



CONSOLIDATED INTERIM REPORT

2 ND QUARTER 2008

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS**

(ALL AMOUNTS IN THOUSANDS PLN)

LUBLIN, AUGUST 2008

1. Selected financial data

SELECTED FINANCIAL DATA	Thousands PLN		Thousands EURO	
	6 months ended 30 June 2008	6 months ended 30 June 2007	6 months ended 30 June 2008	6 months ended 30 June 2007
I. Net sales of merchandise and finished products	2 633 969	2 181 912	757 410	566 937
II. Profit on operating activities	57 631	66 268	16 572	17 219
III. Profit before taxation	51 866	61 425	14 914	15 960
IV. Net profit (loss)	40 081	49 389	11 525	12 833
V. Net cash flow from operating activities	12 270	47 163	3 528	12 255
VI. Cash flow from investment activities	(58 379)	(18 519)	(16 787)	(4 812)
VII. Cash flow from financing activities	38 424	13 084	11 049	3 400
VIII. Total net cash flows	(7 685)	41 728	(2 210)	10 842
IX. Total assets	1 613 528	1 242 865	481 047	330 040
X. Liabilities and provisions for liabilities	884 981	822 003	263 843	218 281
XI. Long-term liabilities	187 237	229 242	55 822	60 875
XII. Short-term liabilities	697 744	592 761	208 021	157 406
XIII. Equity	727 002	420 862	216 744	111 759
XIV. Share capital	15 115	13 270	4 506	3 524
XV. Number of shares	15 115 161	13 270 200	15 115 161	13 270 200
XVI. Number of shares (weighted average)	15 013 137	13 052 727	15 013 137	13 052 727
XVII. Net profit per ordinary share (in PLN / EUR)*	5,27	4,51	1,52	1,17
XVIII. Diluted net profit (loss) per ordinary share (in PLN / EURO)*	5,27	4,51	1,52	1,17
XIX. Book value per ordinary share (in PLN / EURO)**	48,10	31,71	14,34	8,42
XX. . Diluted book value per ordinary share (in PLN / EURO)**	48,10	31,71	14,34	8,42
XXI. Dividend per share (PLN)**	0,88	1,74	0,26	0,46

* dividend per share was calculated for number of Emitent's shares (weighted average)

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

Average rate of Exchange for points I-VIII, XVII-XXI: 2008 - 3,4776 PLN/EURO
2007 - 3,8486 PLN/EURO

Exchange rate for points IX-XIII: as at 30.06.2008 – 3,3542 PLN/EURO
as at 30.06.2007 – 3,7658 PLN/EURO

2. Consolidated financial statements

Consolidated balance sheet

	As At 30 June 2008	As At 31 March 2008	As At 30 June 2007	As At 31 March 2007
Non-current asset	737 555	701 763	521 622	510 334
Property, plant, equipment	467 425	444 587	340 119	336 891
Real estates	15 966	16 039	4 369	4 388
Intangible assets	4 706	3 732	3 219	1 595
Goodwill	195 525	195 419	147 816	142 377
Financial assets	10 997	10 496	3 848	2 664
Long-term receivables	24 639	14 360	9 197	9 950
Deferred tax assets	18 297	17 130	13 054	12 469
Current assets	875 973	846 677	721 243	679 018
Inventory	404 300	381 643	301 268	297 051
Receivables	381 647	384 737	358 592	328 851
Income tax receivables	2 099	4 260	409	4 494
Short-term securities	3			
Prepaid expenses	2 630	9 730	6 398	6 239
Cash and cash equivalents	84 625	65 753	54 383	40 187
Other financial assets	201	86	193	2 196
Tangible assets destined for sale	468	468		
Total assets	1 613 528	1 548 440	1 242 865	1 189 352
Equity	728 547	706 881	420 862	383 148
Share capital	15 115	14 993	13 270	13 004
Share Premium	549 559	536 227	286 448	276 333
Capital reserve	90 862	22 353	22 353	7 497
Other reserve capital	59 873	46 588	56 871	44 669
Capital from evaluation				
Retained earnings	11 593	84 696	41 920	36 298
Total Equity capital assigned Stockholders from dominant company	727 002	704 857	420 862	377 801
Equity capital minority stockholders	1 545	2 024		5 347
Long-term liabilities	187 237	147 295	229 242	108 926
Bank loans, borrowings and bonds	170 520	130 051	217 019	96 674
Long-term liabilities	1 860	2 022	1 606	3 017
Provisions	3 164	3 494	458	431
Provisions for deferred tax	11 693	11 728	10 159	8 804
Short-term liabilities	697 744	694 264	592 761	697 278
Bank loans, borrowings and bonds	66 832	63 352	79 213	171 260
Short-term liabilities	607 330	608 210	500 717	503 983
Income tax liabilities	4 422	2 478	3 119	7 944
Provisions	18 175	19 297	8 963	12 979
Deferred revenues and accruals	985	927	749	1 112
Total equity and liabilities	1 613 528	1 548 440	1 242 865	1 189 352

