



EUROCASH

CONSOLIDATED QUARTERLY REPORT

3rd QUARTER 2017

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.

CONTENTS

- I. SELECTED CONSOLIDATED FINANCIAL DATA**
- II. QUARTERLY ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS**
- III. SELECTED SEPARATE FINANCIAL DATA**
- IV. QUARTERLY ABBREVIATED SEPARATE FINANCIAL STATEMENTS**
- V. MANAGEMENT DISCUSSION OF THE FINANCIAL RESULTS FOR THE
3Q 2017**

SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2017 to 30.09.2017 PLN	Non audited for the period from 01.01.2016 to 30.09.2016 PLN	Non audited for the period from 01.01.2017 to 30.09.2017 EUR	Non audited for the period from 01.01.2016 to 30.09.2016 EUR
Sales	17 465 139 199	15 865 991 844	4 093 935 726	3 640 826 069
Operating profit (loss)	11 610 125	157 757 855	2 721 485	36 201 261
Profit (loss) before income tax	(14 468 397)	142 280 077	(3 391 481)	32 649 520
Profit (loss) for the on continued operations	(39 309 955)	116 782 061	(9 214 495)	26 798 399
Profit (loss) for the period	(39 309 955)	116 782 061	(9 214 495)	26 798 399
Net cash from operating activities	300 688 243	272 953 846	70 483 168	62 635 698
Net cash used in investing activities	(285 275 874)	(167 317 130)	(66 870 414)	(38 394 862)
Net cash used in financing activities	(18 512 412)	(109 164 776)	(4 339 423)	(25 050 433)
Net change in cash and cash equivalents	(3 100 043)	(3 528 061)	(726 669)	(809 597)
Weighted average number of shares	139 153 763	138 952 047	139 153 763	138 952 047
Weighted average diluted number of shares	139 107 157	139 100 635	139 107 157	139 100 635
EPS (in PLN / EUR)	(0,30)	0,81	(0,07)	0,19
Diluted EPS (in PLN / EUR)	(0,30)	0,81	(0,07)	0,19
Average PLN / EUR rate*			4,2661	4,3578
	Non audited as at 30.09.2017 PLN	Non audited as at 31.12.2016 PLN	Non audited as at 30.09.2017 EUR	Non audited as at 31.12.2016 EUR
Assets	5 912 665 269	5 494 995 633	1 372 134 615	1 242 087 621
Non-current liabilities	119 319 848	266 177 397	27 690 202	60 166 681
Current liabilities	4 787 764 806	4 073 714 582	1 111 082 316	920 821 560
Equity	1 005 580 615	1 155 103 655	233 362 098	261 099 380
Share capital	139 163 286	139 096 361	32 295 209	31 441 311
Number of shares	139 163 286	139 096 361	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	6,78	7,81	1,57	1,76
Diluted book value per share (in PLN / EUR)	6,76	7,78	1,57	1,76
Declared or paid dividend (in PLN / EUR)	111 277 151	146 394 794	25 823 757	33 091 048
Declared or paid dividend per share (in PLN / EUR)	0,80	1,05	0,19	0,24
PLN / EUR rate at the end of the period**			4,3091	4,4240

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 3Q 2017,

** 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 2016 year was paid till 6 June 2017 for shareholders of Parent Company as at 16 May 2017.

EUROCASH S.A. GROUP

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 SEPTEMBER 2017

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, 10TH November 2017

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONTENTS

Introduction to condensed interim consolidated financial statements	3
1. Information about the Parent Entity	3
2. Bodies of the Parent Entity	3
3. The damage suffered by the company as a result of the activities of external entities participating in the VAT fraud mechanism **	4
Condensed consolidated income statement for the period from 01.01. to 30.09.2017	6
Condensed consolidated statement of comprehensive income for the period from 01.01. to 30.09.2017	7
Condensed consolidated statement of financial position as at 30.09.2017	8
Condensed consolidated statement of cash flows for the period from 01.01. to 30.09.2017.....	10
Condensed consolidated statement of changes in equity for the period from 01.01. to 30.09.2017	11
Supplementary information to the condensed interim consolidated financial statements prepared for the period from 01.01.2017 to 30.09.2017	12
1. General information	12
2. Notes to the Condensed interim consolidated financial statements prepared for the period from 01.01. to 30.09.2017	23

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

INTRODUCTION TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

DURATION OF THE PARENT COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2017 – 30 September 2017 and in addition, for the income statement and statement of comprehensive income, the period from 1 July 2017 to 30 September 2017.

The consolidated statement of financial position has been prepared as at 30 September 2017 and the comparative figures are presented as at 31 December 2016.

Comparative data has been prepared in accordance to UE-approved IAS 34 – Interim financial reporting.

2. BODIES OF THE PARENT ENTITY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 September 2017 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,
Przemysław Ciaś – Member of the Management Board.

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2.2. SUPERVISORY BOARD OF THE PARENT ENTITY

As at 30 September 2017 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 Sz wajkowski – Member of the Supervisory Board.

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

On 13 January 2017, David Boner resigned from his position of Member of the Management Board, effective as at 13.01.2017.

On 22 February 2017, Przemysław Ciaś was appointed Member of the Management Board of Eurocash S.A.

3. THE DAMAGE SUFFERED BY THE COMPANY AS A RESULT OF THE ACTIVITIES OF EXTERNAL ENTITIES PARTICIPATING IN THE VAT FRAUD MECHANISM **

In the period from March to August 2017 an extensive and detailed audit of VAT settlements by Eurocash S.A was carried out. The audit covered settlements made in the years 2013 – 2017. It showed that Eurocash S.A. was used in a mechanism of VAT fraud by groups of outside entities in transactions concerning intra-Community delivery of goods. The audit consisted, inter alia, in a review of documentation, including e-mail correspondence, as well as verification of business partners of Eurocash S.A. who participated in the above-mentioned transactions.

The finding of the audit showed that Eurocash S.A. may be obligated to settle a VAT liability in favor of the State Treasury. In accordance with the estimate of the Management Board, the amount of the potential VAT liability may be 121 450 511 PLN. This amount was corrected downwards by the surplus of CIT which arose for the Company in connection with the disclosure of revenue from a sale in the part which corresponds to 23% VAT, and, thus, does not constitute an actual gain (revenue) of the Company. As a result, the Company made a apayment to bank account of the First Wielkopolski Tax Office in Poznań the amount of 95 746 902 PLN in respect of security of payment of the possible VAT liability.

The Management Board believes that the final amount of the VAT liability may differ from the amount paid by the Company in respect of security of payment of the possible VAT liability, once the tax authority has carried out a detailed analysis of the documentation gathered by the Company, as well as of the procedures used by Company and the explanations of the Company. The Company believes that it acted in good faith when carrying out the above-mentioned transactions, and that it regularly tightened up procedures aimed at countering such irregularities. Thus, the Company is proving before the Tax Office that, in the course of ongoing tax audit, it has been harmed by fraud, made by third parties without the Company's knowledge. Thus, the final amount of the VAT liability may be lower

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than the amount referred to above, while the Company may be due a refund of some of the funds paid.

The Company Management Board emphasizes that payment of the liability will not have any impact on the Company's dividend policy, carried out also in previous years.

Negative impact on Net Profit for 2017 amounts to 114 400 861,47 PLN (0.82 PLN per share). Consolidated Net Debt of Eurocash will be negatively affected by 95 746 902 PLN (0.69 PLN per share).

The effect of the created reserve was reflected in the financial result of the Company and of the Group in the mid-year financial statements.

Eurocash Group continues to audit the VAT settlements by companies of the Eurocash Group as there exists a suspicion that potential irregularities could appear also in other companies of the Group. Taking into account the turnover of the remaining companies of the Group, gained on transactions concerning intra-Community delivery of goods, the risks associated with such potential irregularities are not material.

Eurocash S.A. stopped execution of such transactions concerning intra-Community delivery of goods.

At the same time, on 24 August 2017 the Company filed, as injured party, a notification with the Regional Prosecutor's Office in Poznań, about a justified suspicion of the commission of a crime.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 30.09.2017

	Non audited 3rd Quarter for the period from 01.07.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017	Non audited 3rd Quarter for the period from 01.07.2016 to 30.09.2016 restated*	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016 restated*
Sales	6 187 575 645	17 465 139 199	5 761 178 846	15 865 991 844
Sales of goods	5 830 245 191	16 399 246 823	5 410 111 518	14 921 003 908
Sales of services	356 362 178	1 062 640 845	349 611 398	940 700 354
Sales of materials	968 276	3 251 531	1 455 931	4 287 581
Costs of sales	(5 534 015 440)	(15 595 121 954)	(5 191 209 328)	(14 283 742 110)
Costs of goods sold	(5 485 261 619)	(15 455 110 636)	(5 148 917 959)	(14 174 018 270)
Costs of services sold	(48 006 330)	(137 188 600)	(40 972 568)	(105 566 862)
Costs of materials sold	(747 491)	(2 822 718)	(1 318 802)	(4 156 978)
Gross profit (loss)	653 560 206	1 870 017 245	569 969 518	1 582 249 734
Selling expenses	(475 125 601)	(1 411 542 778)	(386 542 214)	(1 137 735 936)
General and administrative expenses	(93 014 291)	(278 415 436)	(85 153 878)	(236 158 585)
Profit (loss) on sales	85 420 314	180 059 032	98 273 426	208 355 213
Other operating income	7 712 504	46 012 549	13 440 245	42 319 397
Other operating expenses**	(34 979 844)	(214 461 456)	(30 635 975)	(92 916 755)
Operating profit (loss)	58 152 974	11 610 125	81 077 696	157 757 855
Financial income	5 002 719	16 915 290	5 900 108	19 198 880
Financial costs	(12 637 579)	(39 218 487)	(10 030 608)	(30 772 817)
Share in profits (losses) of equity accounted investees	(1 094 579)	(3 775 325)	(1 092 763)	(3 903 841)
Profit (loss) before tax	49 423 535	(14 468 397)	75 854 433	142 280 077
Income tax expense	(11 960 968)	(24 841 558)	(14 151 726)	(25 498 015)
Profit (loss) for the period	37 462 567	(39 309 955)	61 702 708	116 782 061
Attributable to:				
Owners of the Company	35 741 965	(42 064 215)	58 659 511	112 320 852
Non-controlling interests	1 720 602	2 754 260	3 043 197	4 461 209

EARNINGS PER SHARE

	PLN / share	PLN / share
Profit (loss) attributable to Owners of the Company	(42 064 215)	112 320 852
Weighted average number of shares	139 153 763	138 952 047
Weighted average diluted number of shares	139 107 157	139 100 635
Earnings per share		
- basic	(0,30)	0,81
- diluted	(0,30)	0,81

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 30.09.2017

	Non audited 3rd Quarter for the period from 01.07.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017	Non audited 3rd Quarter for the period from 01.07.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016
Profit (loss) for the period	37 462 567	(39 309 955)	61 702 708	116 782 061
Other comprehensive income for the period	(245 812)	(678 384)	1 156 381	2 535 214
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	(245 812)	(678 384)	1 156 381	2 535 214
Total comprehensive income for the period	37 216 755	(39 988 339)	62 859 088	119 317 276
Total Income				
Owners of the Company	35 496 153	(42 742 599)	59 815 891	114 856 067
Non-controlling interests	1 720 602	2 754 260	3 043 197	4 461 209
Total comprehensive income for the period	37 216 755	(39 988 339)	62 859 088	119 317 276

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.09.2017

	Non audited	
	as at	as at
	30.09.2017	31.12.2016
Assets		restated*
Non-current assets (long-term)	2 535 250 919	2 287 968 922
Goodwill	1 402 272 487	1 254 108 025
Intangible assets	346 057 024	358 321 106
Property, plant and equipment	670 523 627	587 394 410
Investment property	976 723	988 495
Investments in equity accounted investees	33 387 869	34 951 736
Other long-term investments	30 531 570	531 570
Long-term receivables	7 297 502	3 251 647
Deferred tax assets	43 089 284	47 084 072
Other long-term prepayments	1 114 834	1 337 861
Current assets (short-term)	3 377 414 350	3 207 026 711
Inventories	1 282 444 170	1 088 908 423
Trade receivables	1 695 220 288	1 748 183 884
Current tax receivables	18 746 404	16 558 439
Other short-term receivables	136 028 475	139 874 535
Other short-term financial assets	21 830 585	5 713 175
Short-term prepayments	64 373 367	45 917 150
Cash and cash equivalents	158 771 060	161 871 104
Total assets	5 912 665 269	5 494 995 633

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.09.2017

	Non audited as at 30.09.2017	as at 31.12.2016 restated*
<i>Equity and liabilities</i>		
Equity	1 005 580 615	1 155 103 655
Equity attributable to Owners of the Company	942 906 307	1 085 650 382
Share capital	139 163 286	139 096 361
Reserve capital	1 456 840 315	1 352 632 597
Loss on valuation of hedging transactions	(6 989 088)	(6 310 705)
Option for purchase/selling the shares	(69 189 100)	(69 189 100)
Retained earnings	(576 919 106)	(330 578 771)
Accumulated profit / loss from previous years	(534 854 890)	(509 800 401)
Profit (loss) for the period	(42 064 215)	179 221 629
Non-controlling interests	62 674 307	69 453 273
Liabilities	4 907 084 654	4 339 891 979
Non-current liabilities	119 319 848	266 177 397
Long-term financial liabilities	6 811 297	154 322 501
Other long-term liabilities	72 826 479	72 643 362
Deferred tax liabilities	32 373 878	33 710 961
Employee benefits	6 148 111	4 966 996
Provisions	1 160 081	533 577
Current liabilities	4 787 764 806	4 073 714 582
Loans and borrowings	342 277 730	275 065 340
Short-term financial liabilities	273 934 746	56 624 075
Trade payables	3 844 222 223	3 459 300 147
Current tax liabilities	5 494 833	7 555 050
Other short-term payables	71 023 654	71 549 689
Current employee benefits	78 589 141	84 543 918
Provisions	172 222 480	119 076 364
Total equity and liabilities	5 912 665 269	5 494 995 634
BOOK VALUE PER SHARE		

	Non audited as at 30.09.2017	as at 31.12.2016
Equity attributable to Owners of the Company	942 906 307	1 085 650 382
Number of shares	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636
Book value per share	6,78	7,81
Diluted book value per share	6,76	7,78

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01. TO 30.09.2017

	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016
<i>Cash flow from operating activities</i>		
Profit (loss) before tax	(14 468 397)	142 280 077
Adjustments for:	164 568 026	147 948 557
Depreciation and amortization	133 217 330	123 088 526
Share in profits (losses) of equity accounted investees	3 775 325	3 903 841
Gain (loss) on sale of property, plant and equipment	(1 017 890)	988 746
Dividends received	(882 010)	(764 247)
Interest expenses	32 327 500	26 466 820
Interest received	(2 852 228)	(5 735 129)
Operating cash before changes in working capital	150 099 629	290 228 633
Changes in inventory	(131 250 483)	(150 996 504)
Changes in receivables	35 761 035	(213 336 244)
Changes in payables	269 824 085	352 814 937
Changes in provisions and employee benefits	6 233 206	25 847 808
Other adjustments	214 170	-
Operating cash	330 881 642	304 558 630
Interest received	1 507 366	1 159 604
Interest paid	(9 051 339)	(6 879 781)
Income tax paid	(22 649 426)	(25 884 607)
Net cash from operating activities	300 688 243	272 953 846
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(28 184 525)	(26 086 746)
Aquisition of property, plant and equipment tangible fixed assets	(117 077 408)	(86 673 865)
Proceeds from sale of property, plant and equipment	4 960 332	11 812 732
Expenditures on financial assets	-	(39 600)
Expenditures on other short-term financial assets	(21 815 585)	-
Dividends received	882 010	764 247
Aquisition of subsidiaries, net of cash acquired	(92 695 643)	(36 386 146)
Expenditures on the acquisition of subsidiaries	(2 211 457)	(3 845 498)
Advances for acquisition of subsidiaries	-	(21 000 000)
Loans granted	(30 000 000)	(6 276 578)
Interest received	866 400	414 324
Net cash used in investing activities	(285 275 874)	(167 317 130)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	2 543 150	10 147 900
Income/expenses for other financial liabilities	(1 024 693)	(45 129 703)
Income/expenses for short term debt securities	79 000 000	10 000 000
Proceeds from loans and borrowings	69 942 517	88 598 712
Repayment of borrowings	(23 219 850)	-
Income/expenses for liabilities from financial leasing	(5 504 353)	(3 379 922)
Other interests	(20 105 247)	(16 868 214)
Interests on loans and borrowings	(8 866 785)	(6 138 755)
Dividends paid	(111 277 151)	(146 394 794)
Net cash used in financing activities	(18 512 412)	(109 164 776)
Net change in cash and cash equivalents	(3 100 043)	(3 528 061)
Cash and cash equivalents at the beginning of the period	161 871 104	86 196 747
Cash and cash equivalents at the end of the period	158 771 061	82 668 686

