



EUROCASH

CONSOLIDATED QUARTERLY REPORT

1st QUARTER 2017

TRANSLATORS' EXPLANATORY NOTE

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

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

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SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2017 to 31.03.2017 PLN	Non audited for the period from 01.01.2016 to 31.03.2016 PLN	Non audited for the period from 01.01.2017 to 31.03.2017 EUR	Non audited for the period from 01.01.2016 to 31.03.2016 EUR
Sales	5 193 161 507	4 764 046 981	1 200 842 045	1 092 621 206
Operating profit (loss)	(6 980 041)	6 642 518	(1 614 032)	1 523 443
Profit (loss) before income tax	(16 155 295)	3 360 562	(3 735 674)	770 736
Profit (loss) for the on continued operations	(14 962 171)	1 977 624	(3 459 782)	453 563
Profit (loss) for the period	(14 962 171)	1 977 624	(3 459 782)	453 563
Net cash from operating activities	(79 848 403)	46 783 846	(18 463 766)	10 729 748
Net cash used in investing activities	(139 037 067)	(103 544 747)	(32 150 272)	(23 747 706)
Net cash used in financing activities	195 103 588	74 311 198	45 114 829	17 043 071
Net change in cash and cash equivalents	(23 781 882)	17 550 297	(5 499 210)	4 025 113
Weighted average number of shares	138 952 047	138 697 752	138 952 047	138 697 752
Weighted average diluted number of shares	139 100 635	138 761 353	139 100 635	138 761 353
EPS (in PLN / EUR)	(0,11)	0,01	(0,02)	0,00
Diluted EPS (in PLN / EUR)	(0,11)	0,01	(0,02)	0,00
Average PLN / EUR rate*			4,3246	4,3602
	Non audited as at 31.03.2017 PLN	Non audited as at 31.12.2016 PLN	Non audited as at 31.03.2017 EUR	Non audited as at 31.12.2016 EUR
Assets	5 805 541 036	5 521 622 703	1 375 785 828	1 248 106 398
Non-current liabilities	294 237 143	292 804 467	69 727 746	66 185 458
Current liabilities	4 369 696 635	4 073 714 582	1 035 522 213	920 821 560
Equity	1 141 607 259	1 155 103 655	270 535 869	261 099 380
Share capital	139 163 286	139 096 361	32 978 645	31 441 311
Number of shares	139 163 286	139 096 361	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	7,71	7,81	1,83	1,76
Diluted book value per share (in PLN / EUR)	7,69	7,78	1,82	1,76
Declared or paid dividend (in PLN / EUR)	-	146 394 794	-	33 091 048
Declared or paid dividend per share (in PLN / EUR)	-	1,05	-	0,24
PLN / EUR rate at the end of the period**			4,2198	4,4240

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 1Q 2017,

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

EUROCASH S.A. GROUP

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017

TRANSLATORS' EXPLANATORY NOTE

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

KOMORNIKI, 12TH May 2017

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<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	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

DURATION OF THE PARENT COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2017 – 31 March 2017 and in addition, for the income statement and statement of comprehensive income, the period from 1 January 2017 to 31 March 2017.

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

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

2. BODIES OF THE PARENT ENTITY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 31 March 2017 the Parent Entity's Management Board consisted of the following members:

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2.2. SUPERVISORY BOARD OF THE PARENT ENTITY

As at 31 March 2017 the Parent Entity's Supervisory Board consisted of the following members:

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

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	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 31.03.2017

	Non audited 1 Quarter for the period from 01.01.2017 to 31.03.2017	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016
Sales	5 193 161 507	4 764 046 981
Sales of goods	4 892 193 739	4 507 481 653
Sales of services	300 052 023	255 628 671
Sales of materials	915 745	936 657
Costs of sales	(4 646 564 723)	(4 301 657 791)
Costs of goods sold	(4 602 091 582)	(4 270 322 460)
Costs of services sold	(43 570 437)	(30 462 962)
Costs of materials sold	(902 705)	(872 369)
Gross profit (loss)	546 596 784	462 389 190
Selling expenses	(459 275 102)	(363 871 429)
General and administrative expenses	(88 328 283)	(74 408 098)
Profit (loss) on sales	(1 006 601)	24 109 663
Other operating income	21 304 783	10 805 493
Other operating expenses	(27 278 222)	(28 272 638)
Operating profit (loss)	(6 980 041)	6 642 518
Financial income	5 269 741	7 635 098
Financial costs	(13 486 593)	(9 499 053)
Share in profits (losses) of equity accounted investees	(958 403)	(1 418 001)
Profit (loss) before tax	(16 155 295)	3 360 562
Income tax expense	1 193 124	(1 382 938)
Profit (loss) for the period	(14 962 171)	1 977 624
Attributable to:		
Owners of the Company	(14 902 189)	1 177 846
Non-controlling interests	(59 982)	799 777
EARNINGS PER SHARE		
	PLN / share	PLN / share
Profit (loss) attributable to Owners of the Company	(14 902 189)	1 177 846
Weighted average number of shares	138 952 047	138 697 752
Weighted average diluted number of shares	139 100 635	138 761 353
Earnings per share from continued operations		
- basic	(0,11)	0,01
- diluted	(0,11)	0,01

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 31.03.2017

	Non audited 1 Quarter for the period from 01.01.2017 to 31.03.2017	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016
Profit (loss) for the period	(14 962 171)	1 977 624
Other comprehensive income for the period	(981 411)	(20 568)
Items that may be subsequently reclassified to profit or loss:		
- The result on hedge accounting with the tax effect:	(981 411)	(20 568)
Total comprehensive income for the period	(15 943 582)	1 957 055
Total Income		
Owners of the Company	(15 883 600)	1 157 278
Non-controlling interests	(59 982)	799 777
Total comprehensive income for the period	(15 943 582)	1 957 055

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	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 31.03.2017

	Non audited	
	as at	as at
	31.03.2017	31.12.2016
<i>Assets</i>		
Non-current assets (long-term)	2 551 273 660	2 320 866 335
Goodwill	1 401 880 479	1 254 108 025
Intangible assets	353 793 230	358 321 106
Property, plant and equipment	665 559 242	587 394 410
Investment property	984 570	988 495
Investments in equity accounted investees	33 993 334	34 951 736
Other long-term investments	531 570	531 570
Long-term receivables	7 684 353	3 251 647
Deferred tax assets	86 775 061	81 311 142
Other long-term prepayments	71 822	8 204
Current assets (short-term)	3 254 267 377	3 200 756 367
Inventories	1 270 213 457	1 088 908 423
Trade receivables	1 606 962 585	1 748 183 884
Current tax receivables	14 646 836	8 958 439
Other short-term receivables	157 148 910	139 874 535
Other short-term financial assets	53 979	5 713 175
Short-term prepayments	67 152 388	47 246 807
Cash and cash equivalents	138 089 222	161 871 104
Total assets	5 805 541 036	5 521 622 703

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	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 31.03.2017

