



EUROCASH

CONSOLIDATED QUARTERLY REPORT

3rd QUARTER 2016

TRANSLATORS' EXPLANATORY NOTE

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

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

CONTENTS

- I. SELECTED CONSOLIDATED FINANCIAL DATA**
- II. QUARTERLY ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS**
- III. SELECTED SEPARATE FINANCIAL DATA**
- IV. QUARTERLY ABBREVIATED SEPARATE FINANCIAL STATEMENTS**
- V. MANAGEMENT DISCUSSION OF THE FINANCIAL RESULTS FOR THE
3Q 2016**

SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 30.09.2016 PLN	Non audited for the period from 01.01.2015 to 30.09.2015 PLN	Non audited for the period from 01.01.2016 to 30.09.2016 EUR	Non audited for the period from 01.01.2015 to 30.09.2015 EUR
Sales	15 865 991 844	15 274 038 420	3 640 826 069	3 673 940 063
Operating profit (loss)	157 757 855	179 807 169	36 201 261	43 249 908
Profit (loss) before income tax	142 280 077	148 280 811	32 649 520	35 666 717
Profit (loss) for the on continued operations	116 782 061	121 380 894	26 798 399	29 196 347
Profit (loss) for the period	116 782 061	121 380 894	26 798 399	29 196 347
Net cash from operating activities	272 953 846	830 968 167	62 635 698	199 876 886
Net cash used in investing activities	(167 317 130)	(110 933 110)	(38 394 862)	(26 683 290)
Net cash used in financing activities	(109 164 776)	(728 833 564)	(25 050 433)	(175 309 945)
Net change in cash and cash equivalents	(3 528 061)	(8 798 508)	(809 597)	(2 116 349)
Weighted average number of shares	138 952 047	138 528 195	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708	139 100 635	138 620 708
EPS (in PLN / EUR)	0,81	0,83	0,19	0,20
Diluted EPS (in PLN / EUR)	0,81	0,83	0,19	0,20
Average PLN / EUR rate*			4,3578	4,1574
	Non audited as at 30.09.2016 PLN	Non audited as at 31.12.2015 PLN	Non audited as at 30.09.2016 EUR	Non audited as at 31.12.2015 EUR
Assets	5 448 950 488	5 017 563 092	1 263 671 263	1 177 417 128
Non-current liabilities	293 790 866	262 834 175	68 133 318	61 676 446
Current liabilities	4 048 375 365	3 593 594 164	938 862 561	843 269 779
Equity	1 106 784 257	1 161 134 753	256 675 384	272 470 903
Share capital	139 096 361	138 829 311	32 257 969	32 577 569
Number of shares	139 096 361	138 829 311	139 096 361	138 829 311
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	7,53	7,93	1,75	1,86
Diluted book value per share (in PLN / EUR)	7,50	7,89	1,74	1,85
Declared or paid dividend (in PLN / EUR)	146 394 794	111 482 055	33 950 555	26 160 285
Declared or paid dividend per share (in PLN / EUR)	1,05	0,80	0,24	0,19
PLN / EUR rate at the end of the period**			4,3120	4,2615

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 3Q 2016,

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

*** Dividend for 2015 year was paid till 31 May 2016 for shareholders of Parent Company as at 11 May 2016.

EUROCASH S.A. GROUP

CONDENSED INTERIM

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 SEPTEMBER 2016

TRANSLATORS' EXPLANATORY NOTE

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

KOMORNIKI, 10th November 2016

CONTENTS

General information 3

 1. Information about the Parent Entity 3

 2. Board of the Parent Entity 3

Condensed consolidated income statement for the period from 01.01. to 30.09.2016 and for the period from 01.07 to 30.09.2016..... 5

Condensed consolidated statement of comprehensive income for the period from 01.01. to 30.09.2016 and for the period from 01.07 to 30.09.2016..... 6

Condensed consolidated statement of financial position as at 30.09.2016 7

Condensed consolidated statement of cash flows for the period from 01.01. to 30.09.2016..... 9

Condensed consolidated statement on changes in equity for the period from 01.01. to 30.09.2016..... 10

Supplementary information to the condensed interim consolidated financial statements prepared for the period from 01.01.2016 to 30.09.2016 11

 1. General information 11

 2. Notes to the Condensed interim consolidated financial statements prepared for the period from 01.01. to 30.09.2016 19

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

GENERAL INFORMATION

1. INFORMATION ABOUT THE PARENT ENTITY

NAME

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

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade
(PKD 4690Z)

REGISTRATION COURT

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

PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

Indefinite period

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2016 – 30 September 2016 and in addition to the income statement and statement of comprehensive income the period from 1 July 2016 to 30 September 2016.

Consolidated statement of financial position has been prepared as at 30 September 2016 and the comparative figures are presented as at 31 December 2015.

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

2. BOARD OF THE PARENT ENTITY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 September 2016 the Parent Entity's Management Board consisted of the following members:

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2.2. SUPERVISORY BOARD

As at 30 September 2016 the Parent Entity's Supervisory Board consisted of the following members:

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

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 30.09.2016 AND FOR THE PERIOD FROM 01.07 TO 30.09.2016

	Non audited 3rd Quarter for the period from 01.07.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016	Non audited 3rd Quarter for the period from 01.07.2015 to 30.09.2015 restated*	Non audited 3 Quarters for the period from 01.01.2015 to 30.09.2015 restated*
Sales	5 761 178 846	15 865 991 844	5 486 574 905	15 274 038 420
Sales of goods	5 410 111 518	14 921 003 908	5 216 660 032	14 511 417 897
Sales of services	349 611 398	940 700 354	268 605 018	759 008 279
Sales of materials	1 455 931	4 287 581	1 309 855	3 612 243
Costs of sales	(5 191 209 328)	(14 283 742 110)	(4 955 730 301)	(13 810 276 648)
Costs of goods sold	(5 148 917 959)	(14 174 018 270)	(4 916 304 220)	(13 702 004 764)
Costs of services sold	(40 972 568)	(105 566 862)	(38 265 767)	(105 122 017)
Costs of materials sold	(1 318 802)	(4 156 978)	(1 160 313)	(3 149 867)
Gross profit (loss)	569 969 518	1 582 249 734	530 844 605	1 463 761 771
Selling expenses	(381 398 026)	(1 128 046 220)	(349 318 710)	(1 012 312 580)
General and administrative expenses	(90 298 065)	(245 848 301)	(74 278 777)	(232 044 125)
Profit (loss) on sales	98 273 426	208 355 213	107 247 117	219 405 066
Other operating income	13 440 245	42 319 397	13 694 617	32 075 783
Other operating expenses	(30 635 975)	(92 916 755)	(23 234 149)	(71 673 681)
Operating profit (loss)	81 077 696	157 757 855	97 707 585	179 807 169
Financial income	5 900 108	19 198 880	3 995 165	12 632 582
Financial costs	(10 030 608)	(30 772 817)	(12 473 560)	(41 135 794)
Share in profits (losses) of equity accounted investees	(1 092 763)	(3 903 841)	(1 111 998)	(3 023 147)
Profit before tax	75 854 433	142 280 077	88 117 192	148 280 811
Income tax expense	(14 151 726)	(25 498 015)	(15 276 354)	(26 899 917)
Profit for the period	61 702 708	116 782 061	72 840 838	121 380 894
Attributable to:				
Owners of the Company	58 659 511	112 320 852	70 118 930	115 373 143
Non-controlling interests	3 043 197	4 461 209	2 721 908	6 007 752

EARNINGS PER SHARE

	PLN / share	PLN / share
Profit attributable to Owners of the Company	112 320 852	115 373 143
Weighted average number of shares	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708
Earnings per share from continued operations		
- basic	0,81	0,83
- diluted	0,81	0,83

* Note 2

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 30.09.2016 AND FOR THE PERIOD FROM 01.07 TO 30.09.2016

	Non audited 3rd Quarter for the period from 01.07.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016	Non audited 3rd Quarter for the period from 01.07.2015 to 30.09.2015	Non audited 3 Quarters for the period from 01.01.2015 to 30.09.2015
Profit for the period	61 702 708	116 782 061	72 840 838	121 380 894
Other comprehensive income for the period	1 156 381	2 535 214	(2 027 871)	2 097 048
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 156 381	2 535 214	(2 027 871)	2 097 048
Total comprehensive income for the period	62 859 088	119 317 276	70 812 967	123 477 942
Total Income				
Owners of the Company	59 815 891	114 856 067	68 091 059	117 470 191
Non-controlling interests	3 043 197	4 461 209	2 721 908	6 007 752
Total comprehensive income for the period	62 859 088	119 317 276	70 812 967	123 477 942