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 30.09.2017

	Share capital	Reserve capital	Option for purchase/selling the shares	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 30.09.2016</i>								
Balance as at 01.01.2016 after changes	138 829 311	755 123 316	-	(10 644 280)	217 018 280	1 100 326 626	60 808 127	1 161 134 753
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	112 320 852	112 320 852	-	112 320 852
Non-controlling interests	-	-	-	-	-	-	4 461 209	4 461 209
Net profit presented directly in equity	-	-	-	2 535 214	-	2 535 214	-	2 535 214
Total comprehensive income for the period from 01.01. to 30.09.2016	-	-	-	2 535 214	112 320 852	114 856 067	4 461 209	119 317 276
Dividends	-	-	-	-	(139 084 436)	(139 084 436)	(7 310 358)	(146 394 794)
Transfer to reserve capital	-	587 721 393	-	-	(587 721 393)	-	-	-
Share options exercised	267 050	9 880 850	-	-	-	10 147 900	-	10 147 900
Settlement of acquisition and sale of shares	-	-	(39 200 000)	-	-	(39 200 000)	1 884 936	(37 315 064)
Other	-	(92 961)	-	-	(12 852)	(105 813)	-	(105 813)
Total contributions by and distributions to Owners of the Company	267 050	597 509 282	(39 200 000)	-	(726 818 681)	(168 242 349)	(5 425 422)	(173 667 771)
Balance as at 30.09.2016	139 096 361	1 352 632 597	(39 200 000)	(8 109 066)	(397 479 549)	1 046 940 344	59 843 913	1 106 784 257
<i>Changes in equity in the period from 01.01 to 30.09.2017</i>								
Balance as at 01.01.2017	139 096 361	1 352 632 597	(69 189 100)	(6 310 705)	(330 578 771)	1 085 650 382	69 453 273	1 155 103 655
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	(42 064 215)	(42 064 215)	-	(42 064 215)
Non-controlling interests	-	-	-	-	-	-	2 754 260	2 754 260
Other comprehensive income	-	-	-	(678 384)	-	(678 384)	-	(678 384)
Total comprehensive income for the period from 01.01. to 30.09.2017	-	-	-	(678 384)	(42 064 215)	(42 742 599)	2 754 260	(39 988 339)
Dividends paid	-	-	-	-	(101 589 199)	(101 589 199)	(9 473 109)	(111 062 308)
Transfer to reserve capital	-	101 731 493	-	-	(101 731 493)	-	-	-
Share options exercised	66 925	2 476 225	-	-	-	2 543 150	-	2 543 150
Settlement of acquisition and sale of shares	-	-	-	-	-	-	(60 117)	(60 117)
Other	-	-	-	-	(955 428)	(955 428)	-	(955 428)
Total contributions by and distributions to Owners of the Company	66 925	104 207 718	-	-	(204 276 119)	(100 001 477)	(9 533 226)	(109 534 703)
Balance as at 30.09.2017	139 163 286	1 456 840 315	(69 189 100)	(6 989 088)	(576 919 106)	942 906 307	62 674 307	1 005 580 615

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	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 01.01.2017 TO 30.09.2017

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 10 November 2017, the consolidated financial statements of Eurocash Group for the period from 1 January 2017 to 30 September 2017 were authorized for publication.

According to the information included in the report no. 2/2017 dated 10 January 2017 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its interim consolidated financial statements on 10 November 2017.

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

1.2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of Eurocash S.A. Group have been prepared in accordance with IAS 34 - Interim Financial Reporting, approved by European Union. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of Eurocash S.A. Group as at and for the year ended 31 December 2016, which is available on the website www.eurocash.pl.

1.3. PRESENTATION CURRENCY, ROUNDINGS

These consolidated interim 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, incomes 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. The range of significant judgments, estimates and assumptions was presented in the financial statements for 2016 year and in the current period has not changed.

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 or in the current period and 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 these condensed interim consolidated financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the financial year ended 31st December 2016.

1.6. IMPACT OF NEW STANDARDS AND INTERPRETATIONS ON THE FINANCIAL STATEMENTS OF THE GROUP

Standards and interpretations that have been issued but are not valid because they have not yet been approved by the European Union or have been approved by the European Union but have not been applied by the Group have been presented in the annual consolidated financial statements for 2016. In the first half of 2017, IFRS 17 "Insurance Contracts" and IFRIC 23 "Uncertainty over Income Tax Treatments" were published.

Implementation of IFRS 9

IFRS 9 „Financial Instruments” effective for the financial years beginning on or after 1 January 2018 with the possibility of earlier adoption.

IFRS 9 requires all the financial assets, within the scope of IAS 39, to be measured at an amortized cost or fair value. Debt investments held within a business model whose objective is to obtain the appropriate cash flow, consisting of a fixed basic payment amount and interest - are measured at an amortized cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, changes in fair value of capital investments that are not held for trading may be presented in other comprehensive income, while in the income statement, it is recognized only as dividend. The decision is irreversible.

Detailed analysis of the impact of the new standard on the financial statements of the Group has not yet been completed, The analysis is still in progress.

Implementation of IFRS 15

The new accounting standard issued on 28 May 2014 applies to annual periods beginning on or after 1 January 2018.

The new standard primarily changes the way in which entities account for contracts with customers, mainly when one contract is related to the provision of services and goods.

The principles set out in IFRS 15 will apply to all contracts resulting in revenues. The new standard provides a unified model of recognition and valuation of sales. In accordance with it, the contract with the customer will be analyzed in five stages, including:

1. identification of contract,
2. identification of contractual (individual) obligations to perform service contained in the agreement,
3. setting the price transaction,
4. allocation of the price for the contract to realize the benefits contained in the agreement,
5. revenue recognition at the time of fulfillment of the obligations by the entity.

In accordance with IFRS 15, an entity recognizes revenue at the time of the fulfillment of a performance obligation, that is, now of transfer a control over the goods or services covered by this commitment to the customer. IFRS 15 also includes a much more restrictive guidance on specific aspects of revenue recognition. It also requires disclosure of a wide range of information. On 12 April 2016 explanations providing additional information and clarification regarding the key assumptions used in IFRS 15, including on the identification on separate responsibilities, determining whether an entity acts as an intermediary (agent), or is the main supplier of goods and services (principal) and the method of recording revenue from licenses have been published. Apart from the additional explanations, also exemptions and simplification were introduced for entities applying the new standard for the first time. IFRS 15 will come into force in the financial year commencing on January 1, 2018. Upon implementation, IFRS 15 will replace the guidance on revenue recognition in IAS 18 "Revenue", IAS 11 "Construction Contracts" and related Interpretations.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

As at balance sheet date, the Group is not able to value the impact of IFRS 15. The valuation is still in progress.

Implementation of IFRS 16

IFRS 16 „Leases” effective for the financial years beginning on or after 1 January 2019.

IFRS 16 establishes rules for the recognition, valuation, presentation and disclosures relating to the lease. All leasing transactions result in obtaining the lessee's right to use the assets and liabilities arising from the obligation to pay. Thus, IFRS 16 abolishes the distinction between operating leases and finance leases and introduces a model of accounting by the lessee. The lessee will be required to include:

- assets and liabilities for all leases entered a period of over 12 months, except when the asset is a low value;
- depreciation of leased assets separately from the interest on the lease liability in the financial statements.

As at balance sheet date, the Group is not able to value the impact of IFRS 16. The valuation is still in progress.

1.7. INFORMATION ABOUT THE PARENT ENTITY AND THE GROUP

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

The core 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 comprises Eurocash S.A. and subsidiaries.

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2017

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 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul. Bokserska 66a 02-690 Warszawa	ul .Wiśniowa 11 62-052 Komorniki
core business activity	PKD 4690Z	PKD 4635Z	PKD 8299Z	PKD 4634A	PKD 4634A	PKD 7740Z	PKD 4634A	PKD 4690Z
registration court	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000213765	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000519553	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329002	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329037	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000529945	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000287947	District Court Zielona Góra, VIII Commercial Division of the National Court Register KRS 0000203619
nature of relationship	Parent company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	n/a	31.03.2006	10.07.2006	06.04.2009	06.04.2009	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.

Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2017 (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 15-399 Białystok	ul. Sokóleńska 9 15-865 Białystok	Porosły 70A 16-070 Choroszcz	ul. Bystrzańska 94a 43-309 Bielsko-Biała	ul. Hutnicza 7 43-502 Czechowice-Dziedzice	ul. Lenartowicza 39 41-219 Sosnowiec	ul. Lubelska 33/15 10-410 Olsztyn	ul. Polna 4-8 87-800 Włocławek
core business activity	PKD 4639Z	PKD 4711Z	PKD 7010Z	PKD 4711Z	PKD 4645Z	PKD 7022Z	PKD 4690Z	PKD 4711Z
registration court	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000048125	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000033766	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000508176	District Court Bielsko Biała, VIII Commercial Division of the National Court Register KRS 0000012291	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000254307	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000175768	District Court Olsztyn, VIII Commercial Division of the National Court Register KRS 0000039244	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000109502
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.

Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2017 (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.	Lewiatan Holding S.A.	Lewiatan Północ Sp. z o.o.	Eurocash Detal Sp. z o.o.	PayUp Polska S.A.
address	Os. Winiary 54 60-665 Poznań	ul. Światowida 2 45-325 Opole	ul. Przemysłowa 5 73-110 Stargard Szczeciński	ul. Krakowska 47 39-200 Dębica	ul. Kilińskiego 10 87-800 Włocławek	ul. I Dywizji Wojska Polskiego nr 98 84-230 Rumia	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 7740Z	PKD 7740Z	PKD 6419Z	PKD 8299Z	PKD 7740Z	PKD 4639Z	PKD 4690Z	PKD 6120Z
registration court	District Court Poznań - Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register KRS 0000133384	District Court Opole, VIII Commercial Division of the National Court Register KRS 0000043199	District Court Szczecin Centrum, XIII Commercial Division of the National Court Register KRS 0000017136	District Court Rzeszów, XII Commercial Division of the National Court Register KRS 0000186622	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000089450	District Court Gdańsk- North in Gdańsk, VII Commercial Division of the National Court Register KRS 0000322297	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register, KRS 0000499437	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000299000
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	21.12.2011	21.12.2011	21.12.2011	28.06.2013	21.12.2011	21.12.2011	18.11.2013	06.05.2014
ownership interest	100%	100%	100%	100%	67%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	71%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2017 (continued)

No	25	26	27	28	29	30	31	32
Unit	Eurocash Convenience Sp. z o.o.	Kontigo Sp. z o.o.	Inmedio Sp. z o.o.	Eurocash VC3 Sp. z o.o.	ABC na kołach Sp. z o.o.	Duży Ben Sp. z o.o.	Firma Rogala Sp. z o.o.	4Vapers Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Al.Jerozolimskie 174 02-486 Warszawa	ul. Bokserska 66A 02-690 Warszawa	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Grunwaldzka 59 38-350 Bobowa	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 7010Z	PKD 7010Z	PKD 4617Z	PKD 7740Z	PKD 5621Z	PKD 4711Z	PKD 4711Z	PKD 4635Z
registration court	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000509266	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000510241	District Court Warszawa, XII Commercial Division of the National Court Register KRS 0000525507	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000560795	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000586936	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000577163	District Court Kraków- Śródmieście in Kraków, XII Commercial Division of the National Court Register KRS 0000576321	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000625487
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	05.03.2014	17.04.2014	01.12.2014	11.05.2015	29.12.2015	22.07.2015	29.01.2016	20.06.2016
ownership interest	100%	100%	51%	100%	100%	100%	50%	100%
voting rights (in %)	100%	100%	51%	100%	100%	100%	50%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2017 (continued)

No	33	34	35	36	37	38	39	40
Unit	Eurocash Nieruchomości Sp. z o.o.	Eurocash Food Sp. z o.o.	Sushi to go Sp. z o.o.	Sushi to go Sp. z o.o. Sp. k.	Detal Finanse Sp. z o.o.	Polska Dystrybucja Alkoholi Sp. z o.o.	FHC-2 Sp. z o.o.	Madas Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Piękna 24/26A 00-549 Warszawa	ul. Ks. Juliana Chrościckiego 93/105 02-414 Warszawa	ul. Wiśniowa 11 62-052 Komorniki	ul. Sempłowska 4 95-200 Pabianice	Ul Tysiąclecia 1 38- 400 Krosno	Ul Tysiąclecia 1 38- 400 Krosno
core business activity	PKD 7022Z	PKD 7022Z	PKD 1013Z	PKD 8299Z	PKD 6920Z	PKD 4634A	PKD 4711Z	PKD 4711Z
registration court	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000567562	District Court Warszawa, XII Commercial Division of the National Court Register KRS 0000605658	District Court Warszawa, XII Commercial Division of the National Court Register KRS 0000492021	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000584888	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000618542	District Court Łódź - Śródmieście in Łódź, XX Commercial Division of the National Court Register KRS 0000124474	District Court Rzeszów, XII Commercial Division of National Court Register KRS 0000241137	District Court Rzeszów, XII Commercial Division of National Court Register KRS 0000243880
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	04.05.2015	04.05.2015	22.06.2016	22.06.2016	15.03.2016	30.12.2016	16.12.2016	16.12.2016
ownership interest	100,00%	100%	51%	51%	100%	100%	50%	50%
voting rights (in %)	100,00%	100%	51%	51%	100%	100%	50%	50%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2017 (continued)

No	41	42	43	44	45	46	47	48
Unit	Zagłoba Sp. z o.o.	ECA Detal Sp. z o.o.	Eko Holding S.A.	Ledi Sp. z o.o.	Jim Sp. z o.o.	Foodmakers Logistics Sp. z o.o.	Eurocash VC6 Sp. z o.o.	EC VC7 Sp. z o.o.
address	ul. Stara Huta 7 32-500 Chrzanów	ul. Sempołowskiej 4 95-200 Pabianice	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kały Wrocławskie	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kały Wrocławskie	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kały Wrocławskie	Al. Niepodległości 31 61-714 Poznań	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 4634A	PKD 4725Z	PKD 4690Z	PKD 4711Z	PKD 7830Z	PKD 5210B	PKD 7320Z	PKD 4690Z
registration court	District Court Kraków - Śródmieście in Kraków, XII Commercial Division of the National Court Register KRS 0000105078	District Court Łódź - Śródmieście in Łódź, XX Division of the National Court Register KRS 0000293684	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000302877	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000116761	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000370167	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000670394	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000666485	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000666652
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	30.12.2016	30.12.2016	04.01.2017	04.01.2017	04.01.2017	01.02.2017	18.01.2017	18.01.2017
ownership interest	66%	100%	100%	100%	100%	50%	100%	100%

In addition, Inmedio Sp. z o.o. has subsidiaries:

- Equal Services Sp. z o.o., in which Inmedio Sp. z o.o. owns 100% of shares,
- Inmedio Sp. z o.o. Sp. k., in which Inmedio Sp. z o.o. (as a general partner) holds 99.9999% of shares and Eurocash Franczyza Sp. z o.o. (as a limited partner) holds 0.0001% of shares.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

On 04.01.2017 Eurocash purchased 100% of shares in EKO Holding S.A. based in Nowa Wieś Wroclawska, at the same time acquiring 100% of shares in Ledi Sp. z o.o. and Jim Sp. z o.o.

On 18.01.2017 Eurocash Franczyza Sp. z o.o. and Eurocash Convenince Sp. z o.o created entities. Eurocash VC6 Sp. z o.o. and EC VC7 Sp. z o.o.

Foodmakers Logistics Sp. z o.o., Eurocash Nieruchomości Sp. z o.o., Eurocash Food Sp. z o.o. and Sushi to go Sp. z o.o. are Group companies; however, due to the insignificance of their financial data, they were not consolidated.

Entities comprising the Eurocash capital group and associates as at 30.09.2017

No	1	2
Unit	FRISCO S.A.	Partnerski Serwis Detaliczny S.A.
address	ul. Omulewska 27 04-128 Warszawa	ul. Grażyny 15 02-548 Warszawa
core business activity	PKD 4791Z	PKD 6499Z
registration court	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000401344	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000280288
nature of relationship	Associate	Joint venture
method of ownership	Equity method	Equity method
ownership interest	44,03%	50%
voting rights (in %)	44,03%	50%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.8. GOING CONCERN ASSUMPTION

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, there are no circumstances indicating the threat to the Company's continued operations.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	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 30.09.2017

NOTE 1. ACQUISITION OF SHARES IN A SUBSIDIARIES

1. Acquisition of 100% shares in EKO Holding S.A.

General information

On 4 January 2017, Eurocash purchased 100% of shares in the company EKO Holding S.A. based in Nowa Wieś Wrocławska and indirectly in companies Ledi Sp. z o.o. and Jim Sp. z o.o.

Thus, Eurocash acquired a network of approximately 250 EKO brand grocery stores (operating mainly in southwestern Poland), which will allow for further development of Eurocash Group and better use of its potential. Consequently, this should translate into revenue growth of Eurocash Group.

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNIT

1. Name of acquired company	EKO Holding S.A.
2. Acquisition date	04.01.2017
3. Acquisition cost	127 636 972

Settlement of business acquisition

Due to the very short period between the acquisition of the Company and the preparation of these condensed consolidated interim financial statements, these condensed consolidated interim financial statements present a provisional settlement of the acquisition price of EKO Holding S.A. shares. The Group is in the process of identification and measurement of assets acquired and liabilities assumed.

