



EUROCASH

CONSOLIDATED QUARTERLY REPORT

4th 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.

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4Q 2016**

SELECTED CONSOLIDATED FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 31.12.2016 PLN	Non audited for the period from 01.01.2015 to 31.12.2015 PLN	Non audited for the period from 01.01.2016 to 31.12.2016 EUR	Non audited for the period from 01.01.2015 to 31.12.2015 EUR
Sales	21 206 479 666	20 318 212 635	4 861 084 164	4 856 285 436
Operating profit (loss)	274 282 219	325 082 188	62 872 715	77 698 365
Profit (loss) before income tax	235 918 759	265 637 627	54 078 799	63 490 434
Profit (loss) for the on continued operations	190 016 746	230 211 370	43 556 847	55 023 153
Profit (loss) for the period	190 016 746	230 211 370	43 556 847	55 023 153
Net cash from operating activities	324 023 567	978 000 369	74 274 743	233 753 285
Net cash used in investing activities	(269 940 673)	(153 258 780)	(61 877 518)	(36 630 603)
Net cash used in financing activities	21 591 462	(825 458 006)	4 949 332	(197 293 914)
Net change in cash and cash equivalents	75 674 356	(716 417)	17 346 557	(171 232)
Weighted average number of shares	138 952 047	138 697 752	138 952 047	138 697 752
Weighted average diluted number of shares	139 100 635	138 761 353	139 100 635	138 761 353
EPS (in PLN / EUR)	1,29	1,53	0,30	0,37
Diluted EPS (in PLN / EUR)	1,29	1,53	0,30	0,37
Average PLN / EUR rate*			4,3625	4,1839
	Non audited as at 31.12.2016 PLN	as at 31.12.2015 PLN	Non audited as at 31.12.2016 EUR	as at 31.12.2015 EUR
Assets	5 563 778 953	5 017 563 092	1 257 635 387	1 177 417 128
Non-current liabilities	334 960 717	262 834 175	75 714 448	61 676 446
Current liabilities	4 073 714 582	3 593 594 164	920 821 560	843 269 779
Equity	1 155 103 655	1 161 134 753	261 099 379	272 470 903
Share capital	139 096 361	138 829 311	31 441 311	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)	7,81	7,93	1,76	1,86
Diluted book value per share (in PLN / EUR)	7,78	7,89	1,76	1,85
Declared or paid dividend (in PLN / EUR)	146 394 794	111 482 055	33 091 048	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**			4,4240	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 4Q 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 31 DECEMBER 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.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	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

DURATION OF THE PARENT COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period is 1 January 2016 – 31 December 2016 and in addition, for the income statement and statement of comprehensive income, the period from 1 October 2016 to 31 December 2016.

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

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

2. BODIES OF THE PARENT ENTITY

2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2.2. SUPERVISORY BOARD OF THE PARENT ENTITY

As at 31 December 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.

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 31.12.2016 AND FOR THE PERIOD FROM 01.10 TO 31.12.2016

	Non audited 4th Quarter for the period from 01.10.2016 to 31.12.2016	Non audited 4 Quarters for the period from 01.01.2016 to 31.12.2016	Non audited 4th Quarter for the period from 01.10.2015 to 31.12.2015 restated*	Non audited 4 Quarters for the period from 01.01.2015 to 31.12.2015 restated*
Sales	5 340 487 822	21 206 479 666	5 044 174 216	20 318 212 635
Sales of goods	4 938 557 512	19 859 561 420	4 728 164 042	19 239 581 939
Sales of services	400 737 959	1 341 438 313	314 262 687	1 073 270 965
Sales of materials	1 192 351	5 479 933	1 747 487	5 359 731
Costs of sales	(4 738 946 722)	(19 022 688 832)	(4 491 104 827)	(18 301 381 475)
Costs of goods sold	(4 694 914 742)	(18 868 933 012)	(4 455 162 372)	(18 157 167 136)
Costs of services sold	(43 330 496)	(148 897 359)	(34 334 782)	(139 456 799)
Costs of materials sold	(701 484)	(4 858 461)	(1 607 673)	(4 757 540)
Gross profit (loss)	601 541 100	2 183 790 834	553 069 389	2 016 831 160
Selling expenses	(395 451 505)	(1 532 424 939)	(340 714 869)	(1 349 783 363)
General and administrative expenses	(85 271 625)	(322 192 712)	(63 055 933)	(298 344 145)
Profit (loss) on sales	120 817 970	329 173 183	149 298 586	368 703 653
Other operating income	17 349 839	59 669 236	17 294 040	49 369 823
Other operating expenses	(21 643 445)	(114 560 200)	(21 317 608)	(92 991 288)
Operating profit (loss)	116 524 364	274 282 219	145 275 019	325 082 188
Financial income	5 007 104	24 205 984	4 377 028	17 009 610
Financial costs	(27 076 621)	(57 849 438)	(31 521 625)	(72 657 419)
Share in profits (losses) of equity accounted investees	(816 165)	(4 720 007)	(773 606)	(3 796 752)
Profit before tax	93 638 683	235 918 759	117 356 816	265 637 627
Income tax expense	(20 403 998)	(45 902 013)	(8 526 341)	(35 426 257)
Profit for the period	73 234 685	190 016 746	108 830 475	230 211 370

Attributable to:

Owners of the Company	66 900 777	179 221 629	96 996 839	212 369 981
Non-controlling interests	6 333 909	10 795 118	11 833 637	17 841 388

EARNINGS PER SHARE

	PLN / share	PLN / share
Profit attributable to Owners of the Company	179 221 629	212 369 981
Weighted average number of shares	138 952 047	138 697 752
Weighted average diluted number of shares	139 100 635	138 761 353
Earnings per share from continued operations		
- basic	1,29	1,53
- diluted	1,29	1,53

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 31.12.2016 AND FOR THE PERIOD FROM 01.10 TO 31.12.2016

	Non audited 4th Quarter for the period from 01.10.2016 to 31.12.2016	Non audited 4 Quarters for the period from 01.01.2016 to 31.12.2016	Non audited 4th Quarter for the period from 01.10.2015 to 31.12.2015	Non audited 4 Quarters for the period from 01.01.2015 to 31.12.2015
Profit for the period	73 234 685	190 016 746	108 830 475	230 211 370
Other comprehensive income for the period	1 798 361	4 333 575	1 440 996	3 538 044
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 798 361	4 333 575	1 440 996	3 538 044
Total comprehensive income for the period	75 033 046	194 350 322	110 271 471	233 749 414
Total Income				
Owners of the Company	68 699 137	183 555 204	98 437 835	215 908 025
Non-controlling interests	6 333 909	10 795 118	11 833 637	17 841 388
Total comprehensive income for the period	75 033 046	194 350 322	110 271 471	233 749 414

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2016

	Non audited as at 31.12.2016	as at 31.12.2015 restated*
<i>Assets</i>		
Non-current assets (long-term)	2 363 022 585	2 288 140 043
Goodwill	1 254 108 025	1 172 298 640
Intangible assets	358 321 106	378 635 854
Property, plant and equipment	587 394 410	569 291 463
Investment property	988 495	1 004 191
Investments in equity accounted investees	34 951 736	35 691 120
Other long-term investments	531 570	531 570
Long-term receivables	3 251 647	3 022 857
Deferred tax assets	123 467 392	126 560 956
Other long-term prepayments	8 204	1 103 391
Current assets (short-term)	3 200 756 367	2 729 423 049
Inventories	1 088 908 423	967 932 115
Trade receivables	1 748 183 884	1 533 302 770
Current tax receivables	8 958 439	11 944 512
Other short-term receivables	139 874 535	106 801 285
Other short-term financial assets	5 713 175	-
Short-term prepayments	47 246 807	23 245 620
Cash and cash equivalents	161 871 104	86 196 747
Total assets	5 563 778 953	5 017 563 092