	Non audited	
	as at	as at
	31.03.2017	31.12.2016
<i>Equity and liabilities</i>		-
Equity	1 141 607 258	1 155 103 655
Equity attributable to Owners of the Company	1 072 309 932	1 085 650 382
Share capital	139 163 286	139 096 361
Reserve capital	1 355 108 823	1 352 632 597
Option for purchase/selling the shares	(7 292 116)	(6 310 705)
Option for purchase/selling the shares	(69 189 100)	(69 189 100)
Retained earnings	(345 480 961)	(330 578 771)
Accumulated profit / loss from previous years	(330 578 771)	(509 800 401)
Profit (loss) for the period	(14 902 189)	179 221 629
Non-controlling interests	69 297 326	69 453 273
Liabilities	4 663 933 778	4 366 519 048
Non-current liabilities	294 237 143	292 804 467
Long-term financial liabilities	157 365 243	154 322 501
Other long-term liabilities	72 730 707	72 643 362
Deferred tax liabilities	58 361 728	60 338 030
Employee benefits	5 673 064	4 966 996
Provisions	106 400	533 577
Current liabilities	4 369 696 635	4 073 714 582
Loans and borrowings	497 524 419	275 065 340
Short-term financial liabilities	67 272 687	56 624 075
Trade payables	3 487 732 425	3 459 300 147
Current tax liabilities	1 963 497	7 555 050
Other short-term payables	62 421 131	71 549 689
Current employee benefits	94 371 222	84 543 918
Provisions	158 411 254	119 076 364
Total equity and liabilities	5 805 541 036	5 521 622 703
BOOK VALUE PER SHARE		
	Non audited	
	as at	as at
	31.03.2017	31.12.2016
Equity attributable to Owners of the Company	1 072 309 932	1 085 650 382
Number of shares	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636
Book value per share	7,71	7,81
Diluted book value per share	7,69	7,78

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.03.2017	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 31.03.2017

	Non audited 1 Quarter for the period from 01.01.2017 to 31.03.2017	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016
<i>Cash flow from operating activities</i>		
Profit (loss) before tax	(16 155 295)	3 360 562
Adjustments for:	53 878 381	46 136 612
Depreciation and amortization	44 473 362	40 698 430
Share in profits (losses) of equity accounted investees	958 403	1 418 001
Gain (loss) on sale of property, plant and equipment	(2 423 968)	597 462
Interest expenses	12 008 763	7 725 323
Interest received	(1 138 179)	(4 302 603)
Operating cash before changes in working capital	37 723 086	49 497 174
Changes in inventory	(119 413 047)	(54 450 287)
Changes in receivables	102 523 568	4 479 480
Changes in payables	(84 601 316)	60 602 567
Changes in provisions and employee benefits	1 817 971	2 300 286
Other adjustments	381 770	(445 472)
Operating cash	(61 567 968)	61 983 748
Interest received	674 469	320 964
Interest paid	(6 706 105)	(4 222 880)
Income tax paid	(12 248 799)	(11 297 985)
Net cash from operating activities	(79 848 403)	46 783 846
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(8 952 106)	(7 648 619)
Aquisition of property, plant and equipment tangible fixed assets	(40 502 341)	(40 334 894)
Proceeds from sale of property, plant and equipment	2 729 222	1 018 261
Expenditures for purchased financial assets	(38 979)	-
Aquisition of subsidiaries, net of cash acquired	(92 695 643)	(56 796 046)
Interest received	422 779	216 552
Net cash used in investing activities	(139 037 067)	(103 544 747)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	2 543 150	3 462 750
Income/expenses for other financial liabilities	-	(45 438 833)
Issue of financial debt securities	4 000 000	15 500 000
Financing for franchisees	94 449	-
Proceeds from loans and borrowings	199 943 051	108 454 361
Income/expenses for liabilities from financial leasing	(2 098 288)	(1 004 657)
Other interests	(5 389 545)	(4 017 890)
Interests on loans and borrowings	(3 989 229)	(2 644 533)
Net cash used in financing activities	195 103 588	74 311 198
Net change in cash and cash equivalents	(23 781 882)	17 550 297
Cash and cash equivalents at the beginning of the period	161 871 104	86 196 747
Cash and cash equivalents at the end of the period	138 089 222	103 747 044

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 31.03.2017

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Non-controlling interests	Total
<i>Changes in equity in the period from 01.01 to 31.03.2016</i>								
Balance as at 01.01.2016 after changes	138 829 311	755 123 316	-	(10 644 280)	224 006 155	1 107 314 501	60 808 127	1 168 122 628
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	1 177 846	1 177 846	-	1 177 846
Non-controlling interests	-	-	-	-	-	-	3 212 127	3 212 127
Net profit presented directly in equity	-	-	-	(20 568)	-	(20 568)	-	(20 568)
Total comprehensive income for the period from 01.01. to 31.03.2016	-	-	-	(20 568)	1 177 846	1 157 278	3 212 127	4 369 405
Share options exercised	91 125	3 371 625	-	-	-	3 462 750	-	3 462 750
Other	-	(269 673)	-	-	-	(269 673)	-	(269 673)
Total contributions by and distributions to Owners of the Company	91 125	3 101 952	-	-	-	3 193 077	-	3 193 077
Total transaction with Owners of the Company, recognized directly in equity	91 125	3 101 952	-	-	-	3 193 077	-	3 193 077
Balance as at 31.03.2016	138 920 436	758 225 267	-	(10 664 848)	225 184 001	1 111 664 856	64 020 253	1 175 685 109
<i>Changes in equity in the period from 01.01 to 31.03.2017</i>								
Balance as at 01.01.2017	139 096 361	1 352 632 597	(69 189 100)	(6 310 705)	(330 578 771)	1 085 650 382	69 453 273	1 155 103 655
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	(14 902 189)	(14 902 189)	-	(14 902 189)
Non-controlling interests	-	-	-	-	-	-	(155 948)	(155 948)
Other comprehensive income	-	-	-	(981 411)	-	(981 411)	-	(981 411)
Total comprehensive income for the period from 01.01. to 31.03.2017	-	-	-	(981 411)	(14 902 189)	(15 883 599)	(155 948)	(16 039 547)
Share options exercised	66 925	2 476 225	-	-	-	2 543 150	-	2 543 150
Total transaction with Owners of the Company, recognized directly in equity	66 925	2 476 225	-	-	-	2 543 150	-	2 543 150
Balance as at 31.03.2017	139 163 286	1 355 108 823	(69 189 100)	(7 292 116)	(345 480 960)	1 072 309 933	69 297 326	1 141 607 258

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2017 TO 31.03.2017

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 12 May 2017, the consolidated financial statements of Eurocash Group for the period from 1 January 2017 to 31 March 2017 were authorized for publication.

According to the information included in the report no. 2/2017 dated 10 January 2017 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its interim consolidated financial statements on 12 May 2017.

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

1.2. STATEMENT OF COMPLIANCE

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

1.3. PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with UE IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in given circumstances, and the results of estimates and judgements are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual results may differ from those estimates. The range of significant judgments, estimates and assumptions was presented in the financial statements for 2016 year and in the current period has not changed.

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of these condensed interim consolidated financial statements remained unchanged in comparison to the ones applied in the last annual consolidated financial statements for the financial year ended 31st December 2016.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.6. INFORMATION ABOUT THE PARENT ENTITY AND THE GROUP

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

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

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

Eurocash Group comprises Eurocash S.A. and subsidiaries.

