

ANNUAL WRITTEN REPORT OF THE SUPERVISORY BOARD OF EUROCASH SPÓŁKA AKCYJNA FOR 2008

To the General Meeting of Eurocash Spółka Akcyjna (the “Company”)

The report covers the fiscal year from January 1st, 2008 through December 31st, 2008.

In 2008 the following persons were the members of the Supervisory Board of the Company:

Mr. João Borges de Assunção	Chairman of the Supervisory Board
Mr. Eduardo Aguinaga de Moraes	Member of the Supervisory Board
Mr. Ryszard Wojnowski	Member of the Supervisory Board
Mr. Janusz Lisowski	Member of the Supervisory Board
Mr. António José Santos Silva Casanova	Member of the Supervisory Board

1. Information on the Supervisory Board's activities.

The Supervisory Board fulfilled its duties according to the Commercial Companies Code and the Company's Statute. In particular, the Supervisory Board was involved in the internal control and risk management systems of the Company, analyzed the Company's results and monitored the performance of the Management Board. Supervisory Board was involved in the process of taking the most vital decisions of the Company like, e.g. decisions related to agendas of the general meetings, approval of the financial statements or budget.

Pursuant to § 13.12 of the Company's Statute, in 2008 the Supervisory Board held 3 meetings: on June 28, November 21 and November 22. The Supervisory Board also held several conference calls on the following dates: February 28, April 24, May 14, July 7, September 1, September 29, November 13.

Pursuant to § 13.8 of the Company's Statute, by virtue of resolutions adopted on May 14, 2008, the Supervisory Board amended “By-laws of the Supervisory Board of Eurocash S.A.” which was approved by the Annual General Meeting of June 9th, 2008. The amendment concerns mainly technical changes to the wording of the above document.

2. Supervisory Board opinion on the Company's separate annual report for 2008, including the financial statement for 2008, the Management Board's report on the Company's business activity in 2008 and on the proposal of the Management Board concerning the distribution of net profits for 2008.

2.1 Opinion on the financial statement of the Company for 2008.

Pursuant to Art. 382 § 3 of the Commercial Companies Code, the Supervisory Board of the Company conducted the analysis of the financial statement of the Company for 2008, including the balance sheet for the amount of PLN 939,421,339 (Nine Hundred Thirty Nine Millions Four Hundred Twenty One Thousand Three Hundred Thirty Nine zlotys), the profit and loss statement of the Company showing the net profit in the

amount of PLN 59,570,056 (Fifty Nine Million Five Hundred Seventy Thousand Fifty Six zlotys), statements of changes in the shareholders' equity representing an increase thereof of PLN 29,833,178 (Twenty Nine Million Eight Hundred Thirty Three Thousand One Hundred Seventy Eight zlotys) and the cash flow report a decrease of net cash in the amount of PLN 14,051,837 (Fourteen Million Fifty One Thousand Eight Hundred Thirty Seven zlotys).

The Supervisory Board is of the opinion that the submitted financial statement for 2008, including the balance sheet, the profit and loss statement, the statements of changes in the shareholders' equity and the cash flow report, truly and properly represent the result of the Company's business activity for the above fiscal year, as well as the property and financial standing of the Company as of December 31, 2008.

According to the above, the Supervisory Board adopted a resolution recommending that the General Meeting approved the Company's financial statement for 2008.

2.2 Opinion on the Management Board's report on the Company's business activity in 2008.

The financial statement of the Company for 2008 is accompanied by a written Management Board's report on the Company's business activity in 2008.

The Supervisory Board is of the opinion that the presented report of the Management Board is true and comprehensive. After the analysis of the Management Board report, the Supervisory Board adopted a resolution recommending that the General Meeting approved the Management Board report and acknowledged the fulfilment of duties by the members of the Management Board.

2.3 Opinion on the proposal of the Management Board on distribution of net profits

Upon examination of the proposal of the Management Board of the Company to distribute net profits for 2008, the Supervisory Board adopted a resolution recommending to the General Meeting that the Company's net profits for 2008 amounting to PLN 59,570,056 (Fifty Nine Million Five Hundred Seventy Thousand Fifty Six zlotys) be distributed in the following manner:

- (a) the shareholders of record on June 15th, 2009 shall be eligible to receive the dividend in amount PLN 0.30 (30 groszes) per one Company share; the total dividend shall not exceed PLN 40,112,730 (forty million one hundred twelve thousand seven hundred thirty) and shall be payable by June 26th 2009;
- (b) the balance shall be transferred to Company's reserve capital

3. Supervisory Board opinion on the Company's Capital Group consolidated report for 2008, including the consolidated financial statement for 2008 and the Management Board's report on the Company's Capital Group business activity in 2008.

3.1 Opinion on the consolidated financial statement of the Company's Capital Group for 2008.

The Supervisory Board of the Company conducted the analysis of the consolidated financial statement of the Company's Capital Group for 2008, including the consolidated balance sheet for the amount of PLN 1,224,250,415 (One Billion Two Hundred Twenty Four Million Two Hundred Fifty Thousand Four Hundred Fifteen zlotys), the consolidated profit and loss statement of the Company's showing the net profit in the amount of PLN 78,456,323 (Seventy Eight Million Four Hundred Fifty Six Thousand Three Hundred Twenty Three zlotys), statements of changes in the shareholders' equity representing increase thereof of PLN 50,057,053 (Fifty Million Fifty Seven Thousand Fifty Three zlotys) and the consolidated cash flow report indicating an increase of net cash in the amount of PLN 12,688,177 (Twelve Million Six Hundred Eighty Eight Thousand One Hundred Seventy Seven zlotys).

