



**EUROCASH**

**CONSOLIDATED QUARTERLY REPORT**

**4<sup>th</sup> QUARTER 2015**

**TRANSLATORS' EXPLANATORY NOTE**

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

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

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4Q 2015**

## SELECTED CONSOLIDATED FINANCIAL DATA

|  | Non audited<br>for the period<br>from 01.01.2015<br>to 31.12.2015<br>PLN | Non audited<br>for the period<br>from 01.01.2014<br>to 31.12.2014<br>PLN | Non audited<br>for the period<br>from 01.01.2015<br>to 31.12.2015<br>EUR | Non audited<br>for the period<br>from 01.01.2014<br>to 31.12.2014<br>EUR |
|--|--|--|--|--|
| Sales  | 20 318 212 635   | 16 963 845 302   | 4 856 285 436  | 4 053 293 821  |
| Operating profit (loss)                            | 325 082 188  | 287 171 527  | 77 698 365   | 68 615 963   |
| Profit (loss) before income tax                    | 265 637 627  | 218 813 959  | 63 490 434   | 52 282 796   |
| Profit (loss) for the on continued operations      | 230 211 370  | 183 120 130  | 55 023 153   | 43 754 212   |
| Profit (loss) for the period                       | 230 211 370  | 183 120 130  | 55 023 153   | 43 754 212   |
| Net cash from operating activities                 | 978 000 369  | 245 687 039  | 233 753 285  | 58 703 775   |
| Net cash used in investing activities              | (153 258 780)  | (230 134 029)  | (36 630 603)   | (54 987 582)   |
| Net cash used in financing activities              | (825 458 006)  | (31 158 544)   | (197 293 914)  | (7 444 935)  |
| Net change in cash and cash equivalents            | (716 417)  | (15 605 535)   | (171 232)  | (3 728 743)  |
| Weighted average number of shares                  | 138 697 752  | 138 528 195  | 138 697 752  | 138 528 195  |
| Weighted average diluted number of shares          | 138 761 353  | 138 620 708  | 138 761 353  | 138 620 708  |
| EPS (in PLN / EUR)                                 | 1,53   | 1,30   | 0,37   | 0,31   |
| Diluted EPS (in PLN / EUR)                         | 1,53   | 1,30   | 0,37   | 0,31   |
| Average PLN / EUR rate*                            |  |  | 4,1839   | 4,1852   |
|  | Non audited<br>as at<br>31.12.2015<br>PLN                                | Non audited<br>as at<br>31.12.2014<br>PLN                                | Non audited<br>as at<br>31.12.2015<br>EUR                                | Non audited<br>as at<br>31.12.2014<br>EUR                                |
| Assets   | 5 024 550 967  | 5 385 515 087  | 1 179 056 897  | 1 263 523 236  |
| Non-current liabilities                            | 262 834 175  | 254 721 938  | 61 676 446   | 59 761 616   |
| Current liabilities                                | 3 593 594 164  | 4 091 594 318  | 843 269 779  | 959 949 867  |
| Equity   | 1 168 122 628  | 1 039 198 831  | 274 110 672  | 243 811 752  |
| Share capital                                      | 138 829 311  | 138 680 636  | 32 577 569   | 32 536 573   |
| Number of shares                                   | 138 829 311  | 138 680 636  | 138 829 311  | 138 680 636  |
| Diluted number of shares                           | 139 530 636  | 139 554 136  | 139 530 636  | 139 554 136  |
| Book value per share (in PLN / EUR)                | 7,98   | 7,18   | 1,87   | 1,69   |
| Diluted book value per share (in PLN / EUR)        | 7,94   | 7,14   | 1,86   | 1,67   |
| Declared or paid dividend (in PLN / EUR) ***       | 111 482 055  | 109 451 447  | 26 160 285   | 25 678 964   |
| Declared or paid dividend per share (in PLN / EUR) | 0,80   | 0,79   | 0,19   | 0,19   |
| PLN / EUR rate at the end of the period**          |  |  | 4,2615   | 4,2623   |

\* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for year 2015.

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

\*\*\* Dividend for 2014 year was paid till 10 June 2015 for shareholders of Parent Company as at 19 May 2015.

On 21 July 2015 a payment of the dividend was made to a shareholder of subsidiary Eurocash Serwis Sp. z o.o - Kolporter spółka z ograniczoną odpowiedzialnością sp. k.

# **EUROCASH S.A. GROUP**

## **CONDENSED INTERIM**

## **CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

### **TRANSLATORS' EXPLANATORY NOTE**

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

KOMORNIKI, 25<sup>th</sup> February 2016

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| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## GENERAL INFORMATION

### 1. INFORMATION ABOUT THE PARENT ENTITY

#### NAME

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

#### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

#### CORE BUSINESS

Non-specialized wholesale trade  
(PKD 4690Z)

#### REGISTRATION COURT

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

#### PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

Indefinite period

#### PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2015 – 31 December 2015 and in addition for the income statement and statement of comprehensive income the reporting period is 1 October 2015 - 31 December 2015.

Consolidated statement of financial position has been prepared as at 31 December 2015 and the comparative figures are presented as at 31 December 2014.

Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting, approved by European Union.

### 2. BOARD OF THE PARENT ENTITY

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

As at 31 December 2015 the Parent Entity's Management Board consisted of the following members:

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

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## 2.2. SUPERVISORY BOARD

As at 31 December 2015 the Parent Entity's Supervisory Board consisted of the following members:

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

## 2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

On 25 February 2015, David Boner was appointed Member of the Management Board.

On 18 December 2015 Carlos Saraiva resigned from the function of Member of the Management Board of Eurocash, with effect on 31 December 2015.

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 31.12.2015

|  | Non audited<br>4th Quarter<br>for the period<br>from 01.10.2015<br>to 31.12.2015 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2015<br>to 31.12.2015 | Non audited<br>4th Quarter<br>for the period<br>from 01.10.2014<br>to 31.12.2014 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2014<br>to 31.12.2014 |
|--|--|---|--|---|
| <b>Sales</b>   | <b>5 044 174 216</b>   | <b>20 318 212 635</b>   | <b>4 445 835 073</b>   | <b>16 963 845 302</b>   |
| Sales of goods   | 4 728 164 042  | 19 239 581 939  | 4 182 705 664  | 16 011 121 941  |
| Sales of services  | 314 262 687  | 1 073 270 965   | 261 862 545  | 948 519 551   |
| Sales of materials   | 1 747 487  | 5 359 731   | 1 266 864  | 4 203 810   |
| <b>Costs of sales</b>                                      | <b>(4 491 104 827)</b>   | <b>(18 301 381 475)</b>   | <b>(3 940 283 878)</b>   | <b>(15 151 561 622)</b>   |
| Costs of goods sold  | (4 451 529 810)  | (18 140 163 033)  | (3 909 157 133)  | (15 027 144 215)  |
| Costs of services sold                                     | (37 967 344)   | (156 460 902)   | (30 066 987)   | (120 824 740)   |
| Costs of materials sold                                    | (1 607 673)  | (4 757 540)   | (1 059 758)  | (3 592 667)   |
| <b>Gross profit (loss)</b>                                 | <b>553 069 389</b>   | <b>2 016 831 160</b>  | <b>505 551 195</b>   | <b>1 812 283 680</b>  |
| Selling expenses   | (340 714 869)  | (1 349 783 363)   | (307 219 825)  | (1 200 497 758)   |
| General and administrative expenses                        | (63 055 933)   | (298 344 145)   | (64 051 310)   | (287 126 450)   |
| <b>Profit (loss) on sales</b>                              | <b>149 298 586</b>   | <b>368 703 653</b>  | <b>134 280 060</b>   | <b>324 659 471</b>  |
| Other operating income                                     | 17 294 040   | 49 369 823  | 16 536 628   | 53 787 887  |
| Other operating expenses                                   | (21 317 608)   | (92 991 288)  | (25 804 214)   | (91 275 831)  |
| <b>Operating profit (loss)</b>                             | <b>145 275 019</b>   | <b>325 082 188</b>  | <b>125 012 474</b>   | <b>287 171 527</b>  |
| Financial income   | 4 377 028  | 17 009 610  | 4 545 943  | 17 764 222  |
| Financial costs  | (31 521 625)   | (72 657 419)  | (36 754 237)   | (85 791 241)  |
| Share in profits (losses) of equity<br>accounted investees | (773 606)  | (3 796 752)   | -  | (330 549)   |
| <b>Profit (loss) before income tax</b>                     | <b>117 356 816</b>   | <b>265 637 627</b>  | <b>92 804 180</b>  | <b>218 813 959</b>  |
| Income tax expense   | (8 526 341)  | (35 426 257)  | (17 875 753)   | (35 693 829)  |
| <b>Profit (loss) for the period</b>                        | <b>108 830 475</b>   | <b>230 211 370</b>  | <b>74 928 427</b>  | <b>183 120 130</b>  |
| Attributable to:   |  |   |  |   |
| Owners of the Company                                      | 96 996 839   | 212 369 981   | 72 345 860   | 180 537 564   |
| Non-controlling interests                                  | 11 833 637   | 17 841 388  | 2 582 566  | 2 582 566   |

### EARNINGS PER SHARE

|  | PLN / share | PLN / share |
|--|-------------|-------------|
| Profit (loss)                                | 212 369 981 | 180 537 564 |
| Weighted average number of shares            | 138 697 752 | 138 528 195 |
| Weighted average diluted number of<br>shares | 138 761 353 | 138 620 708 |
| <b>from continued operations</b>             |             |             |
| - basic                                      | 1,53        | 1,30        |
| - diluted                                    | 1,53        | 1,30        |



|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 31.12.2015**

|  | Non audited<br>4th Quarter<br>for the period<br>from 01.10.2015<br>to 31.12.2015 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2015<br>to 31.12.2015 | Non audited<br>4th Quarter<br>for the period<br>from 01.10.2014<br>to 31.12.2014 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2014<br>to 31.12.2014 |
|--|--|---|--|---|
| <b>Profit (loss) for the period</b>                            | <b>108 830 475</b>   | <b>230 211 370</b>  | <b>74 928 427</b>  | <b>183 120 130</b>  |
| <b>Other comprehensive income for the period</b>               | 1 440 996  | 3 538 044   | (448 912)  | (9 537 324)   |
| Items that may be subsequently reclassified to profit or loss: |  |   |  |   |
| - The result on hedge accounting with the tax effect:          | 1 440 996  | 3 538 044   | (448 912)  | (9 537 324)   |
| <b>Total comprehensive income for the period</b>               | <b>110 271 471</b>   | <b>233 749 414</b>  | <b>74 479 515</b>  | <b>173 582 806</b>  |
| <b>Total Income</b>  |  |   |  |   |
| Owners of the Company  | 98 437 835   | 215 908 025   | 71 896 948   | 171 000 240   |
| Non-controlling interests                                      | 11 833 637   | 17 841 388  | 2 582 566  | 2 582 566   |
| <b>Total comprehensive income for the period</b>               | <b>110 271 471</b>   | <b>233 749 414</b>  | <b>74 479 515</b>  | <b>173 582 806</b>  |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2015

|   | Non audited          |                      |
|---|----------------------|----------------------|
|   | as at                | as at                |
|   | 31.12.2015           | 31.12.2014           |
| Assets                                    |                      | Restated *           |
| <b>Non-current assets (long-term)</b>     | <b>2 288 140 043</b> | <b>2 265 916 532</b> |
| Goodwill                                  | 1 172 298 640        | 1 176 625 978        |
| Intangible assets                         | 378 635 854          | 410 959 019          |
| Property, plant and equipment             | 569 291 463          | 550 433 057          |
| Investment real estate property           | 1 004 191            | 1 248 917            |
| Investments in equity accounted investees | 35 691 120           | -                    |
| Other long-term investments               | 531 570              | 531 570              |
| Long-term receivables                     | 3 022 857            | 2 811 047            |
| Deferred tax assets                       | 126 560 956          | 119 355 742          |
| Other long-term prepayments               | 1 103 391            | 3 951 200            |
| <b>Current assets (short-term)</b>        | <b>2 736 410 924</b> | <b>3 119 598 556</b> |
| Inventories                               | 968 330 792          | 1 286 112 026        |
| Trade receivables                         | 1 533 302 770        | 1 524 373 766        |
| Current tax receivables                   | 11 944 512           | 23 097 698           |
| Other short-term receivables              | 113 390 483          | 179 668 898          |
| Short-term prepayments                    | 23 245 620           | 19 433 004           |
| Cash and cash equivalents                 | 86 196 747           | 86 913 164           |
| <b>Total assets</b>                       | <b>5 024 550 967</b> | <b>5 385 515 087</b> |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2015

|   | Non audited<br>as at<br>31.12.2015 | as at<br>31.12.2014<br>Restated * |
|---|------------------------------------|-----------------------------------|
| <i>Equity and liabilities</i>                       |                                    |                                   |
| <b>Equity</b>                                       | <b>1 168 122 628</b>               | <b>1 039 198 831</b>              |
| <b>Equity attributable to Owners of the Company</b> | <b>1 107 314 501</b>               | <b>996 232 092</b>                |
| Share capital                                       | 138 829 311                        | 138 680 636                       |
| Reserve capital                                     | 755 123 316                        | 457 945 167                       |
| Hedging reserve                                     | (10 644 280)                       | (14 182 324)                      |
| Retained earnings                                   | 224 006 155                        | 413 788 613                       |
| Accumulated profit from previous years              | 11 636 173                         | 233 251 050                       |
| Profit (loss) for the period                        | 212 369 981                        | 180 537 563                       |
| <b>Non-controlling interests</b>                    | <b>60 808 127</b>                  | <b>42 966 738</b>                 |
| <b>Liabilities</b>                                  | <b>3 856 428 339</b>               | <b>4 346 316 256</b>              |
| <b>Non-current liabilities</b>                      | <b>262 834 175</b>                 | <b>254 721 938</b>                |
| Long-term financial liabilities                     | 158 980 543                        | 162 607 978                       |
| Other long-term liabilities                         | 3 098 869                          | 2 414 914                         |
| Deferred tax liabilities                            | 97 069 273                         | 86 198 643                        |
| Employee benefits                                   | 3 495 089                          | 3 242 903                         |
| Provisions  | 190 400                            | 257 500                           |
| <b>Current liabilities</b>                          | <b>3 593 594 164</b>               | <b>4 091 594 318</b>              |
| Loans and borrowings                                | 19 193 856                         | 694 593 959                       |
| Short-term financial liabilities                    | 82 574 451                         | 82 024 537                        |
| Trade payables                                      | 3 225 544 401                      | 3 063 030 189                     |
| Current tax liabilities                             | 4 650 392                          | 3 521 205                         |
| Other short-term payables                           | 86 729 698                         | 93 346 050                        |
| Current employee benefits                           | 69 904 354                         | 62 581 131                        |
| Provisions  | 104 997 011                        | 92 497 247                        |
| <b>Total equity and liabilities</b>                 | <b>5 024 550 967</b>               | <b>5 385 515 087</b>              |
| <b>BOOK VALUE PER SHARE</b>                         |                                    |                                   |
|   | Non audited<br>as at<br>31.12.2015 | as at<br>31.12.2014               |
| <b>Equity attributable to Owners of the Company</b> | <b>1 107 314 501</b>               | <b>996 232 092</b>                |
| Number of shares                                    | 138 829 311                        | 138 680 636                       |
| Diluted number of shares                            | 139 530 636                        | 139 554 136                       |
| <b>Book value per share</b>                         | <b>7,98</b>                        | <b>7,18</b>                       |
| <b>Diluted book value per share</b>                 | <b>7,94</b>                        | <b>7,14</b>                       |

\* Note 2

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01. TO 31.12.2015

4 Quarters      4 Quarters  
for the period    for the period  
from 01.01.2015 to 31.12.2015    from 01.01.2014 to 31.12.2014