ACQUISITION COST

	as at
	04.01.2017
Cash	<u>127 636 972</u>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Settlement of the acquisition as at 04.01.2017
<i>Assets</i>	
Non-current assets (long-term)	97 213 528
Intangible assets	233 268
Tangible fixed assets	91 398 595
Long-term financial assets available for sale	7 410
Long-term receivables	2 515 307
Deferred income tax assets	2 980 124
Other long-term prepayments	78 826
Current assets (short-term)	87 498 911
Inventory	62 285 265
Trade receivables	7 711 836
Other short-term receivables	1 906 986
Short-term prepayments	1 333 495
Cash and cash equivalents	14 261 329
Total assets	184 712 440
<i>Equity nad liabilities</i>	
Liabilities	202 453 986
Non-current liabilities	44 612 178
Other long-term financial liabilities	319 773
Long-term loans and credits	43 469 795
Other long-term liabilities	171 518
Deferred tax liabilities	651 093
Current liabilities	157 841 808
Short-term loans and credits	17 577 068
Other short-term financial liabilities	934 891
Trade liabilities	107 307 767
Other short-term liabilities	4 760 468
Current employee benefits	5 035 068
Other short-term provisions	22 226 547
Total liabilities	202 453 986
Net assets	(17 741 546)
Net assets acquired (100 %)	(17 741 546)
Goodwill on acquisition	145 378 519
Acquisition cost	127 636 972

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. Acquisition of 50% of shares in FHC-2 Sp. z o.o. and Madas Sp. z o.o.

General information

On 16th December 2016, pursuant to the preliminary agreement of sale of shares, dated 15th April 2016, Eurocash S.A. concluded an agreement of sale of shares with Marek Stodółka, Bogdan Habrat, Zofia Szubra, Aleksandra Stodółka, Anna Dąbrowska, FHC-2, M. Stodółka i Wspólnicy spółka jawna, FHC-2 spółka z ograniczoną odpowiedzialnością, Fructar spółka z ograniczoną odpowiedzialnością, Madas spółka z ograniczoną odpowiedzialnością, FHC-3 spółka z ograniczoną odpowiedzialnością, pursuant to which Eurocash acquired 50% stake in FHC-2 Sp. z o.o. and Madas Sp. z o.o. based in Krosno.

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

1. Name of acquired company	FHC-2 Sp. z o.o. and Madas Sp. z o.o.
2. Acquisition date	16.12.2016
3. Acquisition cost	29 989 100

Settlement of the business acquisition

Based on the analysis performed by the Company, in accordance with IFRS 10, FHC-2 Sp. o.o. and Madas Sp. z o.o. are a subsidiaries controlled by Eurocash S.A.

Due to the very short period between the acquisition of the Company and the preparation of these condensed consolidated interim financial statements, these condensed consolidated interim financial statements present a provisional settlement of the acquisition price of FHC-2 Sp. z o.o. and Madas Sp. z o.o. shares. The Group is in the process of identification and measurement of assets acquired and liabilities assumed.

The Group maintains its forecast as of 31 December 2016.

ACQUISITION COST

	as at
	16.12.2016
Cash	<u><u>29 989 100</u></u>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Settlement of the acquisition as at 16.12.2016
<i>Assets</i>	
Non-current assets (long-term)	4 324 009
Tangible fixed assets	3 949 331
Deferred income tax assets	374 678
Current assets (short-term)	20 257 632
Inventory	12 907 863
Trade receivables	1 851 621
Current income tax receivables	175 459
Other short-term receivables	865 064
Short-term prepayments	10 314
Cash and cash equivalents	4 447 312
Total assets	24 581 642
<i>Equity nad liabilities</i>	
Liabilities	23 912 931
Non-current liabilities	2 022 108
Other long-term financial liabilities	75 575
Other long-term liabilities	52 539
Deferred tax liabilities	3 476
Employee benefits	1 890 518
Current liabilities	21 890 823
Other short-term financial liabilities	71 626
Trade liabilities	19 647 174
Other short-term liabilities	1 305 023
Current employee benefits	765 407
Other short-term provisions	101 593
Total liabilities	23 912 931
Net assets	668 710
Net assets acquired (50%)	334 355
Goodwill on acquisition	29 654 745
Acquisition cost	29 989 100

As part of settlement of the acquisition of 50% of shares in FHC-2 Sp. o.o. and Madas Sp. z o.o., these financial statements present the option for Eurocash S.A. to repurchase the remaining 50% of shares, which was offered by Eurocash S.A. to the remaining shareholders of FHC-2 Sp. o.o. and Madas Sp. z o.o. and which may be exercised after three years from 16 December 2016. This option, in the amount of PLN 29,9 million, was recognized in other long-term liabilities and in the shareholders' equity.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

3. Acquisition of 100% of shares in Polska Dystrybucja Alkoholii Sp. z o.o.

General information

With reference to current reports no. 25/2015 of 22 December 2015, no. 25/2016 of 7 October 2016 and no. 28/2016 of 14 December 2016, the Management Board of Eurocash S.A. of Komorniki hereby informs that on 30 December 2016, Eurocash purchased 100% shares in "Polska Dystrybucja Alkoholii" Sp. z o.o. based in Pabianice, a distributor of alcohol products in central Poland.

Acquisition of PDA will increase the Eurocash Group's share in the segment of alcohol distribution, which should result in an increase of its revenues.

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

1. Name of acquired company	PDA Sp. z o.o.
2. Acquisition date	30.12.2016
3. Acquisition cost	18 920 000

Settlement of business acquisition

Due to the very short period between the acquisition of the Company and the preparation of these condensed consolidated interim financial statements, these condensed consolidated interim financial statements present a provisional settlement of the acquisition price of PDA Sp. z o.o. shares. The Group is in the process of identification and measurement of assets acquired and liabilities assumed.

ACQUISITION COST

	as at
	30.12.2016
Cash	<u><u>18 920 000</u></u>

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period: 01.01-30.09.2017 Presentation currency: Polish zloty (PLN)

Level of round-offs: All amounts are expressed in Polish zloty (unless indicated otherwise)

NET ASSETS ACQUIRED	Settlement of the acquisition as at 30.12.2016
<i>Assets</i>	
Non-current assets (long-term)	2 285 063
Intangible assets	35 085
Tangible fixed assets	1 555 802
Deferred income tax assets	694 175
Current assets (short-term)	45 780 525
Inventory	17 979 134
Trade receivables	22 347 346
Current income tax receivables	279 480
Other short-term receivables	1 762 648
Short-term prepayments	467 780
Cash and cash equivalents	2 944 138
Total assets	48 065 588
<i>Equity nad liabilities</i>	
Liabilities	46 629 957
Non-current liabilities	2 210 509
Employee benefits	503 112
Deferred tax liabilities	264 259
Other long-term provision	1 443 138
Current liabilities	44 419 448
Short-term loans and credits	18 884 916
Other short-term financial liabilities	1 699 904
Trade liabilities	19 597 064
Other short-term liabilities	1 543 387
Current employee benefits	457 635
Other short-term provisions	2 236 541
Total liabilities	46 629 957
Net assets	1 435 630
Net assets acquired (100%)	1 435 631
Goodwill on acquisition	17 484 369
Acquisition cost	18 920 000

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2017</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.
RESTATEMENT OF COMPARATIVE DATA**

The restatement is related to the presentation of the allocation of general and administrative expenses and selling expenses. These costs were related to the Group's current activities, not to the activities of the head office.

	The amount in the approved report		Correction		The corrected amount	
	for the period	for the period	for the period	for the period	for the period	for the period
	from 01.07.2016 to 30.09.2016	from 01.01.2016 to 30.09.2016	from 01.07.2016 to 30.09.2016	from 01.01.2016 to 30.09.2016	from 01.07.2016 to 30.09.2016	from 01.01.2016 to 30.09.2016
Selling expenses	(381 398 026)	(1 128 046 220)	(5 144 187)	(9 689 716)	(386 542 214)	(1 137 735 936)
General and administrative expenses	(90 298 065)	(245 848 301)	5 144 187	9 689 716	(85 153 878)	(236 158 585)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

The restatements below are related to the changes of presentation of deferred tax.

	The amount in the approved report as at 31.12.2016	Other corrections	The corrected amount as at 31.12.2016
<i>Assets</i>			
Non-current assets (long-term)	2 320 866 335	(32 897 413)	2 287 968 922
Deferred tax assets	81 311 142	(34 227 069)	47 084 072
Other long-term prepayments	8 204	1 329 656	1 337 861
Current assets (short-term)	3 200 756 367	6 270 344	3 207 026 711
Current tax receivables	8 958 439	7 600 000	16 558 439
Short-term prepayments	47 246 807	(1 329 656)	45 917 150
Total assets	5 521 622 703	(26 627 069)	5 494 995 633

	The amount in the approved report as at 31.12.2016	Other corrections	The corrected amount as at 31.12.2016
<i>Equity and liabilities</i>			
Liabilities	4 366 519 048	(26 627 069)	4 339 891 979
Non-current liabilities	292 804 467	(26 627 069)	266 177 397
Deferred tax liabilities	60 338 030	(26 627 069)	33 710 961
Total equity and liabilities	5 521 622 703	(26 627 069)	5 494 995 634

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 3. OPERATING SEGMENTS

Starting in 2017, the Eurocash Management Board has decided to change the presentation of segments. As a result of the analysis conducted by the Eurocash Group, the Group presents the following segments, which correctly show the diverse of the activity:

- *Independent clients* – sales transacted by those distribution formats whose clients do not have permanent contracts with the Eurocash Group. The segment includes wholesale operations carried out by the following distribution formats and companies: Eurocash Cash & Carry, Eurocash Alkohole, Eurocash Serwis Sp. z o.o., PayUp Polska S.A., Eurocash Trade 1 Sp. z o.o. and Polska Dystrybucja Alkoholi Sp. z o.o.
- *Integrated clients* – sales transacted by those distribution formats whose clients have long-term agreements with Eurocash Group, e.g. franchise systems or clients from the HoReCa segment. This segment includes sales organization and wholesale to clients-members of the Delikatesy Centrum franchise chain, as well as operations of such a franchise systems as: Lewiatan, Groszek and Euro Sklep. The segment involves the operations of the 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. Moreover, this segment includes sales transacted by the Eurocash Gastronomia format, as well as sales realized by Eurocash Dystrybucja under entity Eurocash S.A. and sales realized by DEF Sp. z o.o. and Ambra Sp. z o.o.
- *Retail* - retail sale of Eurocash Group companies within the following entities: Inmedio Sp. z o.o., Firma Rogala Sp. z o.o., FHC-2 Sp. z o.o., Madas Sp. z o.o. and EKO Holding S.A.
- *Projects* – this operating segment comprises the Group's new projects and retail formats in their initial phase of development, operating as the following entities: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Detal Sp. z o.o., ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o., Sushi To Go Sp. z o.o. Sp. k., 4Vapers Sp. z o.o. as well as new projects developed by Eurocash S.A. e.g. project of distribution of fresh products.
- *Other* – sales realized by Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Eurocash VC3 Sp. z o.o. Detal Finanse Sp. z o.o. and the Group's general and administrative expenses not allocated to any operating segment.

There are varying levels of relationships between the segments in the Group. 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 which, considering the economic conditions and business risks, can be treated as a uniform territory.

In the FMCG wholesale sector, sales in the first quarter of the year are traditionally lower than in the remaining quarters. Highest sales are generated in the summer season, to flatline in Q4.

Key managers of Eurocash Group do not periodically review the assets and liabilities of the particular operating segments.

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Basic information about each reportable segment is shown below.

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2017 TO 30 SEPTEMBER 2017

	Independent wholesale	Integrated wholesale	Retail	New projects	Other	VAT settlements	Exclusions	Total
Sales	10 916 536 662	5 862 784 356	1 716 084 609	399 254 893	210 330	-	(1 429 731 651)	17 465 139 199
External sales	10 193 494 509	5 182 680 005	1 691 713 157	397 041 198	210 330	-	-	17 465 139 199
Inter-segmental sales	723 042 153	680 104 351	24 371 453	2 213 695	-	-	(1 429 731 651)	-
Operating profit	70 854 491	148 279 867	2 280 165	(39 823 619)	(55 579 917)	(114 400 861)	-	11 610 125
Finance income								16 915 290
Finance costs								(39 218 487)
Share in losses of companies consolidated with the equity method								(3 775 325)
Profit before income tax								(14 468 397)
Income tax								(24 841 558)
Net profit								(39 309 955)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Due to the change in the presentation of business segments, the comparative data for 2016 have been transformed to the current form.

REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2016 TO 30 SEPTEMBER 2016

	Independent wholesale	Integrated wholesale	Retail	New projects	Other	Exclusions	Total
Sales	10 414 014 125	5 622 321 508	721 450 169	172 174 614	-	(1 063 968 572)	15 865 991 844
External sales	9 796 763 894	5 175 761 707	721 360 526	172 105 717	-	-	15 865 991 844
Inter-segmental sales	617 250 231	446 559 801	89 643	68 897	-	(1 063 968 572)	-
Operating profit	100 975 088	126 161 568	8 475 545	(27 426 238)	(50 428 108)	-	157 757 855
Finance income							19 198 880
Finance costs							(30 772 817)
Share in losses of companies consolidated with the equity method							(3 903 841)
Profit before income tax							142 280 077
Income tax							(25 498 015)
Net profit							116 782 061

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

CONTINGENTIES AS AT 30 SEPTEMBER 2017

Beneficiary	Title	Currency	as at 30.09.2017	as at 31.12.2016
1	BZ WBK * Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	8 044 706	12 280 125
			8 044 706	12 280 125

* debt value as at balance sheet date

BANK GUARANTEES AS AT 30 SEPTEMBER 2017 - SECURITIES FOR RENT LIABILITIES

The Issuer	Title	Currency	as at 30.09.2017	as at 31.12.2016
1	ING Security payments to suppliers	PLN	16 000 000	37 500
2	PKO BP S.A. Security for liabilities due to Agency agreement	PLN	500 000	500 000
3	PKO BP S.A. Security for rent liabilities	PLN	7 380 466	6 796 675
4	PKO BP S.A. Security for rent liabilities	PLN*	30 368 166	24 801 131
5	PKO BP S.A. Security for excise duty	PLN	2 700 000	2 100 000
6	PKO BP S.A. Security for using of the national roads	PLN	620 100	620 100
7	PKO BP S.A. The liabilities of the promotion lottery	PLN	1 888 427	523 659
8	PKO BP S.A. Security payments to suppliers	PLN	112 982 500	72 230 000
			172 439 658	107 609 065

* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:
as at 31.12.2016: 1 EUR = 4,4240 PLN,
as at 30.09.2017: 1 EUR = 4,3091 PLN.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
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COLLATERALS

SECURITIES RELATED TO ASSETS AS AT 30 SEPTEMBER 2017

Title	Secured property	Amount secure in PLN
ING security on the credit line agreement *	Deposit on inventories Eurocash S.A.	90 000 000
Securing a framework agreement to provide bank guarantees PKO BP*	Deposit on inventories Eurocash Serwis Sp. z o.o.	80 000 000
WBK security on the credit line agreement *	Deposit on inventories Eurocash S.A.	88 000 000
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	4 316 827

* security nominal value

NOTE 5.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 September 2017, the fair value of financial instruments approximated their carrying value. The Group implements interest rate risk security instruments (IRS), which are measured at their fair value. For these IRSs, the fair value was qualified to level 2 of the hierarchy - fair value is determined based on the values observed on the market yet not being direct market quotes (e.g. determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the effect of valuation is recognized in other comprehensive income.

NOTE 6.

DEBT IN THE RESULT OF BOND ISSUE

On June 20, 2013, Eurocash issued bonds with a total nominal value of PLN 140 million within the framework of the bonds program dated April 22, 2013. The program enables the possibility of issuing a total amount of PLN 500 million. The rate of interest for the Bonds shall be determined on the basis of WIBOR for six-month deposits plus the bank's margin. Bonds redemption date is June 20, 2018. The bonds were secured with sureties granted by subsidiaries, up to the amount of PLN 168 million. Bonds liabilities are presented in the Group's statement of financial position, under Short-term payables.

Moreover as at September 30, 2017 Eurocash had short-term bonds with a total nominal value of PLN 100,0 million issued in 2017 due to the short-term bonds issuance programme dated October 20, 2015. This program also provides for the ability to issue up to a total amount of PLN 500 million. During three quarters 2017, Eurocash purchased short-term bonds with a total nominal value of PLN 117,8 million issued in 2016 and 2017, respectively. Liabilities under issued bonds in this program are presented in the Group's statement of financial position under Short-term financial liabilities.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
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According to the signing of a two bond issue contracts, the Group is required to maintain certain financial ratios at a defined level. In the audited period, the Group performed all the regulations of the agreements and there was no violation.

NOTE 7.

UNCERTAIN TAX TREATMENT

Regulations regarding VAT, corporate profits tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies.

Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is greater in Poland than in countries that have a more established taxation system.

Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

In the previous reporting periods, companies within the Group carried out transactions and participated in restructuring processes, which may be the subject of analysis and control of tax authorities.

