



STAND ALONE FINANCIAL STATEMENT

HALF-YEAR REPORT 2007

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS**

(ALL AMOUNTS IN THOUSANDS PLN)

LUBLIN, SEPTEMBER 2007

Spis treści

1. Selected financial data	3
2. Balance sheet.....	4
3. Profit and loss statement.....	5
4. Changes in equity	6
5. Cash Flow.....	7
6. Other Information and explanatory notes.....	8

1. Selected financial data

SELECTED FINANCIAL DATA	PLN		EURO	
	6 MONTHS ended 30 June 2007	6 MONTHS ended 30 June 2006	6 MONTHS ended 30 June 2007	6 MONTHS ended 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 (loss) before taxation	10 821	5 371	2 812	1 377
IV. Net profit (loss)	8 118	4 301	2 109	1 103
V. Net cash flow from operating activities	1 470	6 669	382	1 710
VI. Cash flow from investment activities	(5 671)	(4 508)	(1 473)	(1 156)
VII. Cash flow from financing activities	4 360	200	1 133	51
VIII. Total net cash flows	160	2 361	41	605
IX. Total assets	376 128	261 946	99 880	64 784
X. Liabilities and provisions for liabilities	27 075	170 509	7 190	42 170
XI. Long-term liabilities	252	26 411	67	6 532
XII. Short-term liabilities	26 823	144 098	7 123	35 638
XIII. Equity	349 053	91 437	92 690	22 614
XIV. Share capital	13 270	6 635	3 524	1 641
XV. Number of shares - weight average	13 052 727	6 635 100	13 052 727	6 635 100
XVI. Net profit per ordinary share (in PLN / EUR)	1,29	1,31	0,34	0,34
XVII. Book value per share (in PLN / EUR)	26,74	13,78	7,10	3,41
XVIII. Declared or paid dividend (in PLN/ EUR)	1,74	2,76	0,46	0,68

2. Balance sheet

		As At 30 June 2007	As At 31 December 2006
Total Non-current Assets		359 554	354 177
Property, plant, equipment and investments	Note 1,2	29 434	50 481
Investments – real estates	3		
Intangible assets	4,5	2 114	250
Goodwill	6		
Financial assets	7	326 941	300 470
Receivables and prepayments	8	74	166
Deferred tax assets	9	991	2 810
Total Current Assets		16 574	175 930
Inventory	10	15	74 100
Receivables and prepayments	11	10 715	92 616
Income tax receivables	12	1 991	2 995
Short-term securities	13	669	832
Prepaid expenses	14	2 977	2 817
Cash and cash equivalents	15	207	2 570
Other financial assets	16		
Total Assets		376 128	530 107
Total Equity		349 053	327 433
Share capital	17	13 270	12 924
Share premium		286 448	273 292
Capital reserve		1 526	1 526
Other reserve capital		28 576	28 576
Retained earnings	18	19 233	11 115
Total Long Term Liabilities		252	44 442
Bank loans, borrowings and bonds	19		43 689
Long-term liabilities	20		
Provisions	21	10	73
Deferred revenues and accruals	22	242	680
Total Short Term Liabilities		26 823	158 232
Bank loans, borrowings and bonds	23	19 908	28 992
Short-term liabilities	24	5 860	122 608
Income tax liabilities		285	2 163
Provisions	21	768	4 463
Other accrued liabilities	25	2	6
Total Liabilities and Equity		376 128	530 107

3. Profit and loss statement

	Note	6 MONTHS ended 30 June 2007	6 MONTHS ended 30 June 2006
Sales		315 540	539 979
- including related entities		70 089	110 761
Sales of products and services	26	23 820	17 558
Sales of goods and materials	27	291 720	522 421
Cost of sales		(267 953)	(486 888)
- including related entities		(59 275)	(104 329)
Cost of goods and materials sold		(267 953)	(486 888)
Gross profit (loss)		47 587	53 091
Other operating income	28	385	295
Selling costs	29	(21 640)	(35 960)
Overhead costs	29	(14 699)	(10 439)
Other operating expenses	30	(185)	(673)
Operating profit (loss)		11 448	6 314
Finance income	31	426	334
Finance costs	32	(1 053)	(1 277)
Profit (loss) before income tax		10 821	5 371
Income tax	33	(2 703)	(1 070)
Current		(1 322)	(1 097)
Deferred		(1 381)	27
Net profit		8 118	4 301
Number of shares - weight average		13 052 727	6 635 100
Net profit per ordinary share		1,29	1,31
Diluted number of shares – weight average		13 052 727	6 635 100
Diluted net profit per ordinary share		1,29	1,31