The Supervisory Board is of the opinion that the submitted consolidated financial statement for 2008, including the consolidated balance sheet, the consolidated profit and loss statement, the statements of changes in the shareholders' equity and the consolidated cash flow report, truly and properly represent the result of the Company's Capital Group business activity for the above fiscal year, as well as the property and financial standing of the Company's Capital Group as of December 31, 2008.

According to the above, the Supervisory Board adopted a resolution recommending that the General Meeting approved the Company's Capital Group consolidated financial statement for 2008.

3.2 Opinion on the Management Board's report on the Company's Capital Group business activity in 2008.

The consolidated financial statement of the Company's Capital Group for 2008 is accompanied by a written Management Board's report on the Company's Capital Group business activity in 2008.

The Supervisory Board is of the opinion that the presented report of the Management Board is true and comprehensive. After the analysis of the Management Board report, the Supervisory Board adopted a resolution recommending that the General Meeting approved the Management Board report and acknowledged the fulfilment of duties by the members of the Management Board in 2008.

4. Report on Audit Committee's activities.

The Audit Committee has its responsibilities defined in § 10 of the "By-laws of the Supervisory Board". One of such responsibilities is to issue an annual report on its activities. In 2008 the Audit Committee held 2 conference calls.

During the conference call held on May 14, 2008, the Audit Committee discussed recommendation to the Supervisory Board of the positive assessment of the annual financial statement of the Company for 2007.

During the conference call held on September 29, 2008, the Audit Committee discussed recommendation to the Supervisory Board of the positive assessment of the half-yearly financial statement of the Company.

Final remarks: The Audit Committee is of the opinion that it performed its responsibilities in 2008, and that the auditors, not having other commercial relations with the Company, can perform their duties in an independent manner.

5. Report on Remuneration Committee's activities.

The Remuneration Committee held 2 meetings in 2008, on June 9 and November 21.

Remuneration Committee reports that it has obtained full disclosure and access to all necessary information regarding both Company's policy regarding remuneration of Management Board members and its application. The Committee was satisfied that no material departure from stated Management policy has taken place, and expresses appreciation for Management's rigorous approach to alignment of performance incentives with Company objectives.

The Company's Human Resources Director has provided a complete description of how the fixed and variable components of remuneration policy relate to the yearly cycle of objective-setting and performance evaluation. The Committee is satisfied that Management is rigorous both in the design and in the application of a policy that appears to be adequate, in the competitive context of Poland, to encourage the achievement of Company targets.

Final remarks: Based on the above, the Remuneration Committee expresses a positive opinion on the mechanisms used to apply Management Board remuneration policy during 2008, and confirm that remuneration payments made during 2008 are in compliance with this policy.

6. Evaluation of internal control system and risk management system of the Company.

Supervisory Board systematically evaluates the quality of the internal control systems and risk management of the Company. The key elements of this system include (i) yearly business plan and budget adopted by the Management Board and approved by the Supervisory Board; (ii) the internal control carried out by the internal audit department; (iii) the Management Board's daily analysis of the results of the Company and comparison thereof with the budget (iv) a verification of the financial statements by an independent auditor selected by the Supervisory Board; and (v) evaluation of financial statements by the Supervisory Board.

On the basis of the evaluation carried out, the Supervisory Board is of the opinion that there were no weaknesses which could significantly impact on the effectiveness of the internal control and risk management system of the Company.

7. Concise evaluation of the Company's standing.

The Supervisory having analysed the financial statements, the Company results and the plans for future developments, has given positive opinion on the Company's standing and prospects of development thereof. Concurrently the Supervisory Board recommended to the General Meeting to acknowledge fulfilment of the Management Board duties in 2008. The more detailed comments are highlighted in the following points:

Key financial results: In the fiscal year of 2008 the Company has yet again improved its economic results. Consolidated sales of Company's Capital Group in 2008 amounted to PLN 6.13 billion and increased by 29.7% comparing with 2007. Consolidated net profit amounted to PLN 78.46 million, what represents an increase of 33.25% as compared to 2007. Stand alone sales of the Company amounted to 3.28 billion and increased by 25.70% comparing with 2007. Net profit of the Company amounted to PLN 59.57 million and increased by 35.37% comparing with 2007. These results are a combination of acquisition of McLane Polska Sp. z o.o. in course of 2008 and strong organic growth posted by all business units of Company's Capital Group in 2008.

Other relevant developments: On April 17, 2008 the Company and McLane International LLC executed a final agreement to acquire by the Company 100% shares in McLane Polska sp. z o.o. („**McLane Polska**”). The acquisition of McLane Polska will enable the Company's Capital Group to accelerate growth in active distribution. McLane Polska is the market leader in supply of impulse products to gasoline stations and in Food Service, which are new market segments for Company's Capital Group. The acquisition will also expand portfolio of the franchise chains operated by the Company's Capital Group.

Opinion on the Management Board remuneration policy: the Supervisory Board is of the opinion that the Management Board remuneration policy is in compliance with the corporate governance standards.

Final comments: The Company's Capital Group has strong market position with growth perspectives in all business units. Additionally along with realised acquisitions and synergy effect related to the acquired companies, the Company's Capital Group will be able to gain further market share and improve the profitability of the business. The quality of its operations combined with experienced management, know-how, client base and track record of successful integration of acquired companies give a solid base for Company's future healthy development.

The Report of the Supervisory Board of the Company was adopted in accordance with § 14.2.(iii) of the Company's Statute and § 5.7 of the “By-Laws of the Supervisory Board of Eurocash S.A.”

THE SUPERVISORY BOARD OF EUROCASH S.A.