



## **CONSOLIDATED INTERIM REPORT**

**1 ST QUARTER 2008**

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

*(ALL AMOUNTS IN THOUSANDS PLN)*

## 1. Selected financial data

SELECTED FINANCIAL DATA	Thousands PLN		Thousands EURO	
	3 months ended 31 March 2008	3 months ended 31 March 2007	3 months ended 31 March 2008	3 months ended 31 March 2007
I. Net sales of merchandise and finished products	1 297 471	1 067 825	364 725	273 360
II. Profit on operating activities	26 947	22 224	7 575	5 689
III. Profit before taxation	23 698	20 701	6 662	5 299
IV. Net profit (loss)	18 005	16 728	5 061	4 282
V. Net cash flow from operating activities	24 571	24 192	6 907	6 193
VI. Cash flow from investment activities	(32 321)	4 654	(9 086)	1 191
VII. Cash flow from financing activities	(18 829)	(1 312)	(5 293)	(336)
VIII. Total net cash flows	(26 579)	27 534	(7 471)	7 049
IX. Total assets	1 548 440	1 189 352	439 174	307 366
X. Liabilities and provisions for liabilities	844 559	806 204	239 537	208 348
XI. Long-term liabilities	147 295	108 926	41 776	28 150
XII. Short-term liabilities	694 264	697 278	196 910	180 198
XIII. Equity	706 881	377 801	200 488	97 636
XIV. Share capital	14 993	13 004	4 252	3 361
XV. Number of shares	14 992 732	13 004 006	14 992 732	13 004 006
XVI. Number of shares (weighted average)	14 992 732	12 923 985	14 992 732	12 923 985
XVII. Net profit per ordinary share (in PLN / EUR)	5,98	2,37	1,68	0,61
XVIII. Diluted net profit (loss) per ordinary share (in PLN / EURO)	5,98	2,37	1,68	0,61
XIX. Book value per ordinary share (in PLN / EURO)	47,15	29,23	13,37	7,55
XX. Diluted book value per ordinary share (in PLN / EURO)	47,15	29,23	13,37	7,55
XXI. Dividend per share (PLN)	0,89*	1,74	0,25	0,45

\* dividend per share was calculated for number of Emitent's shares on the day, when the report has been prepared – 14 992 732 number of shares

Average rate of Exchange for points I-VIII,XVII-XXI: 2008 - 3,5574 PLN/EURO  
2007 - 3,9063 PLN/EURO

Exchange rate for points IX-XIII: as at 31.03.2008 – 3,5258 PLN/EURO  
as at 31.03.2007 – 3,8695 PLN/EURO

## 2. Consolidated financial statements

### Profit & loss statement

	3 months ended 31 March 2008	3 months ended 31 March 2007
Sales	1 297 471	1 067 825
Cost of sales	(1 108 040)	(922 997)
<b>Gross profit (loss)</b>	<b>189 431</b>	<b>144 828</b>
Other operating income	7 395	4 700
Selling costs	(153 328)	(107 475)
Overhead costs	(14 529)	(16 731)
Other operating expenses	(2 022)	(3 098)
<b>Operating profit (loss)</b>	<b>26 947</b>	<b>22 224</b>
Finance income	726	3 410
Finance costs	(3 975)	(4 933)
<b>Profit (loss) before income tax</b>	<b>23 698</b>	<b>20 701</b>
Income tax	(5 693)	(3 973)
Net profit (loss)	<b>18 005</b>	<b>16 728</b>

<b>Net profit (loss) (annualized)</b>	89 694	30 649
<b>Weighted average number of ordinary shares*</b>	14 992 732	12 923 985
<b>Profit (loss) per ordinary share (in PLN)</b>	5,98	2,37

\*weighted average number of ordinary share in 2008: January – March 14 992 732  
weighted average number of ordinary share in 2007: January – March 12 923 985

