

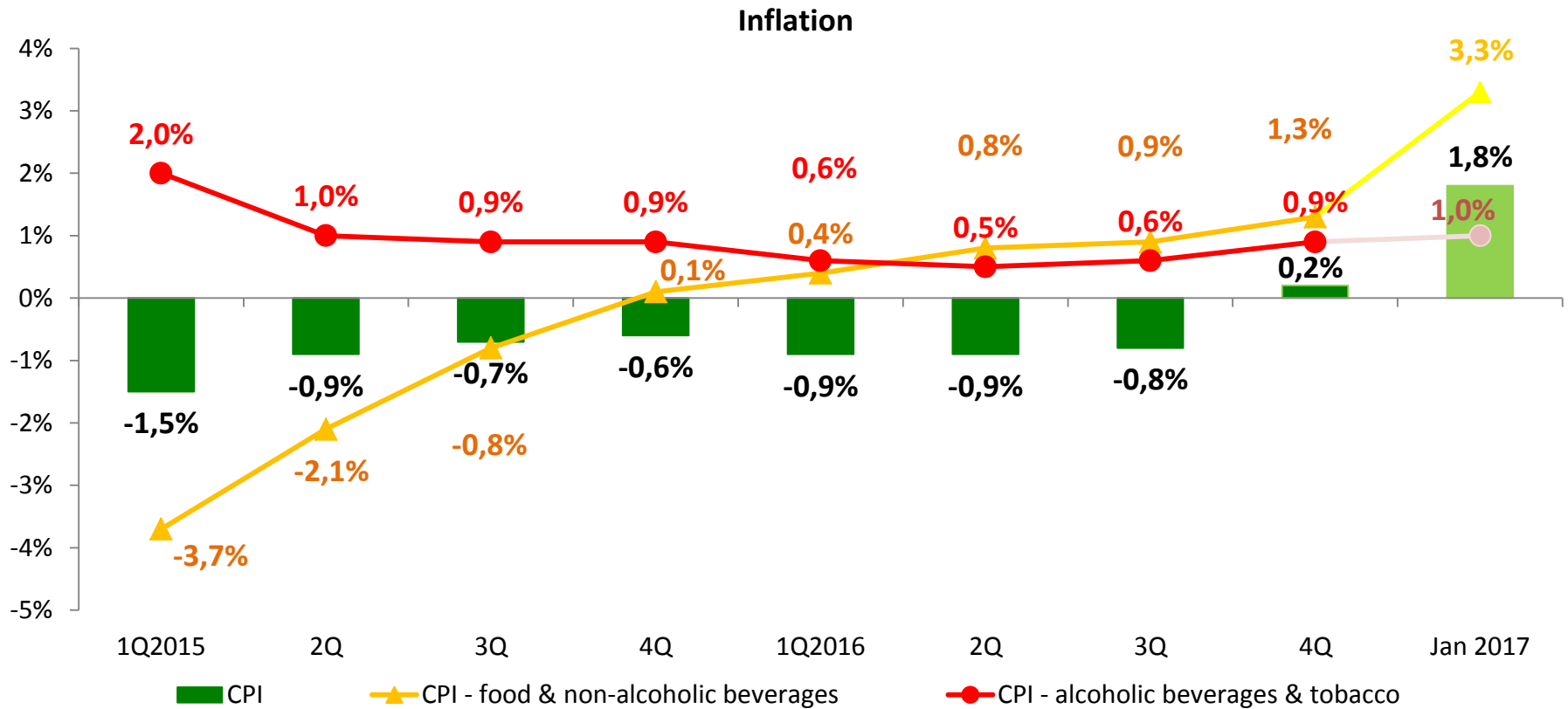


4Q 2016 RESULTS

- **GROWING INFLATION WHILE SMALL STORES AFFECTED BY WEATHER**
- **EUROCASH SALES GREW BY 5.9% IN 4Q and 4.5% YTD**
- **INVESTMENTS IN GROWTH PROJECTS AND C&C INEFFICIENCY
NEGATIVELY AFFECTING PROFITABILITY**
- **CASH & CARRY LFL AT -5.2% IN 4Q and -3.5% YTD**
- **DELIKATESY CENTRUM EXPANSION AT 46 STORES IN 4Q**
- **CASH FLOW IMPACTED BY LONGER TURNOVER OF INVENTORY &
RECEIVABLES DUE TO CHANGE IN SALES MIX**

