



**EUROCASH**

**CONSOLIDATED QUARTERLY REPORT**

**1<sup>st</sup> QUARTER 2016**

**TRANSLATORS' EXPLANATORY NOTE**

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

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

## **CONTENTS**

- I. SELECTED CONSOLIDATED FINANCIAL DATA**
- II. QUARTERLY ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS**
- III. SELECTED SEPARATE FINANCIAL DATA**
- IV. QUARTERLY ABBREVIATED SEPARATE FINANCIAL STATEMENTS**
- V. MANAGEMENT DISCUSSION OF THE FINANCIAL RESULTS FOR THE  
1Q 2016**

## SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 31.03.2016 PLN	Non audited for the period from 01.01.2015 to 31.03.2015 PLN	Non audited for the period from 01.01.2016 to 31.03.2016 EUR	Non audited for the period from 01.01.2015 to 31.03.2015 EUR
Sales	4 764 046 981	4 605 767 319	1 092 621 206	1 097 761 302
Operating profit (loss)	6 642 518	6 760 552	1 523 443	1 611 343
Profit (loss) before income tax	3 360 562	(5 470 568)	770 736	(1 303 882)
Profit (loss) for the on continued operations	1 977 624	(3 078 293)	453 563	(733 696)
Profit (loss) for the period	1 977 624	(3 078 293)	453 563	(733 696)
Net cash from operating activities	46 783 846	93 523 528	10 729 748	22 290 859
Net cash used in investing activities	(103 544 747)	(51 497 291)	(23 747 706)	(12 274 118)
Net cash used in financing activities	74 311 198	(51 401 570)	17 043 071	(12 251 304)
Net change in cash and cash equivalents	17 550 297	(9 375 332)	4 025 113	(2 234 563)
Weighted average number of shares	138 697 752	138 528 195	138 697 752	138 528 195
Weighted average diluted number of shares	138 761 353	138 620 708	138 761 353	138 620 708
EPS (in PLN / EUR)	0,01	(0,02)	0,00	(0,01)
Diluted EPS (in PLN / EUR)	0,01	(0,02)	0,00	(0,01)
Average PLN / EUR rate*			4,3602	4,1956
	Non audited as at 31.03.2016 PLN	Non audited as at 31.12.2015 PLN	Non audited as at 31.03.2016 EUR	Non audited as at 31.12.2015 EUR
Assets	5 157 312 631	5 024 550 966	1 208 254 295	1 179 056 897
Non-current liabilities	246 255 728	262 834 175	57 692 749	61 676 446
Current liabilities	3 735 371 794	3 593 594 164	875 122 246	843 269 779
Equity	1 175 685 109	1 168 122 628	275 439 300	274 110 672
Share capital	138 920 436	138 829 311	32 546 255	32 577 569
Number of shares	138 920 436	138 829 311	138 920 436	138 829 311
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	8,00	7,98	1,87	1,87
Diluted book value per share (in PLN / EUR)	7,97	7,94	1,87	1,86
Declared or paid dividend (in PLN / EUR)	-	111 482 055	-	26 160 285
Declared or paid dividend per share (in PLN / EUR)	-	0,80	-	0,19
PLN / EUR rate at the end of the period**			4,2684	4,2615

\* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 1Q 2016,

\*\* 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.

# **EUROCASH S.A. GROUP**

## **CONDENSED INTERIM**

## **CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016

### **TRANSLATORS' EXPLANATORY NOTE**

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

KOMORNIKI, 13<sup>th</sup> May 2016

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**CONTENTS**

**General information ..... 3**

    1. Information about the Parent Entity ..... 3

    2. Board of the Parent Entity ..... 3

**Condensed consolidated income statement for the period from 01.01. to 31.03.2016 ..... 5**

**Condensed consolidated statement of comprehensive income for the period from 01.01. to 31.03.2016 ..... 6**

**Condensed consolidated statement of financial position as at 31.03.2016 ..... 7**

**Condensed consolidated statement of cash flows for the period from 01.01. to 31.03.2016 ..... 9**

**Condensed consolidated statement on changes in equity for the period from 01.01. to 31.03.2016 ..... 10**

**Supplementary information to the condensed interim consolidated financial statements prepared for the period from 01.01.2016 to 31.03.2016 ..... 11**

    1. General information ..... 11

    2. Notes to the Condensed interim consolidated financial statements prepared for the period from 01.01. to 31.03.2016 ..... 19

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## GENERAL INFORMATION

### 1. INFORMATION ABOUT THE PARENT ENTITY

#### NAME

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

#### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

#### CORE BUSINESS

Non-specialized wholesale trade  
(PKD 4690Z)

#### REGISTRATION COURT

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

#### PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

Indefinite period

#### PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2016 – 31 March 2016.

Consolidated statement of financial position has been prepared as at 31 March 2016 and the comparative figures are presented as at 31 December 2015.

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

### 2. BOARD OF THE PARENT ENTITY

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

As at 31 March 2016 the Parent Entity's Management Board consisted of the following members:

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 2.2. SUPERVISORY BOARD

As at 31 March 2016 the Parent Entity's Supervisory Board consisted of the following members:

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

## 2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 31.03.2016

	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016	Non audited 1 Quarter for the period from 01.01.2015 to 31.03.2015
<b>Sales</b>	<b>4 764 046 981</b>	<b>4 605 767 319</b>
Sales of goods	4 507 481 653	4 389 588 465
Sales of services	255 628 671	215 112 189
Sales of materials	936 657	1 066 664
<b>Costs of sales</b>	<b>(4 301 657 791)</b>	<b>(4 186 504 282)</b>
Costs of goods sold	(4 270 322 460)	(4 155 363 273)
Costs of services sold	(30 462 962)	(30 219 834)
Costs of materials sold	(872 369)	(921 174)
<b>Gross profit (loss)</b>	<b>462 389 190</b>	<b>419 263 037</b>
Selling expenses	(362 588 936)	(325 992 046)
General and administrative expenses	(75 690 591)	(74 755 422)
<b>Profit (loss) on sales</b>	<b>24 109 663</b>	<b>18 515 569</b>
Other operating income	10 805 493	8 679 884
Other operating expenses	(28 272 638)	(20 434 901)
<b>Operating profit (loss)</b>	<b>6 642 518</b>	<b>6 760 552</b>
Financial income	7 635 098	3 841 873
Financial costs	(9 499 053)	(15 101 095)
Share in profits (losses) of equity accounted investees	(1 418 001)	(971 898)
<b>Profit (loss) before income tax</b>	<b>3 360 562</b>	<b>(5 470 568)</b>
Income tax expense	(1 382 938)	2 392 275
<b>Profit (loss) for the period</b>	<b>1 977 624</b>	<b>(3 078 293)</b>
Attributable to:		
Owners of the Company	1 177 846	(3 358 835)
Non-controlling interests	799 777	280 542
<b>EARNINGS PER SHARE</b>		
	PLN / share	PLN / share
Profit (loss)	1 177 846	(3 358 835)
Weighted average number of shares	138 697 752	138 528 195
Weighted average diluted number of shares	138 761 353	138 620 708
<b>from continued operations</b>		
- basic	0,01	(0,02)
- diluted	0,01	(0,02)



<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 31.03.2016**

	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016	Non audited 1 Quarter for the period from 01.01.2015 to 31.03.2015
<b>Profit (loss) for the period</b>	<b>1 977 624</b>	<b>(3 078 293)</b>
<b>Other comprehensive income for the period</b>	(20 568)	(128 176)
Items that may be subsequently reclassified to profit or loss:		
- The result on hedge accounting with the tax effect:	(20 568)	(128 176)
<b>Total comprehensive income for the period</b>	<b>1 957 055</b>	<b>(3 206 469)</b>
<b>Total Income</b>		
Owners of the Company	1 157 278	(3 487 011)
Non-controlling interests	799 777	280 542
<b>Total comprehensive income for the period</b>	<b>1 957 055</b>	<b>(3 206 469)</b>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.03.2016

