CONSOLIDATED FINANCIAL STATEMENT

1ST QUARTER 2009

PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

(ALL AMOUNTS IN THOUSANDS PLN)

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the Ist Quarter Consolidated Financial Statement of Emperia Holding S.A.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

LUBLIN, MAY 2009

Table of Contents

EMPERIA HOLDING SA (all amounts in thousands PLN)

1 Selected Financial Highlights

	SELECTED FINANCIAL HIGHLIGHTS (current year)	PLN		EURO	
		For period 01.01.2009 to 31.01. 2009	For period 01.01.2008 to 31.03.2008	For period 01.01.2009 to 31.03.2009	For period 01.01.2008 to 31.03.2008
I.	Net revenues from sale of products, goods and materials	1 286 504	1 282 070	279 711	360 395
II.	Profit (loss) on operating activity	13 301	26 947	2 892	7 575
III.	Profit (loss) before tax	9 602	23 698	2 088	6 662
IV.	Profit (loss) for period	2 589	18 005	563	5 061
V.	Net cash flows from operating activity	18 468	24 571	4 015	6 907
VI.	Net cash flows from investing activity	(51 120)	(32 321)	(11 114)	(9 086)
VII.	Net cash flows from financing activity	32 006	(18 829)	6 959	(5 293)
VIII.	Total net cash flows	(646)	(26 579)	(140)	(7 471)
IX.	Total assets	1 799 460	1 548 440	382 758	439 174
X.	Liabilities and provisions against liabilities	1 052 550	841 559	223 885	238 686
XI.	Long-term liabilities	198 091	147 295	42 135	41 776
XII.	Short-term liabilities	854 459	694 264	181 750	196 910
XIII.	Equity	746 910	706 881	158 873	200 488
XIV.	Share capital	15 115	14 993	3 215	4 252
XV.	Number of shares	15 115 161	14 992 732	15 115 161	14 992 732
XVI.	Weighted average number of shares	15 115 161	14 992 732	15 115 161	14 992 732
XVII.	Profit (loss) per ordinary share (PLN/EUR)*	2,90	5,98	0,63	1,68
XVIII.	Diluted profit (loss) per ordinary share (PLN/EUR)*	2,90	5,98	0,63	1,68
XIX.	Book value per share (PLN/EUR)**	49,41	47,15	10,51	13,37
XX.	Diluted book value per share (PLN/EUR)**	49,41	47,15	10,51	13,37
XXI.	Declared or distributed dividend per share (PLN/EUR)**	0,59***	0,88	0,13	0,25

* the declared amount is calculated based on the weighted average number of the Issuer's shares
** the declared amount is calculated based on the number of the Issuer's shares as at the date of report
*** the declared amount of dividend is calculated based on the number of the Issuer's shares as at the date of report i.e. 15 115 161 shares.

*The weighted average number of shares:
- for first quarter of 2009: for January-March 15 115 161;
- for first quarter of 2008: for January-March 14 992 732.

The selected financial highlights are converted into EUR as follows:

1. The profit and loss and cash flow statement items are converted at an exchange rate being the arithmetic average of average exchange rates published by the National Bank of Poland, effective on the last day of each month, which was 4,5994 PLN/EURO for first quarter of 2009 and 3,5574 PLN/EURO for first quarter of 2008;
2. The balance sheet items and book value/diluted book value are converted at the average exchange rate published by the National Bank of Poland, effective on the balance sheet date, which was: 4,7013 PLN/EURO on 31.03.2009, and 3,5258 PLN/EURO 31.03.2008.