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.09.2016

	Non audited	
	as at	as at
	30.09.2016	31.12.2015
Assets		restated*
Non-current assets (long-term)	2 307 263 567	2 288 140 043
Goodwill	1 211 922 308	1 172 298 640
Intangible assets	358 416 304	378 635 854
Property, plant and equipment	571 471 816	569 291 463
Investment property	992 419	1 004 191
Investments in equity accounted investees	35 767 902	35 691 120
Other long-term investments	531 570	531 570
Long-term receivables	3 255 499	3 022 857
Deferred tax assets	124 713 965	126 560 956
Other long-term prepayments	191 785	1 103 391
Current assets (short-term)	3 141 686 921	2 729 423 049
Inventories	1 136 857 509	967 932 115
Trade receivables	1 714 674 945	1 533 302 770
Current tax receivables	8 442 336	11 944 512
Other short-term receivables	159 832 037	106 801 285
Other short-term financial assets	6 331 136	-
Short-term prepayments	32 880 272	23 245 620
Cash and cash equivalents	82 668 686	86 196 747
Total assets	5 448 950 488	5 017 563 092

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30.09.2016

	Non audited	
	as at	as at
	30.09.2016	31.12.2015
<i>Equity and liabilities</i>		restated*
Equity	1 106 784 257	1 161 134 753
Equity attributable to Owners of the Company	1 046 940 344	1 100 326 626
Share capital	139 096 361	138 829 311
Reserve capital	1 352 632 597	755 123 316
Option for purchase/selling the shares	(8 109 066)	(10 644 280)
Option for purchase/selling the shares	(39 200 000)	-
Retained earnings	(397 479 548)	217 018 280
Accumulated profit / loss from previous years	(509 800 401)	4 648 299
Profit (loss) for the period	112 320 852	212 369 981
Non-controlling interests	59 843 913	60 808 127
Liabilities	4 342 166 231	3 856 428 339
Non-current liabilities	293 790 866	262 834 175
Long-term financial liabilities	155 644 491	158 980 543
Other long-term liabilities	42 554 842	3 098 869
Deferred tax liabilities	91 929 906	97 069 273
Employee benefits	3 521 626	3 495 089
Provisions	140 000	190 400
Current liabilities	4 048 375 365	3 593 594 164
Loans and borrowings	107 792 568	19 193 856
Short-term financial liabilities	49 962 110	82 574 451
Trade payables	3 611 218 297	3 225 544 402
Current tax liabilities	4 826 932	4 650 392
Other short-term payables	72 253 523	86 729 698
Current employee benefits	73 094 061	69 904 354
Provisions	129 227 875	104 997 011
Total equity and liabilities	5 448 950 488	5 017 563 092
BOOK VALUE PER SHARE		

	Non audited	
	as at	as at
	30.09.2016	31.12.2015
Equity attributable to Owners of the Company	1 046 940 344	1 100 326 626
Number of shares	139 096 361	138 829 311
Diluted number of shares	139 530 636	139 530 636
Book value per share	7,53	7,93
Diluted book value per share	7,50	7,89

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01. TO 30.09.2016

	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2015 to 30.09.2015
<i>Cash flow from operating activities</i>		
Profit before tax	142 280 077	148 280 811
Adjustments for:	147 948 557	150 736 779
Depreciation and amortization	123 088 526	111 113 799
Share in profits (losses) of equity accounted investees	3 903 841	3 023 147
Valuation of motivational program	-	1 013 543
Gain (loss) on sale of property, plant and equipment	988 746	2 008 313
Dividends received	(764 247)	-
Interest expenses	26 466 820	35 345 274
Interest received	(5 735 129)	(1 767 297)
Operating cash before changes in working capital	290 228 633	299 017 590
Changes in inventory	(150 996 504)	291 502 663
Changes in receivables	(213 336 244)	(51 404 057)
Changes in payables	352 814 937	302 888 343
Changes in provisions and employee benefits	25 847 808	16 359 279
Other adjustments	-	73 831
Operating cash	304 558 630	858 437 651
Interest received	1 159 604	773 102
Interest paid	(6 879 781)	(9 935 435)
Income tax paid	(25 884 607)	(18 307 151)
Net cash from operating activities	272 953 846	830 968 167
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(26 086 746)	(18 058 497)
Proceeds from sale of intangible assets, property, plant and equipment	-	463 936
Aquisition of property, plant and equipment tangible fixed assets	(86 673 865)	(98 525 721)
Proceeds from sale of property, plant and equipment	11 812 732	14 130 861
Expenditures for purchased financial assets	(39 600)	-
Dividends received	764 247	-
Aquisition of subsidiaries, net of cash acquired	(36 386 146)	-
Expenditures on the acquisition of subsidiaries	(3 845 498)	(9 200 000)
Advances for acquisition of subsidiaries	(21 000 000)	-
Loans granted	(6 276 578)	-
Interest received	414 324	256 311
Net cash used in investing activities	(167 317 130)	(110 933 110)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	10 147 900	71 465
Income/expenses for other financial liabilities	(45 129 703)	429 109
Income/expenses for short term debt securities	-	(42 000 000)
Issue of financial debt securities	10 000 000	-
Proceeds from loans and borrowings	88 598 712	-
Repayment of borrowings	-	(542 524 552)
Income/expenses for liabilities from financial leasing	(3 379 922)	(3 854 251)
Other interests	(16 868 214)	(16 341 706)
Interests on loans and borrowings	(6 138 755)	(13 492 104)
Dividends paid	(146 394 794)	(111 121 524)
Net cash used in financing activities	(109 164 776)	(728 833 564)
Net change in cash and cash equivalents	(3 528 061)	(8 798 508)
Cash and cash equivalents at the beginning of the period	86 196 747	86 913 164
Cash and cash equivalents at the end of the period	82 668 686	78 114 656

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 30.09.2016

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Non-controlling interests	Total
<i>Changes in equity in the period from 01.01 to 30.09.2015</i>								
Balance as at 01.01.2015 after changes	138 680 636	457 945 167	-	(14 182 324)	413 788 613	996 232 092	43 533 761	1 039 765 852
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	115 373 143	115 373 143	-	115 373 143
Non-controlling interests	-	-	-	-	-	-	6 007 752	6 007 752
Net profit presented directly in equity	-	-	-	2 097 048	-	2 097 048	-	2 097 048
Total comprehensive income for the period from 01.01. to 30.09.2015				2 097 048	115 373 143	117 470 191	6 007 752	123 477 942
Dividends	-	-	-	-	(111 482 055)	(111 482 055)	-	(111 482 055)
Transfer to reserve capital	-	290 670 384	-	-	(290 670 384)	-	-	-
Equity-settled share-based payment transactions	-	1 013 543	-	-	-	1 013 543	-	1 013 543
Share options exercised	1 550	69 915	-	-	-	71 465	-	71 465
Other	-	681	-	-	-	681	-	681
Total contributions by and distributions to Owners of the Company	1 550	291 754 523	-	-	(402 152 440)	(110 396 366)	-	(110 396 366)
Total transaction with Owners of the Company, recognized directly in equity	1 550	291 754 523	-	-	(402 152 440)	(110 396 366)	-	(110 396 366)
Balance as at 30.09.2015	138 682 186	749 699 690	-	(12 085 276)	127 009 316	1 003 305 916	49 541 512	1 052 847 429
<i>Changes in equity in the period from 01.01 to 30.09.2016</i>								
Balance as at 01.01.2016 (restated *)	138 829 311	755 123 316	-	(10 644 280)	217 018 280	1 100 326 626	60 808 127	1 161 134 753
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	112 320 852	112 320 852	-	112 320 852
Non-controlling interests	-	-	-	-	-	-	4 461 209	4 461 209
Other comprehensive income	-	-	-	2 535 214	-	2 535 214	-	2 535 214
Total comprehensive income for the period from 01.01. to 30.09.2016				2 535 214	112 320 852	114 856 067	4 461 209	119 317 276
Dividends paid	-	-	-	-	(139 084 436)	(139 084 436)	(7 310 358)	(146 394 794)
Transfer to reserve capital	-	587 721 393	-	-	(587 721 393)	-	-	-
Share options exercised	267 050	9 880 850	-	-	-	10 147 900	-	10 147 900
Settlement of acquisition and sale of shares	-	-	(39 200 000)	-	-	(39 200 000)	1 884 936	(37 315 064)
Other	-	(92 961)	-	-	(12 852)	(105 813)	-	(105 813)
Total transaction with Owners of the Company, recognized directly in equity	267 050	597 509 282	(39 200 000)	-	(726 818 681)	(168 242 349)	(5 425 422)	(173 667 771)
Balance as at 30.09.2016	139 096 361	1 352 632 597	(39 200 000)	(8 109 066)	(397 479 548)	1 046 940 344	59 843 913	1 106 784 258

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 30.09.2016

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 10 November 2016 the consolidated financial statements of Eurocash Group for the period from 1 January 2016 to 30 September 2016 were authorized for issue by the Management Board.

According to the information included in the report no. 2/2016 dated 13 January 2016 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its consolidated financial statements on 10 November 2016.

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

1.2. STATEMENT OF COMPLIANCE

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

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

1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with UE IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in given circumstances, and the results of estimates and judgments are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual results may differ from those estimates. The range of significant judgments, estimates and assumptions was presented in the financial statements for 2015 year and in the current period has not changed.