On 15 July 2016, amendments were made to the Tax Ordinance to introduce the provisions of General Anti-Avoidance Rule (GAAR). GAAR are targeted to prevent origination and use of factitious legal structures made to avoid payment of tax in Poland. GAAR define tax evasion as an activity performed mainly with a view to realising tax gains, which is contrary, under given circumstances, to the subject and objective of the tax law. In accordance with GAAR, an activity does not bring about tax gains, if its modus operandi was false. Any instances of (i) unreasonable division of an operation (ii) involvement of agents despite lack of economic rationale for such involvement, (iii) mutually exclusive or mutually compensating elements, as well as (iv) other activities similar to those referred to earlier may be treated as a hint of artificial activities subject to GAAR. New regulations will require considerably greater judgment in assessing tax effects of individual transactions.

The GAAR clause should be applied to the transactions performed after clause effective date and to the transactions which were performed prior to GAAR clause effective date, but for which after the clause effective date tax gains were realised or continue to be realised. The implementation of the above provisions will enable Polish tax authority challenge such arrangements realised by tax remitters as restructuring or reorganization.

The Group accounts for current and deferred tax assets and liabilities based on the requirements of IAS 12 Income taxes, based on taxable profit (tax loss), taxable base, carry-forward of unused tax losses and carry-forward of unused tax credits, and tax rates, while considering the assessment of uncertainty related to tax settlements. If uncertainty exists as to whether and to what extent tax authority will accept individual tax treatments of made transactions, the Group discloses these settlements while accounting for uncertainty assessment.

On 19 June 2017 a report from the tax control was delivered to Eurocash S.A. in which the tax authorities questioned the possibility of making depreciation write-offs concerning the values of certain trademarks. The tax depreciation costs amounted in the year 2011 to PLN 41 million.

Based on the external experts' tax analysis on 5 July 2017 the Company subjected its response to the tax report.

On 28 September 2017, the Head of the Customs and Revenue Office for Wielkopolska Region in Poznań issued a decision to Eurocash S.A., in which he stated in the case above that the Company had an understatement of tax liability for 2011 of PLN 8 million. On the basis of an external legal expert analysis, on 17 October 2017, the Company appealed against this decision. It mentions a number of arguments for the correctness of the tax settlements made by the Company, including confirmation of the correctness of the settlements through the positive interpretations of tax law. As a result, as at 30 September 2017, the Management Board of the Company has no confirmation for creating of any provisions due to these interpretations.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
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NOTE 8.

SIGNIFICANT EVENTS DURING THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

1. Decision concerning the payment of the dividend for the year 2016

On 25 April 2017, the Annual General Meeting of Eurocash S.A. decided that the net profit for 2016 year in the amount of 102,614,073 PLN will be distributed of in the following way:

- shareholders of the Company on 16 May 2017 will receive a dividend of 0.73 PLN per share of the Company; the Dividend will be paid until 6 June 2017,
- the remainder of the profit for 2016 will be transferred to reserve capital.

The number of shares included in the dividend as at 25 April 2017 was 139,163,286.

2. Incentive program for employees

The purpose of the program is to incentivise key managers and employees of the Eurocash Group.

Total program assumes issue of up to 4 200 000 shares (app. 3% of current equity).

6 schemes (tranches) - 700 000 shares per scheme, depending on the realization of the performance Targets.

Each tranche has 3 levels of realization:

- Growth targets p.a. (sales and EBIT),
- Cummulative growth targets 2016 – 2019,
- Share performance.

Performance targets:

- Sales growth – 8% growth p.a. (2017-2018-2019) or cumulative 30% growth 2016 – 2019,
- EBIT growth – 10% growth p.a. (2017-2018-2019) or cumulative 33% growth 2016 – 2019,
- Vesting period: 3-5 years.

Details of incentive programs are available in Resolutions of General Meeting of Eurocash.

3. Choice of an entity authorized to audit financial statements

The Supervisory Board of Eurocash, acting under par.14 point 2 Statute of the Company, on 25 April 2017, chose Ernst&Young Audyt Polska Sp. z o.o. sp. k. with its registered office in Warsaw, entered by the National Chamber of Statutory Auditors on the list of entities authorized to audit financial statements under No. 130, on the external auditor to examine the company's financial statements for the year 2017.

NOTE 9.

IMPORTANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

1. Preliminary agreement to acquire entities controlling the MILA chain of stores

On 15th September 2017, Eurocash concluded the Preliminary Agreement with Argus Retail Holding Limited (company under Cypriot law), non-public closed-end investment fund Elbrus with its registered office in Warsaw, Robert Załęski and Stanisław Sosnowski of purchasing 100% of shares in the share capital of Domelius Limited

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

(company under Cypriot law) with its registered office in Nicosia considered by the issuer, as well as taking over control on its subsidiary companies including: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z o.o. S.K.A.), Mila S.A. (previously market-Detal spółka z ograniczoną odpowiedzialnością sp.j.), Investpol 700 Mila spółka jawna and "Koja-Mila spółka akcyjna" spółka jawna.

Value of the transaction was settled on PLN 350 m, excluding some real estate which will not be taken over by Eurocash.

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

At the end of 2016 the Mila Supermarket chain was consisted of 188 stores. Sales revenue reached PLN 1,49 bn, EBITDA reached PLN 4,8 m. The acquisition of the Mila chain is with accordance to Eurocash M&A policy. Similar to take over of EKO chain it will enable Eurocash Group to develop competences in retail sales and logistics capacities, following improvement of the competitiveness of Eurocash Group's clients and as a consequence the potential increase in revenues of Eurocash Group.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2017	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 Financial Director	Jacek Owczarek	10 th November 2017	
Member of the Management Board	Przemysław Ciaś	10 th November 2017	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2017 to 30.09.2017 PLN	Non audited for the period from 01.01.2016 to 30.09.2016 PLN	Non audited for the period from 01.01.2017 to 30.09.2017 EUR	Non audited for the period from 01.01.2016 to 30.09.2016 EUR
Net sales	10 984 695 666	10 620 434 690	2 574 880 023	2 437 109 250
Operating profit (loss)	(56 008 017)	65 530 123	(13 128 623)	15 037 432
Profit (loss) before tax	(48 493 519)	76 454 362	(11 367 178)	17 544 257
Net Profit (loss) on continued operations	(59 142 702)	65 745 946	(13 863 412)	15 086 958
Net profit (loss)	(59 142 702)	65 745 946	(13 863 412)	15 086 958
Net operating cash flow	240 871 190	222 816 895	56 461 684	51 130 592
Net investment cash flow	(214 185 072)	216 987 153	(50 206 294)	49 792 820
Net financial cash flow	(32 750 301)	(444 194 771)	(7 676 871)	(101 930 968)
Net change in cash and cash equivalents	(6 064 183)	(4 390 724)	(1 421 482)	(1 007 555)
Weighted average number of shares	139 153 763	138 952 047	139 153 763	138 952 047
Weighted average diluted number of shares	139 107 157	139 100 635	139 107 157	139 100 635
EPS (in PLN / EUR)	(0,43)	0,47	(0,10)	0,11
Diluted EPS (in PLN / EUR)	(0,43)	0,47	(0,10)	0,11
Average PLN / EUR rate*			4,2661	4,3578
	Non audited as at 30.09.2017 PLN	Non audited as at 31.12.2016 PLN	Non audited as at 30.09.2017 EUR	Non audited as at 31.12.2016 EUR
Assets	5 155 555 061	5 096 091 488	1 196 434 304	1 151 919 414
Long-term liabilities	57 018 096	194 045 772	13 232 020	43 862 064
Short-term liabilities	4 092 282 220	3 736 923 837	949 683 744	844 693 453
Equity	1 006 254 745	1 165 121 879	233 518 541	263 363 897
Share capital	139 163 286	139 096 361	32 295 209	31 441 311
Number of shares	139 163 286	139 096 361	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	7,23	8,38	1,68	1,89
Diluted book value per share (in PLN / EUR)	7,21	8,35	1,67	1,89
Dividend paid (in PLN / EUR)	101 589 199	109 451 447	23 575 503	24 740 381
Dividend paid per share (in PLN / EUR)	0,73	0,79	0,17	0,18
PLN / EUR rate at the end of the period**			4,3091	4,4240

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 3Q 2017.

** 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 2016 year was paid till 6 June 2017 for shareholders of Parent Company as at 16 May 2017.

EUROCASH S.A.

**CONDENSED INTERIM
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 SEPTEMBER 2017

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, 10th November 2017

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONTENTS

Introduction to condensed interim separate financial statements	3
1. Information about the company	3
2. Bodies of the company	3
3. The damage suffered by the Company as a result of the activities of external entities participating in the VAT fraud mechanism ^{**}	4
Condensed separate income statement for the period from 01.01.2017 to 30.09.2017	6
Condensed separate statement of comprehensive income for the period from 01.01.2017 to 30.09.2017	7
Condensed separate statement of financial position as at 30.09.2017	8
Condensed separate statement of cash flows for the period from 01.01.2017 to 30.09.2017.....	10
Condensed separate statement on changes in equity in the period from 01.01.2017 to 30.09.2017.....	11
Supplementary information to the condensed interim separate financial statements prepared for the period from 01.01.2017 to 30.09.2017	12
1. General information	12
2. Notes to condensed interim separate financial statements prepared for the period from 01.01.2017 to 30.09.2017	14

▪

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

INTRODUCTION TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

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

DURATION OF THE COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2017 – 30 September 2017.

The separate statement of financial position has been prepared as at 30 September 2017.

2. BODIES OF THE COMPANY

2.1. MANAGEMENT BOARD

As at 30 September 2017 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,
Przemysław Ciał – Member of the Management Board.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</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

As at 30 September 2017 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 Sz wajcowski – Member of the Supervisory Board.

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

On 13 January 2017, David Boner resigned from his position of Member of the Management Board, effective as at 13 January 2017.

On 22 February 2017, Przemysław Ciaś was appointed Member of the Management Board of Eurocash S.A.

3. THE DAMAGE SUFFERED BY THE COMPANY AS A RESULT OF THE ACTIVITIES OF EXTERNAL ENTITIES PARTICIPATING IN THE VAT FRAUD MECHANISM ***

In the period from March to August 2017 an extensive and detailed audit of VAT settlements by Eurocash S.A was carried out. The audit covered settlements made in the years 2013 – 2017. It showed that Eurocash S.A. was used in a mechanism of VAT fraud by groups of outside entities in transactions concerning intra-Community delivery of goods. The audit consisted, inter alia, in a review of documentation, including e-mail correspondence, as well as verification of business partners of Eurocash S.A. who participated in the above-mentioned transactions.

The finding of the audit showed that Eurocash S.A. may be obligated to settle a VAT liability in favor of the State Treasury. In accordance with the estimate of the Management Board, the amount of the potential VAT liability may be 121 450 511 PLN. This amount was corrected downwards by the surplus of CIT which arose for the Company in connection with the disclosure of revenue from a sale in the part which corresponds to 23% VAT, and, thus, does not constitute an actual gain (revenue) of the Company. As a result, the Company made a apayment to bank account of the First Wielkopolski Tax Office in Poznań the amount of 95 746 902 PLN in respect of security of payment of the possible VAT liability.

The Management Board believes that the final amount of the VAT liability may differ from the amount paid by the Company in respect of security of payment of the possible VAT liability, once the tax authority has carried out a detailed analysis of the documentation gathered by the Company, as well as of the procedures used by Company and the explanations of the Company. The Company believes that it acted in good faith when carrying out the above-mentioned transactions, and that it regularly tightened up procedures aimed at countering such irregularities. Thus, the Company is proving before the Tax Office that, in the course of ongoing tax audit, it has been harmed by fraud, made by third parties without the Company's knowledge. Thus, the final amount of the VAT liability may be lower than the amount referred to above, while the Company may be due a refund of some of the funds paid.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

The Company Management Board emphasizes that payment of the liability will not have any impact on the Company's dividend policy, carried out also in previous years.

Negative impact on Net Profit for 2017 amounts to 114 400 861,47 PLN (0.82 PLN per share). Consolidated Net Debt of Eurocash will be negatively affected by 95 746 902 PLN (0.69 PLN per share).

The effect of the created reserve was reflected in the financial result of the Company and of the Group in the mid-year financial statements.

Eurocash Group continues to audit the VAT settlements by companies of the Eurocash Group as there exists a suspicion that potential irregularities could appear also in other companies of the Group. Taking into account the turnover of the remaining companies of the Group, gained on transactions concerning intra-Community delivery of goods, the risks associated with such potential irregularities are not material.

Eurocash S.A. stopped execution of such transactions concerning intra-Community delivery of goods.

At the same time, on 24 August 2017 the Company filed, as injured party, a notification with the Regional Prosecutor's Office in Poznań, about a justified suspicion of the commission of a crime.

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2017 TO 30.09.2017

	Non audited 3rd Quarter for the period od 01.07.2017 do 30.09.2017	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017	Non audited 3rd Quarter for the period od 01.07.2016 do 30.09.2016 restated*	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016 restated*
Sales	3 914 934 684	10 984 695 666	3 835 636 743	10 620 434 690
Sales of goods	3 673 267 504	10 254 434 889	3 565 061 729	9 907 122 067
Sales of services	241 667 180	730 260 776	270 575 014	713 312 623
Costs of sales	(3 509 097 235)	(9 810 488 901)	(3 424 155 778)	(9 485 783 027)
Cost of goods and services sold	(3 509 097 235)	(9 810 488 901)	(3 424 155 778)	(9 485 783 027)
Gross profit (loss)	405 837 448	1 174 206 764	411 480 965	1 134 651 663
Selling expenses	(293 956 173)	(867 555 761)	(288 409 831)	(844 170 410)
General and administrative expenses	(66 079 888)	(195 424 222)	(64 944 543)	(180 665 588)
Profit (loss) on sales	45 801 387	111 226 781	58 126 590	109 815 665
Other operating income	7 083 226	24 634 241	8 476 905	31 569 311
Other operating expenses**	(26 148 941)	(191 869 040)	(22 816 722)	(75 854 853)
Operating profit (loss)	26 735 673	(56 008 017)	43 786 773	65 530 123
Financial income	4 610 070	42 169 234	5 896 069	44 636 236
Financial costs	(10 865 049)	(34 654 735)	(9 417 701)	(33 711 997)
Profit (loss) before tax	20 480 694	(48 493 519)	40 265 141	76 454 362
Income tax expense	(3 652 311)	(10 649 184)	(7 649 743)	(10 708 415)
Profit (loss) for the period	16 828 383	(59 142 702)	32 615 398	65 745 946

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	(59 142 702)	65 745 946
Weighted average number of shares	139 153 763	138 952 047
Weighted average diluted number of shares	139 107 157	139 100 635
Earnings per share		
- basic	(0,43)	0,47
- diluted	(0,43)	0,47

*Note 2

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2017 TO 30.09.2017

	Non audited 3rd Quarter for the period from 01.07.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017	Non audited 3rd Quarter for the period from 01.07.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016
Profit (loss) for the period	16 828 383	(59 142 702)	32 615 398	65 745 946
Other comprehensive income (loss) for the period	(245 812)	(678 384)	1 156 381	2 535 214
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	(245 812)	(678 384)	1 156 381	2 535 214
Total comprehensive income (loss) for the period	16 582 571	(59 821 086)	33 771 779	68 281 161

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30.09.2017

	Non audited as at 30.09.2017	as at 31.12.2016 restated*
<i>Assets</i>		
Non-current assets (long-term)	2 896 459 247	2 716 658 883
Goodwill	862 819 840	862 819 840
Intangible assets	535 653 307	541 468 892
Property, plant and equipment	459 222 576	445 211 824
Investment real property	976 723	988 495
Investments in subsidiary companies	953 013 443	825 056 471
Investments in associates and joint ventures	40 586 757	38 375 300
Other long-term investments	41 926 670	58 723
Long-term receivables	1 844 655	1 891 493
Other long-term prepayments	415 276	787 846
Current assets (short-term)	2 259 095 814	2 379 432 605
Inventories	834 611 194	798 998 549
Trade receivables	1 212 243 629	1 310 850 709
Current tax assets	18 218 678	15 237 106
Other short-term receivables	45 246 259	90 215 076
Other short-term investments	21 815 585	35 432 551
Short-term prepayments	40 000 534	35 674 496
Cash and cash equivalents	86 959 936	93 024 119
Total assets	5 155 555 061	5 096 091 488

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.09.2017

	Non audited as at 30.09.2017	as at 31.12.2016 restated*
<i>Equity and liabilities</i>		
Equity	1 006 254 745	1 165 121 879
Share capital	139 163 286	139 096 361
Reserve capital	843 702 292	840 201 193
Hedging reserve	(6 989 088)	(6 310 705)
Retained earnings	30 378 255	192 135 030
Accumulated profit (loss) from previous years	89 520 957	89 520 957
Profit (loss) for the period	(59 142 702)	102 614 073
Liabilities	4 149 300 316	3 930 969 608
Non-current liabilities	57 018 096	194 045 772
Other long-term financial liabilities	1 818 266	149 308 867
Other long-term liabilities	916 350	829 850
Deferred tax liabilities	51 560 623	41 017 376
Employee benefits	2 722 858	2 889 679
Current liabilities	4 092 282 220	3 736 923 837
Loans and borrowings	752 999 955	738 498 237
Short-term financial liabilities	269 913 039	50 656 437
Trade liabilities	2 855 073 052	2 750 359 676
Other short-term payables	42 497 243	33 423 260
Current employee benefits	50 116 213	63 733 692
Provisions	121 682 718	100 252 534
Total equity and liabilities	5 155 555 061	5 096 091 488

