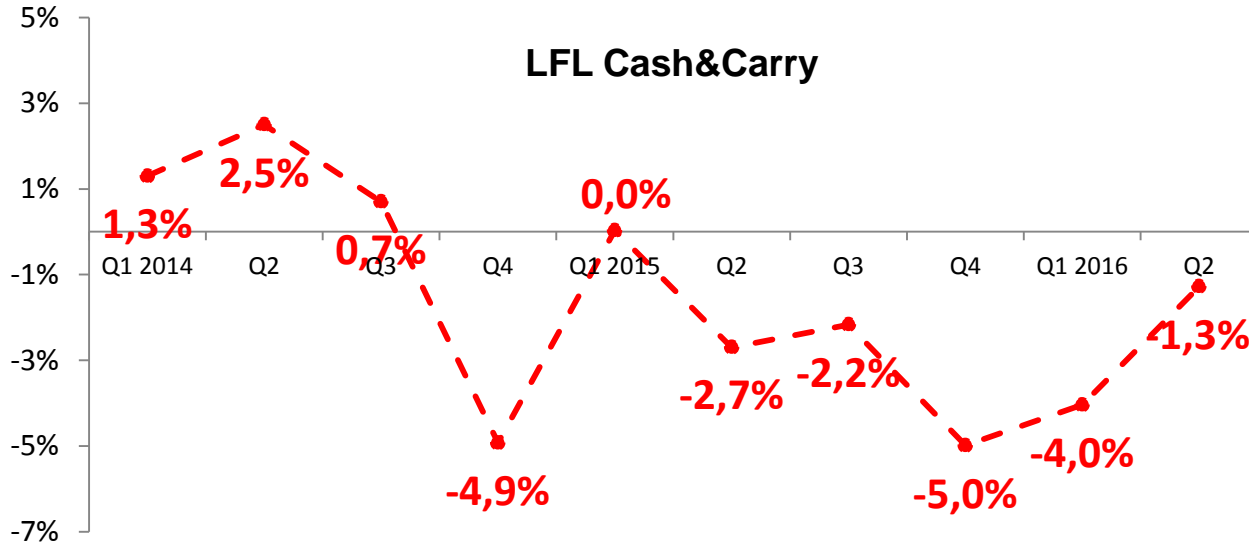
2Q 2016 sales per distribution formats

Market share growth in core business



C&C LFL dynamics

Transfer of clients to other formats, cannibalization of new openings



■ Cannibalization impact on LFL



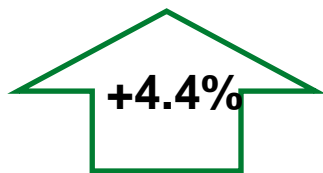
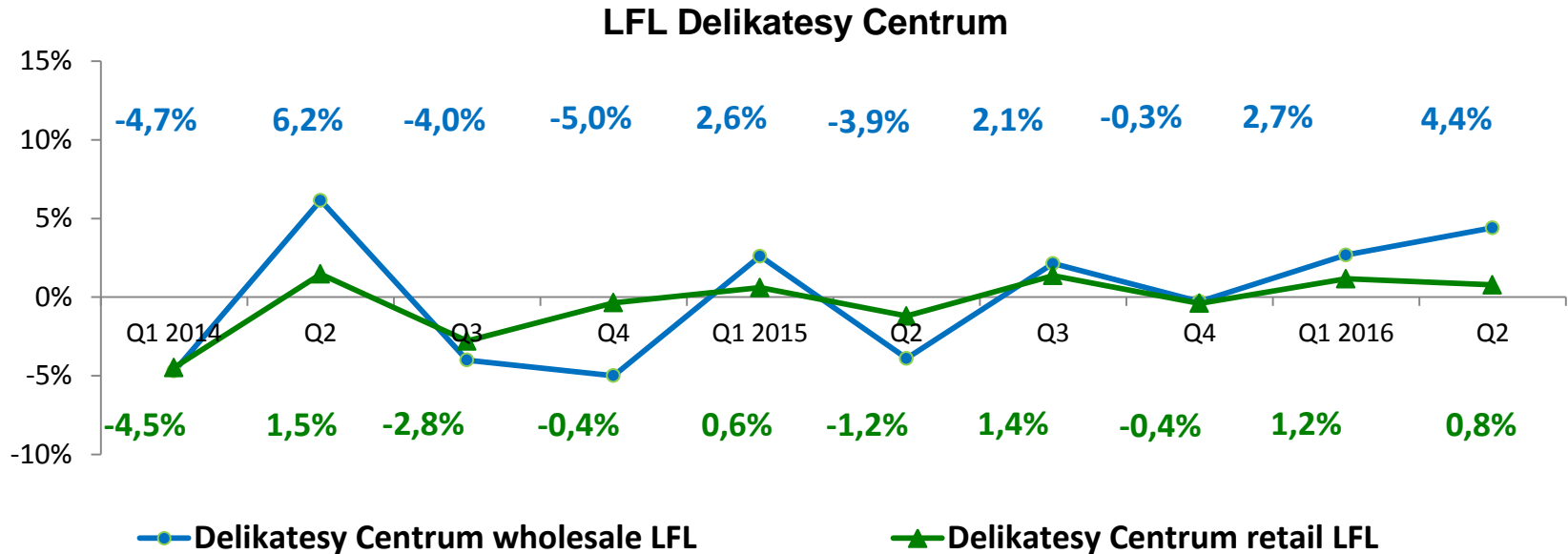
■ Migration of clients to ECD & ECA



■ Wholesale price deflation impact on LFL (Beer, dairy & fresh)

Delikatesy Centrum LFL dynamics

LFL accelerating driven by fresh project



■ Wholesale LFL +4.4% in 2Q and 3.6% in 1H



■ Retail LFL +0.8% in 2Q and + 1.0% in 1H



