



**EUROCASH
CONSOLIDATED QUARTERLY REPORT
1st QUARTER 2008**

**CONTENTS:
MANAGEMENT DISCUSSION OF THE FINANCIAL RESULTS FOR THE 1Q 2008
QUARTERLY ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 1Q 2008**

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.

EUROCASH S.A.	Strona 2 z 10
CONSOLIDATED QUARTELY REPORT (1Q 2008)	

Management discussion of the financial results for the 1Q 2008

1. Eurocash: Key financial and operational highlights in 1Q 2008

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

Eurocash Discount Cash&Carry stores:

- In 1Q 2008 sales of Eurocash Discount Cash&Carry stores amounted to PLN 531.02m and increased by 17.48% comparing with 1Q 2007.
- LFL sales growth (same number of stores) in Eurocash Discount Cash&Carry stores in 1Q 2008 amounted to 15.0%. LFL sales growth for 1Q in 2007, 2006, 2005 and 2004 amounted respectively 9.8%, 2.1%, 5.7% and 16.6%.
- Without categories of tobacco and phone cards, the LFL sales growth in Cash&Carry stores in 1Q 2008 amounted to 16.80%. The adjusted LFL sales growth for 1Q YTD 2007, 2006, 2005 and 2004 amounted respectively 10.70%, -0.7%, 5.1% and 16.9%.
- Number of Eurocash Discount Cash&Carry stores amounted to 104 at the end of 1Q 2008.
- Number of abc stores amounted to 2 468 at the end of 1Q 2008.
- In 1Q 2008 share of abc stores in total sales of Discount Cash & Carry stores amounted to 42.5%.
- Sales to abc shops in 1Q 2008 increased by 10.1% comparing with 1Q 2007.

Delikatesy Centrum Distribution Centers:

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers in 1Q 2008 of amounted to PLN 142.70m, what represents an YoY increase of 46.3%.
- LFL sales growth of the wholesale sales to "Delikatesy Centrum" franchise stores in 1Q 2008 amounted to 19.38% comparing with 18.06% in 1Q 2007.
- LFL growth of the retail sales of "Delikatesy Centrum" franchise stores in 1Q 2008 amounted to 25.75% comparing with 13.04% in 1Q 2007.
- Number of "Delikatesy Centrum" franchise stores at the end of 1Q 2008 amounted to 309.

KDWT - Active Distribution:

- In 1Q 2008 total sales of KDWT amounted to PLN 588.09m, comparing with PLN 492.96m in 1Q 2007 (growth by 19.3%).
- Growth of sales in food category in 1Q 2008 amounted to 88.9% comparing with the same period 2007.
- In terms of volume, sales of cigarettes in 1Q 2008, exceeded 1 980m pcs, which was 0.1% lower than in 1Q 2007.
- Number of KDWT branches as of the end of 1Q 2008 amounted to 81 plus 3 distribution centers

Eurocash Group

Profit & loss account

Table 1 Eurocash Group: Summary of consolidated financial results for 1Q 2008.

PLN million	1 Q 2008	1Q 2007	change 1Q 2008 / 1Q 2007
Sales revenues (traded goods, materials)	1 226,51	1 008,76	21,59%
<i>Sales in Discount Cash & Carry stores</i>	531,02	452,00	17,48%
<i>Sales of "Delikatesy Centrum" Distribution Centers</i>	142,70	97,54	46,30%
<i>Sales in KDWT</i>	588,09	492,96	19,30%
<i>Other</i>	9,07	6,67	36,06%
<i>Exclusions</i>	(44,38)	(40,40)	9,85%
Gross profit/(loss) on sales	102,88	82,80	24,25%
<i>Gross profitability on sales %</i>	8,39%	8,21%	0,18p.p.
EBITDA	22,66	16,50	37,30%
<i>(EBITDA margin %)</i>	1,85%	1,64%	0,21p.p.
EBIT	13,27	8,15	62,92%
<i>(EBIT margin%)</i>	1,08%	0,81%	0,27p.p.
Gross profit	12,11	5,92	104,54%
Net income	9,08	4,46	103,77%
<i>Net profitability %</i>	0,74%	0,44%	0,30p.p.

Consolidated sales of Eurocash Group in 1Q 2008 increased by 21.59% YoY. Such result was mainly attributable to strong organic growth posted in particular by Eurocash Discount Cash&Carry and "Delikatesy Centrum" Distribution Centers. In addition increase of tobacco prices driven by excise tax positively influenced the top line growth in KDWT S.A. However in terms of volume, sales of KDWT stabilized at the level posted in 1Q 2007.

Gross margin on sales improved by 0.18 pp to 8.39%. The EBITDA margin in 1Q 2008 amounted to 1.85%, which was 0.21 pp higher than in 1Q 2007. Together with strong growth in sales, improvement of EBITDA margin resulted in 37.3% increase of EBITDA level up to PLN 22.66m in 1Q 2008 and improvement of net profit by 103.77% YoY to PLN 9.08m.

Also in 2007 results have been significantly influenced by costs of the stock-option programs for Eurocash Group employees and programs related to acquisition of KDWT and Delikatesy Centrum. The total cost of the stock-option programs accounted in 1Q 2008 amounted to PLN 1,43 million comparing with PLN 0,97 million in 1Q 2007.

Cash flow

Table 2 Eurocash Group: Consolidated cash flow for 1Q 2008.

PLN million	1Q 2008	1Q 2007
Operating cash flow	28,44	18,63
<i>Gross profit (loss)</i>	12,11	5,92
<i>Depreciation</i>	9,38	8,35
<i>Change in working capital</i>	13,43	9,56
<i>Other</i>	(6,48)	(5,20)
Cash flow from investments	(12,46)	29,25
Cash flow from financing activities	(22,12)	(14,15)
Total cash flow	(6,14)	33,73

Cash flow from operating activities before working capital changes amounted to PLN 15,01m in 1Q 2008. Cash flow from working capital amounted to PLN 13.43m. Cash generated from operating activities (PLN 28.44m) was sufficient to finance investments (PLN 12.46m) and decrease level of the consolidated debt by PLN 22.12m. Total cash flow for 1Q 2008 amounted to PLN -6.14m.

Working capital

Table 3 Eurocash Group: Consolidated working capital ratios flow for 1Q 2008

Turnover in days	1Q 2008	1Q 2007	4Q 2007
1. Inventories turnover	17,9	18,4	17,6
2. Trade receivables turnover	14,5	13,6	15,5
3. Trade liabilities turnover	40,8	36,3	41,6
4. Operating cycle (1+2)	32,4	32,0	33,1
5. Cash conversion (4-3)	(8,5)	(4,3)	(8,4)

Eurocash Group managed to improve the cash conversion cycle in 1Q 2008 comparing with 1Q 2007 and also previous quarter (4Q 2007).

Balance sheet

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

Table 5 Eurocash Group: Selected consolidated balance sheet items

PLN million	31.03.2008		31.12.2007		31.03.2007	
Fixed assets	279,68	32,25%	278,28	32,00%	259,57	37,50%
Current assets	587,59	67,75%	591,45	68,00%	432,59	62,50%
Total assets	867,27	100,00%	869,73	100,00%	692,16	100,00%
Equity	247,68	28,56%	233,39	26,84%	204,46	29,54%
Liabilities and provisions	619,59	71,44%	636,33	73,16%	487,70	70,46%
Total liabilities and equity	867,27	100,00%	869,73	100,00%	692,16	100,00%

Eurocash S.A.

Profit & loss account

Table 6 Eurocash S.A.: Summary of financial results for 1Q 2008

PLN million	1Q 2008	1Q 2007	change 1Q 2008 / 1Q 2007
Sales revenues	673,72	549,54	22,60%
<i>Sales in Discount Cash & Carry stores</i>	531,02	452,00	17,48%
<i>Sales of "Delikatesy Centrum" Distribution Centers</i>	142,70	97,54	46,30%
Gross profit/(loss) on sales	79,39	62,19	27,66p.p.
<i>Gross profitability on sales %</i>	11,78%	11,32%	0,47p.p.
EBITDA	16,28	11,50	41,56%
<i>(EBITDA margin %)</i>	2,42%	2,09%	0,32p.p.
EBIT	8,85	4,15	113,19%
<i>(EBIT margin%)</i>	1,31%	0,76%	0,56p.p.
Gross profit	8,91	2,75	224,61p.p.
Net income	6,82	1,97	246,04%
<i>(Net profitability %)</i>	1,01%	0,36%	0,65%

In 1Q 2008 sales of Eurocash S.A. increased by 22.60% and amounted to PLN 673.72m. Such result was mainly attributable to strong organic growth posted by Eurocash Discount Cash&Carry and "Delikatesy Centrum" Distribution Centers. Gross margin on sales improved by 0.47 pp to 11.78%. It should be also noted, that part of supplementary gains related to the sales to the Delikatesy Centrum franchise chain is realized by the master franchisor of the chain - Eurocash Franszyza Sp. z o.o. and is presented under segment "Other" (please refer to Note 1 to the abbreviated consolidated financial statements for 1Q 2008).

Stand-alone EBITDA amounted in 1Q 2008 to PLN 16.28m and EBITDA margin improved by 0.32pp. Net income amounted to PLN 6.82m, comparing with 1.97m in 1Q 2007.