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.6. INFORMATION ABOUT THE PARENT ENTITY AND THE GROUP

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

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

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

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

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2016

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

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2016 (continued)

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

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2016 (continued)

No	17	18	19	20	21	22	23	24
Unit	Lewiatan Wielkopolska Sp. z o.o.	Lewiatan Opole Sp. z o.o.	Lewiatan Zachód Sp. z o.o.	Lewiatan Podkarpacie Sp. z o.o.	Lewiatan Holding S.A.	Lewiatan Północ Sp. z o.o.	Eurocash Detal Sp. z o.o.	PayUp Polska S.A.
address	Os. Winiary 54 60-665 Poznań	ul. Światowida 2 45-325 Opole	ul. Przemysłowa 5 73-110 Stargard Szczeciński	Straszęcin 295 39-218 Straszęcin	ul. Kilińskiego 10 87-800 Włocławek	ul. Bysewska 30 80-298 Gdańsk	ul. Wiśniowa 11 62-052 Komorniki	ul. Wiśniowa 11 62-052 Komorniki
core business activity	PKD 7740Z	PKD 7740Z	PKD 6419Z	PKD 8299Z	PKD 7740Z	PKD 4639Z	PKD 4690Z	PKD 6120Z
registration court	District Court Poznań - Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register KRS 0000133384	District Court Opole, VIII Commercial Division of the National Court Register KRS 0000043199	District Court Szczecin Centrum, XIII Commercial Division of the National Court Register KRS 0000017136	District Court Rzeszów, XII Commercial Division of the National Court Register KRS 0000186622	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000089450	District Court Gdańsk- North in Gdańsk, VII Commercial Division of the National Court Register KRS 0000322297	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register, KRS 0000499437	District Court Poznań - Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register KRS 0000299000
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of acquisition	21.12.2011	21.12.2011	21.12.2011	28.06.2013	21.12.2011	21.12.2011	18.11.2013	06.05.2014
ownership interest	100%	100%	100%	100%	67%	100%	100%	100%
voting rights (in %)	100%	100%	100%	100%	71%	100%	100%	100%

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2016 (continued)

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

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

On 15 March 2016 Eurocash Franczyza Sp. z o.o. and Eurocash Convenience Sp. z o.o. formed a company Detal Finanse Sp. z .o.o.

On 15 March 2016 Eurocash VC4 Sp. z o.o. changed its name into ABC na kołach Sp. z o.o. and Eurocash VC5 Sp. z o.o. changed its name into Duży Ben Sp. z o.o.

On 4 May 2016 Eurocash Franczyza Sp. z o.o. formed companies Eurocash Nieruchomości Sp. z o.o. and Eurocash Food Sp. z o.o.

On 20 June 2016 Eurocash Franczyza Sp. z o.o. and Eurocash Convenience Sp. z o.o. formed a company 4vapers Sp. z o.o.

On 22 June 2016 Eurocash Food Sp. z o.o. acquired 51% of shares in Sushi to go Sp. z o.o. and joined the company Sushi to go Sp. z o.o. Sp. k. acquiring 51% of shares.

Detal Finanse Sp. z o.o., Eurocash Nieruchomości Sp. z o.o., Eurocash Food Sp. z o.o., Sushi to go Sp. z o.o. and Sushi to go Sp. z o.o. Sp.k. are the entities comprising the capital group, however, due to the irrelevant financial data they were not consolidated.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 30.09.2016 (continued)

No	1	2
Unit	FRISCO S.A.	Partnerski Serwis Detaliczny S.A.
address	ul. Omulewska 27 04-128 Warszawa	ul. Grażyny 15 02-548 Warszawa
core business activity	PKD 4791Z	PKD 6499Z
registration court	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000401344	District Court Warszawa, XIII Commercial Division of the National Court Register KRS 0000280288
nature of relationship	Associate	Joint venture
applied consolidation method	Equity method	Equity method
ownership interest	44,23%	50%
voting rights (in %)	44,23%	50%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.7. GOING CONCERN ASSUMPTION

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01. TO 30.09.2016

NOTE 1. ACQUISITIONS

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

General information

On 29 January 2016 pursuant to the preliminary agreement of 18 September 2014, Eurocash executed with Hadrick Investments sp. z o.o, Jerzy Rogala and Ewelina Wójcik Rogala an agreement of acquisition of 50% shares in Firma Rogala. The acquisition of shares will enable the construction of a long-term partnership with one of the main franchisees Delikatesy Centrum leading 63 retail shops, what will provide further stable development and growth of the revenues of Eurocash Group.

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

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

Settlement of the acquisition of the business

Basing on the analysis performed by the Company, in accordance with IFRS 10, Firma Rogala Sp. o.o. is a subsidiary controlled by Eurocash S.A.

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

ACQUISITION COST

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Value before restatement as at 29.01.2016
<i>Assets</i>	
Non-current assets (long-term)	13 406 217
Intangible assets	26 298
Tangible fixed assets	13 062 188
Deferred income tax assets	317 731
Current assets (short-term)	23 302 163
Inventory	17 616 998
Trade receivables	1 300 736
Other short-term receivables	955 305
Short-term prepayments	25 171
Cash and cash equivalents	3 403 954
Total assets	36 708 380
<i>Equity nad liabilities</i>	
Liabilities	32 938 509
Current liabilities	32 938 509
Other short-term financial liabilities	5 091 674
Trade liabilities	21 186 292
Other short-term liabilities	4 692 717
Current employee benefits	276 002
Other short-term provisions	1 691 823
Total liabilities	32 938 509
Net assets	3 769 870
Net assets acquired (50%)	1 884 936
Goodwill on acquisition	37 315 064
Acquisition cost	39 200 000

As part of the settlement of the acquisition of 50% of shares in Firma Rogala Sp. o.o., in these financial statements included was the option to repurchase the remaining 50% of shares by Eurocash S.A., given by Eurocash S.A. to other shareholders of Firma Rogala, which may be exercised after three years from 29 January 2016. This option in the amount of PLN 39 million was recognized in other long-term liabilities and in the equity.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE 2.
RESTATEMENT OF COMPARATIVE DATE**

Adjustments are related to the write-down on receivables in the subsidiary, which refers to the previous years and has been recognized in these financial statements and changes in presentation concerning the allocation of the cost of services sold and the cost of goods sold.

	The amount in the approved report as at 31.12.2015	Other corrections	The corrected amount as at 31.12.2015
<i>Assets</i>			
Current assets (short-term)	2 736 410 924	(6 987 875)	2 729 423 049
Inventories	968 330 792	(398 677)	967 932 115
Other short-term receivables	113 390 483	(6 589 198)	106 801 285
Total assets	5 024 550 967	(6 987 875)	5 017 563 092
<i>Equity and liabilities</i>			
Equity	1 168 122 628	(6 987 875)	1 161 134 753
Equity attributable to Owners of the Company	1 107 314 501	(6 987 875)	1 100 326 626
Retained earnings	224 006 155	(6 987 875)	217 018 280
Accumulated profit from previous years	11 636 173	(6 987 875)	4 648 299
Total equity and liabilities	5 024 550 967	(6 987 875)	5 017 563 092

	The amount in the approved report		Correction		The corrected amount	
	for the period from 01.07.2015 to 30.09.2015	for the period from 01.01.2015 to 30.09.2015	for the period from 01.07.2015 to 30.09.2015	for the period from 01.01.2015 to 30.09.2015	for the period from 01.07.2015 to 30.09.2015	for the period from 01.01.2015 to 30.09.2015
Costs of sales	(4 955 730 301)	(13 810 276 648)	-	-	(4 955 730 301)	(13 810 276 648)
Costs of goods sold	(4 912 141 412)	(13 688 633 223)	(4 162 808)	(13 371 541)	(4 916 304 220)	(13 702 004 764)
Costs of services sold	(42 428 575)	(118 493 558)	4 162 808	13 371 541	(38 265 767)	(105 122 017)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NOTE 3. OPERATING SEGMENTS

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

- *Independent clients* – sales realized by distribution formats which clients do not have permanent contracts with the Eurocash Group. The segment includes wholesale operations provide by following distribution formats and companies: Eurocash Cash & Carry, Eurocash Alcohols, Eurocash Serwis Sp. z o.o., PayUp Polska S.A. and Eurocash Trade 1 Sp. z o.o.
- *Integrated clients* – sales realized by distribution formats which clients have long-term agreements with Eurocash Group, e.g. franchise systems or clients from HoReCa segment. This segment includes organization and wholesale sales to clients participating in Delikatesy Centrum franchise chains as well as operations of such a franchise systems like: Lewiatan, Groszek and Euro Sklep. The segment is related with operations provide by following companies: Eurocash S.A. (Delikatesy Centrum format), Euro Sklep S.A., Lewiatan Śląsk Sp. z o.o., Detal Podlasie Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Holding S.A., Lewiatan Zachód Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Orbita Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o. Moreover this segment includes sales realized by Eurocash Gastronomy format.
- *Active distribution* – includes wholesale activity realized by Eurocash Distribution format within the company Eurocash S.A. and sales realized by companies: DEF Sp. z o.o. and Ambra Sp. z o.o.
- *Projects* – this operating segment comprises the Group's new projects and retail formats in initial phase of development operating under the entities: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o., Eurocash Detal Sp. z o.o., ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o. and new projects developed by Eurocash S.A.
- *Other* – sales realized by Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Eurocash VC3 Sp. z o.o., retail sale of Inmedio Sp. z o.o., Firma Rogala Sp. z o.o. and 4vapers Sp. z o.o. and general and administrative costs due the Group activity, not allocated to any operating segment.