EMPERIA HOLDING SA (all amounts in thousands PLN)

2 Summary Consolidated Balance Sheet

	31 March 2009	31 December 2008	31 March 2008
Fixed Assets	**876 283**	**851 288**	**701 763**
Tangible fixed assets	599 325	579 644	444 587
Investment real property	17 610	17 711	16 039
Intangible assets	6 497	6 367	3 732
Goodwill	190 169	189 827	195 419
Shares in equity method	3 985	3 997	
Financial assets	17 558	10 331	10 496
Long-term receivables and other deferred income	25 567	22 326	14 360
Deferred income tax assets	15 572	21 085	17 130
Current Assets	**923 177**	**873 980**	**846 677**
Stock	458 449	415 801	381 643
Receivables	394 219	396 840	384 737
Income tax withholding	8 381	3 920	4 260
Short-term securities			
Prepaid expenses	12 534	7 196	9 730
Cash	49 394	50 023	65 753
Other financial assets	200	200	86
Assets earmarked for sale			468
Total Assets	**1 799 460**	**1 725 268**	**1 548 440**
Equity	**746 910**	**745 083**	**706 881**
Share capital	15 115	15 115	14 993
Share premium capital	549 559	549 559	536 227
Supplementary capital	90 862	90 862	22 353
Supplementary capital from the evaluation of managerial options	596	596	
Reserve capital	59 873	59 873	46 588
Revaluation capital	(2 129)	(1 681)	
Treasury shares			
Retained profit	32 948	30 367	84 696
Total equity allocated to shareholders of dominant entity	**746 824**	**744 691**	**704 857**
Equity of minority shareholders	86	392	2 024
Long-term liabilities	**198 091**	**306 221**	**147 295**
Credit facilities, loans and debt securities	177 469	285 263	130 051
Long-term liabilities	5 076	5 498	2 022
Provisions	2 418	2 362	3 494
Provision against deferred income tax	13 128	13 098	11 728
Short-term liabilities	**854 459**	**673 964**	**694 264**
Credit facilities, loans and debt securities	171 983	29 315	63 352
Short-term liabilities	660 284	615 740	608 210
Income tax liabilities	1 359	6 715	2 478
Provisions	19 782	21 030	19 297
Deferred income	1 051	1 164	927
Total liabilities	**1 799 460**	**1 725 268**	**1 548 440**

EMPERIA HOLDING SA (all amounts in thousands PLN)

Book value	746 910	706 881
Number of shares	15 115 161	14 992 732
Book value per share (PLN)	49,41	47,15

3 Summary Consolidated Profit and Loss Account

	3 months ended 31 March 2009	**3 months ended 31 March 2008**
Sales revenues	1 286 504	**1 282 070**
Cost of goods sold	(1 090 149)	**(1 098 799)**
Profit on sales	**196 355**	**183 271**
Other operating income	3 372	7 395
Selling expense	(159 765)	(140 838)
General administrative expense	(23 910)	(20 859)
Other operating expense	(2 751)	(2 022)
Profit on operations	**13 301**	**26 947**
Financial income	597	726
Financial expense	(4 296)	(3 975)
Profit before tax	**9 602**	**23 698**
Income tax	(7 001)	(5 693)
- Current tax	(1 423)	(4 950)
- Deferred tax	(5 578)	(743)
Share in financial result entities valued using the equity method	(12)	
Profit for period	**2 589**	**18 005**
Including: profit for shareholders of dominant entity	2 581	
profit for minority shareholders*	8	

*Due to negligible value in the I quarter of 2008 depart from presentation of minority shareholders profits.

Profit (loss) for period (annualised)	43 790	89 694
Weighted average of ordinary shares *	15 115 161	14 992 732
Profit (loss) per ordinary share (PLN) annualised	2,90	5,98

**The weighted average number of shares:
- for firs quarter of 2009: for January-March 15 115 161;
- for first quarter of 2008: for January-March 14 992 732.

