



## **CONSOLIDATED INTERIM REPORT**

**2 ND QUARTER 2006**

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

*(ALL AMOUNTS IN THOUSANDS PLN)*

### 1. Selected financial data

SELECTED FINANCIAL DATA	thousands PLN		Thousands EURO	
	6 months ended 30 June 2006	6 months ended 30 June 2005	6 months ended 30 June 2006	6 months ended 30 June 2005
I. Net sales of merchandise and finished products	666 577	628 756	170 593	154 088
II. Profit on operating activities	21 321	11 839	5 457	2 901
III. Profit before taxation	19 813	9 096	5 071	2 229
IV. Net profit (loss)	15 457	7 104	3 956	1 741
V. Net cash flow from operating activities	22 979	18 630	5 881	4 566
VI. Cash flow from investment activities	-12 255	-21 606	-3 136	-5 295
VII. Cash flow from financing activities	-7 390	3 431	-1 891	841
VIII. Total net cash flows	3 334	455	853	112
IX. Total assets	342 134	335 681	83 727	83 087
X. Liabilities and provisions for liabilities	219 994	240 451	53 837	59 516
XI. Long-term liabilities	51 096	55 786	12 504	13 808
XII. Short-term liabilities	168 898	184 665	41 333	45 708
XIII. Equity	122 140	95 230	29 890	23 571
XIV. Share capital	6 635	6 635	1 624	1 642
XV. Number of shares	6 635 100	6 635 100	6 635 100	6 635 100
XVI. Net profit per ordinary share (in PLN / EUR)	4,40	2,00	1,13	0,49
XVII. Diluted profit / (loss) after taxation per ordinary share (in PLN / EUR)	18,41	14,35	4,50	3,55

## 2. Consolidated financial statements

### Profit & loss statement

	3 months ended 30 June 2006	6 months ended 30 June 2006	3 months ended 30 June 2005	6 months ended 30 June 2005
Sales	347 005	666 577	324 663	628 756
Cost of sales	295 090	567 696	277 306	542 113
<b>Gross profit (loss)</b>	<b>51 915</b>	<b>98 881</b>	<b>47 357</b>	<b>86 643</b>
Other operating income	3 170	9 470	173	420
Selling costs	38 032	73 337	33 830	64 816
Overhead costs	6 089	10 792	4 709	9 382
Other operating expenses	2 506	2 901	775	1 026
<b>Operating profit (loss)</b>	<b>8 458</b>	<b>21 321</b>	<b>8 216</b>	<b>11 839</b>
Finance income	193	412	174	306
Finance costs	896	1 920	1 474	3 049
<b>Profit (loss) before income tax</b>	<b>7 755</b>	<b>19 813</b>	<b>6 916</b>	<b>9 096</b>
Income tax	1 753	4 356	1 474	1 992
<b>Net profit (loss)</b>	<b>6 002</b>	<b>15 457</b>	<b>5 442</b>	<b>7 104</b>

<b>Net profit (loss) (annualised)</b>	29 213		13 263	
<b>Weighted average number of ordinary shares</b>	6 635 100		6 635 100	
<b>Profit (loss) per ordinary share (in PLN)</b>	4,40		2,00	

### Consolidated balance sheet

	As At 30 June 2006	As At 31 March 2006	As At 30 June 2005	As At 31 March 2005
<b>ASSETS</b>				
<b>Non-current asset</b>				
Property, plant, equipment and investments	154 945	153 431	154 500	149 938
Intangible assets	680	577	645	570
Financial assets	243	278	284	296
Receivables and prepayments	2 559	2 800	1 428	1 607
Deferred tax assets	2 475	2 369	2 539	2 378
<b>Total non current assets</b>	<b>160 902</b>	<b>159 455</b>	<b>159 396</b>	<b>154 789</b>
<b>Current assets</b>				
Inventory	102 476	102 455	105 199	99 135
Receivables and prepayments	65 370	65 738	60 443	56 574
Income tax receivables	8	84	0	0
Short-term securities	0	0	12	12
Prepaid expenses	2 854	3 398	4 136	3 618
Cash and cash equivalents	10 478	9 229	6 490	5 284
Other financial assets	46	17	5	5
<b>Total current assets</b>	<b>181 232</b>	<b>180 921</b>	<b>176 285</b>	<b>164 628</b>