### *Cash flow from operating activities*

|   |                      |                    |
|---|----------------------|--------------------|
| <b>Profit before tax</b>                                | <b>265 637 627</b>   | <b>218 813 959</b> |
| <b>Adjustments for:</b>                                 | <b>215 959 237</b>   | <b>211 915 270</b> |
| Depreciation and amortization                           | 150 551 652          | 125 291 293        |
| Share in profits (losses) of equity accounted investees | 3 796 752            | 330 549            |
| Valuation of motivational program                       | 1 013 543            | 12 162 513         |
| Gain (loss) on sale of property, plant and equipment    | 3 588 849            | 939 879            |
| Interest expenses                                       | 59 324 101           | 78 139 585         |
| Interest received                                       | (2 315 660)          | (4 948 550)        |
| <b>Operating cash before changes in working capital</b> | <b>481 596 864</b>   | <b>430 729 229</b> |
| Changes in inventory                                    | 317 688 580          | (133 472 135)      |
| Changes in receivables                                  | 29 157 446           | 28 724 429         |
| Changes in payables                                     | 175 216 661          | (23 244 162)       |
| Changes in provisions and employee benefits             | 17 394 173           | (3 167 468)        |
| Other adjustments                                       | (522 343)            | 263 395            |
| <b>Operating cash</b>                                   | <b>1 020 531 382</b> | <b>299 833 287</b> |
| Interest received                                       | 1 014 481            | 1 710 607          |
| Interest paid   | (19 577 318)         | (21 845 668)       |
| Income tax paid   | (23 968 176)         | (34 011 188)       |
| <b>Net cash from operating activities</b>               | <b>978 000 369</b>   | <b>245 687 039</b> |

### *Cash flow from investing activities*

|  |                      |                      |
|--|----------------------|----------------------|
| Aquisition of intangible assets  | (28 170 197)         | (32 107 964)         |
| Proceeds from sale of intangible assets, property, plant and equipment | 426 455              | 45 001               |
| Aquisition of property, plant and equipment tangible fixed assets      | (139 352 300)        | (158 413 709)        |
| Proceeds from sale of property, plant and equipment                    | 22 734 920           | 34 982 586           |
| Expenditures for purchased financial assets                            | -                    | 92 094               |
| Aquisition of subsidiaries, net of cash aquired                        | -                    | (37 866 211)         |
| Expenditures on the acquisition of subsidiaries                        | (9 200 000)          | -                    |
| Expenditures on the acquisition of associates                          | -                    | 35 401 781           |
| Expenditure on VAT on sales of trade marks                             | -                    | (98 307 474)         |
| Proceeds from VAT on purchased Trademark                               | -                    | 23 576 742           |
| Interest received  | 302 342              | 2 463 125            |
| <b>Net cash used in investing activities</b>                           | <b>(153 258 780)</b> | <b>(230 134 029)</b> |

### *Cash flow from financing activities*

|   |                      |                     |
|---|----------------------|---------------------|
| Proceeds from issue of share capital                            | 5 662 215            | 5 208 525           |
| Cash outflows for other financial liabilities                   | 45 148 691           | 4 610 495           |
| Issuance of short term debt securities                          | (42 000 000)         | 42 000 000          |
| Proceeds from loans and borrowings                              | -                    | 285 440 911         |
| Repayment of borrowings   | (683 264 508)        | (200 089 937)       |
| Change in liabilities from financial leasing                    | 10 681               | (5 447 566)         |
| Other interests   | (22 583 491)         | (27 091 626)        |
| Interests on loans and borrowings                               | (17 310 069)         | (26 337 897)        |
| Dividends paid  | (111 121 524)        | (109 451 447)       |
| <b>Net cash used in financing activities</b>                    | <b>(825 458 006)</b> | <b>(31 158 544)</b> |
| <b>Net change in cash and cash equivalents</b>                  | <b>(716 417)</b>     | <b>(15 605 535)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>86 913 164</b>    | <b>102 518 699</b>  |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>86 196 747</b>    | <b>86 913 164</b>   |

Condensed interim consolidated financial statements of EUROCASH Group.

|                              |  |                        |                    |
|------------------------------|--|------------------------|--------------------|
| Financial statements period: | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:         | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

CONDENSED CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 31.12.2015

|  | Share capital      | Reserve capital    | Hedge reserve       | Retained earnings    | Equity attributable to Owners of the Company | Non-controlling interests | Total                |
|--|--------------------|--------------------|---------------------|----------------------|--|---------------------------|----------------------|
| <i>Changes in equity in the period from 01.01 to 31.12.2014</i>                    |                    |                    |                     |                      |  |                           |                      |
| <b>Balance as at 01.01.2014 after changes</b>                                      | <b>138 427 636</b> | <b>440 197 882</b> | <b>(4 645 000)</b>  | <b>310 375 426</b>   | <b>884 355 944</b>                           | -                         | <b>884 355 944</b>   |
| Impact of change in accounting   | -                  | -                  | -                   | -                    | -  | -                         | -                    |
| <b>Balance as at 01.01.2014 after changes</b>                                      | <b>138 427 636</b> | <b>440 197 882</b> | <b>(4 645 000)</b>  | <b>310 375 426</b>   | <b>884 355 944</b>                           | -                         | <b>884 355 944</b>   |
| <b>Total comprehensive income for the reporting period</b>                         |                    |                    |                     |                      |  |                           |                      |
| Profit (loss) for the period from 01.01. to 31.12.2014                             | -                  | -                  | -                   | 180 537 564          | <b>180 537 564</b>                           | 2 582 566                 | <b>183 120 130</b>   |
| Net profit presented directly in equity  | -                  | -                  | (9 537 324)         | -                    | <b>(9 537 324)</b>                           | -                         | <b>(9 537 324)</b>   |
| <b>Total comprehensive income for the period from 01.01. to 31.12.2014</b>         | -                  | -                  | <b>(9 537 324)</b>  | <b>180 537 564</b>   | <b>171 000 240</b>                           | <b>2 582 566</b>          | <b>173 582 806</b>   |
| Dividends  | -                  | (18 680 556)       | -                   | (90 770 891)         | <b>(109 451 447)</b>                         | -                         | <b>(109 451 447)</b> |
| Transfer to reserve capital  | -                  | 19 293 351         | -                   | (24 886 557)         | <b>(5 593 206)</b>                           | -                         | <b>(5 593 206)</b>   |
| Equity-settled share-based payment transactions                                    | -                  | 12 699 406         | -                   | -                    | <b>12 699 406</b>                            | -                         | <b>12 699 406</b>    |
| Share options exercised  | 253 000            | 4 956 025          | -                   | -                    | <b>5 209 025</b>                             | -                         | <b>5 209 025</b>     |
| Batna result 2009 for consolidation  | -                  | -                  | -                   | 38 533 071           | <b>38 533 071</b>                            | 40 384 172                | <b>78 917 243</b>    |
| Other  | -                  | (520 939)          | -                   | -                    | <b>(520 939)</b>                             | -                         | <b>(520 939)</b>     |
| <b>Total contributions by and distributions to Owners of the Company</b>           | <b>253 000</b>     | <b>17 747 286</b>  | -                   | <b>(77 124 377)</b>  | <b>(59 124 091)</b>                          | <b>40 384 172</b>         | <b>(18 739 919)</b>  |
| <b>Total transaction with Owners of the Company, recognized directly in equity</b> | <b>253 000</b>     | <b>17 747 286</b>  | -                   | <b>(77 124 377)</b>  | <b>(59 124 091)</b>                          | <b>40 384 172</b>         | <b>(18 739 919)</b>  |
| <b>Balance as at 31.12.2014</b>  | <b>138 680 636</b> | <b>457 945 167</b> | <b>(14 182 324)</b> | <b>413 788 613</b>   | <b>996 232 092</b>                           | <b>42 966 738</b>         | <b>1 039 198 831</b> |
| <i>Changes in equity in the period from 01.01 to 31.12.2015</i>                    |                    |                    |                     |                      |  |                           |                      |
| <b>Balance as at 01.01.2015</b>  | <b>138 680 636</b> | <b>457 945 167</b> | <b>(14 182 324)</b> | <b>413 788 613</b>   | <b>996 232 092</b>                           | <b>42 966 738</b>         | <b>1 039 198 831</b> |
| <b>Balance as at 1 January 2015 after changes</b>                                  | <b>138 680 636</b> | <b>457 945 167</b> | <b>(14 182 324)</b> | <b>413 788 613</b>   | <b>996 232 092</b>                           | <b>42 966 738</b>         | <b>1 039 198 831</b> |
| Net profit presented directly in equity  | <b>138 680 636</b> | -                  | -                   | <b>413 788 613</b>   | -  | -                         | <b>552 469 249</b>   |
| Owners of the Company  | -                  | -                  | -                   | 212 369 981          | <b>212 369 981</b>                           | -                         | <b>212 369 981</b>   |
| Non-controlling interests  | -                  | -                  | -                   | -                    | -  | 17 841 388                | <b>17 841 388</b>    |
| Other comprehensive income for the period from 01.01. to 31.12.2015                | -                  | -                  | 3 538 044           | -                    | <b>3 538 044</b>                             | -                         | <b>3 538 044</b>     |
| <b>Total comprehensive income for the period from 01.01. to 31.12.2015</b>         | -                  | -                  | <b>3 538 044</b>    | <b>212 369 981</b>   | <b>215 908 025</b>                           | <b>17 841 388</b>         | <b>233 749 414</b>   |
| Dividends paid   | -                  | -                  | -                   | (111 482 055)        | <b>(111 482 055)</b>                         | -                         | <b>(111 482 055)</b> |
| Transfer to reserve capital  | -                  | 290 670 385        | -                   | (290 670 385)        | -  | -                         | -                    |
| Equity-settled share-based payment transactions                                    | -                  | 1 013 543          | -                   | -                    | <b>1 013 543</b>                             | -                         | <b>1 013 543</b>     |
| Share options exercised  | 148 675            | 5 513 540          | -                   | -                    | <b>5 662 215</b>                             | -                         | <b>5 662 215</b>     |
| Other  | -                  | (19 319)           | -                   | -                    | <b>(19 319)</b>                              | -                         | <b>(19 319)</b>      |
| <b>Total contributions by and distributions to Owners of the Company</b>           | <b>148 675</b>     | <b>297 178 148</b> | -                   | <b>(402 152 440)</b> | <b>(104 825 616)</b>                         | -                         | <b>(104 825 616)</b> |
| <b>Total transaction with Owners of the Company, recognized directly in equity</b> | <b>148 675</b>     | <b>297 178 148</b> | -                   | <b>(402 152 440)</b> | <b>(104 825 616)</b>                         | -                         | <b>(104 825 616)</b> |
| <b>Balance as at 31.12.2015</b>  | <b>138 829 311</b> | <b>755 123 316</b> | <b>(10 644 280)</b> | <b>224 006 155</b>   | <b>1 107 314 501</b>                         | <b>60 808 127</b>         | <b>1 168 122 628</b> |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

### 1. GENERAL INFORMATION

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

According to the resolution of the Management Board dated 25 February 2016 the consolidated financial statements of Eurocash Group for the period from 1 January 2015 to 31 December 2015 were authorized for issue by the Management Board.

According to the information included in the report no. 2/2016 dated 13 January 2016 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its consolidated financial statements on 25 February 2016.

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

#### 1.2. STATEMENT OF COMPLIANCE

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

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting, approved by European Union. These condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of Eurocash as at and for the year ended 31 December 2014, which is available on the website [www.eurocash.pl](http://www.eurocash.pl).

#### 1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

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

#### 1.4. USE OF ESTIMATES AND JUDGEMENTS

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

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

#### 1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31<sup>st</sup> December 2014 .

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

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

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

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

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

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

**Condensed interim consolidated financial statements of EUROCASH Group.**

|                                     |   |                               |                           |
|-------------------------------------|---|-------------------------------|---------------------------|
| <b>Financial statements period:</b> | <b>01.01-31.12.2015</b>   | <b>Presentation currency:</b> | <b>Polish zloty (PLN)</b> |
| <b>Level of round-offs:</b>         | <b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b> |                               |                           |

**Entities comprising the Eurocash capital group and associates as at 31.12.2015**

| No                           | 1  | 2  | 3  | 4  | 5  | 6  | 7   | 8   |
|------------------------------|--|--|--|--|--|--|---|---|
| Unit                         | Eurocash S.A.  | Eurocash Serwis Sp. z o.o.   | Eurocash Franczyza Sp. z o.o.  | Eurocash Trade 1 Sp. z o.o.  | Eurocash Trade 2 Sp. z o.o.  | Eurocash VC2 Sp. z o.o.  | Premium Distributors Sp. z o.o.   | Przedsiębiorstwo Handlu Spożywczego Sp. z o.o.  |
| address                      | ul .Wiśniowa 11<br>62-052 Komorniki  | ul .Wiśniowa 11<br>62-052 Komorniki  | ul .Wiśniowa 11<br>62-052 Komorniki  | ul .Wiśniowa 11<br>62-052 Komorniki  | ul .Wiśniowa 11<br>62-052 Komorniki  | ul .Wiśniowa 11<br>62-052 Komorniki  | ul. Bokserska 66a<br>02-690 Warszawa  | ul .Wiśniowa 11<br>62-052 Komorniki   |
| core business activity       | PKD 4690Z  | PKD 4635Z  | PKD 8299Z  | PKD 4634A  | PKD 4634A  | PKD 7740Z  | PKD 4634A   | PKD 4690Z   |
| registration court           | District Court Poznań -<br>Nowe Miasto i Wilda of<br>Poznań, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000213765 | District Court Poznań -<br>Nowe Miasto i Wilda of<br>Poznań, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000040385 | District Court Poznań -<br>Nowe Miasto i Wilda of<br>Poznań, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000259846 | District Court Poznań -<br>Nowe Miasto i Wilda of<br>Poznań, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000329002 | District Court Poznań -<br>Nowe Miasto i Wilda of<br>Poznań, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000329037 | District Court Poznań -<br>Nowe Miasto i Wilda of<br>Poznań, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000529945 | District Court Warszawa,<br>XIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000287947 | District Court Zielona<br>Góra, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000203619 |
| nature of relationship       | Parent company   | Subsidiary   | Subsidiary   | Subsidiary   | Subsidiary   | Subsidiary   | Subsidiary  | Subsidiary  |
| applied consolidation method | Full   | Full   | Full   | Full   | Full   | Full   | Full  | Full  |
| date of aquisition           | n/a  | 31.03.2006   | 10.07.2006   | 06.04.2009   | 06.04.2009   | 03.11.2014   | 02.08.2010  | 02.08.2010  |
| ownership interest           | n/a  | 75,00%   | 100,00%  | 100,00%  | 100,00%  | 100,00%  | 100,00%   | 100,00%   |
| voting rights (in %)         | n/a  | 75,00%   | 100,00%  | 100,00%  | 100,00%  | 100,00%  | 100,00%   | 100,00%   |



**Condensed interim consolidated financial statements of EUROCASH Group.**

|                                     |   |                               |                           |
|-------------------------------------|---|-------------------------------|---------------------------|
| <b>Financial statements period:</b> | <b>01.01-31.12.2015</b>   | <b>Presentation currency:</b> | <b>Polish zloty (PLN)</b> |
| <b>Level of round-offs:</b>         | <b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b> |                               |                           |