	Non audited	
	as at	as at
	31.03.2016	31.12.2015
<i>Assets</i>		
<b>Non-current assets (long-term)</b>	<b>2 331 458 686</b>	<b>2 288 140 043</b>
Goodwill	1 209 086 291	1 172 298 640
Intangible assets	370 463 896	378 635 854
Property, plant and equipment	583 070 995	569 291 463
Investment real estate property	1 000 266	1 004 191
Investments in equity accounted investees	34 273 120	35 691 120
Other long-term investments	531 570	531 570
Long-term receivables	2 971 178	3 022 857
Deferred tax assets	128 843 324	126 560 956
Other long-term prepayments	1 218 046	1 103 391
<b>Current assets (short-term)</b>	<b>2 825 853 945</b>	<b>2 736 410 924</b>
Inventories	1 041 718 367	968 330 792
Trade receivables	1 506 003 174	1 533 302 770
Current tax receivables	2 379 098	11 944 512
Other short-term receivables	138 458 157	113 390 483
Short-term prepayments	33 548 105	23 245 620
Cash and cash equivalents	103 747 044	86 196 747
<b>Total assets</b>	<b>5 157 312 631</b>	<b>5 024 550 966</b>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.03.2016

	Non audited	
	as at	as at
	31.03.2016	31.12.2015
<i>Equity and liabilities</i>		-
<b>Equity</b>	<b>1 175 685 109</b>	<b>1 168 122 628</b>
<b>Equity attributable to Owners of the Company</b>	<b>1 111 664 856</b>	<b>1 107 314 501</b>
Share capital	138 920 436	138 829 311
Reserve capital	758 225 267	755 123 316
Hedging reserve	(10 664 848)	(10 644 280)
Retained earnings	225 184 001	224 006 155
Accumulated profit from previous years	224 006 155	11 636 173
Profit (loss) for the period	1 177 846	212 369 981
<b>Non-controlling interests</b>	<b>64 020 253</b>	<b>60 808 127</b>
<b>Liabilities</b>	<b>3 981 627 522</b>	<b>3 856 428 339</b>
<b>Non-current liabilities</b>	<b>246 255 728</b>	<b>262 834 175</b>
Long-term financial liabilities	158 418 072	158 980 543
Other long-term liabilities	3 211 588	3 098 869
Deferred tax liabilities	80 897 841	97 069 273
Employee benefits	3 521 626	3 495 089
Provisions	206 600	190 400
<b>Current liabilities</b>	<b>3 735 371 794</b>	<b>3 593 594 164</b>
Loans and borrowings	127 627 917	19 193 856
Short-term financial liabilities	58 049 719	82 574 451
Trade payables	3 285 390 857	3 225 544 401
Current tax liabilities	3 385 209	4 650 392
Other short-term payables	80 142 519	86 729 698
Current employee benefits	71 356 183	69 904 354
Provisions	109 419 392	104 997 011
<b>Total equity and liabilities</b>	<b>5 157 312 631</b>	<b>5 024 550 966</b>
<b>BOOK VALUE PER SHARE</b>		
	Non audited	
	as at	as at
	31.03.2016	31.12.2015
<b>Equity attributable to Owners of the Company</b>	<b>1 111 664 856</b>	<b>1 107 314 501</b>
Number of shares	138 920 436	138 829 311
Diluted number of shares	139 530 636	139 530 636
<b>Book value per share</b>	<b>8,00</b>	<b>7,98</b>
<b>Diluted book value per share</b>	<b>7,97</b>	<b>7,94</b>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01. TO 31.03.2016

	1 Quarter for the period from 01.01.2016 to 31.03.2016	1 Quarter for the period from 01.01.2015 to 31.03.2015
<i>Cash flow from operating activities</i>		
<b>Profit (loss) before tax</b>	<b>3 360 562</b>	<b>(5 470 568)</b>
<b>Adjustments for:</b>	<b>46 136 612</b>	<b>50 348 189</b>
Depreciation and amortization	40 698 430	35 024 411
Share in profits (losses) of equity accounted investees	1 418 001	971 898
Valuation of motivational program	-	1 013 543
Gain (loss) on sale of property, plant and equipment	597 462	1 167 754
Interest expenses	7 725 323	12 855 296
Interest received	(4 302 603)	(684 713)
<b>Operating cash before changes in working capital</b>	<b>49 497 174</b>	<b>44 877 621</b>
Changes in inventory	(54 450 287)	264 958 938
Changes in receivables	4 479 480	92 674 107
Changes in payables	60 602 567	(294 958 801)
Changes in provisions and employee benefits	2 300 286	115 947
Other adjustments	(445 472)	435 928
<b>Operating cash</b>	<b>61 983 748</b>	<b>108 103 740</b>
Interest received	320 964	335 577
Interest paid	(4 222 880)	(6 429 519)
Income tax paid	(11 297 985)	(8 486 270)
<b>Net cash from operating activities</b>	<b>46 783 846</b>	<b>93 523 528</b>
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(7 648 619)	(6 374 265)
Aquisition of property, plant and equipment tangible fixed assets	(40 334 894)	(43 473 165)
Proceeds from sale of property, plant and equipment	1 018 261	6 429 898
Aquisition of subsidiaries, net of cash aquired	(56 796 046)	-
Expenditures on the acquisition of subsidiaries	-	(8 200 000)
Interest received	216 552	120 242
<b>Net cash used in investing activities</b>	<b>(103 544 747)</b>	<b>(51 497 291)</b>
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	3 462 750	-
Cash outflows for other financial liabilities	(45 438 833)	(618 358)
Issuance of short term debt securities	15 500 000	(9 500 000)
Proceeds from loans and borrowings	108 454 361	81 665 763
Repayment of borrowings	-	(111 889 327)
Change in liabilities from financial leasing	(1 004 657)	(476 000)
Other interests	(4 017 890)	(5 911 786)
Interests on loans and borrowings	(2 644 533)	(4 671 862)
<b>Net cash used in financing activities</b>	<b>74 311 198</b>	<b>(51 401 570)</b>
<b>Net change in cash and cash equivalents</b>	<b>17 550 297</b>	<b>(9 375 332)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>86 196 747</b>	<b>86 913 164</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>103 747 044</b>	<b>77 537 831</b>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## CONDENSED CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 31.03.2016

	Share capital	Reserve capital	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Non-controlling interests	Total
<i>Changes in equity in the period from 01.01 to 31.03.2015</i>							
<b>Balance as at 01.01.2015 after changes</b>	<b>138 680 636</b>	<b>457 945 167</b>	<b>(14 182 324)</b>	<b>419 381 819</b>	<b>1 001 825 298</b>	<b>32 293 088</b>	<b>1 034 118 386</b>
<b>Total comprehensive income for the reporting period</b>							
Owners of the Company	-	-	-	(3 358 835)	(3 358 835)	-	(3 358 835)
Non-controlling interests	-	-	-	-	-	280 542	280 542
Profit (loss) for the period from 01.01. to 31.03.2015	-	-	-	-	-	(32 293 088)	(32 293 088)
Net profit presented directly in equity	-	-	(128 176)	-	(128 176)	-	(128 176)
<b>Total comprehensive income for the period from 01.01. to 31.03.2015</b>	<b>-</b>	<b>-</b>	<b>(128 176)</b>	<b>(3 358 835)</b>	<b>(3 487 011)</b>	<b>(32 012 546)</b>	<b>(35 499 558)</b>
Equity-settled share-based payment transactions	-	1 025 609	-	-	1 025 609	-	1 025 609
Settlement of acquisition and sale of shares	-	-	-	-	-	32 293 091	32 293 091
<b>Total transaction with Owners of the Company, recognized directly in equity</b>	<b>-</b>	<b>1 025 609</b>	<b>-</b>	<b>-</b>	<b>1 025 609</b>	<b>32 293 091</b>	<b>33 318 700</b>
<b>Balance as at 31.03.2015</b>	<b>138 680 636</b>	<b>458 970 776</b>	<b>(14 310 500)</b>	<b>416 022 983</b>	<b>999 363 895</b>	<b>32 573 633</b>	<b>1 031 937 528</b>
<i>Changes in equity in the period from 01.01 to 31.03.2016</i>							
<b>Balance as at 01.01.2016</b>	<b>138 829 311</b>	<b>755 123 316</b>	<b>(10 644 280)</b>	<b>224 006 155</b>	<b>1 107 314 501</b>	<b>60 808 127</b>	<b>1 168 122 628</b>
<b>Total comprehensive income for the reporting period</b>							
Owners of the Company	-	-	-	1 177 846	1 177 846	-	1 177 846
Non-controlling interests	-	-	-	-	-	3 212 127	3 212 127
Other comprehensive income	-	-	(20 568)	-	(20 568)	-	(20 568)
<b>Total comprehensive income for the period from 01.01. to 31.03.2016</b>	<b>-</b>	<b>-</b>	<b>(20 568)</b>	<b>1 177 846</b>	<b>1 157 278</b>	<b>3 212 127</b>	<b>4 369 405</b>
Share options exercised	91 125	3 371 625	-	-	3 462 750	-	3 462 750
Other	-	(269 673)	-	-	(269 673)	-	(269 673)
<b>Total contributions by and distributions to Owners of the Company</b>	<b>91 125</b>	<b>3 101 952</b>	<b>-</b>	<b>-</b>	<b>3 193 077</b>	<b>-</b>	<b>3 193 077</b>
<b>Total transaction with Owners of the Company, recognized directly in equity</b>	<b>91 125</b>	<b>3 101 952</b>	<b>-</b>	<b>-</b>	<b>3 193 077</b>	<b>-</b>	<b>3 193 077</b>
<b>Balance as at 31.03.2016</b>	<b>138 920 436</b>	<b>758 225 267</b>	<b>(10 664 848)</b>	<b>225 184 001</b>	<b>1 111 664 856</b>	<b>64 020 253</b>	<b>1 175 685 109</b>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 31.03.2016

### 1. GENERAL INFORMATION

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

According to the resolution of the Management Board dated 13 May 2016 the consolidated financial statements of Eurocash Group for the period from 1 January 2016 to 31 March 2016 were authorized for issue by the Management Board.