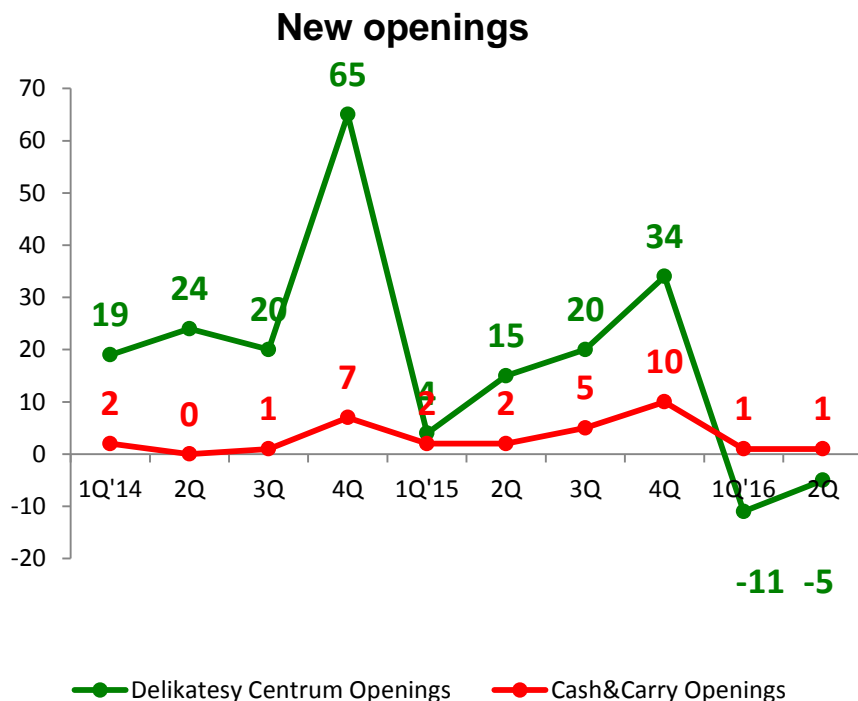
■ New price policy and fresh project

Expansion

Strengthening LFL growth in DC, new model of expansion designed

CASH&CARRY

- 189 C&C stores – 1 opening in 2Q
- 7 993 abc stores



DELIKATESY CENTRUM

- 1 060 Delikatesy Centrum stores with 5 stores less than in 1Q
- Expansion impacted by higher closures
 - Effect of retail tax projects
 - Last years weak openings with not experienced franchisees or in new regions
- New expansion model designed with stronger control, different profile of franchisees and capex participation

