EUROCASH

CONSOLIDATED QUARTERLY REPORT

2nd QUARTER 2008

CONTENTS:

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

Management discussion of the financial results for the 2Q 2008

1. Eurocash: Key financial and operational highlights in 2Q 2008

Below we present the key financial and operational highlights fro the Eurocash Group separately for Eurocash Discount Cash&Carry, Delikatesy Centrum Distribution Centers, KDWT and McLane Polska (further referred to as “McLane”).

Eurocas Discount Cash&Carry stores:

- In 2Q 2008 sales of Eurocash Discount Cash&Carry stores amounted to PLN 649.21m and increased by 23.18% comparing with 2Q 2007. In 2Q YTD 2008 total sales amounted to PLN 1 180.23m comparing with PLN 979.03m in 2Q YTD 2007 and increased by 20,55%.
- LFL sales growth (same number of stores) in Eurocash Discount Cash&Carry stores in 2Q 2008 amounted to 17.7%. For the period of 2Q 2007, 2006, and 2005 LFL sales growth in Eurocash Discount Cash&Carry stores amounted to 7.9%, 8.2% and 9.3%.
- LFL sales growth for 2Q YTD in 2008, 2007, 2006 and 2005 amounted respectively 16.5%, 8.8%, 5.4% and 16.5%.
- Without categories of tobacco and phone cards, the LFL sales growth in Cash&Carry stores in 2Q 2008 amounted to 20.0%. In 2Q YTD in 2008, 2007, 2006 and 2005 the LFL growth amounted respectively 18.5%, 10.5%, 3.4% and 5.4%.
- Number of Eurocash Discount Cash&Carry stores amounted to 106 at the end of 2Q 2008.
- Number of abc stores amounted to 2 613 at the end of 2Q 2008.
- In 2Q 2008 share of abc stores in total sales of Discount Cash & Carry stores amounted to 43.0%.
- Sales to abc shops in 2Q 2008 increased by 13,8% comparing with 2Q 2007.

Delikatesy Centrum Distribution Centers:

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers in 2Q 2008 of amounted to PLN 161,52m, and increased by 40.4% comparing with 2Q 2007. In 2Q YTD 2008 totals sales amounted to PLN 304,23m and increased 43.1%.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores in 2Q 2008 amounted to 21.8%. LFL growth of wholesale sales for 2Q YTD 2008 amounted 20.7%.
- LFL growth of the retail sales of "Delikatesy Centrum" franchise stores in 2Q 2008 amounted to 25.3%. LFL growth of the retail sales for 2Q YTD 2008 amounted 25.4%.
- Number of “Delikatesy Centrum” franchise stores at the end of 2Q 2008 amounted to 324.

KDWT:

- In 2Q 2008 sales of KDWT amounted to PLN 620,98m, comparing with PLN 543,81m in 2Q 2007, what means growth by 14.4%. In 2Q YTD 2008 totals sales amounted to PLN 1 203,23m comparing with PLN 1 035,03m 2Q YTD 2007 and increased by 16,3%.
- Growth of sales in food category in 2Q 2008 amounted to 77,6% comparing with the same period 2007. Sales growth in this category in 2Q YTD 2008 amounted to 82,5%.
- In terms of volume, sales of cigarettes in 2Q 2008, increased by 0,2% and exceeded 2.092m pcs.
- Number of KDWT branches as of the end of 2Q 2008 amounted to 84 plus 3 distribution Centers

McLane Polska:

- Acquisition of McLane Polska was accomplished on 17th April 2008. The results of McLane Polska are consolidated in the Eurocash Group results since 30th April 2008.
- McLane Polska added PLN 177.4m (for period 30 April 2008 – 30 June 2008) to the consolidated 2Q 2008 Eurocash Group results.
- Sales of McLane Polska in 1H 2008 amounted to PLN 517.9m and increased by app. 3.5% YoY.

Eurocash Group

Profit & loss account

Table 1 Eurocash Group: Summary of consolidated financial results for 2Q 2008

mln zł	2Q 2008	2Q 2007	Change 2Q 2008/ 2Q 2007
Sales revenues (traded goods, materials)	1 569,32	1 150,42	36,41%
Sales in Discount Cash & Carry stores	649,21	527,03	23,18%
Sales of "Delikatesy Centrum" Distribution Centers	161,56	115,05	40,43%
Sales in KDWT	624,95	546,12	14,44%
*Sales in McLane Polska**	178,99	n.a.	
Other	10,54	7,59	38,93%
Exclusions and consolidation adjustments	-55,93	-45,36	
Gross profit/(loss) on sales	144,98	104,25	39,07%
Gross profitability on sales %)	9,24%	9,06%	0,18p.p.
EBITDA	41,22	31,68	30,12%
(EBITDA margin %)	2,63%	2,75%	-0,13p.p.
EBIT	31,02	22,55	37,56%
(EBIT margin%)	1,98%	1,96%	0,02p.p.
Gross profit	29,09	20,68	40,65%
Net income	23,20	16,72	38,73%
Net profitability %	1,48%	1,45%	0,02p.p

**Sales of McLane Polska consolidated by Eurocash - from 30.04.2008 to 30.06.2008*

Table 2 Eurocash Group: Summary of consolidated financial results for 2Q YTD 2008

mln zł	2Q YTD 2008	2Q YTD 2007	Change 2Q YTD 2008/ 2Q YTD 2007
Sales revenues (traded goods, materials)	2 795,83	2 159,19	29,49%
Sales in Discount Cash & Carry stores	1 180,23	979,03	20,55%
Sales of "Delikatesy Centrum" Distribution Centers	304,26	212,58	43,13%
Sales in KDWT	1 213,04	1 039,07	16,74%
*Sales in McLane Polska**	178,99	n.a.	
Other	19,62	14,26	37,59%
Exclusions and consolidation adjustments	-100,31	-85,76	
Gross profit/(loss) on sales	247,86	187,05	32,51%
Gross profitability on sales %)	8,87%	8,66%	0,20p.p.
EBITDA	63,88	48,18	32,57%
(EBITDA margin %)	2,28%	2,23%	0,05p.p
EBIT	44,29	30,69	44,29%
(EBIT margin%)	1,58%	1,42%	0,16p.p.
Gross profit	41,19	26,60	54,86%
Net income	32,28	21,18	52,42%
Net profitability %	1,15%	0,98%	0,17%

**Sales of McLane Polska consolidated by Eurocash - from 30.04.2008 to 30.06.2008*

Consolidated sales of Eurocash Group in 2Q 2007 increased by 36.41% YoY. Such result was mainly attributable to strong organic growth in all business units and acquisition of McLane Polska. Gross margin on sales increased by 18 bps to 9.24%. The EBITDA margin in 2Q 2007 amounted to 2.63%, which was 18 bps higher than in 2Q 2007. In 2Q 2007 EBITDA increased by 30.12% to PLN 41.2m. Net profit amounted to PLN 23.2m, 38.73% higher than in 2Q 2007.

In the 1H 2008 the blended gross margin of the Eurocash Group amounted to 8.87%, 20 bps higher than in 1H 2007. The consolidated EBITDA for 1H 2008 amounted to PLN 63.88m and net profit to PLN 32.28m.

The Eurocash Group results have been significantly influenced by costs of the stock-option programs for Eurocash Group employees and stock option programs related to acquisition of KDWT and Delikatesy Centrum. The total cost of the stock-option programs accounted in 2Q 2008 amounted to PLN 1.43 million and PLN 2.86 in 2Q YTD 2008.

Cash flow

Table 3 Eurocash Group: Consolidated cash flow for 2Q 2008

PLN million	2Q 2008	2Q 2007
Operating cash flow	124,57	48,46
Gross profit (loss)	*29,38*	*20,68*
Depreciation	*10,21*	*9,14*
Change in working capital	*87,40*	*22,05*
Other	*(2,41)*	*(3,41)*
Cash flow from investments	(116,24)	(36,26)
Cash flow from financing activities	23,58	(8,45)
Total cash flow	31,91	3,75

Table 4 Eurocash Group: Consolidated cash flow for 2Q YTD 2008

PLN million	2Q YTD 2008	2Q YTD 2008
Operating cash flow	153,02	67,09
Gross profit (loss)	41,48	26,60
Depreciation	19,59	17,49
Change in working capital	100,84	31,61
Other	(8,89)	(8,61)
Cash flow from investments	(128,70)	(23,16)
Cash flow from financing activities	1,46	(22,60)
Total cash flow	25,77	21,33

Cash flow from operating activities before working capital changes in 2Q 2008 amounted to PLN 124.57m and to PLN 153.02m in 2Q YTD 2008. Cash flow from working capital in 2Q 2008 amounted to PLN 87.40m. In the 1H 2008 cash flow from working capital amounted therefore to PLN 100.84m.

Cash generated from operating activities was sufficient to finance investments, while keeping the consolidated debt at stable and low level.

Total cash flow of Eurocash Group in 2Q YTD 2008 amounted to PLN 25.77m. As a result, level of cash and equivalents as of June 30th 2008 amounted to PLN 159.07.

Working capital

Table 5 Eurocash Group: Consolidated working capital ratios flow for 2Q 2008

Turnover in days	2Q 2008	2Q 2007
1. Inventories turnover	18,4	19,1
2. Trade receivables turnover	18,9	14,3
3. Trade liabilities turnover	43,8	36,5
4. Operating cycle (1+2)	37,2	33,3
5. Cash conversion (4-3)	(6,5)	(3,1)

Table 6 Eurocash Group: Consolidated working capital ratios flow for 2Q YTD 2008

Turnover in days	2Q YTD 2008	2Q YTD 2007.
1. Inventories turnover	20,6	20,2
2. Trade receivables turnover	21,2	15,1
3. Trade liabilities turnover	48,9	38,5
4. Operating cycle (1+2)	41,8	35,3
5. Cash conversion (4-3)	(7,1)	(3,2)

Eurocash Group managed to improve the cash conversion cycle in 2Q 2008 as well as in the 1H 2008 to respectively negative 6.5 and 7.1 days.

Balance sheet

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

Table 7 Eurocash Group: Selected consolidated balance sheet items

PLN million	30.06.2008		31.03.2008		30.06.2007	
Fixed assets	363,76	30,58%	279,68	32,25%	265,12	34,72%
Current assets	825,62	69,42%	587,59	67,75%	498,45	65,28%
Total assets	1 189,38	100,00%	867,27	100,00%	763,57	100,00%
Equity	231,98	19,50%	247,68	28,56%	192,61	25,23%
Liabilities and provisions	957,41	80,50%	619,59	71,44%	570,96	74,77%
Total liabilities and equity	1 189,38	100,00%	867,27	100,00%	763,57	100,00%

Eurocash S.A.