Macroeconomic outlook

Increasing food inflation at the turn of the year, weather impacting sales



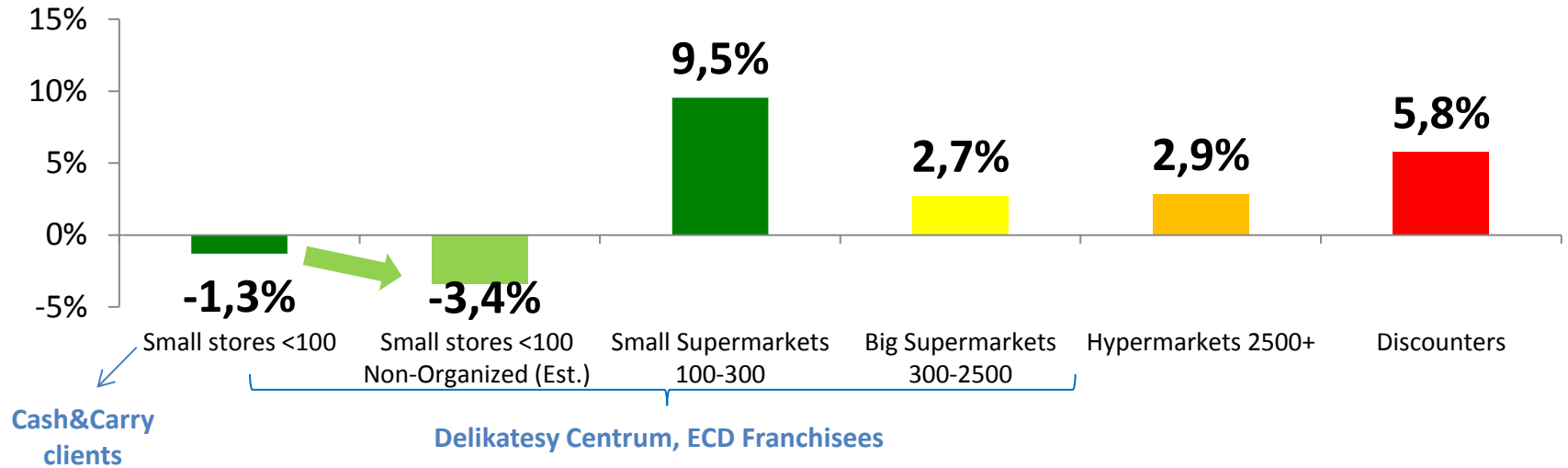
Source: CSO

■ 2016 CPI deflation at -0.6% YoY, food +0.8%, alcohol & tobacco +0.7%

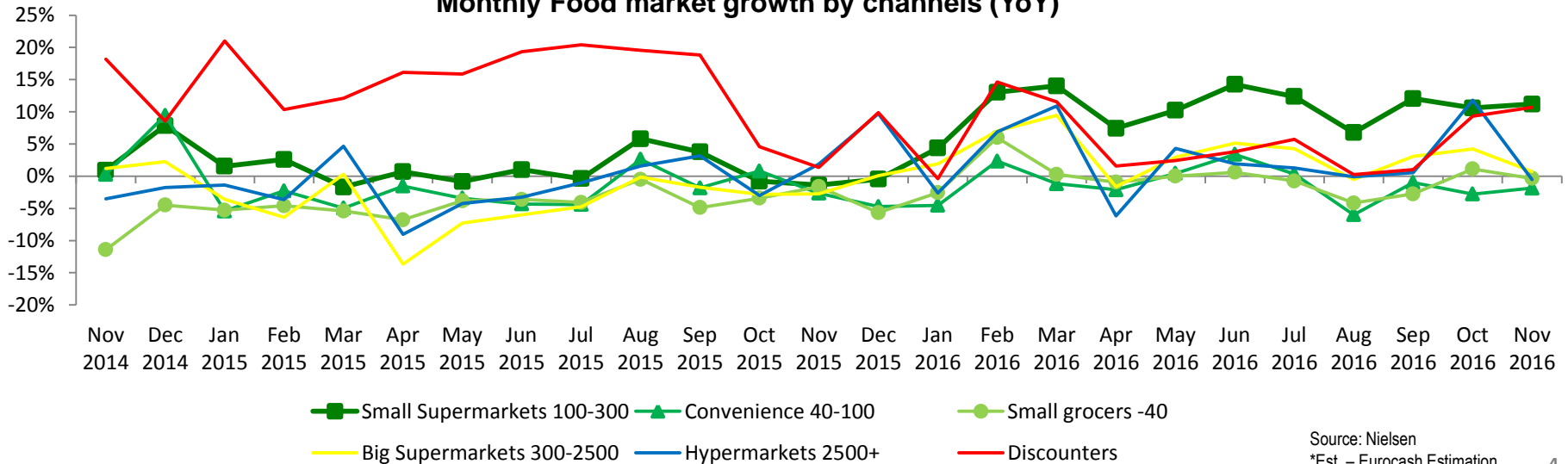
FMCG market growth by 3.7%

Small supermarkets with the fastest growth on the market

FMCG market growth by channels (YoY, Nov MAT 2016)



Monthly Food market growth by channels (YoY)

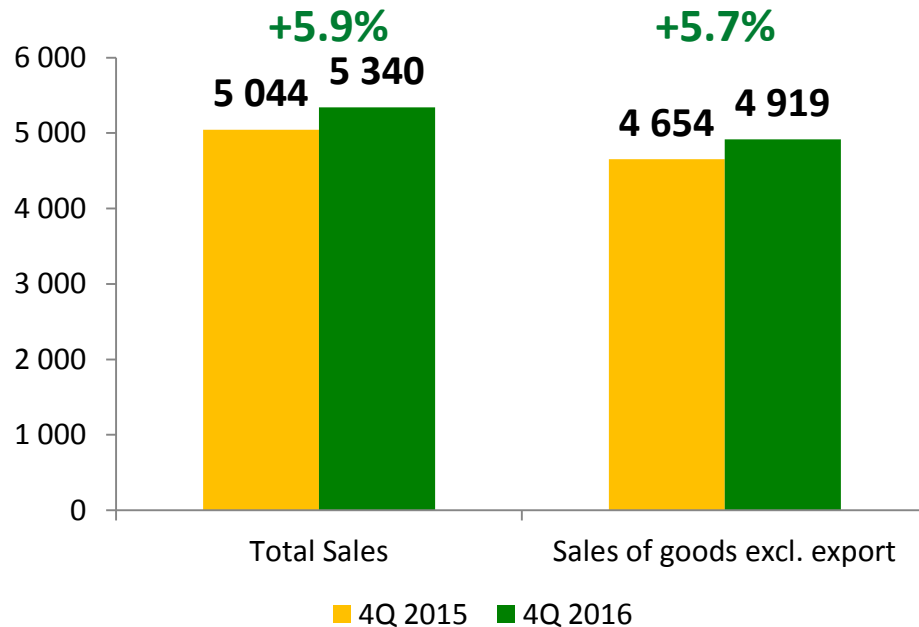


Source: Nielsen
*Est. - Eurocash Estimation

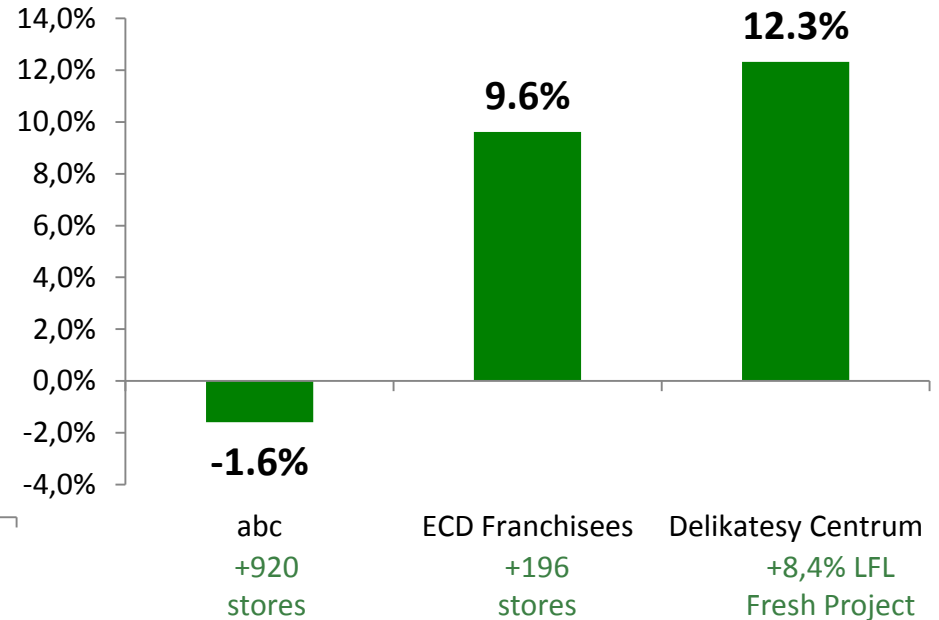
Strong sales growth

...supported by increased assortment and new franchise clients

Sales development (PLN m)