4. Changes in equity

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained Earnings	Total equity
As at 1 January 2007	12 924	273 292	1 526	28 576		11 115	327 433
Change of accounting policy							
As at 1 January 2007 adjusted	12 924	273 292	1 526	28 576		11 115	327 433
Net profit (loss) for the period						8 118	8 118
The issue of shares	346	13 156					13 502
As at 30 June 2007	13 270	286 448	1 526	28 576		19 233	349 053
As at 1 January 2006	6 635	34 360	1 526	38 285		8 653	89 459
Change of accounting policy							
As at 1 January 2006 adjusted	6 635	34 360	1 526	38 285		8 653	89 459
Net profit (loss) for the period						4 301	4 301
Distribution of profits				6 282		(6 282)	
Dividend for 2005						(2 322)	(2 322)
As at 30 June 2006	6 635	34 360	1 526	44 567		4 349	91 438

5. Cash Flow

	6 MONTHS ended 30 June 2007	6 MONTHS ended 30 June 2006
Net profit (loss)	8 118	4 301
Adjustments provided by operating activities:		
Depreciation	3 476	4 162
Foreign exchange gain (loss)		
Interest	851	1 143
Corporate income tax	2 702	
Loss (profit) on investments	(213)	(81)
Change in provisions	(2 567)	1 354
Change in inventories	(12 028)	1 901
Change in receivables	318	(8 411)
Change in deferred revenues and accruals	179	(470)
Change in payables	3 948	4 087
Other adjustments	(115)	24
Corporate income tax paid	(3 200)	(1 341)
Net cash flow from operations	1 470	6 669
Revenues	25 736	273
Disposal of tangible and intangible fixed assets	878	198
Disposal of financial assets	21 700	6
Dividends received		
Interest received	59	69
Other revenues	3 100	
Expenses	(31 407)	(4 781)
Purchase of tangible and intangible fixed assets	(6 504)	(3 681)
Purchase of financial assets	(4 186)	(1 100)
Other expenses	(20 717)	
Net cash flow from investment activities	(5 671)	(4 508)
Revenues	59 764	71 552
Loans and borrowings acquired	5 158	20 894
Income from financial assets	54 607	50 658
Other revenues		
Expenses	(55 404)	(71 353)
Repayment of loans and borrowings	(1 788)	(23 848)
Repayment of financial assets	(52 672)	(46 600)
Interest paid	(944)	(905)
Dividends paid		
Other expenses		
Net cash flow from financial activities	4 360	200
Total net Cash flow	160	2 361
Cash and Cash equivalents opening balance	2 817	360
Cash and Cash equivalents closing balance	2 977	2 721

6. Other Information and explanatory notes

Note 1

TANGIBLE FIXED ASSETS	30 June 2007	31 December 2006
Freehold land	202	205
Buildings and constructions	20 169	25 700
Equipment and machines	5 175	9 148
Vehicles	3 759	12 575
Other	11	2 474
Tangible fixed assets in progress	118	363
Prepayments for construction in progress		16
Total tangible fixed assets	29 434	50 481

Tangible fixed assets in progress	30 June 2007	31 December 2006
Freehold land		
Buildings and constructions	118	246
Equipment and machines		117
Vehicles		
Other tangible fixed assets in progress		
Total tangible fixed assets in progress	118	363

Nota 2 –At 30 June 2007

TANGIBLE FIXED ASSETS – MOVEMENTS (by group)	land including perpetual usufruct	Buildings	machines and technical equipment	Vehicles	other fixed assets	Tangible fixed assets in progress	Total fixed tangible assets
a) opening balance of fixed assets, gross value	244	30 702	18 023	26 285	6 286	363	81 903
b) additions:		524	928	2 956	171	6 253	10 832
- purchases		11	859	2 815	171	6 253	10 109
- transfers from tangible fixed assets in progress		513	69	141			723
- donations							
c) disposals:		(7 970)	(10 308)	(24 631)	(6 419)	(6 498)	(55 826)
- sale			(131)	(358)	(1)		(490)
- liquidation							
- transfers to tangible fixed assets						(6 498)	(6 498)
- other		(7 970)	(10 177)	(24 273)	(6 418)		(48 838)
d) closing balance of fixed assets, gross value	244	23 256	8 643	4 610	38	118	36 909
e) opening balance of cumulative depreciation	40	4 853	8 875	13 710	3 812		31 290
f) depreciation additions:	2	607	973	1 400	269		3 251
- planned	2	607	973	1 400	269		3 251
g) depreciation disposals:		(2 373)	(6 380)	(14 259)	(4 054)		(27 066)
- sales			(119)	(324)			(443)
- liquidation							
- other		(2 373)	(6 261)	(13 935)	(4 054)		(26 623)
h) closing balance of cumulative depreciation	42	3 087	3 468	851	27		7 475
i) opening balances of value adjustments		149					149
- additions							
- disposals		(149)					(149)
j) closing balances of value adjustments							
k) closing balance of fixed assets, net value	202	20 169	5 175	3 759	11	118	29 434