Condensed interim consolidated financial statements of EUROCASH Group.			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.03.2017

No	1	2	3	4	5	6	7	8
Unit	Eurocash S.A.	Eurocash Serwis Sp. z o.o.	Eurocash Franczyza Sp. z o.o.	Eurocash Trade 1 Sp. z o.o.	Eurocash Trade 2 Sp. z o.o.	Eurocash VC2 Sp. z o.o.	Premium Distributors Sp. z o.o.	Przedsiębiorstwo Handlu Spożywczego Sp. z o.o.
address	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki	ul. Bokserska 66a 02-690 Warszawa	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 4690Z	PKD 4635Z	PKD 8299Z	PKD 4634A	PKD 4634A	PKD 7740Z	PKD 4634A	PKD 4690Z
registration court	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000213765	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000519553	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329002	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000329037	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000529945	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000287947	District Court Zielona Góra, VIII Commercial Division of the National Court Register KRS 0000203619
nature of relationship	Parent company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of aquisition	n/a	31.03.2006	10.07.2006	06.04.2009	06.04.2009	03.11.2014	02.08.2010	02.08.2010
ownership interest	n/a	75,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%
voting rights (in %)	n/a	75,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.03.2017 (continued)

No	9	10	11	12	13	14	15	16
Unit	DEF Sp. z o.o.	Detal Podlasie Sp. z o.o.	Lewiatan Podlasie Sp. z o.o.	Euro Sklep S.A.	Ambra Sp. z o.o.	Lewiatan Śląsk Sp. z o.o.	Lewiatan Orbita Sp. z o.o.	Lewiatan Kujawy Sp. z o.o.
address	ul. Handlowa 6 15-399 Białystok	ul. 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 7010Z	PKD 4711Z	PKD 4645Z	PKD 7022Z	PKD 4690Z	PKD 4711Z
registration court	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000048125	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000033766	District Court Białystok, XII Commercial Division of the National Court Register KRS 0000508176	District Court Bielsko Biała, VIII Commercial Division of the National Court Register KRS 0000012291	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000254307	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000175768	District Court Olsztyn, VIII Commercial Division of the National Court Register KRS 0000039244	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000109502
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of 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.

Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.03.2017 (continued)

No	17	18	19	20	21	22	23	24
Unit	Lewiatan Wielkopolska Sp. z o.o.	Lewiatan Opole Sp. z o.o.	Lewiatan Zachód Sp. z o.o.	Lewiatan Podkarpacie Sp. z o.o.	Lewiatan Holding S.A.	Lewiatan Północ Sp. z o.o.	Eurocash Detal Sp. z o.o.	PayUp Polska S.A.
address	Os. Winiary 54 60-665 Poznań	ul. Światowida 2 45-325 Opole	ul. Przemysłowa 5 73-110 Stargard Szczeciński	ul. Krakowska 47 39-200 Dębica	ul. Kilińskiego 10 87-800 Włocławek	ul. I Dywizji Wojska Polskiego nr 98 84-230 Rumia	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 7740Z	PKD 7740Z	PKD 6419Z	PKD 8299Z	PKD 7740Z	PKD 4639Z	PKD 4690Z	PKD 6120Z
registration court	District Court Poznań - Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register KRS 0000133384	District Court Opole, VIII Commercial Division of the National Court Register KRS 0000043199	District Court Szczecin Centrum, XIII Commercial Division of the National Court Register KRS 0000017136	District Court Rzeszów, XII Commercial Division of the National Court Register KRS 0000186622	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000089450	District Court Gdańsk- North in Gdańsk, VII Commercial Division of the National Court Register KRS 0000322297	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register, KRS 0000499437	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000299000
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of acquisition	21.12.2011	21.12.2011	21.12.2011	28.06.2013	21.12.2011	21.12.2011	18.11.2013	06.05.2014
ownership interest	100%	100%	100%	100%	67%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	71%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.03.2017 (continued)

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

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.03.2017 (continued)

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

Condensed interim consolidated financial statements of EUROCASH Group.					
Financial statements period:	01.01-31.03.2017		Presentation currency:	Polish zloty (PLN)	
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)				

Entities comprising the Eurocash capital group and associates as at 31.03.2017 (continued)

No	41	42	43	44	45
Unit	Zagłoba Sp. z o.o.	Jantoń Detal Sp. z o.o.	Eko Holding S.A.	Ledi Sp. z o.o.	Jim Sp. z o.o.
address	ul. Stara Huta 7 32-500 Chrzanów	ul. Sempołowskiej 4 95-200 Pabianice	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kały Wrocławskie	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kały Wrocławskie	ul. R. Chomicza 13C Nowa Wieś Wrocławska 55-080 Kały Wrocławskie
core business activity	PKD 4634A	PKD 4725Z	PKD 4690Z	PKD 4711Z	PKD 7830Z
registration court	District Court Kraków - Śródmieście in Kraków, XII Commercial Division of the National Court Register KRS 0000105078	District Court Łódź - Śródmieście in Łódź, XX Division of the National Court Register KRS 0000293684	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000302877	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000116761	District Court Wrocław - Fabryczna in Wrocław, IX Division of the National Court Register KRS 0000370167
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full
date of acquisition	30.12.2016	30.12.2016	04.01.2017	04.01.2017	04.01.2017
ownership interest	66%	100%	100%	100%	100%
voting rights (in %)	66%	100%	100%	100%	100%

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Entities comprising the Eurocash capital group and associates as at 31.03.2017

No	1	2
Unit	FRISCO S.A.	Partnerski Serwis Detaliczny S.A.
address	ul. Omulewska 27 04-128 Warszawa	ul. Grażyny 15 02-548 Warszawa
core business activity	PKD 4791Z	PKD 6499Z
registration court	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000401344	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000280288
nature of relationship	Associate	Joint venture
applied consolidation method	Equity method	Equity method
ownership interest	44,14%	50%
voting rights (in %)	44,14%	50%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.7. 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:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01. TO 31.03.2017

NOTE 1. ACQUISITION OF SHARES IN A SUBSIDIARIES

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

General information

On 4 January 2017, Eurocash purchased 100% of shares in the company EKO Holding S.A. based in Nowa Wieś Wrocławska.