<b>Total assets</b>	<b>342 134</b>	<b>340 376</b>	<b>335 681</b>	<b>319 417</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6 635	6 635	6 635	6 635
Share premium	34 360	34 360	34 360	34 360
Capital reserve	7 497	2 613	2 613	2 058
Other reserve capital	60 660	46 707	46 707	34 259
Capital from evaluation	0	0	0	0
Retained earnings	12 988	28 181	4 915	14 802
<b>Total Equity</b>	<b>122 140</b>	<b>118 496</b>	<b>95 230</b>	<b>92 114</b>
<b>Long-term liabilities</b>				
Bank loans, borrowings and bonds	46 802	45 532	53 435	50 940
Provisions	103	121	89	77
Deferred revenues and accruals	4 191	3 269	2 262	1 404
<b>Total long-term liabilities</b>	<b>51 096</b>	<b>48 922</b>	<b>55 786</b>	<b>52 421</b>
<b>Short-term liabilities</b>				
Bank loans, borrowings and bonds	20 987	27 251	35 124	32 192
Short-term liabilities	144 083	142 699	146 532	138 756
Income tax liabilities	310	310	259	296
Provisions	3 481	2 642	2 698	3 059
Deferred revenues and accruals	37	56	52	579
<b>Total short term liabilities</b>	<b>168 898</b>	<b>172 958</b>	<b>184 665</b>	<b>174 882</b>
<b>Total Equity</b>	<b>342 134</b>	<b>340 376</b>	<b>335 681</b>	<b>319 417</b>

<b>Book value</b>	122 140		95 230	
<b>Number of shares</b>	6 635 100		6 635 100	
<b>Book value per share (in PLN)</b>	18,41		14,35	

### Consolidated statement of changes in equity

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained earnings	Total equity
<b>As at 1 April 2006</b>	6 635	34 360	2 613	46 707		28 181	118 496
Change of accounting policy							
2006 OB difference after final 2005 raport						-36	-36
<b>As at 1 April 2006 adjusted</b>	6 635	34 360	2 613	46 707		28 145	118 460
Net profit (loss) for the period						6 002	6 002
Distribution of profits			4 884	13 953		-18 837	
Dividend for 2005						-2 322	-2 322
<b>As at 31 June 2006</b>	<b>6 635</b>	<b>34 360</b>	<b>7 497</b>	<b>60 660</b>		<b>12 988</b>	<b>122 140</b>
<b>As at 1 January 2006</b>	6 635	34 360	2 613	46 707		18 690	109 005
Change of accounting policy							
<b>As at 1 January 2006 adjusted</b>	6 635	34 360	2 613	46 707		18 690	109 005
Net profit (loss) for the period						15 457	15 457
Distribution of profits			4 884	13 953		-18 837	
Dividend for 2005						-2 322	-2 322
<b>As at 31 June 2006</b>	<b>6 635</b>	<b>34 360</b>	<b>7 497</b>	<b>60 660</b>		<b>12 988</b>	<b>122 140</b>
<b>As at 1 April 2005</b>	6 635	34 360	2 057	34 260		14 802	92 114
Change of accounting policy							
<b>As at 1 April 2005 adjusted</b>	6 635	34 360	2 057	34 260		14 802	92 114
Net profit (loss) for the period						5 442	5 442
Distribution of profits			556	12 447		-13 003	
Correction of consolidation redemptions for 1999-2002						-203	-203
Dividend for 2004						-2 123	-2 123
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 360</b>	<b>2 613</b>	<b>46 707</b>		<b>4 915</b>	<b>95 230</b>
<b>As at January 2005</b>	6 635	34 360	2 057	34 260	-112	13 729	90 929
Change of accounting policy						-589	-589
<b>As at 1 January 2005 adjusted</b>	6 635	34 360	2 057	34 260	-112	13 140	90 340
Net profit (loss) for the period						7 104	7 104
Revaluation of financial instruments					112		112
Distribution of profits			556	12 447		-13 003	
Correction of consolidation redemptions for 1999-2002						-203	-203
Dividend for 2004						-2 123	-2 123
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 360</b>	<b>2 613</b>	<b>46 707</b>		<b>4 915</b>	<b>95 230</b>