2Q 2016 Financial summary

Sales growth by 5% excluding export

<i>PLN m</i>	2Q 2015	2Q 2016	% of Sales 2Q 2015	% of Sales 2Q 2016	Y/Y Change
Net sales	5 182	5 341			3,1%
Gross profit	514	558	9,9%	10,5%	8,7%
EBITDA	114	110	2,2%	2,1%	-3,3%
EBIT	75	70	1,5%	1,3%	-7,0%
Profit before tax	66	63	1,3%	1,2%	-3,9%
Net profit	52	53	1,0%	1,0%	2,9%

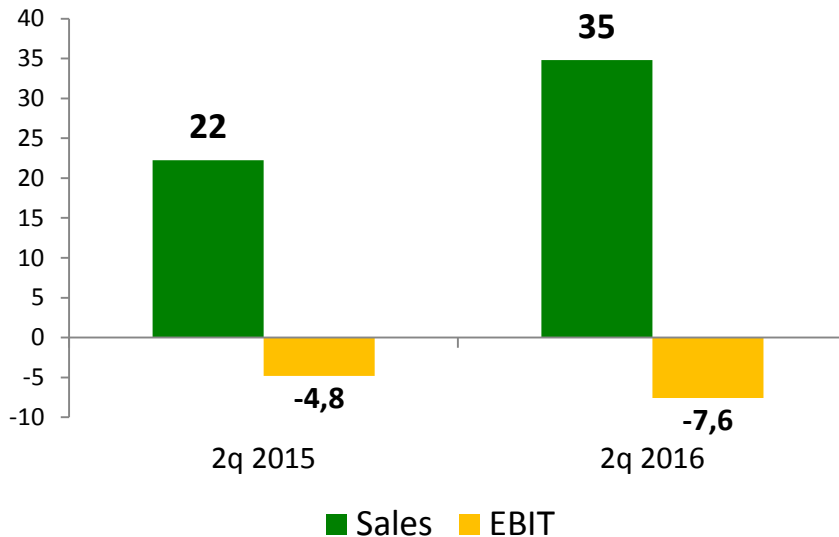
- Gross Margin growth by 0.6 p.p. and 0.3 p.p. ex M&A

- EBITDA hit by higher costs:
 - New Projects (-3 m)
 - Transport costs (-7m)
 - Salary increase (-7m)

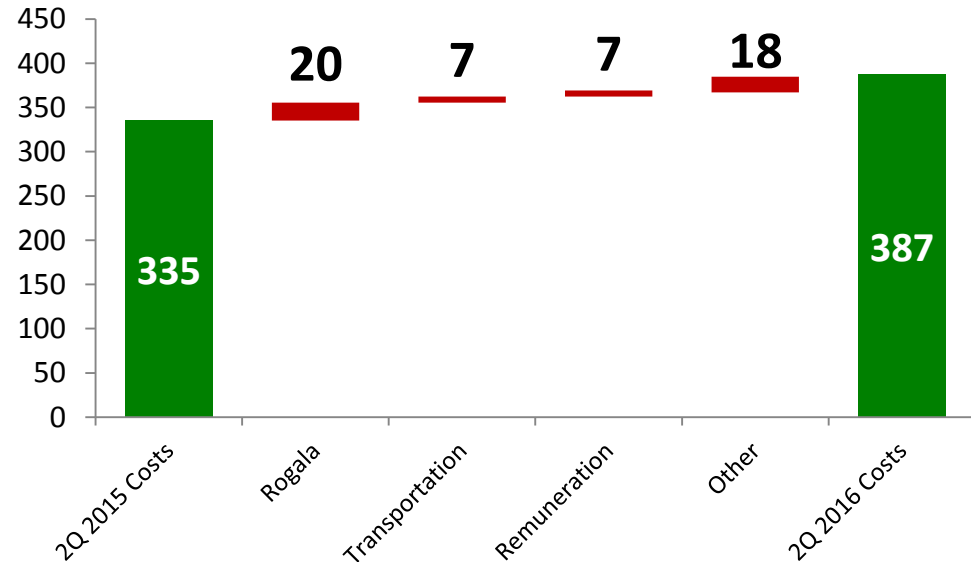
- Net profit with positive impact of lower net financial costs and tax assets