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

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

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

Settlement of business acquisition

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

ACQUISITION COST

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

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period: 01.01-31.03.2017 Presentation currency: Polish zloty (PLN)

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

General information

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

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

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

Settlement of the business acquisition

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

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

ACQUISITION COST

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Settlement of the acquisition as at 16.12.2016
<i>Assets</i>	
Non-current assets (long-term)	4 324 009
Tangible fixed assets	3 949 331
Deferred income tax assets	374 678
Current assets (short-term)	20 355 257
Inventory	13 279 136
Trade receivables	1 169 877
Other short-term receivables	811 796
Other short-term financial assets	645 176
Short-term prepayments	1 961
Cash and cash equivalents	4 447 312
Total assets	24 679 267
<i>Equity nad liabilities</i>	
Liabilities	24 082 253
Non-current liabilities	2 300 090
Other long-term financial liabilities	147 201
Other long-term liabilities	71 313
Deferred tax liabilities	3 476
Employee benefits	1 667 723
Other long-term provision	410 377
Current liabilities	21 782 163
Other short-term financial liabilities	73 569
Trade liabilities	19 867 469
Current income tax liabilities	840 148
Other short-term liabilities	235 569
Current employee benefits	765 407
Total liabilities	24 082 253
Net assets	597 014
Net assets acquired (50%)	298 507
Goodwill on acquisition	29 690 594
Acquisition cost	29 989 100

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

General information

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

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

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

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

Settlement of business acquisition

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

ACQUISITION COST

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Settlement of the acquisition as at 30.12.2016
<i>Assets</i>	
Non-current assets (long-term)	1 816 140
Intangible assets	35 085
Tangible fixed assets	663 802
Deferred income tax assets	1 117 252
Current assets (short-term)	46 602 960
Inventory	17 929 242
Trade receivables	23 369 559
Current income tax receivables	414 570
Other short-term receivables	1 477 671
Short-term prepayments	467 780
Cash and cash equivalents	2 944 138
Total assets	48 419 099
<i>Equity nad liabilities</i>	
Liabilities	46 696 762
Non-current liabilities	264 259
Employee benefits	264 259
Current liabilities	46 432 503
Short-term loans and credits	18 759 066
Other short-term financial liabilities	472 554
Trade liabilities	19 392 309
Current income tax liabilities	660 543
Other short-term liabilities	2 236 044
Current employee benefits	893 635
Other short-term provisions	4 018 352
Total liabilities	46 696 762
Net assets	1 722 336
Net assets acquired (100%)	1 722 337
Goodwill on acquisition	17 197 663
Acquisition cost	18 920 000

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 2. OPERATING SEGMENTS

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

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

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

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

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Basic information about each reportable segment is shown below.

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2017 TO 31 MARCH 2017

	Independent wholesale	Integrated wholesale	Retail	New projects	Other	Exclusions	Total
Sales	3 200 347 658	1 771 270 334	537 834 520	112 421 388	-	(428 712 393)	5 193 161 507
External sales	2 981 180 324	1 565 802 550	534 239 816	111 938 817	-	-	5 193 161 507
Inter-segmental sales	219 167 334	205 467 785	3 594 704	482 570	-	(428 712 393)	-
Operating profit	(4 220 597)	31 890 847	810 927	(16 350 461)	(19 110 757)	-	(6 980 041)
Finance income							5 269 741
Finance costs							(13 486 593)
Share in losses of companies consolidated with the equity method							(958 403)
Profit before income tax							(16 155 295)
Income tax							1 193 124
Net profit							(14 962 171)

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.03.2017	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 2016 TO 31 MARCH 2016

	Independent wholesale	Integrated wholesale	Retail	New projects	Other	Exclusions	Total
Sales	3 009 012 207	1 740 541 366	233 660 604	43 337 887	-	(262 505 083)	4 764 046 981
External sales	2 843 254 762	1 644 058 127	233 466 031	43 268 060	-	-	4 764 046 981
Inter-segmental sales	165 757 445	96 483 239	194 573	69 826	-	(262 505 083)	-
Operating profit	1 185 549	30 883 189	1 808 365	(7 662 473)	(19 572 112)	-	6 642 518
Finance income							7 635 098
Finance costs							(9 499 053)
Share in losses of companies consolidated with the equity method							(1 418 001)
Profit before income tax							3 360 562
Income tax							(1 382 938)
Net profit							1 977 624

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	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 2017

Beneficiary	Title	Currency	as at	as at
			31.03.2017	31.12.2016
1	BZ WBK * Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	10 635 325	12 280 125
			10 635 325	12 280 125

* debt value as at balance sheet date

BANK GUARANTEES AS AT 31 MARCH 2017 - SECURITIES FOR RENT LIABILITIES

The Issuer	Title	Currency	as at	as at
			31.03.2017	31.12.2016
1	ING	PLN	-	37 500
2	PKO BP S.A.	PLN	500 000	500 000
3	PKO BP S.A.	PLN	6 796 675	6 796 675
4	PKO BP S.A.	PLN*	24 011 373	24 801 131
5	PKO BP S.A.	PLN	3 600 000	2 100 000
6	PKO BP S.A.	PLN	620 100	620 100
7	PKO BP S.A.	PLN	698 955	523 659
8	PKO BP S.A.	PLN	111 627 500	72 230 000
			147 854 603	107 609 065

* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:
as at 31.12.2016: 1 EUR = 4,4240 PLN,
as at 31.03.2017: 1 EUR = 4,2198 PLN.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	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 2017

Title	Secured property	Amount secure in PLN
ING security on the credit line agreement *	Deposit on inventories Eurocash S.A.	90 000 000
Securing a framework agreement to provide bank guarantees PKO BP*	Deposit on inventories Eurocash Serwis Sp. z o.o.	80 000 000
WBK security on the credit line agreement *	Deposit on inventories Eurocash S.A.	88 000 000
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Serwis Sp. z o.o.	9 547 300
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Franczyza Sp. z o.o.	3 800 000
Financial leasing agreements (due to net value of fixed assets at the balance sheet date)	Ownership of fixed assets in financial leasing	8 804 785

* security nominal value

NOTE 4.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 March 2017, the fair value of financial instruments approximated their carrying value. The Group implements interest rate risk security instruments (IRS), which are measured at their fair value. For these IRSs, the fair value was qualified to level 2 of the hierarchy - fair value is determined based on the values observed on the market yet not being direct market quotes (e.g. determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the effect of valuation is recognized in other comprehensive income.

NOTE 5.

IMPORTANT EVENTS DURING THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

There were no significant events during the period covered by the financial statements, influencing the activity of the Group.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 6.

SIGNIFICANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

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

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

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

2. Incentive program for employees

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

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

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

Each tranche has 3 levels of realization:

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

Performance targets:

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	12 th May 2017	
Member of the Management Board	Arnaldo Guerreiro	12 th May 2017	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2017 to 31.03.2017 PLN	Non audited for the period from 01.01.2016 to 31.03.2016 PLN	Non audited for the period from 01.01.2017 to 31.03.2017 EUR	Non audited for the period from 01.01.2016 to 31.03.2016 EUR
Net sales	3 221 552 558	3 164 616 036	744 936 539	725 796 073
Operating profit (loss)	(9 186 723)	(10 530 490)	(2 124 294)	(2 415 139)
Profit (loss) before tax	(16 394 113)	(12 258 001)	(3 790 897)	(2 811 339)
Net Profit (loss) on continued operations	(13 853 223)	(8 825 789)	(3 203 354)	(2 024 171)
Net profit (loss)	(13 853 223)	(8 825 789)	(3 203 354)	(2 024 171)
Net operating cash flow	64 177 112	(42 103 589)	14 840 011	(9 656 343)
Net investment cash flow	(154 603 273)	(96 562 039)	(35 749 728)	(22 146 241)
Net financial cash flow	63 133 828	150 884 139	14 598 767	34 604 866
Net change in cash and cash equivalents	(27 292 333)	12 218 510	(6 310 950)	2 802 282
Weighted average number of shares	139 023 791	138 697 752	139 023 791	138 697 752
Weighted average diluted number of shares	139 120 988	138 761 353	139 120 988	138 761 353
EPS (in PLN / EUR)	(0,10)	(0,06)	(0,02)	(0,01)
Diluted EPS (in PLN / EUR)	(0,10)	(0,06)	(0,02)	(0,01)
Average PLN / EUR rate*			4,3246	4,3602
	Non audited as at 31.03.2017 PLN	Non audited as at 31.12.2016 PLN	Non audited as at 31.03.2017 EUR	Non audited as at 31.12.2016 EUR
Assets	5 060 218 924	5 088 491 488	1 199 160 843	1 150 201 512
Long-term liabilities	253 729 410	255 634 872	60 128 302	57 783 651
Short-term liabilities	3 722 848 219	3 736 923 837	882 233 333	844 693 453
Equity	1 083 641 295	1 095 932 779	256 799 207	247 724 408
Share capital	139 163 286	139 096 361	32 978 645	31 441 311
Number of shares	139 163 286	139 096 361	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	7,79	7,88	1,85	1,78
Diluted book value per share (in PLN / EUR)	7,77	7,85	1,84	1,78
Dividend paid (in PLN / EUR)	-	109 451 447	-	24 740 381
Dividend paid per share (in PLN / EUR)	-	0,79	-	0,18
PLN / EUR rate at the end of the period**			4,2198	4,4240