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

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

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

Basic information about each reportable segment are shown below.

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2016 TO 30 SEPTEMBER 2016

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
Sales	10 360 520 042	3 251 684 742	2 487 857 462	108 448 001	721 450 169	(1 063 968 572)	15 865 991 844
External sales	9 743 270 902	3 229 570 292	2 063 412 111	108 378 013	721 360 526	-	15 865 991 844
Inter-segmental sales	617 249 140	22 114 450	424 445 351	69 989	89 643	(1 063 968 572)	-
Operating profit	104 515 171	62 556 514	54 083 898	(20 384 008)	(43 013 721)	-	157 757 855
Finance income							19 198 880
Finance costs							(30 772 817)
Share in losses of companies consolidated with the equity method							(3 903 841)
Profit before income tax							142 280 077
Income tax							(25 498 015)
Net profit							116 782 061

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

REVENUES AND RESULTS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2015 TO 30 SEPTEMBER 2015

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
Sales	9 873 641 621	3 278 749 680	2 286 789 651	62 297 733	408 966 796	(636 407 061)	15 274 038 420
External sales	9 508 433 173	3 266 453 572	2 028 236 190	62 003 999	408 911 487	-	15 274 038 420
Inter-segmental sales	365 208 448	12 296 108	258 553 461	293 734	55 309	(636 407 061)	-
Operating profit	115 650 014	41 019 742	61 829 758	(15 187 477)	(23 504 867)	-	179 807 169
Finance income							12 632 582
Finance costs							(41 135 794)
Share in losses of companies consolidated with the equity method							(3 023 147)
Profit before income tax							148 280 811
Income tax							(26 899 917)
Net profit							121 380 894

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE 4.
ITEMS NOT INCLUDED IN THE STATEMENT OF FINANCIAL POSITION**

CONTINGENTIES AS AT 30 SEPTEMBER 2016

Beneficiary	Title	Currency	as at 30.09.2016	as at 31.12.2015
1	BZ WBK * Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	16 334 979	30 546 530
			16 334 979	30 546 530

* debt value as at balance sheet date

BANK GUARANTEES AS AT 30 SEPTEMBER 2016 - SECURITIES FOR RENT LIABILITIES

The Issuer	Title	Currency	as at 30.09.2016	as at 31.12.2015
1	ING Security for rent liabilities	PLN	-	821 100
2	ING Security payments to suppliers	PLN	37 500	6 550 000
3	PKO BP S.A. Security for liabilities due to Agency agreement	PLN	500 000	500 000
4	PKO BP S.A. Security for rent liabilities	PLN	5 896 042	5 016 630
5	PKO BP S.A. Security for rent liabilities	PLN*	24 095 322	22 121 539
6	PKO BP S.A. Security for excise duty	PLN	2 100 000	3 100 000
7	PKO BP S.A. Security for using of the national roads	PLN	620 100	620 100
8	PKO BP S.A. The liabilities of the promotion lottery	PLN	523 659	384 468
9	PKO BP S.A. Security payments to suppliers	PLN	107 090 000	115 070 000
10	PKO BP S.A. Security for liabilities due to Improvements agreement	PLN*	474 320	-
			141 336 943	154 183 836

* - Guarantee in EUR is translated into PLN at the average exchange rate of NBP:
as at 31.12.2015: 1 EUR = 4,2615 PLN,
as at 30.09.2016: 1 EUR = 4,3120 PLN.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

COLLATERALS

SECURITIES RELATED TO ASSETS AS AT 30 SEPTEMBER 2016

Title	Secured property	Amount secure in PLN
ING security on the credit line agreement *	Deposit on inventories Eurocash S.A.	90 000 000
Securing a framework agreement to provide bank guarantees PKO BP*	Deposit on inventories Eurocash Serwis Sp. z o.o.	80 000 000
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Serwis Sp. z o.o.	9 547 300
Security on the consolidated loan agreement to the amount 700.000.000 PLN *	Deposit on inventories Eurocash Franczyza Sp. z o.o.	3 800 000
Financial leasing agreements (due to net value of fixed assets at the balance sheet date)	Ownership of fixed assets in financial leasing	11 832 258

* security nominal value

NOTE 5.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 30 September 2016 fair value of financial instruments approximated their carrying value. The Group has hedging interest rate risk, the IRS, which are measured at their fair value. For these IRS fair value was qualified to level 2 of the hierarchy - the fair value is determined basing on the values observed in the market but not as a direct reference to the market (eg. they are determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the valuation effect is recognized in other comprehensive income.

NOTE 6.

IMPORTANT EVENTS

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

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

In 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

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

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

Concluding the final agreement is addicted to the conditions agreed in the Preliminary Agreement, in particular to obtain the consent of the President of Office of Competition and Consumer Protection.

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

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

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

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

Dividend for 2015 year was paid till 31 May 2016. Number of shares eligible for dividend as at 11 May 2016 amounted to 139,084,436.

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

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

Concluding the final agreement is addicted to the conditions agreed in the Preliminary Agreement, in particular to obtain the consent of the President of Office of Competition and Consumer Protection.

NOTE 7.

IMPORTANT EVENTS AFTER BALANCE SHEET DATE

There were no significant events after balance sheet date.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	10 th November 2016	
Member of the Management Board	Arnaldo Guerreiro	10 th November 2016	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 30.09.2016 PLN	Non audited for the period from 01.01.2015 to 30.09.2015 PLN	Non audited for the period from 01.01.2016 to 30.09.2016 EUR	Non audited for the period from 01.01.2015 to 30.09.2015 EUR
Net sales	10 620 434 690	10 307 715 631	2 437 109 250	2 479 365 861
Operating profit (loss)	65 530 123	93 699 496	15 037 432	22 538 003
Profit (loss) before tax	76 454 362	121 528 446	17 544 257	29 231 839
Net Profit (loss) on continued operations	65 745 946	108 460 543	15 086 958	26 088 551
Net profit (loss)	65 745 946	108 460 543	15 086 958	26 088 551
Net operating cash flow	222 816 895	744 773 331	51 130 592	179 144 016
Net investment cash flow	216 987 153	(18 108 540)	49 792 820	(4 355 737)
Net financial cash flow	(444 194 771)	(717 353 023)	(101 930 968)	(172 548 473)
Net change in cash and cash equivalents	(4 390 724)	9 311 767	(1 007 555)	2 239 805
Weighted average number of shares	138 952 047	138 528 195	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708	139 100 635	138 620 708
EPS (in PLN / EUR)	0,47	0,78	0,11	0,19
Diluted EPS (in PLN / EUR)	0,47	0,78	0,11	0,19
Average PLN / EUR rate*			4,3578	4,1574
	Non audited as at 30.09.2016 PLN	Non audited as at 31.12.2015 PLN	Non audited as at 30.09.2016 EUR	Non audited as at 31.12.2015 EUR
Assets	4 934 791 395	5 016 924 491	1 144 432 142	1 177 267 275
Long-term liabilities	214 806 803	180 427 849	49 816 049	42 339 047
Short-term liabilities	3 632 729 200	3 649 385 875	842 469 666	856 361 815
Equity	1 087 255 392	1 187 110 767	252 146 427	278 566 413
Share capital	139 096 361	138 829 311	32 257 969	32 577 569
Number of shares	139 096 361	138 829 311	139 096 361	138 829 311
Diluted number of shares	139 530 636	139 530 636	139 530 636	139 530 636
Book value per share (in PLN / EUR)	7,82	8,55	1,81	2,01
Diluted book value per share (in PLN / EUR)	7,79	8,51	1,81	2,00
Declared or paid dividend (in PLN / EUR)***	139 084 436	109 451 447	32 255 203	25 683 784
Declared or paid dividend per share (in PLN / EUR)	1,00	0,79	0,23	0,19
PLN / EUR rate at the end of the period**			4,3120	4,2615

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 3Q 2016.

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

*** Dividend for 2015 year was paid till 31 May 2016 for shareholders of Parent Company as at 11 May 2016.

EUROCASH S.A.

**CONDENSED INTERIM
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2016 TO 30 SEPTEMBER 2016

TRANSLATORS' EXPLANATORY NOTE

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

KOMORNIKI, 10th November 2016

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONTENTS

General information	3
1. Information about the company	3
2. Boards of the company.....	3
Abbreviated separate income statement for the period from 01.01.2016 to 30.09.2016 and for the period from 01.07.2016 to 30.09.2016.....	5
Abbreviated separate statement of comprehensive income for the period from 01.01.2016 to 30.09.2016 and for the period from 01.07.2016 to 30.09.2016.....	6
Abbreviated separate statement of the financial position as at 30.09.2016.....	7
Abbreviated separate statement of cash flows for the period from 01.01.2016 to 30.09.2016.....	9
Abbreviated separate statement on changes in equity in the period from 01.01.2016 to 30.09.2016.....	10
Supplementary information to the abbreviated separate financial statements prepared for the period from 01.01.2016 to 30.09.2016	11
1. General information	11
2. Notes to condensed interim separate financial statements prepared for the period from 01.01.2016 to 30.09.2016	12

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<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

GENERAL INFORMATION

1. INFORMATION ABOUT THE COMPANY

NAME

EUROCASH Spółka Akcyjna

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade
(PKD 4690Z)

REGISTRY COURT

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

PERIOD FOR WHICH THE COMPANY WAS ESTABLISHED

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2016 – 30 September 2016 and in addition for the income statement and statement of comprehensive income, the reporting period is 1 July 2016 – 30 September 2016.

