



## **CONSOLIDATED INTERIM REPORT**

**2 ND QUARTER 2007**

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

*(ALL AMOUNTS IN THOUSANDS PLN)*

Lublin, August 2007

## 1. Selected financial data

| SELECTED FINANCIAL DATA                             | Thousands PLN                  |                                | Thousands EURO                 |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 6 months ended<br>30 June 2007 | 6 months ended<br>30 June 2006 | 6 months ended<br>30 June 2007 | 6 months ended<br>30 June 2006 |
| I. Net sales of merchandise and finished products   | 2 181 743                      | 666 256                        | 566 893                        | 170 826                        |
| II. Profit on operating activities                  | 66 765                         | 19 333                         | 17 348                         | 4 957                          |
| III. Profit before taxation                         | 62 320                         | 17 822                         | 16 193                         | 4 570                          |
| IV. Net profit (loss)                               | 50 836                         | 13 950                         | 13 209                         | 3 577                          |
| V. Net cash flow from operating activities          | 92 415                         | 22 469                         | 24 013                         | 5 761                          |
| VI. Cash flow from investment activities            | (48 726)                       | (11 585)                       | (12 661)                       | (2 970)                        |
| VII. Cash flow from financing activities            | (3 393)                        | (7 550)                        | (882)                          | (1 936)                        |
| VIII. Total net cash flows                          | 40 296                         | 3 334                          | 10 470                         | 855                            |
| IX. Total assets                                    | 1 241 742                      | 343 935                        | 329 742                        | 85 061                         |
| X. Liabilities and provisions for liabilities       | 819 613                        | 223 302                        | 217 646                        | 55 226                         |
| XI. Long-term liabilities                           | 228 184                        | 53 185                         | 60 594                         | 13 154                         |
| XII. Short-term liabilities                         | 591 429                        | 170 117                        | 157 053                        | 42 073                         |
| XIII. Equity  | 422 129                        | 120 633                        | 112 095                        | 29 835                         |
| XIV. Share capital                                  | 13 270                         | 6 635                          | 3 524                          | 1 641                          |
| XV. Number of shares (weighted average)*            | 13 052 727                     | 6 635 100                      | 13 052 727                     | 6 635 100                      |
| XVI. Net profit per ordinary share (in PLN / EUR)   | 4,54                           | 4,18                           | 1,18                           | 1,07                           |
| XVII. Book value per ordinary share (in PLN / EURO) | 31,81                          | 18,18                          | 8,45                           | 4,50                           |
| XVIII. Dividend per share (PLN))                    | 1,74                           | 2,76                           | 0,46                           | 0,68                           |

\* Number of shares (weighted average) in 2007 January – March: 12 923 985, April 13 004 006, May - June: 13 270 200

Average rate of Exchange for points I-VIII,XVI, XVIII: 2007 - 3,8486 PLN/EURO  
2006 - 3,9002 PLN/EURO

Exchange rate for points IX-XIV, XVII: as at 30.06.2007 – 3,7658 PLN/EURO  
as at 30.06.2006 – 4,0434 PLN/EURO

## 2. Consolidated financial statements

### Profit & loss statement

|  | 3 months<br>ended<br>30 June 2007 | 6 months<br>ended<br>30 June 2007 | 3 months<br>ended<br>30 June 2006 | 6 months<br>ended<br>30 June 2006 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Sales                                  | 1 113 918                         | 2 181 743                         | 346 684                           | 666 256                           |
| Cost of sales                          | (946 154)                         | (1 869 151)                       | (294 903)                         | (567 509)                         |
| <b>Gross profit (loss)</b>             | <b>167 764</b>                    | <b>312 592</b>                    | <b>51 781</b>                     | <b>98 747</b>                     |
| Other operating income                 | 16 617                            | 21 317                            | 3 170                             | 9 470                             |
| Selling costs                          | (115 283)                         | (222 758)                         | (35 295)                          | (70 600)                          |
| Overhead costs                         | (21 802)                          | (38 533)                          | (10 677)                          | (15 380)                          |
| Other operating expenses               | (2 755)                           | (5 853)                           | (2 509)                           | (2 904)                           |
| <b>Operating profit (loss)</b>         | <b>44 541</b>                     | <b>66 765</b>                     | <b>6 470</b>                      | <b>19 333</b>                     |
| Finance income                         | 4 031                             | 7 441                             | 190                               | 409                               |
| Finance costs                          | (6 953)                           | (11 886)                          | (896)                             | (1 920)                           |
| <b>Profit (loss) before income tax</b> | <b>41 619</b>                     | <b>62 320</b>                     | <b>5 764</b>                      | <b>17 822</b>                     |
| Income tax                             | (7 511)                           | (11 484)                          | (1 269)                           | (3 872)                           |
| <b>Net profit (loss)</b>               | <b>34 108</b>                     | <b>50 836</b>                     | <b>4 495</b>                      | <b>13 950</b>                     |

|  |            |           |
|--|------------|-----------|
| <b>Net profit (loss) (annualised)</b>              | 60 262     | 27 706    |
| <b>Weighted average number of ordinary shares*</b> | 13 052 727 | 6 635 100 |
| <b>Profit (loss) per ordinary share (in PLN)</b>   | 4,62       | 4,18      |

