EUROCASH

CONSOLIDATED QUARTERLY REPORT

1st QUARTER 2009

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MANAGEMENT DISCUSSION OF THE FINANCIAL RESULTS FOR THE 1Q 2009
QUARTERLY ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 1Q 2009

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.

Management discussion of the financial results for the 1Q 2009

1. Eurocash: Key financial and operational highlights in 1Q 2009

Below we present the key financial and operational highlights fro the Eurocash Group separately for Eurocash Cash&Carry, Delikatesy Centrum, KDWT and McLane Polska.

Eurocas Cash&Carry:

- In 1Q 2009 sales of Eurocash Cash&Carry amounted to PLN 663.09m and increased by 24.87% comparing with 1Q 2008.
- External sales in Eurocash Cash&Carry stores amounted to PLN 556.22m and increased by 9.00% yoy.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 1Q 2009 amounted to 3.88% comparing with 14.97% in 1Q 2008.
- Without categories of tobacco and phone cards, the LFL sales growth in Eurocash Cash&Carry stores in 1Q 2009 amounted to 4.73%, comparing with 16.79% in 1Q 2008.
- Number of Eurocash Cash&Carry stores amounted to 111 at the end of 1Q 2009.
- Number of abc stores amounted to 3 010 at the end of 1Q 2009.
- In 1Q 2009 share of abc stores in total sales of Eurocash Cash&Carry stores amounted to 45.57%.
- Sales to abc shops in 1Q 2009 increased by 15.42% comparing with 1Q 2008.

Delikatesy Centrum:

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers in 1Q 2009 of amounted to PLN 186.45m, and increased by 30.66% comparing with 1Q 2008.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores in 1Q 2009 amounted to 4.39% comparing to 17.12% in 1Q 2008.
- LFL growth of the retail sales of "Delikatesy Centrum" franchise stores in 1Q 2009 amounted to 6.54% comparing with 22.78% in 1Q 2008.
- Number of “Delikatesy Centrum” franchise stores at the end of 1Q 2009 amounted to 398.

KDWT:

- In 1Q 2009 sales of KDWT amounted to PLN 552.32m, comparing with PLN 588.09m in 1Q 2008, what means decrease by 6.08%.
- Growth of sales in food category in 1Q 2009 amounted to 31.04% comparing with the same period 2008.
- In terms of volume, sales of cigarettes in 1Q 2009 amounted to 1.196m pcs, 21.33% lower than in 1Q 2008.
- Number of KDWT branches as of the end of 1Q 2009 amounted to 79 plus 2 distribution Centers

McLane Polska:

- McLane Polska added PLN 249.94m in 1Q 2009 Eurocash Group results.

Eurocash Group

Profit & loss account

Table 1 Eurocash Group: Summary of consolidated financial results for 1Q 2009

mln zł	1Q 2009	1Q 2008	Change 1Q 2009/ 1Q 2008
Sales revenues (traded goods, materials)	1 486,61	1 225,59	21,30%
Sales in Discount Cash & Carry stores	663,09	531,02	24,87%
Sales of "Delikatesy Centrum" Distribution Centers	186,45	142,70	30,66%
Sales in KDWT	552,32	588,09	-6,08%
*Sales in McLane Polska**	249,94	0,00	-
Other	11,13	8,15	36,49%
Exclusions and consolidation adjustments	-176,33	-44,38	297,29%
Gross profit/(loss) on sales	126,97	96,96	30,94%
Gross profitability on sales %)	8,54%	7,91%	0,63%
EBITDA	27,73	22,62	22,59%
(EBITDA margin %)	1,87%	1,85%	0,02p.p.
EBIT	15,91	13,24	20,17%
(EBIT margin%)	1,07%	1,08%	-0,01p.p.
Gross profit	13,46	12,07	11,47%
Net income	10,50	9,05	16,00%
Net profitability %	0,71%	0,74%	-0,03p.p.

**Sales of McLane Polska consolidated by Eurocash from 30.04.2008*

Consolidated sales of Eurocash Group in 1Q 2009 increased by 21.30% YoY. Such result was mainly attributable to acquisition of McLane Polska. Strong organic growth was noted in Eurocash Cash&Carry and Delikatesy Centrum. In 1Q 2009 sales realized to external clients by Eurocash Cash&Carry increased by 9% and wholesale sales of Delikatesy Centrum increased by 30.66% YoY.

Consolidated gross margin on sales increased by 0,63 bps to 8.54%. In 1Q 2009 EBITDA increased by 21.70% to PLN 27.53m. The consolidated EBITDA margin in 1Q 2009 was in line with 1Q 2008 and amounted to 1.87%. Net profit amounted to PLN 10.50m, 16.00% higher than in 1Q 2008.

The Eurocash Group results have been significantly influenced by costs of the stock-option programs for Eurocash Group employees and stock option programs related to acquisition of KDWT and Delikatesy Centrum. The total cost of the stock-option programs accounted in 1Q 2009 amounted to PLN 1.81m comparing with PLN 1.43m in 1Q 2008.

Cash flow

Table 2 Eurocash Group: Consolidated cash flow for 1Q 2009

PLN million	1Q 2009	1Q 2008
Operating cash flow	(36,25)	24,66
Gross profit (loss)	*13,46*	*12,11*
Depreciation	*11,82*	*9,38*
Change in working capital	*(54,19)*	*5,13*
Other	*(7,34)*	*(1,96)*
Cash flow from investments	(16,73)	(12,46)
Cash flow from financing activities	(21,92)	(18,34)
Total cash flow	(74,89)	(6,14)

Cash flow from operating activities in 1Q 2009 amounted to PLN -36,25m and was influenced mainly by changes in working capital. Due to changes in seasonality pattern (Eastern in beginning of 2Q) cash-flow form working capital amounted to negative PLN 54.19m.

Working capital

Table 3 Eurocash Group: Consolidated working capital ratios flow for 1Q 2009

Turnover in days	**1Q 2009**	**1Q 2008**
1. Inventories turnover	17,20	17,88
2. Trade receivables turnover	18,44	14,51
3. Trade liabilities turnover	41,77	40,82
4. Operating cycle (1+2)	35,64	32,38
5. Cash conversion (4-3)	(6,13)	(8,43)

Working capital cycle was generally in line with 1Q 2008, with one significant change in trade receivables turnover, caused mainly by effect of consolidation of McLane Polska and realisation of sales before Eastern.

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 4 Eurocash Group: Selected consolidated balance sheet items

PLN million	31.03.2009		31.12.2008		31.03.2008	
Fixed assets	414,15	37,83%	408,48	33,37%	279,68	32,25%
Current assets	680,71	62,17%	815,77	66,63%	587,59	67,75%
Total assets	1 094,86	100,00%	1 224,25	100,00%	867,27	100,00%
Equity	302,61	27,64%	283,45	23,15%	247,68	28,56%
Liabilities and provisions	792,25	72,36%	940,80	76,85%	619,59	71,44%
Total liabilities and equity	1 094,86	100,00%	1 224,25	100,00%	867,27	100,00%

Eurocash S.A.

Profit & loss account

Table 5 Eurocash S.A.: Summary of financial results for 1Q 2009

PLN million	**1Q 2009**	**1Q 2008**	**change 1Q 2009 / 1Q 2008**
Sales revenues	849,55	673,72	26,10%
Sales in Discount Cash & Carry stores	663,09	531,02	24,87%
Sales of "Delikatesy Centrum" Distribution Centers	186,45	142,70	30,66%
Gross profit/(loss) on sales	85,37	79,39	7,53%
Gross profitability on sales %)	10,05%	11,78%	-1,74p.p.
EBITDA *(EBITDA margin %)*	18,90 2,23%	16,28 2,42%	16,11% -0,19p.p.
EBIT *(EBIT margin%)*	10,09 1,19%	8,85 1,31%	13,93% -0,13p.p.
Gross profit	10,35	8,91	16,10%
Net income *(Net profitability %*	8,14 0,96%	6,82 1,01%	19,27% -0,05p.p.

In 1Q 2009 sales of Eurocash S.A. increased by 26.10% and amounted to PLN 849.55m. Such result was mainly attributable to very strong organic growth posted by Eurocash Cash & Carry and Delikatesy Centrum and to intra-group sales realized by Eurocash Cash & Carry.