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2016

	Non audited	
	as at	as at
	31.12.2016	31.12.2015
<i>Equity and liabilities</i>		restated*
Equity	1 155 103 655	1 161 134 753
Equity attributable to Owners of the Company	1 085 650 381	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	(6 310 705)	(10 644 280)
Option for purchase/selling the shares	(69 189 100)	-
Retained earnings	(330 578 771)	217 018 280
Accumulated profit / loss from previous years	(509 800 401)	4 648 299
Profit (loss) for the period	179 221 629	212 369 981
Non-controlling interests	69 453 273	60 808 127
Liabilities	4 408 675 298	3 856 428 339
Non-current liabilities	334 960 717	262 834 175
Long-term financial liabilities	154 322 501	158 980 543
Other long-term liabilities	72 643 362	3 098 869
Deferred tax liabilities	102 494 280	97 069 273
Employee benefits	4 966 996	3 495 089
Provisions	533 577	190 400
Current liabilities	4 073 714 582	3 593 594 164
Loans and borrowings	275 065 340	19 193 856
Short-term financial liabilities	56 624 075	82 574 451
Trade payables	3 459 300 147	3 225 544 402
Current tax liabilities	7 555 050	4 650 392
Other short-term payables	71 549 689	86 729 698
Current employee benefits	84 543 918	69 904 354
Provisions	119 076 364	104 997 011
Total equity and liabilities	5 563 778 953	5 017 563 092
BOOK VALUE PER SHARE		
	Non audited	
	as at	as at
	31.12.2016	31.12.2015
Equity attributable to Owners of the Company	1 085 650 381	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	7,81	7,93
Diluted book value per share	7,78	7,89

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01. TO 31.12.2016

	Non audited 4 Quarters for the period from 01.01.2016 to 31.12.2016	Non audited 4 Quarters for the period from 01.01.2015 to 31.12.2015
<i>Cash flow from operating activities</i>		
Profit before tax	235 918 759	265 637 627
Adjustments for:	219 036 091	215 959 237
Depreciation and amortization	166 212 492	150 551 652
Share in profits (losses) of equity accounted investees	4 720 007	3 796 752
Valuation of motivational program	-	1 013 543
Gain (loss) on sale of property, plant and equipment	3 975 498	3 588 849
Dividends received	(764 247)	-
Interest expenses	51 361 824	59 324 101
Interest received	(6 469 483)	(2 315 660)
Operating cash before changes in working capital	454 954 850	481 596 864
Changes in inventory	(71 557 836)	317 688 580
Changes in receivables	(211 466 827)	29 157 446
Changes in payables	183 627 921	175 216 661
Changes in provisions and employee benefits	13 873 632	17 394 173
Other adjustments	341 910	(522 343)
Operating cash	369 773 650	1 020 531 382
Interest received	1 517 960	1 014 481
Interest paid	(13 753 752)	(19 577 318)
Income tax paid	(33 514 290)	(23 968 176)
Net cash from operating activities	324 023 567	978 000 369
<i>Cash flow from investing activities</i>		
Aquisition of intangible assets	(41 408 274)	(28 170 197)
Proceeds from sale of intangible assets, property, plant and equipment	98 310	426 455
Aquisition of property, plant and equipment tangible fixed assets	(136 103 161)	(139 352 300)
Proceeds from sale of property, plant and equipment	13 777 177	22 734 920
Dividends received	764 247	-
Aquisition of subsidiaries, net of cash aquired	(76 993 697)	-
Expenditures on the acquisition of subsidiaries	(3 845 498)	(9 200 000)
Advances for acquisition of subsidiaries	(21 000 000)	-
Loans granted	(5 700 000)	-
Interest received	470 223	302 342
Net cash used in investing activities	(269 940 673)	(153 258 780)
<i>Cash flow from financing activities</i>		
Proceeds from issue of share capital	10 147 900	5 662 215
Income/expenses for other financial liabilities	(47 810 776)	45 148 691
Issue of financial debt securities	21 000 000	(42 000 000)
Proceeds from loans and borrowings	226 514 116	-
Repayment of borrowings	-	(683 264 508)
Income/expenses for liabilities from financial leasing	(7 229 156)	10 681
Other interests	(25 910 780)	(22 583 491)
Interests on loans and borrowings	(8 725 048)	(17 310 069)
Dividends paid	(146 394 794)	(111 121 524)
Net cash used in financing activities	21 591 462	(825 458 006)
Net change in cash and cash equivalents	75 674 356	(716 417)
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	161 871 103	86 196 747

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01.01. TO 31.12.2016

	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 31.12.2015</i>								
Balance as at 01.01.2015 after changes	138 680 636	457 945 167	-	(14 182 324)	413 788 613	996 232 092	42 966 738	1 039 198 831
Total comprehensive income for the reporting period								
Owners of the Company	-	-	-	-	212 369 981	212 369 981	-	212 369 981
Non-controlling interests	-	-	-	-	-	-	17 841 388	17 841 388
Net profit presented directly in equity	-	-	-	3 538 044	-	3 538 044	-	3 538 044
Total comprehensive income for the period from 01.01. to 31.12.2015	-	-	-	3 538 044	212 369 981	215 908 025	17 841 388	233 749 414
Dividends	-	-	-	-	(111 482 055)	(111 482 055)	-	(111 482 055)
Transfer to reserve capital	-	290 670 385	-	-	(297 658 259)	(6 987 875)	-	(6 987 875)
Equity-settled share-based payment transactions	-	1 013 543	-	-	-	1 013 543	-	1 013 543
Share options exercised	148 675	5 513 540	-	-	-	5 662 215	-	5 662 215
Other	-	(19 319)	-	-	-	(19 319)	-	(19 319)
Total contributions by and distributions to Owners of the Company	148 675	297 178 148	-	-	(409 140 315)	(111 813 491)	-	(111 813 491)
Total transaction with Owners of the Company, recognized directly in equity	148 675	297 178 148	-	-	(409 140 315)	(111 813 491)	-	(111 813 491)
Balance as at 31.12.2015	138 829 311	755 123 316	-	(10 644 280)	217 018 280	1 100 326 626	60 808 127	1 161 134 753
<i>Changes in equity in the period from 01.01 to 31.12.2016</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	-	-	-	-	179 221 629	179 221 629	-	179 221 629
Non-controlling interests	-	-	-	-	-	-	10 795 118	10 795 118
Other comprehensive income	-	-	-	4 333 575	-	4 333 575	-	4 333 575
Total comprehensive income for the period from 01.01. to 31.12.2016	-	-	-	4 333 575	179 221 629	183 555 204	10 795 118	194 350 322
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	-	-	(69 189 100)	-	-	(69 189 100)	5 160 387	(64 028 713)
Other	-	(92 961)	-	-	(12 851)	(105 813)	-	(105 813)
Total transaction with Owners of the Company, recognized directly in equity	267 050	597 509 282	(69 189 100)	-	(726 818 680)	(198 231 449)	(2 149 971)	(200 381 420)
Balance as at 31.12.2016	139 096 361	1 352 632 597	(69 189 100)	(6 310 705)	(330 578 771)	1 085 650 381	69 453 273	1 155 103 655

* Note 2

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

SUPPLEMENTARY INFORMATION TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 31.12.2016

1. GENERAL INFORMATION

1.1. ISSUE OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

According to the resolution of the Management Board dated 23 February 2017, the consolidated financial statements of Eurocash Group for the period from 1 January 2016 to 31 December 2016 were authorized for publication.

According to the information included in the report no. 2/2017 dated 10 January 2017 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its interim consolidated financial statements on 23 February 2017.

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

1.2. STATEMENT OF COMPLIANCE

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

1.3. PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	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 Spółka Akcyjna is the Parent Entity, registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register; registration number: KRS 00000213765; located in Komorniki, ul. Wiśniowa 11.

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

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

Eurocash Group comprises Eurocash S.A. and subsidiaries.

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.12.2016

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:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.12.2016 (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 Biała, VIII Commercial Division of the National Court Register KRS 0000012291	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000254307	District Court Katowice- Wschód, VIII Commercial Division of the National Court Register KRS 0000175768	District Court Olsztyn, VIII Commercial Division of the National Court Register KRS 0000039244	District Court Toruń, VII Commercial Division of the National Court Register KRS 0000109502
nature of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary
applied consolidation method	Full	Full	Full	Full	Full	Full	Full	Full
date of 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:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.12.2016 (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:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.12.2016 (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 acquisition	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%

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Entities comprising the Eurocash capital group and associates as at 31.12.2016 (continued)

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

On 29 January 2016 Eurocash S.A. acquired 50% shares in the share capital of Firma Rogala Sp. z o.o. – see details in Note 1.

On 15 March 2016 Eurocash Franczyza Sp. z o.o. and Eurocash Convenience Sp. z o.o. formed a new 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 new 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 new 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 partnership Sushi to go Sp. z o.o. Sp. k. acquiring 51% of its shares.