Nota 2 – At 31 December 2006

TANGIBLE FIXED ASSETS – MOVEMENTS (by group)	land including perpetual usufruct	Buildings	machines and technical equipment	Vehicles	other fixed assets	Tangible fixed assets in progress	Total fixed tangible assets
a) opening balance of fixed assets, gross value	244	28 017	15 841	25 943	5 688	1 482	77 215
b) additions:		2 687	3 410	2 028	678	4 518	13 321
- purchases		244	1 474	2 028	434	4 518	8 698
- transfers from tangible fixed assets in progress		2 443	1 932		244		4 619
- donations			4				4
c) disposals:		(2)	(1 228)	(1 686)	(80)	(5 637)	(8 633)
- sale			(32)	(1 477)		(904)	(2 413)
- liquidation		(2)	(1 186)	(209)	(80)		(1 477)
- steals			(10)				(10)
- transfers to tangible fixed assets						(4 731)	(4 731)
- other						(2)	(2)
d) closing balance of fixed assets, gross value	244	30 702	18 023	26 285	6 286	363	81 903
e) opening balance of cumulative depreciation	34	3 498	7 749	11 388	3 126		25 795
f) depreciation additions:	5	1 357	2 351	3 775	759		8 247
- planned	5	1 357	2 351	3 775	759		8 247
g) depreciation disposals:		(2)	(1 225)	(1 453)	(73)		(2 753)
- sales			(29)	(1 249)			(1 278)
- liquidation		(2)	(1 186)	(204)	(73)		(1 465)
- steals			(10)				(10)
h) closing balance of cumulative depreciation	39	4 853	8 875	13 710	3 812		31 289
i) opening balances of value adjustments		88					88
- additions		61					61
- disposals							
j) closing balances of value adjustments		149					149
k) closing balance of fixed assets, net value	205	25 700	9 148	12 575	2 474	363	50 465

Note 3

Investments on real estate	30 June 2007	31 December 2006
not available		

Note 4

INTANGIBLE FIXED ASSETS	30 June 2007	31 December 2006
Research and development expenditure		
Concessions, patents, licenses and similar assets	1 816	250
Other intangible assets	298	
Total intangible fixed assets	2 114	250

Nota 5 – At 30 June 2007

INTANGIBLE FIXED ASSETS - MOVEMENTS (by group)	research and development	concessions, patents, licences and similar assets	- including computer software	other intangible fixed assets	Total intangible fixed assets
a) gross value at the beginning of the period		2 333	2 324		2 333
b) additions:		1 828	1 828	298	2 126
- purchases		1 828	1 828	298	2 126
- transfers from investments					
c) disposals		(518)	(518)		(518)
- sale					
- other		(518)	(518)		(518)
d) gross value at end of the period		3 643	3 634	298	3 941
e) opening balance of cumulative depreciation		2 083	2 081		2 083
f) depreciation additions		225	225		225
- planned		225	225		225
g) depreciation disposals		(481)	(481)		(481)
- sales					
- other		(481)	(481)		(481)
h) closing balance of cumulative depreciation		1 827	1 826		1 827
i) opening balances of value adjustments					
- additions					
- disposals					
j) closing balances of value adjustments					
k) closing balance of fixed assets, net value		1 816	1 808	298	2 114