Increasing costs of New Projects and sales

New Projects development



Sales Cost contribution (PLN m)



■ Increase of transport costs driven by Fresh Project and salary increases

■ Costs of New Projects – development of innovative retail formats:

■ 1minute

■ abc on wheels

■ Big Ben

■ Kontigo

■ Faktoria Win

1H 2016 Financial summary

Sales growth by 5% excluding export



<i>PLN m</i>	1H 2015	1H 2016	% of Sales 1H 2015	% of Sales 1H 2016	Y/Y Change
Net sales	9 787	→ 10 105			3,2%
Gross profit	933	1 021	9,5%	10,1%	9,4%
EBITDA	156	→ 158	1,6%	1,6%	1,2%
EBIT	82	77	0,8%	0,8%	-6,6%
Profit before tax	60	66	0,6%	0,7%	10,4%
Net profit	49	→ 55	0,5%	0,5%	13,5%

- Gross Margin growth due to retail margin from M&A

- EBITDA hit by higher costs:
 - New Projects
 - Transport costs
 - Salary increase

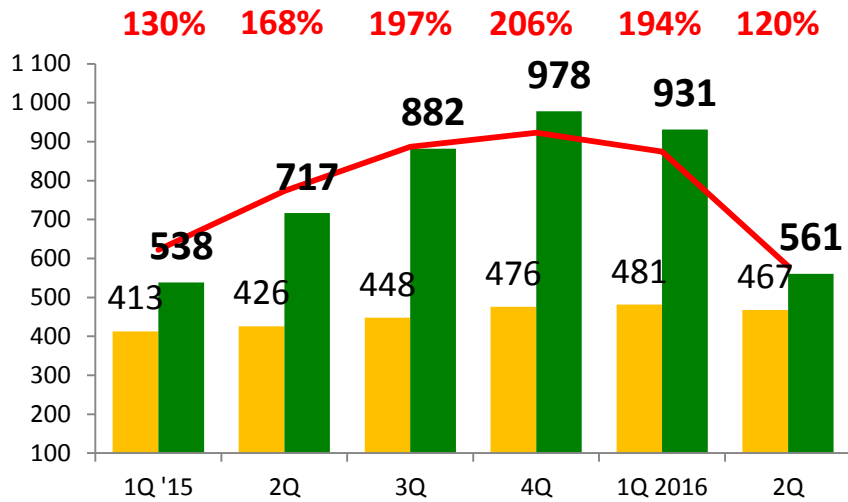
- Net profit with positive impact of lower net financial costs and tax assets