BOOK VALUE PER SHARE

	as at 30.09.2017	as at 31.12.2016
Book value	1 006 254 745	1 165 121 879
Number of shares	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636
Book value per share	7,23	8,38
Diluted book value per share	7,21	8,35

* Note 2

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2017 TO 30.09.2017

	Non audited 3 Quarters for the period from 01.01.2017 to 30.09.2017	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016
<i>Cash flow from operating activities</i>		
Profit (loss) before income tax	(48 493 519)	76 454 362
Adjustments for:	97 879 744	81 230 612
Depreciation and amortization	83 924 795	82 507 969
(Gain) loss on sale of property, plant and equipment	12 126 608	754 139
Interest expenses	31 062 637	29 913 102
Interest received	(2 946 605)	(9 250 425)
Dividend and remission of sales income	(26 287 691)	(22 694 173)
Operating cash before changes in working capital	49 386 226	157 684 973
Changes in inventories	(35 612 645)	(68 265 754)
Changes in receivables	116 539 841	(136 450 382)
Changes in payables	118 319 244	265 863 031
Changes in provisions and employee benefits	2 553 994	16 949 686
Operating cash	251 186 659	235 781 553
Interest received	1 457 061	1 101 155
Interest paid	(8 790 958)	(6 365 345)
Income tax paid	(2 981 572)	(7 700 468)
Net cash from operating activities	240 871 190	222 816 895
<i>Cash flow from investing activities</i>		
Acquisition of intangible assets	(22 563 983)	(19 608 984)
Acquisition of property, plant and equipment	(72 153 192)	(53 240 345)
Proceeds from sale of property, plant and equipment	1 358 945	7 895 890
Expenditure on other short-term financial assets	(21 815 585)	-
Acquisition of associates	(2 211 457)	(3 845 498)
Acquisition of subsidiaries, net of cash acquired	(106 636 972)	(39 795 000)
Advances for acquisition of subsidiaries	-	(21 000 000)
Loans granted	(23 039 541)	(3 329 639)
Repayment received of granted loans	5 765 195	323 194 366
Interest received	823 828	4 022 189
Dividends received and remission of sales income	26 287 691	22 694 173
Net cash used in investing activities	(214 185 072)	216 987 153
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	2 543 150	10 147 900
Income/expenses for other financial liabilities	(1 024 693)	(2 171 789)
Issuance of short term debt securities	79 000 000	10 000 000
Proceeds from loans and borrowings	29 910 163	52 568 320
Repayment of borrowings	(13 017 686)	(347 114 133)
Payment of finance lease liabilities	(1 085 101)	(1 461 178)
Other interest	(14 196 617)	(12 439 310)
Interests on loans and borrowings	(13 290 319)	(14 640 146)
Dividends paid	(101 589 199)	(139 084 436)
Net cash used in financing activities	(32 750 301)	(444 194 771)
Net change in cash and cash equivalents	(6 064 183)	(4 390 724)
Cash and cash equivalents at the beginning of the period	93 024 119	42 707 133
Cash and cash equivalents at the end of the period	86 959 936	38 316 409

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2017 TO 30.09.2017

	Share capital	Reserve capital	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 30.09.2016</i>					
Balance as at 1 January 2016	138 829 311	468 723 565	(10 644 280)	590 202 171	1 187 110 767
Total comprehensive income for the reporting period					
Profit (loss) for the period from 01.01. to 30.09.2016	-	-	-	65 745 946	65 745 946
Other comprehensive income for the period 01.01 to 30.09.2016	-	-	2 535 214	-	2 535 214
Total comprehensive income for the period from 01.01. to 30.09.2016	-	-	2 535 214	65 745 946	68 281 161
Dividends	-	-	-	(139 084 436)	(139 084 436)
Transfer to reserve capital	-	361 596 778	-	(361 596 778)	-
Share options exercised	267 050	9 880 850	-	-	10 147 900
Total transaction with Owners of the Company recognized directly in equity	267 050	371 477 628	-	(500 681 214)	(128 936 536)
Balance as at 30.09.2016	139 096 361	840 201 193	(8 109 066)	155 266 903	1 126 455 392
<i>Changes in equity in the period from 01.01. to 30.09.2017</i>					
Balance as at 01 January 2017	139 096 361	840 201 193	(6 310 705)	192 135 030	1 165 121 879
Total comprehensive income for the reporting period					
Profit (loss) for the period from 01.01 to 30.09.2017	-	-	-	(59 142 702)	(59 142 702)
Other comprehensive income for the period 01.01 to 30.09.2017	-	-	(678 384)	-	(678 384)
Total comprehensive income for the period from 01.01. to 30.09.2017	-	-	(678 384)	(59 142 702)	(59 821 086)
Dividends	-	-	-	(101 589 199)	(101 589 199)
Transfer to reserve capital	-	1 024 874	-	(1 024 874)	-
Share options exercised	66 925	2 476 225	-	-	2 543 150
Total transaction with Owners of the Company recognized directly in equity	66 925	3 501 099	-	(102 614 073)	(99 046 049)
Balance as at 30.09.2017	139 163 286	843 702 292	(6 989 088)	30 378 255	1 006 254 745

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2017 TO 30.09.2017

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 10 November 2017, the separate financial statements of Eurocash S.A. for the period from 1 January 2017 to 30 September 2017 were authorised for publication.

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 the International Accounting Standard IAS 34 - Interim Financial Reporting, as approved by the European Union.

These condensed interim financial statements should be read in conjunction with the condensed interim consolidated financial statements of Eurocash S.A. Group as at and for the period ended 30 September 2017, and the separate financial statements of Eurocash S.A. as at and for the year ended 31 December 2016, which are available on the website www.eurocash.pl.

1.3. 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 certain accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in the 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 values may differ from those estimates. The extent of significant judgements, estimates and assumptions is presented in the 2016 financial statements and has not changed during the current financial period.

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 or in the current period or 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 separate financial statements for the year ended 31st December 2016.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</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

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, there are no circumstances indicating the threat to the Company's continued operations.

1.7. IMPACT OF NEW STANDARDS AND INTERPRETATIONS ON THE FINANCIAL STATEMENTS OF THE ENTITY

Standards and interpretations that have been issued but are not valid because they have not yet been approved by the European Union or have been approved by the European Union but have not been applied by the Company have been presented in the annual consolidated financial statements for 2016. In 2017, IFRS 17 "Insurance Contracts" and IFRIC 23 "Uncertainty over Income Tax Treatments" were published.

Implementation of IFRS 9

IFRS 9 „Financial Instruments” effective for the financial years beginning on or after 1 January 2018 with the possibility of earlier adoption.

IFRS 9 requires all the financial assets, within the scope of IAS 39, to be measured at an amortized cost or fair value. Debt investments held within a business model whose objective is to obtain the appropriate cash flow, consisting of a fixed basic payment amount and interest - are measured at an amortized cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, changes in fair value of capital investments that are not held for trading may be presented in other comprehensive income, while in the income statement, it is recognized only as dividend. The decision is irreversible.

Detailed analysis of the impact of the new standard on the financial statements of the Company has not yet been completed, The analysis is still in progress.

Implementation of IFRS 15

The new accounting standard issued on 28 May 2014 applies to annual periods beginning on or after 1 January 2018.

The new standard primarily changes the way in which entities account for contracts with customers, mainly when one contract is related to the provision of services and goods.

The principles set out in IFRS 15 will apply to all contracts resulting in revenues. The new standard provides a unified model of recognition and valuation of sales. In accordance with it, the contract with the customer will be analyzed in five stages, including:

1. identification of contract,
2. identification of contractual (individual) obligations to perform service contained in the agreement,
3. setting the price transaction,
4. allocation of the price for the contract to realize the benefits contained in the agreement,
5. revenue recognition at the time of fulfillment of the obligations by the entity.

In accordance with IFRS 15, an entity recognizes revenue at the time of the fulfillment of a performance obligation, that is, now of transfer a control over the goods or services covered by this commitment to the customer. IFRS 15 also includes a much more restrictive guidance on specific aspects of revenue recognition. It also requires disclosure of a wide range of information. On 12 April 2016 explanations providing additional information and clarification regarding the key assumptions used in IFRS 15, including on the identification on separate responsibilities, determining whether an entity acts as an intermediary (agent),

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
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or is the main supplier of goods and services (principal) and the method of recording revenue from licenses have been published. Apart from the additional explanations, also exemptions and simplification were introduced for entities applying the new standard for the first time. IFRS 15 will come into force in the financial year commencing on January 1, 2018. Upon implementation, IFRS 15 will replace the guidance on revenue recognition in IAS 18 "Revenue", IAS 11 "Construction Contracts" and related Interpretations.

As at balance sheet date, the Company is not able to value the impact of IFRS 15. The valuation is still in progress.

Implementation of IFRS 16

IFRS 16 „Leases” effective for the financial years beginning on or after 1 January 2019. IFRS 16 establishes rules for the recognition, valuation, presentation and disclosures relating to the lease. All leasing transactions result in obtaining the lessee's right to use the assets and liabilities arising from the obligation to pay. Thus, IFRS 16 abolishes the distinction between operating leases and finance leases and introduces a model of accounting by the lessee. The lessee will be required to include:

- assets and liabilities for all leases entered a period of over 12 months, except when the asset is a low value;
- depreciation of leased assets separately from the interest on the lease liability in the financial statements.

As at balance sheet date, the Company is not able to value the impact of IFRS 16. The valuation is still in progress.

2. NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2017 TO 30.09.2017

NOTE 1.

OTHER EXPLANATORY INFORMATION

These condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash S.A. Group prepared as at and for the period ended 30 September 2017.

According to the Management Board of Eurocash S.A., notes to the condensed interim consolidated financial statements of Eurocash S.A. Group comprise all the relevant information required for a proper assessment of the assets and financial position of the Company in the reporting period.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</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.

RESTATEMENT OF COMPARATIVE DATA

The restatement is related to the presentation of the allocation of general and administrative expenses and selling expenses. These costs were related to the Group's current activities, not to the activities of the head office.

	The amount in the approved report		Correction		The corrected amount	
	for the period from 01.07.2016 to 30.09.2016	for the period from 01.01.2016 to 30.09.2016	for the period from 01.07.2016 to 30.09.2016	for the period from 01.01.2016 to 30.09.2016	for the period from 01.07.2016 to 30.09.2016	for the period from 01.01.2016 to 30.09.2016
Selling expenses	(283 265 644)	(834 480 694)	(5 144 187)	(9 689 716)	(288 409 831)	(844 170 410)
General and administrative expenses	(70 088 731)	(190 355 303)	5 144 187	9 689 716	(64 944 543)	(180 665 588)

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2017	Presentation currency:	Polish zloty (PLN)
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The restatement below in the amount of PLN 7,600,000 is related to the change of presentation of deferred tax.

Adjustment for the amount of PLN 69,189,100 is a consequence of the analysis of contracts and the fact that, in the case of the option of acquiring 50% of the shares in Rogala, Madas and FHC-2, there is no obligation of Eurocash S.A. to purchase own equity instruments and the Company's equity should not be reduced. The obligation to repurchase shares in subsidiaries is conditional, that is: no current outflow of funds is required. At the time of exercising the options and buying the remaining 50% of the shares, the carrying amount of the investments in subsidiaries will increase, the net assets of the Company should remain unchanged.

	The amount in the approved report as at 31.12.2016	Other corrections	The corrected amount as at 31.12.2016
Current assets (short-term)	2 371 832 605	7 600 000	2 379 432 605
Current tax receivables	7 637 106	7 600 000	15 237 106
Total assets	5 088 491 488	7 600 000	5 096 091 488

	The amount in the approved report as at 31.12.2016	Other corrections	The corrected amount as at 31.12.2016
<i>Equity and liabilities</i>			
Equity	1 095 932 779	69 189 100	1 165 121 879
Equity attributable to Owners of the Company	1 095 932 779	69 189 100	1 165 121 879
Capital connection	(69 189 100)	69 189 100	-
Liabilities	3 992 558 708	(61 589 100)	3 930 969 608
Non-current liabilities	255 634 872	(61 589 100)	194 045 772
Other long-term liabilities	70 018 950	(69 189 100)	829 850
Deferred tax liabilities	33 417 376	7 600 000	41 017 376
Total equity and liabilities	5 088 491 488	7 600 000	5 096 091 488

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
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NOTE 3.

UNCERTAIN TAX TREATMENT

Regulations regarding VAT, corporate profits tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies.

Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is greater in Poland than in countries that have a more established taxation system.

Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.

In the previous reporting periods, companies within the Group carried out transactions and participated in restructuring processes, which may be the subject of analysis and control of tax authorities.

On 15 July 2016, amendments were made to the Tax Ordinance to introduce the provisions of General Anti-Avoidance Rule (GAAR). GAAR are targeted to prevent origination and use of factitious legal structures made to avoid payment of tax in Poland. GAAR define tax evasion as an activity performed mainly with a view to realising tax gains, which is contrary, under given circumstances, to the subject and objective of the tax law. In accordance with GAAR, an activity does not bring about tax gains, if its modus operandi was false. Any instances of (i) unreasonable division of an operation (ii) involvement of agents despite lack of economic rationale for such involvement, (iii) mutually exclusive or mutually compensating elements, as well as (iv) other activities similar to those referred to earlier may be treated as a hint of artificial activities subject to GAAR. New regulations will require considerably greater judgment in assessing tax effects of individual transactions.

The GAAR clause should be applied to the transactions performed after clause effective date and to the transactions which were performed prior to GAAR clause effective date, but for which after the clause effective date tax gains were realised or continue to be realised. The implementation of the above provisions will enable Polish tax authority challenge such arrangements realised by tax remitters as restructuring or reorganization.

The Group accounts for current and deferred tax assets and liabilities based on the requirements of IAS 12 Income taxes, based on taxable profit (tax loss), taxable base, carry-forward of unused tax losses and carry-forward of unused tax credits, and tax rates, while considering the assessment of uncertainty related to tax settlements. If uncertainty exists as to whether and to what extent tax authority will accept individual tax treatments of made transactions, the Group discloses these settlements while accounting for uncertainty assessment.

On 19 June 2017 a report from the tax control was delivered to Eurocash S.A. in which the tax authorities questioned the possibility of making depreciation write-offs concerning the values of certain trademarks. The tax depreciation costs amounted in the year 2011 to PLN 41 million.

Based on the external experts' tax analysis on 5 July 2017 the Company subjected its response to the tax report.

On 28 September 2017, the Head of the Customs and Revenue Office for Wielkopolska Region in Poznań issued a decision to Eurocash S.A., in which he stated in the case above that the Company had an understatement of tax liability for 2011 of PLN 8 million. On the basis of an external legal expert analysis, on 17 October 2017, the Company appealed against this decision. It mentions a number of arguments for the correctness of the tax settlements made by the Company, including confirmation of the correctness of the settlements through the positive interpretations of tax law. As a result, as at 30 September 2017, the Management Board of the Company has no confirmation for creating of any provisions due to this interpretations.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
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NOTE 4.

IMPORTANT EVENTS DURING THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

1. Decision concerning the payment of the dividend for the year 2016

On 25 April 2017, the Annual General Meeting of Eurocash S.A. decided that the net profit for 2016 year in the amount of 102,614,073 PLN will be distributed of in the following way:

- shareholders of the Company on 16 May 2017 will receive a dividend of 0.73 PLN per share of the Company; the Dividend will be paid until 6 June 2017,
- the remainder of the profit for 2016 will be transferred to reserve capital.

The number of shares included in the dividend as at 25 April 2017 was 139,163,286.

2. Incentive program for employees

The purpose of the program is to incentivise key managers and employees of the Eurocash Group.

Total program assumes issue of up to 4 200 000 shares (app. 3% of current equity).

6 schemes (tranches) - 700 000 shares per scheme, depending on the realization of the performance Targets. Each tranche has 3 levels of realization:

- Growth targets p.a. (sales and EBIT),
- Cumulative growth targets 2016 – 2019,
- Share performance.

Performance targets:

- Sales growth – 8% growth p.a. (2017-2018-2019) or cumulative 30% growth 2016 – 2019,
- EBIT growth – 10% growth p.a. (2017-2018-2019) or cumulative 33% growth 2016 – 2019,
- Vesting period: 3-5 years.

Details of incentive programs are available in Resolutions of General Meeting of Eurocash.

3. Choice of an entity authorized to audit financial statements

The Supervisory Board of Eurocash, acting under par.14 point 2 Statute of the Company, on 25 April 2017, chose Ernst&Young Audyt Polska Sp. z o.o. sp. k. with its registered office in Warsaw, entered by the National Chamber of Statutory Auditors on the list of entities authorized to audit financial statements under No. 130, on the external auditor to examine the company's financial statements for the year 2017.