Gross margin on sales was 1.74 bps lower than in 1Q 2008. 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”.

EBITDA amounted in 1Q 2009 to PLN 18.70m. Net income amounted to PLN 7.94m, comparing with 6.82m in 1Q 2008.

The Eurocash results have been significantly influenced by costs of the stock-option programs for Eurocash Group employees and stock option programs related to acquisition of KDWT and Delikatesy Centrum. The total cost of the stock-option programs accounted in 1Q 2009 amounted to PLN 1.81m comparing with PLN 1.43m in 1Q 2008.

Table 6 Eurocash S.A.: Costs analysis for 1Q 2009

PLN million	**1Q 2009**	**1Q 2008**	**change 1Q 2009 / 1Q 2008**
Gross profit/(loss) on sales *(Gross profitability on sales %)*	85,37 10,05%	79,39 11,78%	7,53% -1,74%
Costs of sales: *(as % of sales)*	(53,15) 6,26%	(47,76) 7,09%	11,28% -0,83%
General Management costs:	(20,86)	(20,91)	-0,26%
(as % of sales)	2,46%	3,10%	-0,65%
Profit/loss on sales	11,37	10,72	6,01%
(as % of sales)	1,34%	1,59%	-0,25%
Other operating income	2,65	2,80	-5,54%
Other operating costs	(3,93)	(4,67)	-15,93%
Operating profit – EBIT	10,09	8,85	13,93%
(EBIT margin %)	1,19%	1,31%	-0,13%
Depreciation	8,82	7,43	18,70%
EBITDA	18,90	16,28	16,11%
(EBITDA margin %)	2,23%	2,42%	-0,19%

Cash flow

Table 7 Eurocash S.A.: Cash flow for 1Q 2009

PLN million	1Q 2009	1Q 2008
Operating cash flow	(47,88)	10,60
Gross profit (loss)	*10,35*	*8,91*
Depreciation	*8,00*	*7,43*
Change in working capital	*(59,57)*	*(1,91)*
Other	*(9,29)*	*(5,25)*
Cash flow from investments	(13,88)	(11,77)
Cash flow from financing activities	5,99	3,05
Total cash flow	(55,76)	1,88

Total cash flow of Eurocash S.A. in 1Q 2009 amounted to PLN -55.76 million, mainly due to negative cash-flow from working capital, due to change in seasonal pattern.

Working capital

Table 8 Eurocash S.A.: Working capital ratios for 1Q 2009

Turnover in days	**1Q 2009**	**1Q 2008**
1. Inventories turnover	17,57	23,65
2. Trade receivables turnover	20,66	13,48
3. Trade liabilities turnover	59,91	64,56
4. Operating cycle (1+2)	38,23	37,13
5. Cash conversion (4-3)	(21,69)	(27,44)

Change in Eurocash S.A. cash conversion cycle was caused mainly by increase in trade receivables cycle, which was attributable to increased level of intra-group receivables (mainly to McLane Polska) by PLN 57.52m and to Delikatesy Centrum franchise stores by PLN 17.47m. Increased level of receivables to Delikatesy Centrum at the end of 1Q 2009 is due to network expansion and change of seasonality pattern – increased wholesale sales to franchise stores before Eastern.

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 9 Eurocash S.A.: Selected balance sheet items

PLN million	31.12.2008		30.09.2008		31.12.2007	
Fixed assets	415,95	49,54%	409,62	43,60%	289,74	41,60%
Current assets	423,75	50,46%	529,80	56,40%	406,80	58,40%
Total assets	839,71	100,00%	939,42	100,00%	696,54	100,00%
Equity	259,25	30,87%	242,65	25,83%	224,85	32,28%
Liabilities and provisions	580,25	69,10%	696,77	74,17%	471,69	67,72%
Total liabilities and equity	839,51	99,98%	939,42	100,00%	696,54	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 be 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.

2. Major events and factors that influenced consolidated income or loss in 1Q 2009.

- There have been no major events that influenced Eurocash Group income or loss in 1Q 2009.

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. 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

Information regarding dividends

According to information presented in current reports No 18/2009 and 21/2009, The Management Board of Eurocash proposed to the Annual General Meeting the following distribution of net profits in 2008 amounting to PLN 59,570,056 (Fifty Nine Million Five Hundred Seventy Thousand Fifty Six zlotys):

1) the shareholders of record on June 15th, 2009 shall be eligible to receive the dividend in amount PLN 30 groszes per one Company share; the total dividend shall not exceed PLN 40,112,730.00 (Forty Million One Hundred Twelve Thousand Seven Hundred Thirty) and shall be payable by June 26th 2009;
2) the balance shall be transferred to Company's reserve capital.

The foregoing proposal was positively opined in the Resolution No 1 of the Supervisory Board dated April 23, 2009.

Explanations regarding seasonality

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

Issuance, redemption and repayment of debt and capital securities

In 1Q 2009 Eurocash S.A. issued 1 590 550 series C shares at the issue price of PLN 4.32 per share. This issue is related to the Second 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 2009 Eurocash S.A. did not issue, acquire or repay debt securities.

Changes in the basic management principles

In 1Q 2009 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 2009.

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

	15.05.2009				27.02.2009			
Shareholder	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 (%)
Luis Amaral (directly and indirectly through Politra B.V.)	70 258 100	52,90%	70 258 100	52,90%	70 258 100	53,13%	70 258 100	53,13%
Commercial Union – Powszechne Towarzystwo Emerytalne BPH CU WBK	7 739 424	5,83%	7 739 424	5,83%	7 000 000	5,29%	7 000 000	5,29%
ING Nationale – Nederlanden Polska Otwarty Fundusz Emerytalny	6 843 714	5,15%	6 843 714	5,15%	6 843 714	5,17%	6 843 714	5,17%
BZ WBK AIB Asset Management S.A.*	6 624 215*	4,99%*	6 624 215*	4,99%*	6 624 215	5,01%	6 624 215	5,01%
Others	41 354 821	31,14%	41 354 821	31,14%	41 521 071	31,40%	41 521 071	31,40%
Total	**132 820 274**	**100,00%**	**132 820 274**	100,00%	**132 247 100**	**100,00%**	**132 247 100**	100,00%

** Due to capital increase resulting from the incentive schemes, according to information of Eurocash, share of BZ WBK AIB Asset Management S.A. as of 15.05.2009 decreased below 5%, however as BZ WBK AIB Asset Management S.A. did not provide information on decreasing its stake below 5%, the actual number of shares held by this entity can be higher and BZ WBK AIB Asset Management S.A. holds a total stake above 5% of Eurocash share capital.*

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	
	15.05.2009	27.02.2009
Management Board members		
Luis Amaral (directly and indirectly)	70 258 100	70 258 100
Rui Amaral	440 575	750 575
Katarzyna Kopaczewska	252 000	252 000
Arnaldo Guerreiro	411 000	651 000
Pedro Martinho	664 750	664 750
Ryszard Majer	206 914	206 914
Jacek Owczarek	0	0
Supervisory Board members		
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 2009 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 2009 companies belonging to Eurocash Group did not grant any surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

Signatures of Management Board Members representing the Company:

Position	Name and surname	Date	Signature
Management Board Member Chief Executive Officer	Rui Amaral	15 May 2009	
Management Board Member Financial Executive Officer	Jacek Owczarek	15 May 2009	

EUROCASH S.A.

QUARTERLY ABBREVIATED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2009 TO 31 MARCH 2009

TRANSLATORS' EXPLANATORY NOTE
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KOMORNIKI, 15th May 2009

CONTENTS

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 4690Z)

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 FINANCIAL STATEMENTS

The reporting period 1st January 2009 – 31st March 2009 and comparable periods: 1st January 2008 – 31st March 2008.