Cash Flow

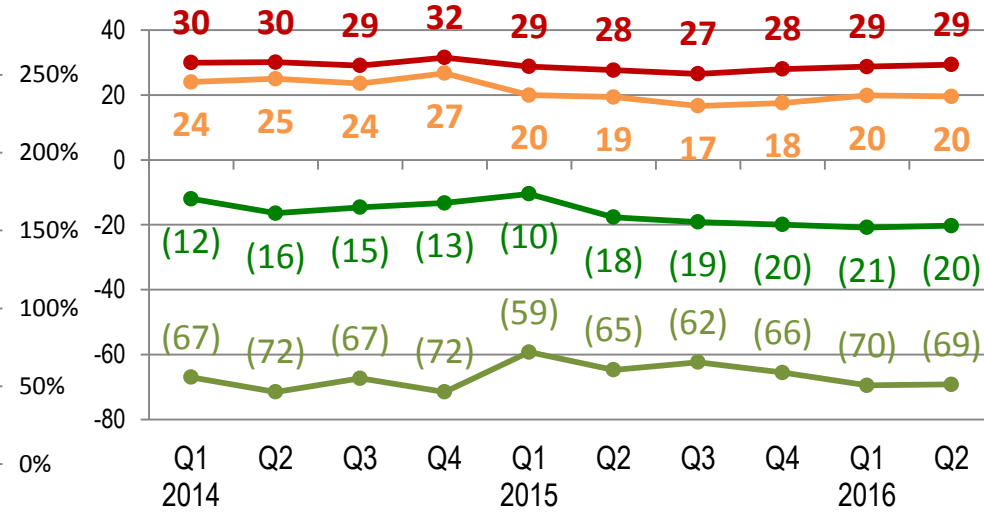
Operational CF at the level of EBITDA



Operational Cash Flow vs. EBITDA



Cash conversion cycle



■ LTM EBITDA (PLN m)

■ LTM Operational Cash Flow (PLN m)

● Receivables

● Stock

● Cash conversion

● Liabilities

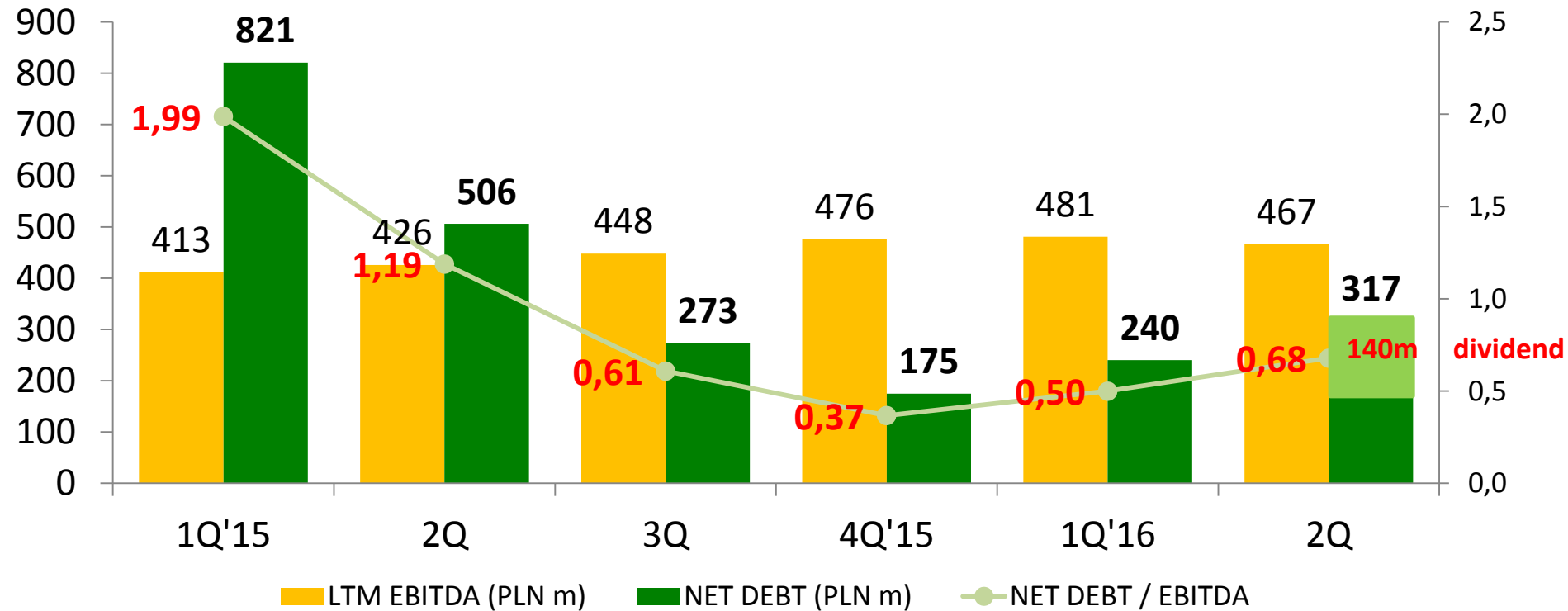
— LTM OCF / LTM EBITDA

■ Strong OCF remained in 12M at 120% EBITDA level

■ Maintained efficient inventory rotation - 20 days in 2Q 2015

■ Cash conversion improved mainly due to longer liabilities rotation - 4 days Y/Y