On 16 December 2016 Eurocash S.A. acquired 50% of shares in FHC-2 Sp. z o.o. and 50% of shares in Madas Sp. z o.o.

On 30 December 2016 Eurocash S.A. acquired 100% of shares in Polska Dystrybucja Alkoholi Sp. z o.o.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

Entities comprising the Eurocash capital group and associates as at 31.12.2016 (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>01.01-31.12.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

1.7. GOING CONCERN ASSUMPTION

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01. TO 31.12.2016

NOTE 1. ACQUISITION OF SHARES IN A SUBSIDIARY

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

General information

On 29 January 2016, pursuant to the preliminary agreement of 18 September 2014, Eurocash S.A. executed an agreement with Hadrick Investments sp. z o.o, Mr. Jerzy Rogala, Ms. Ewelina Wójcik Rogala and with Firma Rogala Sp. z o.o. for 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 of the Delikatesy Centrum brand, operating 63 retail shops under that brand, which will ensure further stable development and growth of 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 business acquisition

Based 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.

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:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

NET ASSETS ACQUIRED	Settlement of the acquisition as at 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	3 769 871
Net assets acquired (50%)	1 884 936
Goodwill on acquisition	37 315 064
Acquisition cost	39 200 000

As part of settlement of the acquisition of 50% of shares in Firma Rogala Sp. o.o., these financial statements present the option for Eurocash S.A. to repurchase the remaining 50% of shares, which was offered by Eurocash S.A. to the remaining shareholders of Firma Rogala and 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 shareholders' equity.

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

General information

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

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

Settlement of the business acquisition

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

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

ACQUISITION COST

	as at
	16.12.2016
Cash	29 989 100

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period: 01.01-31.12.2016 Presentation currency: Polish zloty (PLN)

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

NET ASSETS ACQUIRED	Settlement of the acquisition as at 16.12.2016
<i>Assets</i>	
Non-current assets (long-term)	4 278 988
Tangible fixed assets	3 949 331
Deferred income tax assets	329 657
Current assets (short-term)	20 355 257
Inventory	13 279 136
Trade receivables	1 169 877
Other short-term receivables	811 796
Other short-term financial assets	645 176
Short-term prepayments	1 961
Cash and cash equivalents	4 447 312
Total assets	24 634 246
<i>Equity nad liabilities</i>	
Liabilities	23 845 302
Non-current liabilities	2 077 884
Other long-term financial liabilities	147 201
Other long-term liabilities	71 313
Deferred tax liabilities	3 476
Employee benefits	1 445 517
Other long-term provision	410 377
Current liabilities	21 767 418
Other short-term financial liabilities	73 569
Trade liabilities	19 867 469
Current income tax liabilities	840 148
Other short-term liabilities	235 569
Current employee benefits	750 662
Total liabilities	23 845 302
Net assets	788 943
Net assets acquired (50%)	394 472
Goodwill on acquisition	29 594 628
Acquisition cost	29 989 100

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

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

General information

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

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

GENERAL INFORMATION CONCERNING BUSINESS ACQUISITION OF THE UNITS

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

Settlement of business acquisition

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

ACQUISITION COST

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

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period: 01.01-31.12.2016 Presentation currency: Polish zloty (PLN)

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

NET ASSETS ACQUIRED	Settlement of the acquisition as at 30.12.2016
<i>Assets</i>	
Non-current assets (long-term)	1 277 110
Intangible assets	35 085
Tangible fixed assets	663 802
Deferred income tax assets	578 222
Current assets (short-term)	46 602 960
Inventory	17 929 242
Trade receivables	23 369 559
Current income tax receivables	414 570
Other short-term receivables	1 477 671
Short-term prepayments	467 780
Cash and cash equivalents	2 944 138
Total assets	47 880 069
<i>Equity nad liabilities</i>	
Liabilities	43 859 762
Non-current liabilities	264 259
Employee benefits	264 259
Current liabilities	43 595 503
Short-term loans and credits	18 759 066
Other short-term financial liabilities	472 554
Trade liabilities	19 392 309
Current income tax liabilities	660 543
Other short-term liabilities	2 236 044
Current employee benefits	893 635
Other short-term provisions	1 181 352
Total liabilities	43 859 762
Net assets	4 020 306
Net assets acquired (100%)	4 020 307
Goodwill on acquisition	14 899 693
Acquisition cost	18 920 000

Condensed interim consolidated financial statements of EUROCASH Group.

Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

**NOTE 2.
RESTATEMENT OF COMPARATIVE DATA**

Adjustments are related to the write-down of receivables at a subsidiary, which concerns 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 01.10.2015 to 31.12.2015	for the period from 01.01.2015 to 31.12.2015	for the period from 01.10.2015 to 31.12.2015	for the period from 01.01.2015 to 31.12.2015	for the period from 01.10.2015 to 31.12.2015	for the period from 01.01.2015 to 31.12.2015
Costs of sales	(4 490 657 467)	(18 299 773 802)	-	-	(4 490 657 467)	(18 299 773 802)
Costs of goods sold	(4 451 529 810)	(18 140 163 033)	(3 632 562)	(17 004 103)	(4 455 162 372)	(18 157 167 136)
Costs of services sold	(37 967 344)	(156 460 902)	3 632 562	17 004 103	(34 334 782)	(139 456 799)

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	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 transacted by those distribution formats whose clients do not have permanent contracts with the Eurocash Group. The segment includes wholesale operations carried out by the following distribution formats and companies: Eurocash Cash & Carry, Eurocash Alkohole, Eurocash Serwis Sp. z o.o., PayUp Polska S.A. and Eurocash Trade 1 Sp. z o.o.
- *Integrated clients* – sales transacted by those distribution formats whose clients have long-term agreements with Eurocash Group, e.g. franchise systems or clients from the HoReCa segment. This segment includes sales organization and wholesale to clients-members of the Delikatesy Centrum franchise chain, as well as operations of such a franchise systems as: Lewiatan, Groszek and Euro Sklep. The segment involves the operations of the following companies: Eurocash S.A. (Delikatesy Centrum format), Euro Sklep S.A., Lewiatan Śląsk Sp. z o.o., Detal Podlasie Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Holding S.A., Lewiatan Zachód Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Orbita Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o. Moreover, this segment includes sales transacted by the Eurocash Gastronomía [Food Service] format.
- *Active distribution* – wholesale activities transacted by the Eurocash Dystrybucja [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 their initial phase of development, operating as the following entities: Eurocash Convenience Sp. z o.o., Kontigo Sp. z o.o, Eurocash Detal Sp. z o.o., ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o., Sushi To Go Sp. z o.o. Sp. k. and new projects developed by Eurocash S.A.
- *Other* – sales transacted by Eurocash Trade 2 Sp. z o.o., Eurocash VC2 Sp. z o.o., Eurocash VC3 Sp. z o.o., retail sales by Inmedio Sp. z o.o., Firma Rogala Sp. z o.o. and 4vapers Sp. z o.o., as well as the Group's general and administrative expenses not allocated to any operating segment.

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

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

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.12.2016</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 is shown below.

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

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
Sales	13 792 212 944	4 333 238 664	3 392 861 540	160 532 577	976 522 116	(1 448 888 176)	21 206 479 666
External sales	12 958 358 330	4 304 218 921	2 807 563 137	160 448 932	975 890 346	-	21 206 479 666
Inter-segmental sales	833 854 614	29 019 743	585 298 403	83 645	631 770	(1 448 888 176)	-
Operating profit	182 469 702	102 018 031	92 637 704	(28 868 668)	(73 974 550)	-	274 282 219
Finance income							24 205 984
Finance costs							(57 849 438)
Share in losses of companies consolidated with the equity method							(4 720 007)
Profit before income tax							235 918 759
Income tax							(45 902 013)
Net profit							190 016 746

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.12.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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

	Independent clients	Active Distribution	Integrated clients	Projects	Other	Exclusions	Total
Sales	13 133 620 361	4 369 811 056	3 086 736 247	88 789 520	555 642 640	(916 387 189)	20 318 212 635
External sales	12 594 822 255	4 349 053 362	2 730 372 872	88 374 929	555 589 217	-	20 318 212 635
Inter-segmental sales	538 798 105	20 757 694	356 363 375	414 591	53 423	(916 387 189)	-
Operating profit	204 013 396	80 495 883	105 513 888	(17 869 785)	(47 071 194)	-	325 082 188
Finance income							17 009 610
Finance costs							(72 657 419)
Share in losses of companies consolidated with the equity method							(3 796 752)
Profit before income tax							265 637 627
Income tax							(35 426 257)
Net profit							230 211 370