Nota 5 – At 31 December 2006

INTANGIBLE FIXED ASSETS - MOVEMENTS (by group)	research and development	concessions, patents, licences and similar assets	- including computer software	other intangible fixed assets	Total intangible fixed assets
a) gross value at the beginning of the period		2 090	2 081		3 734
b) additions:		243	243		243
- purchases		131	131		131
- transfers from investments		112	112		112
c) disposals					
- sale					
d) gross value at end of the period		2 333	2 324		3 977
e) opening balance of cumulative depreciation		1 829	1 822		3 473
f) depreciation additions		254	252		254
- planned		254	252		254
g) depreciation disposals					
h) closing balance of cumulative depreciation		2 083	2 074		3 727
i) opening balances of value adjustments					
- additions					
- disposals					
j) closing balances of value adjustments					
k) closing balance of fixed assets, net value		250	250		250

Note 6

Goodwill	30 June 2007	31 December 2006
Cost - opening balance	1 644	1 644
Cost - closing balance	1 644	1 644
Valuation of allowances and deduction of depreciation opening balance	1 644	1 644
Valuation allowances and deduction of depreciation closing balance	1 644	1 644
Value – opening balance		
Value – closing balance		

Note 7

FINANCIAL ASSETS	30 June 2007	31 December 2006
other shares	56 965	
- including related entities	56 965	
- shares	269 794	299 661
- including related entities	269 794	43 914
- other securities		
- including related entities		
- loans granted	182	809
- including related entities	182	600
- other financial assets		
- including related entities		
Total financial assets	326 941	300 470

Note7 as at 30 June 2007

Long-term financial assets in related entities	Other shares	shares	other securities	loans grantem	other financial assets	Total long-term financial assets in related entitties
a) opening balance of long-term financial assets in related entitties, gross value	43 914	255 748		809		300 470
b) additions:	194 177	14 046		14		208 238
- purchases	194 177	14 046				208 223
- other				14		14
c) disposals	(181 126)			(641)		(181 767)
- sale	(181 126)					(181 126)
- other				(641)		(641)
d) closing balance of long-term financial assets in related entitties, net value	56 965	269 794		182		326 941

Note 8

Long-term receivables and prepaid expenses	30 June 2007	31 December 2006
Long-term receivables		
a) deposit on rental fee	61	64
- including related entities	58	58
b) other long receivables		
- including related entities		
Other prepaid expenses	13	102
Long-term receivables and other prepaid expenses	74	166

Other prepaid expenses	30 czerwca 2007	31 grudnia 2006
Marketing services	13	95
Others		7
Other prepaid expenses	13	102

Note 9

Deferred tax assets	30 June 2007	31 December 2006
Deferred tax asset at beginning of period	2 810	1 481
a) posted to net result	2 343	1 099
b) posted to equity	467	382
Additions	246	2 212
a) posted to net result	246	2 212
b) posted to equity		
Disposals	(2 065)	(883)
a) posted to net result	(1 598)	(883)
b) posted to equity	(467)	
Total deferred tax asset at the end of period, including	991	2 810
a) posted to net result	991	2 428
b) posted to equity		382

Deffered income tax assets from:

Trade debtors	150	
Salaries to pay	675	
Provision for pensions	2	
Provision for holiday equivalents	146	
Provision for premium salary for management		
Bonds discount	18	
Provision for audit		
Deffered income tax assets total	991	

Note 10

Inventory	30 June 2007	31 December 2006
Materials	15	5 574
Merchandises		73 390
Prepayments for inventory		72
Revaluation of inventory		(4 936)
Total inventory	15	74 100

Revaluation of inventory	30 June 2007	31 December 2006
Revaluation of inventory – opening balance	(4 936)	(2 457)
Creating of write-offs – inventory		(2 479)
Reversal of write-offs – inventory	(4 936)	
Revaluation of inventory – closing balance		(4 936)

Pledges	30 June 2007	31 December 2006
Pledges:		69 737
- bank loans – goods		67 937
- warranty		1 800
Total pledges		69 737

Note 11

Receivables	30 June 2007	31 December 2006
Trade debtors	13 295	93 604
<i>including: related entities</i>	2 032	32 505
Taxation, subsidy and social security debtors	2 034	2 384
Subject to legal proceedings	101	140
Other receivables	889	2 040
<i>including: related entities</i>	2	1
Impairment loss for bad debts	(5 603)	(5 552)
Total receivables	10 715	92 616

Change in impairment losses for current bad debts	30 June 2007	31 December 2006
Opening balance - at the beginning of the year	(5 552)	(4 787)
Additions	(322)	(1 082)
Disposals	271	317
Closing balance - at the end of the year	(5 603)	(5 552)

