



# **CONSOLIDATED FINANCIAL STATEMENT**

**HALF-YEAR REPORT 2008**

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL  
REPORTING STANDARDS**

*(ALL AMOUNTS IN THOUSANDS PLN)*

LUBLIN, SEPTEMBER 2008

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## 1. Selected financial data

SELECTED FINANCIAL DATA	PLN		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	2 626 483	2 181 912	755 257	566 937
II. Profit on operating activities	54 254	66 268	15 601	17 219
III. Profit (loss) before taxation	48 521	61 425	13 952	15 960
IV. Net profit (loss)	35 618	49 389	10 242	12 833
V. Net cash flow from operating activities	(4 320)	47 163	(1 242)	12 255
VI. Cash flow from investment activities	(42 151)	(18 519)	(12 121)	(4 812)
VII. Cash flow from financing activities	38 490	13 084	11 068	3 400
VIII. Total net cash flows	(7 981)	41 728	(2 295)	10 842
IX. Total assets	1 612 567	1 242 865	480 761	330 040
X. Liabilities and provisions for liabilities	888 288	822 003	264 829	218 281
XI. Long-term liabilities	187 298	229 242	55 840	60 875
XII. Short-term liabilities	700 990	592 761	208 989	157 406
XIII. Equity	724 279	420 862	215 932	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 - weight average	15 013 137	13 052 727	15 013 137	13 052 727
XVII. Net profit per ordinary share (in PLN / EUR) (annualized)	4,97	4,51	1,43	1,17
XVIII. Diluted net profit per ordinary share (in PLN / EUR) (annualized)	4,97	4,51	1,43	1,17
XIX. Book value per share (in PLN / EUR)	47,92	32,24	14,29	8,56
XX. Diluted book value per share (in PLN/ EUR)	47,92	32,24	14,29	8,56
XXI. Declared or paid dividend (in PLN / EUR)	0,88	1,74	0,26	0,46

\* dividend per share was calculated for number of Emitent's shares (weighted average) 2008: January – May 14 992 732, June 15 115 161 and in 2007: January – March 12 923 985, April 13 004 006, May – June 13 270 200

\*\* dividend per share was calculated for number of Emitent's shares on the day, when the report has been prepared – 2008: 15 115 161 and 2007: 13 270 200

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. Balance sheet

	Note Nr	30 June 2008	31 December 2007
<b>Total Non-current Assets</b>		<b>730 516</b>	<b>690 101</b>
Property, plant, equipment and investments	1,2	465 747	435 856
Investments – real estates	3	15 966	4 743
Intangible assets	4,5	4 683	3 576
Goodwill	6	196 131	183 182
Financial assets	7	13 422	32 765
Receivables and prepayments	8	17 211	13 866
Deferred tax assets	9	17 356	16 113
<b>Total Current Assets</b>		<b>882 051</b>	<b>797 101</b>
Inventory	10	404 292	344 121
Receivables and prepayments	11	379 231	349 254
Income tax receivables		2 107	3 962
Short-term securities	12	3	4
Prepaid expenses	13	10 156	5 762
Cash and cash equivalents	14	84 329	92 407
Other financial assets	15	201	86
Assets assigned for sale	16	1 732	1 505
<b>Total Assets</b>		<b>1 612 567</b>	<b>1 487 202</b>
<b>Total Equity</b>		<b>724 279</b>	<b>689 322</b>
Share capital	17	15 115	14 770
Share capital not registered			223
Share premium		549 559	536 227
Capital reserve		90 862	22 353
Other reserve capital		59 873	46 837
Retained earnings	18	7 302	66 888
<b>Total Equity capital assigned Stockholders from dominant company</b>		<b>722 711</b>	<b>687 298</b>
Equity capital of the minority stockholders		1 568	2 024
<b>Total Long Term Liabilities</b>		<b>187 298</b>	<b>145 088</b>
Bank loans, borrowings and bonds	19	170 255	129 610
Long-term liabilities	20	1 860	1 966
Provisions	21	3 164	3 050
Deferred revenues and accruals	22	12 019	10 462
<b>Total Short Term Liabilities</b>		<b>700 990</b>	<b>652 792</b>
Bank loans, borrowings and bonds	23	67 105	80 797
Short-term liabilities	24	610 241	545 557
Income tax liabilities		4 368	6 242
Provisions	21	18 273	19 044
Other accrued liabilities	25	1 003	1 152
<b>Total Liabilities and Equity</b>		<b>1 612 567</b>	<b>1 487 202</b>

<b>Book value</b>	724 279	689 322
<b>Number of shares</b>	15 115 161	14 992 732
<b>Book value per share (in PLN)</b>	47,92	45,98

### 3. Profit and loss

	Note	30 June 2008	31 December 2007
Sales		<b>2 626 483</b>	<b>2 181 912</b>
- including related entities		332	3 842
Sales of products and services	26	80 232	112 179
Sales of goods and materials	27	2 546 251	2 069 733
Cost of sales		<b>(2 222 542)</b>	<b>(1 869 157)</b>
- including related entities		(266)	(324)
Cost of manufactured products sold		(29 003)	(7 861)
Cost of goods and materials sold		(2 193 539)	(1 861 296)
<b>Gross profit (loss)</b>		<b>403 941</b>	<b>312 755</b>
Other operating income	28	10 945	19 273
Selling costs	29	(310 202)	(222 227)
Overhead costs	29	(43 323)	(39 204)
Other operating expenses	30	(7 107)	(4 329)
<b>Operating profit (loss)</b>		<b>54 254</b>	<b>66 268</b>
Finance income	31	1 374	7 573
Finance costs	32	(7 107)	(12 416)
<b>Profit (loss) before income tax</b>		<b>48 521</b>	<b>61 425</b>
Income tax		<b>(12 903)</b>	<b>(12 036)</b>
Current	33	(12 130)	(10 935)
Deferred	34	(773)	(1 101)
<b>Net profit</b>		<b>35 618</b>	<b>49 389</b>
Net profit for the dominant stockholders		<b>35 595</b>	<b>49 389</b>
Net profit for the minority stockholders		<b>23</b>	<b>0</b>

<b>Net profit (loss) (annualized)</b>	74 645	58 815
<b>Number of shares - weight average *</b>	15 013 137	13 052 727
<b>Net profit (loss) per ordinary share (in PLN) (annualized)</b>	4,97	4,51

\* Number of shares - weight average 2008: January – May 14 992 732, June 15 115 161

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

#### 4. Changes in equity

	Share capital	Share premium	Reserve capital	Other reserve capital	Capital from revaluation	Retained Earnings	The minority stockholders	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						35 595	23	<b>35 618</b>
Result of merger Detal Konzept with Polka (before no consolidated)				(249)				<b>(249)</b>
Result of merger						(86)	(479)	<b>(565)</b>
Issue of the new shares	122	13 332						<b>13 454</b>
Distribution of profits			68 509	13 285		(81 794)		
Dividend for 2007						(13 301)		<b>(13 301)</b>
<b>As at 30 June 2008</b>	<b>15 115</b>	<b>549 559</b>	<b>90 862</b>	<b>59 873</b>		<b>7 302</b>	<b>1 568</b>	<b>724 279</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						49 389		<b>49 389</b>
Change as a result of merger						844		<b>844</b>
Issue of the new shares	346	13 156						<b>13 502</b>
Distribution of profits			14 856	12 202		(27 058)		
<b>As at 30 June 2007</b>	<b>13 270</b>	<b>286 448</b>	<b>22 353</b>	<b>56 871</b>		<b>41 920</b>		<b>420 862</b>