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	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 31 DECEMBER 2016

Beneficiary	Title	Currency	as at	as at
			31.12.2016	31.12.2015
1	BZ WBK * Surety for the obligations due to the "Franchise partners financing program" for the Franchisee Delkatesy Centrum	PLN	12 280 125	30 546 530
			12 280 125	30 546 530

* debt value as at balance sheet date

BANK GUARANTEES AS AT 31 DECEMBER 2016 - SECURITIES FOR RENT LIABILITIES

The Issuer	Title	Currency	as at	as at	
			31.12.2016	31.12.2015	
1	ING	Security for rent liabilities	PLN	-	821 100
2	ING	Security payments to suppliers	PLN	37 500	6 550 000
3	PKO BP S.A.	Security for liabilities due to Agency agreement	PLN	500 000	500 000
4	PKO BP S.A.	Security for rent liabilities	PLN	6 796 675	5 016 630
5	PKO BP S.A.	Security for rent liabilities	PLN*	24 801 131	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	72 230 000	115 070 000
			107 609 065	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 31.12.2016: 1 EUR = 4,4240 PLN.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

COLLATERALS

SECURITIES RELATED TO ASSETS AS AT 31 DECEMBER 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	11 205 479

* security nominal value

NOTE 5.

FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2016, the fair value of financial instruments approximated their carrying value. The Group implements interest rate risk security instruments (IRS), which are measured at their fair value. For these IRSs, the fair value was qualified to level 2 of the hierarchy - fair value is determined based on the values observed on the market yet not being direct market quotes (e.g. determined by direct or indirect reference to similar instruments existing on the market). In connection with the applied hedge accounting, the effect of valuation is recognized in other comprehensive income.

NOTE 6.

IMPORTANT EVENTS DURING THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

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

Through Resolution No. 5 of 19 April 2016 on the allocation of the profit for the year 2015, the Ordinary General Meeting of EUROCASH S.A. decided to distribute a dividend from the profits of the Company.

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

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

Dividend was paid on 31 May 2016. The number of shares eligible for dividend as at 11 May 2016 was 139,084,436.

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

2. Choice of an entity authorized to audit financial statements

The Management Board of Eurocash S.A. hereby informs that the Supervisory Board of Eurocash, acting under par.14 point 2 of the Statute of the Company, on 22 November 2016, chose KPMG Audyty Spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw, registered by the National Chamber of Statutory Auditors as a certified auditor of financial statements under No. 3546, to act as third party auditor to audit the Company's financial statements for the year 2016.

3. Execution of a significant agreement with Marie Brizard Wine&Spirits Polska Sp. z o.o.

The Management Board of Eurocash S.A. of Komorniki hereby informs that on 29 November 2016, Eurocash entered into an agreement with Marie Brizard Wine&Spirits Polska Sp. z o. o. ("MBWS") as the supplier and Eurocash Serwis Sp. z o.o. (referred to as "Distributors" together with Eurocash) for distribution of alcoholic beverages.

MWBS specializes in production and wholesale of strong alcoholic beverages.

The Agreement constitutes an extension of cooperation between Eurocash Group and MBWS and increases the volume of goods offered by MBWS and distributed by the Eurocash Group.

The Agreement provides for contractual penalties in case the sales terms become less advantageous than those prescribed in the Agreement. The Agreement does not specify the maximum amount of such contractual penalties. Under the Agreement, the Distributors are entitled to seek compensation exceeding the value of due contractual penalties.

The Agreement has been executed for a term of 3 years; after the expiry of that term, the Agreement will be automatically converted into an agreement for an indefinite term (provided that neither party expresses an intention to terminate the cooperation).

Other terms of the Agreement do not differ from those commonly used for commercial agreements of this type. The Agreement was considered significant, since the expected combined value of turnover exceeds 10% of total sales revenue of Eurocash Group for the last four financial quarters..

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	<i>01.01-31.12.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

NOTE 7.

SIGNIFICANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

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

The Management Board of Eurocash S.A. located in Komorniki, with reference to the current report No. 5/2016 of 18 March 2016., report No. 29/2016 of 23 December 2016. and report No. 30/2016 of 29 December 2016, hereby informs that on 4 January 2017, Eurocash purchased 100% of shares in the company EKO Holding S.A. based in Nowa Wieś Wroclawska.

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

2. Resignation of Member of the Management Board

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

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

<i>Condensed interim consolidated financial statements of EUROCASH Group.</i>			
Financial statements period:	01.01-31.12.2016	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	23 rd February 2017	
Member of the Management Board	Arnaldo Guerreiro	23 rd February 2017	

SELECTED SEPARATE FINANCIAL DATA

	Non audited for the period from 01.01.2016 to 31.12.2016 PLN	Non audited for the period from 01.01.2015 to 31.12.2015 PLN	Non audited for the period from 01.01.2016 to 31.12.2016 EUR	Non audited for the period from 01.01.2015 to 31.12.2015 EUR
Net sales	14 225 192 888	13 750 715 992	3 260 789 201	3 286 578 549
Operating profit (loss)	134 977 272	197 393 556	30 940 349	47 179 320
Profit (loss) before tax	125 010 194	527 891 583	28 655 632	126 172 132
Net Profit (loss) on continued operations	102 614 073	500 681 214	23 521 851	119 668 542
Net profit (loss)	102 614 073	500 681 214	23 521 851	119 668 542
Net operating cash flow	40 480 904	774 170 775	9 279 290	185 035 679
Net investment cash flow	110 310 155	54 455 174	25 285 996	13 015 410
Net financial cash flow	(100 474 074)	(812 704 819)	(23 031 306)	(194 245 756)
Net change in cash and cash equivalents	50 316 986	15 921 130	11 533 979	3 805 332
Weighted average number of shares	138 952 047	138 697 752	138 952 047	138 697 752
Weighted average diluted number of shares	139 100 635	138 761 353	139 100 635	138 761 353
EPS (in PLN / EUR)	0,74	3,61	0,17	0,86
Diluted EPS (in PLN / EUR)	0,74	3,61	0,17	0,86
Average PLN / EUR rate*			4,3625	4,1839
	Non audited as at 31.12.2016 PLN	Non audited as at 31.12.2015 PLN	Non audited as at 31.12.2016 EUR	Non audited as at 31.12.2015 EUR
Assets	5 088 491 488	5 016 924 491	1 150 201 512	1 177 267 275
Long-term liabilities	255 634 872	180 427 849	57 783 651	42 339 047
Short-term liabilities	3 736 923 837	3 649 385 875	844 693 453	856 361 815
Equity	1 095 932 779	1 187 110 767	247 724 408	278 566 413
Share capital	139 096 361	138 829 311	31 441 311	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)	7,88	8,55	1,78	2,01
Diluted book value per share (in PLN / EUR)	7,85	8,51	1,78	2,00
Declared or paid dividend (in PLN / EUR)***	139 084 436	109 451 447	31 438 616	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**			4,4240	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 4Q 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 31 DECEMBER 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, 23rd February 2017

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.12.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

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<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.12.2016	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

DURATION OF THE COMPANY

Indefinite

PERIOD COVERED BY THE FINANCIAL STATEMENTS

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

The separate statement of financial position has been prepared as at 31 December 2016. Comparative data has been presented in accordance to UE-approved IAS 34 – Interim financial reporting.

2. BODIES OF THE COMPANY

2.1. MANAGEMENT BOARD

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

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.12.2016</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

As at 31 December 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 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.