Table 8 Eurocash S.A.: Costs analysis for 1Q 2008

PLN million	1Q 2008	1Q 2007	change 1Q 2008 / 1Q 2007
Gross profit/(loss) on sales	79,39	62,19	27,66%
<i>(Gross profitability on sales %)</i>	11,78%	11,32%	0,47%
Costs of sales:	(47,76)	(39,30)	21,51%
<i>(as % of sales)</i>	7,09%	7,15%	-0,06%
General Management costs:	(20,91)	(18,90)	10,65%
<i>(as % of sales)</i>	3,10%	3,44%	-0,34%
Profit/loss on sales	10,72	3,99	168,79%
<i>(as % of sales)</i>	1,59%	0,73%	0,87%
Other operating income	2,80	2,32	20,69%
Other operating costs	(4,67)	(2,16)	116,39%
Operating profit – EBIT	8,85	4,15	113,19%
<i>(EBIT margin %)</i>	1,31%	0,76%	0,56%
<i>Depreciation</i>	7,43	7,35	1,09%
EBITDA	16,28	11,50	41,56%
<i>(EBITDA margin %)</i>	2,42%	2,09%	0,32%

Cash flow

Table 10 Eurocash S.A.: Cash flow for 1Q 2008

PLN million	1Q 2008	1Q 2007
Operating cash flow	14,38	6,32
<i>Gross profit (loss)</i>	8,91	2,75
<i>Depreciation</i>	7,43	7,35
<i>Change in working capital</i>	3,30	1,00
<i>Other</i>	(5,25)	(4,77)
Cash flow from investments	(11,77)	29,41
Cash flow from financing activities	(0,73)	(15,24)
Total cash flow	1,88	20,49

Cash flow from operating activities before working capital changes amounted to PLN 11.08m in 1Q 2008. Cash flow from working capital amounted to PLN 3.30m. Cash generated from operating activities (PLN 14,38m) was sufficient to finance investments (PLN 11.77m). Total cash flow of Eurocash S.A. in 1Q 2008 amounted to PLN 1.88 million.

Working capital

Table 13 Eurocash S.A.: Working capital ratios flow for 1Q 2008

Turnover in days	1Q 2008	1Q 2007	4Q 2007
1. Inventories turnover	23,6	24,8	23,0
2. Trade receivables turnover	13,5	13,9	15,0
3. Trade liabilities turnover	64,6	59,0	67,2
4. Operating cycle (1+2)	37,1	38,7	38,1
5. Cash conversion (4-3)	(27,4)	(20,3)	(29,2)

Eurocash S.A. managed to improve its operating cycle comparing with 1Q 2007 and also previous quarter (4Q 2007). Total cash conversion cycle amounted to negative 27.4 days.

Balance sheet

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

Table 14 Eurocash S.A.: Selected balance sheet items

PLN million	31.03.2008		31.12.2007		31.03.2007	
Fixed assets	289,74	41,60%	287,76	41,72%	277,59	49,02%
Current assets	406,80	58,40%	402,00	58,28%	288,67	50,98%
Total assets	696,54	100,00%	689,76	100,00%	566,26	100,00%
Equity	224,85	32,28%	212,82	30,85%	196,28	34,66%
Liabilities and provisions	471,69	67,72%	476,94	69,15%	369,98	65,34%
Total liabilities and equity	696,54	100,00%	689,76	100,00%	566,26	100,00%

Ratios definitions

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

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

Operating profit margin (EBIT) – ratio of operating profit to net sales revenue

Net profit margin on sales – ratio of net profit to net sales revenue.

Inventories turnover – the ratio of balance of stocks at the end of period to net sales for period, multiplied by the number of days in the period.

Trade receivables turnover – the ratio of balance of trade receivables at the end of period to net sales for period, multiplied by the number of days in the period.

Trade liabilities turnover – the ratio of balance of trade liabilities at end of period to costs of sold traded goods for period, multiplied by the number of days in the period

Operating cycle – the sum of stocks turnover and receivables turnover.

Cash conversion cycle – the difference between operating cycle and liabilities turnover.

EUROCASH S.A.	Strona 7 z 10
CONSOLIDATED QUARTELY REPORT (1Q 2008)	

2. Major events and factors that influenced consolidated income or loss.

On 4 March 2008 KDWT S.A. sold the ownership of terminals placed in the entity's retail outlets to PayUp Polska S.A., the rights stemmed from the agreement between KDWT S.A. and Alphyra Polska Sp. z o.o. and mobile phones operators regarding distribution of mobile electronic pre-payments for total net amount of 5,429,600 PLN. Additionally, KDWT S.A. pledged not to offer in their outlets any other services carried out through terminals.

3. Development perspectives

External Factors:

- Growth in the FMCG market and its structure. The Company 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.
- Fuel prices. As logistic expenses, closely connected with fuel prices, are a vital part of selling expenses, their substantial changes may influence the Company's profit and loss.
- Labour costs: Potential pressure on labour costs could in medium term negatively influence the Company's profit and loss. However, potential of growing wages and salaries impacts the whole Polish market. As the Company sales are realised only in Poland, its competitive situation should remain unchanged due to this factor.

Internal Factors:

- Integration of McLane Polska operations

The acquisition of McLane Polska will enable the Eurocash Group to accelerate growth in active product distribution to customers. McLane Polska is the market leader in supply of impulse products to gasoline stations and in Food Service, which are new market segments for Eurocash Group. The acquisition will also expand portfolio of the franchise chains operated by the Eurocash Group, with the chain of some 300 IGA supermarkets operated by McLane Polska across Poland. Due to necessity of integration of McLane Polska on the operational level, in the opinion of the Management Board of Eurocash achievement of the full synergy effects resulting from this transaction will be possible within 1-2 years.

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

4. Additional information

Explanations regarding seasonality

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

Issuance, redemption and repayment of debt and capital securities

In 1Q 2008 Eurocash S.A. issued 1 395 000 series B shares at the issue price of PLN 2.71 per share. This issue is related to the Motivation Scheme adopted by Resolution No. 3 of the Extraordinary General Meeting of 14 September 2004 on issue of bonds with the priority right, conditional share capital increase and exclusion of the pre-emption right to new shares of the current shareholders, as amended by Resolution No. 2 of 2 November 2004 and Resolution No. 1 of 25 November 2004, described in the issue prospectus of Eurocash from 2004.

In 1Q 2008 Eurocash S.A. did not issue, acquire or repay debt securities.

Changes in the basic management principles

In 1Q 2008 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 forecasts for 2008.

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

Shareholder	15.05.2008				29.02.2008			
	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)
1. Luis Amaral (directly and indirectly through Politra B.V.)	70 258 100	54,36%	70 258 100	54,36%	70 258 100	54,42%	70 258 100	54,42%
2. ING Nationale – Nederlanden Polska Otwarty Fundusz Emerytalny	6 843 714	5,29%	6 843 714	5,29%	6 843 714	5,30%	6 843 714	5,30%
3. Commercial Union – Powszechno Towarzystwo Emerytalne BPH CU WBK	6 586 001	5,10%	6 586 001	5,10%	6 586 001	5,10%	6 586 001	5,10%
4. Others	45 564 185	35,25%	45 564 185	35,25%	45 415 185	35,18%	45 415 185	35,18%
TOTAL	129 252 000	100,00%	129 252 000	100,00%	129 103 000	100,00%	129 103 000	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	
	15.05.2008	29.02.2008
<i>Management Board members</i>		
Luis Amaral (directly and indirectly)	70 258 100	70 258 100
Rui Amaral	698 575	698 575
Katarzyna Kopaczewska	401 000	401 000
Arnaldo Guerreiro	600 000	1 083 000
Pedro Martinho	637 000	637 000
Ryszard Majer	301 000	371 000
<i>Supervisory Board members</i>		
Eduardo Aguinaga de Mores	0	0
Joao Borges de Assuncao	0	0
Ryszard Wojnowski	0	0
Janusz Lisowski	0	0
Antonio Jose Santos Silva Casanova	0	0

Information on legal suits.

In the 1Q 2008 companies belonging to Eurocash group were not involved into any legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10 % of equity.

Information concerning granting by the issuer or a dependent unit credit or loan surety or a guarantee.

In the 1Q 2008 Eurocash granted the following sureties for liabilities of KDWT S.A. (100% subsidiary of Eurocash S.A.):

- In relation with agreement for guarantee line executed by KDWT S.A. with Bank Millennium Spółka Akcyjna w Warszawie („Millennium”) with total amount of up to PLN 36,000,000 Eurocash granted sureties for liabilities up to the amount of PLN 31,000,000 for undefined period of time. Remuneration for the granted surety amounts to 0.3% p.a. of the surety amount;
- In relation with agreement for credit facilities executed by KDWT S.A. with BRE Bank S.A. (“BRE’) with total amount of PLN 60,000,000, Eurocash granted sureties for liabilities up to the amount of PLN 20,000,000 valid till 30.09.2008. Remuneration for the granted surety amounts to 0.3% p.a. of the surety amount;
- In relation with agreement for guarantee executed by KDWT S.A. with BRE with total amount of PLN 20,000,000 Eurocash granted sureties for liabilities up to the amount of PLN 20,000,000 valid till 31.03.2009. Remuneration for the granted surety amounts to 0.3% p.a. of the surety amount;

In the 1Q 2008 Eurocash did not grant any other surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the issuer's equity.

EUROCASH S.A.	Strona 10 z 10
CONSOLIDATED QUARTELY REPORT (1Q 2008)	

Signatures of Management Board Members representing the Company:

Position	Name and surname	Date	Signature
Management Board Member Chief Executive Officer	Rui Amaral	15th May 2008	
Management Board Member Financial Executive Officer	Arnaldo Guerreiro	15th May 2008	

EUROCASH S.A.