Profit & loss account

Table 8 Eurocash S.A.: Summary of financial results for 2Q 2008

PLN million	2Q 2008	2Q 2007	change 2Q 2008 / 2Q 2007
Sales revenues	810,76	642,08	26,27%
Sales in Discount Cash & Carry stores	649,21	527,03	23,18%
Sales of "Delikatesy Centrum" Distribution Centers	161,56	115,05	40,43%
Gross profit/(loss) on sales	100,93	79,86	26,39%
Gross profitability on sales %)	12,45%	12,44%	0,01p.p.
EBITDA *(EBITDA margin %)*	35,42 4,37%	23,62 3,68%	49,92% 0,69p.p.
EBIT *(EBIT margin%)*	27,67 3,41%	15,96 2,49%	73,38% 0,93p.p.
Gross profit	27,21	15,02	81,14%
Net income *(Net profitability %*	21,48 2,65%	12,02 1,87%	78,68% 0,78p.p.

Table 9 Eurocash S.A.: Summary of financial results for 2Q YTD 2008

PLN million	2Q YTD 2008	2Q YTD 2007	change 2Q 2008 / 2Q 2007
Sales revenues	1 484,48	1 191,62	24,58%
Sales in Discount Cash & Carry stores	1 180,23	979,03	20,55%
Sales of "Delikatesy Centrum" Distribution Centers	304,26	212,58	43,12%
Gross profit/(loss) on sales	180,33	142,05	26,95%
(Gross profitability on sales %)	12,15%	11,92%	0,23p.p.
EBITDA) *(EBITDA margin %)*	51,70 3,48%	35,12 2,95%	47,18% 0,53p.p.
EBIT *(EBIT margin%)*	36,52 2,46%	20,11 1,69%	81,60% 0,77p.p.
Gross profit	36,12	17,77	103,31%
Net income *Net profitability %*	28,30 1,91%	13,99 1,17%	102,25% 0,73p.p.

In 1H 2008 sales of Eurocash S.A. increased by 24.58% and amounted to PLN 1 484.48m. Such result was mainly attributable to very strong organic growth posted by all business units Discount Cash & Carry and Delikatesy Centrum.

Gross margin on sales was 23 bps higher than in 1H 2007. It should be also noted, that part of supplementary gains related to the sales to the Delikatesy Centrum franchise chain is realized by the master franchisor of the chain - Eurocash Franszyza Sp. z o.o. and is presented under segment “Other”.

EBITDA amounted in 1H 2008 to PLN 51.70m. Net income amounted to PLN 28.30m, comparing with 13.99m in 1H 2007.

The Eurocash results have been significantly influenced by costs of the stock-option programs for Eurocash Group employees and stock option programs related to acquisition of KDWT and Delikatesy Centrum. The total cost of the stock-option programs accounted in 2Q 2008 amounted to PLN 1.43 million and PLN 2.86 in 2Q YTD 2008.

Table 10 Eurocash S.A.: Costs analysis for 2Q 2008

PLN million	2Q 2008	2Q 2007	change 2Q 2008 / 2Q 2007
Gross profit/(loss) on sales	100,93	79,86	26,39%
(Gross profitability on sales %)	12,45%	12,44%	0,01p.p.
Costs of sales:	(53,69)	(43,14)	24,47%
(as % of sales)	6,62%	6,72%	-0,10p.p.
General Management costs:	(19,62)	(19,48)	0,68%
(as % of sales)	2,42%	3,03%	-0,61p.p.
Profit/loss on sales	27,62	17,24	60,27%
(as % of sales)	3,41%	2,68%	0,72p.p.
Other operating income	2,42	3,30	-26,66%
Other operating costs	(2,38)	(4,58)	-48,12%
Operating profit – EBIT	27,67	15,96	73,38%
(EBIT margin %)	3,41%	2,49%	0,93p.p.
Depreciation	7,75	7,66	1,08%
EBITDA	35,42	23,62	49,92%
(EBITDA margin %)	4,37%	3,68%	0,69p.p.

Table 11 Eurocash S.A.: Costs analysis for 2Q YTD 2008

PLN million	2Q YTD 2008	2Q YTD 2007	change 2Q 2008 / 2Q 2007
Gross profit/(loss) on sales	180,33	142,05	26,95%
(Gross profitability on sales %)	12,15%	11,92%	0,23p.p.
Costs of sales:	(101,45)	(82,44)	23,06%
(as % of sales)	6,83%	6,92%	-0,08p.p.
General Management costs:	(40,53)	(38,39)	5,59%
(as % of sales)	2,73%	3,22%	-0,49p.p.
Profit/loss on sales	38,35	21,23	80,66%
(as % of sales)	2,58%	1,78%	0,80p.p.
Other operating income	5,23	5,63	-7,11%
Other operating costs	(7,05)	(6,74)	4,60%
Operating profit – EBIT	36,52	20,11	81,60%
(EBIT margin %)	2,46%	1,69%	0,77p.p.
Depreciation	15,17	15,01	1,08%
EBITDA	51,70	35,12	47,18%
(EBITDA margin %)	3,48%	2,95%	0,53p.p.

Cash flow

Table 12 Eurocash S.A.: Cash flow for 2Q 2008

PLN million	2Q 2008	2Q 2007
Operating cash flow	112,45	30,99
Gross profit (loss)	*27,21*	*15,02*
Depreciation	*7,75*	*7,66*
Change in working capital	*79,83*	*10,83*
Other	*(2,33)*	*(2,52)*
Cash flow from investments	(111,57)	(28,26)
Cash flow from financing activities	24,77	(0,72)
Total cash flow	25,64	2,02

Table 13 Eurocash S.A.: Cash flow for 2Q YTD 2008

mln zł	2Q YTD 2008	2Q YTD 2007
Operating cash flow	126,83	37,31
Gross profit (loss)	36,12	17,77
Depreciation	15,17	15,01
Change in working capital	83,12	11,83
Other	(7,59)	(7,29)
Cash flow from investments	(123,34)	1,15
Cash flow from financing activities	24,03	(15,96)
Total cash flow	27,52	22,50

Total cash flow of Eurocash S.A. in 1H 2008 amounted to PLN 27.52 million. Strong operating cash flow allowed company to finance investments predominantly with own sources.

Working capital

Table 14 Eurocash S.A.: Working capital ratios flow for 2Q 2008

Turnover in days	2Q 2008	2Q 2007
1. Inventories turnover	20,5	24,2
2. Trade receivables turnover	14,3	16,4
3. Trade liabilities turnover	62,0	58,2
4. Operating cycle (1+2)	34,8	40,6
5. Cash conversion (4-3)	(27,2)	(17,6)

Table 13 Eurocash S.A.: Working capital ratios flow for 2Q YTD 2008

Turnover in days	2Q YTD 2008	2Q YTD 2007
1. Inventories turnover	22,4	26,0
2. Trade receivables turnover	15,6	17,5
3. Trade liabilities turnover	67,5	62,0
4. Operating cycle (1+2)	38,0	43,5
5. Cash conversion (4-3)	(29,5)	(18,5)

The cash conversion cycle in 1H 2008 improved comparing with 1H 2008 from negative 18.5 days to negative 29.5 days.

Balance sheet

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

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

PLN million	30.06.2008		31.12.2007		30.06.2007	
Fixed assets	395,80	46,04%	289,74	41,60%	278,21	45,06%
Current assets	463,87	53,96%	406,80	58,40%	339,18	54,94%
Total assets	859,67	100,00%	696,54	100,00%	617,39	100,00%
Equity	206,84	24,06%	224,85	32,28%	179,73	29,11%
Liabilities and provisions	652,83	75,94%	471,69	67,72%	437,66	70,89%
Total liabilities and equity	859,67	100,00%	696,54	100,00%	617,39	100,00%

Ratios definitions
Gross profit margin on sales – ratio of gross sales profit to net sales revenue.
EBITDA margin – ratio of EBITDA (operating profit plus amortization) to net sales revenue.
Operating profit margin (EBIT) – ratio of operating profit to net sales revenue
Net profit margin on sales – ratio of net profit to net sales revenue.
Inventories turnover – the ratio of balance of stocks at the end of period to net sales for period, multiplied by the number of days in the period.
Trade receivables turnover – the ratio of balance of trade receivables at the end of period to net sales for period, multiplied be the number of days in the period.
Trade liabilities turnover – the ratio of balance of trade liabilities at end of period to costs of sold traded goods for period, multiplied by the number of days in the period
Operating cycle – the sum of stocks turnover and receivables turnover.
Cash conversion cycle – the difference between operating cycle and liabilities turnover.

2. Major events and factors that influenced consolidated income or loss in 2Q 2008.

- On 10 April 2008 the President of the Office of Competition and Consumer Protection agreed for an acquisition of shares of McLane Polska Sp. z o.o. based in Błonie. Further to that on 17 April 2008 Eurocash acquired 100% of shares in McLane Polska Sp. z o.o.
- On May 13th 2008 Eurocash S.A. purchased registered shares in PayUp Polska S.A. from the Dutch company PayUp Holding B.V.The Shares represent 49% of the share capital of PayUp Polska. PayUp Holding B.V. holds the remaining 51% of shares in PayUp Polska.
- On May 14th 2008 Eurocash S.A. purchased from twelve natural persons 53,39% of shares in Sieć Detalistów „ Nasze Sklepy". On the same day, Eurocash S.A. executed a preliminary agreement with the same persons, under which the parties are obligated to conclude a final agreement by May 14th 2010 whereby Eurocash S.A. will acquire further 90 shares in Nasze Sklepy. In performance of both these agreements, Eurocash S.A. will hold 97,07% of shares in Nasze Sklepy.
- Pursuant to Resolution No. 2 of the Ordinary General Meeting of 09 June 2008 the net result of 2007 year was divided. The amount 39,280,665 PLN was allocated on dividend which is equal 0,30 PLN on each share of Company. The amount 4,724,575 was allocated on supplementary capital what 3,520,421 PLN determines 8% of net result, which is required by article 396 § 1 of the Commercial Companies Code as a supplementary capital.
- In 2Q 2008 there have been no other major events and factors that influenced consolidated income or loss of the Eurocash Group realised in this period.

3. Development perspectives

<u>External Factors:</u>

- Growth in the FMCG market and its structure. The Company expects further growth of modern distribution channels; its unfavorable impact on company's income will be compensated by growth of the FMCG market in absolute terms and consolidation in the traditional wholesale market.
- Fuel prices. As logistic expenses, closely connected with fuel prices, are a vital part of selling expenses, their substantial changes may influence the Company's profit and loss.
- Labour costs: Potential pressure on labour costs could in medium term negatively influence the Company's profit and loss. However, potential of growing wages and salaries impacts the whole Polish market. As the Company sales are realised only in Poland, its competitive situation should remain unchanged due to this factor.

<u>Internal Factors:</u>

- Integration of McLane Polska operations

  The acquisition of McLane Polska will enable the Eurocash Group to accelerate growth in active product distribution to customers. McLane Polska is the market leader in supply of impulse products to gasoline stations and in Food Service, which are new market segments for Eurocash Group. The acquisition will also expand portfolio of the franchise chains operated by the Eurocash Group. Due to necessity of integration of McLane Polska on the operational level, in the opinion of the Management Board of Eurocash achievement of the full synergy effects resulting from this transaction will be possible within 1-2 years.
- Development of new formats of wholesale distribution or new formats of retail stores franchise chains, in order to give a full offer to our clients and on the same time to achieve economies of scale.
- Strict cost control.