Book value	727 002	420 862
Weighted average number of ordinary shares	15 115 161	13 270 200
Book value per share (in PLN)	48,10	31,71

Profit & loss statement

	3 months ended 30 June 2008	6 months ended 30 June 2008	3 months ended 30 June 2007	6 months ended 30 June 2007
Sales	1 336 498	2 633 969	1 114 087	2 181 912
Cost of sales	(1 147 444)	(2 255 484)	(946 160)	(1 869 157)
Gross profit (loss)	189 054	378 485	167 927	312 755
Other operating income	3 962	11 357	14 573	19 273
Selling costs	(164 122)	(317 450)	(114 752)	(222 227)
Overhead costs	5 109	(9 420)	(22 473)	(39 204)
Other operating expenses	(3 319)	(5 341)	(1 231)	(4 329)
Operating profit (loss)	30 684	57 631	44 044	66 268
Finance income	648	1 374	4 163	7 573
Finance costs	(3 164)	(7 139)	(7 483)	(12 416)
Profit (loss) before income tax	28 168	51 866	40 724	61 425
Income tax	(6 092)	(11 785)	(8 063)	(12 036)
Net profit (loss)	22 076	40 081	32 661	49 389

Net profit (loss) (annualized)	79 109		58 815
Weighted average number of ordinary shares*	15 013 137		13 052 727
Profit (loss) per ordinary share (in PLN)	5,27		4,51

*weighted average number of ordinary share in 2008: January – May 14 992 732, June 15 115 161

weighted average number of ordinary share 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
As at 1 January 2008	14 993	536 227	22 353	46 837		66 888	2 024	689 322
Change of accounting policy								
As at 1 January 2008 adjusted	14 993	536 227	22 353	46 837		66 888	2 024	689 322
Net profit (loss) for the period						40 081		40 081
Inversion of price reduction on non-current assets to MSSF because of sale						(197)		(197)
Result of merger Detal Koncept with Polka (before no consolidated)				(249)				(249)
Changes as a result of merger						(84)	(479)	(563)
Issue of new shares	122	13 332						13 454
Distribution of profits			68 509	13 285		(81 794)		
Dywidend for 2007						(13 301)		(13 301)
As At 30 June 2008	15 115	549 559	90 862	59 873		11 593	1 545	728 547
As at 1 April 2008	14 993	536 227	22 353	46 588		84 696	2 024	706 881
Change of accounting policy								
As at 1 April 2008 adjusted	14 993	536 227	22 353	46 588		84 696	2 024	706 881
Net profit (loss) for the period						22 076		22 076
Change as a result of merger						(84)	(479)	(563)
Issue of new shares	122	13332						13 454
Distribution of profits			68 509	13 285		(81 794)		
Dywidend for 2007						(13 301)		(13 301)
As at 30 June 2008	15 115	549 559	90 862	59 873		11 593	1 545	728 547