**Entities comprising the Eurocash capital group and associates as at 31.12.2015 (continued)**

| No                           | 9   | 10  | 11  | 12   | 13   | 14   | 15   | 16  |
|------------------------------|---|---|---|--|--|--|--|---|
| Unit                         | DEF Sp. z o.o.  | Detal Podlasie Sp. z o.o.   | Lewiatan Podlasie Sp. z o.o.  | Euro Sklep S.A.  | Ambra Sp. z o.o.   | Lewiatan Śląsk Sp. z o.o.  | Lewiatan Orbita Sp. z o.o.   | Lewiatan Kujawy Sp. z o.o.  |
| address                      | ul. Handlowa 6<br>15-399 Białystok  | ul. Sokóleńska 9<br>15-865 Białystok  | Porosły 70A<br>16-070 Choroszcz   | ul. Bystrzańska 94a<br>43-309 Bielsko-Biała  | ul. Hutnicza 7<br>43-502 Czechowice-Dziedzice  | ul. Lenartowicza 39<br>41-219 Sosnowiec  | ul. Lubelska 33/15<br>10-410 Olsztyn   | ul. Polna 4-8<br>87-800 Włocławek   |
| core business activity       | PKD 4639Z   | PKD 4711Z   | PKD 47  | PKD 4711Z  | PKD 4645Z  | PKD 7022Z  | PKD 4690Z  | PKD 4711Z   |
| registration court           | District Court Białystok,<br>XII Commercial Division<br>of the National Court<br>Register<br>KRS 0000048125 | District Court Białystok,<br>XII Commercial Division<br>of the National Court<br>Register<br>KRS 0000033766 | District Court Białystok,<br>XII Commercial Division<br>of the National Court<br>Register<br>KRS 0000508176 | District Court Bielsko<br>Bielsko, VIII Commercial<br>Division of the National<br>Court Register<br>KRS 0000012291 | District Court Katowice-<br>Wschód, VIII<br>Commercial Division of<br>the National Court<br>Register<br>KRS 0000254307 | District Court Katowice-<br>Wschód, VIII<br>Commercial Division of<br>the National Court<br>Register<br>KRS 0000175768 | District Court Olsztyn,<br>VIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000039244 | District Court Toruń, VII<br>Commercial Division of<br>the National Court<br>Register<br>KRS 0000109502 |
| nature of relationship       | Subsidiary  | Subsidiary  | Subsidiary  | Subsidiary   | Subsidiary   | Subsidiary   | Subsidiary   | Subsidiary  |
| applied consolidation method | Full  | Full  | Full  | Full   | Full   | Full   | Full   | Full  |
| date of acquisition          | 21.12.2011  | 21.12.2011  | 18.03.2014  | 21.12.2011   | 21.12.2011   | 21.12.2011   | 21.12.2011   | 21.12.2011  |
| ownership interest           | 100%  | 100%  | 100%  | 100%   | 100%   | 100%   | 100%   | 100%  |
| voting rights (in %)         | 100%  | 100%  | 100%  | 100%   | 100%   | 100%   | 100%   | 100%  |

**Condensed interim consolidated financial statements of EUROCASH Group.**

|                                     |   |                               |                           |
|-------------------------------------|---|-------------------------------|---------------------------|
| <b>Financial statements period:</b> | <b>01.01-31.12.2015</b>   | <b>Presentation currency:</b> | <b>Polish zloty (PLN)</b> |
| <b>Level of round-offs:</b>         | <b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b> |                               |                           |

**Entities comprising the Eurocash capital group and associates as at 31.12.2015 (continued)**

| No                           | 17   | 18   | 19   | 20  | 21  | 22  | 23   | 24  |
|------------------------------|--|--|--|---|---|---|--|---|
| Unit                         | Lewiatan Wielkopolska Sp. z o.o.   | Lewiatan Opole Sp. z o.o.  | Lewiatan Zachód Sp. z o.o.   | Lewiatan Podkarpacie Sp. z o.o.   | Gama Detal Sp. z o.o.   | Lewiatan Holding S.A.   | Lewiatan Północ Sp. z o.o.   | Eurocash Detal Sp. z o.o.   |
| address                      | Os. Winiary 54<br>60-665 Poznań  | ul. Światowida 2<br>45-325 Opole   | ul. Przemysłowa 5<br>73-110 Stargard<br>Szczeciński  | Straszęcin 295<br>39-218 Straszęcin   | Porosły 70<br>16-070 Choroszcz  | ul. Kilińskiego 10<br>87-800 Włocławek  | ul. Bysewska 30<br>80-298 Gdańsk   | ul. Wiśniowa 11<br>62-052 Komorniki   |
| core business activity       | PKD 7740Z  | PKD 7740Z  | PKD 6419Z  | PKD 8299Z   | PKD 7740Z   | PKD 7740Z   | PKD 4639Z  | PKD 4690Z   |
| registration court           | District Court Poznań -<br>Nowe Miasto i Wilda,<br>VIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000133384 | District Court Opole, VIII<br>Commercial Division of<br>the National Court<br>Register<br>KRS 0000043199 | District Court Szczecin<br>Centrum, XIII<br>Commercial Division of<br>the National Court<br>Register<br>KRS 0000017136 | District Court Rzeszów,<br>XII Commercial Division<br>of the National Court<br>Register<br>KRS 0000186622 | District Court Białystok,<br>XII Commercial Division<br>of the National Court<br>Register<br>KRS 0000454978 | District Court Toruń, VII<br>Commercial Division of<br>the National Court<br>Register<br>KRS 0000089450 | District Court Gdańsk-<br>North in Gdańsk, VII<br>Commercial Division of<br>the National Court<br>Register<br>KRS 0000322297 | District Court Poznań -<br>Nowe Miasto i Wilda in<br>Poznań,<br>VIII Commercial Division<br>of the National Court<br>Register,<br>KRS 000049437 |
| nature of relationship       | Subsidiary   | Subsidiary   | Subsidiary   | Subsidiary  | Subsidiary  | Subsidiary  | Subsidiary   | Subsidiary  |
| applied consolidation method | Full   | Full   | Full   | Full  | Full  | Full  | Full   | Full  |
| date of acquisition          | 21.12.2011   | 21.12.2011   | 21.12.2011   | 28.06.2013  | 07.03.2013  | 21.12.2011  | 21.12.2011   | 18.11.2013  |
| ownership interest           | 89%  | 100%   | 100%   | 100%  | 100%  | 67%   | 100%   | 100%  |
| voting rights (in %)         | 89%  | 100%   | 100%   | 100%  | 100%  | 71%   | 100%   | 100%  |

**Condensed interim consolidated financial statements of EUROCASH Group.**

|                                     |   |                               |                           |
|-------------------------------------|---|-------------------------------|---------------------------|
| <b>Financial statements period:</b> | <b>01.01-31.12.2015</b>   | <b>Presentation currency:</b> | <b>Polish zloty (PLN)</b> |
| <b>Level of round-offs:</b>         | <b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b> |                               |                           |

**Entities comprising the Eurocash capital group and associates as at 31.12.2015 (continued)**

| No                           | 25  | 26  | 27  | 28  | 29  | 30  | 31  |
|------------------------------|---|---|---|---|---|---|---|
| Unit                         | PayUp<br>Polska S.A.  | Eurocash Convenience<br>Sp. z o.o.  | Kontigo Sp. z o.o.  | Inmedio Sp. z o.o.  | Eurocash VC3 Sp. z o.o.   | Eurocash VC5 Sp. z o.o.   | Eurocash VC4 Sp. z o.o.   |
| address                      | ul. Wiśniowa 11<br>62-052 Komorniki   | ul. Wiśniowa 11<br>62-052 Komorniki   | ul. Wiśniowa 11<br>62-052 Komorniki   | ul. Al. Jerozolimskie 174<br>02-486 Warszawa  | ul. Bokserska 66A<br>02-690 Warszawa  | ul. Wiśniowa 11<br>62-052 Komorniki   | ul. Wiśniowa 11<br>62-052 Komorniki   |
| core business activity       | PKD 6120Z   | PKD 7010Z   | PKD 7010Z   | PKD 4617Z   | PKD 7740Z   | PKD 4711Z   | PKD 5621Z   |
| registration court           | District Court Poznań -<br>Nowe Miasto i Wilda in<br>Poznań,<br>VIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000299000 | District Court Poznań -<br>Nowe Miasto i Wilda in<br>Poznań,<br>VIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000509266 | District Court Poznań -<br>Nowe Miasto i Wilda in<br>Poznań,<br>VIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000510241 | District Court Warszawa,<br>XIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000525507 | District Court Warszawa,<br>XIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000560795 | District Court Poznań -<br>Nowe Miasto i Wilda in<br>Poznań,<br>VIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000577163 | District Court Poznań -<br>Nowe Miasto i Wilda in<br>Poznań,<br>VIII Commercial Division<br>of the National Court<br>Register<br>KRS 0000586936 |
| nature of relationship       | Subsidiary  | Subsidiary  | Subsidiary  | Subsidiary  | Subsidiary  | Subsidiary  | Subsidiary  |
| applied consolidation method | Full  | Full  | Full  | Full  | Full  | Full  | Full  |
| date of acquisition          | 06.05.2014  | 05.03.2014  | 17.04.2014  | 01.12.2014  | 11.05.2015  | 22.07.2015  | 22.07.2015  |
| ownership interest           | 100%  | 100%  | 100%  | 51%   | 100%  | 100%  | 100%  |
| voting rights (in %)         | 100%  | 100%  | 100%  | 51%   | 100%  | 100%  | 100%  |

On 02.02.2015 KDWT Sp. z o.o merged through the acquisition with Service FMCG Sp. z o.o. by transferring all assets of the acquired company to the acquiring company. At the same time on 02.02.2015, the company KDWT Sp. z o.o. changed its name to Eurocash Serwis Sp. z o.o..

On 01.04.2015 the company Ambra Sp. z o.o merged with the company Drogerie Koliber Sp. z o.o.

On 11.05.2015 was formed a new company Eurocash VC3 Sp. z o.o

On 22.07.2015 was formed a new company Eurocash VC4 Sp. z o.o.

On 22.07.2015 was formed a new company Eurocash VC5 Sp. z o.o.

On 22.07.2015 Eurocash S.A. and company Polskie Sklepy Spozywcze Sp. z o.o. concluded an agreement, as a result of which Polskie Sklepy Spozywcze Sp. z o.o. became the owner of 50% of shares of company Partnerski Serwis Detaliczny S.A.

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

### 1.7. GOING CONCERN ASSUMPTION

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

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## 2. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01. TO 31.12.2015

### NOTE 1. ACQUISITIONS OF SHARES IN ASSOCIATED COMPANY

#### Acquisition of 44,13% of shares in company FRISCO S.A.

In January 2015 Eurocash S.A. acquired a 44.13% of shares in FRISCO S.A.

E-supermarket owned by Frisco, conducts retail sales of FMCG products in Warsaw and surrounding areas via the Internet. Acquisition of shares in Frisco is an element of the development strategy of Eurocash, this transaction allows the construction of a long-term partnership with one of the largest retailers in the segment online sales and also allows the entry of Eurocash Group for a new segment of the retail market and the potential revenue growth of Eurocash Group.

#### General information

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

|                             |             |
|-----------------------------|-------------|
| 1. Name of acquired company | Frisco S.A. |
| 2. Acquisition date         | 26.01.2015  |
| 3. Acquisition cost         | 29 803 838  |

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

**NOTE 2.  
CORRECTION OF PREVIOUS YEARS**

1. Correction of settlement of acquisition price of Service FMCG Sp. z o.o.

As a result of the correction of purchase price of Service FMCG Sp. z o.o of 2014 year, in these financial statements the Group recognized relationships with FMCG customers valued at 14 473 264 PLN, also taking into account the tax effect of correction.

2. Correction of settlement of acquisition price of Inmedio Sp. z o.o.

As a result of the correction of purchase price of Inmedio Sp. z o.o of 2014 year, in these financial statements the Group recognized intangible asset connected with a trade mark Inmedio valued at 20 936 561 PLN, also taking into account the tax effect of correction.

3. Other

The correction is related to the allowance for receivables in the subsidiary, which refers to 2014 years and was included in these financial statements.

Condensed interim consolidated financial statements of EUROCASH Group.

|                              |  |                        |                    |
|------------------------------|--|------------------------|--------------------|
| Financial statements period: | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:         | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

|   | The amount in the approved annual report as at 31.12.2014 | Correction of the acquisition price of Service FMCG Sp. z o.o. | Correction of the acquisition price of Inmedio Sp. z o.o. | Other              | The amount after correction as at 31.12.2014 |
|---|---|--|---|--------------------|--|
| <i>Assets</i>                                       |   |  |   |                    |  |
| <b>Non-current assets (long-term)</b>               | <b>2 245 715 015</b>                                      | <b>7 913 848</b>   | <b>12 287 668</b>   | <b>-</b>           | <b>2 265 916 531</b>                         |
| Goodwill  | 1 192 366 287   | (7 091 416)  | (8 648 893)   | -                  | 1 176 625 978                                |
| Intangible assets                                   | 375 549 194   | 14 473 264   | 20 936 561  | -                  | 410 959 019                                  |
| Deferred tax assets                                 | 118 823 742   | 532 000  | -   | -                  | 119 355 742                                  |
| <b>Current assets (short-term)</b>                  | <b>3 125 191 762</b>                                      | <b>-</b>   | <b>-</b>  | <b>(5 593 206)</b> | <b>3 119 598 556</b>                         |
| Other short-term receivables                        | 185 262 104   | -  | -   | (5 593 206)        | 179 668 898                                  |
| <b>Total assets</b>                                 | <b>5 370 906 776</b>                                      | <b>7 913 848</b>   | <b>12 287 668</b>   | <b>(5 593 206)</b> | <b>5 385 515 087</b>                         |
| <i>Equity nad liabilities</i>                       |   |  |   |                    |  |
| <b>Equity</b>                                       | <b>1 034 118 386</b>                                      | <b>2 363 929</b>   | <b>8 309 721</b>  | <b>(5 593 206)</b> | <b>1 039 198 831</b>                         |
| <b>Equity attributable to Owners of the Company</b> | <b>1 001 825 298</b>                                      | <b>-</b>   | <b>-</b>  | <b>(5 593 206)</b> | <b>996 232 092</b>                           |
| Retained earnings                                   | 419 381 819   | -  | -   | (5 593 206)        | 413 788 613                                  |
| Accumulated profit from previous years              | 238 844 255   | -  | -   | (5 593 206)        | 233 251 050                                  |
| <b>Non-controlling interests</b>                    | <b>32 293 088</b>   | <b>2 363 929</b>   | <b>8 309 721</b>  | <b>-</b>           | <b>42 966 739</b>                            |
| <b>Liabilities</b>                                  | <b>4 336 788 390</b>                                      | <b>5 549 920</b>   | <b>3 977 947</b>  | <b>-</b>           | <b>4 346 316 256</b>                         |
| <b>Non-current liabilities</b>                      | <b>247 994 071</b>  | <b>2 749 920</b>   | <b>3 977 947</b>  | <b>-</b>           | <b>254 721 938</b>                           |
| Deferred tax liabilities                            | 79 470 776  | 2 749 920  | 3 977 947   | -                  | 86 198 643                                   |
| <b>Current liabilities</b>                          | <b>4 088 794 319</b>                                      | <b>2 800 000</b>   | <b>-</b>  | <b>-</b>           | <b>4 091 594 318</b>                         |
| Provisions  | 89 697 247  | 2 800 000  | -   | -                  | 92 497 247                                   |
| <b>Total equity and liabilities</b>                 | <b>5 370 906 776</b>                                      | <b>7 913 849</b>   | <b>12 287 668</b>   | <b>(5 593 206)</b> | <b>5 385 515 087</b>                         |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

**NOTE 3.  
SETTLEMENT OF ACQUISITION PRICE OF SERVICE FMCG SP. Z O.O.**

Group made the final correction of acquisition price of Service FMCG Sp. z o.o. of 2014 year. The Group corrected appropriate comparative data. In the corrected settlement, the Group recognized the relationships with clients in the value of 14 473 264 PLN.