2. INFORMATION OF THE COMPANY'S SUBSIDIARIES AND ASSOCIATES

2.1. KDWT S.A.

2.1.1. COMPANY NAME

KDWT Spółka Akcyjna

2.1.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

2.1.3. CORE BUSINESS

Tobacco wholesale (PKD 4635Z)

2.1.4. SHARE CAPITAL

7.380.000,00 PLN

2.1.5. OWNERSHIP PERCENTAGE AS AT 31ST MARCH 2009

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

ul. Wiśniowa 11, 62-052 Komorniki

2.2.3. CORE BUSINESS

Other commercial sale (PKD 8299Z))

2.2.4. SHARE CAPITAL

3.800.000,00 PLN

2.2.5. OWNERSHIP PERCENTAGE AS AT 31ST MARCH 2009

100%

2.3. MCLANE POLSKA SP. Z O.O.

2.3.1. COMPANY NAME

MCLANE POLSKA" Spółka z ograniczoną odpowiedzialnością

2.3.2. REGISTERED OFFICE

ul. Pass 20C, 05-870 Błonie

2.3.3. CORE BUSINESS

Other wholesale (PKD 4690Z)

2.3.4. SHARE CAPITAL

150.158.950 PLN

2.3.5. OWNERSHIP PERCENTAGE AS AT 31ST MARCH 2009

100%

2.4. PAYUP POLSKA S.A

2.4.1. COMPANY NAME

PayUp Polska S.A.

2.4.2. REGISTERED OFFICE

Al. Solidarności 46, 61-696 Poznań

2.4.3. CORE BUSINESS

Wireless telecommunication (PKD 6120Z)

2.4.4. SHARE CAPITAL

7.000.000 PLN

2.4.5. OWNERSHIP PERCENTAGE AS AT 31ST MARCH 2009

49%

2.5. NASZE SKLEPY SP. Z O.O.

2.5.1. COMPANY NAME

Nasze Sklepy Spółka z ograniczoną odpowiedzialnością

2.5.2. REGISTERED OFFICE

ul. Kąpielowa 18, 21-500 Biała Podlaska

2.5.3. CORE BUSINESS

Retail sales food, drinks and tobacco (PKD 4711Z)

2.5.4. SHARE CAPITAL

127.000 PLN

2.5.5. OWNERSHIP PERCENTAGE AS AT 31ST MARCH 2009

53,39%

3. AUTHORITIES OF THE COMPANY'S

3.1. MANAGEMENT BOARD OF DOMINANT UNIT

As at 31st March 2009 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.
Jacek Owczarek – Management Board Member.

3.2. MANAGEMENT BOARD OF SUBSIDIARIES AND ASSOCIATES

As at 31st March 2009 the Management Board of the Subsidiaries and Associates 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,
Katarzyna Kopaczewska – Management Board Member,

Spółka McLane Polska sp. z o. o.:
Arnaldo Guerreiro – President of the Management Board,
Geoffrey Crossley – Management Board Member,
Johny Baird – Management Board Member.
Katarzyna Kopaczewska – Management Board Member.
Jacek Owczarek – Management Board Member.

Spółka PayUp Polska S.A.
Luis Janeiro – President of the Management Board,
Zbigniew Furmańczak – Management Board Member,
Geoffrey Crossley – Management Board Member,
Cristina Ascencao– Management Board Member,

Spółka Nasze Sklepy sp. z o. o.:
Ireneusz Ługowski – President of the Management Board,
Pedro Martinho – Management Board Member,

3.3. SUPERVISORY BOARD

As at 31st March 2009 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 AND ASSOCIATES

As at 31st March 2009 the Supervisory Board of the Subsidiaries and Associates 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.

Spółka McLane Polska Sp. z o. o.
Luis Manuel Conceicao Do Amaral – President of the Supervisory Board,,
Robert Dayton McLane – Supervisory Board Member,
Ben Hansen – Supervisory Board Member.

Spółka PayUp Polska S.A.
Luis Manuel Amaral – President of the Supervisory Board,
Artur Lebiedziński - Supervisory Board Member,
Mahomed Iqbal - Supervisory Board Member.

Spółka Nasze Sklepy sp. z o.o.
Adam Krzysztof Abramowicz – Supervisory Board Member,
Rui Amaral – Supervisory Board Member,
Katarzyna Kopaczewska – Supervisory Board Member.

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

Effective March 31th , 2009 Miłosz Awedyk resigned from the position of Member of the Management Board of PayUp S.A.
Effective March 31st , 2009 Michał Bartkowiak resigned from the position of Member of the Management Board of Nasze Sklepy Sp. z o.o.
Effective March 31st , 2009 Michał Bartkowiak resigned from the position of Member of the Management Board of Eurocash Franszyza Sp. z o.o.

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

All amounts are expressed in Polish zloty (unless indicated otherwise)

EUROCASH GROUP - SELECTED CONSOLIDATED FINANCIAL DATA

SELECTED CONSOLIDATED FIGURES AS AT 31 MARCH 2009

	for the period 01.01.2009 to 31.03.2009 PLN	for the period 01.01.2008 to 31.03.2008 PLN	for the period 01.01.2009 to 31.03.2009 EUR	for the period 01.01.2008 to 31.03.2008 EUR
Net sales	1 486 606 345	1 225 585 497	331 070 607	344 517 203
Operating profit (loss)	15 908 972	13 239 194	3 542 964	3 721 593
Profit (loss) before tax	13 457 195	12 072 596	2 996 948	3 393 657
Net Profit (loss) on continued operations	10 496 253	9 048 743	2 337 539	2 543 639
Net profit (loss)	10 496 253	9 079 154	2 337 539	2 552 188
Net operating cash flow	(36 248 626)	24 662 580	(8 072 651)	6 932 754
Net investment cash flow	(16 729 830)	(12 463 615)	(3 725 771)	(3 503 574)
Net financial cash flow	(21 915 239)	(18 340 854)	(4 880 573)	(5 155 691)
Net change in cash and cash equivalents	(74 893 695)	(6 141 889)	(16 678 996)	(1 726 511)
Weighted average number of shares	130 969 660	129 137 000	130 969 660	129 137 000
Weighted average diluted number of shares	134 301 128	136 314 810	134 301 128	136 314 810
EPS (in PLN / EUR)	0,08	0,07	0,02	0,02
Diluted EPS (in PLN / EUR)	0,08	0,07	0,02	0,02
Average PLN / EUR rate*			4,4903	3,5574

	as at 31.03.2009 PLN	as at 31.12.2008 PLN	as at 31.03.2009 EUR	as at 31.12.2008 EUR
Assets	1 094 860 719	1 224 250 415	232 884 674	293 416 359
Long-term liabilities	57 829 623	53 754 345	12 300 773	12 883 315
Short-term liabilities	734 418 050	887 045 189	156 215 951	212 598 310
Equity	302 613 046	283 450 881	64 367 950	67 934 733
Share capital	132 364 600	130 777 550	28 154 893	31 343 483
Number of shares	132 364 600	130 777 550	132 364 600	130 777 550
Diluted number of shares	137 955 511	137 955 511	137 955 511	137 955 511
Book value per share (in PLN / EUR)	2,29	2,17	0,49	0,52
Diluted book value per share (in PLN / EUR)	2,19	2,05	0,47	0,49
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**			4,7013	4,1724

* 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.

All amounts are expressed in Polish zloty (unless indicated otherwise)

EUROCASH GROUP - ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	1 Quarter for the period from 01.01.2009 to 31.03.2009	1 Quarter for the period from 01.01.2008 to 31.03.2008
Continued operations		
Net sales	**1 486 606 345**	**1 225 585 497**
Net sales of traded goods	1 452 702 727	1 202 344 068
Net sales of services	33 903 617	23 241 429
Prime costs of sales	**(1 359 639 339)**	**(1 128 622 096)**
Costs of sold traded goods	(1 353 175 682)	(1 123 621 987)
Costs of sold services	(6 463 657)	(5 000 109)
Gross profit (loss) on sales	**126 967 005**	**96 963 401**
Costs of sales	(82 059 277)	(58 961 835)
Costs of general management	(28 731 331)	(22 854 316)
Profit (loss) on sales	**16 176 397**	**15 147 251**
Other operating revenues	3 689 790	3 524 702
Other operating costs	(3 957 216)	(5 432 759)
Operating profit (loss)	**15 908 972**	**13 239 194**
Financial revenues	724 607	711 813
Financial costs	(2 581 000)	(1 878 411)
Share in profits (losses) of companies consolidated with the equity method	(595 383)	-
Profit (loss) before tax	**13 457 195**	**12 072 596**
Income tax	(2 960 942)	(3 023 853)
Net profit (loss) on continued operations	**10 496 253**	**9 048 743**
Discontinued operations		
Net profit (loss) on discontinued operations	-	30 411
Net profit (loss)	**10 496 253**	**9 079 154**
Parent company shareholders	10 554 611	9 079 154
Minority interests	(58 358)	-