Separate statement of financial position has been prepared as at 30 September 2016. Comparative data has been prepared in accordance to UE IFRS 34 – Interim financial reporting.

2. BOARDS OF THE COMPANY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 30 September 2016 the Company's Management Board consisted of the following members:

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

2.2. SUPERVISORY BOARD OF THE PARENT ENTITY

As at 30 September 2016 the Company's Supervisory Board consisted of the following members:

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

2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE INCOME STATEMENT FOR THE PERIOD FROM 01.01.2016 TO 30.09.2016 AND FOR THE PERIOD FROM 01.07.2016 TO 30.09.2016

	Non audited 3rd Quarter for the period from 01.07.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016	Non audited 3rd Quarter for the period from 01.07.2015 to 30.09.2015	Non audited 3 Quarters for the period from 01.01.2015 to 30.09.2015
Sales	3 835 636 743	10 620 434 690	3 716 220 461	10 307 715 631
Sales of goods	3 565 061 729	9 907 122 067	3 523 855 801	9 762 265 732
Sales of services	270 575 014	713 312 623	192 364 660	545 449 900
Costs of sales	(3 424 155 778)	(9 485 783 027)	(3 316 954 679)	(9 208 799 558)
Cost of goods and services sold	(3 424 155 778)	(9 485 783 027)	(3 316 954 679)	(9 208 799 558)
Gross profit (loss)	411 480 965	1 134 651 663	399 265 782	1 098 916 073
Selling expenses	(283 265 644)	(834 480 694)	(274 284 555)	(801 848 953)
General and administrative expenses	(70 088 731)	(190 355 303)	(55 408 679)	(171 033 602)
Profit (loss) on sales	58 126 590	109 815 665	69 572 549	126 033 519
Other operating income	8 476 905	31 569 311	11 633 373	26 721 398
Other operating expenses	(22 816 722)	(75 854 853)	(19 243 503)	(59 055 421)
Operating profit (loss)	43 786 773	65 530 123	61 962 419	93 699 496
Financial income	5 896 069	44 636 236	4 256 171	78 151 481
Financial costs	(9 417 701)	(33 711 997)	(15 597 587)	(50 322 530)
Profit before tax	40 265 141	76 454 362	50 621 002	121 528 446
Income tax expense	(7 649 743)	(10 708 415)	(10 114 374)	(13 067 903)
Profit for the period	32 615 398	65 745 946	40 506 628	108 460 543

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	65 745 946	108 460 543
Weighted average number of shares	138 952 047	138 528 195
Weighted average diluted number of shares	139 100 635	138 620 708
Earnings per share for continued operations		
- basic	0,47	0,78
- diluted	0,47	0,78

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

ABBREVIATED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2016 TO 30.09.2016 AND FOR THE PERIOD FROM 01.07.2016 TO 30.09.2016

	Non audited 3rd Quarter for the period from 01.07.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016	Non audited 3rd Quarter for the period from 01.07.2015 to 30.09.2015	Non audited 3 Quarters for the period from 01.01.2015 to 30.09.2015
Profit (loss) for the period	32 615 398	65 745 946	40 506 628	108 460 543
Other comprehensive income (loss) for the period	1 156 381	2 535 214	(2 027 871)	2 097 048
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 156 381	2 535 214	(2 027 871)	2 097 048
Total comprehensive income (loss) for the period	33 771 779	68 281 161	38 478 757	110 557 591

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.09.2016

	Non audited	
	as at	as at
	30.09.2016	31.12.2015
<i>Assets</i>		
Non-current assets (long-term)	2 669 535 640	2 651 110 497
Goodwill	865 128 444	862 819 840
Intangible assets	541 072 995	551 860 667
Property, plant and equipment	445 168 428	461 882 685
Investment real property	992 419	1 004 191
Investments in subsidiary companies	776 462 370	736 667 370
Investments in associates and joint ventures	38 375 300	34 529 802
Other long-term investments	58 723	58 723
Long-term receivables	1 889 813	1 869 819
Other long-term prepayments	387 148	417 399
Current assets (short-term)	2 265 255 755	2 365 813 994
Inventories	801 768 234	733 502 480
Trade receivables	1 271 099 573	1 163 571 931
Current tax assets	5 277 726	10 593 667
Other short-term receivables	108 102 048	59 959 761
Other short-term investments	14 275 936	334 228 360
Short-term prepayments	26 415 829	21 250 661
Cash and cash equivalents	38 316 409	42 707 133
Total assets	4 934 791 395	5 016 924 491

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 30.09.2016

	Non audited as at 30.09.2016	as at 31.12.2015
<i>Equity and liabilities</i>		
Equity	1 087 255 392	1 187 110 767
Share capital	139 096 361	138 829 311
Reserve capital	840 201 193	468 723 565
Hedging reserve	(8 109 066)	(10 644 280)
Option for purchase/selling the shares	(39 200 000)	-
Retained earnings	155 266 903	590 202 171
Accumulated profit (loss) from previous years	89 520 957	89 520 957
Profit for the period	65 745 946	500 681 214
Liabilities	3 847 536 003	3 829 813 724
Non-current liabilities	214 806 803	180 427 849
Other long-term financial liabilities	150 579 443	153 552 495
Other long-term liabilities	40 029 850	965 072
Deferred tax liabilities	21 307 832	23 020 603
Employee benefits	2 889 679	2 889 679
Current liabilities	3 632 729 200	3 649 385 875
Loans and borrowings	381 179 165	675 945 159
Short-term financial liabilities	43 761 673	37 551 481
Trade liabilities	2 998 439 891	2 725 182 818
Other short-term payables	44 516 678	61 139 602
Current employee benefits	53 220 972	59 098 290
Provisions	111 610 821	90 468 525
Total equity and liabilities	4 934 791 395	5 016 924 491

BOOK VALUE PER SHARE

	as at 30.09.2016	as at 31.12.2015
Book value	1 087 255 392	1 187 110 767
Number of shares	139 096 361	138 829 311
Diluted number of shares	139 530 636	139 530 636
Book value per share	7,82	8,55
Diluted book value per share	7,79	8,51

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

ABBREVIATED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2016 TO 30.09.2016

Non audited 3 Quarters for the period from 01.01.2016 to 30.09.2016	Non audited 3 Quarters for the period from 01.01.2015 to 30.09.2015
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Cash flow from operating activities

Profit (loss) before income tax	76 454 362	121 528 446
Adjustments for:	81 230 612	54 701 409
Depreciation and amortization	82 507 969	76 128 455
Equity-settled shared share-based payment transactions	-	1 013 543
(Gain) loss on sale of property, plant and equipment	754 139	(95 899)
Interest expenses	29 913 102	45 153 956
Interest received	(9 250 425)	(1 718 489)
Dividend and remission of sales income	(22 694 173)	(65 780 156)
Operating cash before changes in working capital	157 684 973	176 229 855
Changes in inventories	(68 265 754)	345 918 728
Changes in receivables	(136 450 382)	(245 889)
Changes in payables	265 863 031	209 921 920
Changes in provisions and employee benefits	16 949 686	23 814 849
Operating cash	235 781 553	755 639 463
Interest received	1 101 155	736 121
Interest paid	(6 365 345)	(9 641 940)
Income tax paid	(7 700 468)	(1 960 314)
Net cash from operating activities	222 816 895	744 773 331

Cash flow from investing activities

Acquisition of intangible assets	(19 608 984)	(11 148 738)
Proceeds from sale of intangible assets	-	440 619
Acquisition of property, plant and equipment	(53 240 345)	(59 750 132)
Proceeds from sale of property, plant and equipment	7 895 890	11 733 201
Acquisition of associates	(3 845 498)	(9 200 000)
Acquisition of subsidiaries, net of cash acquired	(39 795 000)	(42 016)
Advances for acquisition of subsidiaries	(21 000 000)	-
Loans granted	(3 329 639)	(15 988 907)
Repayment received of granted loans	323 194 366	-
Interest received	4 022 189	67 276
Dividends received and remission of sales income	22 694 173	65 780 156
Net cash used in investing activities	216 987 153	(18 108 540)

Cash flows from financing activities

Proceeds from issue of share capital	10 147 900	71 965
Income/expenses for other financial liabilities	(2 171 789)	429 109
Expenses for issuance of short-term securities	-	(42 000 000)
Issuance of short term debt securities	10 000 000	-
Proceeds from loans and borrowings	52 568 320	2 041 675
Repayment of borrowings	(347 114 133)	(526 331 699)
Payment of finance lease liabilities	(1 461 178)	(2 080 968)
Other interest	(12 439 310)	(15 482 101)
Interests on loans and borrowings	(14 640 146)	(24 443 302)
Net cash used in financing activities	(444 194 771)	(717 353 023)
Net change in cash and cash equivalents	(4 390 724)	9 311 767
Cash and cash equivalents at the beginning of the period	42 707 133	26 786 003
Cash and cash equivalents at the end of the period	38 316 409	36 097 770