\* Number of shares (weighted average) in 2007 January – March: 12 923 985, April 13 004 006, May - June: 13 270 200

## Consolidated balance sheet

|   | 30 June 2007     | 31 March 2007    | 30 June 2006   | 31 March 2006  |
|---|------------------|------------------|----------------|----------------|
| <b>Non-current asset</b>  | <b>522 181</b>   | <b>510 334</b>   | <b>161 290</b> | <b>159 455</b> |
| Property, plant, equipment  | 339 719          | 336 891          | 154 950        | 153 431        |
| Real estates  | 4 369            | 4 388            |                |                |
| Intangible assets   | 3 403            | 1 595            | 680            | 577            |
| Goodwill  | 147 816          | 142 377          |                |                |
| Financial assets  | 4 021            | 2 664            | 243            | 278            |
| Long-term receivables   | 9 180            | 9 950            | 2 530          | 2 800          |
| Deferred tax assets   | 13 673           | 12 469           | 2 887          | 2 369          |
| <b>Current assets</b>   | <b>719 561</b>   | <b>679 018</b>   | <b>182 645</b> | <b>180 921</b> |
| Inventory   | 301 238          | 297 051          | 103 654        | 102 455        |
| Receivables   | 358 276          | 328 851          | 65 580         | 65 738         |
| Income tax receivables  | 556              | 4 494            | 9              | 84             |
| Short-term securities   |                  |                  |                |                |
| Prepaid expenses  | 6 354            | 6 239            | 2 878          | 3 398          |
| Cash and cash equivalents   | 52 951           | 40 187           | 10 478         | 9 229          |
| Other financial assets  | 186              | 2 196            | 46             | 17             |
| Tangible assets destined for sale   |                  |                  |                |                |
| <b>Total assets</b>   | <b>1 241 742</b> | <b>1 189 352</b> | <b>343 935</b> | <b>340 376</b> |
| <b>Equity</b>   | <b>422 129</b>   | <b>383 148</b>   | <b>120 633</b> | <b>118 496</b> |
| Share capital   | 13 270           | 13 004           | 6 635          | 6 635          |
| Share Premium   | 286 448          | 276 333          | 34 360         | 34 360         |
| Capital reserve   | 22 353           | 7 497            | 7 497          | 2 613          |
| Other reserve capital   | 56 871           | 44 669           | 60 660         | 46 707         |
| Capital from evaluation   |                  |                  |                |                |
| Retained earnings   | 43 187           | 36 298           | 11 481         | 28 181         |
| <b>Total Equity capital assigned<br/>Stockholders from dominant company</b> | <b>422 129</b>   | <b>377 801</b>   | <b>120 633</b> | <b>118 496</b> |
| Equity capital minority stockholders  |                  | 5 347            |                |                |
| <b>Long-term liabilities</b>  | <b>228 184</b>   | <b>108 926</b>   | <b>53 185</b>  | <b>48 922</b>  |
| Bank loans, borrowings and bonds  | 214 473          | 96 674           | 47 476         | 45 532         |
| Long-term liabilities   | 2 939            | 3 017            |                |                |
| Provisions  | 458              | 431              | 1 590          | 121            |
| Provisions for deferred tax   | 10 314           | 8 804            | 4 119          | 3 269          |
| <b>Short-term liabilities</b>   | <b>591 429</b>   | <b>697 278</b>   | <b>170 117</b> | <b>172 958</b> |
| Bank loans, borrowings and bonds  | 78 615           | 171 260          | 20 313         | 27 251         |
| Short-term liabilities  | 501 627          | 503 983          | 145 977        | 142 699        |
| Income tax liabilities  | 3 129            | 7 944            | 309            | 310            |
| Provisions  | 7 309            | 12 979           | 3 480          | 2 642          |
| Deferred revenues and accruals  | 749              | 1 112            | 38             | 56             |
| <b>Total equity and liabilities</b>   | <b>1 241 742</b> | <b>1 189 352</b> | <b>343 935</b> | <b>340 376</b> |

|   |            |           |
|---|------------|-----------|
| <b>Book value</b>                                   | 422 129    | 120 633   |
| <b>Weighted average number of ordinary shares *</b> | 13 052 727 | 6 635 100 |
| <b>Book value per share (in PLN)</b>                | 32,34      | 18,18     |

\* Number of shares (weighted average) in 2007 January – March: 12 923 985, April 13 004 006, May - June: 13 270 200