	Share capital	Share premium	Reserve capital	Other reserve capital	Retained earnings	Minority capital	Total equity
As at 1 January 2007	12 924	273 292	7 497	44 669	18 745		357 127
Change of accounting policy							
As at 1 January 2007 adjusted	12 924	273 292	7 497	44 669	18 745		357 127
Net profit (loss) for the period					49 389		49 389
Change as a result of merger					844		844
Issue of new shares	346	13 156					13 502
Distribution of profits			14 856	12 202	(27 058)		
As At 31 June 2007	13 270	286 448	22 353	56 871	41 920		420 862
As at 1 April 2007	13 004	276 333	7 497	44 669	36 298	5 347	383 148
Change of accounting policy							
As at 1 April 2007 adjusted	13 004	276 333	7 497	44 669	36 298	5 347	383 148
Net profit (loss) for the period					33 289	(628)	32 661
Change as a result of merger					(609)	(4 719)	(5 328)
Issue of new shares	266	10 115					10 381
Distribution of profits			14 856	12 202	(27 058)		
Revaluation of financial instruments							
As At 31 June 2007	13 270	286 448	22 353	56 871	41 920		420 862

Consolidated Cash flow statement

	3 months ended 30 June 2008	6 months ended 30 June 2008	3 months ended 30 June 2007	6 months ended 30 June 2007
Net profit (loss)	22 076	40 081	32 661	49 389
Adjustments for:	(34 377)	(27 811)	(9 690)	(2 226)
Depreciation	12 682	24 793	9 702	18 467
Foreign exchange gain (loss)	22	97	(68)	(98)
Interest (dividend)	(17 677)	(10 280)	5 911	9 093
Income tax	6 102	12 574	7 383	10 259
Loss (profit) on investments	(1 626)	(7 469)	(9 554)	(10 886)
Change In provisions	(1 452)	(755)	(4 025)	(1 089)
Change In inventories	(22 657)	(60 179)	(7 451)	(22 096)
Change In receivables	3 464	(33 287)	(21 086)	(5 839)
Change In deferred revenues and accruals	(3 615)	(6 815)	(1 057)	(4 553)
Change In payables	(1 042)	61 666	14 288	14 260
Other adjustments	(3 735)	4 560	4 802	2 256
Income tax paid	(4 843)	(12 716)	(8 535)	(12 000)
Net cash flow from operations	(12 301)	12 270	22 971	47 163
Incomes	2 217	17 804	5 664	35 464
Disposal of tangible and intangible fixed assets	3 749	11 207	(2 940)	(2 564)
Disposal of financial assets	(1 623)	195	9 936	9 944
Dividend gained				
Interest gained	59	99	127	403
Repayment of given loans			(38)	967
Cash flow from company's takeover		6 239	(1 421)	26 714
Other	32	64		
Outgoings	(28 275)	(76 183)	(28 837)	(53 983)
Purchase of tangible and intangible fixed assets	(27 525)	(62 673)	(24 633)	(47 606)
Investments in properties	(16)	(3 182)		
Purchase of dependent subjects	(956)	(9 478)	(24)	(145)
Purchase of financial assets	530	(298)	(42)	(1 851)
Given loans	(200)	(200)	(4 190)	(4 300)
Other	(108)	(352)	52	(81)
Net cash flow on investments	(26 058)	(58 379)	(23 173)	(18 519)
Income	44 159	69 822	111 491	150 730
Loans and borrowings acquired	30 591	55 957	116 162	126 914
Issue of short-term bonds			(1 551)	23 713
Issue of shares	13 463	13 463	(3 221)	
Other	105	402	101	103
Outgoings	13 094	(31 398)	(97 095)	(137 646)
Repayment of loans and borrowings	17 378	(23 282)	(98 934)	(110 725)
Repayment of bonds			5 328	(19 672)
Financial leasing payments	(276)	(545)	(308)	(476)
Interest paid	(4 008)	(7 571)	(3 534)	(7 126)
Other			353	353
Net Cash flow from investments	57 253	38 424	14 396	13 084
Total net Cash flow	18 894	(7 685)	14 194	41 728
Foreign exchange gain (loss)	(22)	(97)	2	2
Cash and Cash equivalents opening balance	65 753	92 407	40 187	12 653
Cash and Cash equivalents closing balance	84 625	84 625	54 383	54 383