In addition, the Group recognized the tax effect of the above changes and corrected the existing goodwill.

| <b>NET ASSETS ACQUIRED</b>            | <b>Settlement of the acquisition as at 17.11.2014</b> | <b>Correction of acquisition price</b> | <b>Corrected acquisition price as at 17.11.2014</b> |
|---------------------------------------|---|--|---|
| <i>Assets</i>                         |   |  |   |
| Other intangible fixed assets         | 920 479   | 14 473 264                             | 15 393 743  |
| Tangible fixed assets                 | 1 692 601   | -                                      | 1 692 601   |
| Deferred income tax assets            | 3 240 697   | 532 000                                | 3 772 697   |
| <b>Current assets (short-term)</b>    | <b>202 271 240</b>                                    | <b>-</b>                               | <b>202 271 240</b>                                  |
| Inventory                             | 101 272 861   | -                                      | 101 272 861   |
| Trade receivables                     | 93 550 306  | -                                      | 93 550 306  |
| Other short-term receivables          | 2 995 997   | -                                      | 2 995 997   |
| Short-term prepayments                | 274 951   | -                                      | 274 951   |
| Cash and cash equivalents             | 4 177 125   | -                                      | 4 177 125   |
|                                       | <b>208 125 017</b>                                    | <b>15 005 264</b>                      | <b>223 130 281</b>                                  |
| <i>Equity nad liabilities</i>         |   |  |   |
| Other long-term financial liabilities | 244 081   | -                                      | 244 081   |
| Deferred income tax provision         | -   | 2 749 920                              | 2 749 920   |
| <b>Current liabilities</b>            | <b>215 989 783</b>                                    | <b>2 800 000</b>                       | <b>218 789 783</b>                                  |
| Short-term loans and credits          | 109 598 387   | -                                      | 109 598 387   |
| Trade liabilities                     | 90 493 084  | -                                      | 90 493 084  |
| Current income tax liabilities        | 34 515  | -                                      | 34 515  |
| Employee benefits                     | 2 351 878   | -                                      | 2 351 879   |
| Other short-term liabilities          | 4 725 084   | -                                      | 4 725 084   |
| Other short-term provisions           | 8 786 835   | 2 800 000                              | 11 586 834  |
| <b>Total liabilities</b>              | <b>216 233 864</b>                                    | <b>5 549 920</b>                       | <b>221 783 784</b>                                  |
| <b>Net assets</b>                     | <b>(8 108 848)</b>                                    | <b>9 455 344</b>                       | <b>1 346 497</b>                                    |
| Value of net assets acquired          | (6 081 555)   | 7 091 413                              | 1 009 859   |
| Goodwill on acquisition               | 67 440 693  | (7 091 413)                            | 60 349 281  |
| <b>Acquisition cost</b>               | <b>61 359 140</b>                                     | <b>-</b>                               | <b>61 359 140</b>                                   |



|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

**NOTE 4.  
SETTLEMENT OF ACQUISITION PRICE OF INMEDIO SP. Z O.O.**

Group made the final correction of acquisition price of Inmedio Sp. z o.o of 2014 year. The Group corrected appropriate comparative data. In the corrected settlement, the Group recognized the intangible asset connected with trade mark Inmedio in the value of 20 936 561 PLN.

In addition, the Group recognized the tax effect of the above changes and corrected the existing goodwill.

| <b>NET ASSETS ACQUIRED</b>             | <b>Settlement of the acquisition as at 01.12.2014</b> | <b>Correction of acquisition price</b> | <b>Corrected acquisition price as at 01.12.2014</b> |
|--|---|--|---|
| <i>Assets</i>                          |   |  |   |
| Other intangible fixed assets          | 23 030  | 20 936 561                             | 20 959 591  |
| Tangible fixed assets                  | 43 412 081  | -                                      | 43 412 081  |
| Long-term receivables                  | 9 000   | -                                      | 9 000   |
| Other long-term prepayments            | 201 800   | -                                      | 201 800   |
| <b>Current assets (short-term)</b>     | <b>59 675 164</b>                                     | <b>-</b>                               | <b>59 675 164</b>                                   |
| Inventory                              | 30 176 879  | -                                      | 30 176 879  |
| Trade receivables                      | 6 721 022   | -                                      | 6 721 022   |
| Other short-term receivables           | 13 108 347  | -                                      | 13 108 347  |
| Short-term prepayments                 | 192 260   | -                                      | 192 260   |
| Cash and cash equivalents              | 9 476 657   | -                                      | 9 476 657   |
|  | <b>103 321 075</b>                                    | <b>20 936 561</b>                      | <b>124 257 636</b>                                  |
| <i>Equity nad liabilities</i>          |   |  |   |
| Other long-term financial liabilities  | 4 322 735   | -                                      | 4 322 735   |
| Other long-term liabilities            | 1 848 414   | -                                      | 1 848 414   |
| Deferred income tax provision          | -   | 3 977 947                              | 3 977 947   |
| Other long-term provision              | 330 400   | -                                      | 330 400   |
| Other short-term financial liabilities | 2 055 027   | -                                      | 2 055 027   |
| Trade liabilities                      | 72 806 382  | -                                      | 72 806 382  |
| Other short-term liabilities           | 3 478 591   | -                                      | 3 478 591   |
| Other short-term provisions            | 1 126 878   | -                                      | 1 126 878   |
|  | <b>85 968 427</b>                                     | <b>3 977 947</b>                       | <b>89 946 374</b>                                   |
| <b>Net assets</b>                      | <b>17 352 647</b>                                     | <b>96 425 492</b>                      | <b>34 311 262</b>                                   |
| Value of net assets acquired (51%)     | 8 849 850   | 8 648 893                              | 17 498 744  |
| Goodwill on acquisition                | 63 670 150  | (8 648 893)                            | 55 021 256  |
| <b>Acquisition cost</b>                | <b>72 520 000</b>                                     | <b>-</b>                               | <b>72 520 000</b>                                   |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## NOTE 5. OPERATING SEGMENTS

Due to the dynamic development of the Group and the related change in segment analysis, the Management Board changed the presentation of operating segments from the beginning of year 2015. The change in presentation of segments better reflects the structure and strategy of the Group. Comparative periods have also been changed.

The analysis of the Group Eurocash a business group has identified the following segments that correctly show the different character of the activities:

- *Independent clients* – sales realized by distribution formats which clients do not have permanent contracts with the Eurocash Group. The segment includes wholesale operations provide by following distribution formats and companies: Eurocash Cash & Carry, Eurocash Alcohols, Eurocash Serwis Sp. z o.o., PayUp Polska S.A. and Eurocash Trade 1 Sp. z o.o.
- *Integrated clients* – sales realized by distribution formats which clients have long-term agreements with Eurocash Group, e.g. franchise systems or clients from HoReCa segment. This segment includes organization and wholesale sales to clients participating in Delikatesy Centrum franchise chains as well as operations of such a franchise systems like: Lewiatan, Groszek, Euro Sklep and Gama. The segment is related with operations provide by following companies: Eurocash S.A. (Delikatesy Centrum format), Euro Sklep S.A., Lewiatan Śląsk Sp. z o.o., Detal Podlasie Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Holding S.A., Lewiatan Zachód Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Orbita Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o., Partnerski Serwis Detaliczny S.A.. Moreover this segment includes sales realized by Eurocash Gastronomy format.
- *Active distribution* – includes wholesale activity realized by Eurocash Distribution format within the company Eurocash S.A. and sales realized by companies: DEF Sp. z o.o. and Ambra Sp. z o.o. with its subsidiary.
- *Projects* – this operating segment comprises the Group's new projects and retail formats in initial phase of development operating under the entities: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Detal Sp. z o.o. and new projects developed by Eurocash S.A.
- *Other* – Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Gama Detal Sp. z o.o. and Inmedio Sp. z o.o., Eurocash VC3 Sp. z o.o., Eurocash VC5 Sp. zo.o., Eurocash VC4 Sp. z o.o. and general and administrative costs due the Group activity, not allocated to any operating segment.

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

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

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

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

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

Basic information about each reportable segment are shown below.

**REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2015 TO 31 DECEMBER 2015**

|  | Independent clients   | Active Distribution  | Integrated clients   | Projects            | Other               | Exclusions           | Total                 |
|--|-----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|-----------------------|
| <b>Sales</b>   | <b>13 133 620 361</b> | <b>4 369 811 056</b> | <b>3 086 736 247</b> | <b>88 789 520</b>   | <b>555 642 640</b>  | <b>(916 387 189)</b> | <b>20 318 212 635</b> |
| External sales   | 12 594 822 255        | 4 349 053 362        | 2 730 372 872        | 88 374 929          | 555 589 217         | -                    | 20 318 212 635        |
| Inter-segmental sales  | 538 798 105           | 20 757 694           | 356 363 375          | 414 591             | 53 423              | (916 387 189)        | -                     |
| <b>Operating profit</b>  | <b>204 013 396</b>    | <b>80 495 883</b>    | <b>105 513 888</b>   | <b>(17 869 785)</b> | <b>(47 071 194)</b> | <b>-</b>             | <b>325 082 188</b>    |
| Finance income   |                       |                      |                      |                     |                     |                      | 17 009 610            |
| Finance costs  |                       |                      |                      |                     |                     |                      | (72 657 419)          |
| Share in losses of companies consolidated with the equity method |                       |                      |                      |                     |                     |                      | (3 796 752)           |
| <b>Profit before income tax</b>                                  |                       |                      |                      |                     |                     |                      | <b>265 637 627</b>    |
| Income tax   |                       |                      |                      |                     |                     |                      | (35 426 257)          |
| <b>Net profit</b>  |                       |                      |                      |                     |                     |                      | <b>230 211 370</b>    |

Condensed interim consolidated financial statements of EUROCASH Group.

|                              |  |                        |                    |
|------------------------------|--|------------------------|--------------------|
| Financial statements period: | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:         | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

**REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2014 TO 31 DECEMBER 2014**

|  | Independent clients   | Active Distribution  | Integrated clients   | Projects            | Other               | Exclusions           | Total                 |
|--|-----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|-----------------------|
| <b>Sales</b>   | <b>10 537 769 716</b> | <b>4 055 013 860</b> | <b>3 035 678 860</b> | <b>41 792 316</b>   | <b>49 848 600</b>   | <b>(756 258 050)</b> | <b>16 963 845 302</b> |
| External sales   | 10 142 049 871        | 4 020 716 520        | 2 709 860 927        | 41 435 623          | 49 782 359          | -                    | 16 963 845 302        |
| Inter-segmental sales  | 395 719 845           | 34 297 339           | 325 817 932          | 356 692             | 66 241              | (756 258 050)        | -                     |
| <b>Operating profit</b>  | <b>204 182 083</b>    | <b>41 682 292</b>    | <b>101 946 704</b>   | <b>(12 913 322)</b> | <b>(47 726 230)</b> | <b>-</b>             | <b>287 171 527</b>    |
| Finance income   |                       |                      |                      |                     |                     |                      | 17 764 222            |
| Finance costs  |                       |                      |                      |                     |                     |                      | (85 791 241)          |
| Share in losses of companies consolidated with the equity method |                       |                      |                      |                     |                     |                      | (330 549)             |
| <b>Profit before income tax</b>                                  |                       |                      |                      |                     |                     |                      | <b>218 813 959</b>    |
| Income tax   |                       |                      |                      |                     |                     |                      | (35 693 829)          |
| <b>Net profit</b>  |                       |                      |                      |                     |                     |                      | <b>183 120 130</b>    |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

**NOTE 6.  
ITEMS NOT INCLUDED IN THE STATEMENT OF FINANCIAL POSITION**

**CONTINGENTIES AS AT 31 DECEMBER 2015**

| Beneficiary | Title   | Currency | as at             | as at             |
|-------------|---|----------|-------------------|-------------------|
|             |   |          | 31.12.2015        | 31.12.2014        |
| 1 BZ WBK *  | Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum | PLN      | 30 546 530        | 16 741 753        |
|             |   |          | <b>30 546 530</b> | <b>16 741 753</b> |

\* debt value as at balance sheet date

**BANK GUARANTEES AS AT 31 DECEMBER 2015 - SECURITIES FOR RENT LIABILITIES**

| The Issuer     | Title  | Currency | as at              | as at              |
|----------------|--|----------|--------------------|--------------------|
|                |  |          | 31.12.2015         | 31.12.2014         |
| 1 ING          | Security for rent liabilities                    | PLN      | 821 100            | 821 100            |
| 2 ING          | Security for rent liabilities                    | PLN *    | -                  | 1 135 345          |
| 3 ING          | Security payments to suppliers                   | PLN      | 6 550 000          | 7 800 000          |
| 4 PKO BP S.A.  | Security for agency agreement liabilities        | PLN      | 500 000            | 500 000            |
| 5 PKO BP S.A.  | Security for rent liabilities                    | PLN      | 5 016 630          | 5 622 851          |
| 6 PKO BP S.A.  | Security for rent liabilities                    | PLN      | 22 121 539         | 19 097 854         |
| 7 PKO BP S.A.  | Security for excise duty                         | PLN *    | 3 100 000          | 1 200 000          |
| 8 PKO BP S.A.  | Security for using of the national roads         | PLN      | 620 100            | 620 100            |
| 9 PKO BP S.A.  | The liabilities of the promotion lottery         | PLN      | 384 468            | 3 688 900          |
| 10 PKO BP S.A. | Security payments to suppliers                   | PLN      | 115 070 000        | 181 000 000        |
| 11 PKO BP S.A. | The liabilities related to the supply of alcohol | PLN      | -                  | 21 351             |
|                |  |          | <b>154 183 836</b> | <b>221 507 501</b> |

\* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:  
as at 31.12.2015: 1 EUR = 4,2615 PLN,  
as at 31.12.2014: 1 EUR = 4,2623 PLN.

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## COLLATERALS

### SECURITIES RELATED TO ASSETS AS AT 31 DECEMBER 2015

| Title   | Secured property                                     | Amount secure in PLN |
|---|--|----------------------|
| ING security on the credit line agreement *   | Deposit on inventories Eurocash S.A.                 | 180 000 000          |
| PKO BP Guarantee on securing the payment for suppliers*                                   | Deposit on inventories Eurocash Serwis Sp. z o.o.    | 80 000 000           |
| PKO BP Guarantee on securing the payment for suppliers*                                   | Deposit on inventories Eurocash S.A.                 | 50 000 000           |
| Security on the consolidated loan agreement to the amount 700.000.000 PLN *               | Deposit on inventories Eurocash Serwis Sp. z o.o.    | 9 547 300            |
| Security on the consolidated loan agreement to the amount 700.000.000 PLN *               | Deposit on inventories Eurocash Franczyza Sp. z o.o. | 3 800 000            |
| Financial leasing agreements (due to net value of fixed assets at the balance sheet date) | Ownership of fixed assets in financial leasing       | 13 644 898           |

\* security nominal value

## NOTE 7.

### FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2015 fair value of financial instruments approximated their carrying value. The Group has hedging interest rate risk, the IRS, which are measured at their fair value. For these IRS fair value was qualified to level 2 of the hierarchy - the fair value is determined basing on the values observed in the market but not as a direct reference to the market (eg. they are determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the valuation effect is recognized in other comprehensive income.

## NOTE 8.

### IMPORTANT EVENTS

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

On 12 February 2015, Eurocash received from the company Cartica Management, LLC, information that in connection with a transaction executed on the regulated market on the Warsaw Stock Exchange on 28 January 2015, which was settled on 30 January 2015, involving the purchase by the Funds managed by Cartica Management of 300.000 ordinary bearer shares in Eurocash S.A. became the holder of providing less than 5% of the total number of votes at the EUROCASH S.A. General Meeting.

After the settlement of the transaction, the Funds managed by Cartica Management hold 6,819,864 shares in the Company, which represent a 4.918% stake in the Company's shares capital and 4.918% of the total number of votes at the General Meeting of the Company.

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## 2. Resolution on dividend payment made by the EUROCASH S.A. Annual General Meeting.

Resolution No. 5 of 24 April 2015 on the allocation of the profit for the year 2014, the Annual General Meeting EUROCASH S.A. decided to distribute a dividend from the profit of the Company. The Annual General Meeting of Eurocash S.A. decided that the net profit for the year 2014 in the amount of PLN 244,579,936.00 will be distributed in such a way that :

- 1) shareholders of record on May 19, 2015, shall be eligible to receive the dividend in amount PLN 0.79 (seventy nine groszes) per one Company's share;
- 2) the remaining part of the profit for 2014 shall be transferred to the Company's reserve capital.