### Consolidated statement of changes in equity

|   | Share capital | Share premium  | Reserve capital | Other reserve capital | Capital from revaluation | Retained earnings | Minority capital | Total equity   |
|---|---------------|----------------|-----------------|-----------------------|--------------------------|-------------------|------------------|----------------|
| <b>1 January 2007</b>                         | <b>12 924</b> | <b>273 292</b> | <b>7 497</b>    | <b>44 669</b>         |                          | <b>18 745</b>     |                  | <b>357 127</b> |
| Change of accounting policy                   |               |                |                 |                       |                          |                   |                  |                |
| <b>1 January 2007 adjusted</b>                | <b>12 924</b> | <b>273 292</b> | <b>7 497</b>    | <b>44 669</b>         |                          | <b>18 745</b>     |                  | <b>357 127</b> |
| Net profit (loss) for 6 months- 30 June 2007  |               |                |                 |                       |                          | 50 836            |                  | 50 836         |
| Changes as a result of companies merge        |               |                |                 |                       |                          | 664               |                  | 664            |
| The issue of new shares                       | 346           | 13 156         |                 |                       |                          |                   |                  | 13 502         |
| Distribution of profits                       |               |                | 14 856          | 12 202                |                          | (27 058)          |                  |                |
| <b>30 June 2007</b>                           | <b>13 270</b> | <b>286 448</b> | <b>22 353</b>   | <b>56 871</b>         |                          | <b>43 187</b>     |                  | <b>422 129</b> |
| <b>1 April 2007</b>                           | <b>13 004</b> | <b>276 333</b> | <b>7 497</b>    | <b>44 669</b>         |                          | <b>36 298</b>     | <b>5 347</b>     | <b>383 148</b> |
| Change of accounting policy                   |               |                |                 |                       |                          |                   |                  |                |
| <b>1 April 2007 adjusted</b>                  | <b>13 004</b> | <b>276 333</b> | <b>7 497</b>    | <b>44 669</b>         |                          | <b>36 298</b>     | <b>5 347</b>     | <b>383 148</b> |
| Net profit (loss) for 3 months - 30 June 2007 |               |                |                 |                       |                          | 34 108            |                  | 34 108         |
| Purchase of shares (KG BOS)                   |               |                |                 |                       |                          | 627               | (5 347)          | (4 720)        |
| Changes as a result of companies merge        |               |                |                 |                       |                          | (788)             |                  |                |
| The issue of new shares                       | 266           | 10 115         |                 |                       |                          |                   |                  | 10 381         |
| Distribution of profits                       |               |                | 14 856          | 12 202                |                          | (27 058)          |                  |                |
| <b>30 June 2007</b>                           | <b>13 270</b> | <b>286 448</b> | <b>22 353</b>   | <b>56 871</b>         |                          | <b>43 187</b>     |                  | <b>422 129</b> |

|   | Share capital | Share premium | Reserve capital | Other reserve capital | Capital from revaluation | Retained earnings | Minority capital | Total equity   |
|---|---------------|---------------|-----------------|-----------------------|--------------------------|-------------------|------------------|----------------|
| <b>1 January 2006</b>                         | <b>6 635</b>  | <b>34 360</b> | <b>2 613</b>    | <b>46 707</b>         |                          | <b>18 690</b>     |                  | <b>109 005</b> |
| Change of accounting policy                   |               |               |                 |                       |                          |                   |                  |                |
| <b>1 January 2006 adjusted</b>                | <b>6 635</b>  | <b>34 360</b> | <b>2 613</b>    | <b>46 707</b>         |                          | <b>18 690</b>     |                  | <b>109 005</b> |
| Net profit (loss) for 6 months- 30 June 2006  |               |               |                 |                       |                          | 13 950            |                  | 13 950         |
| Distribution of profits                       |               |               | 4 884           | 13 953                |                          | (18 837)          |                  |                |
| Dividend for 2005                             |               |               |                 |                       |                          | (2 322)           |                  | (2 322)        |
| <b>30 June 2006</b>                           | <b>6 635</b>  | <b>34 360</b> | <b>7 497</b>    | <b>60 660</b>         |                          | <b>11 481</b>     |                  | <b>120 633</b> |
| <b>1 April 2006</b>                           | <b>6 635</b>  | <b>34 360</b> | <b>2 613</b>    | <b>46 707</b>         |                          | <b>28 181</b>     |                  | <b>118 496</b> |
| Change of accounting policy                   |               |               |                 |                       |                          | (36)              |                  | (36)           |
| <b>1 April 2006 adjusted</b>                  | <b>6 635</b>  | <b>34 360</b> | <b>2 613</b>    | <b>46 707</b>         |                          | <b>28 145</b>     |                  | <b>118 460</b> |
| Net profit (loss) for 3 months – 30 June 2006 |               |               |                 |                       |                          | 4 495             |                  | 4 495          |
| Distribution of profits                       |               |               | 4 884           | 13 953                |                          | (18 837)          |                  |                |
| Dividend for 2005                             |               |               |                 |                       |                          | (2 322)           |                  | (2 322)        |
| <b>30 June 2006</b>                           | <b>6 635</b>  | <b>34 360</b> | <b>7 497</b>    | <b>60 660</b>         |                          | <b>11 481</b>     |                  | <b>120 633</b> |