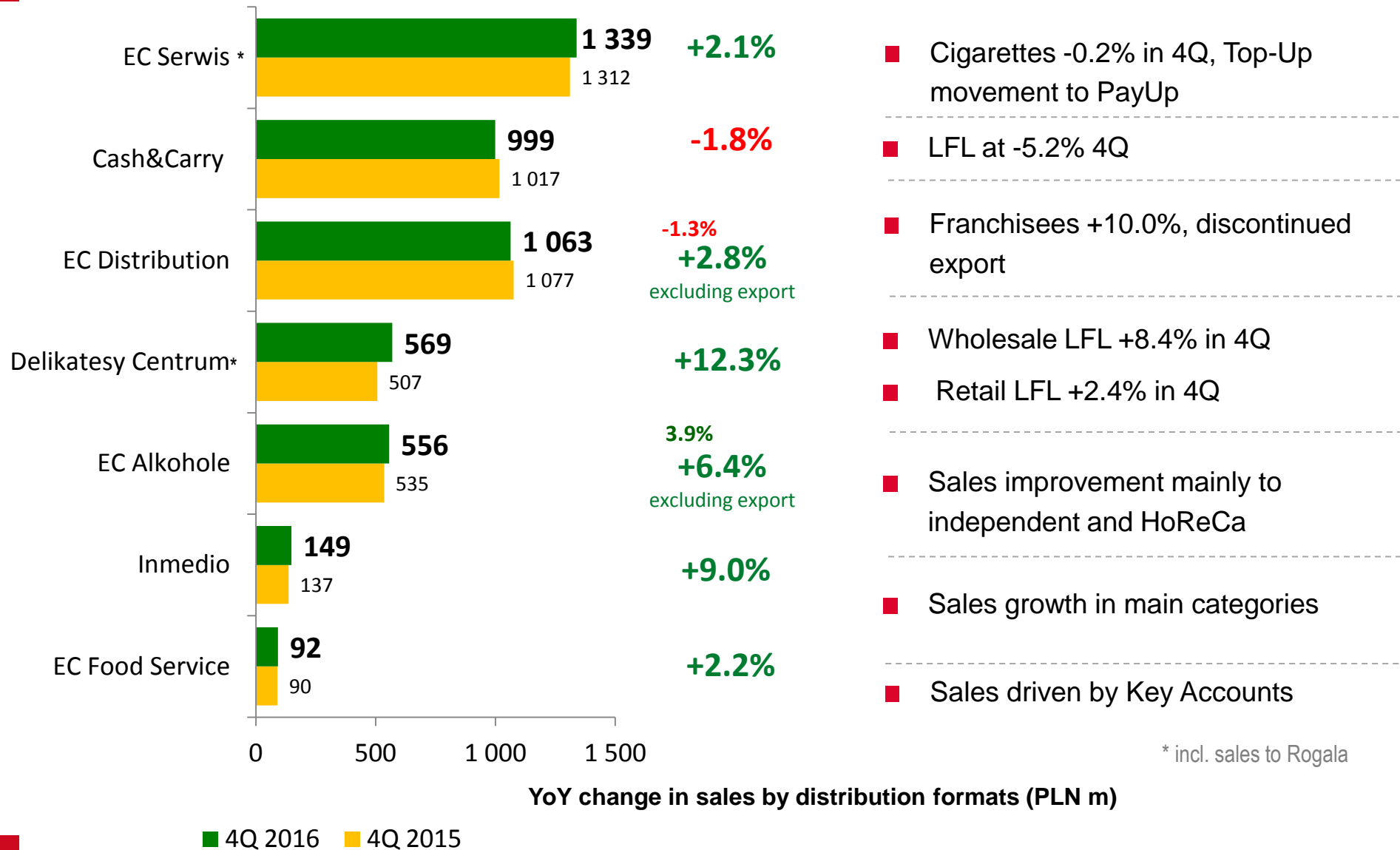
4Q YoY dynamic of sales to Franchisees



- Sales of goods excluding export grew by +5.7% in 4Q and +4.9% in 4Q YTD
- Excluding add. sales from M&A sales grew by +5.0% in 4Q and 3.4% in 4Q YTD