### Consolidated balance sheet

	As At 31 March 2008	As At 31 March 2007
<b>ASSETS</b>		
<b>Non-current basset</b>		
Property, plant, equipment	444 587	336 891
Real estates	16 039	4 388
Intangible assets	3 732	1 595
Financial assets	10 496	2 664
Goodwill	195 419	142 377
Long-term receivables	14 360	9 950
Deferred tax assets	17 130	12 469
<b>Total non-current assets</b>	<b>701 763</b>	<b>510 334</b>
<b>Current assets</b>		
Inventory	381 643	297 051
Receivables	384 737	328 851
Income tax receivables	4 260	4 494
Short-term securities		
Prepaid expenses	9 730	6 239
Cash and cash equivalents	65 753	40 187
Other financial assets	86	2 196

Tangible assets destined for sale	468	
<b>Total current assets</b>	<b>846 677</b>	<b>679 018</b>
<b>Total assets</b>	<b>1 548 440</b>	<b>1 189 352</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	14 993	13 004
Share Premium	536 227	276 333
Capital reserve	22 353	7 497
Other reserve capital	46 588	44 669
Capital from evaluation		
Retained earnings	84 696	36 298
<b>Total Equity capital assigned Stockholders from dominant company</b>	<b>704 857</b>	<b>377 801</b>
Equity capital minority stockholders	2 024	5 347
<b>Total Equity</b>	<b>706 881</b>	<b>383 148</b>
<b>Long-term liabilities</b>		
Bank loans, borrowings and bonds	130 051	96 674
Long-term liabilities	2 022	3 017
Provisions	3 494	431
Provisions for deferred tax	11 728	8 804
<b>Total long-term liabilities</b>	<b>147 295</b>	<b>108 926</b>
<b>Short-term liabilities</b>		
Bank loans, borrowings and bonds	63 352	171 260
Short-term liabilities	608 210	503 983
Income tax liabilities	2 478	7 944
Provisions	19 297	12 979
Deferred revenues and accruals	927	1 112
<b>Total short term liabilities</b>	<b>694 264</b>	<b>697 278</b>
<b>Total equity and liabilities</b>	<b>1 548 440</b>	<b>1 189 352</b>

<b>Book value</b>	706 881	377 801
<b>Weighted average number of ordinary shares *</b>	14 992 732	12 923 985
<b>Book value per share (in PLN)</b>	47,15	29,23

\*weighted average number of ordinary share in 2008: January – March 14 992 732

weighted average number of ordinary share in 2007: January – March 12 923 985

### 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>As at 1 January 2008</b>	<b>14 993</b>	<b>536 227</b>	<b>22 353</b>	<b>46 837</b>		<b>66 888</b>	<b>2 024</b>	<b>689 322</b>
Change of accounting policy								
<b>As at 1 January 2008 adjusted</b>	<b>14 993</b>	<b>536 227</b>	<b>22 353</b>	<b>46 837</b>		<b>66 888</b>	<b>2 024</b>	<b>689 322</b>
Net profit (loss) for the period						18 005		18 005
Inversion of price reduction on non-current assets to MSSF because of sale						(197)		(197)
Result of merger Detail Koncept with Polka (before no consolidated)				(249)				(249)
<b>As At 31 March 2008</b>	<b>14 993</b>	<b>536 227</b>	<b>22 353</b>	<b>46 588</b>		<b>84 696</b>	<b>2 024</b>	<b>706 881</b>
<b>As at 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>As at 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 the period						16 100	627	16 727
Change as a result of merger						1 453	4 720	6 173
Issue of new shares	80	3 041						3 121
<b>As at 31 March 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>