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

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

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

Condensed separate income statement for the period from 01.01.2016 to 31.12.2016 and for the period from 01.10.2016 to 31.12.2016

	Non audited 4th Quarter for the period from 01.10.2016 to 31.12.2016	Non audited 4 Quarters for the period from 01.01.2016 to 31.12.2016	Non audited 4th Quarter for the period from 01.10.2015 to 31.12.2015 restated *	Non audited 4 Quarters for the period from 01.01.2015 to 31.12.2015 restated *
Sales	3 604 758 198	14 225 192 888	3 443 000 361	13 750 715 992
Sales of goods	3 309 504 408	13 216 626 476	3 206 223 270	12 968 489 002
Sales of services	295 253 790	1 008 566 413	236 777 091	782 226 990
Costs of sales	(3 178 804 713)	(12 664 587 741)	(3 018 452 380)	(12 227 251 938)
Cost of goods and services sold	(3 178 804 713)	(12 664 587 741)	(3 018 452 380)	(12 227 251 938)
Gross profit (loss)	425 953 485	1 560 605 148	424 547 981	1 523 464 054
Selling expenses	(288 343 801)	(1 131 751 710)	(252 926 170)	(1 054 775 122)
General and administrative expenses	(63 721 683)	(245 149 772)	(53 205 405)	(224 239 007)
Profit (loss) on sales	73 888 001	183 703 666	118 416 406	244 449 925
Other operating income	12 669 476	44 238 787	6 590 312	33 311 710
Other operating expenses	(17 110 328)	(92 965 181)	(21 312 658)	(80 368 079)
Operating profit (loss)	69 447 149	134 977 272	103 694 061	197 393 556
Financial income	5 001 940	49 638 176	337 312 959	415 464 440
Financial costs	(25 893 256)	(59 605 254)	(34 643 883)	(84 966 414)
Profit before tax	48 555 833	125 010 194	406 363 136	527 891 583
Income tax expense	(11 687 706)	(22 396 121)	(14 142 466)	(27 210 369)
Profit for the period	36 868 127	102 614 073	392 220 671	500 681 214

NET EARNINGS PER SHARE

	PLN / share	PLN / share
Net profit (loss)	102 614 073	500 681 214
Weighted average number of shares	138 952 047	138 697 752
Weighted average diluted number of shares	139 100 635	138 761 353
Earnings per share for continued operations		
- basic	0,74	3,61
- diluted	0,74	3,61

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2016 TO 31.12.2016 AND FOR THE PERIOD FROM 01.10.2016 TO 31.12.2016

	Non audited 4th Quarter for the period from 01.10.2016 to 31.12.2016	Non audited 4 Quarters for the period from 01.01.2016 to 31.12.2016	Non audited 4th Quarter for the period from 01.10.2015 to 31.12.2015	Non audited 4 Quarters for the period from 01.01.2015 to 31.12.2015
Profit (loss) for the period	36 868 127	102 614 073	392 220 671	500 681 214
Other comprehensive income (loss) for the period	1 798 361	4 333 575	1 440 996	3 538 044
Items that may be subsequently reclassified to profit or loss:				
- The result on hedge accounting with the tax effect:	1 798 361	4 333 575	1 440 996	3 538 044
Total comprehensive income (loss) for the period	38 666 488	106 947 648	393 661 667	504 219 258

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31.12.2016

	Non audited as at 31.12.2016	as at 31.12.2015
<i>Assets</i>		
Non-current assets (long-term)	2 716 658 883	2 651 110 497
Goodwill	862 819 840	862 819 840
Intangible assets	541 468 892	551 860 667
Property, plant and equipment	445 211 824	461 882 685
Investment real property	988 495	1 004 191
Investments in subsidiary companies	825 056 471	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	1 891 493	1 869 819
Other long-term prepayments	787 846	417 399
Current assets (short-term)	2 371 832 605	2 365 813 994
Inventories	798 998 549	733 502 480
Trade receivables	1 310 850 709	1 163 571 931
Current tax assets	7 637 106	10 593 667
Other short-term receivables	90 215 076	59 959 761
Other short-term investments	35 432 551	334 228 360
Short-term prepayments	35 674 496	21 250 661
Cash and cash equivalents	93 024 119	42 707 133
Total assets	5 088 491 488	5 016 924 491

Condensed interim separate financial statements of EUROCASH S.A.			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF THE FINANCIAL POSITION AS AT 31.12.2016

	Non audited as at 31.12.2016	as at 31.12.2015
<i>Equity and liabilities</i>		
Equity	1 095 932 779	1 187 110 767
Share capital	139 096 361	138 829 311
Reserve capital	840 201 193	468 723 565
Hedging reserve	(6 310 705)	(10 644 280)
Option for purchase/selling the shares	(69 189 100)	-
Retained earnings	192 135 030	590 202 171
Accumulated profit (loss) from previous years	89 520 957	89 520 957
Profit for the period	102 614 073	500 681 214
Liabilities	3 992 558 708	3 829 813 724
Non-current liabilities	255 634 872	180 427 849
Other long-term financial liabilities	149 308 867	153 552 495
Other long-term liabilities	70 018 950	965 072
Deferred tax liabilities	33 417 376	23 020 603
Employee benefits	2 889 679	2 889 679
Current liabilities	3 736 923 837	3 649 385 875
Loans and borrowings	738 498 237	675 945 159
Short-term financial liabilities	50 656 437	37 551 481
Trade liabilities	2 750 359 676	2 725 182 818
Other short-term payables	33 423 260	61 139 602
Current employee benefits	63 733 692	59 098 290
Provisions	100 252 534	90 468 525
Total equity and liabilities	5 088 491 488	5 016 924 491

BOOK VALUE PER SHARE

	as at 31.12.2016	as at 31.12.2015
Book value	1 095 932 779	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	7,88	8,55
Diluted book value per share	7,85	8,51

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.12.2016	Presentation currency:	Polish zloty (PLN)
Level of round-offs:	All amounts are expressed in Polish zloty (unless indicated otherwise)		

CONDENSED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01.2016 TO 31.12.2016

Non audited	Non audited
4 Quarters	4 Quarters
for the period	for the period
from 01.01.2016	from 01.01.2015
to 31.12.2016	to 31.12.2015

Cash flow from operating activities

Profit (loss) before income tax	125 010 194	527 891 583
Adjustments for:	136 098 869	(219 591 902)
Depreciation and amortization	111 494 591	102 932 784
Equity-settled shared share-based payment transactions	-	1 013 543
(Gain) loss on sale of property, plant and equipment	3 255 265	5 614 727
Interest expenses	54 029 764	72 337 696
Interest received	(9 986 577)	(2 335 946)
Dividend and remission of sales income	(22 694 173)	(399 154 706)
Operating cash before changes in working capital	261 109 064	308 299 680
Changes in inventories	(65 496 068)	328 983 021
Changes in receivables	(145 139 283)	85 026 845
Changes in payables	4 140 945	52 536 011
Changes in provisions and employee benefits	7 549 636	20 361 228
Other adjustments	-	(823 439)
Operating cash	62 164 293	794 383 346
Interest received	1 444 989	969 840
Interest paid	(13 068 531)	(19 222 097)
Income tax paid	(10 059 848)	(1 960 314)
Net cash from operating activities	40 480 904	774 170 775

Cash flow from investing activities

Acquisition of intangible assets	(30 144 140)	(14 623 605)
Proceeds from sale of intangible assets	(86 947)	417 855
Acquisition of property, plant and equipment	(81 895 827)	(88 416 149)
Proceeds from sale of property, plant and equipment	10 169 794	15 802 276
Acquisition of associates	(3 845 498)	(9 200 000)
Acquisition of subsidiaries, net of cash acquired	(88 389 100)	-
Advances for acquisition of subsidiaries	(21 000 000)	-
Loans granted	(24 355 832)	(16 003 336)
Repayment received of granted loans	323 129 026	-
Interest received	4 034 507	117 058
Dividends received and remission of sales income	22 694 173	166 361 075
Net cash used in investing activities	110 310 155	54 455 174

Cash flows from financing activities

Proceeds from issue of share capital	10 147 900	5 661 715
Income/expenses for other financial liabilities	(4 852 862)	2 191 277
Expenses for issuance of short-term securities	-	(42 000 000)
Issuance of short term debt securities	21 000 000	-
Proceeds from loans and borrowings	200 000 000	-
Repayment of borrowings	(147 952 961)	(613 172 726)
Payment of finance lease liabilities	(1 935 716)	(2 673 321)
Other interest	(18 929 698)	(21 521 520)
Interests on loans and borrowings	(18 866 301)	(31 632 543)
Dividends paid	(139 084 436)	(109 557 702)
Net cash used in financing activities	(100 474 074)	(812 704 819)
Net change in cash and cash equivalents	50 316 986	15 921 130
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	93 024 119	42 707 133

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.12.2016</i>	Presentation currency:	<i>Polish zloty (PLN)</i>
Level of round-offs:	<i>All amounts are expressed in Polish zloty (unless indicated otherwise)</i>		