4. Additional information

Explanations regarding seasonality

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

Issuance, redemption and repayment of debt and capital securities

In 2Q 2008 Eurocash S.A. issued 1 097 550 series B shares at the issue price of PLN 2.71 per share. This issue is related to the Motivation Scheme adopted by Resolution No. 3 of the Extraordinary General Meeting of 14 September 2004 on issue of bonds with the priority right, conditional share capital increase and exclusion of the pre-emption right to new shares of the current shareholders, as amended by Resolution No. 2 of 2 November 2004 and Resolution No. 1 of 25 November 2004, described in the issue prospectus of Eurocash from 2004.

Until August 14th, 2008 Eurocash S.A. issued 2 500 550 series B shares.

In 2Q 2008 Eurocash S.A. did not issue, acquire or repay debt securities.

Changes in the basic management principles

In 2Q 2008 the following changes in the structure of Eurocash Group took place:

- On 17 April 2008 Eurocash acquired 100% of shares in McLane Polska Sp. z o.o.
- On May 13th 2008 Eurocash S.A. purchased 49% of the share capital of PayUp Polska. PayUp Holding B.V. holds the remaining 51% of shares in PayUp Polska.
- On May 14th 2008 Eurocash S.A. purchased 53,39% of shares in Sieć Detalistów „ Nasze Sklepy". On the same day, Eurocash S.A. executed a preliminary agreement with the same persons, under which the parties are obligated to conclude a final agreement by May 14th 2010 whereby Eurocash S.A. will acquire further 90 shares in Nasze Sklepy. In performance of both these agreements, Eurocash S.A. will hold 97,07% of shares in Nasze Sklepy.

In 2Q 2008 there were no changes in the basic management principles

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

The Management Board of Eurocash S.A. has not published or does not intend to publish financial forecasts for 2007.

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

	14.08.2008				15.05.2008			
Shareholder	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)
Luis Amaral (directly and indirectly through Politra B.V.)	70 258 100	53,39%	70 258 100	53,39%	70 258 100	54,36%	70 258 100	54,36%
Commercial Union – Powszechne Towarzystwo Emerytalne BPH CU WBK	7 000 000	5,32%	7 000 000	5,32%	6 586 001	5,10%	6 586 001	5,10%
ING Nationale – Nederlanden Polska Otwarty Fundusz Emerytalny	6 843 714	5,20%	6 843 714	5,20%	6 843 714	5,29%	6 843 714	5,29%
Others	47 493 736	36,09%	47 493 736	36,09%	45 564 185	35,25%	45 564 185	35,25%
Total	**131 595 550**	**100,00%**	**131 595 550**	**100,00%**	**129 252 000**	**100,00%**	**129 252 000**	**100,00%**

Additionally, according to the received information, on 5 August 2008, on accounts of clients of BZWBK AIB Asset Management S.A. within the management agreements there were 6 624 215 shares of Eurocash S.A. which as of 14 August 2008 represented 5.03% of Company's outstanding share capital and which give right to 6 624 215 votes during the General Meeting of Shareholders of the Company, what makes 5.03% of the total voting power at Company's General Meeting of Shareholders

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	
	14.08.2008	15.05.2008
Management Board members		
Luis Amaral (directly and indireclty)	70 258 100	70 258 100
Rui Amaral	750 575	698 575
Katarzyna Kopaczewska	416 000	401 000
Arnaldo Guerreiro	651 000	600 000
Pedro Martinho	699 800	637 000
Ryszard Majer	316 000	301 000
Supervisory Board members		
Eduardo Aguinaga de Mores	0	0
Joao Borges de Assuncao	0	0
Ryszard Wojnowski	0	0
Janusz Lisowski	0	0
Antonio Jose Santos Silva Casanova	0	0

Information on legal suits.

In the 2Q 2008 companies belonging to Eurocash group were not involved into any legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10 % of equity.

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

In the 2Q 2008 Eurocash 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 issuer's equity.

Signatures of Management Board Members representing the Company:

Position	Name and surname	Date	Signature
Management Board Member Chief Executive Officer	Rui Amaral	14th August 2008	
Management Board Member Financial Executive Officer	Arnaldo Guerreiro	14th August 2008	

EUROCASH S.A.

QUARTERLY ABBREVIATED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2008 TO 30 JUNE 2008

KOMORNIKI, 12th August 2008

CONTENTS

GENERAL INFORMATION

1. INFORMATION OF THE PARENT COMPANY

1.1. PARENT COMPANY NAME

EUROCASH Spółka Akcyjna

1.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

1.3. CORE BUSINESS

Other wholesale (PKD 5190 Z)

1.4. REGISTRY COURT

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

1.5. DURATION OF THE CAPITAL GROUP

Indefinite

1.6. PERIOD COVERED BY THE ABBREVIATED FINANCIAL STATEMENTS

The reporting period 1 January 2008 – 30 June 2008 and comparable periods: 1 January 2007 – 30 June 2007.

2. INFORMATION OF THE COMPANY'S SUBSIDIARIES

2.1. KDWT S.A.

2.1.1. COMPANY NAME

KDWT Spółka Akcyjna

2.1.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

2.1.3. CORE BUSINESS

Tobacco wholesale (PKD 5135Z)

2.1.4. SHARE CAPITAL

7.380.000,00 PLN

2.1.5. OWNERSHIP PERCENTAGE AS AT 30 JUNE 2008

100%

2.2. EUROCASH FRANSZYZA SP. Z O.O.

2.2.1. COMPANY NAME

„EUROCASH FRANSZYZA" Spółka z ograniczoną odpowiedzialnością

2.2.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

2.2.3. CORE BUSINESS

Other commercial sale (PKD 7487B)

2.2.4. SHARE CAPITAL

3.800.000,00 PLN

2.2.5. OWNERSHIP PERCENTAGE AS AT 30 JUNE 2008

100%

2.3. EUROCASH DETAL SP. Z O.O.

2.3.1. COMPANY NAME

„EUROCASH DETAL” Spółka z ograniczoną odpowiedzialnością

2.3.2. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

2.3.3. CORE BUSINESS

Properties self-lease (PKD 7020Z)

2.3.4. SHARE CAPITAL

8.600.000,00 PLN

2.3.5. OWNERSHIP PERCENTAGE AS AT 30 JUNE 2008

100%

2.4. MCLANE POLSKA SP. Z O.O.

2.4.1. COMPANY NAME

MCLANE POLSKA” Spółka z ograniczona odpowiedzialnością

2.4.2. REGISTERED OFFICE

ul. Pass 20C, 05-870 Błonie

2.4.3. CORE BUSINESS

Other wholesale (PKD 5190Z)

2.4.4. SHARE CAPITAL

150.158.950 PLN

2.4.5. OWNERSHIP PERCENTAGE AS AT 30 JUNE 2008

100%

2.5. PAYUP POLSKA S.A

2.5.1. COMPANY NAME

PayUp Polska S.A.

2.5.2. REGISTERED OFFICE

Al. Solidarności 46, 61-696 Poznań

2.5.3. CORE BUSINESS

Wireless telecommunication (PKD 6120Z)

2.5.4. SHARE CAPITAL

7.000.000 PLN

2.5.5. OWNERSHIP PERCENTAGE AS AT 30 JUNE 2008

49%

2.6. NASZE SKLEPY SP. Z O.O.

2.6.1. COMPANY NAME

Nasze Sklepy Spółka z ograniczona odpowiedzialnością

2.6.2. REGISTERED OFFICE

ul. Kąpielowa 18, 21-500 Biała Podlaska

2.6.3. CORE BUSINESS

Retail sales food,drinks and tobacco (PKD 5211Z)

2.6.4. SHARE CAPITAL

127.000 PLN

2.6.5. OWNERSHIP PERCENTAGE AS AT 30 JUNE 2008

53,4%

3. AUTHORITIES OF THE COMPANY

3.1. MANAGEMENT BOARD OF DOMINANT UNIT

As at 30 June 2008 the Company's Management Board consisted of the following members:

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

3.2. MANAGEMENT BOARD OF SUBSIDIARIES

As at 30 June 2008 the Management Board of the Subsidiaries consisted of the following members:

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

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

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

Spółka McLane Polska sp. z o. o.:
Arnaldo Guerreiro – Management Board Member,
Geoffrey Crossley – Management Board Member,
Robert Schneyder – Management Board Member.

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

Spółka Nasze Sklepy sp. z o. o.:
Piotr Fedorczuk – President of the Management Board,
Pedro Martinho – Management Board Member,
Michał Bartkowiak – Management Board Member.

3.3. SUPERVISORY BOARD

As at 30 June 2008 the Company's Supervisory Board consisted of the following members:

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

3.4. SUPERVISORY BOARD OF SUBSIDIARIES

As at 30 June 2008 the Supervisory Board of the Subsidiaries consisted of the following members:

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

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

Mahomed Iqbal - Supervisory Board Member.

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

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

Effective March 3, 2008 Roman Stefan Piątkiewicz resigned from the position of Member of the Company's Management Board.
Effective March 3, 2008 Roman Stefan Piątkiewicz resigned from the position of President of the Management Board of KDWT S.A.
Effective March 3, 2008 Mieczysław Kuśnierczak resigned from the position of Vice-president of the Management Board of KDWT S.A.

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

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

SELECTED CONSOLIDATED FINANCIAL DATA

SELECTED CONSOLIDATED FIGURES AS AT 30 JUNE 2008

	for the period 01.01.2008 to 30.06.2008 PLN	for the period 01.01.2007 to 30.06.2007 PLN	for the period 01.01.2008 to 30.06.2008 EUR	for the period 01.01.2007 to 30.06.2007 EUR
Net sales	2 795 828 811	2 159 187 317	800 523 639	561 615 595
Operating profit (loss)	44 287 695	30 692 876	12 680 800	7 983 373
Profit (loss) before tax	41 194 208	26 600 572	11 795 049	6 918 944
Net Profit (loss) on continued operations	32 276 879	21 176 656	9 241 769	5 508 156
Net profit (loss)	32 276 879	21 176 656	9 241 769	5 508 156
Net operating cash flow	153 017 462	67 091 582	43 813 160	17 450 861
Net investment cash flow	(128 703 545)	(23 163 643)	(36 851 409)	(6 024 981)
Net financial cash flow	1 456 009	(22 602 739)	416 896	(5 879 087)
Net change in cash and cash equivalents	25 769 927	21 325 200	7 378 648	5 546 793
Weighted average number of shares	130 234 550	127 742 000	130 234 550	127 742 000
Weighted average diluted number of shares	137 093 511	137 093 511	137 093 511	137 093 511
EPS (in PLN / EUR)	0,25	0,17	0,07	0,04
Diluted EPS (in PLN / EUR)	0,24	0,15	0,07	0,04
Average PLN / EUR rate*			3,4925	3,8446

	as at 30.06.2008 PLN	as at 30.06.2007 PLN	as at 30.06.2008 EUR	as at 30.06.2007 EUR
Assets	1 189 384 774	763 567 473	354 595 663	202 763 682
Long-term liabilities	35 479 374	18 792 424	10 577 597	4 990 287
Short-term liabilities	921 930 143	552 164 399	274 858 429	146 626 055
Equity	231 975 257	192 610 651	69 159 638	51 147 339
Share capital	130 234 550	127 742 000	38 827 306	33 921 610
Number of shares	130 234 550	127 742 000	130 234 550	127 742 000
Diluted number of shares	137 093 511	137 093 511	137 093 511	137 093 511
Book value per share (in PLN / EUR)	1,78	1,51	0,53	0,40
Diluted book value per share (in PLN / EUR)	1,69	1,40	0,50	0,37
Declared or paid dividend (in PLN / EUR)	-	-	-	-
Declared or paid dividend per share (in PLN / EUR)	-	-	-	-
PLN / EUR rate at the end of the period**			3,3542	3,7658