## Consolidated Cash flow statement

	3 months ended 31 March 2008	3 months ended 31 March 2007
Net profit (loss)	18 005	16 728
Adjustments for:	6 566	7 464
Depreciation	12 111	8 765
Foreign exchange gain (loss)	75	(30)
Interest	7 397	3 182
Income tax	6 472	2 876
Loss (profit) on investments	(5 843)	(1 332)
Change In provisions	697	2 936
Change In inventories	(37 522)	(14 645)
Change In receivables	(36 751)	15 247
Change In deferred revenues and accruals	(3 200)	(3 496)
Change In payables	62 708	(28)
Other adjustments	8 295	(2 546)
Income tax paid	(7 873)	(3 465)
<b>Net cash flow from operations</b>	<b>24 571</b>	<b>24 192</b>
<b>Incomes</b>	<b>15 587</b>	<b>29 800</b>
Disposal of tangible and intangible fixed assets	7 458	376
Disposal of financial assets	1 818	8
Interest gained	40	276
Repayment of given loans		1 005
Cash flow from company's takeover	6 239	28 135
Other	32	
<b>Outgoings</b>	<b>(47 908)</b>	<b>(25 146)</b>
Purchase of tangible and intangible fixed assets	(35 148)	(22 973)
Investments In properties	(3 166)	
Purchase of dependent subjects	(8 522)	(121)
Purchase of financial assets	(828)	(1 809)
Given loans		(110)
Other	(244)	(133)
<b>Net cash flow on investments</b>	<b>(32 321)</b>	<b>4 654</b>
<b>Income</b>	<b>25 663</b>	<b>39 239</b>
Loans and borrowings acquired	25 366	10 752
Issue of short-term bonds		25 264
Issue of shares		3 221
Other	297	2
<b>Outgoings</b>	<b>(44 492)</b>	<b>(40 551)</b>
Repayment of loans and borrowings	(40 660)	(11 791)
Repayment of bonds		(25 000)
Financial leasing payments	(269)	(168)
Interest paid	(3 563)	(3 592)
<b>Net Cash flow from investments</b>	<b>(18 829)</b>	<b>(1 312)</b>
<b>Total net Cash flow</b>	<b>(26 579)</b>	<b>27 534</b>
Foreign exchange gain (loss)	(75)	
<b>Cash and Cash equivalents opening balance</b>	<b>92 407</b>	<b>12 653</b>
<b>Cash and Cash equivalents closing balance</b>	<b>65 753</b>	<b>40 187</b>

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

SELECTED FINANCIAL DATA	Thousands PLN		Thousands EURO	
	3 months ended 31 March 2008	3 months ended 31 March 2007	3 months ended 31 March 2008	3 months ended 31 March 2007
I. Net sales of merchandise and finished products	13 001	304 503	3 655	77 952
II. Profit on operating activities	1 638	4 189	460	1 072
III. Profit before taxation	2 237	3 628	629	929
IV. Net profit (loss)	1 677	2 812	471	720
V. Net cash flow from operating activities	4 279	10 448	1 203	2 675
VI. Cash flow from investment activities	(21 837)	(4 465)	(6 138)	(1 143)
VII. Cash flow from financing activities	(1 000)	(2 461)	(281)	(630)
VIII. Total net cash flows	(18 558)	3 522	(5 217)	902
IX. Total assets	598 211	543 010	169 667	140 331
X. Liabilities and provisions for liabilities	12 558	209 644	3 562	54 179
XI. Long-term liabilities	488	49 101	138	12 689
XII. Short-term liabilities	12 070	160 543	3 423	41 489
XIII. Equity	585 653	333 366	166 105	86 152
XIV. Share capital	14 993	13 004	4 252	3 361
XV. Numbers of shares	14 992 732	13 004 006	14 992 732	13 004 006
XVI. Number of shares (weighted average)	14 992 732	12 923 985	14 992 732	12 923 985
XVII. Net profit per ordinary share (in PLN / EUR)	0,90	1,09	0,25	0,28
XVIII. Diluted net profit (loss) per ordinary share (in PLN / EURO)	0,90	1,09	0,25	0,28
XIX. Book value per ordinary share (in PLN / EURO)	39,06	25,79	11,08	6,67
XX. Diluted book value per ordinary share (in PLN / EURO)	39,06	25,79	11,08	6,67
XXI. Dividend per share (PLN)	0,89*	1,74	0,25	0,45

Average rate of Exchange for points I-VIII,XVII-XXI: 2008 - 3,5574 PLN/EURO  
2007 - 3,9063 PLN/EURO