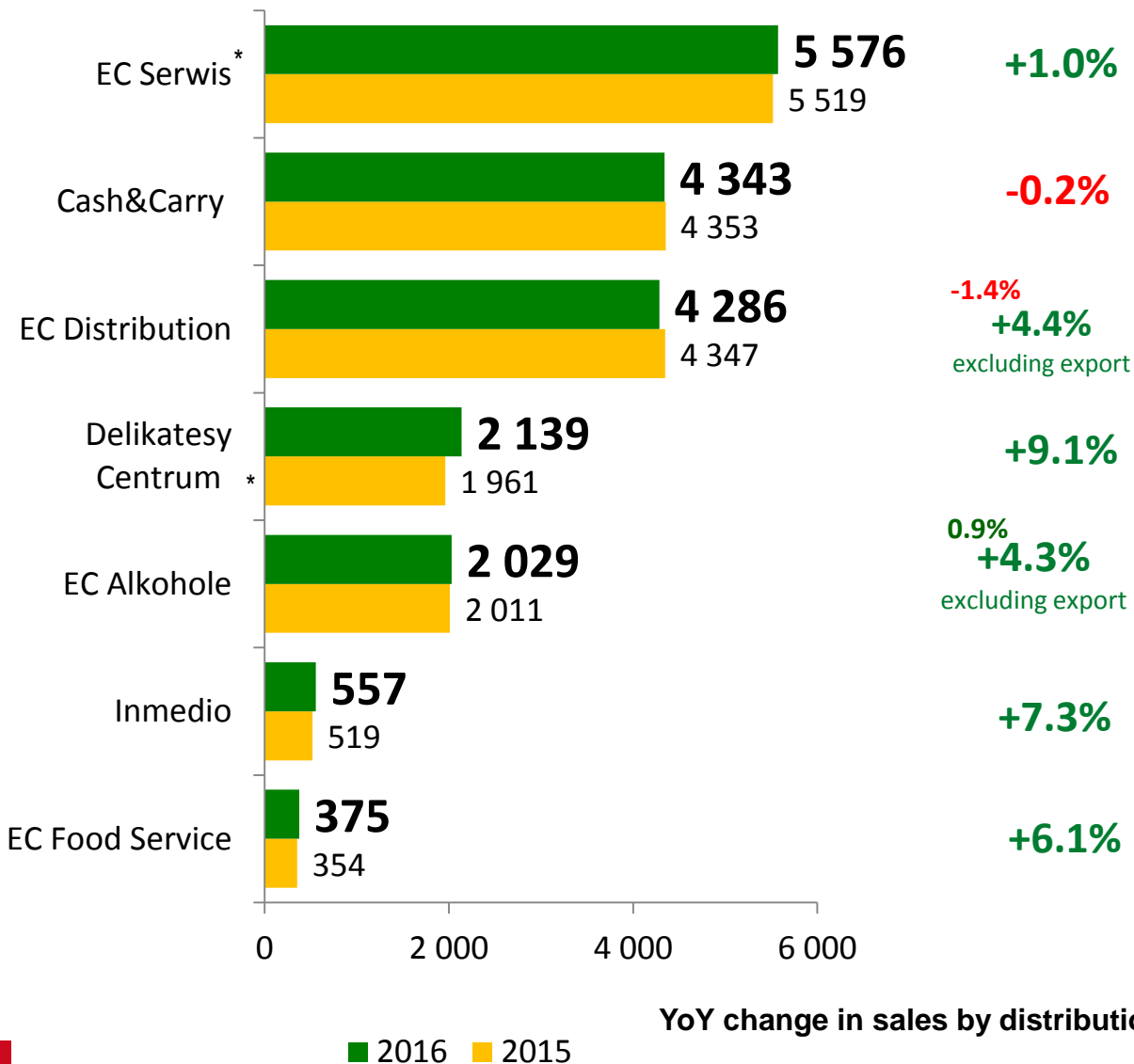
4Q 2016 sales per distribution formats

Strong growth in Delikatesy Centrum, ECA and Inmedio



FY 2016 sales per distribution formats

Market share growth in core business



- Cigarettes +7.3% in 2016, Top-Up movement to PayUp

- LFL -3.5% in 2016

- Franchisees +8.0%, discontinued export

- Wholesale LFL +5.6% in 2016
- Retail LFL +1.6% in 2016

- Sales improvement mainly to independent and HoReCa

- Sales growth in main categories

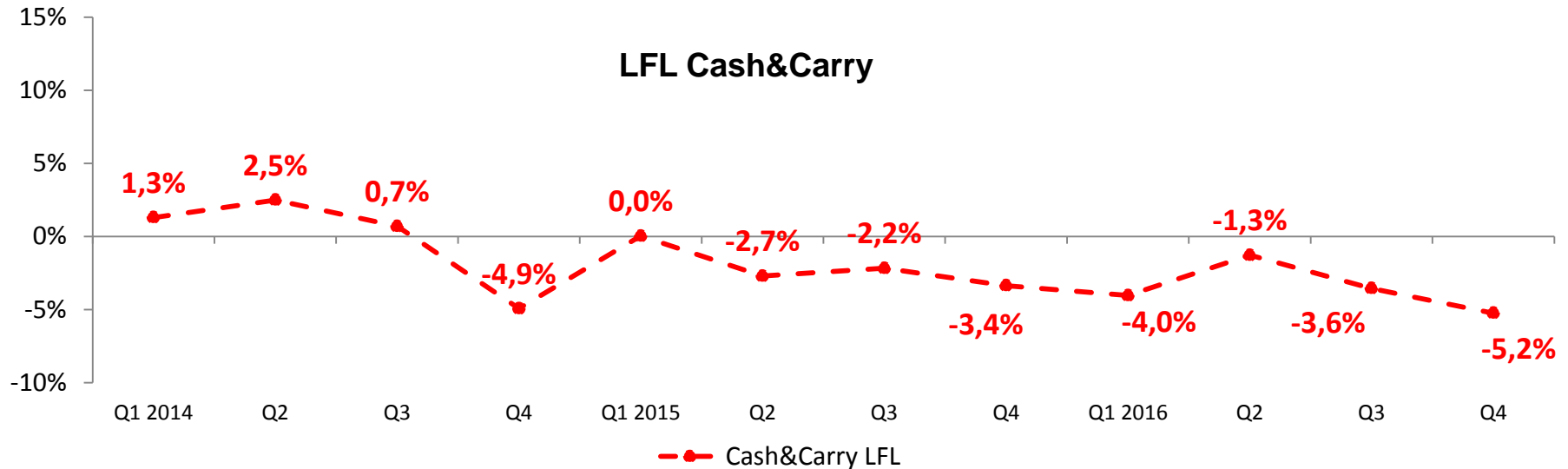
- Sales driven by Key Accounts

* incl. sales to Rogala

YoY change in sales by distribution formats (PLN m)