## Consolidated Cash flow statement

	3 months ended 30 June 2006	6 months ended 30 June 2006	3 months ended 30 June 2005	6 months ended 30 June 2005
Net profit (loss)	6 002	15 457	5 442	7 104
Adjustments for:	6 831	7 522	1 462	11 526
Depreciation	4 526	8 837	4 289	8 464
Foreign exchange gain (loss)	0	0	0	0
Interest	364	1 146	1 041	2 205
Loss (profit) on investments	116	104	16	51
Change In provisions	1 743	3 547	508	2 067
Change In inventories	-33	737	-6 266	-6 111
Change In receivables	552	-9 124	-27 975	-1 522
Change In deferred revenues and accruals	3 597	3 697	-6 620	-8 782
Change In payables	-3 972	-1 443	36 405	15 046
Other adjustments	-62	21	64	108
<b>Net cash flow from operations</b>	<b>12 833</b>	<b>22 979</b>	<b>6 904</b>	<b>18 630</b>
Disposal of tangible and intangible fixe assets	381	676	4 012	363
Disposal of financial assets			6	6
Interest gained	14	14	39	39
Purchase of tangible and intangible fixe assets	6 777	12 945	13 896	22 514
Purchase of financial assets			-3	
Other revenues	-7			500
<b>Net cash flow on investments</b>	<b>-6 375</b>	<b>-12 255</b>	<b>-9 836</b>	<b>-21 606</b>
Loans and borrowings acquired	15 891	28 623	13 869	17 218
Short term bonds	3 816	9 422		
Repayment of loans and borrowings	18 645	32 658	7 902	10 810
Repayment of bonds	5 694	11 294		
Interest paid	577	1 483	1 829	2 977
Dividends paid				
Other				
<b>Net Cash flow from investments</b>	<b>-5 209</b>	<b>-7 390</b>	<b>4 138</b>	<b>3 431</b>
<b>Total net Cash flow</b>	<b>1 249</b>	<b>3 334</b>	<b>1 206</b>	<b>455</b>
<b>Cash and Cash equivalents opening balance</b>	<b>9 229</b>	<b>7 144</b>	<b>5 284</b>	<b>6 035</b>
<b>Cash and Cash equivalents closing balance</b>	<b>10 478</b>	<b>10 478</b>	<b>6 490</b>	<b>6 490</b>

### 3. Stand alone financial statement ELDORADO S.A.

SELECTED FINANCIAL DATA	thousands PLN		Thousands EURO	
	6 months ended 30 June 2006	6 months ended 30 June 2005	6 months ended 30 June 2006	6 months ended 30 June 2005
I. Net sales of merchandise and finished products	539 979	527 699	138 194	129 322
II. Profit on operating activities	7 383	6 719	1 889	1 647
III. Profit before taxation	6 440	5 245	1 648	1 285
IV. Net profit (loss)	5 028	4 222	1 287	1 035
V. Net cash flow from operating activities	7 257	13 450	1 857	3 296
VI. Cash flow from investment activities	-5 095	-3 185	-1 304	-781
VII. Cash flow from financing activities	199	-8 708	51	-2 134
VIII. Total net cash flows	2 361	1 557	604	382
IX. Total assets	260 581	258 995	63 769	64 106
X. Liabilities and provisions for liabilities	168 416	173 918	41 215	43 048
XI. Long-term liabilities	25 514	24 024	6 244	5 946
XII. Short-term liabilities	142 902	149 894	34 971	37 102
XIII. Equity	92 165	85 077	22 555	21 058
XIV. Share capital	6 635 100	6 635 100	1 623 743	1 642 311
XV. Number of shares	6 635 100	6 635 100	6 635 100	6 635 100
XVI. Net profit per ordinary share (in PLN / EUR)	1,42	1,46	0,36	0,36
XVII. Diluted profit / (loss) after taxation per ordinary share (in PLN / EUR)	13,89	12,82	3,40	3,17
XVIII. Dividend per share (PLN)	0,35	0,32	0,09	0,08

#### Profit and loss statement

	<u>3 months ended 30 June 2006</u>	<u>6 months ended 30 June 2006</u>	<u>3 months ended 30 June 2005</u>	<u>6 months ended 30 June 2005</u>
Sales	282 567	539 979	271 593	527 699
Cost of sales	254 223	486 888	242 876	477 009
<b>Gross profit (loss)</b>	<b>28 344</b>	<b>53 091</b>	<b>28 716</b>	<b>50 689</b>
Other operating income	164	295	106	218
Selling costs	18 529	35 840	17 882	35 296
Overhead costs	5 042	9 490	4 273	8 331

Other operating expenses	387	673	420	561
<b>Operating profit (loss)</b>	<b>4 550</b>	<b>7 383</b>	<b>6 247</b>	<b>6 719</b>
Finance income	172	334	217	405
Finance costs	585	1 277	899	1 880
<b>Profit (loss) before income tax</b>	<b>4 137</b>	<b>6 440</b>	<b>5 566</b>	<b>5 245</b>
Income tax	912	1 412	1 077	1 023
Net profit (loss)	<b>3 225</b>	<b>5 028</b>	<b>4 489</b>	<b>4 222</b>