Statement of total income

	3 months ended 31 March 2009	**3 months ended 31 March 2008**
Total income:	2 589	18 005
Other total income:		
Cash flow hedge	(553)	
Income tax on the other comprehensive income components	105	
Other total net income	(448)	
Total income for period	2 141	18 005

(all amounts in thousands PLN)

4 Summary Statement of Changes in Consolidated Equity Capital

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Retained profit	Minority capital	Total equity
1 January 2009	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**30 367**	**392**	**745 083**
Change in accounting standards and policies									
1 January 2009 adjusted	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**30 367**	**392**	**745 083**
Profit for 3 months until 31 March 2009							2 581	8	**2 589**
Settlement of acquisition shares in Spolem Tychy								(314)	**(314)**
Valuation of security interests						(448)			**(448)**
Effect of other mergers									
Increase of capital following new share issue									
Distribution of 2008 profit – allocation to capital funds									
Dividend for shareholders as part of 2008 profit distribution									
31 March 2009	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(2 129)**	**32 948**	**86**	**746 910**
1 January 2008	**14 993**	**536 227**	**22 353**		**46 837**		**66 888**	**2 024**	**689 322**
Change in accounting standards and policies									
1 January 2008 adjusted	**14 993**	**536 227**	**22 353**		**46 837**		**66 888**	**2 024**	**689 322**
Profit for 3 months until 31 March 2008							18 005		**18 005**
Revaluation restatement of fixed asset to IFRS due to sales							(197)		(197)
Effect of mergers									
Result on merger between Detal Koncept and Polka (previously unconsolidated)					(249)				(249)
31 March 2008	**14 993**	**536 227**	**22 353**		**46 588**		**84 696**	**2 024**	**706 881**

EMPERIA HOLDING SA (all amounts in thousands PLN)

5 Summary Consolidated Cash Flow Statement

	3 months ended 31 March 2009	3 months ended 31 March 2008
Profit (loss) for period	**2 589**	**18 005**
Adjustments for:	**15 879**	**6 566**
Share in net (profits) losses of entities consolidated using equity method	12	
Depreciation	14 705	12 111
(Gain) loss on exchange rate differences	(17)	75
Interest and share in profit (dividends)	3 050	7 397
Income tax	7 001	6 472
Profit (loss) on investing activity	(1 932)	(5 843)
Change in provisions	(1 564)	697
Change in stock	(42 648)	(37 522)
Change in receivables	1 546	(36 751)
Change in accruals	(8 388)	(3 200)
Change in short-term liabilities	53 665	62 708
Other adjustments	139	8 295
Income tax paid	(9 690)	(7 873)
Net cash flows from operating activity	**18 468**	**24 571**
Income	**1 757**	**15 587**
Sale of fixed and intangible asset	552	7 458
Sale of financial assets	125	1 818
Dividends received		
Interest received	126	40
Repayment of loans granted		
Cash from acquired companies		6 239
Other income	954	32
Expenditures	**(52 887)**	**(47 908)**
Purchase of fixed and intangible assets	(43 257)	(35 148)
Investments in real property	(481)	(3 166)
Purchase of subsidiaries and associated entities	(3 523)	(8 522)
Purchase of financial assets	(5 261)	(828)
Loans granted		
Other expenditures	(355)	(244)
Net cash flows from investing activity	**(51 120)**	**(32 321)**
Income	**58 308**	**25 663**
Income from credit facilities and loans contracted	42 444	25 366
Issue of short-term debt securities	15 841	
Share issue		
Other income	23	297
Expenditures	**(26 302)**	**(44 492)**
Repayment of credit facilities and loans	(16 428)	(40 660)
Redemption of short-term debt securities	(3 000)	
Payment of liabilities under financial leases	(2 008)	(269)
Interest and charges paid	(4 375)	(3 563)
Dividends paid		
Other expenditures	(491)	
Net cash flows from financial activity	**32 006**	**(18 829)**

EMPERIA HOLDING SA (all amounts in thousands PLN)

Change in cash	**(646)**	**(26 579)**
Exchange differences	17	(75)
Cash at beginning of period	**50 023**	**92 407**
Cash at end of period	**49 394**	**65 753**

6 Notes to Consolidated Financial Statements

6.1 Group Background

Name, seat and objects of business of the dominant entity

The parent (dominant) entity operates under the business name of Emperia Holding S.A. (formerly Eldorado S.A.) as a Polish joint stock company entered into the Register of Entrepreneurs maintained by the District Court in Lublin, XI Commercial Division of the National Court Register, entry no. KRS 0000034566.