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

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

ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2008

	2nd Quarter for the period from 01.04.2008 to 30.06.2008	2 Quarters for the period from 01.01.2008 to 30.06.2008	2nd Quarter for the period from 01.04.2007 to 30.06.2007	2 Quarters for the period from 01.01.2007 to 30.06.2007
Continued operations				
Net sales	**1 569 321 892**	**2 795 828 811**	**1 150 423 810**	**2 159 187 317**
Net sales of traded goods	1 529 812 725	2 732 156 793	1 130 158 992	2 124 208 503
Net sales of services	39 509 167	63 672 018	20 264 818	34 978 814
Net sales of materials	-	-	-	-
Prime costs of sales	**(1 424 346 304)**	**(2 547 968 291)**	**(1 046 174 664)**	**(1 972 134 580)**
Costs of sold traded goods	(1 424 346 304)	(2 547 968 291)	(1 046 174 664)	(1 972 134 580)
Costs of sold services	-	-	-	-
Costs of sold materials	-	-	-	-
Gross profit (loss) on sales	**144 975 588**	**247 860 520**	**104 249 146**	**187 052 738**
Costs of sales	(84 587 843)	(144 393 388)	(55 070 032)	(105 211 757)
Costs of general management	(29 039 202)	(56 938 177)	(25 258 744)	(49 920 431)
Profit (loss) on sales	**31 348 544**	**46 528 955**	**23 920 369**	**31 920 550**
Other operating revenues	6 403 480	9 928 182	3 730 247	6 228 364
Other operating costs	(6 736 673)	(12 169 441)	(5 104 175)	(7 456 037)
Costs of restructuring	-	-	-	-
Operating profit (loss)	**31 015 350**	**44 287 695**	**22 546 440**	**30 692 876**
Financial revenues	1 548 066	2 259 880	140 376	652 911
Financial costs	(3 186 381)	(5 065 194)	(2 004 695)	(4 745 215)
Share in profits (losses) of companies consolidated with the equity	(288 173)	(288 173)	-	
Other profit (loss) on investments	-	-	-	-
Profit (loss) before tax	**29 088 862**	**41 194 208**	**20 682 122**	**26 600 572**
Income tax	(5 891 137)	(8 917 329)	(3 960 951)	(5 423 916)
Net profit (loss) on continued operations	**23 197 725**	**32 276 879**	**16 721 170**	**21 176 656**
Discontinued operations				
Net loss on discontinued operations	-	-	-	-
Net profit (loss)	**23 197 725**	**32 276 879**	**16 721 170**	**21 176 656**
Parent company shareholders	23 197 724,92	32 270 158	16 721 170,24	21 176 656,08
Minority interests		6 721		

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss) on continued operations	32 276 879	21 176 656
Net profit (loss) on continued and discontinued operations	32 276 879	21 176 656
Weighted average number of shares	130 234 550	127 742 000
Weighted average diluted number of shares	137 093 511	137 093 511
from continued operations		
- basic	0,25	0,17
- diluted	0,24	0,15
from continued and discontinued operations		
- basic	0,25	0,17
- diluted	0,24	0,15

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	as at 30.06.2008	as at 31.03.2008	as at 30.06.2007	as at 31.03.2007
Assets				
Fixed assets (long-term)	**363 762 955**	**279 676 473**	**265 116 618**	**259 566 409**
Goodwill	70 832 619	33 823 699	33 823 699	33 823 699
Other intangible fixed assets	122 389 461	120 749 310	119 749 014	114 978 813
Tangible fixed assets	161 541 478	122 900 410	109 318 656	106 051 979
Investment real property	-	-	-	53 323
Investments in subsidiary companies	-	-	-	-
Investments in associated companies - equity method	3 176 127	-		-
Long-term financial assets available for sale	-	-	-	-
Other long-term financial assets	127 500	-	-	-
Long-term receivables	3 927 343	2 164 529	1 872 272	1 758 794
Long-term prepayments	1 768 426	38 525	352 977	2 899 801
Deferred income tax assets	-	-	-	-
Other long-term prepayments	1 768 426	38 525	352 977	2 899 801
Current assets (short-term)	**825 621 819**	**587 591 564**	**498 450 855**	**432 593 176**
Invetories	316 870 360	240 764 517	240 978 289	206 084 771
Trade receivables	325 252 433	195 361 060	180 604 978	152 456 394
Current income tax receivables	20 003	9 896	966 952	-
Other short-term receivables	17 077 451	20 169 271	10 885 462	11 569 468
Short-term financial assets available for sale	-	-	-	-
Short-term financial assets held for trade	-	-	-	-
Other short-term financial assets	-	-	-	-
Cash and cash equivalents	159 064 836	125 319 304	62 571 829	58 823 511
Short-term prepayments	7 336 737	5 967 517	2 443 345	3 659 032
Fixed assets classified as held for sale	-	-	-	-
Total assets	**1 189 384 774**	**867 268 037**	**763 567 473**	**692 159 585**

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	as at 30.06.2008	as at 31.03.2008	as at 30.06.2007	as at 31.03.2007
Liabilities				
Equity	**231 975 257**	**247 682 040**	**192 610 651**	**204 458 767**
Share capital	130 234 550	129 137 000	127 742 000	127 742 000
Supplementary capital	68 565 269	50 925 071	44 032 006	30 029 906
Treasury shares/equities	-	-	-	-
Capital reserve	-	-	-	-
Hedge transactions valuation capital	-	-	-	-
Fixed assets held for sale recognised in equity	-	-	-	-
Retained earnings	32 576 757	67 619 969	20 836 645	46 686 861
Profit (loss) of prior years	306 600	58 540 815	(340 011)	42 231 375
Net profit (loss) of the current year	32 270 158	9 079 154	21 176 656	4 455 486
Minority interests	598 681			
Liabilities	**957 409 517**	**619 585 997**	**570 956 823**	**487 700 818**
Long-term liabilities	**35 479 374**	**14 434 642**	**18 792 424**	**18 564 466**
Long-term loans and credits	2 894 000	-	-	-
Other long-term financial liabilities	28 081 100	10 726 867	13 493 489	12 440 088
Other long-term liabilities	-	-	-	2 499 999
Deferred income tax provision	4 089 436	3 412 991	4 970 642	3 122 620
Provision for employee benefits	414 839	294 784	328 293	501 759
Other long-term provisions	-	-	-	-
Short-term liabilities	**921 930 143**	**605 151 355**	**552 164 399**	**469 136 352**
Short-term loans and credits	92 117 076	51 761 906	68 527 671	60 241 252
Other short-term financial liabilities	7 085 259	2 418 414	2 662 257	2 498 713
Trade liabilities	685 185 887	503 971 101	419 385 255	373 634 861
Current income tax liabilities	4 421 187	2 808 635	123 350	4 151 027
Other short-term liabilities	98 020 280	13 908 409	47 210 520	16 512 206
Provision for employee benefits	11 542 799	15 495 845	7 026 899	-
Other short-term provisions	23 557 656	14 787 044	7 228 447	12 098 294
Total liabilities	**1 189 384 774**	**867 268 037**	**763 567 473**	**692 159 585**

BOOK VALUE PER SHARE AS AT 30 JUNE 2008

	as at 30.06.2008	as at 31.03.2008	as at 30.06.2007	as at 31.03.2007
Book value	**231 975 257**	**247 682 040**	**192 610 651**	**204 458 767**
Number of shares	130 234 550	127 742 000	127 742 000	127 742 000
Diluted number of shares	137 093 511	136 314 810	137 093 511	134 959 987
Book value per share	**1,78**	**1,94**	**1,51**	**1,60**
Diluted book value per share	**1,69**	**1,82**	**1,40**	**1,51**

OFF BALANCE SHEET ITEMS

Contingent Receivables	**-**	**-**	**-**	**-**
Related companies	-	-	-	-
Other companies	-	-	-	-
Contingent Liabilities	**3 967 891**	**4 705 235**	**5 411 420**	**6 058 109**
Related companies	-	-	-	-
Other companies	3 967 891	4 705 235	5 411 420	6 058 109
- guaranties and sureties granted	3 967 891	4 705 235	5 411 420	6 058 109
Other	-	-	-	-
Total	**3 967 891**	**4 705 235**	**5 411 420**	**6 058 109**

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2008

	2nd Quarter for the period from 01.04.2008 to 30.06.2008	1 Semi year for the period from 01.01.2008 to 30.06.2008	2nd Quarter for the period from 01.04.2007 to 30.06.2007	1 Semi year for the period from 01.01.2007 to 30.06.2007
Operating cash flow				
Net profit before tax	**29 377 035**	**41 482 381**	**20 682 122**	**26 600 572**
Adjustments:	**12 250 676**	**22 564 331**	**10 604 032**	**21 239 771**
Depreciation	10 208 231	19 591 594	9 135 975	17 490 954
(Profit) loss on sold tangible fixed assets	314 854	(210 075)	9 303	(56 854)
(Profit) loss on sold financial assets available for sale	-	-	-	-
Costs of interest	1 727 592	3 182 813	1 642 921	3 989 839
Interest received	-	-	(184 167)	(184 167)
Operating cash before changes in working capital	**41 627 711**	**64 046 712**	**31 286 153**	**47 840 343**
Changes in inventory	(28 509 119)	(44 489 251)	(34 454 238)	(31 031 998)
Changes in receivables	(23 733 406)	4 457 045	(28 545 008)	(4 032 475)
Changes in liabilities	138 173 036	126 145 188	73 816 357	57 670 629
Changes in provisions and accruals	(2 958 532)	5 084 181	10 861 316	7 657 056
Other adjustments	4 429 198	9 638 255	372 093	1 342 796
Operating cash	**129 028 888**	**164 882 131**	**53 336 673**	**79 446 352**
Interest paid	(1 952 782)	(4 344 227)	(1 158 182)	(3 607 003)
Income tax paid	(2 501 674)	(7 520 441)	(3 715 770)	(8 747 766)
Net operating cash	**124 574 433**	**153 017 462**	**48 462 721**	**67 091 582**
Investment cash flow				
Expenditures for purchased intangible fixed assets	(3 681 345)	(5 886 931)	(7 840 620)	(8 097 703)
Receipts from sold intangible fixed assets	-	-	6 000	6 000
Expenditures for purchased tangible fixed assets	(15 075 946)	(24 389 638)	(8 175 959)	(12 289 793)
Receipts from sold tangible fixed assets	9 296	1 564 958	702 415	2 217 851
Expenditures for purchased financial assets designed for sales	-	-	-	-
Receipts from sold financial assets designed for sales	-	-	-	-
Expenditures for purchased subsidiary companies (less for money taken)	(97 491 935)	(99 991 934)	(20 951 549)	(4 999 998)
Given Loans	-	-	-	-
Interest received	-	-	-	-
Net investment cash	**(116 239 930)**	**(128 703 545)**	**(36 259 713)**	**(23 163 643)**
Financing cash flow				
Receipts from issued shares	-	-	-	-
Hedging instruments	(4 645 000)	(4 645 000)	-	-
Receipts due to taking loans and credits	29 936 467	29 936 512	2 532 650	3 721 120
Repaid loans and credits	(1 180 475)	(22 566 998)	(10 196 231)	(24 646 073)
Repaid liabilities under financial lease	(275 252)	(869 467)	(566 902)	(1 212 260)
Interest	(258 428)	(399 038)	(224 207)	(465 526)
Dividends paid	-	-	-	-
Net financing cash	**23 577 313**	**1 456 009**	**(8 454 689)**	**(22 602 739)**
Net change in cash and cash equivalents	**31 911 816**	**25 769 927**	**3 748 318**	**21 325 200**
Cash and cash equivalents at the beginning of the period	127 153 020	133 294 909	58 823 511	41 246 629
Cash and cash equivalents at the end of the period	**159 064 836**	**159 064 836**	**62 571 829**	**62 571 829**