<b>Net profit (loss) (annualised)</b>	9410		9715	
<b>Weighted average number of ordinary shares</b>	6 635 100		6 635 100	
<b>Profit (loss) per ordinary share (in PLN)</b>	1,42		1,46	

### Stand alone balance sheet

	As At 30 June 2006	As At 31 March 2006	As At 30 June 2005	As At 31 March 2005
<b>ASSETS</b>				
<b>Non-current asset</b>				
Property, plant, equipment and investments	51 328	51 711	49 930	49 202
Intangible assets	293	213	340	326
Financial assets	41 157	41 192	41 198	41 209
Receivables and prepayments	76	89	138	173
Deferred tax assets	1 104	1 146	1 126	1 138
<b>Total non current assets</b>	<b>93 958</b>	<b>94 351</b>	<b>92 732</b>	<b>92 048,00</b>
<b>Current assets</b>				
Inventory	83 227	84 420	88 201	81 784
Receivables and prepayments	76 719	75 397	73 276	72 514
Income tax receivables				
Short-term securities			1 117	2 901
Prepaid expenses	911	1 189	1 092	1 398
Cash and cash equivalents	2 721	2 342	2 577	2 373
Other financial assets	3 045	1 912		
<b>Total current assets</b>	<b>166 623</b>	<b>165 260</b>	<b>166 263</b>	<b>160 970</b>
<b>Total assets</b>	<b>260 581</b>	<b>259 611</b>	<b>258 995</b>	<b>253 018</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6 635	6 635	6 635	6 635
Share premium	34 360	34 360	34 360	34 360
Capital reserve	1 526	1 526	1 526	1 526
Other reserve capital	44 567	38 285	38 286	30 893
Capital from evaluation				
Retained earnings	5 077	10 455	4 270	9 297
<b>Total Equity</b>	<b>92 165</b>	<b>91 261</b>	<b>85 077</b>	<b>82 711</b>
<b>Long-term liabilities</b>				
Banl loans, borrowings and bonds	24 693	24 820	23 117	29 559



Provisions	58	55	56	50
Deferred revenues and accruals	763	442	851	304
<b>Total long-term liabilities</b>	<b>25 514</b>	<b>25 317</b>	<b>24 024</b>	<b>29 913</b>
<b>Short-term liabilities</b>				
Bank loans, borrowings and bonds	22 448	25 413	22 214	21 612
Short-term liabilities	118 702	116 007	125 946	116 351
Income tax liabilities	183	183	173	173
Provisions	1 563	1 410	1 547	1 716
Deferred revenues and accruals	6	20	14	542
<b>Total short term liabilities</b>	<b>142 902</b>	<b>143 033</b>	<b>149 894</b>	<b>140 394</b>
<b>Total Equity</b>	<b>260 581</b>	<b>259 611</b>	<b>258 995</b>	<b>253 018</b>

<b>Book value</b>	92 165		85 077	
<b>Number of shares</b>	6 635 100		6 635 100	
<b>Book value per share (in PLN)</b>	13,89		12,82	

#### Stand alone statement of changes in equity

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained earnings	Total equity
<b>As at 1 January 2006</b>	6 635	34 360	1 526	38 285		8 653	89 459
Change of accounting policy							
<b>As at 1 January 2006 adjusted</b>	6 635	34 360	1 526	38 285		8 653	89 459
Net profit (loss) for the period						5 028	5 028
Distribution of profits				6 282		-6 282	
Dividend for 2005						-2 322	-2 322
<b>As at 31 June 2006</b>	<b>6 635</b>	<b>34 360</b>	<b>1 526</b>	<b>44 567</b>		<b>5 077</b>	<b>92 165</b>
<b>As at 1 April 2006</b>	6 635	34 360	1 526	38 285		10 455	91 261
Change of accounting policy							
<b>As at 1 April 2006 adjusted</b>	6 635	34 360	1 526	38 285		10 455	91 261
Net profit (loss) for the period						3 226	3 226
Distribution of profits				6 282		-6 282	
Dividend for 2005						-2 322	-2 322
<b>As at 31 June 2006</b>	<b>6 635</b>	<b>34 360</b>	<b>1 526</b>	<b>44 567</b>		<b>5 077</b>	<b>92 165</b>
<b>As at January 2005</b>	6 635	34 630	1 256	30 893	-112	9 516	82 818
Change of accounting policy						48	48
<b>As at 1 January 2005 adjusted</b>	6 635	34 630	1 256	30 893	-112	9 564	82 866
Net profit (loss) for the period						4 222	4 222
Revaluation of financial instruments					112		112