## Consolidated Cash flow statement

|  | 3 months<br>ended<br>30 June 2007 | 6 months<br>ended<br>30 June 2007 | 3 months<br>ended<br>30 June<br>2006 | 6 months<br>ended<br>30 June<br>2006 |
|--|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Net profit (loss)                                | 34 108                            | 50 836                            | 4 495                                | 13 950                               |
| Adjustments for:                                 | 34 115                            | 41 579                            | 7 828                                | 8 519                                |
| Depreciation                                     | 9 936                             | 18 701                            | 4 525                                | 8 836                                |
| Foreign exchange gain (loss)                     | (69)                              | (99)                              |                                      |                                      |
| Interest   | 3 351                             | 6 533                             | 514                                  | 1 296                                |
| Income tax                                       | 4 084                             | 6 960                             |                                      |                                      |
| Loss (profit) on investments                     | (10 814)                          | (12 146)                          | 178                                  | 166                                  |
| Change In provisions                             | (2 789)                           | 147                               | 3 095                                | 4 899                                |
| Change In inventories                            | (191 672)                         | (206 317)                         | (1 211)                              | (441)                                |
| Change In receivables                            | (299 477)                         | (284 230)                         | (7 493)                              | (17 169)                             |
| Change In deferred revenues and accruals         | (8 941)                           | (12 437)                          | (188)                                | (88)                                 |
| Change In payables                               | 347 738                           | 347 710                           | 8 471                                | 11 000                               |
| Other adjustments                                | 190 419                           | 187 873                           | (63)                                 | 20                                   |
| Income tax paid                                  | (7 651)                           | (11 116)                          |                                      |                                      |
| <b>Net cash flow from operations</b>             | <b>68 223</b>                     | <b>92 415</b>                     | <b>12 323</b>                        | <b>22 469</b>                        |
| <b>Revenues</b>                                  | <b>6 300</b>                      | <b>7 965</b>                      | <b>307</b>                           | <b>602</b>                           |
| Disposal of tangible and intangible fixed assets | (1 792)                           | (1 416)                           | 289                                  | 584                                  |
| Disposal of financial assets                     | 8 026                             | 8 034                             | 6                                    | 6                                    |
| Dividend gained                                  |                                   |                                   |                                      |                                      |
| Interest gained                                  | 4                                 | 280                               | 12                                   | 12                                   |
| Repayment of given loans                         | 62                                | 1 067                             |                                      |                                      |
| Other  |                                   |                                   |                                      |                                      |
| <b>Expenses</b>                                  | <b>(31 545)</b>                   | <b>(56 691)</b>                   | <b>(6 012)</b>                       | <b>(12 187)</b>                      |
| Purchase of tangible and intangible fixed assets | (25 742)                          | (48 715)                          | (6 019)                              | (12 187)                             |
| Investments in properties                        | (413)                             | (413)                             |                                      |                                      |
| Purchase of dependent subjects                   | (4 210)                           | (4 331)                           |                                      |                                      |
| Purchase of financial assets                     | (361)                             | (2 170)                           |                                      |                                      |
| Given loans                                      | 10                                | (100)                             |                                      |                                      |
| Other  | (829)                             | (962)                             | 7                                    |                                      |
| <b>Net cash flow on investments</b>              | <b>(25 245)</b>                   | <b>(48 726)</b>                   | <b>(5 705)</b>                       | <b>(11 585)</b>                      |
| <b>Revenues</b>                                  | <b>152 683</b>                    | <b>191 922</b>                    | <b>19 706</b>                        | <b>38 044</b>                        |
| Loans and borrowings acquired                    | 120 263                           | 131 015                           | 14 790                               | 27 522                               |
| Issue of short-term bonds                        | 35 043                            | 60 307                            | 4 916                                | 10 522                               |
| Issue of shares                                  | (3 221)                           |                                   |                                      |                                      |
| Other  | 598                               | 600                               |                                      |                                      |
| <b>Expenses</b>                                  | <b>(154 764)</b>                  | <b>(195 315)</b>                  | <b>(25 075)</b>                      | <b>(45 594)</b>                      |
| Repayment of loans and borrowings                | (110 793)                         | (122 584)                         | (18 645)                             | (32 658)                             |
| Repayment of bonds                               | (40 000)                          | (65 000)                          | (5 700)                              | (11 300)                             |
| Financial lease payments                         | (335)                             | (503)                             |                                      |                                      |
| Interest paid                                    | (3 636)                           | (7 228)                           | (730)                                | (1 636)                              |
| Dividend paid                                    |                                   |                                   |                                      |                                      |
| Other  |                                   |                                   |                                      |                                      |
| <b>Net Cash flow from investments</b>            | <b>(2 081)</b>                    | <b>(3 393)</b>                    | <b>(5 369)</b>                       | <b>(7 550)</b>                       |