Ageing of trade debtors	30 June 2007	31 December 2006
Due within 1 month	5 006	71 552
Due between 1 and 3 months	3	2 551
Due between 3 and 6 months		
Due between 6 months and 1 year		

Due after 1 year

Overdue trade debtors	8 286	19 501
Impairment loss for trade debtors	(5 603)	(5 412)
Total net trade debtors	7 692	88 192

Ageing of overdue trade debtors	30 June 2007	31 December 2006
1 month	1 278	12 441
between 1 and 3 months	1 448	1 870
between 3 and 6 months	152	216
between 6 months and 1 year	20	443
after 1 year	5 388	4 531
Impairment loss for trade debtors	(5 603)	(5 412)
Total net overdue trade debtors	2 683	14 089

Note 12

Short term financial assets	30 June 2007	31 December 2006
- debt securities	1 991	2 995
<i>including: related entities</i>	1 991	2 995
Total short term financial assets	1 991	2 995

Note 13

Short term prepaid expenses	30 June 2007	31 December 2006
Marketing services		268
Subscriptions, charges and other fees	7	7
Insurance	79	438
Technical assistance	163	84
Perpetual usufruct of land fees	45	
Road permissions		25
Advertisements		1
Electricity	9	3
Stock-exchange quotations	38	
Costs to re-invoice		2
Costs of acquisition	289	
Other	39	4
Total short term prepaid expenses	669	832

Note 14

Cash and cash equivalents	30 June 2007	31 December 2006
Cash at cash desk	20	2
Cash at bank	2 957	52
Other		2 763
Total cash and cash equivalents	2 977	2 817

Note 15

Other short term financial assets	30 June 2007	31 December 2006
Loans	207	2 570
<i>including: related entities</i>	100	
Total other short term financial assets	207	2 570

Note 16

Assets to sell	30 June 2007	31 December 2006
not applicable		

Note 17 – At 30 June 2007

Equity							
Series/ issue	Type of shares	Type of preference	Number of shares	Value of series/ issue in nominal value	Origin of capital	Registration date	Right to dividend (from date)
A	ordinary	none	100 000	100 000	cash	30.11.1994	30.11.1994
B	ordinary	none	2 200 000	2 200 000	cash	26.09.1995	01.01.1995
C	ordinary	none	2 093 700	2 093 700	cash	11.02.1999	01.01.1999
D	ordinary	none	408 400	408 400	cash	25.06.1999	01.01.1999
E	ordinary	none	240 200	240 200	cash	12.12.2001	01.01.2001
F	ordinary	none	259 500	259 500	cash	12.12.2001	01.01.2001
G	ordinary	none	1 333 300	1 333 300	cash	12.12.2001	01.01.2001
H	preference shares	none	2 085 323	2 085 323	contribution - BOS S.A. shares	02.01.2007	01.01.2006
I	preference shares	none	4 203 562	4 203 562	contribution - BOS S.A. shares	02.01.2007	01.01.2006
J	preference shares	none	55 747	55 747	contribution - BOS S.A. shares	11.05.2007	01.01.2006
K	preference shares	none	290 468	290 468	contribution - BOS S.A. shares	11.05.2007	01.01.2006
Total number of shares			13 270 200				
Total equity				13 270 200			
One share nominal value = 1 PLN							

Note 17 – At 31 December 2006

Equity							
Series/ issue	Type of shares	Type of preference	Number of shares	Value of series/ issue in nominal value	Origin of capital	Registration date	Right to dividend (from date)
A	ordinary	none	100 000	100 000	cash	30.11.1994	30.11.1994
B	ordinary	none	2 200 000	2 200 000	cash	26.09.1995	01.01.1995
C	ordinary	none	2 093 700	2 093 700	cash	11.02.1999	01.01.1999
D	ordinary	none	408 400	408 400	cash	25.06.1999	01.01.1999
E	ordinary	none	240 200	240 200	cash	12.12.2001	01.01.2001
F	ordinary	none	259 500	259 500	cash	12.12.2001	01.01.2001
G	ordinary	none	1 333 300	1 333 300	cash	12.12.2001	01.01.2001
H	preference shares	none	2 085 323	2 085 323	contribution - BOS S.A. shares	02.01.2007	01.01.2006
I	preference shares	none	4 203 562	4 203 562	contribution - BOS S.A. shares	02.01.2007	01.01.2006
Total number of shares			12 923 985				
Total equity				12 923 985			
One share nominal value = 1 PLN							