According to information received by the Management Board on 19 May 2015, the number of shares was in the amount of 138,680,636. The total amount of the dividend was in the amount PLN 109,557,702.44.

The dividend was paid on 10 June 2015.

Resolution No. 2 of 29 June 2015 on the allocation of the profit for the year 2014, the Annual General Meeting of subsidiary Eurocash Service Sp. z o.o decided to pay a dividend in the amount of 1,563,821.91 PLN to a minority shareholder: Kolporter spółka z ograniczoną odpowiedzialnością sp. k.

The dividend was paid on 21 July of 2015.

## 3. Notification of a change in ownership as a result of which the entity has become a holder of shares representing less than 5% of the total number of votes at the Company's General Meeting

On 6 August 2015, Eurocash received from the company Coronation Asset Management (Pty) Limited information that in connection with a transaction executed on the regulated market on the Warsaw Stock Exchange on 30 July 2015, which was settled on 3 August 2015, regarding the sale of Eurocash ordinary bearer shares by Coronation Asset Management, became the holder of shares providing less than 5% of the total number of votes at the EUROCASH S.A. General Meeting.

After the settlement of the transaction, the funds managed by Coronation Asset Management hold 6,844,613 shares in the Company, which represent a 4.94% stake in the Company's shares capital and 4.94% of the total number of votes at the General Meeting of the Company.

## 4. The surety by the subsidiaries in connection with the conclusion of the loan agreement

On 14 September 2015 Subsidiaries - Eurocash Service Sp. z o.o. and Eurocash Franczyza Sp. z o.o. granted a surety for the liabilities due the revolving credit agreement to the amount of PLN 700,000,000.00 concluded on 14 September 2015 between the Company, EC Serwis, EC Franczyza and:

- (i) Bank Zachodni WBK S.A.,
- (ii) Bank BGŻ BNP Paribas S.A.,
- (iii) Bank Gospodarstwa Krajowego,
- (iv) mBank S.A.,
- (v) Bank Polska Kasa Opieki S.A.

On the basis of the Loan Agreement, the Company may use the funds from the loan until 14 August 2020. The final deadline for full repayment date is 14 September 2020. Resources made available to the Company under the Credit Agreement may be used to repay part of the existing short-term financial debt of the Company and for general corporate purposes of the Company.

## 5. Signing of the Preliminary Agreement concerning the purchase of 100% shares in Polska Dystrybucja Alkoholi Sp. o.o.

On 21 December 2015, Eurocash signed with Jacek Jantoń, Jarosław Jantoń, Adam Jantoń, Andrzej Tyrka, Zbigniew Makaruk and Jakub Nowak, a preliminary contract on the purchase of 100% stake in Polska Dystrybucja

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
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| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

Alkoholi Sp. o.o. with registered office in Pabianice, entered in the National Court Register with KRS number 0000124474 (PDA).

Concluding the final agreement is influenced to the conditions precedent agreed in the Preliminary Agreement, in particular to obtain the consent of the President of Eurocash Office of Competition and Consumer Protection.

PDA is a distributor of alcohols by locations in the provinces: łódzkie, małopolskie, mazowieckie and świętokrzyskie. According to received information, the total PDA sales in 2014, amounted to approx. 268.000.000 PLN.

Acquisition of shares in the PDA is another element of acquisition policy of Eurocash Group. This transaction enables further development of Eurocash Group in the segment of distribution of alcohol and a potential increase in revenues of Eurocash Group.

## **NOTE 9.**

### **IMPORTANT EVENTS AFTER BALANCE SHEET DATE**

#### **1. Eurocash acquired 50% of shares in one of the largest Delikatesy Centrum franchisees**

On 29 January 2016 pursuant to the preliminary agreement of 18 September 2014, Eurocash executed with Hadrick Investments sp. z o.o., Jerzy Rogala and Ewelina Wójcik Rogala an agreement of acquisition of 50% shares in Firma Rogala.

In 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue.



|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim consolidated financial statements of EUROCASH Group.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

#### SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

| Position   | Name and surname | Date                           | Signature |
|--|------------------|--------------------------------|-----------|
| Member of the Management Board                       | David Boner      | 25 <sup>th</sup> February 2016 |           |
| Member of the Management Board<br>Financial Director | Jacek Owczarek   | 25 <sup>th</sup> February 2016 |           |

## SELECTED SEPARATE FINANCIAL DATA

|  | Non audited<br>for the period<br>from 01.01.2015<br>to 31.12.2015<br>PLN | Non audited<br>for the period<br>from 01.01.2014<br>to 31.12.2014<br>PLN | Non audited<br>for the period<br>from 01.01.2015<br>to 31.12.2015<br>EUR | Non audited<br>for the period<br>from 01.01.2014<br>to 31.12.2014<br>EUR |
|--|--|--|--|--|
| Net sales  | 13 750 715 992   | 12 115 789 011   | 3 286 578 549  | 2 894 912 791  |
| Operating profit (loss)                            | 197 393 556  | 203 913 086  | 47 179 320   | 48 722 423   |
| Profit (loss) before tax                           | 527 891 583  | 246 424 495  | 126 172 132  | 58 879 981   |
| Net Profit (loss) on continued operations          | 500 681 214  | 244 579 936  | 119 668 542  | 58 439 247   |
| Net profit (loss)                                  | 500 681 214  | 244 579 936  | 119 668 542  | 58 439 247   |
| Net operating cash flow                            | 774 170 775  | 82 875 304   | 185 035 679  | 19 801 994   |
| Net investment cash flow                           | 54 455 174   | 70 078 439   | 13 015 410   | 16 744 347   |
| Net financial cash flow                            | (812 704 819)  | (165 715 887)  | (194 245 756)  | (39 595 691)   |
| Net change in cash and cash equivalents            | 15 921 130   | (12 762 144)   | 3 805 332  | (3 049 351)  |
| Weighted average number of shares                  | 138 697 752  | 138 528 195  | 138 697 752  | 138 528 195  |
| Weighted average diluted number of shares          | 138 761 353  | 138 620 708  | 138 761 353  | 138 620 708  |
| EPS (in PLN / EUR)                                 | 3,61   | 1,77   | 0,86   | 0,42   |
| Diluted EPS (in PLN / EUR)                         | 3,61   | 1,76   | 0,86   | 0,42   |
| Average PLN / EUR rate*                            |  |  | 4,1839   | 4,1852   |
|  | Non audited<br>as at<br>31.12.2015<br>PLN                                | Non audited<br>as at<br>31.12.2014<br>PLN                                | Non audited<br>as at<br>31.12.2015<br>EUR                                | Non audited<br>as at<br>31.12.2014<br>EUR                                |
| Assets   | 5 016 924 491  | 5 180 046 642  | 1 177 267 275  | 1 215 317 233  |
| Long-term liabilities                              | 180 427 849  | 165 476 051  | 42 339 047   | 38 823 183   |
| Short-term liabilities                             | 3 649 385 875  | 4 228 796 637  | 856 361 815  | 992 139 605  |
| Equity   | 1 187 110 767  | 785 773 954  | 278 566 413  | 184 354 446  |
| Share capital                                      | 138 829 311  | 138 680 636  | 32 577 569   | 32 536 573   |
| Number of shares                                   | 138 829 311  | 138 680 636  | 138 829 311  | 138 680 636  |
| Diluted number of shares                           | 139 530 636  | 139 554 136  | 139 530 636  | 139 554 136  |
| Book value per share (in PLN / EUR)                | 8,55   | 5,67   | 2,01   | 1,33   |
| Diluted book value per share (in PLN / EUR)        | 8,51   | 5,63   | 2,00   | 1,32   |
| Declared or paid dividend (in PLN / EUR)***        | 109 557 702  | 109 451 447  | 25 708 718   | 25 678 964   |
| Declared or paid dividend per share (in PLN / EUR) | 0,79   | 0,79   | 0,19   | 0,19   |
| PLN / EUR rate at the end of the period**          |  |  | 4,2615   | 4,2623   |

\* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for year 2015.

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

\*\*\* Dividend for 2014 year was paid till 10 June 2015 for shareholders of Parent Company as at 19 May 2015.

**EUROCASH S.A.**

**CONDENSED INTERIM  
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

**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, 25<sup>th</sup> February 2016

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|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

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| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## GENERAL INFORMATION

### 1. INFORMATION ABOUT THE COMPANY

#### NAME

EUROCASH Spółka Akcyjna

#### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

#### CORE BUSINESS

Non-specialized wholesale trade  
(PKD 4690Z)

#### REGISTRY COURT

District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register,  
Registration number: KRS 0000213765

#### PERIOD FOR WHICH THE COMPANY WAS ESTABLISHED

Indefinite

#### PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2015 – 31 December 2015 and in addition for the income statement and statement of comprehensive income, the reporting period is 1 October 2015 - 31 December 2015.

Separate statement of financial position has been prepared as at 31 December 2015. Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting.

### 2. BOARDS OF THE COMPANY

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

As at 31 December 2015 the Company's Management Board consisted of the following members:

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

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

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

As at 31 December 2015 the Company's Supervisory Board consisted of the following members:

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

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

On 25 February 2015, David Boner was appointed Member of the Management Board of Eurocash S.A.

On 18 December 2015 Carlos Saraiva resigned from function of Member of the Management Board of Eurocash, with effect on 31 December 2015.

|   |   |                               |                           |
|---|---|-------------------------------|---------------------------|
| <b>Condensed interim separate financial statements of EUROCASH S.A.</b> |   |                               |                           |
| <b>Financial statements period:</b>                                     | <b>01.01-31.12.2015</b>   | <b>Presentation currency:</b> | <b>Polish zloty (PLN)</b> |
| <b>Level of round-offs:</b>   | <b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b> |                               |                           |

## ABBREVIATED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

|  | Non audited<br>4th Quarter<br>for the period<br>od 01.10.2015<br>to 31.12.2015 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2015<br>to 31.12.2015 | Non audited<br>4th Quarter<br>for the period<br>od 01.10.2014<br>to 31.12.2014 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2014<br>to 31.12.2014 |
|--|--|---|--|---|
| <b>Sales</b>                           | <b>3 443 000 361</b>   | <b>13 750 715 992</b>   | <b>3 333 045 122</b>   | <b>12 115 789 011</b>   |
| Sales of goods                         | 3 206 223 270  | 12 968 489 002  | 3 133 367 871  | 11 419 515 535  |
| Sales of services                      | 236 777 091  | 782 226 990   | 199 677 251  | 696 273 476   |
| <b>Costs of sales</b>                  | <b>(3 018 452 380)</b>   | <b>(12 227 251 938)</b>   | <b>(2 923 299 545)</b>   | <b>(10 748 543 608)</b>   |
| Costs of goods sold                    | (3 017 746 488)  | (12 223 825 137)  | (2 922 076 054)  | (10 745 283 141)  |
| Costs of services sold                 | (705 892)  | (3 426 801)   | (1 223 491)  | (3 260 467)   |
| <b>Gross profit (loss)</b>             | <b>424 547 981</b>   | <b>1 523 464 054</b>  | <b>409 745 577</b>   | <b>1 367 245 403</b>  |
| Selling expenses                       | (252 926 170)  | (1 054 775 122)   | (252 490 971)  | (917 418 241)   |
| General and administrative expenses    | (53 205 405)   | (224 239 007)   | (51 413 274)   | (212 441 772)   |
| <b>Profit (loss) on sales</b>          | <b>118 416 406</b>   | <b>244 449 925</b>  | <b>105 841 332</b>   | <b>237 385 391</b>  |
| Other operating income                 | 6 590 312  | 33 311 710  | 11 244 794   | 41 973 611  |
| Other operating expenses               | (21 312 658)   | (80 368 079)  | (24 074 274)   | (75 445 916)  |
| <b>Operating profit (loss)</b>         | <b>103 694 061</b>   | <b>197 393 556</b>  | <b>93 011 852</b>  | <b>203 913 086</b>  |
| Financial income                       | 337 312 959  | 415 464 440   | 43 649 610   | 269 392 606   |
| Financial costs                        | (34 643 883)   | (84 966 414)  | (157 957 381)  | (226 881 196)   |
| <b>Profit (loss) before income tax</b> | <b>406 363 136</b>   | <b>527 891 583</b>  | <b>(21 295 918)</b>  | <b>246 424 495</b>  |
| Income tax expense                     | (14 142 466)   | (27 210 369)  | 7 961 695  | (1 844 560)   |
| <b>Profit (loss) for the period</b>    | <b>392 220 671</b>   | <b>500 681 214</b>  | <b>(13 334 224)</b>  | <b>244 579 936</b>  |

### NET EARNINGS PER SHARE

|   | PLN / akcję | PLN / akcję |
|---|-------------|-------------|
| Net profit (loss)                         | 500 681 214 | 244 579 936 |
| Weighted average number of shares         | 138 697 752 | 138 528 195 |
| Weighted average diluted number of shares | 138 761 353 | 138 620 708 |
| <b>from continued operations</b>          |             |             |
| - basic                                   | 3,61        | 1,77        |
| - diluted                                 | 3,61        | 1,76        |



|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

**ABBREVIATED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015**

|  | Non audited<br>4th Quarter<br>for the period<br>od 01.10.2015<br>to 31.12.2015 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2015<br>to 31.12.2015 | Non audited<br>4th Quarter<br>for the period<br>od 01.10.2014<br>to 31.12.2014 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2014<br>to 31.12.2014 |
|--|--|---|--|---|
| <b>Profit (loss) for the period</b>                            | <b>392 220 671</b>   | <b>500 681 214</b>  | <b>(13 334 224)</b>  | <b>244 579 936</b>  |
| <b>Other comprehensive income (loss) for the period</b>        | <b>1 440 996</b>   | <b>3 538 044</b>  | <b>(448 912)</b>   | <b>(9 537 324)</b>  |
| Items that may be subsequently reclassified to profit or loss: |  |   |  |   |
| - The result on hedge accounting with the tax effect:          | 1 440 996  | 3 538 044   | (448 912)  | (9 537 324)   |
| <b>Total comprehensive income (loss) for the period</b>        | <b>393 661 667</b>   | <b>504 219 258</b>  | <b>(13 783 136)</b>  | <b>235 042 612</b>  |

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

## ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 31.12.2015

|                                       | Non audited          |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | as at                | as at                |
|                                       | 31.12.2015           | 31.12.2014           |
| <i>Assets</i>                         |                      |                      |
| <b>Non-current assets (long-term)</b> | <b>2 651 110 497</b> | <b>2 687 847 324</b> |
| Goodwill                              | 862 819 840          | 862 819 840          |
| Intangible assets                     | 551 860 667          | 575 403 191          |
| Property, plant and equipment         | 461 882 685          | 451 829 027          |
| Investment real property              | 1 004 191            | 1 248 917            |
| Investments in subsidiary companies   | 736 667 370          | 790 636 446          |
| Investments in equity investees       | 34 529 802           | -                    |
| Other long-term investments           | 58 723               | 58 723               |
| Long-term receivables                 | 1 869 819            | 2 129 388            |
| Other long-term prepayments           | 417 399              | 3 721 793            |
| <b>Current assets (short-term)</b>    | <b>2 365 813 994</b> | <b>2 492 199 318</b> |
| Inventories                           | 733 502 480          | 1 062 485 502        |
| Trade receivables                     | 1 163 571 931        | 1 190 257 977        |
| Current tax assets                    | 10 593 667           | 21 251 968           |
| Other short-term receivables          | 59 959 761           | 174 670 360          |
| Other short-term investments          | 334 228 360          | -                    |
| Short-term prepayments                | 21 250 661           | 16 747 509           |
| Cash and cash equivalents             | 42 707 133           | 26 786 003           |
| <b>Total assets</b>                   | <b>5 016 924 491</b> | <b>5 180 046 642</b> |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 31.12.2015

|   | Non audited          |                      |
|---|----------------------|----------------------|
|   | as at                | as at                |
|   | 31.12.2015           | 31.12.2014           |
| <i>Equity and liabilities</i>                 |                      |                      |
| <b>Equity</b>                                 | <b>1 187 110 767</b> | <b>785 773 954</b>   |
| Share capital                                 | 138 829 311          | 138 680 636          |
| Reserve capital                               | 468 723 565          | 327 174 749          |
| Hedging reserve                               | (10 644 280)         | (14 182 324)         |
| Retained earnings                             | 590 202 171          | 334 100 893          |
| Accumulated profit (loss) from previous years | 89 520 957           | 89 520 957           |
| Profit (loss) for the period                  | 500 681 214          | 244 579 936          |
| <b>Liabilities</b>                            | <b>3 829 813 724</b> | <b>4 394 272 688</b> |
| <b>Non-current liabilities</b>                | <b>180 427 849</b>   | <b>165 476 051</b>   |
| Other long-term financial liabilities         | 153 552 495          | 157 834 770          |
| Other long-term liabilities                   | 965 072              | 590 000              |
| Deferred tax liabilities                      | 23 020 603           | 4 413 185            |
| Employee benefits                             | 2 889 679            | 2 638 097            |
| <b>Current liabilities</b>                    | <b>3 649 385 875</b> | <b>4 228 796 637</b> |
| Loans and borrowings                          | 675 945 159          | 1 288 897 686        |
| Short-term financial liabilities              | 37 551 481           | 79 662 904           |
| Trade liabilities                             | 2 725 182 818        | 2 681 244 331        |
| Other short-term payables                     | 61 139 602           | 51 618 500           |
| Current employee benefits                     | 59 098 290           | 51 317 082           |
| Provisions                                    | 90 468 525           | 76 056 133           |
| <b>Total equity and liabilities</b>           | <b>5 016 924 491</b> | <b>5 180 046 642</b> |