**5. Cash Flow**

	Note	6 months ended 30 June 2008	6 months ended 30 June 2007
<b>Net profit (loss)</b>		<b>35 618</b>	<b>49 389</b>
<b>Adjustments provided by operating activities:</b>		<b>(40 035)</b>	<b>(2 226)</b>
Depreciation		24 821	18 467
Foreign exchange gain (loss)		97	(98)
Interest		6 510	9 093
Corporate income tax		12 903	10 259
Loss (profit) on investments		(3 923)	(10 886)
Change in provisions		(1 280)	(1 089)
Change in inventories		(40 894)	(22 096)
Change in receivables	38	(3 834)	(5 839)
Change in deferred revenues and accruals		(7 767)	(4 553)
Change in payables	38	(11 331)	14 260
Other adjustments		(2 539)	2 256
Corporate income tax paid		(12 701)	(12 000)
<b>Net cash flow from operations</b>		<b>(4 320)</b>	<b>47 163</b>
<b>Inflows</b>		<b>32 016</b>	<b>35 464</b>
Disposal of tangible and intangible fixed assets		8 569	(2 564)
Disposal of financial assets		45	9 944
Dividends received			
Interest received		99	403
Repayment of granted loans			967
Cash from company's takeover		23 239	26 714
Other		64	
<b>Outflows</b>		<b>(74 167)</b>	<b>(53 983)</b>
Purchase of tangible and intangible fixed assets		(60 656)	(47 606)
Real estates purchase		(3 182)	
Purchase of dependent subjects		(9 428)	(145)
Purchase of financial assets		( 298)	(1 851)
Given loans		( 200)	(4 300)
Other		( 403)	(81)
<b>Net cash flow from investment activities</b>		<b>(42 151)</b>	<b>(18 519)</b>
<b>Inflows</b>		<b>69 822</b>	<b>150 730</b>
Loans and borrowings acquired		55 957	126 914
Issuance of debt securities			23 713
Issue of the new share		13 463	
Other		402	103
<b>Outflows</b>		<b>(31 332)</b>	<b>(137 646)</b>
Repayment of loans and borrowings		(23 216)	(110 725)
Redemption of debt securities			(19 672)
Payment of liabilities arising from financial leases		( 545)	(476)
Interest paid		(7 571)	(7 126)
Dividends paid			
Other			353

## EMPERIA HOLDING SA

all amounts in thousands PLN

Consolidated financial statement 30 June 2008

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<b>Net cash flow from financial activities</b>		<b>38 490</b>	<b>13 084</b>
<b>Total net Cash flow</b>		<b>(7 981)</b>	<b>41 728</b>
Foreign exchange gain (loss)		(97)	2
<b>Cash and Cash equivalents opening balance</b>	37	92 407	12 653
<b>Cash and Cash equivalents closing balance</b>	<b>37</b>	<b>84 329</b>	<b>54 383</b>

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## 6. Other Information and explanatory notes

### Note 1

TANGIBLE FIXED ASSETS	30 June 2008	31 December 2007
Freehold land	50 032	46 342
- <i>right for perpetual usufruct</i>	14 641	13 345
Buildings and constructions	261 231	245 783
Equipment and machines	60 639	53 360
Vehicles	41 854	36 615
Other tangible fixed assets	31 784	25 062
Tangible fixed assets in progress	20 207	28 694
Prepayments for construction in progress		
<b>Total tangible fixed assets</b>	<b>465 747</b>	<b>435 856</b>

TANGIBLE FIXED ASSETS IN PROGRESS	30 June 2008	31 December 2007
Freehold land	2 592	427
- <i>right for perpetual usufruct</i>	2 072	427
Buildings and constructions	14 696	22 716
Equipment and machines	1 451	2 427
Vehicles	7	163
Other tangible fixed assets in progress	1 461	2 961
<b>Total tangible fixed assets in progress</b>	<b>20 207</b>	<b>28 694</b>

TANGIBLE FIXED ASSETS BASED ON RENTAL, LEASING	30 June 2008	31 December 2007
Freehold land	628	
- <i>right for perpetual usufruct</i>	628	
Buildings and constructions	136 443	634 456
Equipment and machines	260	1 705
Vehicles	25 445	2 040
Other		338
<b>Total</b>	<b>162 776</b>	<b>638 539</b>
<b>Wright for perpetual usufruct value</b>	<b>3 408</b>	

Pledges	30 June 2008	31 December 2007
Deposit	800	4 160
Pledges:	5 529	9 901
- <i>bank loans – goods</i>	5 529	9 901
Mortgage	60 106	63 064
- <i>bank loans – goods</i>	60 106	63 064
<b>Total pledges</b>	<b>66 435</b>	<b>77 125</b>

Note 2 – 30.06.2008

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
<b>a) opening balance of fixed assets, gross value</b>	<b>48 705</b>	<b>291 531</b>	<b>96 559</b>	<b>58 835</b>	<b>48 599</b>	<b>28 694</b>	<b>572 923</b>
b) additions:	7 114	33 225	13 853	12 767	10 709	67 950	<b>145 618</b>
- purchases	258	870	4 267	7 196	1 977	67 947	<b>82 515</b>
- purchases as a result of company takeover		261	65	2 355	476	3	<b>3 160</b>
- transfers from tangible fixed assets in progress	6 856	32 082	6 157	3 122	7 770		<b>55 987</b>
- donations			12				<b>12</b>
- leasing				17			<b>17</b>
- other		12	3 352	77	486		<b>3 927</b>
c) disposals	(3 341)	(12 606)	(3 710)	(5 327)	(1 657)	(76 437)	<b>(103 078)</b>
- sale	(756)	(3 414)	(1 784)	(4 104)	(854)	(73)	<b>(10 985)</b>
- liquidation		(18)	(1 588)	(28)	(698)		<b>(2 332)</b>
- activity transfer		(7 303)	(301)	(448)	(105)		<b>(8 157)</b>
- transfer to tangible fixed assets						(76 297)	<b>(76 297)</b>
- other	(2 585)	(1 871)	(37)	(747)		(67)	<b>(5 307)</b>
<b>d) gross value at the end of the period</b>	<b>52 478</b>	<b>312 150</b>	<b>106 702</b>	<b>66 275</b>	<b>57 651</b>	<b>20 207</b>	<b>615 463</b>
<b>e) opening balance of cumulative depreciation</b>	<b>2 363</b>	<b>45 223</b>	<b>42 734</b>	<b>22 220</b>	<b>23 399</b>		<b>135 939</b>
<b>f) depreciation additions</b>	125	7 218	6 568	6 577	4 075		<b>24 563</b>
- planned	125	7 166	6 551	6 122	3 730		<b>23 694</b>
- as a result of company takeover		52	17	455	345		<b>869</b>
g) depreciation disposals:	(42)	(2 061)	(3 401)	(4 376)	(1 607)		<b>(11 487)</b>
- sales		(298)	(1 728)	(3 500)	(923)		<b>(6 449)</b>
- liquidation		(6)	(1 466)	(28)	(610)		<b>(2 110)</b>
- activity transfer		(818)	(178)	(251)	(74)		<b>(1 321)</b>
- other	(42)	(939)	(29)	(597)			<b>(1 607)</b>
<b>h) closing balance of cumulative depreciation</b>	<b>2 446</b>	<b>50 380</b>	<b>45 901</b>	<b>24 421</b>	<b>25 867</b>		<b>149 015</b>
<b>i) opening balances of value adjustments</b>		525	465		138		<b>1 128</b>
- additions		28	4				<b>32</b>
- additions as a result of company takeover							
- disposals		(14)	(307)		(138)		<b>(459)</b>
<b>j) closing balances of value adjustments</b>		539	162				<b>701</b>
<b>k) closing balance of fixed assets, net value</b>	<b>50 032</b>	<b>261 231</b>	<b>60 639</b>	<b>41 854</b>	<b>31 784</b>	<b>20 207</b>	<b>465 747</b>