CONDENSED SEPARATE STATEMENT ON CHANGES IN EQUITY IN THE PERIOD FROM 01.01.2016 TO 31.12.2016

	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 31.12.2015</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 31.12.2015	-	-	-	-	500 681 214	500 681 214
Net profit presented directly in equity	-	-	-	3 538 044	-	3 538 044
Total comprehensive income for the period from 01.01. to 31.12.2015	-	-	-	3 538 044	500 681 214	504 219 258
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	148 675	5 513 040	-	-	-	5 661 715
Total transaction with Owners of the Company recognized directly in equity	148 675	141 548 816	-	-	(244 579 936)	(102 882 445)
Balance as at 31.12.2015	138 829 311	468 723 565	-	(10 644 280)	590 202 171	1 187 110 767
<i>Changes in equity in the period from 01.01. to 31.12.2016</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 31.12.2016	-	-	-	-	102 614 073	102 614 073
Other comprehensive income for the period 01.01 to 31.12.2016	-	-	-	4 333 575	-	4 333 575
Total comprehensive income for the period from 01.01. to 31.12.2016	-	-	-	4 333 575	102 614 073	106 947 648
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	-	-	(69 189 100)	-	-	(69 189 100)
Total transaction with Owners of the Company recognized directly in equity	267 050	371 477 628	(69 189 100)	-	(500 681 214)	(198 125 636)
Balance as at 31.12.2016	139 096 361	840 201 193	(69 189 100)	(6 310 705)	192 135 030	1 095 932 779

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.12.2016	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 SEPARATE FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01.2016 TO 31.12.2016

1. GENERAL INFORMATION

1.1. ISSUE OF THE FINANCIAL STATEMENT

According to the resolution of the Management Board dated 23 February 2017, the separate financial statements of Eurocash S.A. for the period from 1 January 2016 to 31 December 2016 were authorised for publication.

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

1.2. STATEMENT OF COMPLIANCE

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

These condensed interim financial statements should be read in conjunction with the condensed interim consolidated financial statements of Eurocash S.A. Group as at and for the period ended 31 December 2016, and the separate financial statements of Eurocash S.A. as at and for the year ended 31 December 2015, which are available on the website www.eurocash.pl.

1.3. PRESENTATION CURRENCY, ROUNDINGS

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

1.4. USE OF ESTIMATES AND JUDGEMENTS

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

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

1.5. COMPARABILITY OF FINANCIAL STATEMENTS

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	01.01-31.12.2016	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 31.12.2016

NOTE 1. RESTATEMENT OF COMPARABLE DATA

The adjustment refers to the allocation of the cost of services sold and the cost of goods sold.

	The amount in the approved report		Correction		The corrected amount	
	for the period from 01.10.2015 to 31.12.2015	for the period from 01.01.2015 to 31.12.2015	for the period from 01.10.2015 to 31.12.2015	for the period from 01.01.2015 to 31.12.2015	for the period from 01.10.2015 to 31.12.2015	for the period from 01.01.2015 to 31.12.2015
Costs of sales	(3 018 452 380)	(12 227 251 938)	-	-	(3 018 452 380)	(12 227 251 938)
Costs of goods sold	(3 017 746 488)	(12 223 825 137)	(705 892)	(3 426 801)	(3 018 452 380)	(12 227 251 938)
Costs of services sold	(705 892)	(3 426 801)	705 892	3 426 801	-	-

NOTE 2.

OTHER EXPLANATORY INFORMATION

These condensed interim separate financial statements should be read in conjunction with condensed interim consolidated financial statements of Eurocash S.A. Group prepared as at and for the period ended 31 December 2016.

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

NOTE 3.

IMPORTANT EVENTS AFTER BALANCE SHEET DATE

1. Resignation of member of the management board

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

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

<i>Condensed interim separate financial statements of EUROCASH S.A.</i>			
Financial statements period:	<i>01.01-31.12.2016</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	23 rd February 2017	
Member of the Management Board	Arnaldo Guerreiro	23 rd February 2017	

Management discussion of the financial results for 4Q 2016

1. Summary of financial and operational results of Eurocash Group in 4Q 2016 and 4Q YTD 2016

- **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 4Q 2016

PLN m	Q4 2016	Q4 2015	Change % 2016 2015
Sales revenues (traded goods, materials)	5 340,49	5 044,17	5,87%
Gross profit (loss) on sales	601,54	553,07	8,76%
Gross profitability on sales (%)	11,26%	10,96%	0,30 p.p.
EBITDA	159,65	184,71	-13,57%
<i>(EBITDA margin %)</i>	2,99%	3,66%	-0,67 p.p.
EBIT	116,52	145,28	-19,79%
<i>(EBIT margin %)</i>	2,18%	2,88%	-0,70 p.p.
Gross profit	93,64	117,36	-20,21%
Net Income	73,23	108,83	-32,71%
<i>(Net profitability %)</i>	1,37%	2,16%	-0,79 p.p.

Table 2: Eurocash Group: Summary of consolidated financial results for 4Q YTD 2016

PLN m	2016	2015	Change % 2016 YTD/ 2015 YTD
Sales revenues (traded goods, materials)	21 206,48	20 318,21	4,37%
Gross profit (loss) on sales	2 183,79	2 016,83	8,28%
Gross profitability on sales (%)	10,30%	9,93%	0,37 p.p.
EBITDA	440,49	475,63	-7,39%
<i>(EBITDA margin %)</i>	2,08%	2,34%	-0,26 p.p.
EBIT	274,28	325,08	-15,63%
<i>(EBIT margin %)</i>	1,29%	1,60%	-0,31 p.p.
Gross profit	235,92	265,64	-11,19%
Net Income	190,02	230,21	-17,46%
<i>(Net profitability %)</i>	0,90%	1,13%	-0,24 p.p.

Consolidated total sales of Eurocash Group in 4Q 2016 amounted to PLN 5 340.49 m and increased by 5.87% YoY. In 2016 consolidated sales reached PLN 21 206.48 m comparing with PLN 20 318.21 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 total consolidated revenues increased by 7.1% in 4Q and 6.0% in 4Q YTD 2016 YoY.

Consolidated gross profitability amounted to 11.26% in 4Q 2016 and increased by 0.30 p.p. YoY. In 4Q YTD 2016 gross profitability increased by 0.37 p.p. YoY and amounted to 10.30%. Increase of gross margin was attributable to consolidation of retail company Firma Rogala - excluding that results gross profitability in 4Q 2016 was at stable level comparing to previous year.

Fourth-quarter EBITDA decreased by PLN 13.57% and reached PLN 159.65 m. In 2016 cumulatively EBITDA amounted to PLN 440.49 m compared with PLN 475.63 m previous year (a decrease by 7.39%). 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 4Q 2016 decreased by PLN 35.60 m and amounted to PLN 73.23 m (vs. PLN 108.83 m in 4Q 2015). In 2016 the net profit reached PLN 190.02 m, which means decrease by 40.19m YoY. Net profit in 2016 was positively impacted by lower net financial costs (decrease by PLN -22.00 m) which were partially off-set by higher tax (increase by PLN 11.88m).

Sales by format

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

PLN m	External sales of goods		
	4Q 2016	4Q 2015	Change %
Cash&Carry	999,49	1 017,49	-1,77%
Delikatesy Centrum	569,19	507,01	12,26%
Tobacco+Impulse	1 338,79	1 311,62	2,07%
Alcohol distribution	556,43	535,46	3,92%
Eurocash Food Service	92,36	90,34	2,23%
Eurocash Distribution	1 063,19	1 076,75	-1,26%
Other	375,04	189,49	97,92%
<i>Consolidation adjustments</i>	-55,92		
Total	4 938,56	4 728,16	4,45%

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

PLN m	External sales of goods		
	4Q YTD 2016	4Q YTD 2015	Change %
Cash&Carry	4 342,52	4 353,05	-0,24%
Delikatesy Centrum	2 138,96	1 961,28	9,06%
Tobacco+Impulse	5 575,77	5 519,23	1,02%
Alcohol distribution	2 029,15	2 011,50	0,88%
Eurocash Food Service	375,38	353,71	6,13%
Eurocash Distribution	4 286,10	4 346,88	-1,40%
Other	1 314,88	693,94	89,48%
<i>Consolidation adjustments</i>	-203,20		
Total	19 859,56	19 239,58	3,22%

Cash & Carry:

- In 4Q 2016 external sales of Cash&Carry format amounted to PLN 999.49m and decreased by -1.77% comparing with 4Q 2015. In 2016 the sales dynamic of Cash&Carry format amounted to -0.24% and sales reached PLN 4 342.52m.
- LFL sales growth (same number of stores) in Eurocash Cash&Carry stores in 4Q 2016 amounted to negative 5.24% and negative 3.47% for the 2016.
- The number of Eurocash Cash&Carry stores at the end of 4Q 2016 amounted to 190.
- The number of abc stores amounted to 8 605 at the end of 4Q 2016.
- In 4Q 2016 share of abc stores in total sales of Eurocash Cash&Carry stores amounted to 60.48% and 61.15% for 2016.