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss) on continued operations	10 496 253	9 048 743
Net profit (loss) on continued and discontinued operations	10 496 253	9 079 154
Weighted average number of shares	130 969 660	129 137 000
Weighted average diluted number of shares	134 301 128	136 314 810
from continued operations		
- basic	0,08	0,07
- diluted	0,08	0,07
from continued and discontinued operations		
- basic	0,08	0,07
- diluted	0,08	0,07

All amounts are expressed in Polish zloty (unless indicated otherwise)

CONSOLIDATED STATEMENT OF THE TOTAL INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	1 Quarter for the period from 01.01.2009 to 31.03.2009	1 Quarter for the period from 01.01.2008 to 31.03.2008
Continued operations		
Net sales	**1 486 606 345**	**1 225 585 497**
Net sales of traded goods	1 452 702 727	1 202 344 068
Net sales of services	33 903 617	23 241 429
Prime costs of sales	**(1 359 639 339)**	**(1 128 622 096)**
Costs of sold traded goods	(1 353 175 682)	(1 123 621 987)
Costs of sold services	(6 463 657)	(5 000 109)
Gross profit (loss) on sales	**126 967 005**	**96 963 401**
Costs of sales	(82 059 277)	(58 961 835)
Costs of general management	(28 731 331)	(22 854 316)
Profit (loss) on sales	**16 176 397**	**15 147 251**
Other operating revenues	3 689 790	3 524 702
Other operating costs	(3 957 216)	(5 432 759)
Operating profit (loss)	**15 908 972**	**13 239 194**
Financial revenues	724 607	711 813
Financial costs	(2 581 000)	(1 878 411)
Share in profits (losses) of companies consolidated with the equity method	(595 383)	-
Profit (loss) before tax	**13 457 195**	**12 072 596**
Income tax	(2 960 942)	(3 023 853)
Net profit (loss) on continued operations	**10 496 253**	**9 048 743**
Discontinued operations		
Net profit (loss) on discontinued operations	-	30 411
Net profit (loss)	**10 496 253**	**9 079 154**
Parent company shareholders	10 554 611	9 079 154
Minority interests	(58 358)	-

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss) on continued operations	10 496 253	9 048 743
Net profit (loss) on continued and discontinued operations	10 496 253	9 079 154
Weighted average number of shares	130 969 660	129 137 000
Weighted average diluted number of shares	134 301 128	136 314 810
from continued operations		
- basic	0,08	0,07
- diluted	0,08	0,07
from continued and discontinued operations		
- basic	0,08	0,07
- diluted	0,08	0,07
Net profit (loss)	**10 496 253**	**9 079 154**
Total Income	**10 496 253**	**9 079 154**

All amounts are expressed in Polish zloty (unless indicated otherwise)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	as at 31.03.2009	as at 31.12.2008	as at 31.03.2008	as at 31.12.2007
Assets				
Fixed assets (long-term)	**414 153 046**	**408 484 896**	**279 676 473**	**278 277 414**
Goodwill	68 522 678	68 522 678	33 823 699	33 823 699
Other intangible fixed assets	154 546 013	154 839 276	120 749 310	121 508 107
Tangible fixed assets	178 391 553	171 739 210	122 900 410	121 036 431
Investments in associated companies - equity method	1 115 537	1 710 920	-	-
Other long-term financial assets	102 000	102 000	-	-
Long-term receivables	6 104 324	5 852 987	2 164 529	1 872 272
Deferred income tax assets	4 472 818	3 996 664	-	-
Other long-term prepayments	898 123	1 721 161	38 525	36 905
Current assets (short-term)	**680 707 673**	**815 765 519**	**587 591 564**	**591 450 504**
Invetories	284 179 840	312 265 130	240 764 517	224 861 218
Trade receivables	304 548 998	321 212 674	195 361 060	220 113 990
Current income tax receivables	-	-	9 896	9 896
Other short-term receivables	11 584 328	32 454 393	20 169 271	13 110 637
Cash and cash equivalents	69 255 675	144 149 370	125 319 304	131 461 193
Short-term prepayments	11 138 832	5 683 952	5 967 517	1 893 571
Total assets	**1 094 860 719**	**1 224 250 415**	**867 268 037**	**869 727 918**

All amounts are expressed in Polish zloty (unless indicated otherwise)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

Liabilities	as at 31.03.2009	as at 31.12.2008	as at 31.03.2008	as at 31.12.2007
Equity	**302 613 046**	**283 450 881**	**247 682 040**	**233 393 828**
Equity attributable to shareholders of the parent company	**302 110 505**	**282 889 983**	**247 682 040**	**233 393 828**
Share capital	132 364 600	130 777 550	129 137 000	127 742 000
Supplementary capital	84 286 926	77 208 064	50 925 071	47 111 013
Hedge transactions valuation capital	(4 645 000)	(4 645 000)	-	-
Retained earnings	90 103 980	79 549 369	67 619 969	58 540 815
Profit (loss) of prior years	79 549 369	1 061 984	58 540 815	(340 011)
Net profit (loss) of the current year	10 554 611	78 487 385	9 079 154	58 880 826
Minority interests	**502 540**	**560 898**	**-**	-
Liabilities	**792 247 673**	**940 799 534**	**619 585 997**	**636 334 090**
Long-term liabilities	**57 829 623**	**53 754 345**	**14 434 642**	**16 892 355**
Other long-term financial liabilities	26 663 726	23 421 786	10 726 867	11 222 655
Deferred income tax provision	13 727 113	12 893 775	3 412 991	5 374 916
Provision for employee benefits	294 784	294 784	294 784	294 784
Other long-term provisions	17 144 000	17 144 000	-	-
Short-term liabilities	**734 418 050**	**887 045 189**	**605 151 355**	**619 441 735**
Short-term loans and credits	42 336 038	68 474 416	51 761 906	73 148 384
Short-term financial liabilities	8 901 414	7 488 992	2 418 414	2 520 587
Trade liabilities	628 069 225	755 086 412	503 971 101	505 350 072
Current income tax liabilities	297 528	6 148 534	2 808 635	3 134 237
Other short-term liabilities	18 473 587	18 462 915	13 908 409	15 974 076
Provision for employee benefits	15 963 968	14 128 606	15 495 845	11 246 255
Short-term provisions	20 376 289	17 255 314	14 787 044	8 068 122
Total liabilities	**1 094 860 719**	**1 224 250 415**	**867 268 037**	**869 727 918**

BOOK VALUE PER SHARE AS AT 31 MARCH 2009

	as at 31.03.2009	as at 31.12.2008	as at 31.03.2008	as at 31.12.2007
Book value	**302 613 046**	**283 450 881**	**247 682 040**	**233 393 828**
Number of shares	132 364 600	130 777 550	129 137 000	127 742 000
Diluted number of shares	139 133 511	139 133 511	136 314 810	137 093 511
Book value per share	**2,29**	**2,17**	**1,92**	**1,83**
Diluted book value per share	**2,17**	**2,04**	**1,82**	**1,70**

OFF BALANCE SHEET ITEMS

Contingent Liabilities	**1 591 675**	**1 581 362**	**29 391 379**	**1 302 335**
Related companies	1 500 000	1 500 000	-	-
Other companies	91 675	81 362	29 391 379	1 302 335
- guaranties and sureties granted	91 675	81 362	29 391 379	1 302 335
Total	**1 591 675**	**1 581 362**	**29 391 379**	**1 302 335**