Nota 2 – rok 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
<b>a) opening balance of fixed assets, gross value</b>	<b>14 122</b>	<b>126 592</b>	<b>41 948</b>	<b>30 402</b>	<b>23 069</b>	<b>5 040</b>	<b>241 173</b>
b) additions:	<b>36 454</b>	<b>184 257</b>	<b>71 793</b>	<b>57 470</b>	<b>34 511</b>	<b>153 998</b>	<b>538 483</b>
- purchases	214	15 299	8 290	10 291	4 344	129 665	168 103
- purchases as a result of company takeover	19 539	126 964	47 201	29 281	15 787	24 300	263 072
- transfers from tangible fixed assets in progress	16 701	26 983	14 091	4 367	9 935		72 077
- donations			15	2	1		18
- other		15 011	2 196	13 529	4 444	33	35 213
c) disposals	<b>(1 871)</b>	<b>(19 318)</b>	<b>(17 182)</b>	<b>(29 037)</b>	<b>(8 981)</b>	<b>(130 344)</b>	<b>(206 733)</b>
- sale	(1 398)	(8 725)	(4 556)	(4 652)	(1 635)	(613)	(21 579)
- liquidation		(1 537)	(2 345)	(42)	(665)		(4 589)
- distribution			(11)		(2)		(13)
- transfer of intangible fixed assets						(129 608)	(129 608)
- other	(473)	(9 056)	(10 270)	(24 343)	(6 679)	(123)	(50 944)
<b>d) closing balance of fixed assets, gross value</b>	<b>48 705</b>	<b>291 531</b>	<b>96 559</b>	<b>58 835</b>	<b>48 599</b>	<b>28 694</b>	<b>572 923</b>
<b>e) opening balance of cumulative depreciation</b>	<b>1 227</b>	<b>16 288</b>	<b>18 477</b>	<b>15 256</b>	<b>11 676</b>		<b>62 924</b>
<b>f) depreciation additions:</b>	<b>1 181</b>	<b>33 731</b>	<b>37 206</b>	<b>24 718</b>	<b>18 316</b>		<b>115 152</b>
- planned	171	10 711	10 184	10 556	6 405		38 027
- as a result of company takeover	1 010	23 020	27 022	14 162	11 911		77 125
g) depreciation disposals:	<b>(45)</b>	<b>(4 796)</b>	<b>(12 949)</b>	<b>(17 754)</b>	<b>(6 593)</b>		<b>(42 137)</b>
- sales	(21)	(873)	(3 628)	(3 741)	(1 983)		(10 246)
- liquidation		(1 124)	(2 123)	(36)	(554)		(3 837)
- other	(24)	(2 799)	(7 198)	(13 977)	(4 056)		(28 054)
h) closing balance of cumulative depreciation	<b>2 363</b>	<b>45 223</b>	<b>42 734</b>	<b>22 220</b>	<b>23 399</b>		<b>135 939</b>
i) opening balances of value adjustments		<b>915</b>	<b>118</b>				<b>1 033</b>
- additions		392	131		22		545
- additions as a result of company takeover		95	922	6	226		1 249
- disposals		(878)	(705)	(6)	(110)		(1 699)
j) closing balances of value adjustments		<b>524</b>	<b>466</b>		<b>138</b>		<b>1 128</b>
<b>k) closing balance of fixed assets, net value</b>	<b>46 342</b>	<b>245 784</b>	<b>53 359</b>	<b>36 615</b>	<b>25 062</b>	<b>28 694</b>	<b>435 856</b>

**Note 3**

<b>INVESTMENTS ON REAL ESTATE</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
<b>Gross value at the beginning of the period</b>	4 820	
<b>Additions</b>	12 184	4 820
- purchase	3 166	145
- purchases as a result of company takeover		4622
- other	9 018	53
<b>Disposals</b>		
- alienation		
- other		
<b>Gross value at end of the period</b>	<b>17 082</b>	<b>4 820</b>
<b>Opening balance of depreciation</b>	77	
<b>Additions</b>	961	77
planned	128	
other (transfer from tangible assets) as a result of company takeover	833	
<b>Disposals</b>		
<b>Closing balance of depreciation</b>	<b>1 116</b>	<b>77</b>
<b>Net value at the end of the period</b>	<b>15 966</b>	<b>4 743</b>
<b>Rental income</b>	64	180
<b>Direct operating cost from real estate committed to rent</b>	36	11
<b>Direct operating cost from real estate no committed to rent</b>	335	17

**Note 4**

<b>INTANGIBLE FIXED ASSETS</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Research and development expenditure		
Concessions, patents, licenses and similar assets	2 897	2 417
Other intangible fixed assets	118	92
Intangible fixed assets don't engage to use	1 668	1 067
<b>Intangible fixed assets total</b>	<b>4 683</b>	<b>3 576</b>

Note 5 – 3 June 2008

INTANGIBLE FIXED ASSETS - MOVEMENTS (by group)	Goodwill	concessions, patents, licenses and similar assets:	- including computer software	intangible fixed assets didn't passed to use	Total intangible fixed assets
<b>a) gross value at the beginning of the period</b>		<b>11 155</b>	<b>1 734</b>	<b>1 067</b>	<b>13 956</b>
b) additions:		2 662	57	742	3 461
- purchases		1 336		727	2 063
- purchases as a result of company takeover		1 139	53		1 192
- transfers from investments		123			123
- leasing					
- other		64	4	15	83
c) disposals		(41)		(141)	(182)
- sale		(26)			(26)
- transfer of intangible fixed assets				(141)	(141)
- other		(15)			(15)
<b>d) gross value at the end of the period</b>		<b>13 776</b>	<b>1 791</b>	<b>1 668</b>	<b>17 235</b>
<b>e) opening balance of cumulative depreciation</b>		<b>8 570</b>	<b>1 641</b>		<b>10 210</b>
f) depreciation additions		1 356	32		1 388
- planned		1 095	32		1 127
- as a result of company takeover		261	2		261
g) depreciation disposals		(41)			(41)
- sales		(25)			(25)
- other		(16)			(16)
<b>h) closing balance of cumulative depreciation</b>		<b>9 885</b>	<b>1 673</b>		<b>11 558</b>
<b>i) opening balances of value adjustments</b>		<b>168</b>			<b>168</b>
- additions					
- additions as a result of company takeover		826			826
- disposals					
j) closing balances of value adjustments		994			994
<b>k) closing balance of fixed assets, net value</b>		<b>2 897</b>	<b>118</b>	<b>1 668</b>	<b>4 683</b>