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 1Q 2017.

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

EUROCASH S.A.

**CONDENSED INTERIM
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2017 TO 31 MARCH 2017

TRANSLATORS' EXPLANATORY NOTE

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

KOMORNIKI, 12th May 2017

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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

DURATION OF THE COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2017 – 31 March 2017.

The separate statement of financial position has been prepared as at 31 March 2017. Comparative data has been presented in accordance to UE-approved IAS 34 – Interim financial reporting.

2. BODIES OF THE COMPANY

2.1. MANAGEMENT BOARD

As at 31 March 2017 the Company's Management Board consisted of the following members:

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

2.2. SUPERVISORY BOARD

As at 31 March 2017 the Company's Supervisory Board consisted of the following members:

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

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

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

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2017 TO 31.03.2017

	Non audited 1 Quarter for the period from 01.01.2017 to 31.03.2017	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016
Sales	3 221 552 558	3 164 616 036
Sales of goods	3 018 320 209	2 975 372 637
Sales of services	203 232 350	189 243 399
Costs of sales	(2 883 104 337)	(2 836 025 526)
Cost of goods and services sold	(2 883 104 337)	(2 836 025 526)
Gross profit (loss)	338 448 222	328 590 510
Selling expenses	(277 603 153)	(267 554 948)
General and administrative expenses	(63 440 594)	(55 851 290)
Profit (loss) on sales	(2 595 525)	5 184 272
Other operating income	10 595 416	8 048 338
Other operating expenses	(17 186 614)	(23 763 100)
Operating profit (loss)	(9 186 723)	(10 530 490)
Financial income	5 211 778	9 425 466
Financial costs	(12 419 167)	(11 152 976)
Profit (loss) before tax	(16 394 113)	(12 258 001)
Income tax expense	2 540 890	3 432 212
Profit (loss) for the period	(13 853 223)	(8 825 789)

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	(13 853 223)	(8 825 789)
Weighted average number of shares	139 023 791	138 697 752
Weighted average diluted number of shares	139 120 988	138 761 353
Earnings per share for continued operations		
- basic	(0,10)	(0,06)
- diluted	(0,10)	(0,06)

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2017 TO 31.03.2017

	Non audited 1 Quarter for the period from 01.01.2017 to 31.03.2017	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016
Profit (loss) for the period	(13 853 223)	(8 825 789)
Other comprehensive income (loss) for the period	(981 411)	(20 568)
Items that may be subsequently reclassified to profit or loss:		
- The result on hedge accounting with the tax effect:	(981 411)	(20 568)
Total comprehensive income (loss) for the period	(14 834 634)	(8 846 358)

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31.03.2017

	Non audited as at 31.03.2017	as at 31.12.2016
<i>Assets</i>		
Non-current assets (long-term)	2 862 434 940	2 716 658 883
Goodwill	862 819 840	862 819 840
Intangible assets	539 684 392	541 468 892
Property, plant and equipment	453 008 179	445 211 824
Investment real property	984 570	988 495
Investments in subsidiary companies	953 013 443	825 056 471
Investments in associates and joint ventures	38 375 300	38 375 300
Other long-term investments	12 019 884	58 723
Long-term receivables	1 889 333	1 891 493
Other long-term prepayments	640 000	787 846
Current assets (short-term)	2 197 783 984	2 371 832 605
Inventories	811 470 395	798 998 549
Trade receivables	1 155 604 702	1 310 850 709
Current tax assets	10 618 678	7 637 106
Other short-term receivables	69 160 767	90 215 076
Other short-term investments	40 419 915	35 432 551
Short-term prepayments	44 777 741	35 674 496
Cash and cash equivalents	65 731 786	93 024 119
Total assets	5 060 218 924	5 088 491 488

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 31.03.2017

	Non audited	
	as at	as at
	31.03.2017	31.12.2016
<i>Equity and liabilities</i>		
Equity	1 083 641 295	1 095 932 779
Share capital	139 163 286	139 096 361
Reserve capital	842 677 418	840 201 193
Hedging reserve	(7 292 116)	(6 310 705)
Option for purchase/selling the shares	(69 189 100)	(69 189 100)
Retained earnings	178 281 807	192 135 030
Accumulated profit (loss) from previous years	192 135 030	89 520 957
Profit (loss) for the period	(13 853 223)	102 614 073
Liabilities	3 976 577 629	3 992 558 708
Non-current liabilities	253 729 410	255 634 872
Other long-term financial liabilities	150 288 134	149 308 867
Other long-term liabilities	70 018 950	70 018 950
Deferred tax liabilities	30 699 469	33 417 376
Employee benefits	2 722 858	2 889 679
Current liabilities	3 722 848 219	3 736 923 837
Loans and borrowings	802 735 234	738 498 237
Short-term financial liabilities	54 748 157	50 656 437
Trade liabilities	2 646 584 038	2 750 359 676
Other short-term payables	46 527 530	33 423 260
Current employee benefits	64 537 951	63 733 692
Provisions	107 715 310	100 252 534
Total equity and liabilities	5 060 218 924	5 088 491 488

BOOK VALUE PER SHARE

	as at	as at
	31.03.2017	31.12.2016
Book value	1 083 641 295	1 095 932 779
Number of shares	139 163 286	139 096 361
Diluted number of shares	139 530 636	139 530 636
Book value per share	7,79	7,88
Diluted book value per share	7,77	7,85

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.03.2017	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2017 TO 31.03.2017