C&C LFL dynamics

Cannibalization still impacting LFL



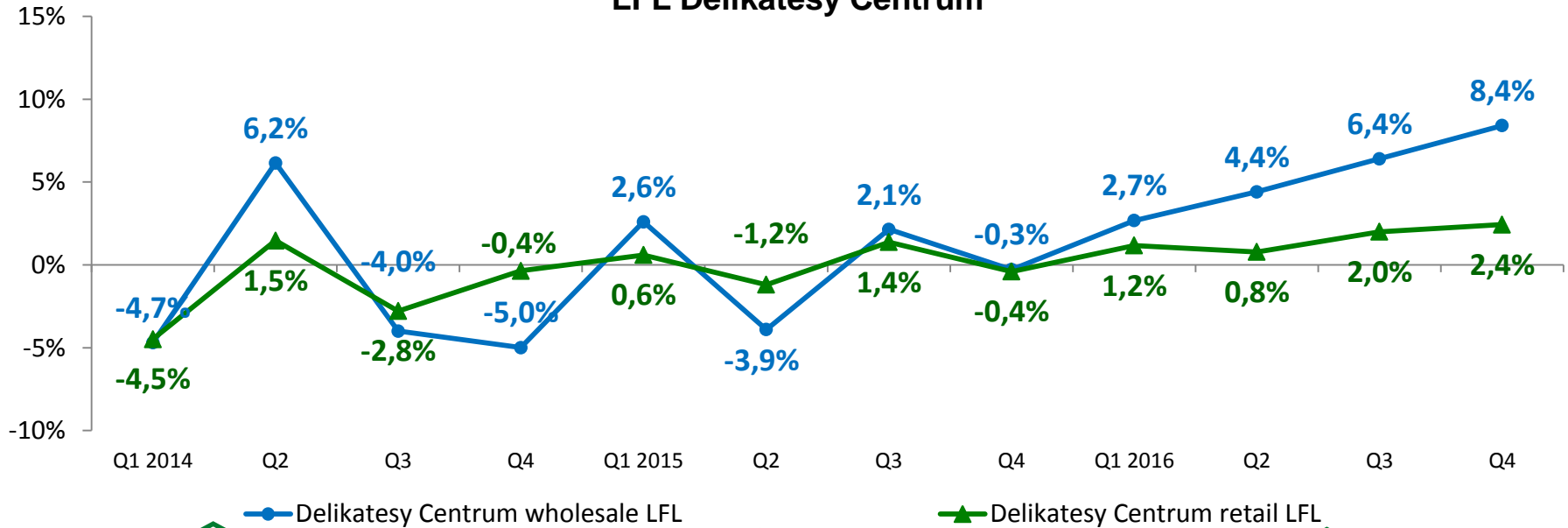
Current C&C situation and impact on LFL:

- Cannibalization effect -1.3% in 4Q and -1.8% in 4Q YTD 2016
- While inflation regained positive levels in 4Q, in 4Q YTD still impacting LFL (-0.8%)
- Decreasing number of independent clients
- C&C with 190 stores at the end of the year (1 opening in 4Q 2016)

Delikatesy Centrum LFL dynamics

LFL accelerating driven by fresh project

LFL Delikatesy Centrum



+8.4%

+2.4%

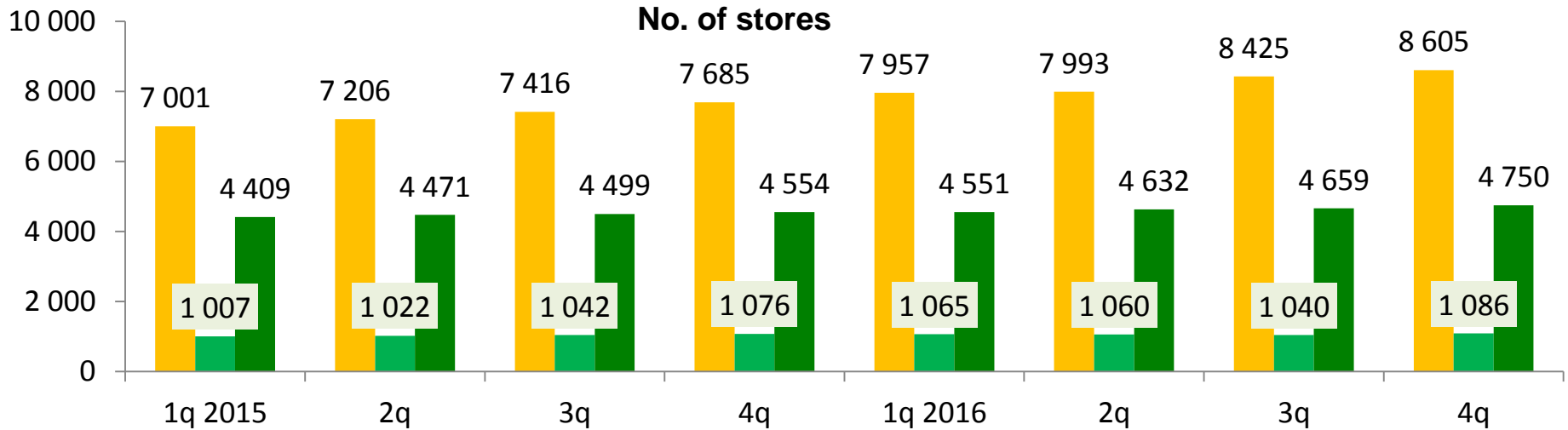
■ Wholesale LFL +8.4%
in 4Q and +5.6% YTD

■ Retail LFL +2.4%
in 4Q and +1.6% YTD

■ Fresh project +219
PLN m in 2016

Expansion of Franchise Chains

Strong network growth



■ abc ■ Delikatesy Centrum ■ ECD Franchisees

2016 Franchise stores

+920

+10

+196







=+1 126 stores

- abc expansion at record level
- DC expansion back to the growth with 46 net openings in 4Q 2016
- ECD Franchise chains with healthy growth driven by Lewiatan and Groszek expansion

4Q 2016 Financial summary

Growth projects affecting profitability

<i>PLN m</i>	4Q 2015	4Q 2016	% of Sales 4Q 2015	% of Sales 4Q 2016	Y/Y Change
Net sales	5 044	 5 340			5,9%
Gross profit	553	 602	11,0%	11,3%	8,8%
EBITDA	185	 160	3,7%	3,0%	-13,6%
EBIT	145	117	2,9%	2,2%	-19,8%
Profit before tax	117	94	2,3%	1,8%	-20,2%
Net profit	109	 73	2,2%	1,4%	-32,7%




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

- EBITDA hit by higher costs:
 - Effects of C&C expansion
 - Fresh + New Projects (-7m)

- Net profit with positive impact of lower net financial costs

FY 2016 Financial summary

Growth projects and C&C affecting profitability

<i>PLN m</i>	4Q YTD 2015	4Q YTD 2016	% of Sales YTD 2015	% of Sales 4Q YTD 2016	Y/Y Change
Net sales	20 318	 21 206			4,4%
Gross profit	2 017	2 184	9,9%	10,3%	8,3%
EBITDA	476	 440	2,3%	2,1%	-7,4%
EBIT	325	274	1,6%	1,3%	-15,6%
Profit before tax	266	236	1,3%	1,1%	-11,2%
Net profit	230	 190	1,1%	0,9%	-17,5%

■ Profitability negatively affected by:

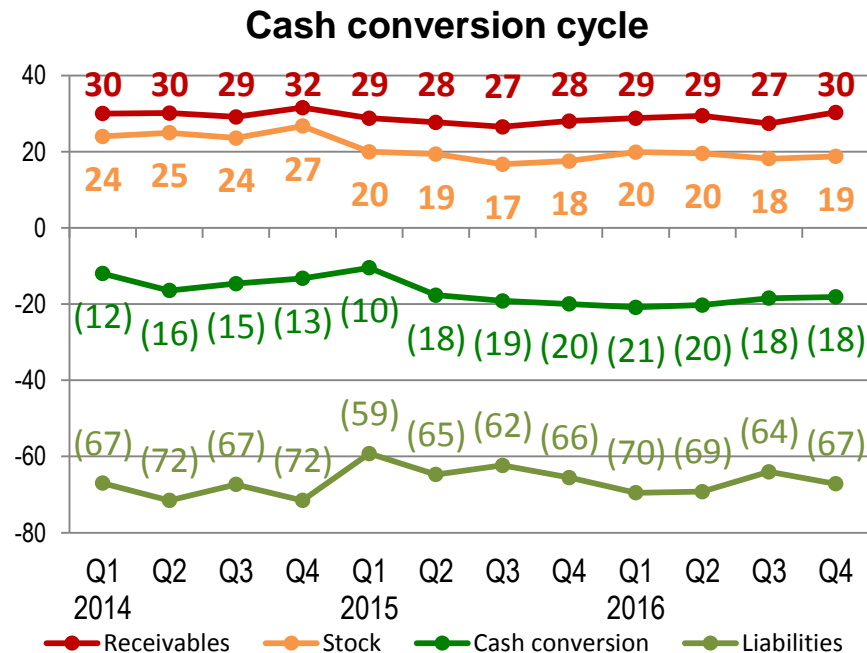
- Additional costs of Fresh + New Projects (PLN 19 m)
- Effects of C&C expansion – cannibalization and lower efficiency
- Total C&C EBITDA lower by PLN 32.6 m
- Deflation combined with increasing labor costs

Cash Flow

Operational CF at 74% EBITDA level



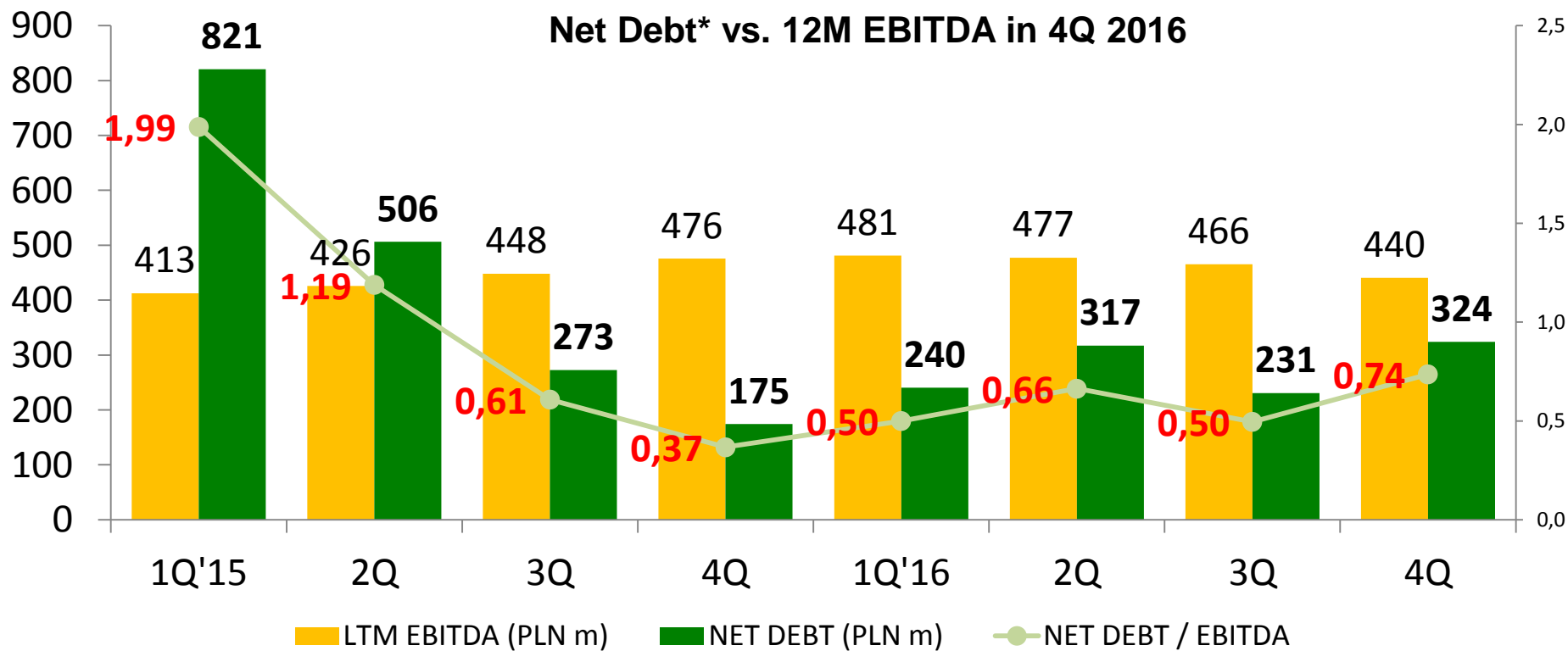
PLN m	4Q 2015	4Q 2016	FY 2015	FY 2016
Net operating cash flow	147	51	978	324
Net profit (loss) before tax	117	94	266	236
Depreciation	39	43	151	166
Change in working capital	(21)	(88)	522	(99)
Other	11	2	39	20
Net investment cash flow	(42)	(103)	(153)	(270)
Net financial cash flow	(97)	131	(825)	22
Total cash flow	8	79	(1)	76



■ Cash Flow impacted by

- Increase of receivables from credit sales
 - lower cash sales due to decrease in Cash&Carry and export sales
 - increase of credit sales in delivery businesses (ECA, ECD, ECS and DC)
- Decrease of liabilities in 4Q 2016