All amounts are expressed in Polish zloty (unless indicated otherwise)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	1 Quarter for the period from 01.01.2009 to 31.03.2009	1 Quarter for the period from 01.01.2008 to 31.03.2008
Operating cash flow		
Net profit before tax	**13 457 195**	**12 105 346**
Adjustments:	**13 653 368**	**10 313 655**
Depreciation	11 823 802	9 383 363
(Profit) loss on sold tangible fixed assets	69 189	(524 929)
Costs of interest	1 760 378	1 455 221
Operating cash before changes in working capital	**27 110 563**	**22 419 001**
Changes in inventory	28 085 290	(15 980 132)
Changes in receivables	34 164 021	28 190 451
Changes in liabilities	(116 436 514)	(12 027 848)
Changes in provisions and accruals	(131 867)	8 042 713
Valuation of motivational programm	1 809 855	1 428 608
Loss on sale of shares	-	-
Other adjustments	595 383	-
Operating cash	**(24 803 268)**	**32 072 793**
Interest paid	(3 237 089)	(2 391 446)
Income tax paid	(8 208 268)	(5 018 767)
Net operating cash	**(36 248 626)**	**24 662 580**
Investment cash flow		
Expenditures for purchased intangible fixed assets	(3 078 812)	(2 205 586)
Expenditures for purchased tangible fixed assets	(16 654 434)	(9 313 692)
Receipts from sold tangible fixed assets	203 416	1 555 662
Expenditures for purchased subsidiary companies (less for money taken)	-	(2 499 999)
Expenditures for purchased associate companies	-	-
Receipts form sold subsidiary companies	2 800 000	-
Advances for purchase of shares	-	-
Net investment cash	**(16 729 830)**	**(12 463 615)**
Financing cash flow		
Receipts from issued shares	6 856 056	3 780 450
Receipts due to taking loans and credits	50	45
Repaid loans and credits	(26 138 428)	(21 386 524)
Repaid liabilities under financial lease	(2 077 917)	(594 215)
Interest	(555 000)	(140 610)
Dividends paid	-	-
Net financing cash	**(21 915 239)**	**(18 340 854)**
Net change in cash and cash equivalents	**(74 893 695)**	**(6 141 889)**
Cash and cash equivalents at the beginning of the period	144 149 370	131 461 193
Cash and cash equivalents at the end of the period	**69 255 675**	**125 319 304**

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 2009

	Share capital	Supplementary capital	Hedge transactions valuation capital	Retained earnings	Minority capital	**Total**
Changes in equity in the period from 1 January to 31 March 2008						
Balance as at 1 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**
Other corrections	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**
Changes in equity in the period from 1 January to 31 March 2009						
Balance as at 01 January 2009	**130 777 550**	**77 208 064**	**(4 645 000)**	**79 549 369**	**560 898**	**283 450 881**
Net profit presented directly in equity	-	-	-	-	-	-
Net profit for the period from 1 January to 31 March 2009	-	-	-	10 554 611	(58 358)	**10 496 253**
Total profit and loss recorded in the period from 1 January to 31 March 2009	**-**	**-**	**-**	**10 554 611**	**(58 358)**	**10 496 253**
Dividends paid	-	-	-	-	-	-
Transfer to supplementary capital	-	-	-	-	-	-
Valuation of motivational program for employees	-	1 809 855	-	-	-	**1 809 855**
Share issue - motivational program	1 587 050	5 269 007	-	-	-	**6 856 057**
Other corrections	-	-	-	-	-	-
Balance as at 31 March 2009	**132 364 600**	**84 286 926**	**(4 645 000)**	**90 103 980**	**502 540**	**302 613 046**

All amounts are expressed in Polish zloty (unless indicated otherwise)

EUROCASH S.A. - SELECTED SEPARATE FINANCIAL DATA

SELECTED SEPARATE FIGURES AS AT 31 MARCH 2009

	for the period 01.01.2009 to 31.03.2009 PLN	for the period 01.01.2008 to 31.03.2008 PLN	for the period 01.01.2009 to 31.03.2009 EUR	for the period 01.01.2008 to 31.03.2008 EUR
Net sales	849 545 767	673 721 457	189 195 770	189 385 916
Operating profit (loss)	10 085 221	8 851 982	2 246 002	2 488 329
Profit (loss) before tax	10 346 993	8 912 079	2 304 299	2 505 222
Net Profit (loss) on continued operations	8 136 270	6 821 773	1 811 966	1 917 629
Net profit (loss)	8 136 270	6 821 773	1 811 966	1 917 629
Net operating cash flow	(47 878 980)	10 602 136	(10 662 757)	2 980 305
Net investment cash flow	(13 877 315)	(11 772 085)	(3 090 510)	(3 309 182)
Net financial cash flow	5 993 951	3 045 670	1 334 867	856 150
Net change in cash and cash equivalents	(55 762 344)	1 875 721	(12 418 401)	527 273
Weighted average number of shares	130 969 660	129 137 000	130 969 660	129 137 000
Weighted average diluted number of shares	134 301 128	136 314 810	134 301 128	136 314 810
EPS (in PLN / EUR)	0,06	0,05	0,01	0,01
Diluted EPS (in PLN / EUR)	0,06	0,05	0,01	0,01
Average PLN / EUR rate*			4,4903	3,5574

	as at 31.03.2009 PLN	as at 31.12.2008 PLN	as at 31.03.2009 EUR	as at 31.12.2008 EUR
Assets	839 707 123	939 421 339	178 611 687	225 151 313
Long-term liabilities	20 526 985	15 589 257	4 366 236	3 736 281
Short-term liabilities	559 725 810	681 179 935	119 057 667	163 258 541
Equity	259 454 329	242 652 147	55 187 784	58 156 492
Share capital	132 364 600	130 777 550	28 154 893	31 343 483
Number of shares	132 364 600	130 777 550	132 364 600	130 777 550
Diluted number of shares	137 955 511	137 955 511	137 955 511	137 955 511
Book value per share (in PLN / EUR)	1,96	1,86	0,42	0,44
Diluted book value per share (in PLN / EUR)	1,88	1,76	0,40	0,42
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**			4,7013	4,1724

* 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.

All amounts are expressed in Polish zloty (unless indicated otherwise)

EUROCASH S.A. - ABBREVIATED SEPARATE FINANCIAL STATEMENTS

SEPARATE PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	1 Quarter for the period from 01.01.2009 to 31.03.2009	1 Quarter for the period from 01.01.2008 to 31.03.2008
Continued operations		
Net sales	**849 545 767**	**673 721 457**
Net sales of traded goods	829 040 539	660 765 431
Net sales of services	20 505 228	12 956 026
Prime costs of sales	**(764 172 412)**	**(594 327 702)**
Costs of sold traded goods	(764 172 412)	(594 327 702)
Gross profit (loss) on sales	**85 373 354**	**79 393 755**
Costs of sales	(53 145 324)	(47 756 354)
Costs of general management	(20 861 284)	(20 914 879)
Profit (loss) on sales	**11 366 746**	**10 722 522**
Other operating revenues	2 648 470	2 803 922
Other operating costs	(3 929 996)	(4 674 462)
Operating profit (loss)	**10 085 221**	**8 851 982**
Financial revenues	540 328	711 659
Financial costs	(278 556)	(651 563)
Profit (loss) before tax	**10 346 993**	**8 912 079**
Income tax	(2 210 723)	(2 090 306)
Net profit (loss)	**8 136 270**	**6 821 773**

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss) on continued operations	8 136 270	6 821 773
Net profit (loss) on continued and discontinued operations	8 136 270	6 821 773
Weighted average number of shares	130 969 660	129 137 000
Weighted average diluted number of shares	134 301 128	136 314 810
from continued operations		
- basic	0,06	0,05
- diluted	0,06	0,05
from continued and discontinued operations		
- basic	0,06	0,05
- diluted	0,06	0,05

All amounts are expressed in Polish zloty (unless indicated otherwise)

SEPARATE STATEMENT OF THE TOTAL INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	1 Quarter for the period from 01.01.2009 to 31.03.2009	1 Quarter for the period from 01.01.2008 to 31.03.2008
Continued operations		
Net sales	**849 545 767**	**673 721 457**
Net sales of traded goods	829 040 539	660 765 431
Net sales of services	20 505 228	12 956 026
Prime costs of sales	**(764 172 412)**	**(594 327 702)**
Costs of sold traded goods	(764 172 412)	(594 327 702)
Gross profit (loss) on sales	**85 373 354**	**79 393 755**
Costs of sales	(53 145 324)	(47 756 354)
Costs of general management	(20 861 284)	(20 914 879)
Profit (loss) on sales	**11 366 746**	**10 722 522**
Other operating revenues	2 648 470	2 803 922
Other operating costs	(3 929 996)	(4 674 462)
Operating profit (loss)	**10 085 221**	**8 851 982**
Financial revenues	540 328	711 659
Financial costs	(278 556)	(651 563)
Profit (loss) before tax	**10 346 993**	**8 912 079**
Income tax	(2 210 723)	(2 090 306)
Net profit (loss)	**8 136 270**	**6 821 773**