Note 5 – 2007

INTANGIBLE FIXED ASSETS - MOVEMENTS (by group)	Goodwill	concessions, patents, licenses and similar assets:	- including computer software	intangible fixed assets didn't passed to use	Total intangible fixed assets
<b>a) gross value at the beginning of the period</b>	<b>1 644</b>	<b>3 731</b>	<b>277</b>		<b>5 652</b>
b) additions:		<b>8 792</b>	<b>1 534</b>	<b>1 762</b>	<b>12 088</b>
- purchases		2 581		1 692	4 273
- purchases as a result of company takeover		5 962	1 534	70	7 566
- transfers from investments		369			369
- other		(120)			(120)
c) disposals		<b>(1 368)</b>	<b>(77)</b>	<b>(695)</b>	<b>(2 140)</b>
- sale		(51)	(7)		(58)
- transfer of intangible fixed assets				(695)	(695)
- other	(1 644)	(1 317)	(70)		(3 031)
<b>d) gross value at the end of the period</b>		<b>11 155</b>	<b>1 734</b>	<b>1 067</b>	<b>13 956</b>
<b>e) opening balance of cumulative depreciation</b>	<b>1 644</b>	<b>3 384</b>	<b>174</b>		<b>5 202</b>
f) depreciation additions		<b>6 169</b>	<b>1 539</b>		<b>7 708</b>
- planned		1 763	180		1 943
- as a result of company takeover		4 406	1 359		5 765
g) depreciation disposals	<b>(1 644)</b>	<b>(983)</b>	<b>(71)</b>		<b>(2 698)</b>
- sales		(50)			(50)
- other	(1 644)	(933)	(71)		(2 648)
<b>h) closing balance of cumulative depreciation</b>		<b>8 570</b>	<b>1 642</b>		<b>10 212</b>
<b>i) opening balances of value adjustments</b>					
- additions		41			41
- additions as a result of company takeover		632			632
- disposals		(505)			(505)
j) closing balances of value adjustments		<b>168</b>			<b>168</b>
<b>k) closing balance of fixed assets, net value</b>		<b>2 417</b>	<b>92</b>	<b>1 067</b>	<b>3 576</b>

**Note 6**

<b>Goodwill</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
<b>Opening balance</b>	<b>183 182</b>	
Additional goodwill as a result of company takeover	12 949	186 005
Way out from books as a result of related entities liquidation (Rexpol)		(2 823)
Other		
<b>Closing balance</b>	<b>196 131</b>	<b>183 182</b>
<b>Book value at the beginning of the period</b>	<b>183 182</b>	
<b>Book value at the end of the period</b>	<b>196 131</b>	<b>183 182</b>

**Note 7**

<b>FINANCIAL ASSETS</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
other shares	5 900	29 570
- including related entities	5 542	28 997
- shares	5 855	1 528
- including related entities	5 688	1 528
- other securities		
- including related entities		
- loans granted	1 667	1 667
- including related entities		182
- other financial assets		
- including related entities		
<b>Total financial assets</b>	<b>13 422</b>	<b>32 765</b>

<b>Long-term financial assets in related entities</b>	<b>other shares</b>	<b>shares</b>	<b>other securities</b>	<b>loans granted</b>	<b>other financial assets</b>	<b>Total long-term financial assets in related entities</b>
<b>a) opening balance of long-term financial assets in related entities, gross value</b>	<b>28 997</b>	<b>1 528</b>		<b>182</b>		<b>30 707</b>
b) additions:	3 564	4 160				7 724
- purchases	3 564	4 160				7 724
- purchases as a result of company takeover						
- other						
c) disposals	(27 019)			(182)		(27 201)
- sale						
- liquidation						
- other	(27 019)			(182)		(27 201)
<b>d) closing balance of long-term financial assets in related entities, net value</b>	<b>5 542</b>	<b>5 688</b>				<b>11 230</b>

**Note 8**

<b>Long-term receivables and prepaid expenses</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Long-term receivables	6 789	4 769
a) deposit on rental fee	6 168	3 936
- including related entities		
b) other long receivables	621	833
- including related entities		
Other prepaid expenses	10 422	9 097
<b>Long-term receivables and other prepaid expenses</b>	<b>17 211</b>	<b>13 866</b>

<b>Other prepaid expenses</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Marketing services		11
Rent	3 864	4 531
Concessions, licenses	146	9
Compensation	6 165	4 479
Other	247	67
<b>Other prepaid expenses</b>	<b>10 422</b>	<b>9 097</b>

**Note 9**

<b>Deferred tax assets</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Deferred tax asset at beginning of period	16 113	4 656
a) posted to net result	6 750	4 234
b) posted to equity	73	422
c) acquisition of entities	9 290	
Additions	8 916	16 113
a) posted to net result	8 567	6 750
b) posted to equity		73
c) acquisition of entities	349	9 290
Disposals	(7 673)	(4 656)
a) posted to net result	(7 673)	(4 656)
b) posted to equity		
<b>Total deferred tax asset at the end of period, including</b>	<b>17 356</b>	<b>16 113</b>
<b>a) posted to net result</b>	<b>16 934</b>	<b>6750</b>
<b>b) posted to equity</b>	<b>73</b>	<b>73</b>
<b>c) acquisition of entities</b>	<b>349</b>	<b>9 290</b>

<b>Deferred income tax assets from:</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Trade debtors	2 274	1 776
Salaries to pay	4 983	5 440
Provision for pensions	546	525
Provision for holiday equivalents	2 298	1 814
Provision for premium salary for management	406	946
Bonds discount	16	97
Provision for audit	73	114



Provisions on bank warranty		1
Interests from received loans	3	535
Other cost – interests counted	49	88
Revaluation of inventory	3 238	2 478
Other	3 470	2 299
<b>Deferred income tax assets total</b>	<b>17 356</b>	<b>16 113</b>

**Note 10**

<b>Inventory</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Materials	8 881	7 705
Merchandises	413 102	349 446
Finished products	14	10
Revaluation of inventory	(17 705)	(13 040)
<b>Total inventory</b>	<b>404 292</b>	<b>344 121</b>

<b>Revaluation of inventory</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
<i>Revaluation of inventory – opening balance</i>	(13 040)	(5 309)
<i>Creating of write-offs - inventory</i>	(10 974)	(22 203)
<i>Creating of write – offs – as o result of company takeover</i>	(784)	
<i>Reversal of write- offs - inventory</i>	7 093	14 472
<b>Revaluation of inventory – closing balance</b>	<b>(17 705)</b>	<b>(13 040)</b>

<b>Pledges</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Deposits	65 324	61 347
- bank loans	65 324	61 347
Pledges	21 113	115 338
- bank loans	16 591	68 262
- warranty	4 522	47 076
<b>Total pledges</b>	<b>86 437</b>	<b>176 685</b>

**Note 11**

<b>Receivables</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Trade debtors	357 989	328 391
<i>including: related entities</i>	276	507
Taxation, subsidy and social security debtors	27 164	25 340
Subject to legal proceedings	12 752	12 464
Prepayments	3 194	612
Other receivables	9 430	12 024
<i>including: related entities</i>	53	2
Impairment loss for bad debts	(31 298)	(29 577)
<b>Total receivables</b>	<b>379 231</b>	<b>349 254</b>

<b>Change in impairment for current bad debts</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Opening balance – at the beginning of the period	(29 577)	(6 718)
- including related entities	(218)	(2)
Additions	(4 742)	(7 340)
- including related entities		(266)
Additions as a result of company takeover	(714)	(25 774)
Disposals	3 021	10 255
- including related entities		50
exploitation	436	3 911
- including related entities		
dissolution	2 585	6 344
- including related entities		50
<b>Closing balance – at the end of the year</b>	<b>(31 298)</b>	<b>(29 577)</b>
- including related entities	(218)	(218)

<b>Pledges</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
<b>Deposit</b>	<b>5 000</b>	<b>45 600</b>
- bank loans	5 000	45 600
<b>Pledges:</b>	<b>12 200</b>	<b>4 000</b>
- bank loans	12 000	4 000
- other	200	
<b>Cession</b>	<b>127 865</b>	<b>79 086</b>
- bank loans	116 920	79 086
- other	10 945	
<b>Total pledges</b>	<b>145 065</b>	<b>128 686</b>