3. Stand alone financial statement EMPERIA S.A.

SELECTED FINANCIAL DATA	Thousands PLN		Thousands EURO	
	6 months ended 30 June 2008	6 months ended 30 June 2007	6 months ended 30 June 2008	6 months ended 30 June 2007
I. Net sales of merchandise and finished products	26 814	315 540	7 710	81 988
II. Profit on operating activities	3 256	11 448	936	2 975
III. Profit before taxation	466	10 821	134	2 812
IV. Net profit (loss)	(444)	8 118	(128)	2 109
V. Net cash flow from operating activities	4 915	1 470	1 413	382
VI. Cash flow from investment activities	(20 347)	(5 670)	(5 851)	(1 473)
VII. Cash flow from financing activities	9 113	4 360	2 620	1 133
VIII. Total net cash flows	(6 319)	160	(1 817)	42
IX. Total assets	606 336	376 128	180 769	99 880
X. Liabilities and provisions for liabilities	22 650	27 075	6 753	7 190
XI. Long-term liabilities	530	252	158	67
XII. Short-term liabilities	22 120	26 823	6 595	7 123
XIII. Equity	583 686	349 053	174 016	92 690
XIV. Share capital	15 115	13 270	4 506	3 524
XV. Numbers of shares	15 115 161	13 270 200	15 115 161	13 270 200
XVI. Number of shares (weighted average)	15 013 137	13 052 727	15 013 137	13 052 727
XVII. Net profit per ordinary share (in PLN / EUR)*	0,40	1,29	0,12	0,34
XVIII. Diluted net profit (loss) per ordinary share (in PLN / EURO)*	0,40	1,29	0,12	0,34
XIX. Book value per ordinary share (in PLN / EURO)**	38,62	26,30	11,51	6,98
XX. Diluted book value per ordinary share (in PLN / EURO)**	38,62	26,30	11,51	6,98
XXI. Dividend per share (PLN)**	0,88	1,74	0,26	0,46

* dividend per share was calculated for number of Emitent's shares (weighted average)

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

Average rate of Exchange for points I-VIII, XVII-XXI: 2008 - 3,4776 PLN/EURO
2007 - 3,8486 PLN/EURO

Exchange rate for points IX-XIII: as at 30.06.2008 – 3,3542 PLN/EURO
as at 30.06.2007 – 3,7658 PLN/EURO

Stand alone balance sheet

	As at 30 June 2008	As at 31 March 2008	As at 30 June 2007	As at 31 March 2007
Non-current basset	503 330	484 539	359 554	356 872
Property, plant, equipment and investments	40 254	40 318	29 434	49 859
Real estates	3 166	3 166		
Intangible assets	3 475	2 642	2 114	545
Financial assets	454 919	437 133	326 941	303 240
Receivables and prepayments	522	74	74	172
Deferred tax assets	994	1 206	991	3 056
Current assets	103 006	113 672	16 574	186 138
Deferred tax assets	968	278	15	83 354
Receivables and prepayments	9 171	8 176	10 715	88 285
Zaliczka na podatek dochodowy				
Short-term securities	65 829	90 616	1 991	3 491
Prepaid expenses	562	566	669	1 399
Cash and cash equivalents	26 275	14 036	2 977	6 339
Other financial assets	201		207	3 270
Total assets	606 336	598 211	376 128	543 010
Equity	583 686	585 653	349 053	333 366
Share capital	15 115	14 993	13 270	13 004
Share Premium	549 559	536 226	286 448	276 333
Capital reserve	1 526	1 526	1 526	1 526
Other reserve capital	19 871	18 542	28 576	28 576
Capital from evaluation				
Retained earnings	(2 385)	14 366	19 233	13 927
Long-term liabilities	530	488	252	49 101
Bank loans, borrowings and bonds				48 323
Provisions	42	43	10	73
Provisions for deferred tax	488	445	242	705
Short-term liabilities	22 120	12 070	26 823	160 543
Bank loans, borrowings and bonds			19 908	19 740
Short-term liabilities	19 598	8 123	5 860	133 441
Income tax liabilities	95	64	285	3 199
Provisions	2 414	3 883	768	4 130
Deferred revenues and accruals	13		2	33
Total equity and liabilities	606 336	598 211	376 128	543 010