Exchange rate for points IX-XIII: as at 31.03.2008 – 3,5258 PLN/EURO  
as at 31.03.2007 – 3,8695 PLN/EURO

## Profit and loss statement

	<b>3 months ended 31 March 2008</b>	<b>3 months ended 31 March 2007</b>
Sales	13 001	304 503
Cost of sales	(7 878)	(272 887)
<b>Gross profit (loss)</b>	<b>5 123</b>	<b>31 616</b>
Other operating income	140	147
Selling costs	(1)	(20 395)
Overhead costs	(3 582)	(6 969)
Other operating expenses	(42)	(210)
<b>Operating profit (loss)</b>	<b>1 638</b>	<b>4 189</b>
Finance income	1 600	295
Finance costs	(1 001)	(856)
<b>Profit (loss) before income tax</b>	<b>2 237</b>	<b>3 628</b>
Income tax	(560)	(816)
Net profit (loss)	<b>1 677</b>	<b>2 812</b>

<b>Net profit (loss) (annualized)</b>	13 495	14 065
<b>Weighted average number of ordinary shares</b>	14 992 732	12 923 985
<b>Profit (loss) per ordinary share (in PLN)</b>	0,90	1,09



## Stand alone balance sheet

	As at 31 March 2008	As at 31 March 2007
<b>Non-current basset</b>	<b>484 539</b>	<b>356 872</b>
Property, plant, equipment and investments	40 318	49 859
Real estates	3 166	
Intangible assets	2 642	545
Financial assets	437 133	303 240
Receivables and prepayments	74	172
Deferred tax assets	1 206	3 056
<b>Current assets</b>	<b>113 672</b>	<b>186 138</b>
Inventory	278	83 354
Receivables and prepayments	8 176	88 285
Short-term securities	90 616	3 491
Prepaid expenses	566	1 399
Cash and cash equivalents	14 036	6 339
Other financial assets		3 270
<b>Total assets</b>	<b>598 211</b>	<b>543 010</b>
<b>Equity</b>	<b>585 653</b>	<b>333 366</b>
Share capital	14 993	13 004
Share Premium	536 226	276 333
Capital reserve	1 526	1 526
Other reserve capital	18 542	28 576
Capital from evaluation		
Retained earnings	14 366	13 927
<b>Long-term liabilities</b>	<b>488</b>	<b>49 101</b>
Bank loans, borrowings and bonds		48 323
Provisions	43	73
Provisions for deferred tax	445	705
<b>Short-term liabilities</b>	<b>12 070</b>	<b>160 543</b>
Bank loans, borrowings and bonds		19 740
Short-term liabilities	8 123	133 441
Income tax liabilities	64	3 199
Provisions	3 883	4 130
Deferred revenues and accruals		33
<b>Total equity and liabilities</b>	<b>598 211</b>	<b>543 010</b>

<b>Book value</b>		585 653		333 366
<b>Number of shares</b>		14 992 732		12 923 985
<b>Book value per share (in PLN)</b>		39,06		25,79

## 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 2008</b>	<b>14 993</b>	<b>536 227</b>	<b>1 526</b>	<b>18 542</b>		<b>12 689</b>	<b>583 977</b>
Change of accounting Policy							
<b>As at 1 January 2008 adjusted</b>	<b>14 993</b>	<b>536 227</b>	<b>1 526</b>	<b>18 542</b>		<b>12 689</b>	<b>583 977</b>
Net profit (loss) for the period						1 677	1 677
Issue of new shares		(1)					(1)
<b>As at 31 March 2008</b>	<b>14 993</b>	<b>536 226</b>	<b>1 526</b>	<b>18 542</b>		<b>14 366</b>	<b>585 653</b>
<b>As at 1 January 2007</b>	<b>12 924</b>	<b>273 292</b>	<b>1 526</b>	<b>28 576</b>		<b>11 115</b>	<b>327 433</b>
Change of accounting policy							
<b>As at 1 January 2007 adjusted</b>	<b>12 924</b>	<b>273 292</b>	<b>1 526</b>	<b>28 576</b>		<b>11 115</b>	<b>327 433</b>
Net profit (loss) for the period						2 812	2 812
Issue of new shares	80	3 041					3 121
<b>As at 31 March 2007</b>	<b>13 004</b>	<b>276 333</b>	<b>1 526</b>	<b>28 576</b>		<b>13 927</b>	<b>333 366</b>