**QUARTERLY ABBREVIATED
CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE PERIOD FROM 1ST JANUARY 2008 TO 31ST MARCH 2008

KOMORNIKI, 13th May 2008

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONTENTS

General information	3
1. Information of the Parent Company	3
2. Information of the Company's Subsidiaries.....	3
3. Authorities of the Company	4
Selected consolidated financial data	6
Abbreviated Consolidated Financial Statements.....	7
Selected separate financial data.....	12
Abbreviated Separate Financial Statements	13
Additional Information to the Abbreviated Consolidated Financial Statements for the period from 01.01.2008 to 31.03.2008	18
1. General information	18
2. Applied principles of accounting.....	25
Notes to Abbreviated Consolidated Financial Statements prepared for the period from 01.01.2008 to 31.03.2008	41

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

GENERAL INFORMATION

1. INFORMATION OF THE PARENT COMPANY

1.1. PARENT COMPANY NAME

EUROCASH Spółka Akcyjna

1.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

1.3. CORE BUSINESS

Other wholesale (PKD 5190 Z)

1.4. REGISTRY COURT

District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register,
Entry no KRS 00000213765

1.5. DURATION OF THE CAPITAL GROUP

Indefinite

1.6. PERIOD COVERED BY THE ABBREVIATED FINANCIAL STATEMENTS

The reporting period 1 January 2008 – 31 March 2008 and comparable periods: 1 January 2007 – 31 March 2007.

2. INFORMATION OF THE COMPANY'S SUBSIDIARIES

2.1. KDWT S.A.

1.2.1. COMPANY NAME

KDWT Spółka Akcyjna

1.2.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

1.2.3. CORE BUSINESS

Tobacco wholesale (PKD 5135Z)

1.2.4. SHARE CAPITAL

7.380.000,00 PLN

1.2.5. OWNERSHIP PERCENTAGE AS AT 31 MARCH 2008

100%

2.2. EUROCASH FRANSZYZA SP. Z O.O.

2.2.1. COMPANY NAME

EUROCASH FRANSZYZA Spółka z ograniczoną odpowiedzialnością

2.2.2. REGISTERED OFFICE

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ul. Wiśniowa 11, 62-052 Komorniki

2.2.3. CORE BUSINESS

Other commercial sale (PKD 7487Z)

2.2.4. SHARE CAPITAL

3.800.000,00 PLN

2.2.5. OWNERSHIP PERCENTAGE AS AT 31 MARCH 2008

100%

2.3. EUROCASH DETAL SP. Z O.O.

3.2.1. COMPANY NAME

EUROCASH DETAL Spółka z ograniczoną odpowiedzialnością

3.2.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

3.2.3. CORE BUSINESS

Properties self-lease (PKD 7020Z)

3.2.4. SHARE CAPITAL

8.600.000,00 PLN

3.2.5. OWNERSHIP PERCENTAGE AS AT 31 MARCH 2008

100%

3. AUTHORITIES OF THE COMPANY

3.1. MANAGEMENT BOARD OF DOMINANT UNIT

As at 31 March 2008 the Company's Management Board consisted of the following members:

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

3.2. MANAGEMENT BOARD OF SUBSIDIARIES

As at 31 March 2008 the Management Board of the Subsidiaries consisted of the following members:

KDWT S.A.:
Arnaldo Guerreiro – Management Board Member.

Eurocash Franszyza Sp. z o.o.:
Pedro Martinho – President of the Management Board,

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Katarzyna Kopaczewska – Management Board Member,
Michał Bartkowiak – Management Board Member.

Eurocash Detal Sp. z o.o.:
Pedro Martinho – President of the Management Board,
Katarzyna Kopaczewska – Management Board Member,
Michał Bartkowiak – Management Board Member.

3.3. SUPERVISORY BOARD

As at 31March 2008 the Company's Supervisory Board consisted of the following members:

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

3.4. SUPERVISORY BOARD OF SUBSIDIARIES

As at 31March 2008 the Supervisory Board of the Subsidiaries consisted of the following members:

KDWT S.A.:
Luis Manuel Conceicao Do Amaral – President of the Supervisory Board,
Rui Amaral – Supervisory Board Member,
Pedro Martinho – Supervisory Board Member.

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

Effective March 3, 2008 Roman Stefan Piątkiewicz resigned from the position of Member of the Company's Management Board.

Effective March 3, 2008 Roman Stefan Piątkiewicz resigned from the position of President of the Management Board of KDWT S.A.

Effective March 3, 2008 Mieczysław Kuśnierczak resigned from the position of Vice-president of the Management Board of KDWT S.A.

There were no changes in the membership of the Supervisory Board of the Subsidiaries in the reporting period.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SELECTED CONSOLIDATED FINANCIAL DATA

SELECTED CONSOLIDATED FIGURES AS AT 31 MARCH 2008

	for the period 01.01.2008 to 31.03.2008 PLN	for the period 01.01.2007 to 31.03.2007 PLN	for the period 01.01.2008 to 31.03.2008 EUR	for the period 01.01.2007 to 31.03.2007 EUR
Net sales	1 226 506 919	1 008 763 508	344 776 218	258 240 152
Operating profit (loss)	13 272 345	8 146 436	3 730 912	2 085 461
Profit (loss) before tax	12 105 346	5 918 451	3 402 863	1 515 104
Net Profit (loss) on continued operations	9 079 154	4 455 486	2 552 188	1 140 590
Net profit (loss)	9 079 154	4 455 486	2 552 188	1 140 590
Net operating cash flow	28 443 030	18 628 861	7 995 455	4 768 927
Net investment cash flow	(12 463 615)	29 250 456	(3 503 574)	7 488 021
Net financial cash flow	(22 121 304)	(14 148 050)	(6 218 391)	(3 621 854)
Net change in cash and cash equivalents	(6 141 889)	33 731 268	(1 726 511)	8 635 094
Weighted average number of shares	129 137 000	127 742 000	129 137 000	127 742 000
Weighted average diluted number of shares	136 314 810	137 093 511	136 314 810	137 093 511
EPS (in PLN / EUR)	0,07	0,03	0,02	0,01
Diluted EPS (in PLN / EUR)	0,07	0,03	0,02	0,01
Average PLN / EUR rate*			3,5574	3,9063
	as at 31.03.2008 PLN	as at 31.03.2007 PLN	as at 31.03.2008 EUR	as at 31.03.2007 EUR
Assets	867 268 037	692 159 585	245 977 661	178 875 716
Long-term liabilities	14 434 642	18 564 466	4 094 005	4 797 640
Short-term liabilities	605 151 355	469 136 352	171 635 191	121 239 528
Equity	247 682 040	204 458 767	70 248 465	52 838 549
Share capital	129 137 000	127 742 000	36 626 298	33 012 534
Number of shares	129 137 000	127 742 000	129 137 000	127 742 000
Diluted number of shares	136 314 810	137 093 511	136 314 810	137 093 511
Book value per share (in PLN / EUR)	1,92	1,60	0,54	0,41
Diluted book value per share (in PLN / EUR)	1,82	1,49	0,52	0,39
Declared or paid dividend (in PLN / EUR)	-	-	-	-
Declared or paid dividend per share (in PLN / EUR)	-	-	-	-
PLN / EUR rate at the end of the period**			3,5258	3,8695

* Profit and loss items have been converted as a matter of arithmetic computation using the official mid-rates announced by the National Bank of Poland prevailing on the last day of each month.

** 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.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2008

	1 Quarter for the period from 01.01.2008 to 31.03.2008	1 Quarter for the period from 01.01.2007 to 31.03.2007
<i>Continued operations</i>		
Net sales	1 226 506 919	1 008 763 508
Net sales of traded goods	1 202 344 068	994 049 511
Net sales of services	24 162 851	14 713 997
Net sales of materials	-	-
Prime costs of sales	(1 123 621 987)	(925 959 916)
Costs of sold traded goods	(1 123 621 987)	(925 959 916)
Costs of sold services	-	-
Costs of sold materials	-	-
Gross profit (loss) on sales	102 884 932	82 803 592
Costs of sales	(59 805 545)	(50 141 724)
Costs of general management	(27 898 976)	(24 661 686)
Profit (loss) on sales	15 180 411	8 000 181
Other operating revenues	3 524 702	2 498 118
Other operating costs	(5 432 768)	(2 351 862)
Share in profits of companies consolidated with the equity method	-	-
Costs of restructuring	-	-
Operating profit (loss)	13 272 345	8 146 436
Financial revenues	711 813	512 535
Financial costs	(1 878 813)	(2 740 520)
Other profit (loss) on investments	-	-
Profit (loss) before tax	12 105 346	5 918 451
Income tax	(3 026 192)	(1 462 965)
Net profit (loss) on continued operations	9 079 154	4 455 486
<i>Discontinued operations</i>		
Net loss on discontinued operations	-	-
Net profit (loss)	9 079 154	4 455 486

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss) on continued operations	9 079 154	4 455 486
Net profit (loss) on continued and discontinued operations	9 079 154	4 455 486
Weighted average number of shares	129 137 000	127 742 000
Weighted average diluted number of shares	136 314 810	137 093 511
from continued operations		
- basic	0,07	0,03
- diluted	0,07	0,03
from continued and discontinued operations		
- basic	0,07	0,03
- diluted	0,07	0,03