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

ABBREVIATED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2016 TO 30.09.2016

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Total
<i>Changes in equity in the period from 01.01 to 30.09.2015</i>						
Balance as at 1 January 2015	138 680 636	327 174 749	-	(14 182 324)	334 100 893	785 773 954
Total comprehensive income for the reporting period						
Profit (loss) for the period from 01.01. to 30.09.2015	-	-	-	-	108 460 543	108 460 543
Net profit presented directly in equity	-	-	-	2 097 048	-	2 097 048
Total comprehensive income for the period from 01.01. to 30.09.2015	-	-	-	2 097 048	108 460 543	110 557 591
Dividends	-	-	-	-	(109 557 702)	(109 557 702)
Transfer to reserve capital	-	135 022 233	-	-	(135 022 233)	-
Equity-settled share based payment transactions	-	1 013 543	-	-	-	1 013 543
Share options exercised	1 550	70 415	-	-	-	71 965
Other	-	42 521	-	-	-	42 521
Total transaction with Owners of the Company recognized directly in equity	1 550	136 148 712	-	-	(244 579 936)	(108 429 674)
Balance as at 30.09.2015	138 682 186	463 323 461	-	(12 085 276)	197 981 500	787 901 872
<i>Changes in equity in the period from 01.01. to 30.09.2016</i>						
Balance as at 01 January 2016	138 829 311	468 723 565	-	(10 644 280)	590 202 171	1 187 110 767
Total comprehensive income for the reporting period						
Profit (loss) for the period from 01.01 to 30.09.2016	-	-	-	-	65 745 946	65 745 946
Other comprehensive income for the period 01.01 to 30.09.2016	-	-	-	2 535 214	-	2 535 214
Total comprehensive income for the period from 01.01. to 30.09.2016	-	-	-	2 535 214	65 745 946	68 281 161
Dividends	-	-	-	-	(139 084 436)	(139 084 436)
Transfer to reserve capital	-	361 596 778	-	-	(361 596 778)	-
Share options exercised	267 050	9 880 850	-	-	-	10 147 900
Settlement of acquisition and sale of shares	-	-	(39 200 000)	-	-	(39 200 000)
Total transaction with Owners of the Company recognized directly in equity	267 050	371 477 628	(39 200 000)	-	(500 681 214)	(168 136 536)
Balance as at 30.09.2016	139 096 361	840 201 193	(39 200 000)	(8 109 066)	155 266 903	1 087 255 392

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SUPPLEMENTARY INFORMATION TO THE ABBREVIATED SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 30.09.2016

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 10 November 2016 the separate financial statements of Eurocash S.A. for the period from 1 January 2016 to 30 September 2016 were authorised for issue by the Management Board.

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

1.2. STATEMENT OF COMPLIANCE

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

These condensed interim financial statements have been prepared in accordance with IFRS 34 - Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the condensed interim consolidated Eurocash Group for the period ended 30 September 2016, and the separate financial statements of Eurocash as at and for the year ended 31 December 2015, which is available on the website www.eurocash.pl.

1.3. FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

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

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

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

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-30.09.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

1.6. GOING CONCERN ASSUMPTION

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

2. NOTES TO CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 30.09.2016

NOTE 1. CORRECTION OF PREVIOUS YEARS

	The amount in the approved report		Correction		The corrected amount	
	for the period from 01.07.2015 to 30.09.2015	for the period from 01.01.2015 to 30.09.2015	for the period from 01.07.2015 to 30.09.2015	for the period from 01.01.2015 to 30.09.2015	for the period from 01.07.2015 to 30.09.2015	for the period from 01.01.2015 to 30.09.2015
Costs of sales	(3 316 954 679)	(9 208 799 558)	-	-	(3 316 954 679)	(9 208 799 558)
Costs of goods sold	(3 316 200 815)	(9 206 078 649)	(753 864)	(2 720 909)	(3 316 954 679)	(9 208 799 558)
Costs of services sold	(753 864)	(2 720 909)	753 864	2 720 909	-	-

NOTE 2. OTHERS INFORMATION

Those condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash Group prepared as at 30 September 2016. According to the Board of Eurocash S.A. in the others information to the condensed interim consolidated financial statements of Eurocash Group are included all the relevant information required for a proper assessment of the financial position of the Company in the reporting period.

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-30.09.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	10 th November 2016	
Member of the Management Board	Arnaldo Guerreiro	10 th November 2016	

EUROCASH GROUP – CONSOLIDATED QUARTERLY REPORT (3Q 2016)	Page 1
REPORT OF THE MANAGEMENT BOARD	

Management discussion of the financial results for 3Q 2016

1. Summary of financial and operational results of Eurocash Group in 3Q 2016 and 3Q YTD 2016

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

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

Profit & loss account

Table 1: Eurocash Group: Summary of consolidated financial results for 3Q 2016

	3Q 2016	3Q 2015	Change %
PLN m			
Sales revenues (traded goods, materials)	5 761,18	5 486,57	5,01%
Gross profit (loss) on sales	569,97	530,84	7,37%
Gross profitability on sales (%)	9,89%	9,68%	0,22 p.p.
EBITDA	123,24	135,11	-8,79%
(EBITDA margin %)	2,14%	2,46%	-0,32 p.p.
EBIT	81,08	97,71	-17,02%
(EBIT margin %)	1,41%	1,78%	-0,37 p.p.
Gross profit	75,85	88,12	-13,92%
Net Income	61,70	72,84	-15,29%
(Net profitability %)	1,07%	1,33%	-0,26 p.p.

Table 2: Eurocash Group: Summary of consolidated financial results for 3Q YTD 2016

	3Q YTD 2016	3Q YTD 2015	Change %
PLN m			
Sales revenues (traded goods, materials)	15 865,99	15 274,04	3,88%
Gross profit (loss) on sales	1 582,25	1 463,76	8,09%
Gross profitability on sales (%)	9,97%	9,58%	0,39 p.p.
EBITDA	280,85	290,92	-3,46%
(EBITDA margin %)	1,77%	1,90%	-0,13 p.p.
EBIT	157,76	179,81	-12,26%
(EBIT margin %)	0,99%	1,18%	-0,18 p.p.
Gross profit	142,28	148,28	-4,05%
Net Income	116,78	121,38	-3,79%
(Net profitability %)	0,74%	0,79%	-0,06 p.p.

Consolidated total sales of Eurocash Group in 3Q 2016 amounted to PLN 5 761.18 m and increased by 5.01% YoY. In 3Q YTD 2016 consolidated sales reached PLN 15 865.99 m comparing with PLN 15 274.04 m in the same period previous year. Sales growth was driven mainly by sales of goods to clients integrated in partnership and franchise chains. On the contrary sales dynamic was negatively impacted by reduced sales to clients exporting goods abroad. Excluding that sales consolidated revenues increased by 7.6% in 3Q and 5.0% in 3Q YTD 2016 YoY.

Consolidated gross profitability amounted to 9.89% in 3Q 2016 and increased by 0.22 p.p. YoY. In 3Q YTD 2016 gross profitability increased by 0.39 p.p. YoY and amounted to 9.97%. Increase of gross margin was attributable to consolidation of retail company Firma Rogala - excluding that results gross profitability in 3Q 2016 was at stable level comparing to previous year.

Third-quarter EBITDA decreased by PLN 8.79% and reached PLN 123.24 m. After the first three quarters cumulatively EBTIDA amounted to PLN 280.85 m compared with PLN 290.92 m previous year (a decrease by 3.46%). Lower EBITDA was attributable mainly to increase of spending for strategic investments to strengthen position of independent retailers such as extension of the offer for Delikatesy Centrum stores by fresh products and development of innovative retail formats under brands: Kontigo, 1 minute, abc on wheels, Duży Ben. Moreover profitability of the Group was negatively impacted by effect of wholesale price deflation with increased costs of wages and lower than planned cost effectiveness of Cash&Carry stores opened in last two years.

The net profit in 3Q 2016 decreased by PLN 11.14 m and amounted to PLN 61.70 m (vs. PLN 72.84 m in 3Q 2015). In 3Q YTD 2016 the net profit reached PLN 116.78 m, which means 3.79% decrease YoY.