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| <b>Total net Cash flow</b>                       | 40 897 | 40 296 | 1 249  | 3 334  |
| Foreign exchange gain (loss)                     | 2      | 2      |        |        |
| <b>Cash and Cash equivalents opening balance</b> | 12 052 | 12 653 | 9 229  | 7 144  |
| <b>Cash and Cash equivalents closing balance</b> | 52 951 | 52 951 | 10 478 | 10 478 |

## 2. Stand alone financial statement EMPERIA S.A.

| SELECTED FINANCIAL DATA                             | Thousands PLN                  |                                | Thousands EURO                 |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 6 months ended<br>30 June 2007 | 6 months ended<br>30 June 2006 | 6 months ended<br>30 June 2007 | 6 months ended<br>30 June 2006 |
| I. Net sales of merchandise and finished products   | 315 540                        | 539 979                        | 81 988                         | 138 449                        |
| II. Profit on operating activities                  | 11 448                         | 6 314                          | 2 975                          | 1 619                          |
| III. Profit before taxation                         | 10 820                         | 5 370                          | 2 811                          | 1 377                          |
| IV. Net profit (loss)                               | 9 056                          | 4 301                          | 2 353                          | 1 103                          |
| V. Net cash flow from operating activities          | 1 469                          | 6 669                          | 382                            | 1 710                          |
| VI. Cash flow from investment activities            | (5 670)                        | (4 508)                        | (1 473)                        | (1 156)                        |
| VII. Cash flow from financing activities            | 4 361                          | 200                            | 1 133                          | 51                             |
| VIII. Total net cash flows                          | 160                            | 2 361                          | 42                             | 605                            |
| IX. Total assets                                    | 377 064                        | 261 946                        | 100 129                        | 64 784                         |
| X. Liabilities and provisions for liabilities       | 27 073                         | 170 509                        | 7 189                          | 42 170                         |
| XI. Long-term liabilities                           | 252                            | 26 411                         | 67                             | 6 532                          |
| XII. Short-term liabilities                         | 26 821                         | 144 098                        | 7 122                          | 35 638                         |
| XIII. Equity  | 349 991                        | 91 437                         | 92 939                         | 22 614                         |
| XIV. Share capital                                  | 13 270                         | 6 635                          | 3 524                          | 1 641                          |
| XV. Number of shares (weighted average)*            | 13 052 727                     | 6 635 100                      | 13 052 727                     | 6 635 100                      |
| XVI. Net profit per ordinary share (in PLN / EUR)   | 1,36                           | 1,31                           | 0,35                           | 0,34                           |
| XVII. Book value per ordinary share (in PLN / EURO) | 26,81                          | 13,75                          | 7,12                           | 3,40                           |
| XVIII. Dividend per share (PLN))                    | 1,74                           | 2,76                           | 0,46                           | 0,68                           |

\* Number of shares (weighted average) in 2007 January – March: 12 923 985, April 13 004 006, May - June: 13 270 200

Average rate of Exchange for points I-VIII,XVI, XVIII: 2007 - 3,8486 PLN/EURO  
2006 - 3,9002 PLN/EURO

Exchange rate for points IX-XIV, XVII: as at 30.06.2007 – 3,7658 PLN/EURO  
as at 30.06.2006 – 4,0434 PLN/EURO



## Profit and loss statement

|  | 3 months<br>ended<br>30 June 2007 | 6 months<br>ended<br>30 June 2007 | 3 months<br>ended<br>30 June 2006 | 6 months<br>ended<br>30 June 2006 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Sales                                  | 11 037                            | 315 540                           | 282 567                           | 539 979                           |
| Cost of sales                          | 4 934                             | (267 953)                         | (254 223)                         | (486 888)                         |
| <b>Gross profit (loss)</b>             | <b>15 971</b>                     | <b>47 587</b>                     | <b>28 344</b>                     | <b>53 091</b>                     |
| Other operating income                 | 238                               | 385                               | 164                               | 295                               |
| Selling costs                          | (1 245)                           | (21 640)                          | (18 649)                          | (35 960)                          |
| Overhead costs                         | (7 730)                           | (14 699)                          | (5 991)                           | (10 439)                          |
| Other operating expenses               | 25                                | (185)                             | (387)                             | (673)                             |
| <b>Operating profit (loss)</b>         | <b>7 259</b>                      | <b>11 448</b>                     | <b>3 481</b>                      | <b>6 314</b>                      |
| Finance income                         | 130                               | 425                               | 172                               | 334                               |
| Finance costs                          | (197)                             | (1 053)                           | (586)                             | (1 278)                           |
| <b>Profit (loss) before income tax</b> | <b>7 192</b>                      | <b>10 820</b>                     | <b>3 067</b>                      | <b>5 370</b>                      |
| Income tax                             | (948)                             | (1 764)                           | (569)                             | (1 069)                           |
| <b>Net profit (loss)</b>               | <b>6 244</b>                      | <b>9 056</b>                      | <b>2 498</b>                      | <b>4 301</b>                      |

|  |            |           |
|--|------------|-----------|
| <b>Net profit (loss) (annualised)</b>              | 17 811     | 8 683     |
| <b>Weighted average number of ordinary shares*</b> | 13 052 727 | 6 635 100 |
| <b>Profit (loss) per ordinary share (in PLN)</b>   | 1,36       | 1,31      |