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

	Kapitał podstawowy	Kapitał zapasowy	Niepodzielony wynik finansowy	Kapitały mniejszości	Razem
Zmiany w kapitale własnym w okresie od 01.01 do 30.06.2007 roku					
Saldo na dzień 01.01.2007 roku	**127 742 000**	**29 059 203**	**42 231 375**	**-**	**199 032 578**
Zysk netto prezentowany bezpośrednio w kapitale własnym	-	-	-		-
Zysk netto za okres od 01.01 do 30.06.2007 roku	-	-	21 176 656		21 176 656
Suma zysków i strat ujętych w okresie od 01.01 do 30.06.2007 roku	**-**	**-**	**21 176 656**		**21 176 656**
Zadeklarowane dywidendy	-	-	(29 380 660)		(29 380 660)
Przeniesienie na kapitał zapasowy	-	13 196 861	(13 196 861)		-
Wycena programu motywacyjnego dla pracowników	-	1 775 942	-		1 775 942
Inne korekty	-	-	6 135		6 135
Saldo na dzień 30.06.2007 roku	**127 742 000**	**44 032 006**	**20 836 645**	**-**	**192 610 651**
	-	-	-		-
Zmiany w kapitale własnym w okresie od 01.01 do 30.06.2008 roku					
Saldo na dzień 01.01.2008 roku	**127 742 000**	**47 111 013**	**58 540 815**	**-**	**233 393 828**
Zysk netto prezentowany bezpośrednio w kapitale własnym	-	-	-		-
Zysk netto za okres od 01.01 do 30.06.2008 roku	-	-	32 276 879		32 276 879
Suma zysków i strat ujętych w okresie od 01.01 do 30.06.2008 roku	**-**	**-**	**32 276 879**		**32 276 879**
Zadeklarowane dywidendy	-	-	(39 280 665)		(39 280 665)
Przeniesienie na kapitał zapasowy	-	18 953 550	(18 953 550)		-
Wycena programu motywacyjnego dla pracowników	-	2 857 216	-		2 857 216
Emisja akcji - program motywacyjny	2 492 550	4 262 261	-		6 754 811
Kapitał z wyceny transakcji zabezpieczających		(4 645 000)			(4 645 000)
Inne		26 229	(6 721)	598 681	618 189
Saldo na dzień 30.06.2008 roku	**130 234 550**	**68 565 269**	**32 576 757**	**598 681**	**231 975 257**

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

SELECTED SEPARATE FINANCIAL DATA

SELECTED SEPARATE FIGURES AS AT 30 JUNE 2008

	for the period 01.01.2008 to 30.06.2008 PLN	for the period 01.01.2007 to 30.06.2007 PLN	for the period 01.01.2008 to 30.06.2008 EUR	for the period 01.01.2007 to 30.06.2007 EUR
Net sales	1 484 483 541	1 191 618 065	425 048 974	309 945 915
Operating profit (loss)	36 523 018	20 112 263	10 457 557	5 231 302
Profit (loss) before tax	36 119 361	17 765 827	10 341 979	4 620 982
Net Profit (loss) on continued operations	28 301 570	13 993 059	8 103 528	3 639 666
Net profit (loss)	28 301 570	13 993 059	8 103 528	3 639 666
Net operating cash flow	126 828 694	37 313 601	36 314 587	9 705 457
Net investment cash flow	(123 344 495)	1 150 592	(35 316 963)	299 275
Net financial cash flow	24 034 598	(15 961 015)	6 881 775	(4 151 541)
Net change in cash and cash equivalents	27 518 797	22 503 178	7 879 398	5 853 191
Weighted average number of shares	130 234 550	127 742 000	130 234 550	127 742 000
Weighted average diluted number of shares	137 093 511	137 093 511	137 093 511	137 093 511
EPS (in PLN / EUR)	0,22	0,11	0,06	0,03
Diluted EPS (in PLN / EUR)	0,21	0,10	0,06	0,03
Average PLN / EUR rate*			3,4925	3,8446
	as at 30.06.2008 PLN	as at 30.06.2007 PLN	as at 30.06.2008 EUR	as at 30.06.2007 EUR
Assets	859 673 657	617 391 651	256 297 674	163 947 010
Long-term liabilities	14 287 326	14 953 528	4 259 533	3 970 877
Short-term liabilities	638 541 715	422 710 362	190 370 793	112 249 817
Equity	206 844 617	179 727 760	61 667 348	47 726 316
Share capital	130 234 550	127 742 000	38 827 306	33 921 610
Number of shares	130 234 550	127 742 000	130 234 550	127 742 000
Diluted number of shares	137 093 511	137 093 511	137 093 511	137 093 511
Book value per share (in PLN / EUR)	1,59	1,41	0,47	0,37
Diluted book value per share (in PLN / EUR)	1,51	1,31	0,45	0,35
Declared or paid dividend (in PLN / EUR)			-	-
Declared or paid dividend per share (in PLN / EUR)	-	-	-	-
PLN / EUR rate at the end of the period**			3,3542	3,7658

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

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

ABBREVIATED SEPARATE FINANCIAL STATEMENTS

SEPARATE PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2008

	2nd Quarter for the period from 01.04.2008 to 30.06.2008	2 Quarters for the period from 01.01.2008 to 30.06.2008	2nd Quarter for the period from 01.04.2007 to 30.06.2007	2 Quarters for the period from 01.01.2007 to 30.06.2007
Continued operations				
Net sales	**810 762 084**	**1 484 483 541**	**642 079 319**	**1 191 618 065**
Net sales of traded goods	787 906 071	1 448 671 503	629 064 234	1 169 709 931
Net sales of services	22 856 013	35 812 039	13 015 084	21 908 134
Net sales of materials	-	-	-	-
Prime costs of sales	**(709 827 135)**	**(1 304 154 837)**	**(562 220 747)**	**(1 049 565 762)**
Costs of sold traded goods	(709 827 135)	(1 304 154 837)	(562 220 747)	(1 049 565 762)
Costs of sold services	-	-	-	-
Costs of sold materials	-	-	-	-
Gross profit (loss) on sales	**100 934 949**	**180 328 704**	**79 858 571**	**142 052 302**
Costs of sales	(53 693 163)	(101 449 517)	(43 137 645)	(82 440 694)
Costs of general management	(19 618 110)	(40 532 988)	(19 484 890)	(38 386 414)
Profit (loss) on sales	**27 623 676**	**38 346 199**	**17 236 036**	**21 225 195**
Other operating revenues	2 423 684	5 227 606	3 304 671	5 627 912
Other operating costs	(2 376 324)	(7 050 786)	(4 580 609)	(6 740 843)
Costs of restructuring	-	-	-	-
Operating profit (loss)	**27 671 036**	**36 523 018**	**15 960 099**	**20 112 263**
Financial revenues	1 417 950	2 129 609	284 351	718 150
Financial costs	(1 881 704)	(2 533 266)	(1 224 131)	(3 064 586)
Share in profits (losses) of companies consolidated with the equity	-			
Other profit (loss) on investments	-	-	-	-
Profit (loss) before tax	**27 207 282**	**36 119 361**	**15 020 319**	**17 765 827**
Income tax	(5 727 485)	(7 817 791)	(2 998 632)	(3 772 768)
Net profit (loss) on continued operations	**21 479 797**	**28 301 570**	**12 021 687**	**13 993 059**
Discontinued operations				
Net loss on discontinued operations	-	-	-	-
Net profit (loss)	**21 479 797**	**28 301 570**	**12 021 687**	**13 993 059**

NET EARNINGS PER SHARE

		PLN / share		PLN / share
Net profit (loss) on continued operations		28 301 570		13 993 059
Net profit (loss) on continued and discontinued operations		28 301 570		13 993 059
Weighted average number of shares		130 234 550		127 742 000
Weighted average diluted number of shares		137 093 511		137 093 511
from continued operations				
- basic	-	0,22	-	0,11
- diluted	-	0,21	-	0,10
from continued and discontinued operations				
- basic	-	0,22	-	0,11
- diluted	-	0,21	-	0,10

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

SEPARATE BALANCE SHEET AS AT 30 JUNE 2008

	as at 30.06.2008	as at 31.03.2008	as at 30.06.2007	as at 31.03.2007
Assets				
Fixed assets (long-term)	**395 800 771**	**289 739 850**	**278 208 728**	**277 591 593**
Goodwill	9 975 600	9 975 600	9 975 600	9 975 600
Other intangible fixed assets	91 645 044	93 237 883	98 480 460	100 869 669
Tangible fixed assets	118 934 597	111 069 235	94 114 406	91 221 540
Investment real property	-	-	-	-
Investments in subsidiary companies	167 440 647	73 413 012	73 413 012	73 413 012
Investments in associated companies - equity method	3 464 300	-		
Long-term financial assets available for sale	-	-	-	-
Other long-term financial assets	-	-	-	-
Long-term receivables	3 768 365	2 005 595	1 872 272	1 758 794
Long-term prepayments	572 218	38 525	352 977	352 977
Deferred income tax assets	-	-	-	-
Other long-term prepayments	572 218	38 525	352 977	352 977
Current assets (short-term)	**463 872 887**	**406 804 111**	**339 182 923**	**288 672 131**
Invetories	182 483 237	175 058 808	171 094 350	151 607 992
Trade receivables	127 546 960	99 807 613	115 482 452	84 633 390
Current income tax receivables	-	-	966 952	-
Other short-term receivables	2 814 876	6 601 274	1 896 148	4 640 817
Short-term financial assets available for sale	-	-	-	-
Short-term financial assets held for trade	-	-	-	-
Other short-term financial assets	-	-	-	-
Cash and cash equivalents	146 675 689	121 032 612	47 593 892	45 576 371
Short-term prepayments	4 352 126	4 303 804	2 149 129	2 213 561
Fixed assets classified as held for sale	-	-	-	-
Total assets	**859 673 657**	**696 543 961**	**617 391 651**	**566 263 724**