	Non audited 1 Quarter for the period from 01.01.2017 to 31.03.2017	Non audited 1 Quarter for the period from 01.01.2016 to 31.03.2016
<i>Cash flow from operating activities</i>		
Profit (loss) before income tax	(16 394 113)	(12 258 001)
Adjustments for:	38 123 912	30 758 036
Depreciation and amortization	28 004 327	26 904 951
(Gain) loss on sale of property, plant and equipment	(26 896)	29 581
Interest expenses	11 227 157	8 985 707
Interest received	(1 080 676)	(5 162 203)
Operating cash before changes in working capital	21 729 799	18 500 035
Changes in inventories	(12 471 846)	4 257 896
Changes in receivables	153 252 587	15 749 653
Changes in payables	(87 729 915)	(70 382 192)
Changes in provisions and employee benefits	(1 981 105)	(3 365 622)
Other adjustments	-	(2 086)
Operating cash	72 799 520	(35 242 316)
Interest received	660 015	278 389
Interest paid	(6 300 851)	(4 157 954)
Income tax paid	(2 981 572)	(2 981 708)
Net cash from operating activities	64 177 112	(42 103 589)
<i>Cash flow from investing activities</i>		
Acquisition of intangible assets	(8 088 914)	(6 069 067)
Acquisition of property, plant and equipment	(23 896 692)	(31 527 315)
Proceeds from sale of property, plant and equipment	471 678	809 689
Acquisition of associates	-	(60 200 000)
Acquisition of subsidiaries, net of cash acquired	(106 636 972)	-
Loans granted	(22 538 510)	(880 360)
Repayment received of granted loans	5 766 618	67 552
Interest received	319 519	1 237 461
Net cash used in investing activities	(154 603 273)	(96 562 039)
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital	2 543 150	3 462 750
Financing for franchising	94 449	-
Income/expenses for other financial liabilities	-	(2 480 919)
Issuance of short term debt securities	4 000 000	15 500 000
Proceeds from loans and borrowings	181 210 701	144 009 957
Repayment of borrowings	(115 199 376)	-
Payment of finance lease liabilities	(235 082)	(533 419)
Other interest	(3 821 999)	(2 953 243)
Interests on loans and borrowings	(5 458 015)	(6 120 988)
Net cash used in financing activities	63 133 828	150 884 139
Net change in cash and cash equivalents	(27 292 333)	12 218 510
Cash and cash equivalents at the beginning of the period	93 024 119	42 707 133
Cash and cash equivalents at the end of the period	65 731 786	54 925 644

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2017 TO 31.03.2017

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 31.03.2016</i>						
Balance as at 1 January 2016	138 829 311	468 723 565	-	(10 644 280)	590 202 171	1 187 110 767
Total comprehensive income for the reporting period						
Profit (loss) for the period from 01.01. to 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)
Total comprehensive income for the period from 01.01. to 31.03.2016	-	-	-	(20 568)	(8 825 789)	(8 846 358)
Share options exercised	91 125	3 371 625	-	-	-	3 462 750
Total transaction with Owners of the Company recognized directly in equity	91 125	3 371 625	-	-	-	3 462 750
Balance as at 31.03.2016	138 920 436	472 095 190	-	(10 664 848)	581 376 381	1 181 727 159
<i>Changes in equity in the period from 01.01. to 31.03.2017</i>						
Balance as at 01 January 2017	139 096 361	840 201 193	(69 189 100)	(6 310 705)	192 135 030	1 095 932 779
Total comprehensive income for the reporting period						
Profit (loss) for the period from 01.01 to 31.03.2017	-	-	-	-	(13 853 223)	(13 853 223)
Other comprehensive income for the period 01.01 to 31.03.2017	-	-	-	(981 411)	-	(981 411)
Total comprehensive income for the period from 01.01. to 31.03.2017	-	-	-	(981 411)	(13 853 223)	(14 834 634)
Share options exercised	66 925	2 476 225	-	-	-	2 543 150
Total transaction with Owners of the Company recognized directly in equity	66 925	2 476 225	-	-	-	2 543 150
Balance as at 31.03.2017	139 163 286	842 677 418	(69 189 100)	(7 292 116)	178 281 807	1 083 641 295

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2017 TO 31.03.2017

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 12 May 2017, the separate financial statements of Eurocash S.A. for the period from 1 January 2017 to 31 March 2017 were authorised for publication.

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

1.2. STATEMENT OF COMPLIANCE

The condensed interim separate financial statements have been prepared in accordance with the International Accounting Standard IAS 34 - Interim Financial Reporting, as approved by the European Union.

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

1.3. PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with UE IFRSs requires Management to make judgments, estimates and assumptions that affect the application of certain accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in the given circumstances, and the results of estimates and judgements are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual values may differ from those estimates. The extent of significant judgements, estimates and assumptions is presented in the 2016 financial statements and has not changed during the current financial period.

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

Accounting principles as well as calculation methods applied in the preparation of the financial statements remained unchanged in comparison to the ones applied in the last annual separate financial statements for the year ended 31st December 2016.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.6. GOING CONCERN ASSUMPTION

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 01.01.2017 TO 31.03.2017

NOTE 1.

OTHER EXPLANATORY INFORMATION

These condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash S.A. Group prepared as at and for the period ended 31 March 2017.

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

NOTE 2.

IMPORTANT EVENTS DURING THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

There were no significant events during the period covered by the financial statements, influencing the activity of the Entity.

NOTE 3.

SIGNIFICANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

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

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

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.03.2017</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	12 th May 2017	
Member of the Management Board	Arnaldo Guerreiro	12 th May 2017	

Management discussion of the financial results for the 1Q 2017

1. Eurocash Group - overview

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

Independent Wholesale

- **Cash&Carry** – including Eurocash Cash&Carry stores
- **Tobacco & Impulse** – sales of Eurocash Serwis Sp. z o.o.
- **Alcohol Distribution** – sales of Eurocash S.A. in Eurocash Alkohole format and Polska Dystrybucja Alkoholi Sp. z o.o.
- **Other** - sales revenues of other of PayUp Polska S.A. and Eurocash Trade 1 Sp. z o.o.

Integrated Wholesale

- **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.
- **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).

Retail

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

Projects

Sales revenues of new projects running by Eurocash S.A. and its subsidiaries: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Detal Sp. z o.o., ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o., Sushi To Go Sp. z o.o. Sp. k., 4Vapers Sp. z o.o. and sales of fresh product distribution to Delikatesy Centrum stores realized by Eurocash. S.A.

Others

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

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

Profit & loss account

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

	Q1 2017	Q1 2016	Change %
	PLN m		
Sales revenues (traded goods, materials)	5 193,16	4 764,05	9,01%
Gross profit (loss) on sales	546,60	462,39	18,21%
Gross profitability on sales (%)	10,53%	9,71%	0,82 p.p.
EBITDA	37,49	47,34	-20,80%
<i>(EBITDA margin %)</i>	0,72%	0,99%	-0,27 p.p.
EBIT	(6,98)	6,64	-205,08%
<i>(EBIT margin %)</i>	-0,13%	0,14%	-0,27 p.p.
Gross profit	(16,16)	3,36	-580,73%
Net Income	(14,96)	1,98	-856,57%
<i>(Net profitability %)</i>	-0,29%	0,04%	-0,33 p.p.

Consolidated total sales of Eurocash Group in 1Q 2017 amounted to PLN 5 193.16 m and increased by 9.01% YoY. The main driver of sales growth was consolidation of acquired companies which was responsible for the growth at 6.2% level.

Consolidated gross profitability in 1Q 2017 increased by 0.82 p.p. to 10.53% vs. 9.71% in 1Q 2016.