<b>Ageing of trade debtors</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Due within 1 month	235 516	177 820
Due between 1 and 3 months	11 550	25 457
Due between 3 and 6 months	348	279
Due between 6 months and 1 year	584	234
Due after 1 year	268	2
Overdue trade debtors	109 723	124 600
Impairment loss for trade debtors	(18 657)	(16 947)
<b>Total net trade debtors</b>	<b>339 332</b>	<b>311 445</b>

<b>Ageing of overdue trade debtors</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
1 month	68 718	82 796
between 1 and 3 months	18 989	21 243
between 3 and 6 months	5 694	5 272
between 6 months and 1 year	2 344	1 406
after 1 year	13 978	13 883
Impairment loss for trade debtors	(18 012)	(16 619)
<b>Total net overdue trade debtors</b>	<b>91 711</b>	<b>107 981</b>

**Note 12**

<b>Short term financial assets</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Debt securities	3	4
<i>including: related entities</i>	3	4
<b>Total short term financial assets</b>	<b>3</b>	<b>4</b>

**Note 13**

<b>Short term prepaid expenses</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Marketing services	71	171
Insurance	660	1 190
Technical assistance	178	151
Perpetual usufruct of land fees	260	
Property tax	564	
Concessions, licenses	67	2
Alcohol sale license	1 037	117
Stock-exchange quotations	37	
Rental costs	2 184	1 990
Road permissions	70	40
Advertisements	10	15
Subscriptions, charges and other fees	217	60
Electricity	11	18
Service	38	
Shop pre - opening costs	44	410
Email costs	4	2
Costs to re-invoice	377	478
Compensation	2 356	559
Costs of the next year		
Other	1 971	559
<b>Total short term prepaid expenses</b>	<b>10 156</b>	<b>5 762</b>

**Note 14**

<b>Cash and cash equivalents</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Cash at cash desk	5 003	4 836
Cash at bank	60 160	73 426
Other	19 132	14 145
Other financial assets	34	
<b>Total cash and cash equivalents</b>	<b>84 329</b>	<b>92 407</b>

**Note 15**

<b>Other short term financial assets</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Loans	201	86
<i>including: related entities</i>		
<b>Total other short term financial assets</b>	<b>201</b>	<b>86</b>

**Nota 16**

<b>Assets assigned for sale</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Tangible fixed assets	1 732	1 505
<i>Freehold land</i>	<i>1 322</i>	
<i>- right for perpetual usufruct</i>	<i>1 322</i>	
<i>Buildings and construction</i>	<i>403</i>	
<i>Equipment and machines</i>	<i>8</i>	
Intangible fixed assets		
Share		
Other share		
Other financial assets		
<b>Total assets assigned for sale</b>	<b>1 732</b>	<b>1 505</b>

Note 17

At 30 June 2008

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. share	02.01.2007	01.01.2006
I	preference shares	none	4 203 562	4 203 562	contribution - BOS S.A. share	02.01.2007	01.01.2006
J	preference shares	none	55 747	55 747	contribution - BOS S.A. share	11.05.2007	01.01.2006
K	preference shares	none	290 468	290 468	contribution - BOS S.A. share	11.05.2007	01.01.2006
L	ordinary	none	1 500 000	1 500 000	cash	24.10.2007	01.01.2007
Ł	preference shares	none	140 388	140 388	contribution Maro-Markety Sp. z o.o. share	12.02.2008	01.01.2007
M	preference shares	none	82 144	82 144	Contribution – Centrum Sp. z o.o. share	12.02.2008	01.01.2007
N	preference shares	none	122 429	122 429	Contribution - Sydo Sp. z o.o. oraz Alpaga-Xema Sp. z o.o. share	06.06.2008	01.01.2007

**Total number of shares** **15 115 161**

**Total equity** **15 115 161**

**One share nominal value = 1 PLN**

At 31 December 2007

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. share	02.01.2007	01.01.2006
I	preference shares	none	4 203 562	4 203 562	contribution - BOS S.A. share	02.01.2007	01.01.2006
J	preference shares	none	55 747	55 747	contribution - BOS S.A. share	11.05.2007	01.01.2006
K	preference shares	none	290 468	290 468	contribution - BOS S.A. share	11.05.2007	01.01.2006
L	ordinary	none	1 500 000	1 500 000	cash	24.10.2007	01.01.2007
Ł	preference shares	none	140 388	140 388	contribution Maro-Markety Sp. z o.o. share	12.02.2008	01.01.2007
M	preference shares	none	82 144	82 144	Contribution – Centrum Sp. z o.o. share	12.02.2008	01.01.2007
<b>Total number of shares</b>			<b>14 992 732</b>				
<b>Total equity</b>				<b>14 992 732</b>			
<b>One share nominal value = 1 PLN</b>							

Changes in reserve capital	Reserve capital	Other reserve capital
<b>1 January 2008</b>	<b>22 353</b>	<b>46 837</b>
Distribution of profits	68 509	13 285
Result of merger Detal Koncept with Polka		(249)
<b>30 June 2008</b>	<b>90 862</b>	<b>59 873</b>
<b>1 January 2007</b>	<b>7 497</b>	<b>44 669</b>
Additions	14 856	12 202
Disposals		(10 034)
<b>31 December 2007</b>	<b>22 353</b>	<b>46 837</b>

**Note 18**

Retained earnings	30 June 2008	31 December 2007
Net profit (loss) from the previous year	66 888	18 745
Distribution of profit – for equity	(81 795)	(27 058)
Distribution of profit - dividend	(13 301)	(13 056)
Net profit (loss) from the current year	35 618	88 417
Settlement of companies takeovers		(160)
Deduct from net profit	(85)	
<b>Total Retained earnings</b>	<b>7 325</b>	<b>66 888</b>

**Note 19**

Long-term bank loans and other	30 June 2008	31 December 2007
Credits	166 041	124 414
Bank loans		421
<i>Including: related entities</i>		
Financial lease	4 214	4 775
<b>Total long-term bank loans and other</b>	<b>170 255</b>	<b>129 610</b>

**Note 20**

Long-term liabilities	30 June 2008	31 December 2007
Deposit on rental fee	1 840	1 946
<i>including: related entities</i>		
Other long-term liabilities	20	20
<b>Total long-term liabilities</b>	<b>1 860</b>	<b>1 966</b>

**Nota 21**

<b>Provisions</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Provisions for employees' benefits	15 562	15 971
a) provision for pensions	1 339	1 231
b) provision for holiday equivalents	12 068	9 549
c) provision for premium salary	2 155	5 191
Other provisions	5 875	6 123
a) provision for audit	393	590
b) prizes for customers	941	804
c) provision for packages		144
d) provision for bonuses	624	541
e) provision for future liabilities	342	295
f) other	3 575	3 749
<b>Total provisions</b>	<b>21 437</b>	<b>22 094</b>

<b>Provisions for employees' benefits</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Long-term	3 164	3 050
a) provision for pensions	1 277	1 179
b) provision for holiday equivalents		
c) provision for premium salary		
d) other long-term provisions	1 887	1 871
Short-term	18 273	19 044
a) provision for pensions	62	52
b) provision for holiday equivalents	12 068	9 549
c) provision for premium salary	2 155	5 191
d) other short-term provisions	3 988	4 252
<b>Total provisions for employees' benefits</b>	<b>21 437</b>	<b>22 094</b>