NOTE 5.

SIGNIFICANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

1. Preliminary agreement to acquire entities controlling the MILA chain of stores

On 15th September 2017, Eurocash concluded the Preliminary Agreement with Argus Retail Holding Limited (company under Cypriot law), non-public closed-end investment fund Elbrus with its registered office in Warsaw, Robert Załęski and Stanisław Sosnowski of purchasing 100% of shares in the share

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
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capital of Domelius Limited (company under Cypriot law) with its registered office in Nicosia considered by the issuer, as well as taking over control on its subsidiary companies including: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z o.o. S.K.A.), Mila S.A. (previously market-Detal spółka z ograniczoną odpowiedzialnością sp.j.), Investpol 700 Mila spółka jawna and “Koja-Mila spółka akcyjna” spółka jawna.

Value of the transaction was settled on PLN 350 m, excluding some real estate which will not be taken over by Eurocash.

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

At the end of 2016 the Mila Supermarket chain was consisted of 188 stores. Sales revenue reached PLN 1,49 bn, EBITDA reached PLN 4,8 m. The acquisition of the Mila chain is with accordance to Eurocash M&A policy. Similar to take over of EKO chain it will enable Eurocash Group to develop competences in retail sales and logistics capacities, following improvement of the competitiveness of Eurocash Group's clients and as a consequence the potential increase in revenues of Eurocash Group.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
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SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	10 th November 2017	
Member of the Management Board	Przemysław Ciaś	10 th November 2017	

Management discussion of the financial results for 3Q 2017

1. Summary of financial and operational results of Eurocash Group in 3Q 2017 and 3Q YTD 2017

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

Independent Wholesale - those distribution formats whose clients do not have permanent contracts with the Eurocash Group

- **Cash&Carry** – a national network of discount Cash & Carry type warehouses under the “Eurocash Cash & Carry” brand, as part of which the loyalty program for the “abc” network of stores operates
- **Tobacco & Impulse** – active distribution of tobacco products and fast moving consumer goods through Eurocash Serwis
- **Alcohol Distribution** – wholesale and retail distribution of alcoholic beverages throughout Poland
- **Other** - sales revenues of other of PayUp Polska S.A. and Eurocash Trade 1 Sp. z o.o.

Integrated Wholesale - those distribution formats whose clients have long-term agreements with Eurocash Group, e.g. franchise systems or clients from the HoReCa segment

- **Delikatesy Centrum** – a franchise system for retail stores operating under the brand “Delikatesy Centrum”;
- **Eurocash Food Service** - wholesale and retail distribution of alcoholic beverages throughout Poland
- **Eurocash Distribution** 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., 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).

Retail - retail sales of Eurocash Group companies

- **Delikatesy Centrum own retail stores** – own retail stores operating by companies that Eurocash hold 50% of shares: Firma Rogala Sp. z o.o., FHC-2 Sp. z o.o., Madas Sp. z o.o.
- **EKO** – own retail stores operating by EKO Holding S.A.
- **Inmedio** – press retail kiosks under Inmedio brand

Projects - new projects running by Eurocash S.A. and its subsidiaries: 1minute, Kontigo, abc na kołach, Duży Ben, Sushi To Go, 4Vapers and fresh product distribution to Delikatesy Centrum stores realized by Eurocash. S.A.

Others

Sales revenues of other companies through Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Eurocash VC3 Sp. z o.o., and Central Head Office costs consolidation not related to any of above segment.

Profit & loss account

Table 1: Eurocash Group: Summary of consolidated financial results for 3Q 2017

PLN m	3Q 2017	3Q 2016	Zmiana
Sales revenues (traded goods, materials)	6 187,58	5 761,18	7,40%
Gross profit (loss) on sales	653,56	569,97	14,67%
Gross profitability on sales (%)	10,56%	9,89%	0,67 p.p.
EBITDA	101,47	123,24	-17,67%
(EBITDA margin %)	1,64%	2,14%	-0,50 p.p.
EBIT	58,15	81,08	-28,28%
(EBIT margin %)	0,94%	1,41%	-0,47 p.p.
Gross profit	49,42	75,85	-34,84%
Net Income	37,46	61,70	-39,29%
(Net profitability %)	0,61%	1,07%	-0,47 p.p.

Table 2: Eurocash Group: Summary of consolidated financial results for 3Q YTD 2017

PLN m	3Q YTD 2017	3Q YTD 2016	Change %
Sales revenues (traded goods, materials)	17 465,14	15 865,99	10,08%
Gross profit (loss) on sales	1 870,02	1 582,25	18,19%
Gross profitability on sales (%)	10,71%	9,97%	0,73 p.p.
EBITDA normalized*	259,23	280,85	-7,70%
(Normalized EBITDA margin %)	1,48%	1,77%	-0,29 p.p.
Total impact of potential VAT liabilities on net profit	114,40	-	-
EBITDA reported	144,83	280,85	-48,43%
(Reported EBITDA margin %)	0,83%	1,77%	-0,94 p.p.
EBIT normalized*	126,01	157,76	-20,12%
EBIT reported	11,61	157,76	-92,64%
Gross profit normalized*	99,93	142,28	-29,76%
Gross profit reported	(14,47)	142,28	-110%
Net profit normalized*	75,09	116,78	-35,70%
Net profit reported	(39,31)	116,78	-134%

*excluding impact of potential VAT liabilities on net profit

Consolidated total sales of Eurocash Group in 3Q 2017 amounted to PLN 6 187.58 m and increased by 7.40% YoY. In 3Q YTD 2017 consolidated sales reached PLN 17 465.14 m comparing with PLN 15 865.99 m in the same period previous year. Sales growth was driven mainly by consolidation of acquired companies (EKO Holding S.A., FHC-2 Sp. z o.o., and PDA sp. z o.o.).

Consolidated gross profitability amounted to 10.56% in 3Q 2017 and increased by 0.67 p.p. YoY. In 3Q YTD 2017 gross profitability increased by 0.73 p.p. YoY and amounted to 10.71%. Increase of gross margin was attributable to consolidation of acquired retail companies.

Consolidated EBITDA in 3Q 2017 amounted to PLN 101.47 m and decreased by PLN 17.67%. After the first three quarters cumulatively normalized EBITDA amounted to PLN 259.23 m compared with PLN 280.85 m previous year (a decrease by 7.70%). Lower EBITDA was attributable mainly to lower profitability in Cash&Carry and Tobacco distribution format as well as increase of spending for strategic investments to strengthen position of independent retailers such as extension of the offer for Delikatesy Centrum stores by fresh products and development of innovative retail formats under brands: Kontigo, 1 minute, abc on wheels, Duży Ben.

The net profit in 3Q 2017 amounted to PLN 37.46 m comparing to PLN 61.70 m in 3Q 2016. In 3Q YTD 2017 normalized net profit reached PLN 75.09 m, which means 35.70% decrease YoY. Net profit was impacted by higher interest costs due to increased leverage driven by M&A and potential VAT liability payment.

Sales by format

Table 3: Eurocash Group: Sales of goods dynamics by distribution format for 3Q 2017

PLN m	3Q 2017	3Q 2016	Change%
Independent Wholesale	3 421,03	3 397,18	0,70%
Cash&Carry	1 195,84	1 194,25	0,13%
Tobacco	1 533,85	1 542,48	-0,56%
Alcohol	587,89	550,88	6,72%
Other with adjustments	103,45	109,57	-5,58%
Integrated Wholesale	1 700,04	1 700,73	-0,04%
Delikatesy Centrum	649,16	570,32	13,82%
Distribution	1 153,03	1 125,35	2,46%
Food Service	123,67	104,70	18,12%
<i>Adjustments</i>	-225,81	-99,65	126,61%
Retail	561,08	244,45	129,52%
Inmedio	148,10	143,66	3,09%
Delikatesy Centrum Own	191,56	100,79	90,05%
EKO	221,42	0,00	0,00%
Projects	148,10	67,75	118,60%
Eurocash Group	5 830,24	5 410,11	7,77%

Table 4: Eurocash Group: Sales of goods dynamics by distribution format for 3Q YTD 2017

PLN m	3Q YTD 2017	3Q YTD 2016	Change%
Independent Wholesale	9 619,26	9 259,95	3,88%
Cash&Carry	3 323,93	3 343,03	-0,57%
Tobacco	4 322,64	4 220,98	2,41%
Alcohol	1 670,83	1 490,63	12,09%
Other with adjustments	301,86	205,30	47,04%
Integrated Wholesale	4 773,39	4 799,77	-0,55%
Delikatesy Centrum	1 628,67	1 438,49	13,22%
Distribution	3 287,65	3 222,92	2,01%
Food Service	326,52	283,02	15,37%
<i>Adjustments</i>	<i>-469,45</i>	<i>-144,66</i>	<i>224,51%</i>
Retail	1 611,14	691,53	132,98%
Inmedio	427,41	407,68	4,84%
Delikatesy Centrum Own	531,30	283,84	87,18%
EKO	652,43	0,00	0,00%
Projects	395,46	169,76	132,95%
Eurocash Group	16 399,25	14 921,00	9,91%

Independent Wholesale:

- In 3Q 2017 external sales of goods in Independent Wholesale segment amounted to PLN 3 421.03 m and increased by 0.70% comparing with 3Q 2016. In 3Q YTD 2017 sales amounted to PLN 9 619.26m and increased by 3.88% YoY.
- Sales of Independent Wholesale was impacted by weak summer season, mainly in North Poland, affecting sales of soft drinks and beer.
- EBITDA of the Independent Wholesale segment amounted in 3Q 2017 to PLN 50.61 m while in 3Q 2016 it amounted to PLN 73.17 m. EBITDA in 3Q YTD 2017 amounted to PLN 121.30m comparing to PLN 156.24 m in the same period of 2016.
- Profitability of the segment was impacted by margin investments in Cash & Carry and Tobacco distribution formats and additional costs of logistic reorganization.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 3Q 2017 amounted to positive 0.31% and negative 0.58% in 3Q YTD 2017
- The number of Eurocash Cash&Carry stores at the end of 3Q 2017 amounted to 185.
- The number of abc stores amounted to 8 659 at the end of 3Q 2017.
- Sales of cigarettes in Tobacco & Impulse distribution format in terms of volume amounted in 3Q 2017 to 2 589 m pieces and increased by 0.65% YoY.
- Sales of cigarettes in terms of value increased by 1.1% in 3Q 2017 and 4.2% in 3Q YTD 2017 YoY.
- Sales of goods in Eurocash Alkohole format was negatively impacted by discontinued sales to export clients and this effect was off-set by consolidation of acquired company Polska Dystrybucja Alkoholi with PLN 66.65 m sales in 3Q 2017 and PLN 184.10 m in 3Q YTD 2017.

Integrated Wholesale:

- External wholesale sales of goods realized by Integrated Wholesale segment in 3Q 2017 amounted to PLN 1 700.04 m and PLN 4 773.39 m in 3Q YTD 2017. Total results of the segment is impacted by consolidation of acquired retail companies (FHC-2, Madas) and its sales transfer to Retail segment.
- Sales to Delikatesy Centrum was driven mainly Fresh Project (in total segment result adjusted by its movement to Projects segment). Eurocash Distribution format sales was driven by its Franchisees (+7.03% in 3Q 2017 YoY and 10.08% in 3Q YTD 2017 YoY). Sales of Food Service distribution format was driven by new clients.
- EBITDA of the Integrated Wholesale segment amounted in 3Q 2017 to PLN 70.43 m comparing to PLN 70.85 m in 3Q 2016. EBITDA in 3Q YTD 2017 amounted to PLN 195,90 m comparing to PLN 171.39 m in 3Q YTD 2016.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 8.12% in 3Q 2017 and 9.91% in 3Q YTD 2017.
- LFL growth of retail sales of "Delikatesy Centrum" franchise stores amounted to 4.31% in 3Q 2017 and 4.30% in 3Q YTD 2017.
- Number of "Delikatesy Centrum" franchise stores at the end of 3Q 2017 amounted to 1099.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 830 stores as of the end of 3Q 2017.

Retail:

- Retail sales of goods realized by Retail segment in 3Q 2017 amounted to PLN 561.08 m and PLN 1 611.14 m in 3Q YTD 2017. Retail sales was driven by acquisition of retail companies (EKO Holding, FHC-2 and Madas)
- EBITDA of the Retail segment amounted in 3Q 2017 to PLN 7.62m comparing to PLN 7.87 m in 3Q 2016. In 3Q YTD 2017 EBITDA amounted to PLN 27.81 m comparing to PLN 21.01 m in 3Q YTD 2016.
- LFL dynamic of retail sales in 3Q 2017 amounted in Inmedio stores to +1.50%, Delikatesy Centrum own stores +3.18% and EKO stores +2.20%. In 3Q YTD 2017 LFL dynamic of retail sales amounted to 2.46% in Inmedio stores, +2.27% in Delikatesy Centrum own stores and +1.70% in EKO stores.
- Number of retail stores at the end of 3Q 2017 amounted in Inmedio to 452, Delikatesy Centrum own 118 and EKO 227.
- In 3Q YTD 2017 28 EKO stores was rebranded to Delikatesy Centrum format. Additionally 9 stores was rebranded in October 2017. Average cost of stores rebranding amounted to appx. PLN 152 thsd. per store.

- Additionally in April 2017 EKO sold 3 stores to independent investors and at the same time fulfilled condition of Polish Antimonopoly Office, settled in its decision to allow Eurocash Group to acquire EKO Holding S.A.

Projects

- Sales of goods realized by Projects segment in 3Q 2017 amounted to PLN 148.10m comparing to PLN 67.75 m in 3Q 2016. In 3Q YTD 2017 sales of goods amounted to PLN 395.46 m comparing to 169.76 m in 3Q YTD 2016.
- The main driver of sales increase in Projects has been development of distribution of fresh products to franchise stores in Delikatesy Centrum chain. Sales of Fresh Project in 3Q YTD 2017 amounted to PLN 351.46 m comparing to PLN 144.66 m in 3Q YTD 2016.
- Negative EBITDA contribution of Projects segment amounted in 3Q 2017 to PLN -12.82 m comparing to PLN -10.47 m in 3Q 2016. In 3Q YTD 2017 EBITDA amounted to PLN -39.25 m comparing to PLN -25.91 m.

Others

EBITDA of Others segment amounted in 3Q 2017 to negative PLN 14.37 m comparing to negative PLN 18.19 m in 3Q 2016. In 3Q YTD 2017 EBITDA amounted to PLN -46.52 m comparing to PLN -41.88 m in 3Q YTD 2016.

Operating segments

Due to changes in financial results presentation by operating segments in 2017, below we present quarter results of each segment for years 2015-2017 according to definition of segments implemented in 2017.