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

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

#### 1.2. STATEMENT OF COMPLIANCE

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

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

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

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

#### 1.4. USE OF ESTIMATES AND JUDGEMENTS

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

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

#### 1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31<sup>st</sup> December 2015 .

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

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

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

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

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

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

<b>Financial statements period:</b>	<b>01.01-31.03.2016</b>	<b>Presentation currency:</b>	<b>Polish zloty (PLN)</b>
<b>Level of round-offs:</b>	<b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b>		

**Entities comprising the Eurocash capital group and associates as at 31.03.2016**

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



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

<b>Financial statements period:</b>	<b>01.01-31.03.2016</b>	<b>Presentation currency:</b>	<b>Polish zloty (PLN)</b>
<b>Level of round-offs:</b>	<b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b>		

**Entities comprising the Eurocash capital group and associates as at 31.03.2016 (continued)**

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

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

<b>Financial statements period:</b>	<b>01.01-31.03.2016</b>	<b>Presentation currency:</b>	<b>Polish zloty (PLN)</b>
<b>Level of round-offs:</b>	<b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b>		

**Entities comprising the Eurocash capital group and associates as at 31.03.2016 (continued)**

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

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

<b>Financial statements period:</b>	<b>01.01-31.03.2016</b>	<b>Presentation currency:</b>	<b>Polish zloty (PLN)</b>
<b>Level of round-offs:</b>	<b>All amounts are expressed in Polish zloty (unless indicated otherwise)</b>		

**Entities comprising the Eurocash capital group and associates as at 31.03.2016 (continued)**

No	24	25	26	27	28	29	30	31
Unit	PayUp Polska S.A.	Eurocash Convenience Sp. z o.o.	Kontigo Sp. z o.o.	Inmedio Sp. z o.o.	Eurocash VC3 Sp. z o.o.	Eurocash VC5 Sp. z o.o.	Eurocash VC4 Sp. z o.o.	Firma Rogala Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Al. Jerozolimskie 174 02-486 Warszawa	ul. Bokserska 66A 02-690 Warszawa	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Grunwaldzka 59 38-350 Bobowa
core business activity	PKD 6120Z	PKD 7010Z	PKD 7010Z	PKD 4617Z	PKD 7740Z	PKD 4711Z	PKD 5621Z	PKD 4711Z
registration court	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000299000	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000509266	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000510241	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000525507	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000560795	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000577163	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000586936	District Court Kraków- Śródmieście in Kraków, XII Commercial Division of the National Court Register KRS 0000576321
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	06.05.2014	05.03.2014	17.04.2014	01.12.2014	11.05.2015	22.07.2015	22.07.2015	29.01.2016
ownership interest	100%	100%	100%	51%	100%	100%	100%	50%
voting rights (in %)	100%	100%	100%	51%	100%	100%	100%	50%

On 29 January 2016 acquired of 50% shares in Firma Rogala Sp. z o.o.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**Entities comprising the Eurocash capital group and associates as at 31.03.2016 (continued)**

No	1	2
Unit	FRISCO S.A.	Partnerski Serwis Detaliczny S.A.
address	ul. Omulewska 27 04-128 Warszawa	ul. Grażyny 15 02-548 Warszawa
core business activity	PKD 4791Z	PKD 6499Z
registration court	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000401344	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000280288
nature of relationship	Associate	Joint venture
applied consolidation method	Equity method	Equity method
ownership interest	44,13%	50%
voting rights (in %)	44,13%	50%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

### 1.7. GOING CONCERN ASSUMPTION

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 2. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01. TO 31.03.2016

### NOTE 1. ACQUISITIONS

#### 1. Acquisition of 50% of shares in company Firma Rogala Sp. z o.o.

##### General information

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

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

1. Name of acquired company	Firma Rogala Sp. z o.o.
2. Acquisition date	29.01.2016
3. Acquisition cost	39 200 000

##### Settlement of the acquisition of the business

These consolidated financial statements include the provisional settlement of the acquisition price of shares Firma Rogala Sp. z o.o. Due to the very short period between the acquisition of the Company and the preparation of these condensed consolidated quarterly financial statements, the Group is in the process of identification and valuation of intangible assets acquired and liabilities assumed.

##### ACQUISITION COST

	as at 29.01.2016
Cash	<u><u>39 200 000</u></u>

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period: 01.01-31.03.2016 Presentation currency: Polish zloty (PLN)

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

**NET ASSETS ACQUIRED**

Value before  
restatement as at  
29.01.2016

<i>Assets</i>	
<b>Non-current assets (long-term)</b>	<b>13 468 486</b>
Intangible assets	26 298
Tangible fixed assets	13 062 188
Deferred income tax assets	380 000
<b>Current assets (short-term)</b>	<b>24 622 453</b>
Inventory	18 937 288
Trade receivables	1 300 736
Other short-term receivables	955 305
Short-term prepayments	25 171
Cash and cash equivalents	3 403 954
<b>Total assets</b>	<b>38 090 939</b>
<i>Equity nad liabilities</i>	
<b>Liabilities</b>	<b>33 266 241</b>
<b>Current liabilities</b>	<b>33 266 241</b>
Other short-term financial liabilities	5 091 674
Trade liabilities	21 186 292
Other short-term liabilities	4 692 717
Current employee benefits	276 002
Other short-term provisions	2 019 555
<b>Total liabilities</b>	<b>33 266 241</b>
<b>Net assets</b>	<b>4 824 697</b>
Goodwill on acquisition	36 787 651
<b>Acquisition cost</b>	<b>39 200 000</b>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## NOTE 2. OPERATING SEGMENTS

As a result of the analysis of Eurocash Group's business activities, the Group has distinguished the following segments that properly represent the different business characteristics:

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

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

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

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

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



<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Basic information about each reportable segment are shown below.

**REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2016 TO 31 MARCH 2016**

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
<b>Sales</b>	<b>3 000 285 117</b>	<b>1 022 915 019</b>	<b>837 541 218</b>	<b>25 586 960</b>	<b>140 223 751</b>	<b>(262 505 083)</b>	<b>4 764 046 981</b>
External sales	2 834 527 672	1 016 927 825	746 894 467	25 517 134	140 179 884	-	4 764 046 981
Inter-segmental sales	165 757 445	5 987 194	90 646 751	69 826	43 867	(262 505 083)	-
<b>Operating profit</b>	<b>2 461 209</b>	<b>14 143 715</b>	<b>15 474 718</b>	<b>(7 221 086)</b>	<b>(18 216 037)</b>	<b>-</b>	<b>6 642 518</b>
Finance income							7 635 098
Finance costs							(9 499 053)
Share in losses of companies consolidated with the equity method							(1 418 001)
<b>Profit before income tax</b>							<b>3 360 562</b>
Income tax							(1 382 938)
<b>Net profit</b>							<b>1 977 624</b>