<b>Change of provisions for employees' benefits</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
<b>Provision for pensions opening balance</b>	1 259	122
Additions	83	522
<i>Additions as a result of merger</i>		890
Disposals	(3)	(303)
<b>Provision for pensions closing balance</b>	<b>1 339</b>	<b>1 231</b>
<b>Provision for holiday equivalents opening balance</b>	9 549	2 945
Additions	2 438	4 187
<i>Additions as a result of merger</i>	275	4 762
Disposals	(194)	(2 345)
<b>Provision for holiday equivalents closing balance</b>	<b>12 068</b>	<b>9 549</b>
<b>Provision for premium salary opening balance</b>	5 191	4 362
Additions		5 191
<i>Additions as a result of merger</i>	238	58
Disposals	(3 274)	(4 420)
<b>Provision for premium salary closing balance</b>	<b>2 155</b>	<b>5 191</b>
<b>Change of provisions for employees' benefits opening balance</b>	<b>15 199</b>	<b>7 429</b>
Additions	2 521	9 900
<i>Additions as a result of merger</i>	513	5 710
Disposals	(3 471)	(7 068)
<b>Change of provisions for employees' benefits closing balance</b>	<b>15 562</b>	<b>15 971</b>



**Note 22**

<b>Deferred tax income - provisions</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Deferred tax income - provisions opening balance	<b>10 462</b>	<b>1 883</b>
a) posted to net result	860	1 883
b) posted to equity	48	
c) posted to goodwill		
d) as a result of merger	9554	
<b>Additions</b>	<b>3 407</b>	<b>10 462</b>
a) posted to net result	3 264	860
b) posted to equity		48
c) posted to goodwill		
d) as a result of merger	143	9 554
<b>Disposals</b>	<b>(1 849)</b>	<b>(1 883)</b>
a) posted to net result	(1 849)	(1 883)
b) posted to equity		
c) posted to goodwill		
<b>Deferred tax income - provisions closing balance</b>	<b>12 019</b>	<b>10 462</b>
a) posted to net result	11 876	860
b) posted to equity		48
c) posted to goodwill		
d) as a result of merger	143	9 554

<b>Deferred income tax provisions by kind</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Bonds' discount	12	87
Long term bank loans commission.	32	39
Difference between tax value and book value of fixed assets	10 430	8 451
Other	1 545	1 885
<b>Deferred income tax provisions by kind</b>	<b>12 019</b>	<b>10 462</b>

**Note 23**

<b>Short- term bank loans and others</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Bank loans	64 016	57 632
Bonds		
<i>including: related entities</i>		
Dłużne papiery wartościowe		16 776
- w tym: jednostkom powiązanym		16 776
Leasing	1 674	1 960
Valuation of other financial instruments	1 415	4 429
<b>Total short- term bank loans and others</b>	<b>67 105</b>	<b>80 797</b>

**Note 24**

<b>Short-term liabilities</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Trade payables	530 930	483 596
<i>including: related entities</i>	<i>4 915</i>	<i>3 749</i>
Taxation, subsidy and social security	27 780	26 298
Salary	18 831	15 442
Prepayments		141
Other liabilities	32 700	20 080
<i>including: related entities</i>	<i>68</i>	<i>3 000</i>
<b>Total short-term liabilities</b>	<b>610 241</b>	<b>545 557</b>

**Ageing of trade payables**

	<b>30 June 2008</b>	<b>31 December 2007</b>
Due within 1 month	347 308	321 953
Due between 1 and 3 months	135 800	99 860
Due between 3 and 6 months	54	73
Due between 6 months and 1 year	390	130
Due after 1 year	102	311
Overdue trade debtors	47 276	61 269
<b>Total trade payables</b>	<b>530 930</b>	<b>483 596</b>

**Ageing of overdue trade payables**

	<b>30 June 2008</b>	<b>31 December 2007</b>
1 month	44 119	57 674
between 1 and 3 months	2 134	2 924
between 3 and 6 months	309	470
between 6 months and 1 year	642	14
after 1 year	72	187
<b>Overdue trade payables</b>	<b>47 276</b>	<b>61 269</b>

**Note 25**

<b>Deferred income</b>	<b>30 June 2008</b>	<b>31 December 2007</b>
Settlement of vehicles' damages	92	33
Settlement of estates' damages	48	19
Penalties	118	21
Unrealized interest on tenant's deposits	15	15
Other	730	1 064
<b>Total deferred income</b>	<b>1 003</b>	<b>1 152</b>

**Note 26**

<b>NET SALES OF PRODUCTS (by type of products)</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Sales of services	80 232	112 179
<i>- including to related entities</i>	<i>18</i>	<i>130</i>
<b>Total net sales of products</b>	<b>80 232</b>	<b>112 179</b>
<i>- including to related entities</i>	<i>18</i>	<i>130</i>

NET SALES OF PRODUCTS (by geographic area)	6 months ended 30 June 2008	6 months ended 30 June 2007
Domestic	79 569	111 267
- including to related entities	18	130
Export	663	912
- including to related entities		
<b>Total net sales of products</b>	<b>80 232</b>	<b>112 179</b>
- including to related entities	18	130

**Note 27**

NET SALES OF MERCHANDISES AND MATERIALS (by type of activity)	6 months ended 30 June 2008	6 months ended 30 June 2007
Sales of merchandises and materials	2 546 251	2 069 733
- including to related entities	314	3 712
<b>Sales of merchandises and materials</b>	<b>2 546 251</b>	<b>2 069 733</b>
- including to related entities	314	3 712

NET SALES OF MERCHANDISE AND MATERIALS (by geographic area)	6 months ended 30 June 2008	6 months ended 30 June 2007
Domestic	2 488 248	2 010 242
- including to related entities	314	3 712
Export	58 003	59 491
- including to related entities		
<b>Total net sales of merchandise and materials</b>	<b>2 546 251</b>	<b>2 069 733</b>
- including to related entities	314	3 712

**Note 28**

NON OPERATING INCOME	6 months ended 30 June 2008	6 months ended 30 June 2007
Profit from the disposal of non-financial fixed assets	3 923	13 019
Revaluation of non-financial assets	654	319
Other non operating income	6 368	5 935
<b>Total non operating income</b>	<b>10 945</b>	<b>19 273</b>

**Revaluation of non-financial assets**

Creating of write- offs – fixed assets		
Reversal of write – offs – fixed assets	160	
Creating of write- offs - receivable	(1 362)	
Reversal of write - receivable	1 856	319
<b>Total revaluation of non-financial assets</b>	<b>654</b>	<b>319</b>

<b>OTHER NON OPERATING INCOME</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Penalties	1 318	130
Compensation of vehicle damages	634	491
Compensation of fixed assets damages	237	298
Overdue trade payables	3	
Rental income	63	
Court proceedings costs	148	190
Dissolution of revaluation of inventory	707	
Costs of re-invoice	266	
Employees salaries refund	7	
Donations	698	
Transfer rights from rental		1 550
Other	2 287	3 276
<b>Total other non operating income</b>	<b>6 368</b>	<b>5 935</b>

**Note 29**

<b>COST BY KIND</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
depreciation and amortization	(24 821)	(18 467)
materials and energy	(53 909)	(39 466)
external services	(106 516)	(82 752)
payroll	(152 432)	(96 599)
social security and other employee benefits	(32 771)	(21 978)
taxes and charge	(7 907)	(5 632)
other costs	(6 187)	(4 398)
<b>Total cost by kind of expenditure</b>	<b>(384 543)</b>	<b>(269 292)</b>
Sales costs	(310 202)	(222 227)
Overhead costs	(43 323)	(39 204)
Cost of products sold	(29 003)	(7 861)
Cost of manufactured computer software	(2 015)	