Table 5: Group Eurocash: Operating segments adjusted results in 1Q, 2Q and 3Q 2017

1Q 2017 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 200,35	1 771,27	537,83	112,42	0,00	-428,71	5 193,16
EBIT	-4,22	31,89	0,81	-16,35	-19,11	0,00	-6,98
<i>(EBIT margin %)</i>	<i>-0,13%</i>	<i>1,80%</i>	<i>0,15%</i>	<i>-14,54%</i>	<i>0</i>	<i>0</i>	<i>-0,13%</i>
EBITDA	12,52	47,68	8,73	-15,50	-16,19	0,00	37,24
<i>(EBITDA margin %)</i>	<i>0,39%</i>	<i>2,69%</i>	<i>1,62%</i>	<i>-13,79%</i>	<i>0</i>	<i>0</i>	<i>0,72%</i>
2Q 2017 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 833,77	2 003,31	573,69	137,35	0,13	-463,85	6 084,40
EBIT	40,85	61,84	2,01	-10,67	-19,18	0,00	-39,56
<i>(EBIT margin %)</i>	<i>1,07%</i>	<i>3,09%</i>	<i>0,35%</i>	<i>-7,77%</i>	<i>0</i>	<i>0</i>	<i>-0,65%</i>
EBITDA	58,17	77,79	11,46	-10,94	-15,96	0,00	6,12
<i>(EBITDA margin %)</i>	<i>1,52%</i>	<i>3,88%</i>	<i>2,00%</i>	<i>-7,96%</i>	<i>0</i>	<i>0</i>	<i>0,10%</i>
3Q 2017 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 882,42	2 088,20	604,56	149,49	0,08	-537,17	6 187,58
EBIT	34,22	54,55	-0,54	-12,80	-17,28	0,00	58,15
<i>(EBIT margin %)</i>	<i>0,88%</i>	<i>2,61%</i>	<i>-0,09%</i>	<i>-8,56%</i>	<i>0</i>	<i>0</i>	<i>0,94%</i>
EBITDA	50,61	70,43	7,62	-12,82	-14,37	0,00	101,47
<i>(EBITDA margin %)</i>	<i>1,30%</i>	<i>3,37%</i>	<i>1,26%</i>	<i>-8,57%</i>	<i>0</i>	<i>0</i>	<i>1,64%</i>

Table 6: Eurocash Group: Operating segments adjusted results in 1Q, 2Q and 3Q YTD 2017

1Q YTD 2017 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 200,35	1 771,27	537,83	112,42	0,00	-428,71	5 193,16
EBIT	-4,22	31,89	0,81	-16,35	-19,11	0,00	-6,98
<i>(EBIT margin %)</i>	<i>-0,13%</i>	<i>1,80%</i>	<i>0,15%</i>	<i>-14,54%</i>	<i>0</i>	<i>0</i>	<i>-0,13%</i>
EBITDA	12,52	47,68	8,73	-15,50	-16,19	0,00	37,24
<i>(EBITDA margin %)</i>	<i>0,39%</i>	<i>2,69%</i>	<i>1,62%</i>	<i>-13,79%</i>	<i>0</i>	<i>0</i>	<i>0,72%</i>
2Q YTD 2017 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	7 034,12	3 774,58	1 111,52	249,77	0,13	-892,56	11 277,56
EBIT	36,63	93,73	2,82	-27,02	-38,29	0,00	-46,54
<i>(EBIT margin %)</i>	<i>0,52%</i>	<i>2,48%</i>	<i>0,25%</i>	<i>-10,82%</i>	<i>0</i>	<i>0</i>	<i>-0,41%</i>
EBITDA	70,69	125,47	20,18	-26,44	-32,15	0,00	43,36
<i>(EBITDA margin %)</i>	<i>1,00%</i>	<i>3,32%</i>	<i>1,82%</i>	<i>-10,58%</i>	<i>0</i>	<i>0</i>	<i>0,38%</i>
3Q YTD 2017 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	10 916,54	5 862,78	1 716,08	399,25	0,21	-1 429,73	17 465,14
EBIT	70,85	148,28	2,28	-39,82	-55,58	0,00	11,61
<i>(EBIT margin %)</i>	<i>0,65%</i>	<i>2,53%</i>	<i>0,13%</i>	<i>-9,97%</i>	<i>-264</i>	<i>0</i>	<i>0,07%</i>
EBITDA	121,30	195,90	27,81	-39,25	-46,52	0,00	144,83
<i>(EBITDA margin %)</i>	<i>1,11%</i>	<i>3,34%</i>	<i>1,62%</i>	<i>-9,83%</i>	<i>-221</i>	<i>0</i>	<i>0,83%</i>

Table 7: Eurocash Group: Operating segments results in 2016

1Q 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 009,01	1 740,54	233,66	43,34	0,00	-262,51	4 764,05
EBIT	1,19	30,88	1,81	-7,66	-19,57	0,00	6,64
<i>(EBIT margin %)</i>	<i>0,04%</i>	<i>1,77%</i>	<i>0,77%</i>	<i>-17,68%</i>	<i>0</i>	<i>0</i>	<i>0,14%</i>
EBITDA	19,05	46,30	6,09	-7,08	-17,02	0,00	47,34
<i>(EBITDA margin %)</i>	<i>0,63%</i>	<i>2,66%</i>	<i>2,61%</i>	<i>-16,33%</i>	<i>0</i>	<i>0</i>	<i>0,99%</i>
2Q 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 579,68	1 867,26	233,54	59,55	0,00	-399,27	5 340,77
EBIT	46,38	39,78	3,00	-8,74	-10,38	0,00	70,04
<i>(EBIT margin %)</i>	<i>1,30%</i>	<i>2,13%</i>	<i>1,29%</i>	<i>-14,67%</i>	<i>0</i>	<i>0</i>	<i>1,31%</i>
EBITDA	64,02	54,24	7,05	-8,36	-6,68	0,00	110,26
<i>(EBITDA margin %)</i>	<i>1,79%</i>	<i>2,90%</i>	<i>3,02%</i>	<i>-14,04%</i>	<i>0</i>	<i>0</i>	<i>2,06%</i>
3Q 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 825,32	2 014,52	254,25	69,29	0,00	-402,19	5 761,18
EBIT	53,41	55,50	3,67	-11,03	-20,47	0,00	81,08
<i>(EBIT margin %)</i>	<i>1,40%</i>	<i>2,76%</i>	<i>1,44%</i>	<i>-15,91%</i>	<i>0</i>	<i>0</i>	<i>1,41%</i>
EBITDA	73,17	70,85	7,87	-10,47	-18,19	0,00	123,24
<i>(EBITDA margin %)</i>	<i>1,91%</i>	<i>3,52%</i>	<i>3,10%</i>	<i>-15,11%</i>	<i>0</i>	<i>0</i>	<i>2,14%</i>
4Q 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 471,69	2 143,70	255,02	-131,58	0,00	-384,92	5 353,91
EBIT	77,68	83,90	7,71	-15,92	-36,84	0,00	116,52
<i>(EBIT margin %)</i>	<i>2,24%</i>	<i>3,91%</i>	<i>3,02%</i>	<i>12,10%</i>	<i>0</i>	<i>0</i>	<i>2,18%</i>
EBITDA	96,07	100,91	12,17	-15,61	-33,90	0,00	159,65
<i>(EBITDA margin %)</i>	<i>2,77%</i>	<i>4,71%</i>	<i>4,77%</i>	<i>11,86%</i>	<i>0</i>	<i>0</i>	<i>2,98%</i>

Table 8: Eurocash Group: Operating segments results in 2016 YTD

1Q YTD 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 009,01	1 740,54	233,66	43,34	0,00	-262,51	4 764,05
EBIT	1,19	30,88	1,81	-7,66	-19,57	0,00	6,64
<i>(EBIT margin %)</i>	<i>0,04%</i>	<i>1,77%</i>	<i>0,77%</i>	<i>-17,68%</i>	<i>0</i>	<i>0</i>	<i>0,14%</i>
EBITDA	19,05	46,30	6,09	-7,08	-17,02	0,00	47,34
<i>(EBITDA margin %)</i>	<i>0,63%</i>	<i>2,66%</i>	<i>2,61%</i>	<i>-16,33%</i>	<i>0</i>	<i>0</i>	<i>0,99%</i>
2Q YTD 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	6 588,70	3 607,80	467,20	102,89	0,00	-661,78	10 104,81
EBIT	47,56	70,66	4,81	-16,40	-29,95	0,00	76,68
<i>(EBIT margin %)</i>	<i>0,72%</i>	<i>1,96%</i>	<i>1,03%</i>	<i>-15,94%</i>	<i>0</i>	<i>0</i>	<i>0,76%</i>
EBITDA	83,07	100,54	13,14	-15,44	-23,70	0,00	157,61
<i>(EBITDA margin %)</i>	<i>1,26%</i>	<i>2,79%</i>	<i>2,81%</i>	<i>-15,01%</i>	<i>0</i>	<i>0</i>	<i>1,56%</i>
3Q YTD 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	10 414,01	5 622,32	721,45	172,17	0,00	-1 063,97	15 865,99
EBIT	100,98	126,16	8,48	-27,43	-50,43	0,00	157,76
<i>(EBIT margin %)</i>	<i>0,97%</i>	<i>2,24%</i>	<i>1,17%</i>	<i>-15,93%</i>	<i>0</i>	<i>0</i>	<i>0,99%</i>
EBITDA	156,24	171,39	21,01	-25,91	-41,88	0,00	280,85
<i>(EBITDA margin %)</i>	<i>1,50%</i>	<i>3,05%</i>	<i>2,91%</i>	<i>-15,05%</i>	<i>0</i>	<i>0</i>	<i>1,77%</i>
4Q YTD 2016 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	13 885,71	7 766,02	976,47	40,59	0,00	-1 448,89	21 219,90
EBIT	178,65	210,06	16,19	-43,34	-87,27	0,00	274,28
<i>(EBIT margin %)</i>	<i>1,29%</i>	<i>2,70%</i>	<i>1,66%</i>	<i>-106,78%</i>	<i>0</i>	<i>0</i>	<i>1,29%</i>
EBITDA	252,31	272,30	33,18	-41,52	-75,78	0,00	440,49
<i>(EBITDA margin %)</i>	<i>1,82%</i>	<i>3,51%</i>	<i>3,40%</i>	<i>-102,28%</i>	<i>0</i>	<i>0</i>	<i>2,08%</i>

Table 9: Eurocash Group: Operating segments results in 2015

1Q 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	2 954,02	1 707,82	132,10	7,06	0,00	-195,24	4 605,77
EBIT	3,53	14,91	1,18	-3,80	-9,05	0,00	6,76
<i>(EBIT margin %)</i>	<i>0,12%</i>	<i>0,87%</i>	<i>0,89%</i>	<i>-53,91%</i>	<i>0</i>	<i>0</i>	<i>0,15%</i>
EBITDA	18,31	29,41	3,84	-3,52	-6,25	0,00	41,78
<i>(EBITDA margin %)</i>	<i>0,62%</i>	<i>1,72%</i>	<i>2,90%</i>	<i>-49,91%</i>	<i>0</i>	<i>0</i>	<i>0,91%</i>
2Q 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 404,00	1 854,33	135,03	7,48	0,00	-219,13	5 181,70
EBIT	50,04	34,93	1,62	-4,57	-6,69	0,00	75,34
<i>(EBIT margin %)</i>	<i>1,47%</i>	<i>1,88%</i>	<i>1,20%</i>	<i>-61,10%</i>	<i>0</i>	<i>0</i>	<i>1,45%</i>
EBITDA	68,17	49,63	4,32	-4,19	-3,91	0,00	114,02
<i>(EBITDA margin %)</i>	<i>2,00%</i>	<i>2,68%</i>	<i>3,20%</i>	<i>-56,02%</i>	<i>0</i>	<i>0</i>	<i>2,20%</i>
3Q 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 534,95	2 024,86	141,79	7,00	0,00	-222,02	5 486,57
EBIT	61,27	51,67	0,88	-4,65	-11,45	0,00	97,71
<i>(EBIT margin %)</i>	<i>1,73%</i>	<i>2,55%</i>	<i>0,62%</i>	<i>-66,51%</i>	<i>0</i>	<i>0</i>	<i>1,78%</i>
EBITDA	77,73	66,44	4,34	-4,22	-9,18	0,00	135,11
<i>(EBITDA margin %)</i>	<i>2,20%</i>	<i>3,28%</i>	<i>3,06%</i>	<i>-60,33%</i>	<i>0</i>	<i>0</i>	<i>2,46%</i>
4Q 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	3 268,91	1 899,97	146,73	8,56	0,00	-279,99	5 044,17
EBIT	89,53	85,35	5,86	-6,04	-29,43	0,00	145,28
<i>(EBIT margin %)</i>	<i>2,74%</i>	<i>4,49%</i>	<i>3,99%</i>	<i>-70,61%</i>	<i>0</i>	<i>0</i>	<i>2,88%</i>
EBITDA	107,64	100,35	8,83	-5,63	-26,48	0,00	184,71
<i>(EBITDA margin %)</i>	<i>3,29%</i>	<i>5,28%</i>	<i>6,02%</i>	<i>-65,75%</i>	<i>0</i>	<i>0</i>	<i>3,66%</i>

Table 10: Eurocash Group: Operating segments results in 2015 YTD

1Q YTD 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	2 954,02	1 707,82	132,10	7,06	0,00	-195,24	4 605,77
EBIT	3,53	14,91	1,18	-3,80	-9,05	0,00	6,76
<i>(EBIT margin %)</i>	<i>0,12%</i>	<i>0,87%</i>	<i>0,89%</i>	<i>-53,91%</i>	<i>0</i>	<i>0</i>	<i>0,15%</i>
EBITDA	18,31	29,41	3,84	-3,52	-6,25	0,00	41,78
<i>(EBITDA margin %)</i>	<i>0,62%</i>	<i>1,72%</i>	<i>2,90%</i>	<i>-49,91%</i>	<i>0</i>	<i>0</i>	<i>0,91%</i>
2Q YTD 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	6 358,02	3 562,15	267,13	14,53	0,00	-414,37	9 787,46
EBIT	53,57	49,84	2,80	-8,37	-15,73	0,00	82,10
<i>(EBIT margin %)</i>	<i>0,84%</i>	<i>1,40%</i>	<i>1,05%</i>	<i>-57,61%</i>	<i>0</i>	<i>0</i>	<i>0,84%</i>
EBITDA	86,48	79,05	8,16	-7,71	-10,16	0,00	155,81
<i>(EBITDA margin %)</i>	<i>1,36%</i>	<i>2,22%</i>	<i>3,05%</i>	<i>-53,05%</i>	<i>0</i>	<i>0</i>	<i>1,59%</i>
3Q YTD 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	9 892,98	5 587,01	408,92	21,53	0,00	-636,39	15 274,04
EBIT	114,83	101,50	3,67	-13,03	-27,18	0,00	179,81
<i>(EBIT margin %)</i>	<i>1,16%</i>	<i>1,82%</i>	<i>0,90%</i>	<i>-60,50%</i>	<i>0</i>	<i>0</i>	<i>1,18%</i>
EBITDA	164,20	145,49	12,50	-11,93	-19,34	0,00	290,92
<i>(EBITDA margin %)</i>	<i>1,66%</i>	<i>2,60%</i>	<i>3,06%</i>	<i>-55,42%</i>	<i>0</i>	<i>0</i>	<i>1,90%</i>
4Q YTD 2015 (PLN m)	Independent Wholesale	Integrated Wholesale	Retail	New Projects	Other	Consolidation adj.	Total
Sales revenues (traded goods, materials)	13 161,89	7 486,98	555,64	30,09	0,00	-916,39	20 318,21
EBIT	204,37	186,85	9,53	-19,07	-56,61	0,00	325,08
<i>(EBIT margin %)</i>	<i>1,55%</i>	<i>2,50%</i>	<i>1,72%</i>	<i>-63,38%</i>	<i>0</i>	<i>0</i>	<i>1,60%</i>
EBITDA	271,84	245,84	21,33	-17,56	-45,82	0,00	475,63
<i>(EBITDA margin %)</i>	<i>2,07%</i>	<i>3,28%</i>	<i>3,84%</i>	<i>-58,36%</i>	<i>0</i>	<i>0</i>	<i>2,34%</i>

Cash flow

Table 11: Eurocash Group: Consolidated cash flow for 3Q 2017

PLN m	3Q 2017	3Q 2016
Operating cash flow normalized*	215,13	130,43
<i>Gross profit (loss)</i>	49,42	75,85
<i>Depreciation</i>	43,31	42,16
<i>Change in working capital</i>	128,60	8,72
<i>Other</i>	(6,21)	3,69
Cash flow from investments	(80,85)	(31,76)
Cash flow from financing activities	(33,17)	(142,43)
Total cash flow	101,11	(43,77)
Operating cash flow reported	119,38	130,43
<i>Gross profit (loss)</i>	49,42	75,85
<i>Depreciation</i>	43,31	42,16
<i>Change in working capital</i>	32,86	8,72
<i>Other</i>	(6,21)	3,69
Cash flow from investments	(80,85)	(31,76)
Cash flow from financing activities	(33,17)	(142,43)
Total cash flow	5,36	(43,77)

*excluding impact of potential VAT liabilities on net profit

Table 12: Eurocash Group: Consolidated cash flow for 3Q YTD 2017

PLN m	3Q YTD 2017	3Q YTD 2016
Operating cash flow normalized*	396,44	272,95
<i>Gross profit (loss)</i>	99,93	142,28
<i>Depreciation</i>	133,22	123,09
<i>Change in working capital</i>	161,24	(11,52)
<i>Other</i>	2,05	19,10
Cash flow from investments	(285,28)	(167,32)
Cash flow from financing activities	(18,51)	(109,16)
Total cash flow	92,65	(3,53)
Operating cash flow reported	300,69	272,95
<i>Gross profit (loss)</i>	(14,47)	142,28
<i>Depreciation</i>	133,22	123,09
<i>Change in working capital</i>	174,33	(11,52)
<i>Other</i>	7,60	19,10
Cash flow from investments	(285,28)	(167,32)
Cash flow from financing activities	(18,51)	(109,16)
Total cash flow	(3,10)	(3,53)

*excluding impact of potential VAT liabilities on net profit

Total normalized* cash flow in 3Q 2017 amounted to PLN 101.11 m where the operating normalized* cash flow reached PLN 215.13 m. In 3Q YTD 2017 total normalized* cash flow amounted to negative PLN 92.65 m and normalized* operating cash flow amounted to PLN 396.44 m. Operating cash flow was driven mainly by improved working capital efficiency.

Cash flow from investments amounted to PLN -80.85 m in 3Q 2017 and PLN -285.28 m in 3Q YTD 2017 and was driven by acquisitions of companies and IT and Real Estate investments. Cash flow from financing activities amounted to PLN -33.17 m in 3Q 2017 and PLN -18.51 m in 3Q YTD 2017, which was mainly impacted by dividend payment for 2016.