Delikatesy Centrum:

- Wholesale sales realized by "Delikatesy Centrum" Distribution Centers in 4Q 2016 amounted to PLN 569.19 m, and increased by 12.26% compared to 4Q 2015. In 2016 sales amounted to PLN 2 138.96 m, 9.06% higher than in 2015
- Excluding sales to Firma Rogala stores, wholesale sales amounted to PLN 517.47 m in 4Q 2016 and PLN 1 955.96 m in 4Q YTD 2016.
- LFL growth of wholesale sales realized by Eurocash to "Delikatesy Centrum" franchise stores amounted to 8.41% in 4Q 2016 and 5.59% in FY 2016.
- LFL growth of retail sales of "Delikatesy Centrum" franchise stores amounted to 2.43% in 4Q 2016 and positive 1.61% in FY 2016.
- Number of "Delikatesy Centrum" franchise stores at the end of 4Q 2016 amounted to 1086.

Tobacco&Impulse:

- External sales of goods in Eurocash Serwis amounted in 4Q 2016 to PLN 1 338.79m and increased by 2.07% YoY. In 2016 external sales amounted to PLN 5 575.77 m and increased by 1.02% YoY.
- Excluding sales to Firma Rogala stores, wholesale sales amounted to PLN 1 334.59 m in 4Q 2016 and PLN 4 286.10 m in FY 2016.
- Sales of food category in Eurocash Serwis in 4Q 2016 increased by 51.7% YoY and 21.1% YoY in FY 2016.
- In terms of volume, sales of cigarettes in 4Q 2016 to external clients decreased by 3.67% and amounted to 2 087 m pieces of cigarettes.
- Number of Eurocash Serwis branches as of the end of 4Q 2016 amounted to 172

Alcohol Distribution

- Sales of Eurocash Alkohole in 4Q 2016 amounted to PLN 556.43 m, 3.92% higher than in 4Q 2015. Sales in 2016 amounted to PLN 2 029.15 m, 0.88% higher than in 2015.
- Excluding sales to exporting clients, sales of Alcohol Distribution increased by 6.4% in 4Q 2016 and 4,3% in FY 2016 YoY

Eurocash Food Service:

- External sales of goods in Eurocash Food Service amounted to PLN 92.36 m in 4Q 2016, 2.23% higher than in the same period previous year. In 2016 sales amounted to PLN 375.38 m (an increase by 6.13% YoY).

Eurocash Distribution:

- Sales of Eurocash Distribution in 4Q 2016 reached PLN 1 063.19m, -1.26% lower than in 4Q 2015. During the 2016 sales of Eurocash Distribution amounted to PLN 4 286.10 m in comparison to PLN 4 346.88 m previous year (a decrease by 1.40%).
- Excluding sales to exporting clients, sales of Eurocash Distribution increased by 2.8% in 4Q 2016 and 4.4% in FY 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 4 750 stores as of the end of 4Q 2016.

Cash flow

Table 5: Eurocash Group: Consolidated cash flow for 4Q 2016

PLN m	Q4 2016	Q4 2015
Operating cash flow	51,07	147,03
<i>Gross profit (loss)</i>	93,64	117,36
<i>Depreciation</i>	43,12	39,44
<i>Change in working capital</i>	(87,88)	(20,92)
<i>Other</i>	1,83	10,92
Cash flow from investments	(102,62)	(42,33)
Cash flow from financing activities	130,76	(96,62)
Total cash flow	79,20	8,08

Table 6: Eurocash Group: Consolidated cash flow for 2016

	2016	2015
PLN m		
Operating cash flow	324,02	978,00
<i>Gross profit (loss)</i>	235,92	265,64
<i>Depreciation</i>	166,21	150,55
<i>Change in working capital</i>	(99,40)	522,06
<i>Other</i>	19,77	38,73
Cash flow from investments	(269,94)	(153,26)
Cash flow from financing activities	21,59	(825,46)
Total cash flow	75,67	(0,72)

Total cash flow in 4Q 2016 amounted to PLN 79.20 m where the operating cash flow reached PLN 51.07 m. In 2016 total cash flows amounted to PLN 75.67 m and operational cash flows amounted to PLN 324.02 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 4Q 2016 operational cash flow was additionally impacted by higher sales to clients serviced by active distribution formats and lower sales settled for cash. Cash flow from investment activities amounted to PLN –102.62 m in 4Q 2016 and PLN -269.94m in FY 2016, and comparing to previous year was driven mainly by acquisition of new companies. Cash flow from financing activities amounted to PLN 130.76 m in 4Q 2016 and PLN 21.59 m in 2016.

Working capital

Table 7: Eurocash Group: Consolidated working capital ratios flow for 4Q 2016

Turnover in days	Q4 2016	Q4 2015
1. Inventories turnover	18,76	17,65
2. Trade receivables turnover	30,12	27,97
3. Trade liabilities turnover	67,16	66,08
4. Operating cycle (1+2)	48,87	45,62
5. Cash conversion (4-3)	(18,28)	(20,46)

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

Turnover in days	2016	2015
1. Inventories turnover	18,79	17,39
2. Trade receivables turnover	30,17	27,54
3. Trade liabilities turnover	66,56	64,33
4. Operating cycle (1+2)	48,97	44,93
5. Cash conversion (4-3)	(17,59)	(19,40)

Cash conversion in 4Q 2016 reached -18.28 days comparing to -20.46 days previous year. In 2016 cash conversion cycle amounted to -17.59 days comparing with -19.40 days in 2015. Higher rotation of trade receivables was attributable mainly to increased credit sales and decreased sales for cash.

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	31.12.2016		31.12.2015	
Fixed assets	2 363,02	42,47%	2 288,14	45,60%
Current assets	3 200,76	57,53%	2 729,42	54,40%
Total assets	5 563,78	100,00%	5 017,56	100,00%
Equity	1 155,10	20,76%	1 161,13	23,14%
Liabilities and provisions	4 408,67	79,24%	3 856,43	76,86%
Total liabilities and equity	5 563,78	100,00%	5 017,56	100,00%

Net debt of Eurocash Group at the end of December 2016 amounted to PLN 324.14 m compared with PLN 174.55m at the end of year 2015. According the net debt definition from revolving credit agreement (including contingencies), the net debt at the end of December 2016 amounted to PLN 336.42 m.

2. Summary of financial results of Eurocash S.A. in 4Q and FY 2016

Profit & loss account

Table 10: Eurocash S.A.: Summary of financial results for 4Q 2016

PLN m	Q4 2016	Q4 2015	Change 2016/ 2015
Sales revenues (traded goods, materials)	3 604,76	3 443,00	4,70%
Gross profit (loss) on sales	425,95	424,55	0,33%
Gross profitability on sales (%)	11,82%	12,33%	-0,51 p.p.
EBITDA	98,43	130,50	-24,57%
<i>(EBITDA margin %)</i>	2,73%	3,79%	-1,06 p.p.
EBIT	69,45	103,69	-33,03%
<i>(EBIT margin %)</i>	1,93%	3,01%	-1,09 p.p.
Gross profit	48,56	406,36	-88,05%
Net Income	36,87	392,22	-90,60%
<i>(Net profitability %)</i>	1,02%	11,39%	-10,37 p.p.

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

PLN m	2016	2015	Change YTD 16/ YTD 15/
Sales revenues (traded goods, materials)	14 225,19	13 750,72	3,45%
Gross profit (loss) on sales	1 560,61	1 523,46	2,44%
Gross profitability on sales (%)	10,97%	11,08%	-0,11 p.p.
EBITDA	246,47	300,33	-17,93%
<i>(EBITDA margin %)</i>	1,73%	2,18%	-0,45 p.p.
EBIT	134,98	197,39	-31,62%
<i>(EBIT margin %)</i>	0,95%	1,44%	-0,49 p.p.
Gross profit	125,01	527,89	-76,32%
Net Income	102,61	500,68	-79,51%
<i>(Net profitability %)</i>	0,72%	3,64%	-2,92 p.p.