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2015 TO 31 MARCH 2015**

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
<b>Sales</b>	<b>2 948 710 839</b>	<b>1 011 162 420</b>	<b>690 832 195</b>	<b>18 182 614</b>	<b>132 104 575</b>	<b>(195 225 324)</b>	<b>4 605 767 319</b>
External sales	2 839 680 687	1 006 701 432	609 197 526	18 083 438	132 104 237	-	4 605 767 319
Inter-segmental sales	109 030 152	4 460 989	81 634 668	99 176	338	(195 225 324)	-
<b>Operating profit</b>	<b>4 244 752</b>	<b>(657 006)</b>	<b>16 599 680</b>	<b>(5 556 437)</b>	<b>(7 870 438)</b>	<b>-</b>	<b>6 760 552</b>
Finance income							3 841 873
Finance costs							(15 101 095)
Share in losses of companies consolidated with the equity method							(971 898)
<b>Profit before income tax</b>							<b>(5 470 568)</b>
Income tax							2 392 275
<b>Net profit</b>							<b>(3 078 293)</b>

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE 3.  
ITEMS NOT INCLUDED IN THE STATEMENT OF FINANCIAL POSITION**

**CONTINGENTIES AS AT 31 MARCH 2016**

Beneficiary	Title	Currency	as at	as at	
			31.03.2016	31.12.2015	
1	BZ WBK *	Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	27 733 288	30 546 530
			<b>27 733 288</b>	<b>30 546 530</b>	

\* debt value as at balance sheet date

**BANK GUARANTEES AS AT 31 MARCH 2016 - SECURITIES FOR RENT LIABILITIES**

The Issuer	Title	Currency	as at	as at	
			31.03.2016	31.12.2015	
1	ING	Security for rent liabilities	PLN	-	821 100
2	ING	Security payments to suppliers	PLN	37 500	6 550 000
3	PKO BP S.A.	Security for liabilities due to Agency agreement	PLN	500 000	500 000
4	PKO BP S.A.	Security for rent liabilities	PLN	4 893 799	5 016 630
5	PKO BP S.A.	Security for rent liabilities	PLN*	22 885 361	22 121 539
6	PKO BP S.A.	Security for excise duty	PLN	3 100 000	3 100 000
7	PKO BP S.A.	Security for using of the national roads	PLN	620 100	620 100
8	PKO BP S.A.	The liabilities of the promotion lottery	PLN	384 468	384 468
9	PKO BP S.A.	Security payments to suppliers	PLN	107 070 000	115 070 000
10	PKO BP S.A.	Security for liabilities due to Improvements agreement	PLN*	469 524	-
			<b>139 960 752</b>	<b>154 183 836</b>	

\* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:  
as at 31.12.2015: 1 EUR = 4,2615 PLN,  
as at 31.03.2016: 1 EUR = 4,2684 PLN.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## COLLATERALS

### SECURITIES RELATED TO ASSETS AS AT 31 MARCH 2016

Title	Secured property	Amount secure in PLN
ING security on the credit line agreement *	Deposit on inventories Eurocash S.A.	180 000 000
Securing a framework agreement to provide bank guarantees PKO BP*	Deposit on inventories Eurocash Serwis Sp. z o.o.	80 000 000
Securing a framework agreement to provide bank guarantees PKO BP*	Deposit on inventories Eurocash S.A.	50 000 000
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Serwis Sp. z o.o.	9 547 300
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Franczyza Sp. z o.o.	3 800 000
Financial leasing agreements (due to net value of fixed assets at the balance sheet date)	Ownership of fixed assets in financial leasing	12 980 428

\* security nominal value

## NOTE 4.

### FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 March 2016 fair value of financial instruments approximated their carrying value. The Group has hedging interest rate risk, the IRS, which are measured at their fair value. For these IRS fair value was qualified to level 2 of the hierarchy - the fair value is determined basing on the values observed in the market but not as a direct reference to the market (eg. they are determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the valuation effect is recognized in other comprehensive income.

## NOTE 5.

### IMPORTANT EVENTS

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

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

According to received information, in 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue. For these reasons, the Management Board of Eurocash S.A. decided to recognize the Agreement as confidential information.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## 2. Eurocash to acquire 100% of shares in EKO Holding S.A

On 23<sup>rd</sup> February 2016 Eurocash S.A. concluded with Pelican Ventures Sp. z o.o. preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 100% stake in EKO Holding S.A. based in Nowa Wieś Wroclawska, entered into the register of business entities under the KRS number 0000302877.

EKO is the owner of a chain comprising over 250 supermarkets, located mainly in Southwestern Poland, concentrated in the provinces of Lower Siles, Wielkopolska, Opole and Silesia. According to the received information, the total sales of EKO in 2015 amounted to app. PLN 999 million.

### NOTE 6.

#### IMPORTANT EVENTS AFTER BALANCE SHEET DATE

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

The Management Board of Eurocash S.A. announces that Resolution No. 5 of 19 April 2016 on the allocation of the profit for the year 2015, the Annual General Meeting Eurocash S.A. decided to distribute a dividend from the profit of the Company.

The Annual General Meeting of Eurocash S.A. decided that the net profit for 2015 amounting to PLN 500,681,214.00 will be distributed in the following manner:

- (1) shareholders of record on May 11, 2016, shall be eligible to receive the dividend in amount PLN 1.00 per one Company's share and;
- (2) the remaining part of the profit for 2015 shall be transferred to the Company's reserve capital.

The dividend will be payable by May 31, 2016.

Number of shares eligible for dividend as at April 19, 2016 amounts to 138,951,236. Number of shares may be increased due to the embracing of shares by a person authorized under the of the Company's incentive programs.

##### 2. Investment agreement to acquire 50% of shares in one of the largest Delikatesy Centrum franchisees

On 15th April 2016 Eurocash S.A. concluded with Marek Stodółka, Bogdan Habrat, Zofia Szubra, Aleksandra Stodółka, Anna Dąbrowska, FHC-2, M. Stodółka i Wspólnicy spółka jawna, FHC-2 spółka z ograniczoną odpowiedzialnością, Fructar spółka z ograniczoną odpowiedzialnością, Madas spółka z ograniczoną odpowiedzialnością, FHC-3 spółka z ograniczoną odpowiedzialnością preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 50% stake in FHC-2 Sp. z o.o. and Madas Sp. z o.o both based in Krosno which after restructuration will be the owner of a chain comprising over 47 supermarkets, located mainly in South-Eastern Poland. According to the received information, the total sales of acquired companies in 2015 amounted to app. PLN 270 million.

*Condensed interim consolidated financial statements of EUROCASH Group.*

Financial statements period: 01.01-31.03.2016 Presentation currency: Polish zloty (PLN)

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

**SIGNATURES OF THE MANAGEMENT BOARD MEMBERS**

<b>Position</b>	<b>Name and surname</b>	<b>Date</b>	<b>Signature</b>
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	13 <sup>th</sup> May 2016	
Member of the Management Board Financial Director	Jacek Owczarek	13 <sup>th</sup> May 2016	

## SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 31.03.2016 PLN	Non audited for the period from 01.01.2015 to 31.03.2015 PLN	Non audited for the period from 01.01.2016 to 31.03.2016 EUR	Non audited for the period from 01.01.2015 to 31.03.2015 EUR
Net sales	3 164 616 036	3 101 527 343	725 796 073	739 233 326
Operating profit (loss)	(10 530 490)	(9 783 186)	(2 415 139)	(2 331 773)
Profit (loss) before tax	(12 258 001)	(24 356 982)	(2 811 339)	(5 805 363)
Net Profit (loss) on continued operations	(8 825 789)	(19 872 441)	(2 024 171)	(4 736 496)
Net profit (loss)	(8 825 789)	(19 872 441)	(2 024 171)	(4 736 496)
Net operating cash flow	(42 103 589)	92 199 574	(9 656 343)	21 975 301
Net investment cash flow	(96 562 039)	(47 794 023)	(22 146 241)	(11 391 463)
Net financial cash flow	150 884 139	(36 567 181)	34 604 866	(8 715 602)
Net change in cash and cash equivalents	12 218 510	7 838 370	2 802 282	1 868 236
Weighted average number of shares	138 697 752	138 528 195	138 697 752	138 528 195
Weighted average diluted number of shares	138 761 353	138 620 708	138 761 353	138 620 708
EPS (in PLN / EUR)	(0,06)	(0,14)	(0,01)	(0,03)
Diluted EPS (in PLN / EUR)	(0,06)	(0,14)	(0,01)	(0,03)
Average PLN / EUR rate*			4,3602	4,1956
	Non audited as at 31.03.2016 PLN	Non audited as at 31.12.2015 PLN	Non audited as at 31.03.2016 EUR	Non audited as at 31.12.2015 EUR
Assets	5 044 599 797	5 016 924 491	1 181 847 952	1 177 267 275
Long-term liabilities	161 186 677	180 427 849	37 762 786	42 339 047
Short-term liabilities	3 701 685 960	3 649 385 875	867 230 335	856 361 815
Equity	1 181 727 159	1 187 110 767	276 854 831	278 566 413
Share capital	138 920 436	138 829 311	32 546 255	32 577 569
Number of shares	138 920 436	138 829 311	138 920 436	138 829 311
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	8,51	8,55	1,99	2,01
Diluted book value per share (in PLN / EUR)	8,47	8,51	1,98	2,00
Declared or paid dividend (in PLN / EUR)	-	109 451 447	-	25 683 784
Declared or paid dividend per share (in PLN / EUR)	-	0,79	-	0,19
PLN / EUR rate at the end of the period**			4,2684	4,2615

\* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 1Q 2016,

\*\* 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.