Book value	583 686	349 053
Number of shares	15 115 161	13 270 200
Book value per share (in PLN)	38,62	26,30

Profit and loss statement

	3 months ended 30 June 2008	6 months ended 30 June 2008	3 months ended 30 June 2007	6 months ended 30 June 2007
Sales	13 813	26 814	11 037	315 540
Cost of sales	(8 576)	(16 454)	4 934	(267 953)
Gross profit (loss)	5 237	10 360	15 971	47 587
Other operating income	160	300	238	385
Selling costs	(1)	(2)	(1 245)	(21 640)
Overhead costs	(3 748)	(7 330)	(7 730)	(14 699)
Other operating expenses	(30)	(72)	25	(185)
Operating profit (loss)	1 618	3 256	7 259	11 448
Finance income	1 572	3 172	131	426
Finance costs	(4 961)	(5 962)	(197)	(1 053)
Profit (loss) before income tax	(1 771)	466	7 193	10 821
Income tax	(350)	(910)	(1 887)	(2 703)
Net profit (loss)	(2 121)	(444)	5 306	8 118

Net profit (loss) (annualized)		6 068		16 873
Weighted average number of ordinary shares		15 013 137		13 052 727
Profit (loss) per ordinary share (in PLN)		0,40		1,29

*weighted average number of ordinary share in 2008: January – May 14 992 732, June 15 115 161

weighted average number of ordinary share 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	Retained earnings	Total equity
As at 1 January 2008	14 993	536 227	1 526	18 542	12 689	583 977
Change of accounting policy						
As at 1 January 2008 adjusted	14 993	536 227	1 526	18 542	12 689	583 977
Net profit (loss) for the period					(444)	(444)
The issue of new shares	122	13 332				13 454
Distribution of profits				1 329	(1 329)	
Dywidend for 2007					(13 301)	(13 301)
As at 30 June 2008	15 115	549 559	1 526	19 871	(2 385)	583 686
As at 1 April 2008	14 993	536 227	1 526	18 542	14 366	585 654
Change of accounting policy						
As at 1 April 2008 adjusted	14 993	536 227	1 526	18 542	14 366	585 654
Net profit (loss) for the period					(2 121)	(2 121)
The issue of new shares	122	13 332				13 454
Distribution of profits				1 329	(1 329)	
Dywidend for 2007					(13 301)	(13 301)
As at 30 June 2008	15 115	549 559	1 526	19 871	(2 385)	583 686

	Share capital	Share premium	Reserve capital	Other reserve capital	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
Revaluation of financial instruments						
The issue of new shares	346	13 156				13 502
Dywidend for 2006						
As At 30 June 2007	13 270	286 448	1 526	28 576	19 233	349 053
As at 1 April 2007	13 004	276 333	1 526	28 576	13 927	333 366
Change of accounting policy						
As at 1 January 2007 adjusted	13 004	276 333	1 526	28 576	13 927	333 366
Net profit (loss) for the period					5 306	5 306
Revaluation of financial instruments						
The issue of new shares	266	10 115				10 381
Dywidend for 2006						
As At 30 June 2007	13 270	286 448	1 526	28 576	19 233	349 053