Consolidated EBITDA in 1Q 2017 decreased by 20.80% YoY and amounted to PLN 37.49 m. Decrease of EBITDA was attributable mainly to further development of new Projects like distribution of fresh products to Delikatesy Centrum franchisees or tests of new retail formats like: Duży Ben, 1minute, Kontigo or abc on wheels.

The net loss amounted to PLN -14.96 m in 1Q 2017 comparing with net profit at the level of PLN 1.98 m in 1Q 2016. The net profit was impacted by higher financial costs related to additional debt financing recent acquisitions.

Sales by format

Table 2 Eurocash Group: Sales of goods dynamics by distribution format for 1Q 2017

PLN m	1Q 2017	1Q 2016	Change%
Independent Wholesale	2 822,55	2 702,88	4,43%
Cash&Carry	954,01	985,58	-3,20%
Tobacco & Impulse	1 299,33	1 243,75	4,47%
Alcohol	473,26	427,06	10,82%
Other with adjustments	95,95	46,49	106,38%
Integrated Wholesale	1 452,90	1 543,20	-5,85%
Delikatesy Centrum	541,67	480,45	12,74%
Distribution	1 009,34	1 015,08	-0,57%
Food Service	89,16	82,39	8,22%
<i>Adjustments</i>	-187,29	-34,73	439,26%
Retail	505,23	218,52	131,21%
Inmedio	139,30	130,63	6,63%
Delikatesy Centrum Own	160,20	87,88	82,29%
EKO	205,74	0,00	
Projects	111,52	42,89	160,00%
Eurocash Group	4 892,19	4 507,48	8,53%

Independent Wholesale:

- In 1Q 2017 external sales of goods in Independent Wholesale segment amounted to PLN 2 822.55 m and increased by 4.43% comparing with 1Q 2016.
- EBITDA of the Independent Wholesale segment amounted in 1Q 2017 to PLN 12.52 m while in 1Q 2016 it amounted to PLN 19.05 m. EBITDA in 1Q 2017 was mainly impacted by one-off costs.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 1Q 2017 amounted to negative 4.55%.
- The number of Eurocash Cash&Carry stores at the end of 1Q 2017 amounted to 188
- The number of abc stores amounted to 8 589 at the end of 1Q 2017.
- Sales of cigarettes Tobacco & Impulse distribution format in terms of volume amounted in 1Q 2017 to 2 216 m pieces and increased by 2.62% YoY
- Sales of cigarettes in terms of value increased by 6.3% in 1Q 2017 YoY
- Sales of goods in Eurocash Alkohole format was negatively impacted by discontinued sales to export clients and this effect was off-set by consolidation of acquired company Polska Dystrybucja Alkoholi with PLN 48.78 m sales in 1Q 2017

Integrated Wholesale:

- External wholesale sales of goods realized by Integrated Wholesale segment in 1Q 2017 amounted to PLN 1 452.90 m, and was impacted by consolidation of acquired Delikatesy Centrum franchise companies (FHC-2, Madas, Firma Rogala) which resulted in transfer of those sales to the Retail segment

- EBITDA of the Integrated Wholesale segment amounted in 1Q 2017 to PLN 47.68 m comparing to PLN 46.30 m in 1Q 2016 (increase by 2.10% YoY).
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 8.65% in 1Q 2017.
- LFL growth of retail sales of "Delikatesy Centrum" franchise stores amounted to 2.20% in 1Q 2017.
- Number of "Delikatesy Centrum" franchise stores at the end of 1Q 2017 amounted to 1095.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 768 stores as of the end of 1Q 2017.

Retail:

- Retail sales of goods realized by Retail segment in 1Q 2017 amounted to PLN 505.23 m in 1Q 2017, and was driven by acquisition of retail companies (EKO Holding, FHC-2 and Madas)
- EBITDA of the Retail segment amounted in 1Q 2017 to PLN 8.98m comparing to PLN 6.09 m in 1Q 2016
- LFL dynamic of retail sales in 1Q 2017 amounted in Inmedio stores to +3.6%, Delikatesy Centrum own stores -0.5% and EKO stores -1.7%, and was impacted by Easter effect (Easter in 2017 was in April, while in 2016 in March) and one less trading day comparing to previous year.
- Number of retail stores at the end of 1Q 2017 amounted in Inmedio to 465, Delikatesy Centrum own 116 and EKO 248.
- Additionally in April 2017 EKO sold 3 stores to independent investors and at the same time fulfilled condition of Polish Antimonopoly Office, settled in its decision to allow Eurocash Group to acquire EKO Holding S.A. After these transactions EKO consists of 245 retail stores.

Projects

- Sales of goods realized by Projects segment in 1Q 2017 amounted to PLN 111.52m comparing to PLN 42.89 m in 1Q 2016. The main driver of sales increase in Projects has been development of distribution of fresh products to franchise stores in Delikatesy Centrum chain. Additional sales coming from this project amount to PLN 64m.
- Negative EBITDA contribution of Projects segment amounted in 1Q 2017 to PLN -15.50 m comparing to PLN -7.08 m in 1Q 2016

Others

- EBITDA of Others segment amounted in 1Q 2017 to negative PLN -16.19 m comparing to PLN -17.02 m in 1Q 2016. Main impact on this segment have HQ costs.

Cash flow

Table 3: Eurocash Group: Consolidated cash flow for 1Q 2017

	PLN m	Q1 2017	Q1 2016
Operating cash flow		(79,85)	46,78
<i>Gross profit (loss)</i>		(16,16)	3,36
<i>Depreciation</i>		44,47	40,70
<i>Change in working capital</i>		(101,49)	10,63
<i>Other</i>		(7,35)	(8,23)
Cash flow from investments		(139,04)	(103,54)
Cash flow from financing activities		195,10	74,31
Total cash flow		(23,78)	17,55

Total cash flow in 1Q 2017 amounted to PLN -23.78 m, while the operating cash flow reached PLN -79.85 m. Operating cash flow impacted mainly by lower cash generation from net working capital. Cash flow from investments amounted to PLN -139.04 m and was mainly impacted by payment for the acquired company. Cash flow from financing activities amounted in 1Q 2017 to PLN 195.10 m comparing with PLN 74.31 m in 1Q 2016.

Working capital

Table 4: Eurocash Group: Consolidated working capital ratios flow for 1Q 2017

Turnover in days	Q1 2017	Q1 2016
1. Inventories turnover	22,01	19,90
2. Trade receivables turnover	27,85	28,77
3. Trade liabilities turnover	67,55	69,50
4. Operating cycle (1+2)	49,86	48,67
5. Cash conversion (4-3)	(17,69)	(20,84)

Cash conversion in 1Q 2017 reached -17.69 days comparing with -20.84 days in 1Q 2016. Higher inventories and lower receivables turnover was related consolidation of acquired retail companies.

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	31.03.2017		31.12.2016	
Fixed assets		2 551,27	43,95%	2 320,87	42,03%
Current assets		3 254,27	56,05%	3 200,76	57,97%
Total assets		5 805,54	100,00%	5 521,62	100,00%
Equity		1 141,61	19,66%	1 155,10	20,92%
Liabilities and provisions		4 663,93	80,34%	4 366,52	79,08%
Total liabilities and equity		5 805,54	100,00%	5 521,62	100,00%

Net debt of Eurocash Group at the end of March 2017 amounted to PLN 584,07 m compared with PLN 240.35 m at the end of March 2016. According the net debt definition from revolving credit agreement (including contingencies) amounted at the end of March 2017 to PLN 594.71 m.