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	as at 31.03.2008	as at 31.12.2007	as at 31.03.2007	as at 31.12.2006
<i>Assets</i>				
Fixed assets (long-term)	279 676 473	278 277 414	259 566 409	262 001 298
Goodwill	33 823 699	33 823 699	33 823 699	33 823 699
Other intangible fixed assets	120 749 310	121 508 107	114 978 813	117 191 229
Tangible fixed assets	122 900 410	121 036 431	106 051 979	108 997 566
Investment real property	-	-	53 323	51 977
Investments in subsidiary companies	-	-	-	-
Long-term financial assets available for sale	-	-	-	-
Other long-term financial assets	-	-	-	-
Long-term receivables	2 164 529	1 872 272	1 758 794	1 588 307
Long-term prepayments	38 525	36 905	2 899 801	348 521
Deferred income tax assets	-	-	-	-
Other long-term prepayments	38 525	36 905	2 899 801	348 521
Current assets (short-term)	587 591 564	591 450 504	432 593 176	436 118 658
Inventories	240 764 517	224 861 218	206 084 771	209 544 886
Trade receivables	195 361 060	220 113 990	152 456 394	160 364 271
Current income tax receivables	9 896	9 896	-	-
Other short-term receivables	20 169 271	13 110 637	11 569 468	22 638 411
Short-term financial assets available for sale	-	-	-	-
Short-term financial assets held for trade	-	-	-	-
Other short-term financial assets	-	-	-	-
Cash and cash equivalents	125 319 304	131 461 193	58 823 511	41 246 629
Short-term prepayments	5 967 517	1 893 571	3 659 032	2 324 460
Fixed assets classified as held for sale	-	-	-	-
Total assets	867 268 037	869 727 918	692 159 585	698 119 956

Quarterly abbreviated consolidated financial statements of EUROCASH S.A.			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	as at 31.03.2008	as at 31.12.2007	as at 31.03.2007	as at 31.12.2006
<i>Liabilities</i>				
Equity	247 682 040	233 393 828	204 458 767	199 032 578
Share capital	129 137 000	127 742 000	127 742 000	127 742 000
Supplementary capital	50 925 071	47 111 013	30 029 906	29 059 203
Treasury shares/equities	-	-	-	-
Capital reserve	-	-	-	-
Hedge transactions valuation capital	-	-	-	-
Fixed assets held for sale recognised in equity	-	-	-	-
Retained earnings	67 619 969	58 540 815	46 686 861	42 231 375
Profit (loss) of prior years	58 540 815	(340 011)	42 231 375	658 983
Net profit (loss) of the current year	9 079 154	58 880 826	4 455 486	41 572 392
Liabilities	619 585 997	636 334 090	487 700 818	499 087 378
Long-term liabilities	14 434 642	16 892 355	18 564 466	19 055 355
Long-term loans and credits	-	-	-	-
Other long-term financial liabilities	10 726 867	11 222 655	12 440 088	12 734 894
Other long-term liabilities	-	-	2 499 999	2 499 999
Deferred income tax provision	3 412 991	5 374 916	3 122 620	3 492 169
Provision for employee benefits	294 784	294 784	501 759	328 293
Other long-term provisions	-	-	-	-
Short-term liabilities	605 151 355	619 441 735	469 136 352	480 032 023
Short-term loans and credits	51 761 906	73 148 384	60 241 252	73 502 624
Other short-term financial liabilities	2 418 414	2 520 587	2 498 713	2 535 759
Trade liabilities	503 971 101	505 350 072	373 634 861	371 191 217
Current income tax liabilities	2 808 635	3 134 237	4 151 027	3 537 007
Other short-term liabilities	13 908 409	15 974 076	16 512 206	18 622 973
Provision for employee benefits	15 495 845	11 246 255	-	5 242 133
Other short-term provisions	14 787 044	8 068 122	12 098 294	5 400 310
Total liabilities	867 268 037	869 727 918	692 159 585	698 119 956

BOOK VALUE PER SHARE AS AT 31 MARCH 2008

	1st Quarter as at 31.03.2008	4th Quarter as at 31.12.2007	1st Quarter as at 31.03.2007	4th Quarter as at 31.12.2006
Book value	247 682 040	233 393 828	204 458 767	199 032 578
Number of shares	129 137 000	127 742 000	127 742 000	127 742 000
Diluted number of shares	136 314 810	136 314 810	137 093 549	134 959 987
Book value per share	1,92	1,83	1,60	1,56
Diluted book value per share	1,82	1,71	1,49	1,47

OFF BALANCE SHEET ITEMS

Contingent Receivables	-	-	-	-
Related companies	-	-	-	-
Other companies	-	-	-	-
Contingent Liabilities	29 391 379	4 705 235	6 058 109	6 058 109
Related companies	-	-	-	-
Other companies	29 391 379	4 705 235	6 058 109	6 058 109
- guaranties and sureties granted	29 391 379	4 705 235	6 058 109	6 058 109
Other	-	-	-	-
Total	29 391 379	4 705 235	6 058 109	6 058 109

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2008

1 Quarter	1 Quarter
for the period	for the period
from 01.01.2008	from 01.01.2007
to 31.03.2008	to 31.03.2007

Operating cash flow

Net profit before tax	12 105 346	5 918 451
Adjustments:	10 313 655	10 635 740
Depreciation	9 383 363	8 354 979
(Profit) loss on sold tangible fixed assets	(524 929)	(66 158)
(Profit) loss on sold financial assets available for sale	-	-
Costs of interest	1 455 221	2 346 918
Interest received	-	-
Operating cash before changes in working capital	22 419 001	16 554 190
Changes in inventory	(15 980 132)	3 422 240
Changes in receivables	28 190 451	24 512 533
Changes in liabilities	(12 027 848)	(16 145 728)
Changes in provisions and accruals	8 042 713	(3 204 260)
Other adjustments	5 209 058	970 703
Operating cash	35 853 243	26 109 678
Interest paid	(2 391 446)	(2 448 821)
Income tax paid	(5 018 767)	(5 031 996)
Net operating cash	28 443 030	18 628 861
<i>Investment cash flow</i>		
Expenditures for purchased intangible fixed assets	(2 205 586)	(257 083)
Receipts from sold intangible fixed assets	-	-
Expenditures for purchased tangible fixed assets	(9 313 692)	(4 113 833)
Receipts from sold tangible fixed assets	1 555 662	1 515 435
Expenditures for purchased financial assets designed for sales	-	-
Receipts from sold financial assets designed for sales	-	-
Expenditures for purchased subsidiary companies (less for money taken)	(2 499 999)	32 105 938
Given Loans	-	-
Interest received	-	-
Net investment cash	(12 463 615)	29 250 456
<i>Financing cash flow</i>		
Receipts from issued shares	-	-
Receipts due to taking loans and credits	45	17 138 471
Repaid loans and credits	(21 386 524)	(30 399 843)
Repaid liabilities under financial lease	(594 215)	(645 359)
Interest	(140 610)	(241 319)
Dividends paid	-	-
Net financing cash	(22 121 304)	(14 148 050)
Net change in cash and cash equivalents	(6 141 889)	33 731 268
Cash and cash equivalents at the beginning of the period	131 461 193	25 092 243
Cash and cash equivalents at the end of the period	125 319 304	58 823 511

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 1 JANUARY TO 31 MARCH 2008

	Share capital	Supplementary capital	Retained earnings	Total
<i>Changes in equity in the period from 1 January to 31 March 2007</i>				
Balance as at 1 January 2007	127 742 000	29 059 203	42 583 191	199 384 394
Net profit presented directly in equity	-	-	-	-
Net profit for the period from 1 January to 31 March 2007	-	-	4 103 670	4 103 670
Total profit and loss recorded in the period from 1 January to 31 March 2007	-	-	4 103 670	4 103 670
Dividends paid	-	-	-	-
Transfer to supplementary capital	-	-	-	-
Valuation of motivational program for employees	-	970 703	-	970 703
Other corrections	-	-	-	-
Balance as at 31 March 2007	127 742 000	30 029 906	46 686 861	204 458 767
<i>Changes in equity in the period from 1 January to 31 March 2008</i>				
Balance as at 01 January 2008	127 742 000	47 111 013	58 540 815	233 393 828
Net profit presented directly in equity	-	-	-	-
Net profit for the period from 1 January to 31 March 2008	-	-	9 079 154	9 079 154
Total profit and loss recorded in the period from 1 January to 31 March 2008	-	-	9 079 154	9 079 154
Dividends paid	-	-	-	-
Transfer to supplementary capital	-	-	-	-
Valuation of motivational program for employees	-	1 428 608	-	1 428 608
Share issue - motivational program	1 395 000	2 385 450	-	3 780 450
Balance as at 31 March 2008	129 137 000	50 925 071	67 619 969	247 682 040

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SELECTED SEPARATE FINANCIAL DATA