The seat of the dominant entity is in Lublin, ul. Mełgiewska 7-9.

Since 1 April 2007, the main object of business of Emperia Holding S.A. has been the provision of company holding services (PKD 7415Z). Previously, the Company engaged in non-specialised wholesaling of food, beverages, and tobacco products (PKD 5139Z). The Company is a taxpayer of tax on goods and services (VAT), NIP Tax No. 712-10-07-105.

The shares of the dominant company have been listed on the Stock Exchange in Warsaw since 2001.

The financial year of the Group subsidiaries coincides with the calendar year. The term of the Group subsidiaries is indefinite.

The consolidated financial statements have been prepared for the period from 1 January 2009 to 31 March 2009, with comparable data for the period from 1 January 2008 to 31 March 2008. The consolidated financial statements contain no combined data, the subsidiaries do not operate any internal units that prepare independent financial statements.

The consolidated financial statements have been prepared assuming that the Company will continue its business, and there is nothing to indicate any threat to the continued business of the Group's subsidiaries in the future.

Consolidation details

Emperia Holding S.A. is the parent (dominant) entity for the Group of Companies, preparing consolidated financial statements for the Group.

On 31 March 2009 Emperia Holding S.A. and nineteen subsidiaries, operating as limited liability companies (Sp. z o.o.) or joint-stock companies (S.A.), are subject to consolidation:

Stokrotka Sp. z o.o., Infinite Sp. z o.o., Detal Koncept Sp. z o.o., Elpro Sp. z o.o., Tradis Sp. z o.o., BOS S.A., Sygel-Jool S.A., Dystrybucja Logistyka Serwis S.A., DEF Sp. z o.o., "Express Podlaski" Sp. z o.o., Arsenal Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy Sp. z o.o., Euro Sklep S.A., Alpaga-Xema Sp. z o.o., Sydo Sp. z o.o., PSD S.A.* and Emperia Info Sp. z o.o.

In I quarter of 2009 the composition of the Emperia Holding Group (compared to the end of 2008) changed. Following internal Group mergers the composition has changed of Centrum Sp. z o.o. with it seat in Bartoszyce, acquired by Stokrotka Sp. z o.o. with seat in Lublin.

* At 31.03.2009 due to the limited access to financial data, Emperia Holding S.A. valued shares of Partnerski Serwis Detaliczny S.A subsidiary using the equity method.

EMPERIA HOLDING SA (all amounts in thousands PLN)

The data presented in this Report as at 31 March 2009 includes stand-alone results of the following subsidiaries subject to consolidation in financial statements.

	Subsidiary name	Registered address	Main objects of business	Court of registration	Relation to parent	Consolidation method	Date of acquiring control / Date of material impact	Interest held	Voting power at general meeting
1	„Stokrotka" Sp. z o.o. (1)	20-952 Lublin, Mełgiewska 7-9	Food product retailing	16977, District Court in Lublin, XI Commercial Division of National Court Register ("NCR")	Subsidiary	Full	1999-01-27	100,00%	100,00%
2	„Infinite" Sp. z o.o.	20-150 Lublin, Ceramiczna 8	IT services	16222, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	1997-03-11	100,00%	100,00%
3	"Detal Koncept" Sp. z o.o.	20-952 Lublin, Mełgiewska 7-9	Retail franchising	40575, District Court in Lublin, XI Commercial Division of the NCR	Subsidiary	Full	1995-04-25	100,00%	100,00%
4	„Elpro" Sp. z o.o.	20-952 Lublin, Mełgiewska 7-9	Property development	946, District Court in Lublin, XI Commercial Division of the NCR	Subsidiary	Full	2001-02-15	100,00%	100,00%
5	„Tradis" Sp. z o.o.	20-952 Lublin, Mełgiewska 7-9	Food wholesaling	272382, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	2007-01-23	100,00%	100,00%
6	„BOS" S.A.	15-399 Białystok, Handlowa 2A	Food wholesaling	20518, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%