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss) on continued operations	8 136 270	6 821 773
Net profit (loss) on continued and discontinued operations	8 136 270	6 821 773
Weighted average number of shares	130 969 660	129 137 000
Weighted average diluted number of shares	134 301 128	136 314 810
- basic	0,06	0,05
- diluted	0,06	0,05
from continued and discontinued operations		
- basic	0,06	0,05
- diluted	0,06	0,05
Net profit (loss)	**8 136 270**	**6 821 773**
Total Income	**8 136 270**	**6 821 773**

All amounts are expressed in Polish zloty (unless indicated otherwise)

SEPARATE BALANCE SHEET AS AT 31 MARCH 2009

	as at 31.03.2009	as at 31.12.2008	as at 31.03.2008	as at 31.12.2007
Assets				
Fixed assets (long-term)	**415 952 367**	**409 624 723**	**289 739 850**	**287 757 458**
Goodwill	9 975 600	9 975 600	9 975 600	9 975 600
Intangible fixed assets	90 714 695	92 943 944	93 237 883	94 852 227
Tangible fixed assets	146 113 700	137 329 234	111 069 235	107 607 441
Investments in subsidiary companies	158 840 647	158 840 647	73 413 012	73 413 012
Investments in associated companies - equity method	3 464 300	3 464 300	-	-
Long-term receivables	5 945 302	5 693 965	2 005 595	1 872 272
Long-term prepayments	898 123	1 377 033	38 525	36 905
Current assets (short-term)	**423 754 756**	**529 796 616**	**406 804 111**	**401 999 333**
Invetories	165 804 088	189 961 749	175 058 808	155 654 646
Trade receivables	195 042 793	211 547 071	99 807 613	119 047 164
Other short-term receivables	6 176 489	19 651 279	6 601 274	6 505 417
Cash and cash equivalents	49 342 711	105 105 055	121 032 612	119 156 892
Short-term prepayments	7 388 674	3 531 462	4 303 804	1 635 214
Total assets	**839 707 123**	**939 421 339**	**696 543 961**	**689 756 790**

All amounts are expressed in Polish zloty (unless indicated otherwise)

SEPARATE BALANCE SHEET AS AT 31 MARCH 2009

Liabilities	as at 31.03.2009	as at 31.12.2008	as at 31.03.2008	as at 31.12.2007
Equity	**259 454 329**	**242 652 147**	**224 849 800**	**212 818 969**
Share capital	132 364 600	130 777 550	129 137 000	127 742 000
Supplementary capital	64 028 403	56 949 542	44 885 767	41 071 709
Hedge transactions valuation capital	(4 645 000)	(4 645 000)	-	-
Retained earnings	67 706 326	59 570 056	50 827 033	44 005 260
Profit (loss) of prior years	59 570 056	-	44 005 260	-
Net profit (loss) of the current year	8 136 270	59 570 056	6 821 773	44 005 260
Liabilities	**580 252 794**	**696 769 192**	**471 694 161**	**476 937 821**
Long-term liabilities	**20 526 985**	**15 589 257**	**11 574 637**	**13 116 239**
Other long-term financial liabilities	17 213 155	12 246 956	10 612 123	11 103 404
Deferred income tax provision	3 100 519	3 128 990	749 203	1 799 523
Provision for employee benefits	213 311	213 311	213 311	213 311
Short-term liabilities	**559 725 810**	**681 179 935**	**460 119 524**	**463 821 582**
Short-term loans and credits	52	10 518	147	102
Short-term financial liabilities	2 369 224	1 644 017	2 401 853	2 504 787
Trade liabilities	508 707 488	620 553 659	421 672 531	424 852 416
Current income tax liabilities	232 067	5 592 364	1 657 560	2 864 922
Short-term liabilities	25 390 872	33 313 179	12 122 237	17 104 690
Provision for employee benefits	11 359 401	10 531 356	13 439 127	9 265 273
Other short-term provisions	11 666 706	9 534 842	8 826 069	7 229 393
Total liabilities	**839 707 123**	**939 421 339**	**696 543 961**	**689 756 790**

BOOK VALUE PER SHARE AS AT 31 MARCH 20098

	as at 31.03.2009	as at 31.12.2008	as at 31.03.2008	as at 31.12.2007
Book value	**259 454 329**	**242 652 147**	**224 849 800**	**212 818 969**
Number of shares	132 364 600	130 777 550	129 137 000	127 742 000
Diluted number of shares	137 955 511	137 955 511	136 314 810	137 093 511
Book value per share	**1,96**	**1,86**	**1,74**	**1,67**
Diluted book value per share	**1,88**	**1,76**	**1,65**	**1,55**

OFF BALANCE SHEET ITEMS

Contingent Liabilities	**37 591 675**	**132 581 362**	**52 391 379**	**39 302 335**
Related companies	37 500 000	132 500 000	48 000 000	38 000 000
Other companies	91 675	81 362	4 391 379	1 302 335
- guaranties and sureties granted	91 675	81 362	4 391 379	1 302 335
Total	**37 591 675**	**132 581 362**	**52 391 379**	**39 302 335**

All amounts are expressed in Polish zloty (unless indicated otherwise)

SEPARATE CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	1 Quarter for the period from 01.01.2009 to 31.03.2009	1 Quarter for the period from 01.01.2008 to 31.03.2008
Operating cash flow		
Net profit before tax	**10 346 993**	**8 912 079**
Adjustments:	**9 742 237**	**7 876 170**
Depreciation	8 817 272	7 428 264
(Profit) loss on sold tangible fixed assets	130 407	(3 627)
Costs of interest	794 557	451 533
Operating cash before changes in working capital	**20 089 230**	**16 788 248**
Changes in inventory	24 157 661	(19 404 162)
Changes in receivables	26 601 173	19 010 371
Changes in liabilities	(109 905 506)	(5 768 925)
Changes in provisions and accruals	(418 393)	4 250 087
Valuation of motivational program for employees	1 809 855	1 428 608
Operating cash	**(37 665 980)**	**16 304 228**
Interest paid	(2 613 509)	(1 392 112)
Income tax paid	(7 599 491)	(4 309 980)
Net operating cash	**(47 878 980)**	**10 602 136**
Investment cash flow		
Expenditures for purchased intangible fixed assets	(507 094)	(696 939)
Expenditures for purchased tangible fixed assets	(16 270 221)	(8 601 147)
Receipts from sold tangible fixed assets	100 000	26 000
Expenditures for purchased subsidiary companies	-	(2 499 999)
Net investment cash	**(13 877 315)**	**(11 772 085)**
Financing cash flow		
Receipts from issued shares	6 856 056	3 780 450
Receipts due to taking loans and credits	-	45
Repaid loans and credits	(10 466)	-
Repaid liabilities under financial lease	(618 020)	(594 215)
Interest	(233 619)	(140 610)
Net financing cash	**5 993 951**	**3 045 670**
Net change in cash and cash equivalents	**(55 762 344)**	**1 875 721**
Cash and cash equivalents at the beginning of the period	105 105 055	119 156 892
Cash and cash equivalents at the end of the period	**49 342 711**	**121 032 612**

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 2009

	Share capital	Supplementary capital	Hedge transactions valuation capital	Retained earnings	**Total**
Changes in equity in the period from 1 January to 31 March 2008					
Balance as at 1 January 2008	**127 742 000**	**41 071 709**	**-**	**44 005 260**	**212 818 969**
Net profit for the period from 1 January to 31 March	-	-	-	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 declared	-	-	-	-	**-**
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**
Changes in equity in the period from 1 January to 31 March 2009					
Balance as at 01 January 2009	**130 777 550**	**56 949 542**	**(4 645 000)**	**59 570 056**	**242 652 147**
Net profit presented directly in equity	**-**	**-**	-	**-**	**-**
Net profit for the period from 1 January to 31 March	-	-	-	8 136 270	**8 136 270**
Total profit and loss recorded in the period from 1 January to 31 March 2009	**-**	**-**	**-**	**8 136 270**	**8 136 270**
Dividends paid	-	-	-	-	**-**
Transfer to supplementary capital	-	-	**-**	-	**-**
Valuation of motivational program for employees	-	1 809 855	-	-	**1 809 855**
Share issue - motivational program	1 587 050	5 269 006	**-**	-	**6 856 056**
Other corrections	-	-	**-**	-	**-**
Balance as at 31 March 2009	**132 364 600**	**64 028 403**	**(4 645 000)**	**67 706 326**	**259 454 329**

ADDITIONAL INFORMATION TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01.01.2009 TO 31.03.2009

1. GENERAL INFORMATION

1.1. FINANCIAL STATEMENTS PUBLICATION

In accordance with the report no 7/2009 from 28th of January 2009 of the Polish Securities and Exchange Commission, the quarterly consolidated financial statements of Eurocash S.A. will be published on 15th May 2009.