Changes in reserve capital	Reserve capital	Other reserve capital
1 January 2007	1 526	28 576
Net profit (loss) for the period		
30 June 2007	1 526	28 576
1 January 2006	1 526	38 285
Net profit (loss) for the period		6 282
Dividend paid		(15 991)
31 December 2006	1 526	28 576

Note 18

Retained earnings	30 June 2007	31 December 2006
Retained net profit	11 115	(1 942)
- including: corrections of fundamental errors		(1 990)
Net profit (loss) from the current year	8 118	13 056
Total retained earnings	19 233	11 115

Note 19

Long-term bank loans and other	30 June 2007	31 December 2006
Bank loans		43 689
Total long-term bank loans and other		43 689

Note 20

Long-term liabilities	30 June 2007	31 December 2006
not applicable		

Note 21

Provisions	30 June 2007	31 December 2006
Provisions for employees' benefits	778	4 401
a) provision for pensions	10	73
b) provision for holiday equivalents	768	1 536
c) provision for premium salary		2 792
Other provisions		135
a) provision for audit		124
a) provision for warranty		11
Total provisions	778	4 536

Provisions for employees' benefits	30 June 2007	31 December 2006
Long-term	10	73
a) provision for pensions	10	73
Short-term	768	4 328

a) provision for pensions		
b) provision for holiday equivalents	768	1 536
c) provision for premium salary		2 792
Total provisions for employees' benefits	778	4 401

Change of provions for employees' benefits	30 June 2007	31 December 2006
Provision for pensions opening balance	73	57
Additions		18
Disposals	(63)	(2)
Provision for pensions closing balance	10	73
Provision for holiday equivalents opening balance	1 536	1 396
Additions	365	140
Disposals	(1 133)	
Provision for holiday equivalents closing balance	768	1 536
Provision for premium salary opening balance	2 792	69
Additions		3 717
Disposals	(2 792)	(994)
Provision for premium salary closing balance		2 792
Change of provisions for employees' benefits opening balance	4 401	1 522
Additions	365	3 875
Disposals	(3 988)	(996)
Change of provisions for employees' benefits closing balance	778	4 401

Note 22

Deferred tax income - provisions	30 June 2007	31 December 2006
Deferred tax income - provisions opening balance	680	359
a) posted to net result	680	359
b) posted to equity		
Additions	25	1 137
a) posted to net result	25	1 137
b) posted to equity		
Disposals	(463)	(816)
a) posted to net result	(463)	(816)
b) posted to equity		
Deferred tax income - provisions closing balance balance	242	680
a) posted to net result	242	680
b) posted to equity		

Deferred income tax provisions by kind

Bonds' discount

1

Long term bank loans comission.

Difference between tax value and book value of fixed assets	237
Other	4
Deferred income tax provisions by kind	242

Note 23

Short- term bank loans and others	30 June 2007	31 December 2006
Bank loans		11 044
Bonds	19 908	17 948
<i>including: related entities</i>	5 980	7 996
Total short- term bank loans and others	19 908	28 992

Bonds – Emperia Holding SA

Bonds	Total At 30 June 2007	Third parties At 30 June 2007	Stokrotka Sp. z o.o. At 30 June 2007	Eldorado Sp. z o.o. At 30 June 2007
Opening balance	18 000	10 000	8 000	
emission of bonds	55 000	24 000	13 000	18 000
buyout of bonds	(53 000)	(20 000)	(21 000)	(12 000)
Bonds - closing balance	20 000	14 000		6 000

Bonds – Emperia Holding SA

Bonds	Total At 31 December 2006	Third parties At 31 December 2006	Elpro Sp. z o.o. At 31 December 2006	Stokrotka Sp. z o.o. At 31 December 2006
Opening balance	9 600	5 600	4 000	
emission of bonds	97 500	25 700	9 800	62 000
buyout of bonds	(89 100)	(21 300)	(13 800)	(54 000)
Bonds - closing balance	18 000	10 000		8 000

Note 24

Short-term liabilities	30 June 2007	31 December 2006
Trade payables	585	113 064
<i>including: related entities</i>	99	726
Taxation, subsidy and social security	2 511	5 772
Salary	1 971	2 177
Prepayments		44
<i>including: related entities</i>		
Other liabilities	793	1 551
<i>including: related entities</i>	23	16
Total short-term liabilities	5 860	122 608

Ageing of trade payables	30 June 2007	31 December 2006
Due within 1 month	436	75 981
Due between 1 and 3 months		27 099
Due between 3 and 6 months		