<b>Payroll</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Salary	(152 432)	(96 599)
social security	(25 539)	(18 145)
company's social benefit fund	(3 689)	(1 976)
personnel training	(1 138)	(606)
other	(2 405)	(1 251)
<b>Total payroll</b>	<b>(185 203)</b>	<b>(118 577)</b>

**Note 30**

NON OPERATING EXPENSES	6 months ended 30 June 2008	6 months ended 30 June 2007
Loss from the sale of non-financial fixed assets		(295)
Revaluation of non-financial assets	(2 026)	(637)
Other non operating expenses	(5 081)	(3 397)
<b>Total non operating expenses</b>	<b>(7 107)</b>	<b>(4 329)</b>

Revaluation of non-financial assets	6 months ended 30 June 2008	6 months ended 30 June 2007
Creating of write- offs – fixed assets	(464)	(124)
Reversal of write – offs – fixed assets	357	
Creating of write- offs - receivable	(2 648)	(513)
Reversal of write - receivable	729	
<b>Total revaluation of non-financial assets</b>	<b>(2 026)</b>	<b>(637)</b>

Other non operating expenses	6 months ended 30 June 2008	6 months ended 30 June 2007
Donations	(340)	(389)
Vehicle damages	(482)	(373)
Fixed assets damages	(175)	(106)
Provisions	(927)	
Cost of real estates	(363)	
Court proceedings costs	(158)	(191)
Transfer rights from rental	(345)	
Receivables deducted	(407)	
Other operating costs	(162)	
Other	(1 721)	(2 338)
<b>Total other non operating expenses</b>	<b>(5 081)</b>	<b>(3 397)</b>

**Note 31**

FINANCIAL INCOME	6 months ended 30 June 2008	6 months ended 30 June 2007
Dividend		
- including to related entities		
Interest	1 247	583
- including to related entities		
Profit on investments disposal		626
Other	127	6 364
<b>Total financial income</b>	<b>1 374</b>	<b>7 573</b>

<b>Interest</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Loans granted	7	41
- including related entities		
Interest on overdue receivables	311	398
- including related entities		
Interest on debt securities		
- including related entities		
Other interest	929	144
- including related entities		
<b>Total interest</b>	<b>1 247</b>	<b>583</b>

<b>Other financial income</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Positive exchange rate differences	1	3 687
Valuation of financial instruments		2 448
Other	126	229
<b>Total other financial income</b>	<b>127</b>	<b>6 364</b>

**Note 32**

<b>FINANCIAL EXPENSES</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Interest	(6 539)	(6 818)
- including related entities		
Loss on the disposal of investments		9
Other financial expenses	(568)	(5 607)
<b>Total financial expenses</b>	<b>(7 107)</b>	<b>(12 416)</b>

<b>Interest</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Bank loan interest	(6 194)	(6 141)
Leasing interest	(310)	(314)
- including related entities		
Loans interest		(7)
- including related entities		
Interest on overdue payables		(77)
- including related entities		(1)
Bonds interest	(6)	(258)
- including related entities		
Treasury interests	(29)	(17)
Other interest		(4)
- including related entities		(1)
<b>Total interest</b>	<b>(6 539)</b>	<b>(6 818)</b>

<b>Other financial expenses</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Financial expenses of bank warranty	(33)	(27)
Exchange rate differences	(472)	(3 904)
Write offs – long term liabilities	(12)	(130)
Write offs – financial instruments		(1 141)
Other	(51)	(405)
<b>Total other financial expenses</b>	<b>(568)</b>	<b>(5 607)</b>

**Note 33**

<b>CORPORATE INCOME TAX</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
<b>Gross profit in entities gained tax profit</b>	<b>49 607</b>	<b>61 331</b>
<i>Gross loss in entities gained tax loss</i>	(1 086)	
<b>Non taxable revenues</b>	<b>(3 572)</b>	<b>(28 217)</b>
<u>financial incomes</u>	(40)	(836)
<u>non operating incomes</u>	(3 532)	(27 381)
<b>Other taxable income</b>	<b>2 043</b>	<b>117</b>
<b>Non taxable costs and losses</b>	<b>68 488</b>	<b>73 022</b>
<u>operating costs</u>	59 966	44 215
<u>financial expenses</u>	4 541	2 980
<u>other non operating expenses</u>	3 981	25 827
<b>Additional taxable costs</b>	<b>(50 013)</b>	<b>(34 309)</b>
<b>Taxable revenue</b>	<b>66 553</b>	<b>71 944</b>
<i>Other discount form income</i>	(316)	(488)
<i>Settlement of previous year loss</i>	(1 127)	(968)
<b>Base of tax calculation</b>	<b>65 110</b>	<b>70 488</b>
<b>Tax amount 19%</b>	<b>12 371</b>	<b>(13 392)</b>
<i>Additional</i>	(12)	(85)
<b>Income tax current for the period</b>	<b>(12 383)</b>	<b>(13 477)</b>
Income tax current	(12 130)	(10 935)
Income tax deferred	(253)	2 542
Tax amount	26,6%	22,4 %

**Note 34**

<b>DEFERRED CORPORATE INCOME TAX</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Increase (decrease) from temporary differences from previous years	112	968
Decrease (increase) due to income tax assets write offs.	(504)	473
Decrease (increase) pre-payment for income tax	(253)	(2 542)
Decrease (increase) allowances for corporate income tax – simplify method	(128)	
<b>Total deferred corporate income tax</b>	<b>(773)</b>	<b>(1 101)</b>

**Note 35**

<b>NET PROFIT PRE SHARE</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Net profit	35 618	49 389
Net profit (loss) annualized	74 645	58 815
Number of shares - weight average	15 013 137	13 052 727
<b>Net profit per share</b>	<b>4,97</b>	<b>4,51</b>
<b>Diluted net profit per share</b>	<b>4,97</b>	<b>4,51</b>

**Note 36**

<b>DIVIDEND</b>

**Note 37**

<b>THE STRUCTURE OF CASH IN THE STATEMENT OF CASH FLOW</b>	<b>6 months ended 30 June 2008</b>	<b>6 months ended 30 June 2007</b>
Cash in the cash desk		
- opening balance	4 836	2 509
- closing balance	5 003	3 716
Cash at bank		
- opening balance	73 426	444
- closing balance	60 160	29 052
Other cash		
- opening balance	14 145	9 700
- closing balance	19 132	21 603
Other financial assets		
- opening balance		
- closing balance	34	12
<b>Total cash</b>		
<b>- opening balance</b>	<b>92 407</b>	<b>12 653</b>
<b>- closing balance</b>	<b>84 329</b>	<b>54 383</b>

**Note 38**

<b>Changes in receivables in Cash Flow</b>	<b>6 months ended 30 June 2008</b>	<b>12 months ended 31 December 2007</b>
Trade debtors receivables and other in consolidated balance	379 231	349 254
Investments receivables - Emperia		(762)
Alpaga receivables – on the day of purchase	(7 390)	
Sydo receivables – on the day of purchase	(19 515)	
Receivables after consolidation exemptions	352 326	348 492
<b>Changes in receivables in Cash Flow</b>	<b>(3 834)</b>	