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”.

All amounts are expressed in Polish zloty (unless indicated otherwise)

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

Standards and Interpretations approved by the EU	Type of expected change in the accounting principles	Potential impact on financial statements	Effective date for periods commencing on the day or after
Improvements of IFRS 2008	Improvements of IFRS 2008 consist of 35 modifications in two parts. First part includes 24 modifications in 15 standards which modify presentation and valuation principles. Second part includes 11 modifications in definitions and editorial	The Group has introduced required changes	1 January 2009 or 1 July 2009 (IFRS 5)
Revised IFRS 2 *Share-based Payments*	The revised standard clarifies the definition of vesting conditions and introduces definition of other non-vesting conditions. Non-vesting conditions should be accounted at fair value as of grant date. No fulfilment of the conditions will result in the accounting treatment as for cancellations of granted conditions.	The Group does not expect the interpretation to have any impact on the financial statements.	1 January 2009
IFRS 8 Operating segments	This standard sets out a management approach for disclosure about the entity's operating segments on the basis of the components that are regularly reviewed by the management in day to day operating decisions. Operating segments are the entity's parts for which separate information is available and that are regularly reviewed by the key decision makers in order to allocate resources to the segment and to assess its performance.	The group examines the impact of IFRS on the presentation and disclosure of information about operating segments in the consolidated financial statements	1 January 2009
Revised IAS 1 *Presentation of Financial Statements*	The revised IAS 1 requires that information in the financial statements should 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 Group has introduced required changes and presents two separate statements.	1 January 2009

All amounts are expressed in Polish zloty (unless indicated otherwise)

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
Revised IAS 23 *Bo rrowing Costs*	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 Group does not expect the interpretation to have any impact on the financial statements.	1 January 2009
Revised IAS 27 *Consolidated and Separate Financial Statements*	The revised IAS 27 eliminates definition of purchase prise method in exchange introducing requirement to disclose all dividends from subsidiaries, affiliates and jointly controlled entities as an income in stand alone financial statements when right to dividend is established. Additionally, standard requires disclosure when dividend received can be triggering event for impairment.	The Group does not expect the interpretation to have any impact on the financial statements.	1 July 2009
Revised IAS 32 *Financial Instruments - Presentation* and IAS 1 *Presentation of Financial Statements*	Under the the revised IAS 32, the criteria for classification of financial instruments with put option have been amended to allow part of 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 if they meet the criteria.	The amendments to both IAS 32 and IAS 1 are not applicable to the operations as the Group has not issued any le financial instruments with put option.	1 January 2009
IFRIC 13 *Customer Loyalty Programmes*	The interpretation addresses accounting by entities that grant loyalty award credits to customers who buy their goods or services should present liabilities to free products, products with discounted prices or services given in their financial statements. 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 as stated above.	The Group does not expect the interpretation to have any impact on the financial statements.	1 July 2008
IFRIC 14 IAS 19 - The limit of the valuation of assets of the defined benefit, minimum funding requirements and their mutual dependence	This interpretation addresses the following issues: • the repayment or reduction in future contributions can be considered to be accessible in accordance with paragraph 58 of IAS 19; • how the minimum funding requirements may affect the availability of reductions in future contributions, and • the minimum funding requirements may lead to commitment	The Group does not expect the interpretation to have any impact on the financial statements.	1 January 2008 In accordance with Commission Regulation No 1263/2008, all entities shall apply IFRIC 14 as from the beginning no later than its first year beginning after 31.12.2008

All amounts are expressed in Polish zloty (unless indicated otherwise)

			December 2008
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**
Amendments to IAS 39 reclassification of financial instruments: Effective date and transitional provisions	The amendments clarifies the date when it is possible to make the reclassification of the categories of financial instruments measured at fair value through profit or loss and available-for-sale category in exceptional circumstances, which provide for amendments to IAS 39 published 27 November 2008 The changes referred to above shall apply with effect from 1 July 2008 and no changes can not be made retrospectively. The reclassification took place on 1 November 2008 and later should be applied from the date of conversion and can not be made retrospectively.	The amendment does not apply to the Group's operations because the Group failed to make a conversion of financial instruments.	1 July 2008
IFRIC 12 Concession Agreement	The interpretation provides guidance for operators of the private sector in relation to the recognition and measurement issues that arise in the settlement of transactions relating to the concessions granted for the provision of services to private operators by the public sector.	The Group does not expect the interpretation to have any impact on the financial statements.	1 January 2008 In accordance with Commission Regulation No 254/2009, all entities shall apply IFRIC 12 as from the beginning no later than its first year beginning after the date of entry into force i.e. 29 March 2009.
The revised IFRS 1 Application of International Financial Reporting Standards for the first time	Revised standard changes its structure (without changing the technical content) in such a way that all the exceptions, which were previously in the text of the standard have been moved to the respective annexes.	The Group does not expect that the change will have any impact on the financial statements.	1 July 2009

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 3 *Business Combinations*	The scope of the IFRS 3 has been extended as well as business definition. The revised standard covers potentially material changes, including: • All considerations including contingent ones given by purchaser are recognized and valued at fair value at acquisition date • Post transaction changes in value of contingent considerations should be accounted for in income statements • Transaction costs other than costs connected with equity issue or debt raising, should be accounted for in income statement • Purchaser may value of minority interest at fair value at acquisition date (full goodwill) or its proportional share in fair value available to assess assets and liabilities for every transaction.	The Group is currently assessing the impact of the revised standard on the Group's operations.	1 July 2009
Amendments to IFRS 7 disclosures regarding improvements in financial instruments	The amendments require disclosures relating to the determination of fair value by using the three steps scale, which reflects the importance of input data used in determining fair value (Level 1 - fair value determined on the basis of market quotations, Level 2 - Other possible input observable in the market, Level 3 - no data input based on information that can be observed on the market). The amendments also make additional suggestions concerning the form of disclosures relating to the determination of fair value and require specific disclosures about valuation in terms of level 3 and disclosures of any changes in classification between the levels. In addition, amended the definition of liquidity risk. The amendments require disclosure of the analysis of financial liabilities that are derivative (it is not required to disclose the contractual maturity analysis). In addition, the change needs to be clarified how it was determined the value shown in these disclosures, and how the entity manages liquidity risk.	The Group does not expect the interpretation to have any impact on the financial statements.	1 January 2009

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
IAS 27 – Cost of an investments in subsidiaries, jontly controlled entities and associates.	The amendments remove minority interest definition into non-controlling interest, which is defined as equity held in affiliate which cannot be directly or indirectly assigned to dominant company. The standard also defines presentation of non-controlling interest, lost of control in affiliate and allocation of profits and losses and other comprehensive income to controlling or non-controlling interest.	The Group is still assessing the impact of the revised standards on the operations.	1 July 2009
Amendments to IAS 39 Financial Instruments: Recognition and Measurement	The amendments clarify the application of existing rules for determining whether a specific risk or part of the cash flows can be classified as protected. While the classification of hedging relationship it should be possible to separate and reliable measurement of risk or part of the cash flows, inflation only in exceptional circumstances may be appointed as the item to be secured.	The Group is currently assessing the impact of the revised standard on the operations.	1 July 2009
The amendments to IFRIC 9 and IAS 39 Embedded derivatives	The amendments require that an entity has assessed whether the embedded derivatives should be separated from the host contract when the entity makes retraining hybrid (combined) of the categories of financial assets are measured at fair value through profit or loss statement. This assessment should be made based on conditions in force at the later of two dates: - when the unit becomes for the first time party to the contract, and - when the conditions of the contract amendments were made which significantly modify the cash flows that would be required in accordance with the contract.	The Group does not expect that the change will have any impact on the financial statements.	30 June 2009