## BOOK VALUE PER SHARE

|                                     | as at                | as at              |
|-------------------------------------|----------------------|--------------------|
|                                     | 31.12.2015           | 31.12.2014         |
| <b>Book value</b>                   | <b>1 187 110 767</b> | <b>785 773 954</b> |
| Number of shares                    | 138 829 311          | 138 680 636        |
| Diluted number of shares            | 139 530 636          | 139 554 136        |
| <b>Book value per share</b>         | <b>8,55</b>          | <b>5,67</b>        |
| <b>Diluted book value per share</b> | <b>8,51</b>          | <b>5,63</b>        |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## ABBREVIATED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

|   | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2015<br>to 31.12.2015 | Non audited<br>4 Quarters<br>for the period<br>from 01.01.2014<br>to 31.12.2014 |
|---|---|---|
| <i>Cash flow from operating activities</i>                      |   |   |
| <b>Profit (loss) before income tax</b>                          | <b>527 891 583</b>  | <b>246 424 495</b>  |
| <b>Adjustments for:</b>   | <b>(219 591 902)</b>  | <b>62 412 039</b>   |
| Depreciation and amortization                                   | 102 932 784   | 90 072 124  |
| Equity-settled shared share-based payment transactions          | 1 013 543   | 12 162 513  |
| (Gain) loss on sale of property, plant and equipment            | 5 614 727   | 118 688 888   |
| Interest expenses   | 72 337 696  | 102 755 001   |
| Interest received   | (2 335 946)   | (4 414 205)   |
| Dividend and remission of sales income                          | (399 154 706)   | (256 852 282)   |
| <b>Operating cash before changes in working capital</b>         | <b>308 299 680</b>  | <b>308 836 534</b>  |
| Changes in inventories  | 328 983 021   | (147 537 944)   |
| Changes in receivables  | 85 026 845  | 22 125 397  |
| Changes in payables   | 52 536 011  | (73 385 645)  |
| Changes in provisions and employee benefits                     | 20 361 228  | 3 663 456   |
| Other adjustments   | (823 439)   | 1 434 403   |
| <b>Operating cash</b>   | <b>794 383 346</b>  | <b>115 136 202</b>  |
| Interest received   | 969 840   | 1 502 573   |
| Interest paid   | (19 222 097)  | (20 873 047)  |
| Income tax paid   | (1 960 314)   | (12 890 425)  |
| <b>Net cash from operating activities</b>                       | <b>774 170 775</b>  | <b>82 875 304</b>   |
| <i>Cash flow from investing activities</i>                      |   |   |
| Cash and cash equivalents acquired in a business merger         | -   | 276 891 801   |
| Acquisition of intangible assets                                | (14 623 605)  | (318 764 920)   |
| Proceeds from sale of intangible assets                         | 417 855   | -   |
| Acquisition of property, plant and equipment                    | (88 416 149)  | (138 247 452)   |
| Proceeds from sale of property, plant and equipment             | 15 802 276  | 33 012 783  |
| Acquisition of associates                                       | (9 200 000)   | -   |
| Acquisition of subsidiaries, net of cash acquired               | -   | (40 852 250)  |
| Disposal of subsidiaries  | -   | 35 401 781  |
| Loans granted   | (16 003 336)  | (375 299)   |
| Repayment received of granted loans                             | -   | 3 751 565   |
| Interest received   | 117 058   | 2 558 838   |
| Dividends received  | 166 361 075   | 216 701 592   |
| <b>Net cash used in investing activities</b>                    | <b>54 455 174</b>   | <b>70 078 439</b>   |
| <i>Cash flows from financing activities</i>                     |   |   |
| Proceeds from issue of share capital                            | 5 661 715   | 5 209 025   |
| Cash changes for other financial liabilities                    | 2 191 277   | 4 610 495   |
| Expenses for the issuance of short term debt securities         | (42 000 000)  | -   |
| Proceeds from the issuance of short term debt securities        | -   | 42 000 000  |
| Proceeds from loans and borrowings                              | -   | 250 182 871   |
| Repayment of borrowings   | (613 172 726)   | (274 879 298)   |
| Payment of finance lease liabilities                            | (2 673 321)   | (5 215 389)   |
| Other interest  | (21 521 520)  | (27 010 669)  |
| Interests on loans and borrowings                               | (31 632 543)  | (51 161 475)  |
| Dividends paid  | (109 557 702)   | (109 451 447)   |
| <b>Net cash used in financing activities</b>                    | <b>(812 704 819)</b>  | <b>(165 715 887)</b>  |
| <b>Net change in cash and cash equivalents</b>                  | <b>15 921 130</b>   | <b>(12 762 144)</b>   |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>26 786 003</b>   | <b>39 548 147</b>   |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>42 707 133</b>   | <b>26 786 003</b>   |

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

**ABBREVIATED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2015 TO 31.12.2015**

|   | Share capital      | Reserve capital     | Hedge reserve       | Retained earnings    | Total                |
|---|--------------------|---------------------|---------------------|----------------------|----------------------|
| <i>Changes in equity in the period from 01.01 to 31.12.2014</i>                   |                    |                     |                     |                      |                      |
| <b>Balance as at 1 January 2014</b>   | <b>138 427 636</b> | <b>217 015 492</b>  | <b>(4 645 000)</b>  | <b>96 200 488</b>    | <b>446 998 616</b>   |
| <b>Total comprehensive income for the reporting period</b>                        |                    |                     |                     |                      |                      |
| Profit for the period from 01.01. to 31.12.2014                                   | -                  | -                   | -                   | 244 579 936          | <b>244 579 936</b>   |
| Net profit presented directly in equity   | -                  | -                   | (9 537 324)         | -                    | <b>(9 537 324)</b>   |
| <b>Total comprehensive income for the period from 01.01. to 31.12.2014</b>        | <b>-</b>           | <b>-</b>            | <b>(9 537 324)</b>  | <b>244 579 936</b>   | <b>235 042 612</b>   |
| Dividends   | -                  | <b>(18 680 556)</b> | -                   | (90 770 891)         | <b>(109 451 447)</b> |
| Transfer to reserve capital   | -                  | 150 352             | -                   | (150 352)            | -                    |
| Equity-settled share based payment transactions                                   | -                  | 12 162 513          | -                   | -                    | <b>12 162 513</b>    |
| Share options exercised   | 253 000            | 4 956 025           | -                   | -                    | <b>5 209 025</b>     |
| Merger with subsidiary company  | -                  | 111 570 923         | -                   | 84 249 397           | <b>195 820 320</b>   |
| Other   | -                  | -                   | -                   | (7 685)              | <b>(7 685)</b>       |
| <b>Total transaction with Owners of the Company recognized directly in equity</b> | <b>253 000</b>     | <b>110 159 257</b>  | <b>-</b>            | <b>(6 679 531)</b>   | <b>103 732 726</b>   |
| <b>Balance as at 31.12.2014</b>   | <b>138 680 636</b> | <b>327 174 749</b>  | <b>(14 182 324)</b> | <b>334 100 893</b>   | <b>785 773 954</b>   |
| <i>Changes in equity in the period from 01.01. to 31.12.2015</i>                  |                    |                     |                     |                      |                      |
| <b>Balance as at 01 January 2015</b>  | <b>138 680 636</b> | <b>327 174 749</b>  | <b>(14 182 324)</b> | <b>334 100 893</b>   | <b>785 773 954</b>   |
| <b>Total comprehensive income for the reporting period</b>                        |                    |                     |                     |                      |                      |
| Profit for the period from 01.01 to 31.12.2015                                    | -                  | -                   | -                   | 500 681 214          | <b>500 681 214</b>   |
| Other comprehensive income for the period 01.01 to 31.12.2015                     | -                  | -                   | 3 538 044           | -                    | <b>3 538 044</b>     |
| <b>Total comprehensive income for the period from 01.01. to 31.12.2015</b>        | <b>-</b>           | <b>-</b>            | <b>3 538 044</b>    | <b>500 681 214</b>   | <b>504 219 258</b>   |
| Dividends   | -                  | -                   | -                   | (109 557 702)        | <b>(109 557 702)</b> |
| Transfer to reserve capital   | -                  | 135 022 233         | -                   | (135 022 233)        | -                    |
| Equity-settled share based payment transactions                                   | -                  | 1 013 543           | -                   | -                    | <b>1 013 543</b>     |
| Share options exercised   | 148 675            | 5 513 040           | -                   | -                    | <b>5 661 715</b>     |
| <b>Total transaction with Owners of the Company recognized directly in equity</b> | <b>148 675</b>     | <b>141 548 816</b>  | <b>-</b>            | <b>(244 579 936)</b> | <b>(102 882 445)</b> |
| <b>Balance as at 31.12.2015</b>   | <b>138 829 311</b> | <b>468 723 565</b>  | <b>(10 644 280)</b> | <b>590 202 171</b>   | <b>1 187 110 767</b> |

|   |  |                        |                    |
|---|--|------------------------|--------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |  |                        |                    |
| Financial statements period:  | 01.01-31.12.2015   | Presentation currency: | Polish zloty (PLN) |
| Level of round-offs:  | All amounts are expressed in Polish zloty (unless indicated otherwise) |                        |                    |

## SUPPLEMENTARY INFORMATION TO THE ABBREVIATED SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

### 1. GENERAL INFORMATION

#### 1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 25 February 2016 the separate financial statements of Eurocash S.A. for the period from 1 January 2015 to 31 December 2015 were authorised for issue by the Management Board.

According to the information included in the report no. 2/2016 dated 13 January 2016 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its separate financial statements on 25 February 2016.

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

#### 1.2. STATEMENT OF COMPLIANCE

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

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the condensed interim consolidated Eurocash Group for the period ended 31 December 2015, and the separate financial statements of Eurocash as at and for the year ended 31 December 2014, which is available on the website [www.eurocash.pl](http://www.eurocash.pl).

#### 1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

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

#### 1.4. USE OF ESTIMATES AND JUDGEMENTS

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

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

#### 1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31st December 2014.

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

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

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

## **2. NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015**

### **NOTE 1. OTHERS INFORMATION**

Those condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash Group prepared as at 31 December 2015. According to the Board of Eurocash S.A. in the others information to the condensed interim consolidated financial statements of Eurocash Group are included all the relevant information required for a proper assessment of the financial position of the Company in the reporting period.

|   |   |                        |                           |
|---|---|------------------------|---------------------------|
| <i>Condensed interim separate financial statements of EUROCASH S.A.</i> |   |                        |                           |
| Financial statements period:  | <i>01.01-31.12.2015</i>   | Presentation currency: | <i>Polish zloty (PLN)</i> |
| Level of round-offs:  | <i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i> |                        |                           |

#### SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

| <b>Position</b>                                      | <b>Name and surname</b> | <b>Date</b>                    | <b>Signature</b> |
|--|-------------------------|--------------------------------|------------------|
| Member of the Management Board                       | David Boner             | 25 <sup>th</sup> February 2016 |                  |
| Member of the Management Board<br>Financial Director | Jacek Owczarek          | 25 <sup>th</sup> February 2016 |                  |



|  |        |
|--|--------|
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| REPORT OF THE MANAGEMENT BOARD                         |        |

## Management discussion of the financial results for 4Q 2015

### 1. Summary of financial and operational results of Eurocash Group in 4Q 2015 and 4Q YTD 2015

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

- **Cash&Carry** – including Eurocash Cash&Carry and Batna stores
- **Delikatesy Centrum** – encompassing sales of Eurocash S.A. to retail stores supplied based on franchise and distribution contracts executed with Eurocash Franczyza Sp. z o.o.
- **Tobacco & Impulse** – sales of Eurocash Serwis Sp. z o.o. (a subsidiary of Eurocash S.A. formed by merger of KDWT Sp. z o.o. and Service FMCG Sp. z o.o.)
- **Alcohol Distribution** – sales of Eurocash S.A. in Eurocash Alkohole format (former Premium Distributors)
- **Eurocash Food Service** - sales of Eurocash S.A. realized to gastronomy points (HoReCa)
- **Eurocash Distribution** (former Tradis) consisting of:
  - active distribution companies (Eurocash S.A. after merger with Tradis Sp. z o.o., DEF Sp. z o.o., AMBRA Sp. z o.o.), and
  - companies organizing or supporting franchise chains of retail shops: Euro Sklep S.A., Partnerski Serwis Detaliczny S.A., Gama Detal Sp. z o.o., Lewiatan Holding S.A., Lewiatan Podlasie Sp. z o.o., Lewiatan Śląsk Sp. z o.o., Lewiatan Zachód Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o., Lewiatan Kujawy Sp. z o.o., Lewiatan Orbita Sp. z o.o.,
  - Detal Podlasie Sp. z o.o. (company operating retail stores in Lewiatan chain).
- **Other** – sales revenues of companies: Inmedio Sp. z o.o, PayUp Polska S.A., Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Franczyza Sp. z o.o., Eurocash Detal Sp. z o.o., Eurocash Trade 1 Sp. z o.o., Eurocash VC 2 Sp. z o.o., Eurocash VC 3 Sp. z o.o., Eurocash VC 4 Sp. z o.o., Eurocash VC 5 Sp. z o.o..