## Stand alone cash flow statement

	<b>3 months ended 31 March 2008</b>	<b>3 months ended 31 March 2007</b>
Net profit (loss)	1 677	2 812
Adjustments for:	<b>2 602</b>	<b>7 636</b>
Depreciation	951	2 201
Interest	(1 274)	788
Income tax	560	816
Loss (profit) on investments	(9)	(72)
Change In provisions	249	(309)
Change In inventories	(272)	(9 254)
Change In receivables	2 346	3 809
Change In deferred revenues and accruals	(177)	(795)
Change In payables	(39)	10 541
Other adjustments	1 000	(89)
Income tax paid	(733)	
<b>Net cash flow from operations</b>	<b>4 279</b>	<b>10 448</b>
<b>Incomes</b>	<b>87 333</b>	<b>12 761</b>
Disposal of tangible and intangible fixed assets	333	671
Disposal of financial assets	87 000	12 000
Interest gained		90
Repayment of given loans		
Other		
<b>Outgoings</b>	<b>(109 170)</b>	<b>(17 226)</b>
Purchase of tangible and intangible fixed assets	(5 570)	(1 255)
Investments In properties	(3 166)	
Purchase of dependent subjects	(8 522)	(15 871)
Purchase of financial assets	(91 912)	(100)
Given loans		
Other		
<b>Net cash flow on investments</b>	<b>(21 837)</b>	<b>(4 465)</b>
<b>Incomes</b>		<b>31 115</b>
Loans and borrowings acquired		5 158
Issue of short term bond		22 836
Issue of shares		3 121
Other		
<b>Outgoings</b>	<b>(1 000)</b>	<b>(33 576)</b>
Repayment of loans and borrowings		(1 788)
Repayment of bonds		(31 000)
Interest paid		(788)
Dividends paid		
Other	(1 000)	
<b>Net Cash flow from investments</b>	<b>(1 000)</b>	<b>(2 461)</b>
<b>Total net Cash flow</b>	<b>(18 558)</b>	<b>3 522</b>
<b>Cash and Cash equivalents opening balance</b>	<b>32 594</b>	<b>2 817</b>
<b>Cash and Cash equivalents closing balance</b>	<b>14 036</b>	<b>6 339</b>

#### 4. Selected financial data by segments

In Emperia Group following segments can be separated:

- 1 Wholesale
- 2 Retail
- 3 Other

thousands PLN

	Wholesale	Retail	Other	Consolidation exemptions	Total
Sale	1 092 276	345 259	26 433	166 497	1 297 471
Sale (external customers)	946 110	340 576	10 785		1 297 471
Sale (internal customers)	146 166	4 683	15 648	166 497	
Costs	(1 078 472)	(340 090)	(24 041)	(166 706)	(1 275 897)
Costs (external customers)	(932 323)	(335 401)	(8 173)		(1 275 897)
Costs (internal customers)	(146 149)	(4 689)	(15 868)	(166 706)	
Result on other operating activity	1 389	2 870	1 114		5 373
Result on financial activity	(2 136)	(895)	(217)		(3 248)
Gross profit	13 040	7 150	3 509		23 699
Income tax	(3 485)	(1 368)	(841)		(5 694)
Net profit	9 555	5 782	2 668		18 005

	Wholesale	Retail	Other	Company's value form Consolidation	Total
Assets	896 610	284 807	171 604	195 419	1 547 509
Equity & liabilities	754 656	142 541	650 312		1 547 509

	Wholesale	Retail	Other	Total
Capital expenditures	(10 831)	(12 833)	(13 821)	(37 485)
Depreciation	(5 319)	(5 142)	(1 871)	(12 332)