Net Debt vs. EBITDA



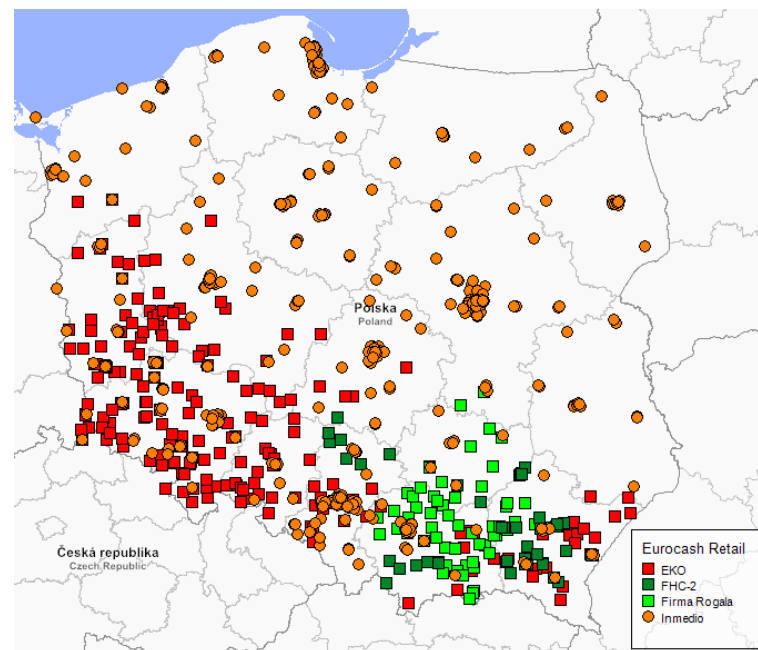
■ Increase of Net Debt in 4Q 2016 vs. 4Q 2015 due to:

- M&A in 2016: PLN 102m (21m pre-payment for EKO)
- CAPEX: PLN 163m
- Dividends paid: PLN 146m

EUROCASH RETAIL

PLN 2bn of sales and potential for further growth

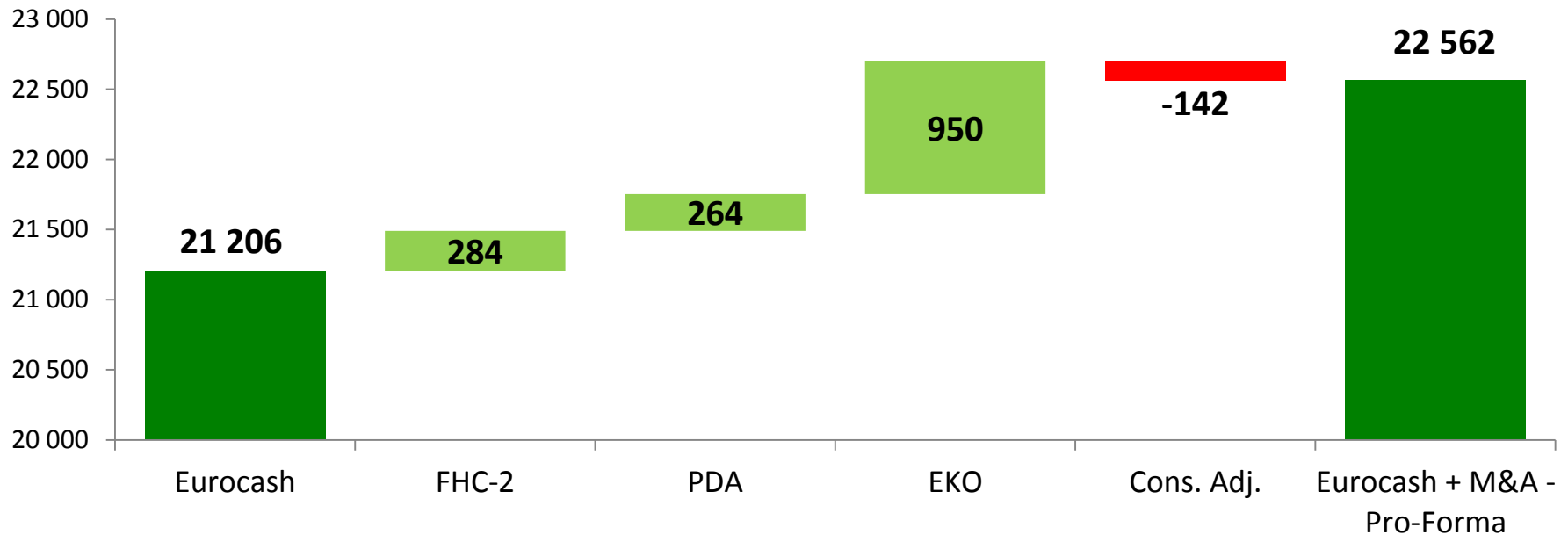
<i>PLN m</i>	Sales	No. of Stores
Eurocash Retail	2 168	828
<i>EKO</i>	950	248
<i>Inmedio</i>	557	468
<i>Rogala</i>	378	64
<i>FHC-2</i>	284	48
EBITDA	11	
<i>EBITDA %</i>	0,5%	



- With 800 stores Eurocash became one of the biggest retailers in Poland
- Potential for improvement in EKO Holding EBITDA after integration with Delikatesy Centrum chain

2016 M&A supporting Eurocash position on the market

Pro-Forma sales of Eurocash Group

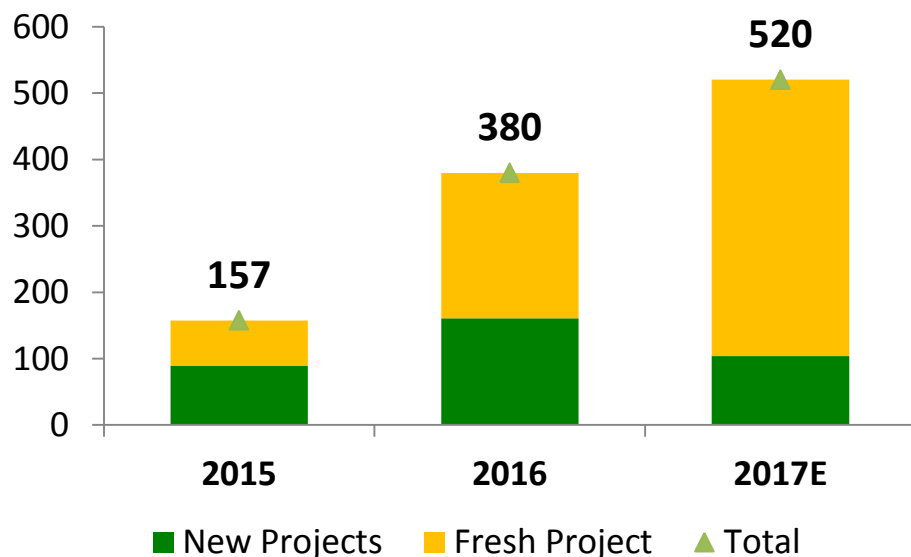


- Full synergies from M&A to be reached in 3 years after the acquisition
- EKO be integrated with Delikatesy Centrum chain
- PDA to be integrated with Eurocash Alkohole distribution format