**EUROCASH S.A.**

**CONDENSED INTERIM  
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2016 TO 31 MARCH 2016

**TRANSLATORS' EXPLANATORY NOTE**

The following document is a free translation of the report of the above-mentioned Polish Company.  
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

KOMORNIKI, 13<sup>th</sup> May 2016

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<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

## CONTENTS

<b>General information .....</b>	<b>3</b>
1. Information about the company .....	3
2. Boards of the company.....	3
<b>Abbreviated separate income statement for the period from 01.01.2016 to 31.03.2016 .....</b>	<b>5</b>
<b>Abbreviated separate statement of comprehensive income for the period from 01.01.2016 to 31.03.2016 .....</b>	<b>6</b>
<b>Abbreviated separate statement of the financial position as at 31.03.2016.....</b>	<b>7</b>
<b>Abbreviated separate statement of cash flows for the period from 01.01.2016 to 31.03.2016.....</b>	<b>9</b>
<b>Abbreviated separate statement on changes in equity in the period from 01.01.2016 to 31.03.2016.....</b>	<b>10</b>
<b>Supplementary information to the abbreviated separate financial statements prepared for the period from 01.01.2016 to 31.03.2016 .....</b>	<b>11</b>
1. General information .....	11
2. Notes to condensed interim separate financial statements prepared for the period from 01.01.2016 to 31.03.2016 .....	12

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<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## GENERAL INFORMATION

### 1. INFORMATION ABOUT THE COMPANY

#### NAME

EUROCASH Spółka Akcyjna

#### REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

#### CORE BUSINESS

Non-specialized wholesale trade  
(PKD 4690Z)

#### REGISTRY COURT

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

#### PERIOD FOR WHICH THE COMPANY WAS ESTABLISHED

Indefinite

#### PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2016 – 31 March 2016 and in addition for the income statement and statement of comprehensive income, the reporting period is 1 January 2015 - 31 March 2015.

Separate statement of financial position has been prepared as at 31 March 2016. Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting.

### 2. BOARDS OF THE COMPANY

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

As at 31 March 2016 the Company's Management Board consisted of the following members:

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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

As at 31 March 2016 the Company's Supervisory Board consisted of the following members:

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

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

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2016 TO 31.03.2016

	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016	Non audited 1 Quarter for the period from 01.01.2015 to 31.03.2015
<b>Sales</b>	<b>3 164 616 036</b>	<b>3 101 527 343</b>
Sales of goods	2 975 372 637	2 947 664 378
Sales of services	189 243 399	153 862 965
<b>Costs of sales</b>	<b>(2 836 025 526)</b>	<b>(2 791 851 808)</b>
Costs of goods sold	(2 836 025 526)	(2 791 851 808)
<b>Gross profit (loss)</b>	<b>328 590 510</b>	<b>309 675 535</b>
Selling expenses	(266 272 455)	(254 639 090)
General and administrative expenses	(57 133 783)	(54 361 457)
<b>Profit (loss) on sales</b>	<b>5 184 272</b>	<b>674 988</b>
Other operating income	8 048 338	6 895 991
Other operating expenses	(23 763 100)	(17 354 164)
<b>Operating profit (loss)</b>	<b>(10 530 490)</b>	<b>(9 783 186)</b>
Financial income	9 425 466	3 709 397
Financial costs	(11 152 976)	(18 283 193)
<b>Profit (loss) before income tax</b>	<b>(12 258 001)</b>	<b>(24 356 982)</b>
Income tax expense	3 432 212	4 484 541
<b>Profit (loss) for the period</b>	<b>(8 825 789)</b>	<b>(19 872 441)</b>

### NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	(8 825 789)	(19 872 441)
Weighted average number of shares	138 697 752	138 528 195
Weighted average diluted number of shares	138 761 353	138 620 708
<b>from continued operations</b>		
- basic	(0,06)	(0,14)
- diluted	(0,06)	(0,14)

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**ABBREVIATED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2016 TO 31.03.2016**

	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016	Non audited 1 Quarter for the period from 01.01.2015 to 31.03.2015
<b>Profit (loss) for the period</b>	<b>(8 825 789)</b>	<b>(19 872 441)</b>
<b>Other comprehensive income (loss) for the period</b>	<b>(20 568)</b>	<b>(128 176)</b>
Items that may be subsequently reclassified to profit or loss:		
- The result on hedge accounting with the tax effect:	(20 568)	(128 176)
<b>Total comprehensive income (loss) for the period</b>	<b>(8 846 358)</b>	<b>(20 000 617)</b>

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 31.03.2016

	Non audited	
	as at	as at
	31.03.2016	31.12.2015
<i>Assets</i>		
<b>Non-current assets (long-term)</b>	<b>2 687 499 676</b>	<b>2 651 110 497</b>
Goodwill	862 819 840	862 819 840
Intangible assets	548 144 390	551 860 667
Property, plant and equipment	462 757 278	461 882 685
Investment real property	1 000 266	1 004 191
Investments in subsidiary companies	775 867 370	736 667 370
Investments in associates and joint ventures	34 529 802	34 529 802
Other long-term investments	58 723	58 723
Long-term receivables	1 809 419	1 869 819
Other long-term prepayments	512 587	417 399
<b>Current assets (short-term)</b>	<b>2 357 100 121</b>	<b>2 365 813 994</b>
Inventories	729 244 585	733 502 480
Trade receivables	1 131 924 212	1 163 571 931
Current tax assets	-	10 593 667
Other short-term receivables	75 861 211	59 959 761
Other short-term investments	336 001 961	334 228 360
Short-term prepayments	29 142 508	21 250 661
Cash and cash equivalents	54 925 644	42 707 133
<b>Total assets</b>	<b>5 044 599 797</b>	<b>5 016 924 491</b>

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 31.03.2016

	Non audited as at 31.03.2016	as at 31.12.2015
<i>Equity and liabilities</i>		
<b>Equity</b>	<b>1 181 727 159</b>	<b>1 187 110 767</b>
Share capital	138 920 436	138 829 311
Reserve capital	472 095 190	468 723 565
Hedging reserve	(10 664 848)	(10 644 280)
Retained earnings	581 376 381	590 202 171
Accumulated profit (loss) from previous years	590 202 171	89 520 957
Profit (loss) for the period	(8 825 789)	500 681 214
<b>Liabilities</b>	<b>3 862 872 638</b>	<b>3 829 813 724</b>
<b>Non-current liabilities</b>	<b>161 186 677</b>	<b>180 427 849</b>
Other long-term financial liabilities	153 192 328	153 552 495
Other long-term liabilities	896 350	965 072
Deferred tax liabilities	4 208 321	23 020 603
Employee benefits	2 889 679	2 889 679
<b>Current liabilities</b>	<b>3 701 685 960</b>	<b>3 649 385 875</b>
Loans and borrowings	819 955 116	675 945 159
Short-term financial liabilities	50 422 703	37 551 481
Trade liabilities	2 626 795 394	2 725 182 818
Current tax liabilities	1 806 289	-
Other short-term payables	55 339 595	61 139 602
Current employee benefits	55 337 226	59 098 290
Provisions	92 029 637	90 468 525
<b>Total equity and liabilities</b>	<b>5 044 599 797</b>	<b>5 016 924 491</b>

### BOOK VALUE PER SHARE

	as at 31.03.2016	as at 31.12.2015
<b>Book value</b>	<b>1 181 727 159</b>	<b>1 187 110 767</b>
Number of shares	138 920 436	138 829 311
Diluted number of shares	139 530 636	139 530 636
<b>Book value per share</b>	<b>8,51</b>	<b>8,55</b>
<b>Diluted book value per share</b>	<b>8,47</b>	<b>8,51</b>