Stand alone cash flow statement

	3 months ended 30 June 2008	6 months ended 30 June 2008	3 months ended 30 June2007	6 months ended 30 June2007
Net profit (loss)	(2 121)	(444)	5 306	8 118
Adjustments for:	2 757	5 359	(14 284)	(6 648)
Depreciation	1 304	2 255	1 275	3 476
Interest (dividend)	(1 268)	(2 542)	63	851
Income tax	350	910	1 886	2 702
Loss (profit) on investments	1 580	1 571	(141)	(213)
Change In provisions	(1 469)	(1 220)	(2 258)	(2 567)
Change In inventories	(690)	(962)	(2 774)	(12 028)
Change In receivables	298	2 644	(3 491)	318
Change In deferred revenues and accruals	95	(82)	974	179
Change In payables	(732)	(771)	(6 593)	3 948
Other adjustments	3 354	4 354	(26)	(115)
Income tax paid	(65)	(798)	(3 200)	(3 200)
Net cash flow from operations	636	4 915	(8 978)	1 470
Incomes	185 979	273 312	12 975	25 736
Disposal of tangible and intangible fixed assets	1 477	1 810	207	878
Disposal of financial assets	184 500	271 500	9 668	21 700
Dividend gained				
Interest gained	2	2		58
Other			3 100	3 100
Outgoings	(184 489)	(293 659)	(14 180)	(31 406)
Purchase of tangible and intangible fixed assets	(3 919)	(9 489)	(5 249)	(6 504)
Investments in properties	(16)	(3 182)		
Purchase of dependent subjects	(21 905)	(30 427)		
Purchase of financial assets	(158 449)	(250 361)		(4 185)
Given loans	(200)	(200)		
Other			(8 931)	(20 717)
Net cash flow on investments	1 490	(20 347)	(1 205)	(5 670)
Income	13 463	13 463	28 650	59 765
Loans and borrowings acquired				5 158
Issue of short-term bonds			31 771	54 607
Issue of shares	13 463	13 463	(3 121)	
Other				
Outgoings	(3 350)	(4 350)	(21 829)	(55 405)
Repayment of loans and borrowings				(1 788)
Repayment of bonds			(21 672)	(52 672)
Financial leasing payments				
Interest paid			788	
Dividend paid			(945)	(945)
Other	(3 350)	(4 350)		
Net Cash flow from investments	10 113	9 113	6 821	4 360
Total net Cash flow	12 239	(6 319)	(3 362)	160
Foreign exchange gain (loss)				
Cash and Cash equivalents opening balance	14 036	32 594	6 339	2 817
Cash and Cash equivalents closing balance	26 275	26 275	2 977	2 977

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	2 246 098	702 791	53 817	368 737	2 633 969
Sale (external customers)	1 913 960	696 812	23 197		2 633 969
Sale (internal customers)	332 138	5 979	30 620	368 737	
Costs	(2 205 326)	(693 164)	(49 875)	(366 011)	(2 582 354)
Costs (external customers)	(1 875 843)	(687 229)	(19 282)		(2 582 354)
Costs (internal customers)	(329 483)	(5 935)	(30 593)	(366 011)	
Result on other operating activity	1 714	2 859	1 443		6 016
Result on financial activity	(5 025)	(2 020)	1 280		(5 765)
Gross profit	34 806	10 422	6 638		51 866
Income tax	(8 726)	(1 834)	(1 225)		(11 785)
Net profit	26 080	8 588	5 413		40 081

	Wholesale	Retail	Other	Company's value form Consolidation	Total
Assets	917 733	294 966	205 304	195 525	1 613 528
Equity & liabilities	774 779	147 737	691 012		1 613 528

	Wholesale	Retail	Other	Total
Capital expenditures	14 278	21 717	26 678	62 673
Depreciation	10 355	10 337	4 101	24 793