\* Number of shares (weighted average) in 2007 January – March: 12 923 985, April 13 004 006, May - June: 13 270 200

## Stand alone balance sheet

|  | 30 June<br>2007 | 31 March<br>2007 | 30 June<br>2006 | 31 March<br>2006 |
|--|-----------------|------------------|-----------------|------------------|
| <b>Non-current basset</b>                  | <b>360 490</b>  | <b>356 872</b>   | <b>94 273</b>   | <b>94 351</b>    |
| Property, plant, equipment and investments | 29 434          | 49 859           | 51 328          | 51 711           |
| Intangible assets                          | 2 114           | 545              | 293             | 213              |
| Financial assets                           | 326 940         | 303 240          | 41 157          | 41 192           |
| Receivables and prepayments                | 73              | 172              | 76              | 89               |
| Deferred tax assets                        | 1 929           | 3 056            | 1 419           | 1 146            |
| <b>Current assets</b>                      | <b>16 574</b>   | <b>186 138</b>   | <b>167 673</b>  | <b>165 260</b>   |
| Inventory                                  | 15              | 83 354           | 84 235          | 84 419           |
| Receivables and prepayments                | 10 715          | 88 285           | 76 762          | 75 397           |
| Income tax receivables                     | 0               |                  |                 |                  |
| Short-term securities                      | 1 991           | 3 491            |                 |                  |
| Prepaid expenses                           | 669             | 1 399            | 910             | 1 189            |
| Cash and cash equivalents                  | 2 977           | 6 339            | 2 721           | 2 343            |
| Other financial assets                     | 207             | 3 270            | 3 045           | 1 912            |
| <b>Aktywa razem</b>                        | <b>377 064</b>  | <b>543 010</b>   | <b>261 946</b>  | <b>259 611</b>   |
| <b>Equity</b>                              | <b>349 991</b>  | <b>333 366</b>   | <b>91 437</b>   | <b>91 261</b>    |
| Share capital                              | 13 270          | 13 004           | 6 635           | 6 635            |
| Share Premium                              | 286 448         | 276 333          | 34 360          | 34 360           |
| Capital reserve                            | 1 526           | 1 526            | 1 526           | 1 526            |
| Other reserve capital                      | 28 576          | 28 576           | 44 567          | 38 285           |
| Capital from evaluation                    | 0               |                  |                 |                  |
| Retained earnings                          | 20 171          | 13 927           | 4 349           | 10 455           |
| <b>Long-term liabilities</b>               | <b>252</b>      | <b>49 101</b>    | <b>26 411</b>   | <b>25 317</b>    |
| Bank loans, borrowings and bonds           | 0               | 48 323           | 24 693          | 24 820           |
| Provisions                                 | 10              | 73               | 983             | 55               |
| Provisions for deferred tax                | 242             | 705              | 735             | 442              |
| <b>Short-term liabilities</b>              | <b>26 821</b>   | <b>160 543</b>   | <b>144 098</b>  | <b>143 033</b>   |
| Bank loans, borrowings and bonds           | 19 907          | 19 740           | 22 448          | 25 413           |
| Short-term liabilities                     | 5 860           | 133 441          | 119 898         | 116 007          |
| Income tax liabilities                     | 284             | 3 199            | 183             | 183              |
| Provisions                                 | 768             | 4 130            | 1 563           | 1 410            |
| Deferred revenues and accruals             | 2               | 33               | 6               | 20               |
| <b>Total equity and liabilities</b>        | <b>377 064</b>  | <b>543 010</b>   | <b>261 946</b>  | <b>259 611</b>   |
| <b>Book value</b>                          |                 | 349 991          |                 | 91 437           |
| <b>Number of shares *</b>                  |                 | 13 052 727       |                 | 6 635 100        |
| <b>Book value per share (in PLN)</b>       |                 | 26,81            |                 | 13,78            |

\* Number of shares (weighted average) in 2007 January – March: 12 923 985, April 13 004 006, May - June: 13 270 200