Sales by format

Table 3: Eurocash Group: Sales dynamics by distribution format for 3Q 2016

PLN m	External sales		
	3Q 2016	3Q 2015	Change %
Cash&Carry	1 193,66	1 194,63	-0,08%
Delikatesy Centrum	580,78	541,10	7,33%
Tobacco+Impulse	1 553,23	1 500,16	3,54%
Alcohol distribution	538,00	523,62	2,75%
Eurocash Food Service	104,70	99,42	5,32%
Eurocash Distribution	1 125,35	1 176,98	-4,39%
Other	375,60	180,76	107,79%
<i>Consolidation adjustments</i>	-61,20		
Total	5 410,11	5 216,66	3,71%

Table 4: Eurocash Group: Sales dynamics by distribution format for 3Q YTD 2016

PLN m	External sales		
	3Q YTD 2016	3Q YTD 2015	Change %
Cash&Carry	3 343,03	3 335,56	0,22%
Delikatesy Centrum	1 569,77	1 454,27	7,94%
Tobacco+Impulse	4 236,98	4 207,61	0,70%
Alcohol distribution	1 472,71	1 476,03	-0,23%
Eurocash Food Service	283,02	263,37	7,46%
Eurocash Distribution	3 222,92	3 270,13	-1,44%
Other	939,84	504,44	86,31%
<i>Consolidation adjustments</i>	-147,28		
Total	14 921,00	14 511,42	2,82%

Cash & Carry:

- In 3Q 2016 external sales of Cash&Carry format amounted to PLN 1 193.66 m and decreased by 0.08% comparing with 3Q 2015. In 3Q YTD the sales growth of Cash&Carry format amounted to 0.22% and sales reached PLN 3 343,03 m.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 3Q 2016 amounted to negative 3.55% and negative 2.92% for the 3Q YTD.
- The number of Eurocash Cash&Carry stores at the end of 3Q 2016 amounted to 189.
- The number of abc stores amounted to 8 425 at the end of 3Q 2016.
- In 3Q 2016 share of abc stores in total sales of Eurocash Cash&Carry stores amounted to 62.14% and 61.71% for 3Q YTD.

Delikatesy Centrum:

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers including sales to Firma Rogala stores in 3Q 2016 amounted to PLN 580.78 m, and increased by 7.33% compared to 3Q 2015. In 3Q YTD sales amounted to PLN 1 569.77 m, 7.94% higher than in 3Q YTD 2015.
- Excluding sales to Firma Rogala stores, wholesale sales amounted to PLN 530.30 m in 3Q 2016 and PLN 1 438.49 m in 3Q YTD 2016.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 6.41% in 3Q 2016 and 4.61% in 3Q YTD.
- LFL growth of retail sales of "Delikatesy Centrum" franchise stores amounted to 2.00% in 3Q 2016 and 1.34% in 3Q YTD 2016.
- Number of "Delikatesy Centrum" franchise stores at the end of 3Q 2016 amounted to 1 040.

Tobacco&Impulse:

- External sales of goods in Eurocash Serwis amounted to PLN 1 542.48 m in 3Q 2016 and increased by 2.82% YoY. In 3Q YTD 2016 sales amounted to PLN 4 220.98 m and increased by 0.32% YoY.
- Excluding sales to Firma Rogala stores, wholesale sales amounted to PLN 1 542.48 m in 3Q 2016 and PLN 4 220,98 m in 3Q YTD 2016.
- Sales of food category in Eurocash Serwis in 3Q 2016 increased by 23.1% YoY and 12.1% YoY in 3Q YTD 2016.
- In terms of volume, sales of cigarettes in 3Q 2016 to external clients increased by 6.29% and amounted to 2 527 m pieces of cigarettes.
- Number of Eurocash Serwis branches as of the end of 3Q 2016 amounted to 173

Alcohol Distribution

- Sales of Eurocash Alkohole in 3Q 2016 amounted to PLN 538.00 m and increased by 2.75% than in 3Q 2015. Sales for 3Q YTD 2016 amounted to PLN 1 472.71 m, 0.23% lower than in 3Q YTD 2015.
- Excluding sales to exporting clients, sales of Alcohol Distribution increased by 7.3% in 3Q 2016 and 3.5% in 3Q YTD 2016 YoY

Eurocash Food Service:

- External sales of goods in Eurocash Food Service amounted to PLN 104.70 m in 3Q 2016, 5.32% higher than in the same period previous year. In 3Q YTD 2016 sales amounted to PLN 283.02 m (an increase by 7.46% YoY).

Eurocash Distribution (Tradis):

- Sales of Eurocash Distribution in 3Q 2016 reached PLN 1 125.35 m, 4,39% lower than in 3Q 2015. During the 3Q YTD 2016 sales of Eurocash Distribution amounted to PLN 3 222.92 m and decreased by 1.44%.
- Excluding sales to exporting clients, sales of Eurocash Distribution increased by 5.4% in 3Q 2016 and 5.0% in 3Q YTD 2016 YoY
- Increase of sales was driven mainly by higher sales to franchisees.
- Number of partnership or franchise stores organized by companies belonging to Eurocash Group (Groszek, Euro Sklep, Lewiatan and PSD) amounted to 4 659 stores as of the end of 3Q 2016.

Cash flow

Table 5: Eurocash Group: Consolidated cash flow for 3Q 2016

PLN m	3Q 2016	3Q 2015
Operating cash flow	130,43	270,99
<i>Gross profit (loss)</i>	75,85	88,12
<i>Depreciation</i>	42,16	37,40
<i>Change in working capital</i>	8,72	140,05
<i>Other</i>	3,33	5,27
Cash flow from investments	(31,76)	(27,46)
Cash flow from financing activities	(142,43)	(245,24)
Total cash flow	(43,77)	(1,71)

Table 6: Eurocash Group: Consolidated cash flow for 3Q YTD 2016

PLN m	3Q YTD 2016	3Q YTD 2015
Operating cash flow	272,95	830,97
<i>Gross profit (loss)</i>	142,28	148,28
<i>Depreciation</i>	123,09	111,11
<i>Change in working capital</i>	(11,52)	542,99
<i>Other</i>	17,94	27,81
Cash flow from investments	(167,32)	(110,93)
Cash flow from financing activities	(109,16)	(728,83)
Total cash flow	(3,53)	(8,80)

Total cash flow in 3Q 2016 amounted to negative PLN 43.77 m where the operating cash flow reached PLN 130.43 m. In 3Q YTD 2016 total cash flows amounted to negative PLN 3.53 m and operational cash flows amounted to PLN 272.95 m. Compared with previous year operating cash flow was lower due to the fact, that in 2015 it was generated by significant reduction of inventory level. In 3Q 2016 cash flow was remained at long-term optimum level and amounted to 106% EBITDA. Cash flow from financing activities amounted to PLN -142.43 m in 3Q 2016 and PLN -109.16 m in 3Q YTD 2016, which was mainly driven by dividend payment for 2015 and bank loans repayment.

Working capital

Table 7: Eurocash Group: Consolidated working capital ratios flow for 3Q 2016

Turnover in days	3Q 2016	3Q 2015
1. Inventories turnover	18,15	16,68
2. Trade receivables turnover	27,38	26,52
3. Trade liabilities turnover	64,00	62,35
4. Operating cycle (1+2)	45,54	43,20
5. Cash conversion (4-3)	(18,46)	(19,15)

Table 8: Eurocash Group: Consolidated working capital ratios flow for 3Q YTD 2016

Turnover in days	3Q YTD 2016	3Q YTD 2015
1. Inventories turnover	19,63	17,78
2. Trade receivables turnover	29,61	28,27
3. Trade liabilities turnover	69,27	66,39
4. Operating cycle (1+2)	49,24	46,05
5. Cash conversion (4-3)	(20,03)	(20,34)

Cash conversion in 3Q 2016 reached -18.46 days comparing to -19.15 days previous year. In 3Q 2016 YTD cash conversion cycle amounted to -20.03 days comparing with -20.34 days in 3Q 2015 YTD.

Statement of the financial position

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

Table 9: Eurocash Group: Selected consolidated balance sheet items

PLN m	30.09.2016		31.12.2015	
Fixed assets	2 307,26	42,35%	2 288,14	45,60%
Current assets	3 141,45	57,65%	2 729,42	54,40%
Total assets	5 448,71	100,00%	5 017,56	100,00%
Equity	1 106,55	20,31%	1 161,13	23,14%
Liabilities and provisions	4 342,17	79,69%	3 856,43	76,86%
Total liabilities and equity	5 448,71	100,00%	5 017,56	100,00%

Net debt of Eurocash Group at the end of 3Q 2016 amounted to PLN 230.73 m compared with PLN 272.62 m at the end of 3Q 2015. According the net debt definition from revolving credit agreement (including contingencies) net debt amounted to PLN 247.07 m.

2. Summary of financial results of Eurocash S.A. in 3Q and 3Q YTD 2016

Profit & loss account

Table 10: Eurocash S.A.: Summary of financial results for 3Q 2016

	PLN m	3Q 2016	3Q 2015	Change %
Sales revenues (traded goods, materials)		3 835,64	3 716,22	3,21%
Gross profit (loss) on sales		411,48	399,27	3,06%
Gross profitability on sales (%)		10,73%	10,74%	-0,02 p.p.
EBITDA		72,22	87,63	-17,58%
<i>(EBITDA margin %)</i>		1,88%	2,36%	-0,48 p.p.
EBIT		43,79	61,96	-29,33%
<i>(EBIT margin %)</i>		1,14%	1,67%	-0,53 p.p.
Gross profit		40,27	50,62	-20,46%
Net Income		32,62	40,51	-19,48%
<i>(Net profitability %)</i>		0,85%	1,09%	-0,24 p.p.

