

CURRENT REPORT No. 103/07

Date of Report:

12 December 2007

Re:

Purchase of Shares in Sydo Sp. z o.o. and Alpaga-Xema Sp. z o.o.

Legal Basis:

Article 56(1)(2) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005, in conjunction with § 5(1)(2) of the Regulation of the Minister of Finance of 19 October 2005 on current and periodical disclosures by issuers of securities.

Update:

With reference to Report No. 60 of 30 June 2007, the Management Board of Emperia Holding S.A. ("Emperia") is pleased to inform of the purchase of shares in Polish limited liability companies Sydo Sp. z o.o. with its registered seat in Wrocław and Alpaga-Xema Sp. z o.o. with its registered seat in Poznań.

On 12 December 2007, Emperia Holding SA was informed of the registration by the District Court in Wrocław of the changed level of the Sydo Sp. z o.o. ("Sydo") share capital. Following the registration of the increased share capital of Sydo, Emperia became the holder of 80 shares of the nominal value of PLN 500 each, accounting for 50 percent of the share capital of Sydo, carrying 50 percent of votes at the General Meeting of Shareholders. All the newly issued shares were paid for with a cash contribution of PLN 22,468,000 (in words: twenty-two million four hundred and sixty-eight thousand zloty).

The book value of the shares purchased as recorded by Emperia totals PLN 22,509,200.

The purchase of the above shares was primarily conditional upon the consent of the Office of Competition and Consumer Protection ("UOKiK") (Report No. 80 of 12 September 2007).

On 12 December 2007, Emperia Holding SA was informed of the registration by the District Court in Poznań of the changed level of the Alpaga-Xema Sp. z o.o. ("Alpaga-Xema") share capital. Following the registration of the increased share capital of Alpaga-Xema, Emperia became the holder of 67 shares of the nominal value of PLN 1,000 each, accounting for 50 percent of the share capital of Alpaga-Xema, carrying 50 percent of votes at the General Meeting of Shareholders. All the newly issued shares were paid for with a cash contribution of PLN 4,466,220 (in words: four million four hundred and sixty-six thousand two hundred and twenty zloty).

The book value of the shares purchased as recorded by Emperia totals PLN 4,507,400.

The purchase of the above shares was primarily conditional upon the consent of the Office of Competition and Consumer Protection ("UOKiK") (Report No. 78 of 4 September 2007).

The shares purchased are a long-term equity investment of the issuer.

The share purchases in Sydo Sp. z o.o. and Alpaga-Xema Sp. z o.o. were financed with Emperia's internal cash flows and partly with proceeds from an Emperia Holding SA share issue.

In addition, Sydo and Alpaga-Xema instituted a share redemption proceedings combined with the redemption of the share capital of each company. The shares not held by Emperia Holding SA are subject to redemption. Upon completion of the convocation proceedings, whereby creditors can voice their objections to the redemption of shares, Emperia will hold 100 percent of shares in both companies.

Sydo Sp. z o.o. and Alpaga-Xema Sp. z o.o. are FMCG wholesale operations with aggregate sales revenues of over PLN 300 million in 2006. The companies operate through their wholesale warehouses in Dolnośląskie, Lubuskie, Śląskie and Wielkopolskie Regions of Poland.

For assets acquired to be deemed assets of material value (*aktywa o znacznej wartości*), they must be over the 20% threshold of interest in the share capital of the target company.