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

## ABBREVIATED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2016 TO 31.03.2016

	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016	Non audited 1 Quarter for the period from 01.01.2015 to 31.03.2015
<i>Cash flow from operating activities</i>		
<b>Profit (loss) before income tax</b>	<b>(12 258 001)</b>	<b>(24 356 982)</b>
<b>Adjustments for:</b>	<b>30 758 036</b>	<b>42 740 298</b>
Depreciation and amortization	26 904 951	24 957 022
Equity-settled shared share-based payment transactions	-	1 013 543
(Gain) loss on sale of property, plant and equipment	29 581	574 113
Interest expenses	8 985 707	16 799 872
Interest received	(5 162 203)	(604 252)
<b>Operating cash before changes in working capital</b>	<b>18 500 035</b>	<b>18 383 316</b>
Changes in inventories	4 257 896	303 217 465
Changes in receivables	15 749 653	125 586 867
Changes in payables	(70 382 192)	(344 122 886)
Changes in provisions and employee benefits	(3 365 622)	(2 829 562)
Other adjustments	(2 086)	-
<b>Operating cash</b>	<b>(35 242 316)</b>	<b>100 235 200</b>
Interest received	278 389	322 798
Interest paid	(4 157 954)	(6 398 110)
Income tax paid	(2 981 708)	(1 960 314)
<b>Net cash from operating activities</b>	<b>(42 103 589)</b>	<b>92 199 574</b>
<i>Cash flow from investing activities</i>		
Acquisition of intangible assets	(6 069 067)	(4 205 735)
Acquisition of property, plant and equipment	(31 527 315)	(30 268 006)
Proceeds from sale of property, plant and equipment	809 689	5 853 775
Acquisition of associates	(60 200 000)	(8 200 000)
Loans granted	(880 360)	(11 000 000)
Repayment received of granted loans	67 552	-
Interest received	1 237 461	25 943
<b>Net cash used in investing activities</b>	<b>(96 562 039)</b>	<b>(47 794 023)</b>
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	3 462 750	-
Cash changes for other financial liabilities	(2 480 919)	(618 358)
Issuance of short term debt securities	15 500 000	(9 500 000)
Proceeds from loans and borrowings	144 009 957	99 757 772
Repayment of borrowings	-	(111 054 252)
Payment of finance lease liabilities	(533 419)	(595 762)
Other interest	(2 953 243)	(5 580 025)
Interests on loans and borrowings	(6 120 988)	(8 976 556)
<b>Net cash used in financing activities</b>	<b>150 884 139</b>	<b>(36 567 181)</b>
<b>Net change in cash and cash equivalents</b>	<b>12 218 510</b>	<b>7 838 370</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>42 707 133</b>	<b>26 786 003</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>54 925 644</b>	<b>34 624 372</b>



<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**ABBREVIATED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2016 TO 31.03.2016**

	Share capital	Reserve capital	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 31.03.2015</i>					
<b>Balance as at 1 January 2015</b>	<b>138 680 636</b>	<b>327 174 749</b>	<b>(14 182 324)</b>	<b>334 100 893</b>	<b>785 773 954</b>
<b>Total comprehensive income for the reporting period</b>					
Profit (loss) for the period from 01.01. to 31.03.2015	-	-	-	(19 872 441)	(19 872 441)
Net profit presented directly in equity	-	-	(128 176)	-	(128 176)
<b>Total comprehensive income for the period from 01.01. to 31.03.2015</b>	<b>-</b>	<b>-</b>	<b>(128 176)</b>	<b>(19 872 441)</b>	<b>(20 000 617)</b>
Equity-settled share based payment transactions	-	1 013 543	-	-	1 013 543
Share options exercised	-	12 065	-	-	12 065
<b>Total transaction with Owners of the Company recognized directly in equity</b>	<b>-</b>	<b>1 025 608</b>	<b>-</b>	<b>-</b>	<b>1 025 608</b>
<b>Balance as at 31.03.2015</b>	<b>138 680 636</b>	<b>328 200 357</b>	<b>(14 310 500)</b>	<b>314 228 452</b>	<b>766 798 945</b>
<i>Changes in equity in the period from 01.01. to 31.03.2016</i>					
<b>Balance as at 01 January 2016</b>	<b>138 829 311</b>	<b>468 723 565</b>	<b>(10 644 280)</b>	<b>590 202 171</b>	<b>1 187 110 767</b>
<b>Total comprehensive income for the reporting period</b>					
Profit (loss) for the period from 01.01 to 31.03.2016	-	-	-	(8 825 789)	(8 825 789)
Other comprehensive income for the period 01.01 to 31.03.2016	-	-	(20 568)	-	(20 568)
<b>Total comprehensive income for the period from 01.01. to 31.03.2016</b>	<b>-</b>	<b>-</b>	<b>(20 568)</b>	<b>(8 825 789)</b>	<b>(8 846 358)</b>
Share options exercised	91 125	3 371 625	-	-	3 462 750
<b>Total transaction with Owners of the Company recognized directly in equity</b>	<b>91 125</b>	<b>3 371 625</b>	<b>-</b>	<b>-</b>	<b>3 462 750</b>
<b>Balance as at 31.03.2016</b>	<b>138 920 436</b>	<b>472 095 190</b>	<b>(10 664 848)</b>	<b>581 376 381</b>	<b>1 181 727 159</b>

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

## **SUPPLEMENTARY INFORMATION TO THE ABBREVIATED SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 31.03.2016**

### **1. GENERAL INFORMATION**

#### **1.1. ISSUE OF THE FINANCIAL STATEMENT**

According to the resolution of the Management Board dated 13 May 2016 the separate financial statements of Eurocash S.A. for the period from 1 January 2016 to 31 March 2016 were authorised for issue by the Management Board.

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

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

#### **1.2. STATEMENT OF COMPLIANCE**

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

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the condensed interim consolidated Eurocash Group for the period ended 31 March 2016, and the separate financial statements of Eurocash as at and for the year ended 31 December 2015, which is available on the website [www.eurocash.pl](http://www.eurocash.pl).

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

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

#### **1.4. USE OF ESTIMATES AND JUDGEMENTS**

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

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

#### **1.5. COMPARABILITY OF FINANCIAL STATEMENTS**

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the year ended 31st December 2015.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

**1.6. GOING CONCERN ASSUMPTION**

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

**2. NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 31.03.2016**

**NOTE 1.  
OTHERS INFORMATION**

Those condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash Group prepared as at 31 March 2016. According to the Board of Eurocash S.A. in the others information to the condensed interim consolidated financial statements of Eurocash Group are included all the relevant information required for a proper assessment of the financial position of the Company in the reporting period.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

#### **SIGNATURES OF THE MANAGEMENT BOARD MEMBERS**

<b>Position</b>	<b>Name and surname</b>	<b>Date</b>	<b>Signature</b>
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	13 <sup>th</sup> May 2016	
Member of the Management Board Financial Director	Jacek Owczarek	13 <sup>th</sup> May 2016	

## Management discussion of the financial results for the 1Q 2016

### 1. Eurocash Group - overview

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

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

## 2. Summary of financial and operational results of Eurocash Group in 1Q 2016

### *Profit & loss account*

**Table 1 Eurocash Group: Summary of consolidated financial results for 1Q 2016**

	Q1 2016	Q1 2015	Change % 2016 2015
PLN m			
Sales revenues (traded goods, materials)	4 764,05	4 605,77	3,44%
Gross profit (loss) on sales	462,39	419,26	10,29%
Gross profitability on sales (%)	9,71%	9,10%	0,61 p.p.
EBITDA	47,34	41,78	13,30%
(EBITDA margin %)	0,99%	0,91%	0,08 p.p.
EBIT	6,64	6,76	-1,75%
(EBIT margin %)	0,14%	0,15%	-0,01 p.p.
Gross profit	3,36	(5,47)	-161,43%
Net Income	1,98	(3,08)	-164,24%
(Net profitability %)	0,04%	-0,07%	0,11 p.p.

Consolidated total sales of Eurocash Group in 1Q 2016 amounted to PLN 4 764.05 m and increased by 3,44% YoY. The main driver of sales growth was Delikatesy Centrum distribution format as well as consolidation of Firma Rogala sp. z o.o. since January 2016. The negative impact on sales revenues had an 1.44% YoY sales decrease in Cash&Carry format.

Consolidated gross profitability in 1Q 2016 increased by 0.61 p.p. to 9.71% vs. 9.10% in 1Q 2015.