SELECTED SEPARATE FIGURES AS AT 31 MARCH 2008

	for the period 01.01.2008 to 31.03.2008 PLN	for the period 01.01.2007 to 31.03.2007 PLN	for the period 01.01.2008 to 31.03.2008 EUR	for the period 01.01.2007 to 31.03.2007 EUR
Net sales	673 721 457	549 538 746	189 385 916	140 680 118
Operating profit (loss)	8 851 982	4 152 164	2 488 329	1 062 940
Profit (loss) before tax	8 912 079	2 745 508	2 505 222	702 841
Net Profit (loss) on continued operations	6 821 773	1 971 371	1 917 629	504 665
Net profit (loss)	6 821 773	1 971 371	1 917 629	504 665
Net operating cash flow	14 382 586	6 321 008	4 043 005	1 618 157
Net investment cash flow	(11 772 085)	29 407 108	(3 309 182)	7 528 123
Net financial cash flow	(734 780)	(15 242 459)	(206 550)	(3 902 020)
Net change in cash and cash equivalents	1 875 721	20 485 657	527 273	5 244 261
Weighted average number of shares	129 137 000	127 742 000	129 137 000	127 742 000
Weighted average diluted number of shares	136 314 810	137 093 549	136 314 810	137 093 549
EPS (in PLN / EUR)	0,05	0,02	0,01	0,00
Diluted EPS (in PLN / EUR)	0,05	0,01	0,01	0,00
Average PLN / EUR rate*			3,5574	3,9063
	as at 31.03.2008 PLN	as at 31.03.2007 PLN	as at 31.03.2008 EUR	as at 31.03.2007 EUR
Assets	696 543 961	566 263 724	197 556 288	146 340 283
Long-term liabilities	11 574 637	15 641 108	3 282 840	4 042 152
Short-term liabilities	460 119 524	354 341 122	130 500 744	91 572 845
Equity	224 849 800	196 281 493	63 772 704	50 725 286
Share capital	129 137 000	127 742 000	36 626 298	33 012 534
Number of shares	129 137 000	127 742 000	129 137 000	127 742 000
Diluted number of shares	136 314 810	137 093 549	136 314 810	137 093 549
Book value per share (in PLN / EUR)	1,74	1,54	0,49	0,40
Diluted book value per share (in PLN / EUR)	1,65	1,43	0,47	0,37
Declared or paid dividend (in PLN / EUR)			-	-
Declared or paid dividend per share (in PLN / EUR)	-	-	-	-
PLN / EUR rate at the end of the period**			3,5258	3,8695

* Profit and loss items have been converted as a matter of arithmetic computation using the official mid-rates announced by the National Bank of Poland prevailing on the last day of each month.

** 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.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE FINANCIAL STATEMENTS

SEPARATE PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2008

	1st Quarter for the period from 01.01.2008 to 31.03.2008	1st Quarter for the period from 01.01.2007 to 31.03.2007
<i>Continued operations</i>		
Net sales	673 721 457	549 538 746
Net sales of traded goods	660 765 431	540 645 697
Net sales of services	12 956 026	8 893 049
Net sales of materials	-	-
Prime costs of sales	(594 327 702)	(487 345 015)
Costs of sold traded goods	(594 327 702)	(487 345 015)
Costs of sold services	-	-
Costs of sold materials	-	-
Gross profit (loss) on sales	79 393 755	62 193 731
Costs of sales	(47 756 354)	(39 303 049)
Costs of general management	(20 914 879)	(18 901 523)
Profit (loss) on sales	10 722 522	3 989 159
Other operating revenues	2 803 922	2 323 240
Other operating costs	(4 674 462)	(2 160 235)
Share in profits of companies consolidated with the equity method	-	-
Costs of restructuring	-	-
Operating profit (loss)	8 851 982	4 152 164
Financial revenues	711 659	433 799
Financial costs	(651 563)	(1 840 455)
Other profit (loss) on investments	-	-
Profit (loss) before tax	8 912 079	2 745 508
Income tax	(2 090 306)	(774 137)
Net profit (loss) on continued operations	6 821 773	1 971 371
<i>Discontinued operations</i>		
Net loss on discontinued operations	-	-
Net profit (loss)	6 821 773	1 971 371
NET EARNINGS PER SHARE		
Net profit (loss) on continued operations	6 821 773	1 971 371
Net profit (loss) on continued and discontinued operations	6 821 773	1 971 371
Weighted average number of shares	129 137 000	127 742 000
Weighted average diluted number of shares	136 314 810	137 093 549
from continued operations		
- basic	0,05	0,02
- diluted	0,05	0,01
from continued and discontinued operations		
- basic	0,05	0,02
- diluted	0,05	0,01

Quarterly abbreviated consolidated financial statements of EUROCASH S.A.			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SEPARATE BALANCE SHEET AS AT 31 MARCH 2008

	1st Quarter as at 31.03.2008	4th Quarter as at 31.12.2007	1st Quarter as at 31.03.2007	4th Quarter as at 31.12.2006
<i>Assets</i>				
Fixed assets (long-term)	289 739 850	287 757 458	277 591 593	281 940 597
Goodwill	9 975 600	9 975 600	9 975 600	9 975 600
Other intangible fixed assets	93 237 883	94 852 227	100 869 669	103 052 844
Tangible fixed assets	111 069 235	107 607 441	91 221 540	93 562 313
Investment real property	-	-	-	-
Investments in subsidiary companies	73 413 012	73 413 012	73 413 012	73 413 012
Long-term financial assets available for sale	-	-	-	-
Other long-term financial assets	-	-	-	-
Long-term receivables	2 005 595	1 872 272	1 758 794	1 588 307
Long-term prepayments	38 525	36 905	352 977	348 521
Deferred income tax assets	-	-	-	-
Other long-term prepayments	38 525	36 905	352 977	348 521
Current assets (short-term)	406 804 111	401 999 333	288 672 131	306 698 312
Inventories	175 058 808	155 654 646	151 607 992	156 954 611
Trade receivables	99 807 613	119 047 164	84 633 390	92 539 162
Current income tax receivables	-	-	-	-
Other short-term receivables	6 601 274	6 505 417	4 640 817	13 979 260
Short-term financial assets available for sale	-	-	-	-
Short-term financial assets held for trade	-	-	-	-
Other short-term financial assets	-	-	-	15 950 000
Cash and cash equivalents	121 032 612	119 156 892	45 576 371	25 090 714
Short-term prepayments	4 303 804	1 635 214	2 213 561	2 184 565
Fixed assets classified as held for sale	-	-	-	-
Total assets	696 543 961	689 756 790	566 263 724	588 638 910

Quarterly abbreviated consolidated financial statements of EUROCASH S.A.			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SEPARATE BALANCE SHEET AS AT 31 MARCH 2008

	1st Quarter as at 31.03.2008	4th Quarter as at 31.12.2007	1st Quarter as at 31.03.2007	4th Quarter as at 31.12.2006
<i>Liabilities</i>				
Equity	224 849 800	212 818 969	196 281 493	193 339 419
Share capital	129 137 000	127 742 000	127 742 000	127 742 000
Supplementary capital	44 885 767	41 071 709	30 029 906	29 059 203
Treasury shares/equities	-	-	-	-
Capital reserve	-	-	-	-
Hedge transactions valuation capital	-	-	-	-
Fixed assets held for sale recognised in equity	-	-	-	-
Retained earnings	50 827 033	44 005 260	38 509 588	36 538 216
Profit (loss) of prior years	44 005 260	-	36 538 217	658 983
Net profit (loss) of the current year	6 821 773	44 005 260	1 971 371	35 879 233
Liabilities	471 694 161	476 937 821	369 982 231	395 299 491
Long-term liabilities	11 574 637	13 116 239	15 641 108	16 673 059
Long-term loans and credits	-	-	-	-
Other long-term financial liabilities	10 612 123	11 103 404	12 343 062	12 734 894
Other long-term liabilities	-	-	2 499 999	2 499 999
Deferred income tax provision	749 203	1 799 523	480 461	1 120 579
Provision for employee benefits	213 311	213 311	317 587	317 587
Other long-term provisions	-	-	-	-
Short-term liabilities	460 119 524	463 821 582	354 341 122	378 626 432
Short-term loans and credits	147	102	-	14 355 781
Other short-term financial liabilities	2 401 853	2 504 787	2 481 850	2 535 759
Trade liabilities	421 672 531	424 852 416	319 474 948	329 365 403
Current income tax liabilities	1 657 560	2 864 922	3 460 780	3 537 007
Other short-term liabilities	12 122 237	17 104 690	16 777 480	18 661 622
Provision for employee benefits	13 439 127	9 265 273	5 821 378	4 926 702
Other short-term provisions	8 826 069	7 229 393	6 324 686	5 244 157
Total liabilities	696 543 961	689 756 790	566 263 724	588 638 910

BOOK VALUE PER SHARE AS AT 31 MARCH 2008

	1st Quarter as at 31.03.2008	4th Quarter as at 31.12.2007	1st Quarter as at 31.03.2007	4th Quarter as at 31.12.2006
Book value	224 849 800	212 818 969	196 281 493	193 339 419
Number of shares	129 137 000	127 742 000	127 742 000	127 742 000
Diluted number of shares	136 314 810	136 314 810	137 093 549	134 959 987
Book value per share	1,74	1,67	1,54	1,51
Diluted book value per share	1,65	1,56	1,43	1,43

OFF BALANCE SHEET ITEMS

Contingent Receivables	-	-	-	-
Related companies	-	-	-	-
Other companies	-	-	-	-
Contingent Liabilities	52 391 379	42 705 235	7 604 205	21 058 109
Related companies	48 000 000	38 000 000	-	15 000 000
Other companies	4 391 379	4 705 235	7 604 205	6 058 109
- guaranties and sureties granted	4 391 379	4 705 235	7 604 205	6 058 109
Other	-	-	-	-
Total	52 391 379	42 705 235	7 604 205	21 058 109

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SEPARATE CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2008