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

SEPARATE BALANCE SHEET AS AT 30 JUNE 2008

	as at 30.06.2008	as at 31.03.2008	as at 30.06.2007	as at 31.03.2007
Liabilities				
Equity	**206 844 617**	**224 849 800**	**179 727 760**	**196 281 493**
Share capital	130 234 550	129 137 000	127 742 000	127 742 000
Supplementary capital	48 308 497	44 885 767	37 992 702	30 029 906
Treasury shares/equities	-	-	-	-
Capital reserve	-	-	-	-
Hedge transactions valuation capital	-	-	-	-
Fixed assets held for sale recognised in equity	-	-	-	-
Retained earnings	28 301 570	50 827 033	13 993 059	38 509 588
Profit (loss) of prior years	-	44 005 260	13 993 059	36 538 217
Net profit (loss) of the current year	28 301 570	6 821 773	-	1 971 371
Liabilities	**652 829 040**	**471 694 161**	**437 663 891**	**369 982 231**
Long-term liabilities	**14 287 326**	**11 574 637**	**14 953 528**	**15 641 108**
Long-term loans and credits	-	-	-	-
Other long-term financial liabilities	12 081 416	10 612 123	12 757 109	12 343 062
Other long-term liabilities	-	-	-	2 499 999
Deferred income tax provision	1 992 599	749 203	1 878 832	480 461
Provision for employee benefits	213 311	213 311	317 587	317 587
Other long-term provisions	-	-	-	-
Short-term liabilities	**638 541 715**	**460 119 524**	**422 710 362**	**354 341 122**
Short-term loans and credits	29 936 614	147	28 846	-
Other short-term financial liabilities	2 249 224	2 401 853	2 564 861	2 481 850
Trade liabilities	483 981 671	421 672 531	359 407 032	319 474 948
Current income tax liabilities	3 974 062	1 657 560	-	3 460 780
Other short-term liabilities	99 026 955	12 122 237	47 925 129	16 777 480
Provision for employee benefits	10 221 011	13 439 127	6 247 054	5 821 378
Other short-term provisions	9 152 177	8 826 069	6 537 439	6 324 686
Total liabilities	**859 673 657**	**696 543 961**	**617 391 651**	**566 263 724**

BOOK VALUE PER SHARE AS AT 30 JUNE 2008

	as at 30.06.2008	as at 31.03.2008	as at 30.06.2007	as at 31.03.2007
Book value	**206 844 617**	**224 849 800**	**179 727 760**	**196 281 493**
Number of shares	130 234 550	129 137 000	127 742 000	127 742 000
Diluted number of shares	137 093 511	136 314 810	137 093 511	137 093 549
Book value per share	**1,59**	**1,74**	**1,41**	**1,54**
Diluted book value per share	**1,51**	**1,65**	**1,31**	**1,43**

OFF BALANCE SHEET ITEMS

Contingent Receivables	**-**	**-**	**-**	**-**
Related companies	-	-	-	-
Other companies	-	-	-	-
Contingent Liabilities	**66 967 891**	**52 391 379**	**38 400 780**	**7 604 205**
Related companies	63 000 000	48 000 000	33 000 000	-
Other companies	3 967 891	4 391 379	5 400 780	7 604 205
- guaranties and sureties granted	3 967 891	4 391 379	5 400 780	7 604 205
Other	-	-	-	-
Total	**66 967 891**	**52 391 379**	**38 400 780**	**7 604 205**

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

SEPARATE CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2008

	2nd Quarter for the period from 01.04.2008 to 30.06.2008	2 Quarters for the period from 01.01.2008 to 30.06.2008	2 kwartał for the period from 01.04.2007 to 30.06.2007	2 Quarters for the period from 01.01.2007 to 30.06.2007
Operating cash flow				
Net profit before tax	**27 207 282**	**36 119 361**	**15 020 319**	**17 765 827**
Adjustments:	**8 737 853**	**16 614 022**	**8 714 130**	**17 724 138**
Depreciation	7 745 950	15 174 214	7 663 446	15 011 749
(Profit) loss on sold tangible fixed assets	62 002	58 375	104 155	50 927
(Profit) loss on sold financial assets available for sale	-	-	-	-
Costs of interest	929 901	1 381 434	946 529	2 661 462
Interest received	-	-	-	-
Operating cash before changes in working capital	**35 945 135**	**52 733 383**	**23 734 449**	**35 489 965**
Changes in inventory	(7 424 429)	(26 828 591)	(19 486 358)	(14 139 739)
Changes in receivables	(25 715 719)	(6 705 348)	(29 184 824)	(12 111 096)
Changes in liabilities	111 511 797	105 742 872	81 653 627	59 152 095
Changes in provisions and accruals	(2 985 129)	1 264 959	6 424 920	6 531 468
Other adjustments	4 440 685	9 649 743	(28 575 420)	(27 604 718)
Operating cash	**115 772 340**	**135 857 018**	**34 566 395**	**47 317 976**
Interest paid	(1 158 646)	(2 550 757)	(669 061)	(2 485 897)
Income tax paid	(2 167 587)	(6 477 567)	(2 904 741)	(7 518 478)
Net operating cash	**112 446 108**	**126 828 694**	**30 992 593**	**37 313 601**
Investment cash flow				
Expenditures for purchased intangible fixed assets	(722 025)	(1 418 964)	(89 387)	(298 693)
Receipts from sold intangible fixed assets	-	-	-	-
Expenditures for purchased tangible fixed assets	(13 360 099)	(21 961 246)	(7 301 847)	(11 086 017)
Receipts from sold tangible fixed assets	1 648	27 648	86 267	1 585 300
Expenditures for purchased financial assets designed for sales	-	-	-	-
Receipts from sold financial assets designed for sales	-	-	-	-
Expenditures for purchased subsidiary companies (less for money taken)	(97 491 935)	(99 991 934)	(20 951 549)	(4 999 998)
Given Loans	-	-	(15 950 000)	-
Repayment received of given loans	-	-	15 950 000	15 950 000
Interest received	-	-	-	-
Net investment cash	**(111 572 410)**	**(123 344 495)**	**(28 256 516)**	**1 150 592**
Financing cash flow				
Receipts from issued shares	-	-	-	-
Hedging instruments	(4 645 000)	(4 645 000)	-	-
Receipts due to taking loans and credits	29 936 467	29 936 512	-	-
Repaid loans and credits	-	-	28 846	(14 326 935)
Repaid liabilities under financial lease	(270 200)	(864 416)	(546 299)	(1 191 657)
Interest	(251 888)	(392 499)	(201 103)	(442 423)
Dividends paid	-	-	-	-
Net financing cash	**24 769 378**	**24 034 598**	**(718 556)**	**(15 961 015)**
Net change in cash and cash equivalents	**25 643 076**	**27 518 797**	**2 017 521**	**22 503 178**
Cash and cash equivalents at the beginning of the period	121 032 612	119 156 892	45 576 371	25 090 714
Cash and cash equivalents at the end of the period	**146 675 689**	**146 675 689**	**47 593 892**	**47 593 892**

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

	Share capital	Supplementary capital	Retained earnings	Total
Changes in equity in the period from 1 January to 30 June 2007				
Balance as at 1 January 2007	**127 742 000**	**29 059 203**	**36 538 217**	**193 339 419**
Net profit for the period from 1 January to 30 June 2007	-	-	13 993 059	**13 993 059**
Total profit and loss recorded in the period from 1 January to 31 June 2007	**-**	**-**	**13 993 059**	**13 993 059**
Dividends declared	-	-	(29 380 660)	**(29 380 660)**
Transfer to supplementary capital	-	7 157 557	(7 157 557)	**-**
Valuation of motivational program for employees	-	1 775 942	-	**1 775 942**
Other corrections	-	-	-	**-**
Balance as at 30 June 2007	**127 742 000**	**37 992 702**	**13 993 059**	**179 727 760**
Changes in equity in the period from 1 January to 30 June 2008				
Balance as at 01 January 2008	**127 742 000**	**41 071 709**	**44 005 260**	**212 818 969**
Net profit presented directly in equity	**-**	**-**	**-**	**-**
Net profit for the period from 1 January to 30 June 2008	-	-	28 301 570	**28 301 570**
Total profit and loss recorded in the period from 1 January to 30 June 2008	**-**	**-**	**28 301 570**	**28 301 570**
Dividends declared	-	-	(39 280 665)	**(39 280 665)**
Transfer to supplementary capital	-	4 724 595	(4 724 595)	**-**
Valuation of motivational program for employees	-	2 857 216	-	**2 857 216**
Share issue - motivational program	2 492 550	4 262 261	-	**6 754 811**
Hedging transaction		(4 645 000)		**(4 645 000)**
Other corrections		37 717		**37 717**
Balance as at 30 June 2008	**130 234 550**	**48 308 497**	**28 301 570**	**206 844 617**

ADDITIONAL INFORMATION TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01.01.2008 TO 30.06.2008

1. GENERAL INFORMATION

1.1. FINANCIAL STATEMENTS PUBLICATION

In accordance with the report no 3/2008 of the Polish Securities and Exchange Commission, the consolidated financial statements of Eurocash S.A. will be published on 14 August 2008. Eurocash S.A. is a joint-stock company whose shares are publicly traded.

1.2. STATEMENT OF COMPLIANCE

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

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

Standards and Interpretations approved by the EU

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

Standards and Interpretations not yet endorsed by the EU

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

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

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

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

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

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

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

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

1.6. INFORMATION ABOUT THE PARENT ENTITY AND THE CAPITAL GROUP

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

The parent entity is Eurocash Spółka Akcyjna, registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 00000213765, with its registered seat in Komorniki, ul. Wiśniowa 11.
The core business of the Company is the other wholesale (PKD 5190 Z).
Eurocash S.A. shares are listed on the Warsaw Stock Exchange.

The subsidiary entities are:

- KDWT Spółka Akcyjna, registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000040385, located in Komorniki, Wiśniowa 11,
- Eurocash Franszyza Sp. z o.o., registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000259846, located in Komorniki, Wiśniowa 11,
- Eurocash Detal Sp. z o.o., registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000259826, located in Komorniki, Wiśniowa 11.
- McLane Polska Sp. z o.o., registered in the District Court Warszawa XIV Commercial Division of the National Court Register, entry no KRS 0000013892, located in Błonie, Pass 20C,
- PayUp Polska S.A registered in the District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register, entry no KRS 0000299000, located in Poznań, Al. Solidarności 46
- Nasze Sklepy Sp. z o.o., registered in the District Court Lublin XI Commercial Division of the National Court Register, entry no KRS 0000000139, located in Biała Podlaska, ul. Kąpielowa 18

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

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

Entities comprising the Eurocash capital group covered by the consolidated financial statements as of 30.06.2008

name of entity	Eurocash S.A.	KDWT S.A.	Eurocash Detal sp. z o.o.	Eurocash Franszyza sp. z o.o.	McLane Polska sp. z o.o.	PayUp Polska S.A.	Nasze Sklepy sp. z o.o.
seat	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul .Wiśniowa 11 62-052 Komorniki	ul. Pass 20C 05-870 Błonie	Al.. Solidarności 46 61-696 Poznań	ul. Kąpielowa 18 21-500 Biała Podlaska
core business	PKD 5190Z	PKD 5135Z	PKD 7020Z	PKD 7487B	PKD 5190Z	PKD 6120Z	PKD 5211Z
registry court	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000213765	District Court Poznań -Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000040385	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259826	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000259846	District Court Warszawa XIV Commercial Division of the National Court Register KRS 0000013892	District Court Poznań - Nowe Miasto i Wilda of Poznań, VIII Commercial Division of the National Court Register KRS 0000299000	District Court Lublin XI Commercial Division of the National Court Register KRS 0000000139
entity status	Parent entity	Subsidiary entity	Subsidiary entity	Subsidiary entity	Subsidiary entity	Associate entity	Subsidiary entity
applied consolidation method	Full	Full	Full	Full	Full	Equity method	Full
date of taking over control	n/a	31.03.2006	10 July 2006	10 July 2006	17 April 2008	13 May 2008	14 May 2008
Share in share capital (%)	n/a	100%	100%	100%	100%	49%	53,4%
Share in total number of votes (%)	n/a	100%	100%	100%	100%	49%	53,4%

1.7. GOING CONCERN BASIS

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

2. APPLIED PRINCIPLES OF ACCOUNTING

2.1. PRINCIPLES OF ACCOUNTING

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

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

2.2. FINANCIAL YEAR AND REPORTING PERIOD

The financial year of the Group is a calendar year.