Consolidated EBITDA in 1Q 2016 increased by 13.30% YoY and amounted to PLN 47.34 m. Increase of EBITDA was attributable mainly to higher profitability noted in Alcohol Distribution and Delikatesy Centrum formats and improvement in cost efficiency of Eurocash Distribution. Additional EBITDA coming from consolidation of Firma Rogala was off-set by additional costs related to further development of new retail formats and projects initiated by the Eurocash Group like 1minute or Kontigo stores.

The net profit amounted to PLN 1.98 m in 1Q 2016 comparing with loss at the level of PLN -3.08 m in 1Q 2015. The net profit was driven by lower net financial costs, which was partially off-set by increase of depreciation comparing to 1Q 2015.

## Sales by format

**Table 2 Eurocash Group: Sales of goods dynamics by distribution format for 1Q 2016**

PLN m	External sales of goods		
	1Q 2016	1Q 2015	% change
Cash&Carry	985,83	998,07	-1,23%
Delikatesy Centrum	480,45	440,20	9,14%
Tobacco+Impulse	1 243,75	1 263,54	-1,57%
Alcohol distribution	427,06	447,94	-4,66%
Eurocash Food Service	82,39	75,16	9,63%
Eurocash Distribution	1 015,08	1 005,31	0,97%
Other	272,92	159,37	71,25%
Total	4 507,48	4 389,59	2,69%

### Cash & Carry:

- In 1Q 2016 external sales of goods in Cash&Carry format amounted to PLN 985.83 m and decreased by 1.23% comparing with 1Q 2015.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 1Q 2016 amounted to negative 4.04%.
- The number of Eurocash Cash&Carry stores at the end of 1Q 2016 amounted to 188 (including 3 Batna stores).
- The number of abc stores amounted to 7 957 at the end of 1Q 2016.
- In 1Q 2016 shares of abc stores in total sales of Eurocash Cash&Carry stores amounted to 61.11%.

### Delikatesy Centrum:

- Wholesale sales of goods realized by "Delikatesy Centrum" Distribution Centers in 1Q 2016 amounted to PLN 480.45m, and increased by 9.14% compared to 1Q 2015.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 2.68% in 1Q 2016.
- LFL growth of retail sales of "Delikatesy Centrum" franchise stores amounted to 1.17% in 1Q 2016.
- Number of "Delikatesy Centrum" franchise stores at the end of 1Q 2016 amounted to 1065.

### Tobacco&Impulse:

- External sales of goods in Eurocash Serwis amounted in 1Q 2016 to PLN 1 243.75 m in comparison to PLN 1 263.54 m in 1Q 2015 and decreased by 1.57% YoY.
- Sales of food category decreased in 1Q 2016 by 7.51% YoY.
- In terms of volume, sales of cigarettes in 1Q 2016 to external clients increased by 4.38% and amounted to 2 042m pieces of cigarettes.
- Lower sales of Eurocash Serwis was attributable to movement of sales of prepaid category to PayUp
- Number of Eurocash Serwis branches as of the end of 1Q 2016 amounted to 175

#### Alcohol Distribution:

- Sales of goods in Eurocash Alkohole in 1Q 2016 amounted to PLN 427.06 m, 4.66% lower than in 1Q 2015.

#### Eurocash Food Service:

- External sales of goods in Eurocash Food Service amounted to PLN 82.39 m in 1Q 2016, 9.63% higher than in the same period last year.

#### Eurocash Distribution:

- Sales of goods in Eurocash Distribution in 1Q 2016 amounted to PLN 1 015.08 m and increased by 0.97% comparing with 1Q 2015.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 551 stores as of the end of 1Q 2016.

#### Cash flow

**Table 3: Eurocash Group: Consolidated cash flow for 1Q 2016**

	PLN m	Q1 2016	Q1 2015
Operating cash flow		46,78	93,52
<i>Gross profit (loss)</i>		3,36	(5,47)
<i>Depreciation</i>		40,70	35,02
<i>Change in working capital</i>		10,63	62,67
<i>Other</i>		(8,23)	0,96
Cash flow from investments		(103,54)	(51,50)
Cash flow from financing activities		74,31	(51,40)
<b>Total cash flow</b>		17,55	(9,38)

Total cash flow in 1Q 2016 amounted to PLN 17.55 m, while the operating cash flow reached PLN 46.78m and was remained at the level of 99% of EBITDA in 1Q 2016. Compared with 1Q 2015 operating cash flow was lower due to strong decrease of the inventory level previous year. Cash flow from investments amounted to PLN -103.54 m and was mainly impacted by payment for the acquired company. Cash flow from financing activities amounted in 1Q 2016 to PLN 74.31 m comparing with negative PLN 51.40 m in 1Q 2015.



### **Working capital**

**Table 4: Eurocash Group: Consolidated working capital ratios flow for 1Q 2016**

Turnover in days	Q1 2016	Q1 2015
1. Inventories turnover	19,90	19,95
2. Trade receivables turnover	28,77	28,80
3. Trade liabilities turnover	69,50	59,23
<b>4. Operating cycle (1+2)</b>	48,67	48,76
<b>5. Cash conversion (4-3)</b>	(20,84)	(10,48)

Cash conversion in 1Q 2016 reached -20.84 days comparing with -10.48 days in 1Q 2015. Faster cash conversion was attributable to longer trade liabilities turnover.

### **Statement of the financial position**

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

**Table 5: Eurocash Group: Selected consolidated balance sheet items**

PLN m	31.03.2016		31.12.2015	
Fixed assets	2 331,46	45,21%	2 288,14	45,54%
Current assets	2 825,85	54,79%	2 736,41	54,46%
Total assets	5 157,31	100,00%	5 024,55	100,00%
Equity	1 175,69	22,80%	1 168,12	23,25%
Liabilities and provisions	3 981,63	77,20%	3 856,43	76,75%
Total liabilities and equity	5 157,31	100,00%	5 024,55	100,00%

Net debt of Eurocash Group at the end of March 2016 amounted to PLN 240.35 m compared with PLN 820.54 m at the end of March 2015. According the net debt definition from revolving credit agreement (including contingencies) amounted at the end of March 2016 to PLN 268.08 m.

### 3. Summary of financial results of Eurocash S.A. in 1Q 2016

#### *Profit & loss account*

**Table 6: Eurocash S.A.: Summary of financial results for 1Q 2016**

	PLN m	Q1 2016	Q1 2015	Change 2016/ 2015
Sales revenues (traded goods, materials)		3 164,62	3 101,53	2,03%
Gross profit (loss) on sales		328,59	309,68	6,11%
Gross profitability on sales (%)		10,38%	9,98%	0,40 p.p.
EBITDA		16,37	15,17	7,91%
<i>(EBITDA margin %)</i>		0,52%	0,49%	0,03 p.p.
EBIT		(10,53)	(9,78)	7,64%
<i>(EBIT margin %)</i>		-0,33%	-0,32%	-0,01 p.p.
Gross profit		(12,26)	(24,36)	-49,67%
Net Income		(8,83)	(19,87)	-55,59%
<i>(Net profitability %)</i>		-0,28%	-0,64%	0,36 p.p.

Sales of Eurocash S.A. in 1Q 2016 amounted to PLN 3 164.62 m and increased by 2.03%. Gross margin on sales realized by Eurocash S.A. in 1Q 2016 was 10.38%, 0.40 p.p. higher than in 1Q 2015. In 1Q 2016 EBITDA amounted to PLN 16.37 m. Net profit in 1Q 2016 amounted to negative PLN -8.83 m.

#### *Cash flow*

**Table 7: Eurocash S.A.: Cash flow for 1Q 2016**

	PLN m	2016	2015
Operating cash flow		(42,10)	92,20
<i>Gross profit (loss)</i>		(12,26)	(24,36)
<i>Depreciation</i>		26,90	24,96
<i>Change in working capital</i>		(50,37)	84,68
<i>Other</i>		(6,65)	6,60
Cash flow from investments		(96,56)	(47,79)
Cash flow from financing activities		150,88	(36,57)
<b>Total cash flow</b>		12,22	7,84

Total cash flow of Eurocash S.A. in 1Q 2016 amounted to PLN 12.22 m and operating cash flow amounted to negative PLN 42.10 m

## Working capital

**Table 8: Eurocash S.A.: Working capital ratios for 1Q 2016**

Turnover in days	Q1 2016	Q1 2015
1. Inventories turnover	20,97	22,03
2. Trade receivables turnover	32,55	32,50
3. Trade liabilities turnover	84,29	74,83
<b>4. Operating cycle (1+2)</b>	53,52	54,53
<b>5. Cash conversion (4-3)</b>	(30,77)	(20,29)

Cash conversion of Eurocash S.A. in 1Q 2016 was lower by 10.48 days comparing with 1Q 2015.