Distribution of profits				7 392	-7 392	
Dividend for 2004					-2 123	-2 123
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 630</b>	<b>1 256</b>	<b>38 285</b>	<b>4 271</b>	<b>85 077</b>
<b>As at 1 April 2005</b>	<b>6 635</b>	<b>34 360</b>	<b>1 526</b>	<b>30 893</b>	<b>9 249</b>	<b>82 663</b>
Change of accounting policy					48	48
<b>As at 1 April 2005 adjusted</b>	<b>6 635</b>	<b>34 360</b>	<b>1 526</b>	<b>30 893</b>	<b>9 297</b>	<b>82 711</b>
Net profit (loss) for the period					4 489	4 489
Distribution of profits				7 393	-7 393	
Dividend for 2004					-2 123	-2 123
<b>As at 31 June 2005</b>	<b>6 635</b>	<b>34 360</b>	<b>1 526</b>	<b>38 286</b>	<b>4 270</b>	<b>85 077</b>

## Stand alone cash flow statement

	3 months ended 30 June 2006	6 months ended 30 June 2006	3 months ended 30 June 2005	6 months ended 30 June 2005
Net profit (loss)	3 226	5 028	4 489	4 222
Adjustments for:	3 708	2 229	4 065	9 228
Depreciation	2 105	4 162	2 109	4 024
Foreign exchange gain (loss)				
Interest	525	1 143	810	1 696
Loss (profit) on investments	-61	-81	-11	-7
Change In provisions	478	457	384	828
Change In inventories	1 193	2 909	-6 417	-4 974
Change In receivables	-1 311	-8 309	-852	-1 541
Change In deferred revenues and accruals	320	-155	271	-152
Change In payables	473	2 079	7 751	9 334
Other adjustments	-14	24	20	20
<b>Net cash flow from operations</b>	<b>6 934</b>	<b>7 257</b>	<b>8 554</b>	<b>13 450</b>
Disposal of tangible and intangible fixe assets	72	138	101	39
Disposal of financial assets	6	6	8 606	14 606
Interest gained	43	69		39
Purchase of tangible and intangible fixe assets	1 975	4 208	3 561	8 202
Purchase of financial assets	1 100	1 100	6 798	9 667
<b>Net cash flow on investments</b>	<b>-2 954</b>	<b>-5 095</b>	<b>-1 652</b>	<b>-3 185</b>
Loans and borrowings acquired	11 339	20 894	2 486	2 486
Short term bonds	28 794	50 658		
Repayment of loans and borrowings	16 732	23 848	8 326	9 406
Repayment of bonds	26 700	46 600		
Interest paid	303	905	858	1 788
Dividends paid				
Other				
<b>Net Cash flow from investments</b>	<b>-3 602</b>	<b>199</b>	<b>-6 698</b>	<b>-8 708</b>
<b>Total net Cash flow</b>	<b>378</b>	<b>2 361</b>	<b>204</b>	<b>1 557</b>
<b>Cash and Cash equivalents opening balance</b>	<b>2 343</b>	<b>360</b>	<b>2 373</b>	<b>1 020</b>
<b>Cash and Cash equivalents closing balance</b>	<b>2 721</b>	<b>2 721</b>	<b>2 577</b>	<b>2 577</b>

#### 4. Selected financial data by segments

In Eldorado Group following segments can be separated:

- 1 Wholesale
- 2 Retail
- 3 Other

thousands PLN

	Wholesale	Retail	Other	Consolidation exemptions	Total
Sale	539 979	230 668	13 044	117 113	666 578
Sale (external customers)	427 658	230 185	8 735		666 578
Sale (internal customers)	112 321	483	4 309	117 113	
Costs	532 218	225 100	11 885	117 370	651 833
Costs (external customers)	420 276	223 231	8 326		651 833
Costs (internal customers)	111 942	1 869	3 559	117 370	
Result on other operating activity	-378	6 968	-21		6 569
Result on financial activity	-848	-342	-315		-1 505
Gross profit	6 156	13 580	73		19 809
Income tax	1 412	2 475	467		4 354
Net profit	4 744	11 105	-394		15 455

	Wholesale	Retail	Other	Total
Assets	196 097	96 271	49 766	342 134
Equity&liabilities	250 078	84 600	7 456	342 134

	Wholesale	Retail	Other	Total
Capital expenditures	4 173	6 926	1 846	12 945
Depreciation	4 106	3 678	1 053	8 837