Due between 6 months and 1 year

Due after 1 year

Overdue trade debtors	149	9 984
Total trade payables	585	113 064

Ageing of overdue trade payables	30 June 2007	31 December 2006
1 month	130	9 769
between 1 and 3 months	1	202
between 3 and 6 months	6	
between 6 months and 1 year		
after 1 year	12	13
Overdue trade payables	149	9 984

Note 25

Deferred income	30 June 2007	31 December 2006
Settlement of vehicles' damages	2	6
Settlement of estates' damages		
Total deferred income	2	6

Note 26

NET SALES OF PRODUCTS (by type of products)	6 months ended 30 June 2007	6 months ended 30 June 2006
Sales of services	23 820	17 558
- including to related entities	7 878	1 559
Total net sales of products	23 820	17 558
- including to related entities	7 878	1 559
NET SALES OF PRODUCTS (by geographic area)		
Domestic	23 820	17 558
- including to related entities	7 878	1 559
Export		
- including to related entities		
Total net sales of products	23 820	17 558
- including to related entities	7 878	1 559

Note 27

NET SALES OF MERCHANDISES AND MATERIALS (by type of activity)	6 months ended 30 June 2007	6 months ended 30 June 2006
Sales of merchandises and materials	291 720	522 421
- including to related entities	62 211	109 202
Sales of merchandises and materials	291 720	522 421
- including to related entities	62 211	109 202
NET SALES OF MERCHANDISE AND MATERIALS (by geographic area)		
Domestic	291 720	522 421

- including to related entities	62 211	109 202
Export		
- including to related entities		
Total net sales of merchandise and materials	291 720	522 421
- including to related entities	62 211	109 202

Note 28

NON OPERATING INCOME	6 months ended 30 June 2007	6 months ended 30 June 2006
Profit from the disposal of non-financial fixed assets	84	71
Other non operating income	301	224
Total non operating income	385	295

OTHER NON OPERATING INCOME	6 months ended 30 June 2007	6 months ended 30 June 2006
Penalties	7	3
Compensation of vehicle damages	88	177
Compensation of fixed assets damages	6	20
Court proceedings costs	29	20
Transfer rights from rental		
Other	172	5
Total other non operating income	301	224

Note 29

COST BY KIND	6 months ended 30 June 2007	6 months ended 30 June 2006
depreciation and amortisation	(3 476)	(4 162)
materials and energy	(5 038)	(6 944)
external services	(9 331)	(11 646)
payroll	(14 504)	(18 300)
social security and other employee benefits	(3 046)	(3 811)
taxes and charge	(512)	(659)
other costs	(432)	(877)
Total cost by kind of expenditure	(36 339)	(46 399)
Sales costs	(21 640)	(35 960)
Overhead costs	(14 699)	(10 439)
Cost of products sold		
Cost of manufactured computer software		
Payroll		
Salary	(13 978)	(18 300)
social security	(2 610)	(3 262)
company's social benefit fund	(177)	(283)
personnel training	(100)	(74)
other	(685)	(192)
Total payroll	(17 550)	(22 111)

Note 30

NON OPERATING EXPENSES	6 months ended 30 June 2007	6 months ended 30 June 2006
Loss from the sale of non-financial fixed assets		
Revaluation of non-financial assets		(458)
Other non operating expenses	(185)	(215)
Total non operating expenses	(185)	(673)

Other non operating expenses	6 months ended 30 June 2007	6 months ended 30 June 2006
Donations	(3)	(13)
Vehicle damages	(134)	(132)
Fixed assets damages	(6)	(15)
Court proceedings costs	(36)	(33)
Other	(6)	(22)
Total other non operating expenses	(185)	(215)

Note 31

FINANCIAL INCOME	6 months ended 30 June 2007	6 months ended 30 June 2006
Interest	426	334
- including related entities	138	57
Other financial income		
Total financial income	426	334

Interest

	6 months ended 30 June 2007	6 months ended 30 June 2006
Loans granted	70	69
- including related entities	59	57
Interest on overdue receivables	273	265
- including related entities		1
Interest on debt securities	79	
- including related entities	79	
Other interest	4	
- including related entities		
Total interest	426	334

Note 32

FINANCIAL EXPENSES	6 months ended 30 June 2007	6 months ended 30 June 2006
Interest	(1 053)	(1 273)
- including related entities	(98)	(150)
Loss on the disposal of investments		
Other financial expenses		(4)
Total financial expenses	(1 053)	(1 277)