<b>Changes in inventory in Cash Flow</b>	<b>6 months ended 30 June 2008</b>	<b>12 months ended 31 December 2007</b>
Inventory	404 292	344 121
Alpaga inventory – on the day of purchase	(6 064)	
Sydo inventory – on the day of purchase	(13 213)	
Inventory after consolidation exemptions	385 015	344 121
<b>Changes in inventory in Cash Flow</b>	<b>(40 894)</b>	



<b>Changes in deferred revenues in Cash Flow</b>	<b>6 months ended 30 June 2008</b>	<b>12 months ended 31 December 2007</b>
deferred revenues in consolidated balance	10 156	5 762
deferred revenues and long term receivables	17 211	13 866
Other operating income	(1 003)	(1 152)
Alpaga deferred revenues – on the day of purchase	( 136)	
Sydo deferred revenues – on the day of purchase	( 273)	
Alpaga - other operating income	278	
Sydo - other operating income	10	
deferred revenues after consolidation exemptions	26 243	18 476
<b>Changes in deferred revenues in Cash Flow</b>	<b>(7 767)</b>	

<b>Changes in liabilities in Cash Flow</b>	<b>6 months ended 30 June 2008</b>	<b>12 months ended 31 December 2007</b>
Trade payables liabilities and other	612 101	547 523
Alpaga liabilities - on the day of purchase	(14 881)	
Sydo liabilities - on the day of purchase	(42 101)	
Tradis - tangible purchase liabilities	( 503)	(4 655)
Emperia – dividend liabilities	(13 301)	
Emperia - tangible purchase liabilities	( 824)	
Emperia - share purchase liabilities	( 405)	
Stokrotka - tangible purchase liabilities	(8 549)	
Liabilities after consolidation exemptions	531 537	542 868
<b>Changes in liabilities in Cash Flow</b>	<b>(11 331)</b>	

<b>Changes in provisions in Cash Flow</b>	<b>6 months ended 30 June 2008</b>	<b>12 months ended 31 December 2007</b>
Provisions in consolidated balance	21 437	22 094
Alpaga provisions – on the day of purchase	( 217)	
Sydo provisions – on the day of purchase	( 406)	
provisions after consolidation exemptions	20 814	22 094
<b>Changes in provisions in Cash Flow</b>	<b>(1 280)</b>	

**Note 39**

**Classification of Company's activities by: operating, investing, financing in the cash flow statement:**

**I. Cash flow from operating activities includes:**

- 1) Inflow from sales of merchandise, finished products and services
- 2) Inflow included in "other operating revenue" excluding revenue from the sale of fixed assets, which are disclosed in cash flow from investing activities.
- 3) Any expenses regarding costs of basic activity, such as: cost of merchandise sold, cost of finished products sold, selling costs, general overhead costs.
- 4) Expenses regarding costs included in "other operating expenses" excluding cost of fixed assets sold and cost of unplanned depreciation

**II. Cash flow from investing activities includes:**

- 1) Inflow from sales of:
  - fixed assets
  - shares and other financial fixed assets
  - short-term securities

- 
- 2) Expenses regarding the purchase of:
    - fixed assets
    - shares and other financial fixed assets
    - short-term securities
  - 3) Inflow from payment of short and long term loans granted by the Company to other entities as well as payment of interest on those loans
  - 4) Expenses regarding the granting of long term loans to other entities
  - 5) Inflow of dividends received
  - 6) Interest received on bank deposits

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**III. Cash flow from financing activities includes:**

- 1) Inflow of short and long term credits and loans received
- 2) Expenses regarding:
  - service of loans and credits received
  - payment of loans and credits
  - payment of interest on loans and credits received
- 3) Inflow from own shares issue
- 4) Expenses regarding costs of own shares issues
- 5) Expenses regarding payment of dividends and other payments to owners
- 6) Any inflow regarding "other financial revenue" except for interest on loans granted, interest on bank deposits and profit from sale of securities held for resale, which are disclosed in investing activities.
- 7) Any expenses regarding "other financial expenses" except for the loss on the sale of securities held for resale, which are disclosed in investing activities

## 7. Selected financial data by segments

In Emperia Group following segments can be separated:

1. Wholesale - BOS S.A., DLS S.A., Sygel-Jool Sp. z o.o., Express Podlaski Sp. z o.o., DEF Sp. z o.o., Arsenal Sp. z o.o., Tradis Sp. z o.o., Alpaga-Xema Sp. z o.o., Sydo Sp. z o.o.,
2. Retail - Stokrotka Sp. z o.o., Jaskółka Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Rexpol Sp. z o.o., Maro Markety Spółka z o.o., Społem Tychy Spółka z o.o., Centrum Spółka z o.o., Euro Sklep S.A.
3. Other – IT services, developer services, franchise services: Elpro Sp. z o.o., Infinite Sp. z o.o., Detal Koncept Sp. z o.o.

At 30 June 2008

	Wholesale	Retail	Other	Consolidation exemptions	Total
Sale	2 238 653	702 802	53 798	368 770	2 626 483
Sale (external customers)	1 908 779	694 509	23 195		2 626 483
Sale (internal customers)	329 874	8 293	30 603	368 770	
Costs	(2 197 995)	(693 712)	(50 843)	(366 483)	(2 576 067)
Costs (external customers)	(1 870 367)	(685 470)	(20 230)		(2 576 067)
Costs (internal customers)	(327 628)	(8 242)	(30 613)	(366 483)	
Result on other operating activity	175	2 220	1 443		3 838
Result on financial activity	(5 025)	(2 020)	1 312		(5 733)
Gross profit	33 562	9 239	5 720		48 521
Income tax	(9 785)	(1 904)	(1 214)		(12 903)
<b>Net profit</b>	<b>23 777</b>	<b>7 335</b>	<b>4 506</b>		<b>35 618</b>

	Wholesale	Retail	Other	Consolidation exemptions	Total
Assets	914 799	296 791	204 845	196 132	1 612 567
Equity & liabilities	771 845	149 532	691 190		1 612 567

	Wholesale	Retail	Other	Total
Capital expenditures	(12 493)	(21 011)	(27 152)	(60 656)
Depreciation	(10 444)	(10 424)	(3 953)	(24 821)

At 30 June 2008

	Wholesale	Retail	Other	Consolidation exemptions	Total
Sale	1 939 325	475 119	18 201	250 733	2 181 912
Sale (external customers)	1 701 891	472 555	7 466		2 181 912
Sale (internal customers)	237 434	2 564	10 735	250 733	0
Costs	(1 896 929)	(470 675)	(13 619)	(250 635)	(2 130 588)
Costs (external customers)	(1 659 558)	(468 132)	(2 898)		(2 130 588)
Costs (internal customers)	(237 371)	(2 543)	(10 721)	(250 635)	0
Result on other operating activity	941	13 949	54		14 944
Result on financial activity	(3 053)	(1 133)	(657)		(4 843)
Gross profit	40 221	17 239	3 965		61 425
Income tax	(7 722)	(3 788)	(526)		(12 036)
<b>Net profit</b>	<b>32 499</b>	<b>13 451</b>	<b>3 439</b>		<b>49 389</b>

	<b>Wholesale</b>	<b>Retail</b>	<b>Other</b>	<b>Consolidation exemptions</b>	<b>Total</b>
Assets	836 532	193 793	64 724	147 816	1 242 865
Equity & liabilities	1 120 441	107 954	14 470		1 242 865

	<b>Wholesale</b>	<b>Retail</b>	<b>Other</b>	<b>Total</b>
Capital expenditures	(18 307)	(27 132)	(2 167)	(47 606)
Depreciation	(10 653)	(6 614)	(1 200)	(18 467)