3. Summary of financial results of Eurocash S.A. in 1Q 2017

Profit & loss account

Table 6: Eurocash S.A.: Summary of financial results for 1Q 2017

	PLN m	Q1 2017	Q1 2016	Change %
Sales revenues (traded goods, materials)		3 221,55	3 164,62	1,80%
Gross profit (loss) on sales		338,45	328,59	3,00%
Gross profitability on sales (%)		10,51%	10,38%	0,12 p.p.
EBITDA		18,82	16,37	14,92%
<i>(EBITDA margin %)</i>		0,58%	0,52%	0,07 p.p.
EBIT		(9,19)	(10,53)	-12,76%
<i>(EBIT margin %)</i>		-0,29%	-0,33%	0,05 p.p.
Gross profit		(16,39)	(12,26)	33,74%
Net Income		(13,85)	(8,83)	56,96%
<i>(Net profitability %)</i>		-0,43%	-0,28%	-0,15 p.p.

Sales of Eurocash S.A. in 1Q 2017 amounted to PLN 3 221.55 m and increased by 1.80%. Gross margin on sales realized by Eurocash S.A. in 1Q 2017 was 10.51%, 0.12 p.p. higher than in 1Q 2016. In 1Q 2017 EBITDA amounted to PLN 18,82 m. Net profit in 1Q 2017 amounted to negative PLN -13,85 m.

Cash flow

Table 7: Eurocash S.A.: Cash flow for 1Q 2017

	PLN m	Q1 2017	Q1 2016
Operating cash flow		64,18	(42,10)
<i>Gross profit (loss)</i>		(16,39)	(12,26)
<i>Depreciation</i>		28,00	26,90
<i>Change in working capital</i>		53,05	(50,37)
<i>Other</i>		(1,14)	(6,65)
Cash flow from investments		(154,60)	(96,56)
Cash flow from financing activities		63,13	150,88
Total cash flow		(27,29)	12,22

Total cash flow of Eurocash S.A. in 1Q 2017 amounted to negative PLN 27.29 m and operating cash flow amounted to PLN 64.18 m

Working capital

Table 8: Eurocash S.A.: Working capital ratios for 1Q 2017

Turnover in days	Q1 2017	Q1 2016
1. Inventories turnover	22,67	20,97
2. Trade receivables turnover	32,28	32,55
3. Trade liabilities turnover	82,62	84,29
4. Operating cycle (1+2)	54,95	53,52
5. Cash conversion (4-3)	(27,66)	(30,77)

Cash conversion of Eurocash S.A. in 1Q 2017 was changed by 3.10 days comparing with 1Q 2016.

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	31.03.2017		31.12.2016	-
Fixed assets	2 862,43	56,57%	2 716,66	53,39%
Current assets	2 197,78	43,43%	2 371,83	46,61%
Total assets	5 060,22	100,00%	5 088,49	100,00%
Equity	1 083,64	21,41%	1 095,93	21,54%
Liabilities and provisions	3 976,58	78,59%	3 992,56	78,46%
Total liabilities and equity	5 060,22	100,00%	5 088,49	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 2017.

There have been no major events that influenced Eurocash Group income or loss in 1Q 2017.

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

Integration of acquired companies

Due to the necessity of integrating acquired companies EKO Holding S.A., FHC-2 Sp.z o.o., Madas Sp. z o.o. and Polska Dystrybucja Alkoholii Sp. z o.o. at the operational level, in the opinion of Eurocash S.A. Board full synergies associated with these transactions will be possible to reach within 3 years after the acquisition of control over these companies. Companies EKO Holding S.A., FHC-2 Sp.z o.o., Madas Sp. z o.o. will be integrated within Delikatesy Centrum chain, and PDA Sp. z o.o. will be integrated within Eurocash Alkohole distribution format.

New business formats

Development of new formats of wholesale distribution or 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.

Eurocash Retail segment

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

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Investment in strategical growth projects

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

Restructuring of Eurocash Cash&Carry distribution format

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

Organic expansion

Management of Eurocash Group expects that during 2017:

- Eurocash Cash&Carry stores structure will be under revision. In 2017 approximately 10 stores may be closed, each decision about closure will be taken during the year. In 1Q 2 stores have been closed, and additional store was has been closed in April.
- Number of Delikatesy Centrum franchise stores will increase by app. 60-80 stores

7. Additional information

Information regarding dividends

According to the resolution No. 5 dated 25 April 2017, the Ordinary General Meeting of Eurocash S.A. decided that the net profit for 2016 amounting to PLN 102,614,073.00 (one hundred two million six hundred fourteen thousand seventy three zlotys) will be distributed in the following manner:

- shareholders of record on May 16, 2017, shall be eligible to receive the dividend in amount PLN 0.73 (seventy three groszes) per one Company's share and;
- the remaining part of the profit for 2016 shall be transferred to the Company's reserve capital.

The dividend will be payable by June 6, 2017. Number of shares eligible for dividend as at May 12, 2017 amounted to 139,163,286

Explanations regarding seasonality

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

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Issuance, redemption and repayment of debt and capital securities

In the period between 1st January 2017 and 31st March 2017 66 925 shares were issued.

At 31 March 2017 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0 m bonds issued under the long-term bonds issue program
- PLN 25,0 m bonds issued under the commercial paper program.

Changes in the basic management principles

Resignation of member of the management board

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

Appointment of member of the management board

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

In 1Q 2017 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 2017.

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

Shareholder	12.05.2017				23.02.2017			
	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes
Luis Amaral (directly and indirectly through Politra B.V. S.à.r.l.)	60 615 240	43,58%	60 615 240	43,58%	60 615 240	43,58%	60 615 240	43,58%
Others	78 548 046	56,44%	78 548 046	56,44%	78 548 046	56,44%	78 548 046	56,44%
Total	139 163 286	100,00%	139 163 286	100,00%	139 163 286	100,00%	139 163 286	100,00%

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

	Shares or rights to acquire Eurocash shares	
	12.05.2017	23.02.2017
<i>Management Board members</i>		
Luis Amaral (directly and indirectly)	60 615 240	60 615 240
Rui Amaral	347 025	347 025
Katarzyna Kopaczewska	330 000	330 000
Arnaldo Guerreiro	325 500	325 500
Pedro Martinho	818 050	818 050
Jacek Owczarek	58 500	58 500
Przemysław Ciaś	0	0
<i>Supervisory Board members</i>		
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

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Information on legal suits

In the 1Q 2017 companies belonging to Eurocash Group were not involved in any other legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10% of equity.

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

In the 1Q 2017 companies belonging to Eurocash Group did not grant any surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

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

In the 1Q 2017 companies belonging to Eurocash Group did not execute transactions with related parties otherwise than in the ordinary course of business on an arm's length basis.

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

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

Factors that will affect the results achieved by the issuer

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

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

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

Signatures of Management Board Members:

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	12 th May 2017	
Member of the Management Board	Arnaldo Guerreiro	12 th May 2017	