	1st Quarter for the period from 01.01.2008 to 31.03.2008	1st Quarter for the period from 01.01.2007 to 31.03.2007
<i>Operating cash flow</i>		
Net profit before tax	8 912 079	2 745 508
Adjustments:	7 876 170	9 010 008
Depreciation	7 428 264	7 348 303
(Profit) loss on sold tangible fixed assets	(3 627)	(53 228)
(Profit) loss on sold financial assets available for sale	-	-
Costs of interest	451 533	1 714 933
Interest received	-	-
Operating cash before changes in working capital	16 788 248	11 755 516
Changes in inventory	(19 404 162)	5 346 619
Changes in receivables	19 010 371	17 073 728
Changes in liabilities	(5 768 925)	(22 501 532)
Changes in provisions and accruals	4 250 087	106 548
Other adjustments	5 209 058	970 703
Operating cash	20 084 678	12 751 581
Interest paid	(1 392 112)	(1 816 836)
Income tax paid	(4 309 980)	(4 613 737)
Net operating cash	14 382 586	6 321 008
<i>Investment cash flow</i>		
Expenditures for purchased intangible fixed assets	(696 939)	(209 306)
Receipts from sold intangible fixed assets	-	-
Expenditures for purchased tangible fixed assets	(8 601 147)	(3 784 170)
Receipts from sold tangible fixed assets	26 000	1 499 033
Expenditures for purchased financial assets designed for sales	-	-
Receipts from sold financial assets designed for sales	-	-
Expenditures for purchased subsidiary companies (less for money taken)	(2 499 999)	15 951 551
Given Loans	-	15 950 000
Repayment received of given loans	-	-
Interest received	-	-
Net investment cash	(11 772 085)	29 407 108
<i>Financing cash flow</i>		
Receipts due to taking loans and credits	45	-
Repaid loans and credits	-	(14 355 781)
Repaid liabilities under financial lease	(594 215)	(645 359)
Interest	(140 610)	(241 319)
Dividends paid	-	-
Net financing cash	(734 780)	(15 242 459)
Net change in cash and cash equivalents	1 875 721	20 485 657
Cash and cash equivalents at the beginning of the period	119 156 892	25 090 714
Cash and cash equivalents at the end of the period	121 032 612	45 576 371

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SAPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 1 JANUARY TO 31 MARCH 2008

	Share capital	Supplementary capital	Retained earnings	Total
<i>Changes in equity in the period from 1 January to 31 March 2007</i>				
Balance as at 1 January 2007	127 742 000	29 059 203	36 538 217	193 339 419
Net profit presented directly in equity	-	-	-	-
Net profit for the period from 1 January to 31 March 2007	-	-	1 971 371	1 971 371
Total profit and loss recorded in the period from 1 January to 31 March 2007	-	-	1 971 371	1 971 371
Dividends paid	-	-	-	-
Transfer to supplementary capital	-	-	-	-
Valuation of motivational program for employees	-	970 703	-	970 703
Other corrections	-	-	-	-
Balance as at 31 March 2007	127 742 000	30 029 906	38 509 588	196 281 493
<i>Changes in equity in the period from 1 January to 31 March 2008</i>				
Balance as at 01 January 2008	127 742 000	41 071 709	44 005 260	212 818 969
Net profit presented directly in equity	-	-	-	-
Net profit for the period from 1 January to 31 March 2008	-	-	6 821 773	6 821 773
Total profit and loss recorded in the period from 1 January to 31 March 2008	-	-	6 821 773	6 821 773
Dividends paid	-	-	-	-
Transfer to supplementary capital	-	-	-	-
Valuation of motivational program for employees	-	1 428 608	-	1 428 608
Share issue - motivational program	1 395 000	2 385 450	-	3 780 450
Balance as at 31 March 2008	129 137 000	44 885 767	50 827 033	224 849 800

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

ADDITIONAL INFORMATION TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01.01.2008 TO 31.03.2008

1. GENERAL INFORMATION

1.1. FINANCIAL STATEMENTS PUBLICATION

In accordance with the report no 3/2008 of the Polish Securities and Exchange Commission, the consolidated financial statements of Eurocash S.A. will be published on 15 May 2008. Eurocash S.A. is a joint-stock company whose shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union later referred to as "IFRS EU".

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.3. THE IMPACT OF NEW STANDARDS AND INTERPRETATIONS ON THE COMPANY'S FINANCIAL STATEMENTS

Standards and Interpretations approved by the EU

Standards and Interpretations approved by the EU	Type of expected change in the accounting principles	Possible impact on financial statements	Effective date for periods commencing on the day or after
IFRIC 11 Group and treasury share transactions	<p>The interpretation requires that share-based payment arrangements in which an entity receives goods or services as consideration for its own equity instruments are to be accounted for as equity-settled. This applies regardless of whether the entity can choose or is required to buy those equity instruments in order to settle the share-based payment obligation.</p> <p>In addition, the interpretation provides guidance on whether share-based payment arrangements in which suppliers of goods or services of an entity are provided with equity instruments of the entity's parent, should be accounted for as cash-settled or equity-settled in the entity's financial statements.</p>	The Company is currently assessing the impact of the interpretation on the operations.	1 March 2007
IFRS 8 Operating segments	<p>This standard sets out the requirements for disclosure about the entity's operating segments on the basis of the components that are regularly reviewed by the chief operating decision makers.</p> <p>Operating segments are the entity's components for which separate information is available and that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.</p>	The Company is currently assessing the impact of IFRS 8 on the operations.	1 January 2009

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

Standards and Interpretations not yet endorsed by the EU

Standards and Interpretations not yet endorsed by the EU	Type of expected change in the accounting principles	Possible impact on financial statements	Effective date for periods commencing on the day or after
Revised IAS 23 <i>Borrowing Costs</i>	The revised IAS 23 requires the capitalisation of borrowing costs relating to assets that take a substantial period of time to get ready for use or sale.	The Company is currently assessing the impact of the revised standard on the operations.	1 January 2009
Revised IAS 1 <i>Presentation of Financial Statements</i>	The revised IAS 1 requires information in the financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. All items of income and expense as well as the components of comprehensive income may be presented either in a single statement of comprehensive income or in two statements (a separate income statement and statement of comprehensive income).	The Company is currently assessing whether to present a single statement of comprehensive income or two separate statements.	1 January 2009
IFRIC 12 <i>Service Concession Arrangements</i>	The interpretation provides guidance on the accounting (in terms of recognition and valuation) by operators in public-to-private service concessions arrangements.	The Company is currently assessing the impact of the interpretation on the operations.	1 January 2008
IFRIC 13 <i>Customer Loyalty Programmes</i>	The interpretation addresses accounting by entities that grant loyalty award credits to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services to customers who redeem award credits. Such entities shall allocate some of the proceeds of the initial sale to the award credits as a liability. In effect, this part of sale is recognised only when the entities fulfill their obligations.	The Company does not expect the interpretation to have any impact on the financial statements.	1 July 2008

Quarterly abbreviated consolidated financial statements of EUROCASH S.A.

Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Standards and Interpretations not yet endorsed by the EU	Type of expected change in the accounting principles	Possible impact on financial statements	Effective date for periods commencing on the day or after
IFRIC 14 <i>IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	The interpretation provides general guidance on: 1) when refunds or reductions in future contributions should be regarded as ‘available’ in accordance with paragraph 58 of IAS 19; 2) how a minimum funding requirement (“MFR”) might affect the availability of reductions in future contributions; and 3) when a MFR might give rise to a liability. No additional liability need be recognized by the employer under IFRIC 14 unless the contributions that are payable under the minimum funding requirement cannot be returned to the company.	The Company is not active in countries that have a minimum funding requirements and where there are restrictions on a company’s ability to get refunds or reduce contributions.	1 January 2008
Revised IFRS 3 <i>Business Combinations</i>	The scope of the IFRS 3 has been extended to cover business combinations that were out of scope of the before revision. The definition of a business has been amended slightly. The revised standard narrows down a range of contingent liabilities that the cost of a business combination can be allocated to. The acquisition-related costs are no longer a part of the costs of a business combination. The standard changes reporting rules of any corrections to a business combination costs that depends on future events. IFRS 3 also allows a choice to measure non-controlling interests at fair value.	The Company is currently assessing the impact of the revised standard on the Company’s operations.	1 July 2009
Revised IAS 27 <i>Consolidated and Separate Financial Statements</i>	In relation to the above, the revised IAS 27 focuses mainly on: - a change of non-controlling interests definition; - regulation of the accounting treatment of transactions with non-controlling interests (minority interests); - changes in accounting for loss of control of a subsidiary; - new disclosure requirements.	The Company is currently assessing the impact of the revised standard on the Company’s operations.	1 July 2009

Quarterly abbreviated consolidated financial statements of EUROCASH S.A.			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Standards and Interpretations not yet endorsed by the EU	Type of expected change in the accounting principles	Possible impact on financial statements	Effective date for periods commencing on the day or after
Revised IFRS 2 <i>Share-based Payments</i>	The revised standard clarifies the definition of vesting conditions and the accounting treatment of cancellations by the counterparty to a share-based arrangement.	The Company is currently assessing the impact of the revised standard on the operations.	1 January 2009
Revised IAS 32 <i>Financial Instruments - Presentation</i> and IAS 1 <i>Presentation of Financial Statements</i>	Under the the revised IAS 32, the criteria for classification of puttable financial instruments have been amended to allow them to be presented as equity. As a result of the amendments, some financial instruments that currently meet the definition of a financial liability will be classified as equity because they represent the residual interest in the net assets of the entity. In addition, the amendments have detailed criteria for identifying such instruments with respect to the capital structure of the holder.	The amendments to both IAS 32 and IAS 1 are not applicable to the operations as the Company has not issued any puttable financial instruments.	1 January 2009

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union later referred to as "IFRS EU".