## Statement of the financial position

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

**Table 9: Eurocash S.A.: Selected balance sheet items**

PLN m	31.03.2016		31.12.2015	-
Fixed assets	2 687,50	53,27%	2 651,11	52,84%
Current assets	2 357,10	46,73%	2 365,81	47,16%
Total assets	5 044,60	100,00%	5 016,92	100,00%
Equity	1 181,73	23,43%	1 187,11	23,66%
Liabilities and provisions	3 862,87	76,57%	3 829,81	76,34%
Total liabilities and equity	5 044,60	100,00%	5 016,92	100,00%

## 4. Definitions of the financial ratios

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

## 5. Major events and factors that influenced consolidated income or loss in 1Q 2016.

There have been no major events that influenced Eurocash Group income or loss in 1Q 2016.

## 6. Development perspectives

### External Factors

*Growth in the FMCG market and its structure.*

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

*Inflation*

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

*Labour costs*

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

### Internal Factors

*New business formats*

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

*Organic expansion*

Management of Eurocash Group expects that during 2016:

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

*Integration of acquired companies*

Due to the necessity of integrating the acquired companies, in the opinion of Eurocash S.A. Management Board, full synergies associated with transactions will be possible to reach within 3 years after the acquisition of control over these companies.

## 7. Additional information

### Information regarding dividends

According to the resolution No. 5 dated 19 April 2016, the Ordinary General Meeting of Eurocash S.A. decided that the net profit for 2015 amounting to PLN 500,681,214.00 (five hundred million six hundred eighty-one thousand two hundred and fourteen zloty) will be distributed in the following manner:

- shareholders of record on May 11, 2016, shall be eligible to receive the dividend in amount PLN 1.00 (one zloty) per one Company's share and;
- the remaining part of the profit for 2015 shall be transferred to the Company's reserve capital.

The dividend will be payable by May 31, 2016. Number of shares eligible for dividend as at May 11, 2016 amounted to 139,084,436.00.

### Explanations regarding seasonality

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

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

In the period between 1st January 2016 and 31st March 2016 91,125 shares were issued.

At 31 March 2016 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0 m bonds issued under the long-term bonds issue program
- PLN 15,0 m bonds issued under the commercial paper program.

### Changes in the basic management principles

#### *Acquisition of 50% of shares in one of the largest Delikatesy Centrum franchisees*

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

According to received information, in 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue. For these reasons, the Management Board of Eurocash S.A. decided to recognize the Agreement as confidential information.

EUROCASH S.A.	
CONSOLIDATED QUARTELY REPORT (1Q 2016)	Page 10

*Investment agreement to acquire 100% of shares in EKO Holding S.A*

On 23rd February 2016 Eurocash S.A. concluded with Pelican Ventures Sp. z o.o. preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 100% stake in EKO Holding S.A. based in Nowa Wieś Wrocławska, entered into the register of business entities under the KRS number 0000302877. EKO is the owner of a chain comprising over 250 supermarkets, located mainly in Southwestern Poland, concentrated in the provinces of Lower Siles, Wielkopolska, Opole and Silesia. According to the received information, the total sales of EKO in 2015 amounted to app. PLN 999 million.

*Investment agreement to acquire 50% of shares in one of the largest Delikatesy Centrum franchisees*

On 15<sup>th</sup> April 2016 Eurocash S.A. concluded with Marek Stodółka, Bogdan Habrat, Zofia Szubra, Aleksandra Stodółka, Anna Dąbrowska, FHC-2, M. Stodółka i Wspólnicy spółka jawna, FHC-2 spółka z ograniczoną odpowiedzialnością, Fructar spółka z ograniczoną odpowiedzialnością, Madas spółka z ograniczoną odpowiedzialnością, FHC-3 spółka z ograniczoną odpowiedzialnością preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 50% stake in FHC-2 Sp. z o.o. and Madas Sp. z o.o both based in Krosno which after restructuration will be the owner of a chain comprising over 47 supermarkets, located mainly in South-Eastern Poland. According to the received information, the total sales of acquired companies in 2015 amounted to app. PLN 270 million.

In 1Q 2016 there were no other major changes in the basic management principles.

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

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

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

Shareholder	13.05.2016				25.02.2016			
	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes
Luis Amaral (directly and indirectly through Politra B.V. S.à.r.l.)	60 615 240	43,58%	60 615 240	43,58%	60 615 240	43,66%	60 615 240	43,66%
Others	78 469 196	56,42%	78 469 196	56,42%	78 216 721	56,34%	78 216 721	56,34%
<b>Total</b>	<b>139 084 436</b>	<b>100,00%</b>	<b>139 084 436</b>	<b>100,00%</b>	<b>138 831 961</b>	<b>100,00%</b>	<b>138 831 961</b>	<b>100,00%</b>

\* On 13.05.2016 The Management Board of Eurocash has information on the number of shares as of 11.05.2016 r.

**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	
	13.05.2016	25.02.2016
<b>Management Board members</b>		
Luis Amaral (directly and indirectly)	60 615 240	60 615 240
Rui Amaral	397 025	397 025
Katarzyna Kopaczewska	330 000	330 000
Arnaldo Guerreiro	325 500	325 500
Pedro Martinho	818 050	818 050
Jacek Owczarek	58 500	58 500
<b>Supervisory Board members</b>		
Eduardo Aguinaga de Moraes	0	0
Joao Borges de Assuncao	0	0
Hans-Joachim Körber	0	0
Jacek Szwajcowski	0	0
Francisco Santos	0	0

EUROCASH S.A.	
CONSOLIDATED QUARTELY REPORT (1Q 2016)	Page 12

### **Information on legal suits**

In the 1Q 2016 companies belonging to Eurocash Group were not involved in any other legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10% of equity.

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

In the 1Q 2016 companies belonging to Eurocash Group did not grant any surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

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

In the 1Q 2016 companies belonging to Eurocash Group did not execute transactions with related parties otherwise than in the ordinary course of business on an arm's length basis.

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

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

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

#### *Acquisition of 50% of shares in one of the largest Delikatesy Centrum franchisees*

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

According to received information, in 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue. For these reasons, the Management Board of Eurocash S.A. decided to recognize the Agreement as confidential information.

#### *Investment agreement to acquire 100% of shares in EKO Holding S.A*

On 23rd February 2016 Eurocash S.A. concluded with Marek Stodółka, Bogdan Habrat, Zofia Szubara, Aleksandra Stodółka and Anna Dąbrowska preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 50% stake in EKO Holding S.A. based in Nowa Wieś Wrocławska, entered into the register of business entities under the KRS number 0000302877.



EKO is the owner of a chain comprising over 250 supermarkets, located mainly in Southwestern Poland, concentrated in the provinces of Lower Siles, Wielkopolska, Opole and Silesia. According to the received information, the total sales of EKO in 2015 amounted to app. PLN 999 million.

*Investment agreement to acquire 50% of shares in one of the largest Delikatesy Centrum franchisees*

On 15<sup>th</sup> April 2016 Eurocash S.A. concluded with Marek Stodółka, Bogdan Habrat, Zofia Szubra, Aleksandra Stodółka, Anna Dąbrowska, FHC-2, M. Stodółka i Wspólnicy spółka jawna, FHC-2 spółka z ograniczoną odpowiedzialnością, Fructar spółka z ograniczoną odpowiedzialnością, Madas spółka z ograniczoną odpowiedzialnością, FHC-3 spółka z ograniczoną odpowiedzialnością preliminary agreement of the sales of shares, pursuant to which Eurocash will acquire 50% stake in FHC-2 Sp. z o.o. and Madas Sp. z o.o both based in Krosno which after restructuration will be the owner of a chain comprising over 47 supermarkets, located mainly in South-Eastern Poland. According to the received information, the total sales of acquired companies in 2015 amounted to app. PLN 270 million.

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

**Signatures of Management Board Members:**

<b>Position</b>	<b>Name and surname</b>	<b>Date</b>	<b>Signature</b>
Member of the Management Board Human Resources Director	Katarzyna Kopaczewska	13 <sup>th</sup> May 2016	
Member of the Management Board Financial Director	Jacek Owczarek	13 <sup>th</sup> May 2016	