Working capital

Table 13: Eurocash Group: Consolidated working capital ratios flow for 3Q 2017

Turnover in days	3Q 2017	3Q 2016
1. Inventories turnover	19,07	18,15
2. Trade receivables turnover	25,21	27,38
3. Trade liabilities turnover	63,91	64,00
4. Operating cycle (1+2)	44,27	45,54
5. Cash conversion (4-3)	(19,63)	(18,46)

Table 14: Eurocash Group: Consolidated working capital ratios flow for 3Q YTD 2017

Turnover in days	3Q YTD 2017	3Q YTD 2016
1. Inventories turnover	20,05	19,63
2. Trade receivables turnover	26,50	29,61
3. Trade liabilities turnover	67,29	69,27
4. Operating cycle (1+2)	46,54	49,24
5. Cash conversion (4-3)	(20,75)	(20,03)

Cash conversion in 3Q 2017 reached -19.63 days comparing to -18.46 days previous year. In 3Q 2017 YTD cash conversion cycle amounted to -20.75 days comparing with -20.03 days in 3Q 2016 YTD.

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 15: Eurocash Group: Selected consolidated balance sheet items

PLN m	30.09.2017		31.12.2016	
Fixed assets	2 535,25	42,88%	2 287,96	41,64%
Current assets	3 377,41	57,12%	3 207,04	58,36%
Total assets	5 912,67	100,00%	5 495,00	100,00%
Equity	1 005,58	17,01%	1 155,10	21,02%
Liabilities and provisions	4 907,08	82,99%	4 339,89	78,98%
Total liabilities and equity	5 912,67	100,00%	5 495,00	100,00%

Net debt of Eurocash Group at the end of 3Q 2017 amounted to PLN 464.25 m compared with PLN 230.73 m at the end of 3Q 2016.

2. Summary of financial results of Eurocash S.A. in 3Q and 3Q YTD 2017

Profit & loss account

Table 16: Eurocash S.A.: Summary of financial results for 3Q 2017

PLN m	3Q 2017	3Q 2016	Zmiana
Sales revenues (traded goods, materials)	3 914,93	3 835,64	2,07%
Gross profit (loss) on sales	405,84	411,48	-1,37%
Gross profitability on sales (%)	10,37%	10,73%	0,36 p.p.
EBITDA	54,79	72,22	-24,14%
(EBITDA margin %)	1,40%	1,88%	-0,77 p.p.
EBIT	26,74	43,79	-38,94%
(EBIT margin %)	0,68%	1,14%	-0,74 p.p.
Gross profit	20,48	40,27	-49,14%
Net Income	16,83	32,62	-48,40%
(Net profitability %)	0,43%	0,85%	-0,42 p.p.

Table 17: Eurocash S.A.: Summary of financial results for 3Q YTD 2017

PLN m	3Q YTD 2017	3Q YTD 2016	Change %
Sales revenues (traded goods, materials)	10 984,70	10 620,43	3,43%
Gross profit (loss) on sales	1 174,21	1 134,65	3,49%
Gross profitability on sales (%)	10,69%	10,68%	0,01 p.p.
EBITDA normalized*	142,32	148,04	-3,86%
(Normalized EBITDA margin %)	1,30%	1,39%	-0,10 p.p.
Total impact of potential VAT liabilities on net profit	114,40	0,00	0,00%
EBITDA reported	27,92	148,04	-81,14%
(Reported EBITDA margin %)	0,25%	1,39%	-1,14 p.p.
EBIT normalized*	58,39	65,53	-10,89%
EBIT reported	(56,01)	65,53	-185,47%
Gross profit normalized*	65,91	76,45	-13,80%
Gross profit reported	(48,49)	76,45	-163,43%
Net profit normalized*	55,26	65,75	-15,95%
Net profit reported	(59,14)	65,75	-189,96%

*excluding impact of potential VAT liabilities on net profit

Sales of Eurocash S.A. in 3Q 2017 amounted to PLN 3 914.93 m and increased by 2.07%. In 3Q YTD 2017 sales of Eurocash S.A. increased by 3.43% and amounted to PLN 10 984.70 m. Gross margin on sales realized by Eurocash amounted to 10.37% in 3Q 2017 and 10.69% in 3Q YTD 2017. In 3Q 2017 normalized EBITDA amounted to PLN 54.79 m and in 3Q YTD 2017 PLN 142,32 m. Normalized net profit in 3Q 2017 amounted to PLN 16.83 m and in 3Q YTD 2017 PLN 55.26 m.

Cash flow

Table 18: Eurocash S.A.: Cash flow for 3Q 2017

PLN m	3Q 2017	3Q 2016
Operating cash flow normalized*	(36,04)	81,67
<i>Gross profit (loss)</i>	20,48	40,27
<i>Depreciation</i>	28,05	28,44
<i>Change in working capital</i>	(79,61)	4,69
<i>Other</i>	(4,96)	8,28
Cash flow from investments	(16,51)	10,86
Cash flow from financing activities	157,12	(130,50)
Total cash flow	104,57	(37,97)
	-	-
Operating cash flow reported	(131,79)	81,67
<i>Gross profit (loss)</i>	20,48	40,27
<i>Depreciation</i>	28,05	28,44
<i>Change in working capital</i>	(175,36)	4,69
<i>Other</i>	(4,96)	8,28
Cash flow from investments	(16,51)	10,86
Cash flow from financing activities	157,12	(130,50)
Total cash flow	8,82	(37,97)

*excluding impact of potential VAT liabilities on net profit

Table 19: Eurocash S.A.: Cash flow for 3Q YTD 2017

PLN m	3Q YTD 2017	3Q YTD 2016
Operating cash flow normalized*	336,62	222,82
<i>Gross profit (loss)</i>	65,91	76,45
<i>Depreciation</i>	83,92	82,51
<i>Change in working capital</i>	186,15	61,15
<i>Other</i>	0,64	2,71
Cash flow from investments	(214,19)	216,99
Cash flow from financing activities	(32,75)	(444,19)
Total cash flow	89,68	(4,39)
Operating cash flow reported	240,87	222,82
<i>Gross profit (loss)</i>	(48,49)	76,45
<i>Depreciation</i>	83,92	82,51
<i>Change in working capital</i>	199,25	61,15
<i>Other</i>	6,19	2,71
	-	-
Cash flow from investments	(214,19)	216,99
Cash flow from financing activities	(32,75)	(444,19)
Total cash flow	(6,06)	(4,39)

*excluding impact of potential VAT liabilities on net profit

Total cash flow of Eurocash S.A. in 3Q 2017 amounted to PLN 8.82 m and in 3Q YTD 2017 amounted to negative PLN 6.06 m.

Working capital

Table 20: Eurocash S.A.: Working capital ratios for 3Q 2017

Turnover in days	3Q 2017	3Q 2016
1. Inventories turnover	19,61	19,23
2. Trade receivables turnover	28,49	30,49
3. Trade liabilities turnover	74,85	80,56
4. Operating cycle (1+2)	48,10	49,72
5. Cash conversion (4-3)	(26,75)	(30,84)

Table 21: Eurocash S.A.: Working capital ratios for 3Q YTD 2017

Turnover in days	3Q YTD 2017	3Q YTD 2016
1. Inventories turnover	20,74	20,69
2. Trade receivables turnover	30,13	32,79
3. Trade liabilities turnover	79,45	86,61
4. Operating cycle (1+2)	50,87	53,48
5. Cash conversion (4-3)	(28,58)	(33,13)

Cash conversion in 3Q 2017 amounted to negative 26.75 days. In 3Q YTD 2017 cash conversion reached negative 28.58 days.

Statement of the financial position

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

Table 22: Eurocash S.A.: Selected balance sheet items

PLN m	30.09.2017		31.12.2016	-
Fixed assets	2 896,46	56,26%	2 716,66	53,31%
Current assets	2 259,10	43,74%	2 379,43	46,69%
Total assets	5 155,56	100,00%	5 096,09	100,00%
Equity	1 006,25	19,55%	1 165,12	22,86%
Liabilities and provisions	4 149,30	80,45%	3 930,97	77,14%
Total liabilities and equity	5 155,56	100,00%	5 096,09	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 less cash and cash equivalents

4. Major events and factors that influenced consolidated income or loss in 3Q 2017.

The company affected by external entities which participated in mechanism of vat fraud

In the period from March to August 2017 an extensive and detailed audit of VAT settlements by Eurocash S.A. was carried out. The audit covered settlements made in the years 2013 – 2017. It showed that Eurocash S.A. was used in a mechanism of VAT fraud by groups of outside entities in transactions concerning intra-Community delivery of goods. The audit consisted, inter alia, in a review of documentation, including e-mail correspondence, as well as verification of business partners of Eurocash S.A. who participated in the above-mentioned transactions.

The finding of the audit showed that Eurocash S.A. may be obligated to settle a VAT liability in favor of the State Treasury. In accordance with the estimate of the Management Board, the amount of the potential VAT liability may be 121 450 511 PLN. This amount was corrected downwards by the surplus of CIT which arose for the Company in connection with the disclosure of revenue from a sale in the part which corresponds to 23% VAT, and, thus, does not constitute an actual gain (revenue) of the Company. As a result, the Company made a payment to bank account of the First Wielkopolski Tax Office in Poznań the amount of 95 746 902 PLN in respect of security of payment of the possible VAT liability.

The Management Board believes that the final amount of the VAT liability may differ from the amount paid by the Company in respect of security of payment of the possible VAT liability, once the tax authority has carried out a detailed analysis of the documentation gathered by the Company, as well as of the procedures used by Company and the explanations of the Company. The Company believes that it acted in good faith when carrying out the above-mentioned transactions, and that it regularly tightened up procedures aimed at countering such irregularities. Thus, the Company is proving before the Tax Office that, in the course of ongoing tax audit, it has been harmed by fraud, made by third parties without the Company's knowledge. Thus, the final amount of the VAT liability may be lower than the amount referred to above, while the Company may be due a refund of some of the funds paid.

The Company Management Board emphasizes that payment of the liability will not have any impact on the Company's dividend policy, carried out also in previous years.

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2017)	Page 19
REPORT OF THE MANAGEMENT BOARD	

Negative impact on Net Profit for 2017 amounts to 114 400 861,47 PLN (0.82 PLN per share). Consolidated Net Debt of Eurocash will be negatively affected by 95 746 902 PLN (0.69 PLN per share).

The effect of the created reserve was reflected in the financial result of the Company and of the Group in the mid-year financial statements.

Eurocash Group continues to audit the VAT settlements by companies of the Eurocash Group as there exists a suspicion that potential irregularities could appear also in other companies of the Group. Taking into account the turnover of the remaining companies of the Group, gained on transactions concerning intra-Community delivery of goods, the risks associated with such potential irregularities are not material.

Eurocash S.A. stopped execution of such transactions concerning intra-Community delivery of goods.

At the same time, on 24 August 2017 the Company filed, as injured party, a notification with the Regional Prosecutor's Office in Poznań, about a justified suspicion of the commission of a crime.

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 25th April 2017, persons who were shareholders of the Company on 16th May 2017, received a dividend of PLN 0.73 per one Company share. The total dividend paid on 6th June 2017 amounted to PLN 101,589,198.78

There have been no other major events that influenced Eurocash Group income or loss in 3Q 2017.

5. 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

Integration of acquired companies

Due to the necessity of integrating acquired companies EKO Holding S.A., FHC-2 Sp.z o.o., Madas Sp. z o.o. and Polska Dystrybucja Alkoholii Sp. z o.o. at the operational level, in the opinion of Eurocash S.A. Board full synergies associated with these transactions will be possible to reach within 3 years after the

acquisition of control over these companies. Companies EKO Holding S.A., FHC-2 Sp.z o.o., Madas Sp. z o.o. will be integrated within Delikatesy Centrum chain, and PDA Sp. z o.o. will be integrated within Eurocash Alkohole distribution format.

New business formats

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

Eurocash Retail segment

Retail subsidiaries of Eurocash: Inmedio, Firma Rogala, FHC-2, Madas and EKO Holding S.A. will be part of new retail distribution format since 2017 and will consists totally 828 outlets with app. sales of PLN 2 168 m p.a. (as of end of 2016).

Investment in strategical growth projects

To remain competitiveness of independent retail stores in Poland Eurocash Group continues an investment in innovative projects: Duży Ben, 1 minute, abc on wheels, Kontigo, distribution of high quality fresh products and others. Results of these projects have negative impact on the Group profitability, however the Board recognizes necessity of such investment to assure the growth in 5 to 10 years.

Restructuring of Eurocash Cash&Carry distribution format

In years 2014-2016 the number of Eurocash Cash&Carry outlets increased by 32 and the sales at this time remained at stable level. Not sufficient sales growth affected by sales cannibalization and deflation accompanied with increased level of fixed costs was main reason of Cash&Carry profitability decrease in 2016. The Management Board of Eurocash Group decided that in 2017 potentially 10 stores may be closed. After each closure the analysis of sales and clients behavior will be conducted. Effects of such analysis will motivate the decision of each next store closure.

Organic expansion

Management of Eurocash Group expects that during 2017:

- Eurocash Cash&Carry stores structure will be under revision. In 2017 approximately 10 stores may be closed, each decision about closure will be taken during the year. In 3Q YTD 2017 5 Cash&Carry stores has been closed.
- Number of Delikatesy Centrum franchise stores will increase by app. 30-40 stores

6. Additional information

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 25th April 2017, persons who were shareholders of the Company on 16th May 2017, received a dividend of PLN 0.73 per one Company share. The total dividend paid on 6th June 2017 amounted to PLN 101,589,198.78

Explanations regarding seasonality

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

Issuance, redemption and repayment of debt and capital securities

In the period between 1st July 2017 and 30th September 2017 66 925 were issued due to the option programs.

On 30th September 2017 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0m bonds issued under the long-term bonds issue program
- PLN 100,0m bonds issued under the commercial paper program

Changes in the basic management principles

Resignation of member of the management board

On 13th January 2017 Mr. David Boner resigned from function of Member of the Management Board of Eurocash, with effect on 13th January 2017.

Appointment of member of the management board

On 22nd February 2017 Supervisory Board of Eurocash agreed the resolution regarding the appointment of Mr. Przemysław Ciaś on the function of Member of the Management Board of Company.

In 3Q YTD 2017 there were no changes in the basic management principles

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

The Management Board of Eurocash S.A. has not published or does not intend to publish financial forecast for 2017.

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

Shareholder	10.11.2017				25.08.2017			
	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 (directly and indirectly through Politra B.V. S.à.r.l.)	60 615 240	43,56%	60 615 240	43,56%	60 615 240	43,56%	60 615 240	43,56%
Others	78 548 046	56,44%	78 548 046	56,44%	78 548 046	56,44%	78 548 046	56,44%
Total	139 163 286	100,00%	139 163 286	100,00%	139 163 286	100,00%	139 163 286	100,00%

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	
	10.11.2017	25.08.2017
Management Board members		
Luis Amaral (directly and indirectly)	60 615 240	60 615 240
Rui Amaral	347 025	347 025
Katarzyna Kopaczewska	330 000	330 000
Arnaldo Guerreiro	325 500	325 500
Pedro Martinho	827 540	818 050
Jacek Owczarek	58 500	58 500
Przemysław Ciaś	0	0
Supervisory Board members		
Eduardo Aguinaga de Moraes	0	0
Joao Borges de Assuncao	0	0
Hans-Joachim Körber	0	0
Jacek Sz wajcowski	0	0
Francisco Santos	0	0

Information on legal suits

In the 3Q 2017 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.

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2017)	Page 23
REPORT OF THE MANAGEMENT BOARD	

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

In the 3Q 2017 companies belonging to Eurocash Group did not grant any 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 3Q 2017 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 100% of shares in EKO Holding S.A

On 4th January 2017 Eurocash acquired 100% of shares in EKO Holding S.A. with its registered office in Nowa Wieś Wroclawska ("EKO"). Thereby, Eurocash acquired a network of 248 grocery stores of EKO (operating mostly in south-western Poland), which will allow further development of the Eurocash Group and better use of its capability. According to the received information, the total sales of the company in 2016 amounted to app. PLN 950 million.

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.

Preliminary Agreement to acquire entities controlling the MILA chain of stores

On 15th September 2017, Eurocash concluded the Preliminary Agreement with Argus Retail Holding Limited (company under Cypriot law), non-public closed-end investment fund Elbrus with its registered office in Warsaw, Robert Załęski and Stanisław Sosnowski of purchasing 100% of shares in the share capital of Domelius Limited (company under Cypriot law) with its registered office in Nicosia considered by the issuer, as well as taking over control on its subsidiary companies including: Mila Holding S.A. (previously Grupa 700 market-Detal spółka z o.o. S.K.A.), Mila S.A. (previously market-Detal spółka z ograniczoną odpowiedzialnością sp.j.), Investpol 700 Mila spółka jawna and "Koja-Mila spółka akcyjna" spółka jawna.

Value of the transaction was settled on PLN 350 m, excluding some real estate which will not be taken over by Eurocash.

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

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2017)	Page 24
REPORT OF THE MANAGEMENT BOARD	

At the end of 2016 the Mila Supermarket chain consisted of 188 stores. Sales revenue reached PLN 1,49 bn, EBITDA reached PLN 4,8 m. The acquisition of the Mila chain is with accordance to Eurocash M&A policy. Similar to take over of EKO chain it will enable Eurocash Group to develop competences in retail sales and logistics capacities, following improvement of the competitiveness of Eurocash Group's clients and as a consequence the potential increase in revenues of Eurocash Group.

Signatures of Management Board Members:

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	10 th November 2017	
Member of the Management Board	Przemysław Ciaś	10 th November 2017	