Sales of Eurocash S.A. in 4Q 2016 amounted to PLN 3 604.76 m and increased by 4.70% YoY. In 2016 sales of Eurocash S.A. increased by 3.45% and amounted to PLN 14 225.19 m. Gross margin on sales realized by Eurocash in 4Q 2016 amounted to 11.82% and was lower than in 4Q 2015 by 0.51 p.p. In FY 2016 gross margin amounted 10.97% comparing to 11.08% in 2015. In 4Q 2016 EBITDA amounted to PLN 98.43 m and in 2016 PLN 246.47 m. Net profit in 4Q 2016 amounted to PLN 36.87 m and in 2016 PLN 102.61 m.

Cash flow

Table 12: Eurocash S.A.: Cash flow for 4Q 2016

	PLN m	Q4 2016	Q4 2015
Operating cash flow		(182,34)	29,40
<i>Gross profit (loss)</i>		48,56	406,36
<i>Depreciation</i>		28,99	26,80
<i>Change in working capital</i>		(267,64)	(89,05)
<i>Other</i>		7,42	(314,95)
Cash flow from investments		(106,68)	72,56
Cash flow from financing activities		343,72	(95,35)
Total cash flow		54,71	6,61

Table 13: Eurocash S.A.: Cash flow for 2016

	PLN m	2016	2015
Operating cash flow		40,48	774,17
<i>Gross profit (loss)</i>		125,01	527,89
<i>Depreciation</i>		111,49	102,93
<i>Change in working capital</i>		(206,49)	466,55
<i>Other</i>		9,03	(324,17)
Cash flow from investments		110,31	54,46
Cash flow from financing activities		(100,47)	(812,70)
Total cash flow		50,32	15,92

Total cash flow of Eurocash S.A. in 4Q 2016 amounted to PLN 54.71 m and in 2016 amounted to PLN 50.32m.

Working capital

Table 14: Eurocash S.A.: Working capital ratios for 4Q 2016

Turnover in days	Q4 2016	Q4 2015
1. Inventories turnover	20,39	19,60
2. Trade receivables turnover	33,46	31,09
3. Trade liabilities turnover	79,60	83,06
4. Operating cycle (1+2)	53,85	50,69
5. Cash conversion (4-3)	(25,75)	(32,37)

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

Turnover in days	2016	2015
1. Inventories turnover	20,56	19,47
2. Trade receivables turnover	33,73	30,89
3. Trade liabilities turnover	79,48	81,35
4. Operating cycle (1+2)	54,28	50,36
5. Cash conversion (4-3)	(25,20)	(30,99)

Cash conversion in 4Q 2016 decreased by 6.62 days comparing with 4Q 2015. In 2016 cash conversion decreased by 5.72 days comparing with 2015.

Statement of the financial position

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

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

PLN m	31.12.2016		31.12.2015	-
Fixed assets	2 716,66	53,39%	2 651,11	52,84%
Current assets	2 371,83	46,61%	2 365,81	47,16%
Total assets	5 088,49	100,00%	5 016,92	100,00%
Equity	1 095,93	21,54%	1 187,11	23,66%
Liabilities and provisions	3 992,56	78,46%	3 829,81	76,34%
Total liabilities and equity	5 088,49	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 lessened by cash and cash equivalents

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

Changes in equity

In the period between 1st October 2016 and 31st December 2016 no shares were issued

On 31st December 2016 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0m bonds issued under the long-term bonds issue program
- PLN 21,0m bonds issued under the commercial paper program

There have been no other major events that influenced Eurocash Group income or loss in 4Q 2016.

7. 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 2017:

- Eurocash Cash&Carry stores structure will be under revision. In 1Q 2017 3 stores will be closed, later the Management Board will consider further Cash&Carry restructuring.
- number of Delikatesy Centrum franchise stores will increase by app. 80 stores

Integration of acquired companies

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

Mergers and acquisitions of other entities.

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.

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

On 16th December 2016 pursuant to the preliminary agreement of 15th April 2016 Eurocash S.A. executed 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 an agreement of acquisition of 50% shares in FHC-2 Sp. z o.o. and Madas Sp. z o.o both based in Krosno. The acquired companies run totally 48 supermarkets, located mainly in South-Eastern Poland. According to the received information, the total sales of acquired companies in 2016 amounted to app. PLN 284 million

Acquisition of PDA shares

On 30th December 2016 pursuant to the preliminary agreement of 21st December 2015 Eurocash S.A. acquired 100% of shares in the share capital in Polska Dystrybucja Alkoholi Sp. z o.o. Acquisition will increase share of Eurocash Group in alcohol distribution segment in Poland

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

On 4th January 2017 Eurocash acquired 100% of shares in EKO Holding S.A. with its registered office in Nowa Wieś Wrocławska ("EKO").

Thereby, Eurocash acquired a network of 248 grocery stores of EKO (operating mostly in south-western Poland), which will allow further development of the Eurocash Group and better use of its capability. This should result in an increase in the revenue of the Eurocash Group.

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8. 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 October 2016 and 31st December 2016 no shares were issued

On 31st December 2016 Eurocash total nominal value of issued bonds amounted to:

- PLN 140,0m bonds issued under the long-term bonds issue program
- PLN 21,0m bonds issued under the commercial paper program

Changes in the basic management principles

Resignation of member of the management board

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

Appointment of member of the management board

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

There have been no other major events that influenced Eurocash Group income or loss in 4Q 2016.

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 financial forecast for 2016 and does not intend to publish financial forecast for 2017.

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

Shareholder	25.02.2016				10.11.2016			
	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	78 548 046	56,44%	78 548 046	56,44%	78 481 121	56,42%	78 481 121	56,42%
Total	139 163 286	100,00%	139 163 286	100,00%	139 096 361	100,00%	139 096 361	100,00%

On 23rd February 2016 The Management Board of Eurocash has information on the number of shares as of 31st January 2017.

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	
	23.02.2017	10.11.2016
Management Board members		
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
Przemysław Ciaś	0	not applicable
Supervisory Board members		
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 4Q 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 4Q 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 4Q 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.

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

On 16th December 2016 pursuant to the preliminary agreement of 15th April 2016 Eurocash S.A. executed 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 an agreement of acquisition of 50% shares in FHC-2 Sp. z o.o. and Madas Sp. z o.o both based in Krosno. The acquired companies run totally 48 supermarkets under the brand Delikatesy Centrum and are located mainly in South-Eastern Poland. According to the received information, the total sales of acquired companies in 2016 amounted to app. PLN 284 million

Acquisition of PDA shares

On 30th December 2016 pursuant to the preliminary agreement of 21st December 2015 Eurocash S.A. acquired 100% of shares in the share capital in Polska Dystrybucja Alkoholi Sp. z o.o. Acquisition will

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increase share of Eurocash Group in alcohol distribution segment in Poland. According to the received information, the total sales of the company in 2016 amounted to app. PLN 264 million

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

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

Execution of a significant agreement with Marie Brizard Wine&Spirits Polska Sp. z o.o

On 29 November 2016 Eurocash entered into an agreement with Marie Brizard Wine&Spirits Polska Sp. z o.o., acting as the supplier and Eurocash Serwis Sp. z o.o., acting as the distributor on distribution of alcoholic beverages.

MWBS specializes in production and wholesale of strong alcoholic beverages. The Agreement constitutes a continued cooperation between the Eurocash Group and MBWS and increases the volume of goods offered by MBWS distributed by the Eurocash Group.

The Agreement provides for contractual penalties in case the conditions of sale deteriorate in comparison with the conditions determined therein. The Agreement does not specify the maximum amount of such contractual penalties. Under the Agreement, the Distributors are entitled to seek compensation exceeding the value of due contractual penalties.

The Agreement has been executed for 3 years; after the expiry of that term, the Agreement will be automatically converted into an agreement for an indefinite time (provided that no party expresses a wish to terminate the cooperation).

Other terms of the Agreement do not differ from conditions commonly used for agreements of this type.

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	23 rd February 2017	
Member of the Management Board	Arnaldo Guerreiro	23 rd February 2017	