The reporting period is a month.

2.3. MAINTAINANCE OF ACCOUNTING BOOKS

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

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

2.4. FORMAT AND CONTENT OF THE FINANCIAL STATEMENTS

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

The consolidated financial statements comprise in particular:

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

2.5. INTANGIBLE FIXED ASSETS

Definition

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

Intangible fixed assets of the Group comprise:

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

Initial value of intangible fixed assets

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

Amortisation

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

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

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

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

Verification of amortisation rates, impairment loss

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

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

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

Valuation of intangible fixed assets as at the balance sheet day

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

2.6. TANGIBLE FIXED ASSETS

Definition

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

Tangible fixed assets of the Group comprise:

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

Initial value of tangible fixed assets

The initial value of fixed assets is an acquisition price i.e. the price of purchase of an asset, covering the amount due to the seller (excluding deductible VAT and excise tax).
In case of import, an acquisition price includes also public and legal charges.

An acquisition price covers also costs directly connected with purchase and adaptation of an asset to a condition enabling its use or marketing, including costs of transport, loading, unloading, warehousing or marketing, less rebates, discounts and other similar reductions and recoveries.
If it is not possible to determine the acquisition price of an asset, in particular accepted free of charge, also as a gift, such asset is valued at the sales price of the same or similar object, i.e. at fair value.

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

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

Depreciation

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

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

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

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

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

Verification of depreciation rates, impairment loss

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

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

Recognition that it is highly probable that an asset will not generate the whole or significant part of expected economic benefits in future is an element indicating the need to make impairment loss. Impairment takes place e.g. in the case of liquidation or withdrawal from use of a particular fixed asset.
Impairment loss should be charged not later than on the balance sheet day (i.e. in the year in which the impairment occurred), to other operating costs.

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

Valuation of fixed assets as at the balance sheet day

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

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

Stocktaking of fixed assets

Stocktaking of fixed assets is conducted every four years.

2.7. COSTS OF EXTERNAL FINANCING

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

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

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

2.8. LEASE

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

Assets used under a financial lease agreement are treated equally to the assets of the Group and are valued at the moment of commencing the lease agreement at the lower of fair value of an asset being a leased object or the current value of minimum lease fees. Lease fees are divided into interest and principal, so that the interest on outstanding liability is a fixed value.
Liabilities under lease agreements are recorded under balance sheet liabilities in the item “financial liabilities”, and divided into short-term and long-term ones.

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

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

2.9. INVESTMENT REAL PROPERTY

Investment real property is real property which is deemed as a source of revenues from rents and/or which is held due to expected growth in their value.
Investment real property is valued as at the balance sheet day at fair value.
Gains and losses due to any change in fair value of investment real property are recorded in the profit and loss account in the period in which they are generated.

2.10. LONG-TERM RECEIVABLES

Definition

Long-term receivables include receivable falling due more than 1 year of the balance sheet day (excluding trade receivables).
This part of long-term receivables which falls due within a year of the balance sheet day should be recorded under short-term receivables.
Long-term receivables cover e.g. prepaid security deposits referring to long-term (multiannual) rental agreements.

Valuation of long-term receivables

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

2.11. LONG-TERM PREPAYMENTS

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

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

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

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

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

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

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

2.13. INVENTORIES

Definition

Inventories of the Group include:

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

Principles of establishing acquisition price

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

An acquisition price is all costs of purchase and other costs paid in the course of bringing stocks to their current place and condition.
Costs of stocks purchase comprise the purchase price, import duties and other taxes (excluding the ones which the enterprise may recover from revenue office later on) and costs of transport, loading and unloading, as well as other costs which can be directly allocated to traded goods.
Costs of purchase are reduced by discounts, trade rebates and other similar items.

Valuation of inventories as at the balance sheet day

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

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

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

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

Revaluation write-offs on inventories reduce other operating costs.

2.14. FINANCIAL INSTRUMENTS

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

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

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

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

The Company classifies financial instruments in the following categories:
(a) held-to-maturity investments,
(b) loans and receivables,
(c) available-for-sale financial assets,
(d) financial assets held for trading, valued at fair value through profit and loss.

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

(a) Held-to-maturity investments

This category is for fixed maturity financial assets which are not derivative instruments, with payments that are defined or possible to define and with specified maturity, in relation to which the Company has strong intention and is able to maintain the ownership until their maturity, excluding the financial assets classified as financial assets held for trading, available-for-sale financial assets and loans and receivables.
Financial assets to be sold off in the 12 month period of the balance sheet date are recognized as current assets.

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

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or possible to define payments that are not quoted in an active market. They arise when the Company provides money directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.
Trade receivables and other receivables are measured at amortized cost using the effective interest method, less allowance for bad debts. Valuation of the mentioned assets components takes under consideration time as well as payment probability.

(c) Available-for-sale financial assets

This category includes financial assets that are not derivative instruments, which were classified as available for sale or which are not (a) loans and receivables, (b) held-to-maturity investments or (d) financial assets valued at fair value through profit and loss.
Assets in this category are classified as current if they are intended to be disposed within 12 months of the balance sheet date

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

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

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

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

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

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

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

2.15. TRADE RECEIVABLES AND OTHER SHORT-TERM RECEIVABLES

Trade receivables

Trade receivables cover receivables created under realised deliveries or services, falling due within 12 months or over 12 months.
Trade receivables do not include receivable due to advances granted to suppliers, which are classified as stocks, and advances for intangible fixed assets and constructions in progress, which increase fixed assets.

Other short-term receivables

Other short-term receivables cover receivables falling due within 1 year of the balance sheet day, excluding trade receivables.
Other short-term receivables do not include advances for intangible fixed assets and constructions in progress which increase fixed assets.

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

Trade receivables are recognised initially at amount payable and subsequently measured at amortised cost using the effective interest method, less provision for impairment.
When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

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

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

According to IAS 21 receivables denominated in foreign currencies are valued at least as at the balance sheet day at the immediately exchange rate.
Exchange gains or losses on receivables denominated in foreign currencies, created as at the day of their valuation, are recognised as financial revenues or costs respectively.

Allowance for bad debts

Allowance for bad debts are created for:

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

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

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

2.16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in the Company's safe, bank deposits on demand and cash at bank with a limited control.
Cash and cash equivalents balance shown in cash flow consists of the above elements.

2.17. SHORT-TERM PREPAYMENTS

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

Short-term prepayments are analysed as at each balance sheet day. These prepayments which are realised within 12 months of the balance sheet day should be recorded in short-term prepayments.
The assessment made by the Group is based on rational premises and knowledge of particular prepayments.

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

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

2.18. LONG-TERM LIABILITIES

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

Long-term liabilities cover mainly:

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

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

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

Valuation as at the balance sheet day of liabilities denominated in foreign currencies
According to the 21 IFRS liabilities denominated in foreign currencies are valued at least as at the balance sheet day at the immediately exchange rate.
Exchange gains/losses on long-term liabilities denominated in foreign currencies, created as at the day of their valuation, are recognised as financial revenues or costs respectively.

2.19. SHORT-TERM LIABILITIES

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

Short-term liabilities cover in particular:
- liabilities due to incurred loans and credits,
- financial liabilities under financial lease agreements,
- trade liabilities,
- liabilities due to taxes, customs duties, insurance and other benefits,
- liabilities due to payroll.

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

Valuation as at the balance sheet day of short-term liabilities denominated in foreign currencies
According to IAS 21 liabilities denominated in foreign currencies are valued at least as at the balance sheet day at the immediately exchange rate.
Exchange gains or losses on short-term liabilities denominated in foreign currencies, created as at the day of their valuation, are recognised as financial revenues or costs respectively.

2.20. BANK LOANS

Interest-bearing bank loans are recorded at acquisition prices corresponding to fair value of acquiring funds, less direct costs of loan acquisition.
In next periods loans are valued at amortised acquisition price, accounting for an effective interest rate.

2.21. PROVISIONS

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

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

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

2.22. NET SALES

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

Sales of goods

Net sales are recorded when the following conditions are fulfilled:

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

Delivery of services

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

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

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

Interest revenues

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

Dividend revenues

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

2.23. EMPLOYEE BENEFITS

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

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

2.24. SHARE-BASED COMPENSATION

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

2.25. TAXES

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

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

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

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

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

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

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

2.26. BUSINESS COMBINATIONS AND CONSOLIDATION PRINCIPLES

Subsidiaries

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

Accounting method

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

Costs of business combination

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

The date of an acquisition

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

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

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

Selected consolidation procedures

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

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

Allocation of the business combination costs

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

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

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

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

Goodwill

As at the acquisition date, the acquirer:

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

and

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

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

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

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

and

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

2.27. SEGMENT REPORTING

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

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

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

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

IAS 14 presents the following definitions:

Business segment

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

Geographical segment

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

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

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

NOTES TO ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2008 TO 30.06.2008

NOTE 1
BUSINESS COMBINATION

Acquisition of McLane Sp. z o.o.

On April 17th 2008 Eurocash S.A. and McLane International LLC concluded a share purchase agreement under which Eurocash S.A. acquired 100% of shares in McLane Sp. z o.o.

1. General information

Table no 1

GENERAL INFORMATION CONCERNING BUSINESS COMBINATION OF THE UNITS

1.	Name of acquired company	McLane Polska sp. z o.o.
2.	Core business	wholesale other (PKD 5190Z)
3.	Acquisition date	17 April 2008
4.	Acquired stake (%)	100 % shares
5.	Acquisition cost	91 955 172,86 PLN

2. A disposal of a part of business with regard to the business combination

The Eurocash Group has no intention to dispose any part of the business with regard to the acquisition of McLane Sp. z o.o.