Table 11: Eurocash S.A.: Summary of financial results for 3Q YTD 2016

	PLN m	3Q YTD 2016	3Q YTD 2015	Change %
Sales revenues (traded goods, materials)		10 620,43	10 307,72	3,03%
Gross profit (loss) on sales		1 134,65	1 098,92	3,25%
Gross profitability on sales (%)		10,68%	10,66%	0,02 p.p.
EBITDA		148,04	169,83	-12,83%
<i>(EBITDA margin %)</i>		1,39%	1,65%	-0,25 p.p.
EBIT		65,53	93,70	-30,06%
<i>(EBIT margin %)</i>		0,62%	0,91%	-0,29 p.p.
Gross profit		76,45	121,53	-37,09%
Net Income		65,75	108,46	-39,38%
<i>(Net profitability %)</i>		0,62%	1,05%	-0,43 p.p.

Sales of Eurocash S.A. in 3Q 2016 amounted to PLN 3 835.64 m and increased by 3.21%. In 3Q YTD 2016 sales of Eurocash S.A. increased by 3.03% and amounted to PLN 10 620.43 m. Gross margin on sales realized by Eurocash amounted to 10.73% in 3Q 2016 and 10.68% in 3Q YTD 2016 (0.02 p.p. higher than in comparable period previous year). In 3Q 2016 EBITDA amounted to PLN 72.22 m and in 3Q YTD 2016 PLN 148.04 m. Net profit in 3Q 2016 amounted to PLN 32,62 m and in 3Q YTD 2016 PLN 65.75 m.

Cash flow

Table 12: Eurocash S.A.: Cash flow for 3Q 2016

	PLN m	3Q 2016	3Q 2015
Operating cash flow		81,67	212,34
<i>Gross profit (loss)</i>		40,27	50,62
<i>Depreciation</i>		28,44	25,66
<i>Change in working capital</i>		4,69	119,00
<i>Other</i>		7,92	16,91
Cash flow from investments		10,86	47,48
Cash flow from financing activities		(130,50)	(262,80)
Total cash flow		(37,97)	(2,98)

Table 13: Eurocash S.A.: Cash flow for 3Q YTD 2016

	PLN m	3Q YTD 2016	3Q YTD 2015
Operating cash flow		222,82	744,77
<i>Gross profit (loss)</i>		76,45	121,53
<i>Depreciation</i>		82,51	76,13
<i>Change in working capital</i>		61,15	555,59
<i>Other</i>		1,61	(9,21)
Cash flow from investments		216,99	(18,11)
Cash flow from financing activities		(444,19)	(717,35)
Total cash flow		(4,39)	9,31

Total cash flow of Eurocash S.A. in 3Q 2016 amounted to negative PLN 37.97 m and in 3Q YTD 2016 amounted to negative PLN 4.39 m.

Working capital

Table 14: Eurocash S.A.: Working capital ratios for 3Q 2016

	3Q 2016	3Q 2015
Turnover in days		
1. Inventories turnover	19,23	17,74
2. Trade receivables turnover	30,49	29,66
3. Trade liabilities turnover	80,56	79,94
4. Operating cycle (1+2)	49,72	47,40
5. Cash conversion (4-3)	(30,84)	(32,54)

Table 15: Eurocash S.A.: Working capital ratios for 3Q YTD 2016

Turnover in days	3Q YTD 2016	3Q YTD 2015
1. Inventories turnover	20,69	18,98
2. Trade receivables turnover	32,79	31,73
3. Trade liabilities turnover	86,61	85,45
4. Operating cycle (1+2)	53,48	50,71
5. Cash conversion (4-3)	(33,13)	(34,73)

Cash conversion in 3Q 2016 amounted to negative 30.84 days. In 3Q YTD 2016 cash conversion reached negative 33.13 days.

Statement of the financial position

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

Table 16: Eurocash S.A.: Selected balance sheet items

PLN m	30.09.2016		31.12.2015	-
Fixed assets	2 669,54	54,10%	2 651,11	52,84%
Current assets	2 265,26	45,90%	2 365,81	47,16%
Total assets	4 934,79	100,00%	5 016,92	100,00%
Equity	1 087,26	22,03%	1 187,11	23,66%
Liabilities and provisions	3 847,54	77,97%	3 829,81	76,34%
Total liabilities and equity	4 934,79	100,00%	5 016,92	100,00%

3. Definitions of the financial ratios

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

4. Major events and factors that influenced consolidated income or loss in 3Q 2016.

Changes in equity

In the period between 1st July 2016 and 30th September 2016 were issued 7750 shares due to the option programs.

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 19th April 2016, persons who were shareholders of the Company on 11th May 2016, received a dividend of PLN 1.00 per one Company share. The total dividend paid on 31st May 2016 amounted to PLN 139,084,436.00

There have been no other major events that influenced Eurocash Group income or loss in 3Q 2016.

5. Development perspectives

External Factors

Growth in the FMCG market and its structure.

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

Inflation.

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

Labour costs.

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

Internal Factors

New business formats

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

Organic expansion

Management of Eurocash Group expects that during 2016:

- number of Eurocash Cash&Carry stores will increase by app. 3 stores,
- number of Delikatesy Centrum franchise stores will increase by app. 10 stores

6. Additional information

Information regarding dividends

In accordance with Resolution No. 5 adopted by the Annual General Meeting on 19th April 2016, persons who were shareholders of the Company on 11th May 2016, received a dividend of PLN 1.00 per one Company share. The total dividend paid on 31st May 2016 amounted to PLN 139,084,436.00

Explanations regarding seasonality

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

Issuance, redemption and repayment of debt and capital securities

In the period between 1st July 2016 and 30th September 2016 were issued 7750 shares due to the option programs.

On 30th September 2016 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0m bonds issued under the long-term bonds issue program
- PLN 10,0m bonds issued under the commercial paper program

Changes in the basic management principles

In 3Q 2016 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 forecast for 2016.

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

Shareholder	10.11.2016				19.08.2016			
	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes	Number of shares	Share in share capital (%)	Number of shares	Share in total number of votes
Luis Amaral (directly and indirectly through Politra B.V. S.à.r.l.)	60 615 240	43,58%	60 615 240	43,58%	60 615 240	43,58%	60 615 240	43,58%
Others	78 481 121	56,42%	78 481 121	56,42%	78 473 371	56,42%	78 473 371	56,42%
Total	139 096 361	100,00%	139 096 361	100,00%	139 088 611	100,00%	139 088 611	100,00%

* On 10th November 2016 The Management Board of Eurocash has information on the number of shares as of 31st October 2016.

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	
	10.11.2016	19.08.2016
<i>Management Board members</i>		
Luis Amaral (directly and indirectly)	60 615 240	60 615 240
Rui Amaral	397 025	397 025
Katarzyna Kopaczewska	330 000	330 000
Arnaldo Guerreiro	325 500	325 500
Pedro Martinho	818 050	818 050
Jacek Owczarek	58 500	58 500
<i>Supervisory Board members</i>		
Eduardo Aguinaga de Moraes	0	0
Joao Borges de Assuncao	0	0
Hans-Joachim Körber	0	0
Jacek Szwajcowski	0	0
Francisco Santos	0	0

Information on legal suits

In the 3Q 2016 companies belonging to Eurocash Group were not involved in any other legal suit in any court, nor in a body competent for arbitration proceedings nor an administrative body, which total value would amount to at least 10% of equity.

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

In the 3Q 2016 companies belonging to Eurocash Group did not grant any surety for a credit or a loan nor did it grant any guarantee of total value equivalent to 10% of the Eurocash equity.

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

In the 3Q 2016 companies belonging to Eurocash Group did not execute transactions with related parties otherwise than in the ordinary course of business on an arm's length basis.

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

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

Factors that will affect the results achieved by the issuer

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

On 29 January 2016 pursuant to the preliminary agreement of 18 September 2014, Eurocash executed with Hadrick Investments sp. z o.o., Jerzy Rogala and Ewelina Wójcik Rogala an agreement of acquisition of 50% shares in Firma Rogala. According to received information, in 2015, Firma Rogala generated approx. PLN 367 million in retail sales. The acquisition of a stake in Firma Rogala is aimed at developing a long-term partnership with one of the key franchisees, running 63 retail stores, ensuring the stable growth of the Delikatesy Centrum network and increasing Eurocash Group's revenue. For these reasons, the Management Board of Eurocash S.A. decided to recognize the Agreement as confidential information.

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

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

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

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

Annex to the preliminary agreement of acquisition of PDA shares

On 7th October 2016 was concluded an annex to the preliminary agreement of shares acquisition concluded on 21th December 2015 regarding the acquisition by Eurocash 100% of shares in the share capital of Polska Dystrybucja Alkoholi Sp. z o.o. As agreed by the parties, among others, it has been extended a closing date until 31st January 2017 for concluding the final agreement and has been confirmed that most of the obligations of the Parties in the interim period between the conclusion of the preliminary contract and the closing of the transaction was fulfilled

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

Signatures of Management Board Members:

Position	Name and surname	Date	Signature
Member of the Management Board Financial Director	Jacek Owczarek	10 th November 2016	
Member of the Management Board	Arnaldo Guerreiro	10 th November 2016	