### Profit & loss account

**Table 1: Eurocash Group: Summary of consolidated financial results for 4Q 2015**

| PLN m                                    | Q4<br>2015 | Q4<br>2014 | Change %   |
|--|------------|------------|------------|
| Sales revenues (traded goods, materials) | 5 044,17   | 4 445,84   | 13,46%     |
| Gross profit (loss) on sales             | 553,07     | 505,55     | 9,40%      |
| Gross profitability on sales (%)         | 10,96%     | 11,37%     | -0,41 p.p. |
| EBITDA                                   | 184,71     | 157,30     | 17,43%     |
| (EBITDA margin %)                        | 3,66%      | 3,54%      | 0,12 p.p.  |
| EBIT                                     | 145,28     | 125,01     | 16,21%     |
| (EBIT margin %)                          | 2,88%      | 2,81%      | 0,07 p.p.  |
| Gross profit                             | 117,36     | 92,80      | 26,46%     |
| Net Income                               | 108,83     | 74,93      | 45,25%     |
| (Net profitability %)                    | 2,16%      | 1,69%      | 0,47 p.p.  |

**Table 2: Eurocash Group: Summary of consolidated financial results for 4Q YTD 2015**

| PLN m                                    | 2015      | 2014      | Change %   |
|--|-----------|-----------|------------|
| Sales revenues (traded goods, materials) | 20 318,21 | 16 963,85 | 19,77%     |
| Gross profit (loss) on sales             | 2 016,83  | 1 812,28  | 11,29%     |
| Gross profitability on sales (%)         | 9,93%     | 10,68%    | -0,76 p.p. |
| EBITDA                                   | 475,63    | 412,46    | 15,32%     |
| (EBITDA margin %)                        | 2,34%     | 2,43%     | -0,09 p.p. |
| EBIT                                     | 325,08    | 287,17    | 13,20%     |
| (EBIT margin %)                          | 1,60%     | 1,69%     | -0,09 p.p. |
| Gross profit                             | 265,64    | 218,81    | 21,40%     |
| Net Income                               | 230,21    | 183,12    | 25,72%     |
| (Net profitability %)                    | 1,13%     | 1,08%     | 0,05 p.p.  |

Consolidated total sales of Eurocash Group in 4Q 2015 amounted to PLN 5 044.17 m and increased by 13.46% YoY. In 2015 consolidated sales reached PLN 20 318.21 m comparing with PLN 16 963.85 m in the same period previous year. Sales growth was driven mainly by consolidation of acquired in 4Q 2014 companies: Service FMCG Sp. z o.o. (PLN 2 339.98m sales of goods in 2015 comparing with PLN 202.20 m in 2014) and Inmedio Sp. z o.o. (PLN 518.64m sales of goods in 2015 comparing with PLN 48.04 m in 2014). Excluding sales of acquired companies Eurocash Group noted an organic growth at the level of 4.38% YoY in 4Q 2015 and 3.93% in 2015 cumulatively. The sales growth was still affected by food deflation which in total 2015 amounted to -1.7% and in 4Q 2015 turned into slight inflation at the level of 0.1%.

Consolidated gross profitability was affected mainly by higher share of low-margin tobacco in sales mix (effect of Service FMCG acquisition) that in effect decreased to the level of 10.96% in 4Q 2015 from 11,37% in 4Q 2014 and in 2015 decreased to the level of 9.93% in 4Q 2015 from 10.68% in 2014.

Fourth-quarter EBITDA increased by PLN 17.43% and reached PLN 184.71m. In 2015 cumulatively EBITDA amounted to PLN 475.63 m compared with PLN 412.46 m previous year (an increase by 15.32%). The growth was driven mainly by consolidation of new companies and profitability increase in Eurocash Distribution format. Positive dynamic of EBITDA was partially off-set by additional costs related to development of new retail formats and projects initiated by the Eurocash Group like 1minute or Kontigo stores. EBITDA margin in 4Q 2015 was higher by 0.12 p.p. comparing with the same period of previous year despite impact of consolidation of new companies.

The net profit in 4Q 2015 increased by PLN 33.90 m and amounted to PLN 108.83 m (vs. PLN 74.93 m in 4Q 2014). In 2015 the net profit reached PLN 230.21 m, which means 25.72% increase YoY. The net profit increase was attributable mainly to strong deleveraging and following lower net financial costs.

### Sales by format

**Table 3: Eurocash Group: Sales dynamics by distribution format for 4Q 2015**

| PLN m                 | External sales of goods |                 |               |
|-----------------------|-------------------------|-----------------|---------------|
|                       | 4Q 2015                 | 4Q 2014         | Change %      |
| Cash&Carry            | 1 017,49                | 1 023,49        | -0,59%        |
| Delikatesy Centrum    | 507,01                  | 486,91          | 4,13%         |
| Tobacco+Impulse       | 1 311,62                | 920,90          | 42,43%        |
| Alcohol distribution  | 535,46                  | 545,85          | -1,90%        |
| Eurocash Food Service | 90,34                   | 101,97          | -11,41%       |
| Eurocash Distribution | 1 076,75                | 1 013,58        | 6,23%         |
| Other                 | 189,49                  | 90,01           | 110,52%       |
| <b>Total</b>          | <b>4 728,16</b>         | <b>4 182,71</b> | <b>13,04%</b> |

**Table 4: Eurocash Group: Sales dynamics by distribution format for 4Q YTD 2015**

| PLN m                 | External sales of goods |                  |               |
|-----------------------|-------------------------|------------------|---------------|
|                       | 2015                    | 2014             | Change %      |
| Cash&Carry            | 4 353,05                | 4 328,54         | 0,57%         |
| Delikatesy Centrum    | 1 961,28                | 1 797,62         | 9,10%         |
| Tobacco+Impulse       | 5 519,23                | 3 248,86         | 69,88%        |
| Alcohol distribution  | 2 011,50                | 1 949,85         | 3,16%         |
| Eurocash Food Service | 353,71                  | 535,28           | -33,92%       |
| Eurocash Distribution | 4 346,88                | 3 979,65         | 9,23%         |
| Other                 | 693,94                  | 171,32           | 305,06%       |
| <b>Total</b>          | <b>19 239,58</b>        | <b>16 011,12</b> | <b>20,16%</b> |

### Cash & Carry:

- In 4Q 2015 external sales of Cash&Carry format amounted to PLN 1 017.49m and decreased by - 0.59% comparing with 4Q 2014. In 2015 the sales growth of Cash&Carry format amounted to 0.57% and sales reached PLN 4 353.05m.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 4Q 2015 amounted to negative 3.53% and negative 2.11% for the 2015.
- Excluding categories of tobacco and phone cards, the LFL sales growth in Eurocash Cash&Carry stores in 4Q 2015 amounted to negative 4.83% and negative 2.10% in 2015.
- The number of Eurocash Cash&Carry stores at the end of 4Q 2015 amounted to 187 (including 3 Batna stores).
- The number of abc stores amounted to 7 685 at the end of 4Q 2015.
- In 4Q 2015 shares of abc stores in total sales of Eurocash Cash&Carry stores amounted to 60.32% and 58.06% for 2015.

### Delikatesy Centrum:

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers in 4Q 2015 amounted to PLN 507.01m, and increased by 4.13% compared to 4Q 2014. In 2015 sales amounted to PLN 1 961.28m, 9.10% higher than in 2014.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to negative -0.28% in 4Q 2015 and positive 0.08% in FY 2015.
- LFL growth of retail sales of "Delikatesy Centrum" franchise stores amounted to negative -0.40% in 4Q 2015 and positive 0.08% in FY 2015.
- Number of "Delikatesy Centrum" franchise stores at the end of 4Q 2015 amounted to 1076.

### Tobacco&Impulse:

- External sales of goods in Eurocash Serwis amounted in 4Q 2015 to PLN 1 311.62m and increased by 42.43% YoY. In 2015 external sales amounted to PLN 5 519.23m and increased by 69.88% YoY.
- Excluding sales of Service FMCG (PLN 486.73 in 4Q 2015 and PLN 202.20m in 4Q 2014) in 4Q 2015 sales of goods amounted to PLN 824.89 m and increased by 14.78% comparing with 4Q 2014. In FY 2015 sales with exclusion of Service FMCG (PLN 2 339.98m in 2015) increased by 4.35% YoY and amounted to PLN 3 179.24m.
- Sales of food category in former KDWT in 4Q 2015 decreased by 16.58% YoY and 5.60% YoY in FY 2015.
- In terms of volume, sales of cigarettes in 4Q 2015 to external clients increased by 82.99% and amounted to 2 166 m pieces of cigarettes.

- Excluding sales of Service FMCG, sales of cigarettes in terms of volume in 4Q 2015 decreased by 15.05% and amounted to 1 005 m pieces of cigarettes.
- Number of Eurocash Serwis branches as of the end of 4Q 2015 amounted to 181 and 2 distribution centers

### Alcohol Distribution

- Sales of Eurocash Alkohole in 4Q 2015 amounted to PLN 535.46m, 1.90% lower than in 4Q 2014. Sales in 2015 amounted to PLN 2 011.50 m, 3.16% higher than in 2014.

### Eurocash Food Service:

- External sales of goods in Eurocash Food Service amounted to PLN 90.34 m in 4Q 2015 – 11.41% lower than in the same period previous year. In 2015 sales amounted to PLN 353.71 m (a decrease by 33.92% YoY).
- Lower sales in Eurocash Food Service were attributable to AmRest contract termination.

### Eurocash Distribution (Tradis):

- Sales of Eurocash Distribution in 4Q 2015 reached PLN 1 076.75m, 6.23% higher than in 4Q 2014. During the 2015 sales of Eurocash Distribution amounted to PLN 4 346.88m in comparison to PLN 3 979.65 m previous year (an increase by 9.23%).
- Increase of sales was driven mainly by higher sales to franchisees and key account clients.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 554 stores as of the end of 4Q 2015.

### Cash flow

**Table 5: Eurocash Group: Consolidated cash flow for 4Q 2015**

|                                     | PLN m | Q4<br>2015 | Q4<br>2014 |
|-------------------------------------|-------|------------|------------|
| Operating cash flow                 |       | 147,03     | 50,77      |
| <i>Gross profit (loss)</i>          |       | 117,36     | 92,80      |
| <i>Depreciation</i>                 |       | 39,44      | 32,29      |
| <i>Change in working capital</i>    |       | (20,92)    | (75,61)    |
| <i>Other</i>                        |       | 10,92      | 1,05       |
| Cash flow from investments          |       | (42,33)    | (64,62)    |
| Cash flow from financing activities |       | (96,62)    | 21,27      |
| <b>Total cash flow</b>              |       | 8,08       | 7,41       |

**Table 6: Eurocash Group: Consolidated cash flow for 4Q YTD 2015**

|                                     | 2015          | 2014           |
|-------------------------------------|---------------|----------------|
|                                     | PLN m         |                |
| Operating cash flow                 | 978,00        | 245,69         |
| <i>Gross profit (loss)</i>          | 265,64        | 218,81         |
| <i>Depreciation</i>                 | 150,55        | 125,29         |
| <i>Change in working capital</i>    | 522,06        | (127,99)       |
| <i>Other</i>                        | 38,73         | 27,86          |
| Cash flow from investments          | (153,26)      | (230,13)       |
| Cash flow from financing activities | (825,46)      | (31,16)        |
| <b>Total cash flow</b>              | <b>(0,72)</b> | <b>(15,61)</b> |

Total cash flow in 4Q 2015 amounted to PLN 8.08m where the operating cash flow reached PLN 147.03 m. In 2015 total cash flows amounted to negative PLN 0.72 m and operational cash flows amounted to PLN 978.00 m (an increase by PLN 732.31m YoY). Compared with previous year higher operating cash flow was driven by continuous improvement in working capital - mainly decrease of the inventory level. Main area of improvement so far, has been category of strong alcohol, where we managed to change the structure of supplier contracts in a way which allows much more efficient working capital management and reflects our market position. Cash flow from financing activities amounted to PLN -96.62 m in 4Q 2015 and PLN -825.46m in 2015, which was mainly driven by dividend payment for 2014 and bank loans repayment.

### ***Working capital***

**Table 7: Eurocash Group: Consolidated working capital ratios flow for 4Q 2015**

| Turnover in days                | Q4<br>2015     | Q4<br>2014     |
|---------------------------------|----------------|----------------|
| 1. Inventories turnover         | 17,66          | 26,61          |
| 2. Trade receivables turnover   | 27,97          | 31,54          |
| 3. Trade liabilities turnover   | 66,08          | 71,52          |
| <b>4. Operating cycle (1+2)</b> | <b>45,63</b>   | <b>58,16</b>   |
| <b>5. Cash conversion (4-3)</b> | <b>(20,45)</b> | <b>(13,36)</b> |

**Table 8: Eurocash Group: Consolidated working capital ratios flow for 4Q YTD 2015**

| Turnover in days                | 2015    | 2014    |
|---------------------------------|---------|---------|
| 1. Inventories turnover         | 17,40   | 27,67   |
| 2. Trade receivables turnover   | 27,54   | 32,80   |
| 3. Trade liabilities turnover   | 64,33   | 73,79   |
|                                 |         |         |
| <b>4. Operating cycle (1+2)</b> | 44,94   | 60,47   |
| <b>5. Cash conversion (4-3)</b> | (19,39) | (13,32) |

Cash conversion in 4Q 2015 reached -20.45 days which means improvement by 7.09 days comparing with previous year. In 2015 cash conversion cycle amounted to -19.39 days comparing with -13.32 days in 2014. Improvement of inventory rotation was the main driver of improvement in cash conversion cycle. Changes in turnover of receivables and liabilities was among others attributable to effect of Service FMCG consolidation since 4Q 2014.

### Statement of the financial position

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

**Table 9: Eurocash Group: Selected consolidated balance sheet items**

| PLN m                        | 31.12.2015 |         | 31.12.2014 |         |
|------------------------------|------------|---------|------------|---------|
| Fixed assets                 | 2 288,14   | 45,54%  | 2 265,92   | 42,07%  |
| Current assets               | 2 736,41   | 54,46%  | 3 119,60   | 57,93%  |
| Total assets                 | 5 024,55   | 100,00% | 5 385,52   | 100,00% |
|                              |            |         |            |         |
| Equity                       | 1 168,12   | 23,25%  | 1 039,20   | 19,30%  |
| Liabilities and provisions   | 3 856,43   | 76,75%  | 4 346,32   | 80,70%  |
| Total liabilities and equity | 5 024,55   | 100,00% | 5 385,52   | 100,00% |

Net debt of Eurocash Group at the end of December 2015 amounted to PLN 174.55m compared with PLN 852.31m at the end of year 2014. According the net debt definition from revolving credit agreement (including contingencies), which was signed on 14<sup>th</sup> September 2015, the net debt at the end of December 2015 amounted to PLN 205.10m.

## 2. Summary of financial results of Eurocash S.A. in 4Q and 4Q YTD 2015

### *Profit & loss account*

**Table 10: Eurocash S.A.: Summary of financial results for 4Q 2015**

| PLN m                                    | Q4<br>2015 | Q4<br>2014 | Change     |
|--|------------|------------|------------|
| Sales revenues (traded goods, materials) | 3 443,00   | 3 333,05   | 3,30%      |
| Gross profit (loss) on sales             | 424,55     | 409,75     | 3,61%      |
| Gross profitability on sales (%)         | 12,33%     | 12,29%     | 0,04 p.p.  |
| EBITDA                                   | 130,50     | 117,16     | 11,39%     |
| <i>(EBITDA margin %)</i>                 | 3,79%      | 3,52%      | 0,28 p.p.  |
| EBIT                                     | 103,69     | 93,01      | 11,48%     |
| <i>(EBIT margin %)</i>                   | 3,01%      | 2,79%      | 0,22 p.p.  |
| Gross profit                             | 406,36     | (21,30)    | -2008,17%  |
| Net Income                               | 392,22     | (13,33)    | -3041,46%  |
| <i>(Net profitability %)</i>             | 11,39%     | -0,40%     | 11,79 p.p. |

**Table 11: Eurocash S.A.: Summary of financial results for 4Q YTD 2015**

| PLN m                                    | 2015      | 2014      | Change     |
|--|-----------|-----------|------------|
| Sales revenues (traded goods, materials) | 13 750,72 | 12 115,79 | 13,49%     |
| Gross profit (loss) on sales             | 1 523,46  | 1 367,25  | 11,43%     |
| Gross profitability on sales (%)         | 11,08%    | 11,28%    | -0,21 p.p. |
| EBITDA                                   | 300,33    | 293,99    | 2,16%      |
| <i>(EBITDA margin %)</i>                 | 2,18%     | 2,43%     | -0,24 p.p. |
| EBIT                                     | 197,39    | 203,91    | -3,20%     |
| <i>(EBIT margin %)</i>                   | 1,44%     | 1,68%     | -0,25 p.p. |
| Gross profit                             | 527,89    | 246,42    | 114,22%    |
| Net Income                               | 500,68    | 244,58    | 104,71%    |
| <i>(Net profitability %)</i>             | 3,64%     | 2,02%     | 1,62 p.p.  |

Sales of Eurocash S.A. in 4Q 2015 amounted to PLN 3 443.00m and increased by 3.30% YoY. In 2015 sales of Eurocash S.A. increased by 13.49% and amounted to PLN 13750.72m. Such result was mainly attributable to merger of Eurocash S.A. with Tradis sp. z o.o. (transformed into Eurocash Distribution format) and organic growth noted in Delikatesy Centrum and other Eurocash formats.