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

The accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements.

1.6. INFORMATION ABOUT THE PARENT ENTITY AND THE CAPITAL GROUP

The Eurocash capital group consists of Eurocash S.A. and its subsidiary companies: KDWT S.A., Eurocash Franszyza Sp. z o.o. and Eurocash Detal Sp. z o.o.

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

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

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

The subsidiary entities are:

- KDWT Spółka Akcyjna, registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000040385, located in Komorniki, Wiśniowa 11,
- Eurocash Franszyza Sp. z o.o., registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000259846, located in Komorniki, Wiśniowa 11,
- Eurocash Detal Sp. z o.o., registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000259826, located in Komorniki, Wiśniowa 11.

The data presented in these consolidated financial statements embraces the results of the entities listed above.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Entities comprising the Eurocash capital group covered by the consolidated financial statements as of 31.03.2008

name of entity	Eurocash S.A.	KDWT S.A.	Eurocash Detal sp. z o.o.	Eurocash Franszyza sp. z o.o.
seat	Wiśniowa 11, 62-052 Komorniki	Wiśniowa 11, 62-052 Komorniki	Wiśniowa 11, 62-052 Komorniki	Wiśniowa 11, 62-052 Komorniki
core business	PKD 5190Z	PKD 5135Z		
registry 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 0000040385	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259826	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846
entity status	Parent entity	Subsidiary entity	Subsidiary entity	Subsidiary entity
applied consolidation method	Full	Full	Full	Full
date of taking over control	n/a	31.03.2006	10 July 2006	10 July 2006
Share in share capital (%)	n/a	100%	100%	100%
Share in total number of votes (%)	n/a	100%	100%	100%

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.7. GOING CONCERN BASIS

The financial statements have been prepared on a going concern. There are no circumstances indicating any threat to the going concern of the Company.

2. APPLIED PRINCIPLES OF ACCOUNTING

2.1. PRINCIPLES OF ACCOUNTING

The financial statements are prepared under the historic cost convention, except for the revaluation of financial assets (measured at fair value through profit and loss) and available-for-sale financial instruments.

The key principles of accounting applied by the Company are presented under items 2.2 – 2.27.

2.2. FINANCIAL YEAR AND REPORTING PERIOD

The financial year of the Group is a calendar year.

The reporting period is a month.

2.3. MAINTAINANCE OF ACCOUNTING BOOKS

The accounting books are maintained in the Polish language and Polish currency.

The accounting books are kept at the Company's office located at Wiśniowa 11 in Komorniki, near Poznań.

2.4. FORMAT AND CONTENT OF THE FINANCIAL STATEMENTS

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

The consolidated financial statements comprise in particular:

- General information
- Abbreviated consolidated profit and loss account
- Abbreviated consolidated balance sheet
- Abbreviated consolidated cash flow statement
- Abbreviated consolidated statement on changes in equity
- Additional information
- Notes

2.5. INTANGIBLE FIXED ASSETS

Definition

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

Intangible fixed assets of the Group comprise:

- Goodwill,
- Licences for computer software,
- Copyrights,
- Rights to trade marks, utility and ornamental designs,
- Know-how,
- Other intangible fixed assets.

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Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Initial value of intangible fixed assets

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

Amortisation

Most intangible assets other than goodwill are amortised. Time during which intangible fixed assets will generate measurable economic benefits is taken into account while determining the useful life. If it is difficult to define an economically justified useful life or when there is no certainty as to expected measurable benefits, an intangible fixed assets are charged directly to costs.

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

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

Since the useful life of the “Eurocash”, “ABC” and “KDWT” trade marks is difficult to define / undefined, they are not amortised. The “Eurocash”, “ABC” and “KDWT” trade marks are subject to an annual impairment test.

Verification of amortisation rates, impairment loss

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

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

According to IAS 36 regarding intangible assets that have an indefinite useful life are subject to annual test for impairment by comparing its carrying amount with its recoverable amount no matter if there are any indicators that an impairment loss occurred.

Valuation of intangible fixed assets as at the balance sheet day

As at the balance sheet day intangible fixed assets should be valued at an acquisition price less amortisation charges and impairment losses.

2.6. TANGIBLE FIXED ASSETS

Definition

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

Tangible fixed assets of the Group comprise:

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

Initial value of tangible fixed assets

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

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

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

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

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

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

Depreciation

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

- | | |
|---|-------------|
| ▪ buildings and structures | 2,5% - 4,5% |
| ▪ investments in third party fixed assets | 10% |
| ▪ technical machinery and equipment | 10% - 30% |
| ▪ means of transport | 14% - 20% |
| ▪ other fixed assets | 20% |

If reasonable (when the benefits generated by the assets are not distributed evenly in time), another applicable depreciation method is applied (for instance declining method or any other – in each case justified by the distribution of usefulness of an asset). Currently, the Company applies exclusively the straight-line method to amortise tangible fixed assets.

Fixed assets are depreciated using the straight-line method, from a month following their acceptance for use. The depreciation is accrued monthly.

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Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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

Verification of depreciation rates, impairment loss

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

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

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

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

When the reason of the revaluation write-offs terminates, including permanent impairment of value, the equivalent of the entire or a relevant part of the revaluation write-off previously made increases the value of the given asset and is included in either other operating or financial income.

Valuation of fixed assets as at the balance sheet day

Tangible assets are reported at acquisition or manufacturing cost less accumulated depreciation based on the estimated useful life of the asset and any impairment losses.

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

Stocktaking of fixed assets

Stocktaking of fixed assets is conducted every four years.

2.7. COSTS OF EXTERNAL FINANCING

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

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

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

2.8. LEASE

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

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

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

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

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

2.9. INVESTMENT REAL PROPERTY

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

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

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

2.10. LONG-TERM RECEIVABLES

Definition

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

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

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

Valuation of long-term receivables

As at the balance sheet day long-term receivables are valued at amount adjusted purchase price estimated according to efficiency interest rate less possible allowance for bad debts.

2.11. LONG-TERM PREPAYMENTS

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

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

The analysis mentioned above is performed by the Group with respect to the objective premises and general knowledge about particular prepayments.

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

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

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

Such situation occurs if the following conditions are fulfilled:

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

2.13. INVENTORIES

Definition

Inventories of the Group include:

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

Principles of establishing acquisition price

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

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

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

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

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Valuation of inventories as at the balance sheet day

At the balance sheet day elements of inventories are valued according to purchase price or production costs and not higher than net value possible to gain. A purchase price or a cost of manufacture of other inventories is settled according to method First In - First Out (FIFO). Net value possible to gain is a difference between an estimated sale price in ordinary economic activity and an estimated finishing costs and necessary to complete a sale.

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

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

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

Revaluation write-offs on inventories reduce other operating costs.

2.14. FINANCIAL INSTRUMENTS

Initially, the Company recognises financial instruments at fair value. In case of financial instruments not classified as the financial assets valued at fair value by financial outcome (d), the costs of transaction possible to be directly assigned are included in the initial value.

Due to the rights as well as financial risk involved expiration (or its transfer to the third party) the Company is allowed to eliminate the financial instruments from balance sheet.

The fair value of financial assets classified as trading assets is calculated on the basis of the published price quotations in the active market from the day before the balance sheet day. If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. Valuation techniques embrace a reference to the current fair value of another instrument that is quoted in an active market and substantially the same, discounted cash flow analysis or option pricing models applicable to any entity's specific circumstances.

Conceptually at each balance sheet date, the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired and if so it should determine the amount of impairment loss and provide for the same.

The Company classifies financial instruments in the following categories:

- (a) held-to-maturity investments,
- (b) loans and receivables,
- (c) available-for-sale financial assets,
- (d) financial assets held for trading, valued at fair value through profit and loss.

Subsequent measurement of financial assets depends upon their classification at initial recognition into any of the above categories that is mainly based on the purpose of purchase.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

(a) Held-to-maturity investments

This category is for fixed maturity financial assets which are not derivative instruments, with payments that are defined or possible to define and with specified maturity, in relation to which the Company has strong intention and is able to maintain the ownership until their maturity, excluding the financial assets classified as financial assets held for trading, available-for-sale financial assets and loans and receivables.

Financial assets to be sold off in the 12 month period of the balance sheet date are recognized as current assets.

Held-to-maturity investments are measured at amortized cost using the effective interest method.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or possible to define payments that are not quoted in an active market. They arise when the Company provides money directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Trade receivables and other receivables are measured at amortized cost using the effective interest method, less allowance for bad debts. Valuation of the mentioned assets components takes under consideration time as well as payment probability.

(c) Available-for-sale financial assets

This category includes financial assets that are not derivative instruments, which were classified as available for sale or which are not (a) loans and receivables, (b) held-to-maturity investments or (d) financial assets valued at fair value through profit and loss.

Assets in this category are classified as current if they are intended to be disposed within 12 months of the balance sheet date

Available-for-sale assets are measured at fair value excluding the investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

Gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If the fair value of available-for-sale financial assets increased due to subsequent events in a few periods after the impairment loss had been recognised, the cumulative impairment loss is reversed i.e. removed from equity and recognised in the income statement.