Net Debt vs. EBITDA



Net Debt* vs. 12M EBITDA in 2Q 2016

- Net Debt / EBITDA at level of 0.68x in 2Q 2016
- PLN 139 m dividend payment in 2Q 2016

Retail tax

Potentially supportive for our clients, low direct impact on Eurocash

RETAIL TAX

- Progressive with tax-free sales of PLN 17m/month;
 - 0.8% for monthly sales between PLN 17m and PLN 187m;
 - 1.4% for monthly sales above PLN 187m.
- Comes into force on 1 September
- Most of Eurocash clients falling into tax free zone

EUROCASH RETAIL SALES

- Rogala: app. 360
- Inmedio: app. 530
- EKO: app. 900

- TOTAL: app. PLN 2bn

2Q 2016 Financial Summary



P&L

	PLN m	2Q 2016	2Q 2015	Y/Y Change	1H 2016	1H 2015	Y/Y Change
Sales revenues (traded goods, materials)		5 341	5 182	3%	10 105	9 787	3%
Gross profit on sales		558	514	9%	1 021	933	9%
Gross profitability on sales (%)		10,5%	9,9%	0,54p.p.	10,1%	9,5%	0,57p.p.
EBITDA		110	114	-3%	158	156	1%
(EBITDA margin %)		2,1%	2,2%	-0,14p.p.	1,6%	1,6%	-0,03p.p.
EBIT		70	75	-7%	77	82	-7%
(EBIT margin %)		1,3%	1,5%	-0,14p.p.	0,8%	0,8%	-0,08p.p.
Net Income		53	52	3%	55	49	13%
(Net profitability %)		1,0%	1,0%	0p.p.	0,5%	0,5%	0,05p.p.

2Q 2016 Financial Summary



Cash Flow

	PLN m	2Q 2016	2Q 2015	Change	1H 2016	1H 2015	Change
Net operating cash flow, including:		96	466	-371	143	560	-417
Net profit (loss) before tax		63	66	-3	66	60	6
Depreciation		40	39	2	81	74	7
Change in working capital		(31)	340	-371	(20)	403	-423
<i>Change in inventories</i>		108	21	87	292	-135	426
<i>Change in trade receivables</i>		-6	29	-35	-51	36	-88
<i>Change in trade payables</i>		38	-55	92	303	46	257
Other		23	22	1	15	23	-8
Net investment cash flow		-32	-32	0	-136	-83	-52
Net financial cash flow		-41	-432	391	33	-484	517
Total cash flows		23	2	20	40	-7	47

2Q 2016 Financial Summary

Balance Sheet

PLN m	30 JUN 2016	31 DEC 2015	Change [%]	Change
Non-current assets	2 307	2 288	0,8%	19
Current assets	3 223	2 729	18,1%	494
Inventories	1 148	968	18,6%	180
Trade receivables	1 725	1 533	12,5%	192
Cash and cash equivalents	126	86	46,7%	40
Total Assets	5 531	5 017	10,2%	513
Equity	1 043	1 161	-10,1%	-118
Liabilities	4 487	3 856	16,4%	631
Long-term financial debt	157	159	-1,4%	-2
Short-term financial debt	287	102	181,7%	185
Trade payables	3 637	3 226	12,8%	412
Total equity and liabilities	5 531	5 017	10,2%	513

For more information please contact:

Jan Domański

Investor Relations & M&A Director

jan.domanski@eurocash.pl