Gross margin on sales realized by Eurocash in 4Q 2015 was at the stable level and amounted to 12.33%. In 2015 gross margin amounted 11.08%.

In 4Q 2015 EBITDA amounted to PLN 130.50m and in 2015 PLN 300.33m. Net profit in 4Q 2015 amounted to PLN 392.22m and in 2015 PLN 500.68m.



## Cash flow

**Table 12: Eurocash S.A.: Cash flow for 4Q 2015**

|                                     | PLN m | Q4<br>2015 | Q4<br>2014 |
|-------------------------------------|-------|------------|------------|
| Operating cash flow                 |       | 29,40      | (22,48)    |
| <i>Gross profit (loss)</i>          |       | 406,36     | (21,30)    |
| <i>Depreciation</i>                 |       | 26,80      | 24,15      |
| <i>Change in working capital</i>    |       | (89,05)    | (118,84)   |
| <i>Other</i>                        |       | (314,95)   | 93,19      |
|                                     |       |            |            |
| Cash flow from investments          |       | 72,56      | (56,45)    |
| Cash flow from financing activities |       | (95,35)    | 63,08      |
| <b>Total cash flow</b>              |       | 6,61       | (15,85)    |

**Table 13: Eurocash S.A.: Cash flow for 4Q YTD 2015**

|                                     | PLN m | 2015     | 2014     |
|-------------------------------------|-------|----------|----------|
| Operating cash flow                 |       | 774,17   | 82,88    |
| <i>Gross profit (loss)</i>          |       | 527,89   | 246,42   |
| <i>Depreciation</i>                 |       | 102,93   | 90,07    |
| <i>Change in working capital</i>    |       | 466,55   | (198,80) |
| <i>Other</i>                        |       | (324,17) | (56,33)  |
|                                     |       |          |          |
| Cash flow from investments          |       | 54,46    | 70,08    |
| Cash flow from financing activities |       | (812,70) | (165,72) |
| <b>Total cash flow</b>              |       | 15,92    | (12,76)  |

Total cash flow of Eurocash S.A. in 4Q 2015 amounted to PLN 6.61m and in 2015 amounted to PLN 15.92m. Compared with 2014 higher operating cash flow was driven mainly by decrease in inventory level.

### Working capital

**Table 14: Eurocash S.A.: Working capital ratios for 4Q 2015**

| Turnover in days                | Q4<br>2015 | Q4<br>2014 |
|---------------------------------|------------|------------|
| 1. Inventories turnover         | 19,60      | 29,33      |
| 2. Trade receivables turnover   | 31,09      | 32,85      |
| 3. Trade liabilities turnover   | 83,06      | 84,38      |
|                                 |            |            |
| <b>4. Operating cycle (1+2)</b> | 50,69      | 62,18      |
| <b>5. Cash conversion (4-3)</b> | (32,37)    | (22,20)    |

**Table 15: Eurocash S.A.: Working capital ratios for 4Q YTD 2015**

| Turnover in days                | 2015    | 2014    |
|---------------------------------|---------|---------|
| 1. Inventories turnover         | 19,47   | 32,01   |
| 2. Trade receivables turnover   | 30,89   | 35,86   |
| 3. Trade liabilities turnover   | 81,35   | 91,05   |
|                                 |         |         |
| <b>4. Operating cycle (1+2)</b> | 50,36   | 67,87   |
| <b>5. Cash conversion (4-3)</b> | (30,99) | (23,18) |

Cash conversion in 4Q 2015 decreased by 10.17 days comparing with 4Q 2014. In 2015 cash conversion decreased by 7.81 days comparing with 2014.

### Statement of the financial position

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

**Table 16: Eurocash S.A.: Selected balance sheet items**

| PLN m                        | 31.12.2015 |         | 31.12.2014 | -       |
|------------------------------|------------|---------|------------|---------|
| Fixed assets                 | 2 651,11   | 52,84%  | 2 687,85   | 51,89%  |
| Current assets               | 2 365,81   | 47,16%  | 2 492,20   | 48,11%  |
| Total assets                 | 5 016,92   | 100,00% | 5 180,05   | 100,00% |
|                              |            |         |            |         |
| Equity                       | 1 187,11   | 23,66%  | 785,77     | 15,17%  |
| Liabilities and provisions   | 3 829,81   | 76,34%  | 4 394,27   | 84,83%  |
| Total liabilities and equity | 5 016,92   | 100,00% | 5 180,05   | 100,00% |

### 3. Definitions of the financial ratios

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

## 6. Major events and factors that influenced consolidated income or loss in 4Q 2015.

In the period between 1<sup>st</sup> October 2015 and 31<sup>st</sup> December 2015 were issued 147,125 shares due to the option programs. Additionally in the period between 1<sup>st</sup> January 2016 and 31<sup>st</sup> January 2016 were issued 2,650 shares due to the option programs.

On 31<sup>st</sup> December 2015 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0m bonds issued under the long-term bonds issue program

There have been no other major events that influenced Eurocash Group income or loss in 4Q 2015.

## 7. Development perspectives

### External Factors

#### *Growth in the FMCG market and its structure*

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

#### *Inflation*

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

#### *Labour costs*

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

### Internal Factors

#### *New business formats*

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

|   |         |
|---|---------|
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### *Organic expansion*

Management of Eurocash Group expects that during 2016:

- number of Eurocash Cash&Carry stores will increase by app. 8-10 stores,
- number of Delikatesy Centrum franchise stores will increase by app. 80-100 stores

## **8. Additional information**

### **Information regarding dividends**

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 24th April 2015, persons who were shareholders of the Company on 19th May 2015 received a dividend of PLN 0.79 per one Company share. The total dividend paid on 10th June 2015 amounted to PLN 109,557,702.44

### **Explanations regarding seasonality**

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

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

In the period between 1<sup>st</sup> October 2015 and 31<sup>st</sup> December 2015 were issued 147,125 shares due to the option programs. Additionally in the period between 1<sup>st</sup> January 2016 and 31<sup>st</sup> January 2016 were issued 2,650 shares due to the option programs.

On 31<sup>st</sup> December 2015 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0m bonds issued under the long-term bonds issue program

### **Changes in the basic management principles**

#### *Acquisition of Frisco S.A. shares*

On 26th January 2015 Eurocash S.A. finalized the acquisition of newly issued shares of Frisco S.A. after which Eurocash S.A. holds shares representing 44.13% of Frisco's share capital and entitling to 44.13% of votes at Frisco's general meeting.

#### *Merger of subsidiary companies*

On 2nd February 2015 KDWT Sp. z o.o merged through the acquisition with Service FMCG Sp. z o.o. by transferring all assets of the acquired company to the acquiring company. At the same time on 2nd February 2015, the company KDWT Sp. z o.o. changed its name to Eurocash Serwis Sp. z o.o., without changing any other data of this company.

*The signing of the preliminary agreement of acquisition of PDA shares*

On 21st December 2015 Eurocash and Jacek Jantoń, Jarosław Jantoń, Adam Jantoń, Andrzej Tyrka, Zbigniew Makaruk and Jakub Nowak concluded the Investment Agreement, pursuant to which the fulfillment of certain conditions precedent, including, in particular, after its approval by the President of the OCCP, Eurocash will acquire a 100% share in Polska Dystrybucja Alkoholi sp. z o.o. ("PDA"). Due to the necessity of integrating PDA at the operational level, in the opinion of Eurocash S.A. Board full synergies associated with this transaction will be possible to reach within 3 years after the acquisition of control over PDA.

*Acquisition of Firma Rogala shares*

On 29<sup>th</sup> January 2016 pursuant to the preliminary agreement of 18th September 2014 (please see current report no. 46/2016), Eurocash executed with Hadrick Investments sp. z o.o., Jerzy Rogala and Ewelina Wójcik Rogala ("Firma Rogala") an agreement of acquisition of 50% shares in Firma Rogala, one of the largest Delikatesy Centrum franchisees. The acquisition of a stake in Firma Rogala is in line with Eurocash Group's M&A policy. It is aimed at developing a long-term partnership with one of the key franchisees, running 63 outlets, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue.

There have been no other major events that influenced Eurocash Group income or loss in 4Q 2015.

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

The Management Board of Eurocash S.A. has not published financial forecast for 2015 and does not intend to publish financial forecast for 2016.

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

| Shareholder  | 25.02.2016         |                            |                    |                                | 10.11.2015         |                            |                    |                                |
|--|--------------------|----------------------------|--------------------|--------------------------------|--------------------|----------------------------|--------------------|--------------------------------|
|  | Number of shares   | Share in share capital (%) | Number of shares   | Share in total number of votes | Number of shares   | Share in share capital (%) | Number of shares   | Share in total number of votes |
| Luis Amaral<br>(directly and indirectly through Politra B.V. S.à.r.l.) | 60 615 240         | 43,66%                     | 60 615 240         | 43,66%                         | 60 615 240         | 43,70%                     | 60 615 240         | 43,70%                         |
| Others   | 78 216 721         | 56,34%                     | 78 216 721         | 56,34%                         | 78 105 146         | 56,30%                     | 78 105 146         | 56,30%                         |
| <b>Total</b>   | <b>138 831 961</b> | <b>100,00%</b>             | <b>138 831 961</b> | <b>100,00%</b>                 | <b>138 720 386</b> | <b>100,00%</b>             | <b>138 720 386</b> | <b>100,00%</b>                 |

On 25<sup>th</sup> February 2016 The Management Board of Eurocash has information on the number of shares as of 31st January 2016.

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

|  | Shares or rights to acquire Eurocash shares |            |
|--|---|------------|
|  | 25.02.2015                                  | 10.11.2015 |
| <b>Management Board members</b>          |   |            |
| Luis Amaral<br>(directly and indirectly) | 60 615 240                                  | 60 615 240 |
| Rui Amaral                               | 397 025                                     | 397 025    |
| Katarzyna Kopaczewska                    | 330 000                                     | 330 000    |
| Arnaldo Guerreiro                        | 325 500                                     | 325 500    |
| Pedro Martinho                           | 818 050                                     | 878 050    |
| Jacek Owczarek                           | 58 500                                      | 78 500     |
| <b>Supervisory Board members</b>         |   |            |
| Eduardo Aguinaga de Moraes               | 0   | 0          |
| Joao Borges de Assuncao                  | 0   | 0          |
| Hans-Joachim Körber                      | 0   | 0          |
| Jacek Szwajcowski                        | 0   | 0          |
| Francisco Santos                         | 0   | 0          |

On 12<sup>th</sup> February 2015, Eurocash received from the company Cartica Management, LLC, information that in connection with a transaction executed on the regulated market on the Warsaw Stock Exchange on 28<sup>th</sup> January 2015, which was settled on 30<sup>th</sup> January 2015, involving the sales by the Funds managed by Cartica Management of 30.000 ordinary bearer shares in Eurocash S.A. (the 'Company'), became the holder of providing less than 5% of the total number of votes at the EUROCASH S.A. General Meeting.

After the settlement of the transaction, the Funds managed by Cartica Management held 6,819,864 shares in the Company, which represented a 4.918% stake in the Company's shares capital and 4.918% of the total number of votes at the General Meeting of the Company.

On 6<sup>th</sup> August 2015, Eurocash received from the company Coronation Asset Management (Pty) Limited, information that in connection with transactions executed on the regulated market on the Warsaw Stock Exchange on 30<sup>th</sup> July 2015, which was settled on 3 August 2015, involving the sales by the Funds managed by Coronation Asset Management became the holder of providing less than 5% of the total number of votes at the EUROCASH S.A. General Meeting.

After the settlement of the transaction, the Funds managed by Coronation Asset Management held 6,844,613 shares in the Company, which represented a 4.94% stake in the Company's shares capital and 4.94% of the total number of votes at the General Meeting of the Company.

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|--|---------|
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### **Information on legal suits**

In the 4Q 2015 companies belonging to Eurocash Group were not involved in any other legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10% of equity.

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

*The surety by the subsidiaries in connection with the conclusion of the loan agreement*

On 14 September 2015 Subsidiaries - Eurocash Service Sp. z o.o. and Eurocash Franczyza Sp. z o.o. granted a surety for the liabilities due the revolving credit agreement to the amount of PLN 700,000,000.00 concluded on 14 September 2015 between the Company, EC Serwis, EC Franczyza and:

- (i) Bank Zachodni WBK S.A.,
- (ii) Bank BGŻ BNP Paribas S.A.,
- (iii) Bank Gospodarstwa Krajowego,
- (iv) mBank S.A.,
- (v) Bank Polska Kasa Opieki S.A.

On the basis of the Loan Agreement, the Company may use the funds from the loan until 14 August 2020. The final deadline for full repayment date is 14 September 2020. Resources made available to the Company under the Credit Agreement may be used to repay part of the existing short-term financial debt of the Company and for general corporate purposes of the Company.

In the 4Q 2015 companies belonging to Eurocash Group did not grant any other surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

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

In the 4Q 2015 companies belonging to Eurocash Group did not execute transactions with related parties otherwise than in the ordinary course of business on an arm's length basis.

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

Apart of information provided in this report, there are no other information which would be material to assess the staffing, and financial situation of the Company.



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

#### *Acquisition of Frisco S.A. shares*

On 26th January 2015 Eurocash S.A. finalized the acquisition of newly issued shares of Frisco S.A. after which Eurocash S.A. holds shares representing 44.13% of Frisco's share capital and entitling to 44.13% of votes at Frisco's general meeting.

#### *Merger of subsidiaries companies*

On 2nd February 2015 KDWT Sp. z o.o merged through the acquisition with Service FMCG Sp. z o.o. by transferring all assets of the acquired company to the acquiring company. At the same time on 2<sup>nd</sup> February 2015, the company KDWT Sp. z o.o. changed its name to Eurocash Serwis Sp. z o.o., without changing any other data of this company.

#### *The signing of the preliminary agreement of acquisition of PDA shares*

On 21st December 2015 Eurocash and Jacek Jantoń, Jarosław Jantoń, Adam Jantoń, Andrzej Tyrka, Zbigniew Makaruk and Jakub Nowak concluded the Investment Agreement, pursuant to which the fulfillment of certain conditions precedent, including, in particular, after its approval by the President of the OCCP, Eurocash will acquire a 100% share in Polska Dystrybucja Alkoholii sp. z o.o. ("PDA"). Due to the necessity of integrating PDA at the operational level, in the opinion of Eurocash S.A. Board full synergies associated with this transaction will be possible to reach within 3 years after the acquisition of control over PDA.

#### *Acquisition of Firma Rogala shares*

On 29<sup>th</sup> January 2016 pursuant to the preliminary agreement of 18th September 2014 (please see current report no. 46/2016), Eurocash executed with Hadrick Investments sp. z o.o, Jerzy Rogala and Ewelina Wójcik Rogala ("Firma Rogala") an agreement of acquisition of 50% shares in Firma Rogala, one of the largest Delikatesy Centrum franchisees. The acquisition of a stake in Firma Rogala is in line with Eurocash Group's M&A policy. It is aimed at developing a long-term partnership with one of the key franchisees, running 63 outlets, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue.

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

**Signatures of Management Board Members:**

| <b>Position</b>                                      | <b>Name and surname</b> | <b>Date</b>                    | <b>Signature</b> |
|--|-------------------------|--------------------------------|------------------|
| Member of the Management Board                       | David Boner             | 25 <sup>th</sup> February 2016 |                  |
| Member of the Management Board<br>Financial Director | Jacek Owczarek          | 25 <sup>th</sup> February 2016 |                  |