	6 months ended 30 June 2007	6 months ended 30 June 2006
Interest		
Bank loan interest	(626)	(932)
Leasing interest		
- including related entities		
Loans interest		
- including related entities		
Interest on overdue payables	(71)	(60)
- including related entities		
Bonds interest	(353)	(279)
- including related entities	(98)	(150)
Treasury interests	(3)	(2)
Other interest		
- including related entities		
Total interest	(1 053)	(1 273)
Other financial expenses	6 months ended 30 June 2007	6 months ended 30 June 2006
Financial expenses of bank warranty		(4)
Other		
Total other financial expenses		(4)

Note 33

CORPORATE INCOME TAX	6 months ended 30 June 2007	6 months ended 30 June 2006
Gross profit	10 821	5 371
Non taxable revenues		
<u>financial incomes</u>	(22 630)	(112)
<u>non operating incomes</u>	(79)	(57)
	(22 551)	(55)
Other taxable income		
Non taxable costs and losses		
<u>operating costs</u>	27 597	10 190
<u>financial expenses</u>	5 021	9 483
<u>other non operating expenses</u>	97	115
	22 479	592
Additional taxable costs	(8 829)	(8 589)
Taxable revenue	6 959	6 860
Reductions – donations	(3)	(7)
Base of tax calculation	6 956	6 853
Tax amount 19%	(1 322)	(1 302)
CIT paid	(1 322)	(1 302)

Note 34

DEFERRED CORPORATE INCOME TAX	6 months ended 30 June 2007	6 months ended 30 June 2006
Increase (decrease) from temporary differences from previous years	(1 381)	233
Decrease (increase) due to tax loss, tax relief or temporary difference that were not accounted for in previous periods		
Decrease (increase) allowances for corporate income tax – simplify method		(204)
Zmniejszenie (Zwiększenie) z tytułu odroczonego podatku dochodowego z konsolidacji		
Total deferred corporate income tax	(1 381)	27

Note 35

NET PROFIT PRE SHARE	6 months ended 30 June 2007	6 months ended 30 June 2006
Net profit	8 118	4 301
Annualised net profit	16 874	8 683
Quantity of shares – January – March 2007	12 923 985	
Quantity of shares – April 2007	13 004 006	
Quantity of shares – May – June 2007	13 270 200	
Number of shares - weight average	13 052 727	6 635 100,00
Net profit per share	1,29	1,31
Diluted net profit per share	1,29	1,31

Note 36 and 37

DIVIDEND	6 months ended 30 June 2007	6 months ended 30 June 2006
not applicable		

Note 38

THE STRUCTURE OF CASH IN THE STATEMENT OF CASH FLOW	6 months ended 30 June 2007	6 months ended 30 June 2006
Cash in the cash desk		
- opening balance	2	1
- closing balance	20	3
Cash at bank		
- opening balance	81	157
- closing balance	2 957	267
Other cash		
- opening balance		202
- closing balance		2 450
Total cash		
- opening balance	83	360
- closing balance	2 977	2 720

Nota 39

CHANGES IN CASH FLOW POSITIONS	6 months ended 30 June 2007
Receivables – changes	318
- investment receivables correct	
- other	
Short-term payables – changes	3 948
- investment payables correct	
- financial payables correct	
Other adjustments in Cash Flow	115

Lublin, September 2007

Management board of the company

2007-09-28	Artur Kawa	President of the management board	..... signature
2007-09-28	Jarosław Wawerski	Vice - President of the management board	..... signature
2007-09-28	Dariusz Kalinowski	Member of the management board – Financial Director	..... signature
2007-09-28	Jacek Dudzik	Member of the management board – IT Director	..... signature
2007-09-28	Renata Bronisz-Czyż	Member of the management board – Human Resources Director	..... signature
2007-09-28	Jarosław Rudnicki	Member of the management board – Purchase Director	..... signature
2007-09-28	Lesław Syguła	Member of the management board – Restructuring Director	..... signature
2007-09-28	Piotr Laskowski	Member of the management board – Distribution Director	..... signature
2007-09-28	Marek Wesołowski	Member of the management board – Retail Activity Director	..... signature
2007-09-28	Grzegorz Wawerski	Member of the management board – Retail Development Director	..... signature

Signature person responsible for keeping accounting records:

2007-09-28	Elżbieta Świniarska	Economic Director signature
------------	---------------------	-------------------	--------------------