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 15 Agreements for the Construction of Real Estate	The Interpretation provides that income from sale of real estate is recognized in income statements in parallel to advance of construction work in following circumstances: - Agreement fulfils provisions of construction contract in accordance with IAS 11.3 - Agreement considers only rendering of services in accordance with IAS 18 (the entity is not obligated to deliver construction materials) • *Agreement considers sale of goods when disclosure criteria for revenue are in accordance with IAS 18.14 are fulfilled in continues manner to advancement of construction work* In all other cases, revenue is recognized when all criteria for recognition in accordance with IAS 18.14 are met (e.g. after completion of construction work)	IFRIC 15 is not applicable to the Group operations as the Group is not a party in any agreement for the construction of real estate.	1 January 2009
IFRIC 16 Hedges of a Net Investment In a Foreign Operation	IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations. The Interpretation clarifies that this type of hedge accounting can be applied only when the net assets of the foreign operation are included inthe financial statements.	IFRIC 16 is not applicable to the Group operations as the Group does not practice hedge accounting to the foreign currency risk arising from its net investment in a foreign operation.	1 October 2008

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 17 The issue of assets in kind to shareholders	The interpretation of the issue to shareholders in the form of a dividend in kind. In accordance with the interpretation of the obligation for the payment of dividends should be recognized when the dividend was properly enacted and it is not already the responsibility of the company. The obligations referred to above are measured at fair value of assets that are to be issued. The carrying amount of the liability for the dividend should be valued at each balance sheet date. Changes in the carrying amount should be recognized as an adjustment in the capital value of the dividend. At the time of payment of dividends, was possibly the difference between the carrying amount issued and the carrying amount of assets liabilities should be included in the profit and loss account.	Since the interpretation prospectively, there will be no impact on the financial statements for periods prior to its first use. Moreover, as concerns the interpretation of future dividends to be decided on the general assembly, it is not possible to determine in advance its impact on the financial statements	1 July 2009
IFRIC 18 The assets received from customers	The interpretation of the contracts under which the recipient receives from its tangible assets, which are then used either to connect the customer to the network or to allow it to continue to have access to goods or services or both of these goals. The interpretation also applies to contracts under which the entity receives from the recipient of the funds and the funds are intended to produce or purchase of property, plant and equipment. An entity receiving funds recognizes a component of fixed assets, if it meets the definition of assets. Overleaf to recognize revenue. The moment of recognition of revenue is dependent on the specific facts and circumstances of the contract.	IFRIC 18 does not apply to the Group's financial statements because the Group does not receive assets from its customers.	1 July 2009

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. JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires from the Management Board judgments, estimates and assumptions that affect the principles adopted and presented the value of the assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and other factors which are considered to be reasonable under the circumstances, and the results provide the basis for judgments about the carrying values of assets and liabilities, which does not result directly from other sources. The actual value may differ from those estimated.

The estimates and associated assumptions are subject to ongoing review. Change in accounting estimates is recognized in the period in which the change in the estimate occurred in the current or future periods, if the change in the estimate covers both the current and future periods.

1.6. 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 consolidated financial statements.

1.7. 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., McLane Polska Sp. z o.o., Nasze Sklepy Sp. z o.o. and associate company PayUp Polska S.A.

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 4690Z).
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,
- McLane Polska Sp. z o.o., registered in the District Court Warszawa XIV Commercial Division of the National Court Register, entry no KRS 0000013892, located in Błonie, Pass 20C,

- Nasze Sklepy Sp. z o.o., registered in the District Court Lublin XI Commercial Division of the National Court Register, entry no KRS 0000000139, located in Biała Podlaska, ul. Kąpielowa 18.

The associate company is:

- PayUp Polska S.A registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000299000, located in Poznań, Al. Solidarności 46

All amounts are expressed in Polish zloty (unless indicated otherwise)

Entities comprising the Eurocash capital group covered by the consolidated financial statements as of 31.03.2009

name of entity	Eurocash S.A.	KDWT S.A.	Eurocash Franszyza sp. z o.o.	McLane Polska sp. z o.o.	PayUp Polska S.A.	Nasze Sklepy sp. z o.o.
seat	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul. Pass 20C 05-870 Błonie	Al.. Solidarności 46 61-696 Poznań	ul. Kąpielowa 18 21-500 Biała Podlaska
core business	PKD 4690Z	PKD 4635Z	PKD 8299Z	PKD 4690Z	PKD 6120Z	PKD 4711Z
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 0000259846	District Court Warszawa XIV Commercial Division of the National Court Register KRS 0000013892	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000299000	District Court Lublin XI Commercial Division of the National Court Register KRS 0000000139
entity status	Parent entity	Subsidiary entity	Subsidiary entity	Subsidiary entity	Associate entity	Subsidiary entity
applied consolidation method	Full	Full	Full	Full	Equity method	Full
date of taking over control	n/a	31 March 2006	10 July 2006	30 April 2008	13 May 2008	14 May 2008
Share in share capital (%)	n/a	100%	100%	100%	49%	53,39%
Share in total number of votes (%)	n/a	100%	100%	100%	49%	53,39%

1.8. 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:
- financial instruments valued at fair value
- financial instruments measured at fair value through profit and loss
- available-for-sale financial instruments at fair value.

The key principles of accounting applied by the Company are presented under items 2.2 – 2.28.

2.2. FINANCIAL YEAR AND REPORTING PERIOD

The financial year of the Group is a calendar year.

2.3. 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 statement of the total income
- Abbreviated consolidated balance sheet
- Abbreviated consolidated cash flow statement
- Abbreviated consolidated statement on changes in equity
- Additional information
- Explanatory notes

2.4. 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.

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 and intangible assets with indefinite useful life 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.

2.5. TANGIBLE FIXED ASSETS

Definition

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% - 60%
▪ means of transport	14% - 20%
▪ other fixed assets	20%

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

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.

2.6. 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.

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

2.7. 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.

2.8. 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.

2.9. SHARES IN ASSOCIATES COMPANIES

Shares in associated companies included in the fixed assets shall be valued using the equity method

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.

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.

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.

(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.

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. DERIVATIVES FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge exchange rate risk and the risk of changes in interest rates.

2.16. 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,
- 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.

2.17. 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.

2.18. 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.

2.19. 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

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.

2.20. 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.

2.21. 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.

2.22. 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.

2.23. NET SALES

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.

2.24. 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.

2.25. SHARE-BASED COMPENSATION

Share-based compensation program make possible employees of Group purchase shares of Parent Company. The fair value of option grants is present in separate position in profit and loss report as costs of management options program in connection with ownership capital. The fair value is determinate at the day of options grants for employees, arrange in period when employees will qualify to execute options.
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.

2.26. 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.

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

Costs of business acquisition

The costs of business acquisition 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 acquisition, 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 acquisition 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 acquisition 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 acquisition costs

The acquirer recognises, at the acquisition date, the costs of the business acquisition, 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;
- 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 acquisition, 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 acquisition

and

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

Pursuant to IFRS 3 Group can correct fair value acquired net assets and goodwill within 12 months from acquisition data.

2.28. 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2009 TO 31.03.2009

NOTE 1.
INFORMATION ABOUT RELATED COMPANIES

No significant transactions with related undertakings were concluded in the first quarter 2009, apart from the transactions based on the Company's ordinary operations and market conditions.

NOTE 2.
IMPORTANT EVENTS AFTER THE BALANCE-SHEET DATE

There was not any important events after balance-sheet date.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Management Board Member Chief Executive Officer	Rui Amaral	15^{th} May 2009	
Management Board Member Chief Financial Officer	Jacek Owczarek	15^{th} May 2009	