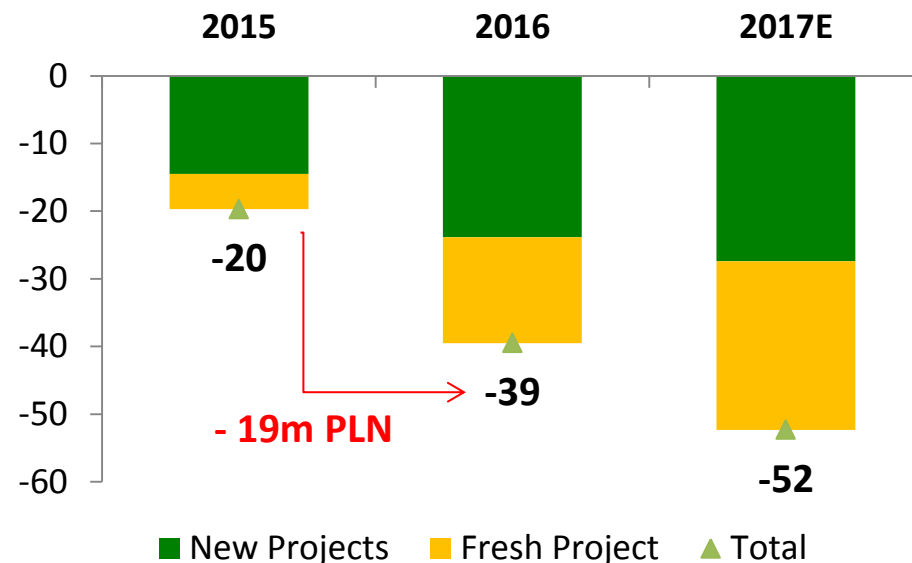
Investments in strategic growth projects

Affecting EBITDA but bringing professionalization to Small Format

Sales (PLN m)



EBITDA (PLN m)



- **Faktoria Win** – successful, positive EBITDA, to be moved to ECA
- **Fresh Project** – working on scale and logistic
- **Duży Ben** – potential for quick roll-out, supported by strong position of Eurocash in alcohol category

- **Kontigo** – still under conceptual development
- **1minute** - still under conceptual development
- **Other** new initiatives to be developed

Challenges

and opportunities for growth in 2017

- Restructuring of Cash&Carry network
 - Reduction of store costs with stable sales
 - 17 locations potentially to be closed, first 3 closures in 1Q
 - Costs varies between 0.3 m – 1.6 m PLN per store, on avg. 1m PLN
- Delikatesy Centrum
 - Organic growth with expansion at historical level – app. 80 net stores
 - Fresh project increasing scale – with negative EBITDA contribution
- Integration of EKO – potential synergies
 - Buying
 - Logistics
- New Projects
 - Assessment of scalability / costs of continued tests of formats

Summary

Market environment, Cash&Carry and New Projects impacting Group results

■ Market environment

- Number of smallest stores continued to decline, while small supermarkets grew exceptionally at the level of 10% in 2016
- Deflation turning into low inflation near the end of 2016

■ Lower profitability of Cash&Carry

- Expansion of C&C chain in 2014-15 faced challenges coming from deflation and cannibalization
- With add. 32 net openings, total C&C sales were stable (2016: 4 343m vs. 2014: 4 329m)
- C&C EBITDA in 2016 declined by PLN 33m – EBITDA margin decreased by 0.7p.p.

■ Growth Projects

- Delivery of Perishables to DeliC franchisees – negative impact on 2016 EBITDA of PLN 15.6m, increase by PLN 201% YoY
- New retail formats – negative impact on EBITDA of PLN 23.9m, increase by PLN 64% YoY

4Q 2016 Financial Summary



P&L

	PLN m	4Q 2016	4Q 2015	Y/Y Change	4Q YTD 2016	4Q YTD 2015	Y/Y Change
Sales revenues (traded goods, materials)		5 340	5 044	6%	21 206	20 318	4%
Gross profit on sales		602	553	9%	2 184	2 017	8%
Gross profitability on sales (%)		11,3%	11,0%	0,3p.p.	10,3%	9,9%	0,37p.p.
EBITDA		160	185	-14%	440	476	-7%
(EBITDA margin %)		3,0%	3,7%	-0,67p.p.	2,1%	2,3%	-0,26p.p.
EBIT		117	145	-20%	274	325	-16%
(EBIT margin %)		2,2%	2,9%	-0,7p.p.	1,3%	1,6%	-0,31p.p.
Net Income		73	109	-33%	190	230	-17%
(Net profitability %)		1,4%	2,2%	-0,79p.p.	0,9%	1,1%	-0,24p.p.

4Q 2016 Financial Summary



Cash Flow

	PLN m	4Q 2016	4Q 2015	Change	4Q YTD 2016	4Q YTD 2015	Change
Net operating cash flow, including:		51	147	-96	324	978	-654
Net profit (loss) before tax		94	117	-24	236	266	-30
Depreciation		43	39	4	166	151	16
Change in working capital		(88)	(21)	-67	(99)	522	-621
<i>Change in inventories</i>		79	26	53	-72	318	-389
<i>Change in trade receivables</i>		2	81	-79	-211	29	-241
<i>Change in trade payables</i>		-169	-128	-42	184	175	8
Other		2	11	-9	20	39	-19
Net investment cash flow		-103	-42	-60	-270	-153	-117
Net financial cash flow		131	-97	227	22	-825	847
Total cash flows		79	8	71	76	-1	76

4Q 2016 Financial Summary

Balance Sheet

PLN m	31 DEC 2016	31 DEC 2015	Change [%]	Change
Non-current assets	2 363	2 288	3,3%	75
Current assets	3 201	2 729	17,3%	471
Inventories	1 089	968	12,5%	121
Trade receivables	1 759	1 533	14,7%	226
Cash and cash equivalents	162	86	87,8%	76
Total Assets	5 564	5 018	10,9%	546
Equity	1 155	1 161	-0,5%	-6
Liabilities	4 409	3 856	14,3%	552
Long-term financial debt	154	159	-2,9%	-5
Short-term financial debt	332	102	225,9%	230
Trade payables	3 459	3 226	7,2%	234
Total equity and liabilities	5 564	5 018	10,9%	546

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