## Stand alone statement of changes in equity

|   | Share capital | Share premium  | Reserve capital | Other reserve capital | Capital from revaluation | Retained earnings | Total equity   |
|---|---------------|----------------|-----------------|-----------------------|--------------------------|-------------------|----------------|
| <b>1 January 2007</b>                         | 12 924        | 273 292        | 1 526           | 28 576                |                          | 11 115            | 327 433        |
| Change of accounting Policy                   |               |                |                 |                       |                          |                   |                |
| <b>1 January 2007 adjusted</b>                | 12 924        | 273 292        | 1 526           | 28 576                |                          | 11 115            | 327 433        |
| Net profit (loss) for 6 months - 30 June 2007 |               |                |                 |                       |                          | 9 056             | 9 056          |
| Issue of new shares                           | 346           | 13 156         |                 |                       |                          |                   | 13 502         |
| <b>30 June 2007</b>                           | <b>13 270</b> | <b>286 448</b> | <b>1 526</b>    | <b>28 576</b>         |                          | <b>20 171</b>     | <b>349 991</b> |
| <b>1 April 2007</b>                           | 13 004        | 276 333        | 1 526           | 28 576                |                          | 13 927            | 333 366        |
| Change of accounting Policy                   |               |                |                 |                       |                          |                   |                |
| <b>1 April 2007 adjusted</b>                  | 13 004        | 276 333        | 1 526           | 28 576                |                          | 13 927            | 333 366        |
| Net profit (loss) for 3 months - 30 June 2007 |               |                |                 |                       |                          | 6 244             | 6 244          |
| Issue of new shares                           | 266           | 10 115         |                 |                       |                          |                   | 10 381         |
| <b>30 June 2007</b>                           | <b>13 270</b> | <b>286 448</b> | <b>1 526</b>    | <b>28 576</b>         |                          | <b>20 171</b>     | <b>349 991</b> |

|   | Share capital | Share premium | Reserve capital | Other reserve capital | Capital from revaluation | Retained earnings | Total equity |
|---|---------------|---------------|-----------------|-----------------------|--------------------------|-------------------|--------------|
| <b>1 January 2006</b>                         | 6 635         | 34 360        | 1 526           | 38 285                |                          | 8 653             | 89 459       |
| Change of accounting Policy                   |               |               |                 |                       |                          |                   |              |
| <b>1 January 2006 adjusted</b>                | 6 635         | 34 360        | 1 526           | 38 285                |                          | 8 653             | 89 459       |
| Net profit (loss) for 6 months - 30 June 2006 |               |               |                 |                       |                          | 4 301             | 4 301        |
| Distribution of profits                       |               |               |                 | 6 282                 |                          | (6 282)           |              |
| Dividend for 2005                             |               |               |                 |                       |                          | (2 323)           | (2 323)      |
| <b>30 June 2006</b>                           | 6 635         | 34 360        | 1 526           | 44 567                |                          | 4 349             | 91 437       |
| <b>1 April 2006</b>                           | 6 635         | 34 360        | 1 526           | 38 285                |                          | 10 455            | 91 261       |
| Change of accounting Policy                   |               |               |                 |                       |                          |                   |              |
| <b>1 April 2006 adjusted</b>                  | 6 635         | 34 360        | 1 526           | 38 285                |                          | 10 455            | 91 261       |
| Net profit (loss) for 3 months - 30 June 2006 |               |               |                 |                       |                          | 2 498             | 2 498        |
| Distribution of profits                       |               |               |                 | 6 282                 |                          | (6 282)           |              |
| Dividend for 2005                             |               |               |                 |                       |                          | (2 322)           | (2 322)      |
| <b>30 June 2006</b>                           | 6 635         | 34 360        | 1 526           | 44 567                |                          | 4 349             | 91 437       |