(d) Financial assets valued at fair value through profit and loss (held for trading)

This category has two subcategories: financial assets held for trading and those designated at fair value through profit or loss at inception.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

Initially, financial liabilities are recognised at amortised cost using the effective interest rate, excluding:

- (a) financial liabilities valued at fair value through profit and loss,
- (b) financial liabilities brought down (a result of the financial assets transfer) not qualified as to be excluded from balance sheet,
- (c) financial guarantee agreements,
- (d) liabilities to grant a loan at under market rate.

2.15. TRADE RECEIVABLES AND OTHER SHORT-TERM RECEIVABLES

Trade receivables

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

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

Other short-term receivables

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

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

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

Trade receivables are recognised initially at amount payable and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

The interest due for delays in payments by the Group's clients is disclosed at the moment of receipt of money by the Group.

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

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

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

Allowance for bad debts

Allowance for bad debts are created for:

- receivables from debtors announced bankrupt or being liquidated – up to the value of receivables not covered by a guarantee or other security,
- receivables from debtors in the case of rejecting a petition for bankruptcy, when assets of the debtor are not sufficient to cover costs of bankruptcy proceedings – up to the full value,
- receivables questioned by debtors – up to the value not covered by a security,

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

- overdue receivables or not yet overdue but highly probable to become overdue – at the amount fairly estimated by the Company (based on prior experiences, fair analyses, projections etc.),
- receivables submitted to court – 100% of the account receivable value,
- receivables overdue for more than 180 days – 100% of the account receivable value.

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

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

2.16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in the Company's safe, bank deposits on demand and cash at bank with a limited control.

Cash and cash equivalents balance shown in cash flow consists of the above elements.

2.17. SHORT-TERM PREPAYMENTS

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

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

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

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

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

2.18. LONG-TERM LIABILITIES

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

Long-term liabilities cover mainly:

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

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

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2008	Reporting currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

At the balance sheet day long-term liabilities are valued at amortised acquisition cost using the effective interest rate.

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

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

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

2.19. SHORT-TERM LIABILITIES

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

Short-term liabilities cover in particular:

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

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

At the balance sheet day short-term liabilities are valued at amortised acquisition cost using the effective interest rate.

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

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

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

2.20. BANK LOANS

Interest-bearing bank loans are recorded at acquisition prices corresponding to fair value of acquiring funds, less direct costs of loan acquisition.

In next periods loans are valued at amortised acquisition price, accounting for an effective interest rate.

2.21. PROVISIONS

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

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

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

2.22. NET SALES

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Net sales are recorded at fair value of payments received or due and represent receivables for goods and services delivered under an ordinary course of business, reduced by rebates, VAT and other taxes relating to sales (excise tax).

Sales of goods

Net sales are recorded when the following conditions are fulfilled:

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

Delivery of services

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

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

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

Interest revenues

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

Dividend revenues

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

2.23. EMPLOYEE BENEFITS

In accordance with the provisions of the International Accounting Standards, the Group should account in its financial statements for costs due to pension benefits and other employee benefits upon termination of their employment, by creating a provision for pension benefits.

According to IAS 19 "Employee benefits" the provision for retirement severance payments was calculated by an independent actuary using the projected unit credit method. It represents the present value of the future obligation of the Company to make severance payments on its employees retirement with respect to the employee movements and other demographic indicators.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

2.24. SHARE-BASED COMPENSATION

The Company uses a Black-Scholes model to determine the fair value of option grants. Key assumptions used in this valuation method are: share price on the date of calculation, closing stock price, the volatility of the Company's stock price (based on the weighted-average of the historical volatility in the Company's stock price adapted to the expected changes due to public available information), the expected life of our share-based instruments (based on the historical data and common behaviour of the option owners), the expected dividend yield and the risk free interest rates (bonds). The transaction conditions applying to provisions and performance results not related to market are not considered in the valuation.

2.25. TAXES

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

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

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

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

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

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

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

2.26. BUSINESS COMBINATIONS AND CONSOLIDATION PRINCIPLES

Subsidiaries

Entities in relation to which the Group has the ability to manage their financial and operating policy in order to gain profits from their operations are recognized as subsidiaries in the consolidated financial statements. It is directly related to an ownership of a majority of the total number of votes in the governing bodies of such entities. The existence and the impact of potential voting rights which may be executed or exchanged in a particular moment must

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

be taken into account while conducting evaluation whether the Group is in control over a particular entity.

Accounting method

Pursuant to IFRS 3, the Group applies the purchase method as the accounting method for the business combinations.

Costs of business combination

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

The date of an acquisition

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

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

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

Selected consolidation procedures

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

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

Allocation of the business combination costs

The acquirer recognises, at the acquisition date, the costs of the business combination, including identifiable assets, liabilities and contingent liabilities of the acquiree, which meet the criteria specified in paragraph 37 of the IFRS 3, at their fair value as at this day, with the exception of fixed assets (or the group of assets intended for sale) classified as "Intended for sale" in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" which are presented at their fair value less the costs of sale.

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

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

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

- in the case of an intangible asset or a contingent liability, its fair value can be reliably measured.

Goodwill

As at the acquisition date, the acquirer:

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

and

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

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

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

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

and

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

2.27. SEGMENT REPORTING

Under IAS 14 "Segment reporting", the Group is obligated to present results of its operations by operations segments.

According to the original assumptions of the standard, such a presentation is to help the user of financial statements to:

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

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

IAS 14 presents the following definitions:

Business segment

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

Geographical segment

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

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

According to IAS 34, the Company is obligated to present its proceeds and results by business or geographical segments in the mid-year abbreviated financial statements, depending on the reporting manner accepted by the Company.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

NOTES TO ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2008 TO 31.03.2008

NOTE 1

SEGMENT REPORTING

Eurocash Group runs the business exclusively within the territory of Poland that may be considered as homogenous in terms of economic conditions and risk related to the operations. All that determines the business sector selection as the basic reporting scheme and the geographical segment as the supplementary one.

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

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

The Group does not distinguish any other areas than Poland in terms of geographical segments.

The information presented below showing sale figures and results of the particular segment apply to the analysed reporting period.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

INCOME AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2008 TO 31 MARCH 2008

	Traditional wholesale	Active distribution	Other	Exclusions	Total
Sales	673 721 457	588 093 923	9 074 960	(44 383 422)	1 226 506 919
External sales	652 989 685	567 183 134	6 334 100	-	1 226 506 919
Inter-segmental sales	20 731 772	20 910 789	2 740 860	(44 383 422)	-
Operating profit	8 851 982	2 328 998	2 455 427	(364 062)	13 272 345
Finance income	711 659	153	2	-	711 813
Finance costs	(651 563)	(1 133 073)	(94 178)	-	(1 878 813)
Profit before income tax	8 912 079	1 196 078	2 361 251	(364 062)	12 105 346
Income tax	(2 090 306)	(364 411)	(588 710)	17 235	(3 026 192)
Net profit	6 821 773	831 667	1 772 541	(346 827)	9 079 154
Total assets	696 543 961	190 654 240	32 655 510	(52 585 675)	867 268 037
Trade liabilities	421 672 531	84 107 678	5 294 397	(7 103 505)	503 971 101
Investment expenditures	11 798 085	734 602	1 486 590	-	14 019 277
Depreciation and amortisation	7 428 264	774 901	786 724	393 474	9 383 363

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

NOTE 2

RELATED PARTY TRANSACTIONS

No significant transactions with related undertakings were concluded in the first quarter of 2008, apart from the transactions based on the Company's ordinary operations and market conditions.

NOTE 3

IMPORTANT EVENTS BEFORE THE BALANCE-SHEET DATE

On 4 March 2008 KDWT S.A. sold the ownership of terminals placed in the entity's retail outlets to PayUp Polska S.A., the rights stemmed from the agreement between KDWT S.A. and Alphyra Polska Sp. z o.o. and mobile phones operators regarding EJD distribution for total net amount of 5.429.600 PLN. Additionally, KDWT S.A. pledged not to offer in their outlets any other services carried out through terminals.

NOTE 4

POST-BALANCE SHEET DATE EVENTS

On 10 April 2008 the President of the Office of Competition and Consumer Protection agreed for an acquisition of shares of McLane Polska Sp. z o.o. based in Błonie. Further to that and according to the established development strategy, the suitable acquisition agreement was signed on 17 April 2008.

On May 13, 2008 the Company purchased from a Dutch company PayUp Holding B.V. 686.000 registered shares in PayUp Polska S.A. („PayUp Polska”), that constitute 49% of the share capital of PayUp Polska. The remaining 51% of shares is owned by PayUp Holdings BV.

On May 14, 2008 the Company bought from 12 individuals 50,46% shares in Sieć Delikatesów „Nasze Sklepy” sp. z o.o. („Nasze Sklepy”). Simultaneously, on the same day, the Company entered with the same individuals into a preliminary agreement providing for an obligation to enter by May 14, 2010 into a share sale agreement pertaining to an acquisition by the Company of next 90 shares in Nasze Sklepy. Ultimately, as a result of both agreements, the Company shall hold in aggregate 97,07 % shares in Nasze Sklepy.

<i>Quarterly abbreviated consolidated financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2008</i>	Reporting currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Management Board Member Chief Executive Officer	Rui Amaral	15 th May 2008	
Management Board Member Chief Financial Officer	Arnaldo Guerreiro	15 th May 2008	