3. Initial settlement of the business combination

Acquisition of control over McLane Sp. z o.o.. took place on 30th April 2008. Due to the time constraints, it was not possible to define in a complete manner the final fair values of identifiable assets, liabilities and contingent liabilities until the day of preparation of the abbreviated consolidated financial statements. Therefore, this initial calculation of the business combination shall be considered as temporary, established based on estimated values. The Company plans to include the adjustments to estimated values resulting from the initial settlement not later than by 31st December 2008.

4. The costs of the acquisition

Table no 2

ACQUISITION COST

	as at 30.06.2008
Cash	**90 934 642,61**
Direct acquistion costs	
Tax on civil law transactions	903 084,00
Costs of consulting services (legal, accounting, etc.)	117 446,25
	91 955 172,86

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

Table no 3

NET ASSETS ACQUIRED

	At as 30.04.2008
Fixed assets (long-term)	**36 749 197**
Goodwill	-
Other intangible fixed assets	1 431 246
Tangible fixed assets	30 262 734
Investment real property	-
Investments in associated companies - equity method	-
Long-term financial assets available for sale	-
Other long-term financial assets	-
Long-term receivables	-
Long-term prepayments	5 055 217
Deferred income tax assets	2 355 000
Other long-term prepayments	2 700 217
Current assets (short-term)	**153 733 945**
Invetories	47 480 690
Trade receivables	103 332 316
Current income tax receivables	-
Other short-term receivables	443 015
Short-term financial assets available for sale	-
Short-term financial assets held for trade	-
Other short-term financial assets	-
Cash and cash equivalents	1 592 128
Short-term prepayments	885 796
Fixed assets classified as held for sale	-
Liabilities	**134 142 495**
Long-term liabilities	**1 300 055**
Long-term loans and credits	-
Other long-term financial liabilities	-
Other long-term liabilities	-
Deferred income tax provision	1 180 000
Provision for employee benefits	120 055
Other long-term provisions	-
Short-term liabilities	**132 842 440**
Short-term loans and credits	14 493 177
Other short-term financial liabilities	19 943 056
Trade liabilities	88 158 152
Current income tax liabilities	-
Other short-term liabilities	1 454 665
Provision for employee benefits	-
Other short-term provisions	8 793 390
Acquired net assets	**56 340 646**
Goodwill on acquisition	35 614 526,39
Acquisition cost	**91 955 172,86**

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

Purchase of 49% of shares in PayUp Polska S.A.

On May 13th 2008 Eurocash S.A. purchased registered shares in PayUp Polska S.A. from the Dutch company PayUp Holding B.V. The shares represent 49% of the share capital of PayUp Polska. PayUp Holding B.V. holds the remaining 51% of shares in PayUp Polska.

5. General information

Table no 4

GENERAL INFORMATION CONCERNING BUSINESS COMBINATION OF THE UNITS

1.	Name of acquired company	PayUp Polska S.A.
2.	Core business	Wireless telecommunication (PKD 6120Z)
3.	Acquisition date	13 May 2008
4.	Acquired stake (%)	49 % shares
5.	Acquisition cost	3.464.300,00 PLN

6. A disposal of a part of business with regard to the business combination

The Eurocash Group has no intention to dispose any part of the business with regard to the acquisition of PayUp Polska S.A

7. The costs of the acquisition

Table no 5

ACQUISITION COST

	as at 30.06.2008
Cash	**3 430 000,00**
Direct acquistion costs	
Tax on civil law transactions	34 300,00
Costs of consulting services (legal, accounting, etc.)	0,00
	3 464 300,00

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

Table no 6

NET ASSETS ACQUIRED

	At as 13.05.2008
Fixed assets (long-term)	**5 863 445**
Goodwill	-
Other intangible fixed assets	1 760 186
Tangible fixed assets	4 103 260
Investment real property	-
Investments in associated companies - equity method	-
Long-term financial assets available for sale	-
Other long-term financial assets	-
Long-term receivables	-
Long-term prepayments	-
Deferred income tax assets	-
Other long-term prepayments	-
Current assets (short-term)	**1 527 713**
Invetories	45 636
Trade receivables	256 748
Current income tax receivables	-
Other short-term receivables	1 086 609
Short-term financial assets available for sale	-
Short-term financial assets held for trade	-
Other short-term financial assets	-
Cash and cash equivalents	134 011
Short-term prepayments	4 709
Fixed assets classified as held for sale	-
Liabilities	**4 965 751**
Long-term liabilities	**1 121 243**
Long-term loans and credits	1 121 243
Other long-term financial liabilities	-
Other long-term liabilities	-
Deferred income tax provision	-
Provision for employee benefits	-
Other long-term provisions	-
Short-term liabilities	**3 844 509**
Short-term loans and credits	-
Other short-term financial liabilities	-
Trade liabilities	172 512
Current income tax liabilities	-
Other short-term liabilities	3 671 996
Provision for employee benefits	-
Other short-term provisions	-
Acquired net assets	**2 425 407**

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

Purchase of 53,39% of shares in Nasze Sklepy Sp. z o.o.

On May 14th 2008 Eurocash S.A. purchased from twelve natural persons 53,39% of shares in Sieć Detalistów „ Nasze Sklepy". On the same day, Eurocash S.A. executed a preliminary agreement with the same persons, under which the parties are obligated to conclude a final agreement by May 14th 2010 whereby Eurocash S.A. will acquire further 90 shares in Nasze Sklepy. In performance of both these agreements, Eurocash S.A. will hold 97,07% of shares in Nasze Sklepy.

8. General information

Table no 7

GENERAL INFORMATION CONCERNING BUSINESS COMBINATION OF THE UNITS

1.	Name of acquired company	Nasze Sklepy Sp. z o.o.
2.	Core business	ratail sales food,drinks and tobacco (PKD 5211Z)
3.	Acquisition date	14 May 2008
4.	Acquired stake (%)	53,39 % shares
5.	Acquisition cost	2 072 461,70 PLN

9. A disposal of a part of business with regard to the business combination

The Eurocash Group has no intention to dispose any part of the business with regard to the acquisition of Nasze Sklepy Sp. z o.o.

10. Initial settlement of the business combination

Acquisition of control over Nasze Sklepy Sp. Z o.o. took place on 14th May 2008. Due to the time constraints, it was not possible to define in a complete manner the final fair values of identifiable assets, liabilities and contingent liabilities until the day of preparation of the abbreviated consolidated financial statements. Therefore, this initial calculation of the business combination shall be considered as temporary, established based on estimated values. The Company plans to include the adjustments to estimated values resulting from the initial settlement not later than by 31st December 2008.

11. The costs of the acquisition

Table no 8

ACQUISITION COST

	as at 30.06.2008
Cash	**1 870 761,35**
Direct acquistion costs	
Tax on civil law transactions	18 708,00
Costs of consulting services (legal, accounting, etc.)	182 992,35
	2 072 461,70

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

Table no 9

NET ASSETS ACQUIRED	As at 14.05.2008
Fixed assets (long-term)	**261 519**
Goodwill	-
Other intangible fixed assets	-
Tangible fixed assets	193 447
Investment real property	-
Investments in subsidiary companies	-
Investments in associated companies - equity method	-
Long-term financial assets available for sale	-
Other long-term financial assets	68 072
Long-term receivables	-
Long-term prepayments	-
Deferred income tax assets	-
Other long-term prepayments	
Current assets (short-term)	**724 630**
Invetories	27 717
Trade receivables	565 580
Current income tax receivables	-
Other short-term receivables	2 349
Short-term financial assets available for sale	-
Short-term financial assets held for trade	-
Other short-term financial assets	-
Cash and cash equivalents	128 984
Liabilities	**308 082**
Long-term liabilities	**-**
Long-term loans and credits	-
Other long-term financial liabilities	-
Other long-term liabilities	-
Deferred income tax provision	-
Provision for employee benefits	-
Other long-term provisions	-
Short-term liabilities	**308 082**
Short-term loans and credits	-
Other short-term financial liabilities	-
Trade liabilities	256 150
Current income tax liabilities	-
Other short-term liabilities	44 510
Provision for employee benefits	-
Other short-term provisions	7 423
Acquired net assets	**678 067**
Goodwill on acquisition	**1 394 394**
Acquisition cost	**2 072 461,70**

NOTE 2

SEGMENT REPORTING

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

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

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

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

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

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

INCOME AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2008 TO 30 JUNE 2008

	Traditional wholesale	Active distribution	Other	Exclusions	Total
Sales	**1 484 485 351**	**1 392 034 644**	**19 619 932**	**(100 311 116)**	**2 795 828 811**
External sales	1 434 258 124	1 347 770 809	13 799 878	-	2 795 828 811
Inter-segmental sales	50 227 227	44 263 835	5 820 054	(100 311 116)	-
Operating profit	**36 524 827**	**2 137 902**	**4 085 260**	**1 539 706**	**44 287 695**
Finance income	2 129 609	121 454	8 817	-	2 259 880
Finance costs	(2 533 266)	(2 344 679)	(187 249)	-	(5 065 194)
Share in profits (losses) of companies consolidated with the equity method	-	-	-	(288 173)	(288 173)
Profit before income tax	**36 121 170**	**(85 323)**	**3 906 828**	**1 251 533**	**41 194 208**
Income tax	(7 817 791)	(526 193)	(626 710)	53 365	(8 917 329)
Net profit	**28 303 379**	**(611 517)**	**3 280 118**	**1 304 898**	**32 276 879**
Total assets	**859 673 657**	**412 530 806**	**36 973 928**	**(119 793 616)**	**1 189 384 774**
Trade liabilities	**483 999 429**	**206 737 365**	**7 981 042**	**(13 531 948)**	**685 185 887**
Investment expenditures	**123 372 143**	**2 461 843**	**4 434 516**	**-**	**130 268 503**
Depreciation and amortisation	15 174 214	2 442 146	1 619 955	355 278	19 591 594

NOTE 2

RELATED PARTY TRANSACTIONS

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

NOTE 3

IMPORTANT EVENTS BEFORE THE BALANCE-SHEET DATE

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

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

On May 13th 2008 Eurocash S.A. purchased registered shares in PayUp Polska S.A. from the Dutch company PayUp Holding B.V.The Soares represent49% of the share capital of PayUp Polska. PayUp Holding B.V. holds the remaining 51% of shares in PayUp Polska.

On May 14th 2008 Eurocash S.A. purchased from twelve natural persons 53,39% of shares in Sieć Detalistów „ Nasze Sklepy". On the same day, Eurocash S.A. executed a preliminary agreement with the same persons, under which the parties are obligated to conclude a final agreement by May 14th 2010 whereby Eurocash S.A. will acquire further 90 shares in Nasze Sklepy. In performance of both these agreements, Eurocash S.A. will hold 97,07% of shares in Nasze Sklepy.

Pursuant to Resolution No. 2 of the Ordinary General Meeting of 09 June 2008 the net result of 2007 year was divided. The amount 39,280,665 PLN was allocated on dividend which is equal 0,30 PLN on each share of Company. The amount 4,724,575 was allocated on supplementary capital what 3,520,421 PLN determines 8% of net result, which is required by article 396 § 1 of the Commercial Companies Code as a supplementary capital.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Management Board Member Chief Executive Officer	Rui Amaral	14th August 2008	
Management Board Member Chief Financial Officer	Arnaldo Guerreiro	14th August 2008	