## Stand alone cash flow statement

|  | <b>3 months ended<br/>30 June 2007</b> | <b>6 months ended<br/>30 June 2007</b> | <b>3 months ended<br/>30 June 2006</b> | <b>6 months ended<br/>30 June 2006</b> |
|--|--|--|--|--|
| Net profit (loss)                                | 6 244                                  | 9 056                                  | 2 498                                  | 4 301                                  |
| Adjustments for:                                 | (15 223)                               | (7 587)                                | 3 847                                  | 2 368                                  |
| Depreciation                                     | 1 275                                  | 3 476                                  | 2 105                                  | 4 162                                  |
| Foreign exchange gain (loss)                     |  |  |  |  |
| Interest   | 63                                     | 851                                    | 525                                    | 1 143                                  |
| Income tax                                       | (816)                                  |  |  |  |
| Loss (profit) on investments                     | (141)                                  | (213)                                  | (61)                                   | (81)                                   |
| Change In provisions                             | (3 887)                                | (4 196)                                | 1 375                                  | 1 354                                  |
| Change In inventories                            | 83 325                                 | 74 071                                 | 185                                    | 1 901                                  |
| Change In receivables                            | 77 494                                 | 81 303                                 | (1 413)                                | (8 411)                                |
| Change In deferred revenues and accruals         | 1 863                                  | 1 068                                  | 5                                      | (470)                                  |
| Change In payables                               | (129 036)                              | (118 495)                              | 1 140                                  | 2 746                                  |
| Other  | (45 363)                               | (45 452)                               | (14)                                   | 24                                     |
| <b>Net cash flow from operations</b>             | <b>(8 979)</b>                         | <b>1 469</b>                           | <b>6 345</b>                           | <b>6 669</b>                           |
| <b>Revenues</b>                                  | <b>28 847</b>                          | <b>25 737</b>                          | <b>181</b>                             | <b>273</b>                             |
| Disposal of tangible and intangible fixed assets | 207                                    | 878                                    | 132                                    | 198                                    |
| Disposal of financial assets                     | 25 571                                 | 21 700                                 | 6                                      | 6                                      |
| Dividend gained                                  |  |  |  |  |
| Interest gained                                  | (31)                                   | 59                                     | 43                                     | 69                                     |
| Repayment of given loans                         | 3 100                                  | 3 100                                  |  |  |
| <b>Expenses</b>                                  | <b>(30 052)</b>                        | <b>(31 407)</b>                        | <b>(2 548)</b>                         | <b>(4 781)</b>                         |
| Purchase of tangible and intangible fixed assets | (5 249)                                | (6 504)                                | (1 448)                                | (3 681)                                |
| Purchase of dependent subjects                   | (4 186)                                | (4 186)                                |  |  |
| Purchase of financial assets                     |  |  | (1 100)                                | (1 100)                                |
| Given loans                                      | (100)                                  | (100)                                  |  |  |
| Other  | (20 517)                               | (20 617)                               |  |  |
| <b>Net cash flow on investments</b>              | <b>(1 205)</b>                         | <b>(5 670)</b>                         | <b>(2 367)</b>                         | <b>(4 508)</b>                         |
| <b>Revenues</b>                                  | <b>28 650</b>                          | <b>59 765</b>                          | <b>40 133</b>                          | <b>71 552</b>                          |
| Loans and borrowings acquired                    |  | 5 158                                  | 11 339                                 | 20 894                                 |
| Issue of short term bond                         | 28 650                                 | 54 607                                 | 28 794                                 | 50 658                                 |
| Issue of shares                                  |  |  |  |  |
| <b>Expenses</b>                                  | <b>(21 828)</b>                        | <b>(55 404)</b>                        | <b>(43 734)</b>                        | <b>(71 352)</b>                        |
| Repayment of loans and borrowings                |  | (1 788)                                | (16 731)                               | (23 847)                               |
| Repayment of bonds                               | (21 672)                               | (52 672)                               | (26 700)                               | (46 600)                               |
| Interest paid                                    | (156)                                  | (944)                                  | (303)                                  | (905)                                  |
| Dividends paid                                   |  |  |  |  |
| Other  |  |  |  |  |
| <b>Net Cash flow from investments</b>            | <b>6 822</b>                           | <b>4 361</b>                           | <b>(3 601)</b>                         | <b>200</b>                             |
| <b>Total net Cash flow</b>                       | <b>(3 362)</b>                         | <b>160</b>                             | <b>377</b>                             | <b>2 361</b>                           |
| <b>Cash and Cash equivalents opening balance</b> | <b>6 339</b>                           | <b>2 817</b>                           | <b>2 344</b>                           | <b>360</b>                             |
| <b>Cash and Cash equivalents closing balance</b> | <b>2 977</b>                           | <b>2 977</b>                           | <b>2 721</b>                           | <b>2 721</b>                           |

#### 4. Selected financial data by segments

In Emperia Group following segments can be separated:

- 1 Wholesale
- 2 Retail
- 3 Other

1 January 2007 – 30 June 2007

-thousands PLN

|                                    | Wholesale   | Retail    | Other    | Consolidation exemptions | Total       |
|------------------------------------|-------------|-----------|----------|--------------------------|-------------|
| Sale                               | 1 939 160   | 475 115   | 18 200   |                          | 2 432 475   |
| Sale (external customers)          | 1 701 726   | 472 551   | 7 466    |                          | 2 181 743   |
| Sale (internal customers)          | 237 434     | 2 564     | 10 734   | 250 732                  | 0           |
| Costs                              | (1 896 816) | (470 543) | (13 509) | (250 426)                | (2 130 442) |
| Costs (external customers)         | (1 660 192) | (467 462) | (2 788)  |                          | (2 130 442) |
| Costs (internal customers)         | (236 624)   | (3 081)   | (10 721) |                          | (250 426)   |
| Result on other operating activity | 1 208       | 14 202    | 54       |                          | 15 464      |
| Result on financial activity       | (3 053)     | (735)     | (657)    |                          | (4 445)     |
| Gross profit                       | 39 689      | 18 556    | 4 075    |                          | 62 320      |
| Income tax                         | (7 056)     | (3 865)   | (562)    |                          | (11 484)    |
| Net profit                         | 32 633      | 14 690    | 3 513    |                          | 50 836      |

|                    | Wholesale | Retail  | Other  | Company's value form Consolidation | Total     |
|--------------------|-----------|---------|--------|------------------------------------|-----------|
| Assets             | 896 459   | 252 134 | 93 149 | 1 241 742                          | 896 459   |
| Equity&liabilities | 1 120 441 | 107 954 | 13 347 | 1 241 742                          | 1 120 441 |

|                      | Wholesale | Retail | Other | Total  |
|----------------------|-----------|--------|-------|--------|
| Capital expenditures | 19 078    | 25 796 | 3 841 | 48 715 |
| Depreciation         | 10 511    | 6 672  | 1 518 | 18 701 |