EMPERIA HOLDING SA (all amounts in thousands PLN)

7	Dystrybucja Logistyka Serwis S.A. (2)	09-400 Płock, Kostrogaj 24	Food product wholesaling	29105 District Court for the Capital City of Warsaw in Warsaw, XXI Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
8	"Sygel-Jool" S.A. (2)	42-200 Częstochowa, Bór 66 F	Food product wholesaling	169138, District Court in Katowice, Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
9	"DEF" Sp. z o.o. (2)	15-399 Białystok, Handlowa 6	Food product wholesaling	48125, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
10	"Express Podlaski" Sp. z o.o. (2)	15-197 Białystok, Dolistowska 1A	Food product wholesaling	126580, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
11	"Arsenal" Sp. z o.o. (2)	15-399 Białystok, Handlowa 5	Food product exporting, importing, domestic marketing of raw materials to producers	8419, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
12	"Lewiatan Podlasie" Sp. z o.o. (2)	15-399 Białystok, Sokólska 9	Food product retailing	33766, District Court in Białystok, XII Commercial Division of NCR	Subsidiary	Full	2007-01-02	100,00%	100,00%
13	„Społem Tychy" Sp. z o.o. (3)	43-100 Tychy, Damrota 72	Food product retailing	164604, District Court in Katowice, VIII Commercial Division of NCR	Subsidiary	Full	2007-07-06	99,22%	99,22%

EMPERIA HOLDING SA (all amounts in thousands PLN)

14	„Maro-Markety" Sp. z o.o.	61-615 Poznań, Skwierzyńska 20	Food product retailing	102596, District Court in Poznań, XX Commercial Division of NCR	Subsidiary	Full	2007-09-12	100,00%	100,00%
15	"Euro Sklep" S.A.	43-309 Bielsko-Biała Bystrzańska 94a	Franchise chain management, retailing	12291, District Court in Bielsko Biała, VIII Commercial Division of NCR	Subsidiary	Full	2007-10-24	100,00%	100,00%
16	"Alpaga - Xema" Sp. z o.o.	60-009 Poznań, Kotowo 42	Food product wholesaling	167993, District Court in Poznań, XXI Commercial Division of NCR	Subsidiary	Full	2007-11-20	100,00%	100,00%
17	"Sydo" Sp. z o.o.	53-166 Wrocław, Krzywoustego 82-86	Food product wholesaling	71049, District Court in Wrocław, VI Commercial Division of NCR	Subsidiary	Full	2007-11-29	100,00%	100,00%
18	„Partnerski Serwis Detaliczny" S.A. (PSD S.A.)	02-739 Warszawa, Grażyny 15	Franchise chain management, retailing	280288, District Court for the Capital City of Warsaw in Warsaw , XIII Commercial Division of NCR	Subsidiary	Equity method	2007-12-20	100,00%	100,00%
19	Emperia Info Sp. z o.o.	20-952 Lublin, Mełgiewska 7-9	Software-related services	314260, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	2008-09-12	100,00%	100,00%

(1) directly by Emperia (78.472 shares, 94,94%)) indirectly by "BOS" S.A.(1.254 shares, 1,52%) and "Lewiatan Podlasie" Sp. z o.o.(2.927 shares, 3,54%)
(2)) indirectly by "BOS" S.A.
(3 directly by Emperia Holding S.A. (140.282 shares, 81,91%)) indirectly by "BOS" S.A. (28.645 shares, 16,73%) and "DLS" S.A. (1.000 shares, 0,58%)

EMPERIA HOLDING SA (all amounts in thousands PLN)

List of entities other than subsidiaries entities in which associated entities hold less than 20% of shares as at 31 March 2009

Entity name	Registered address	Share capital (PLN)	Emperia Group interest in share capital (% at balance sheet date)	Emperia Group voting power (% at balance sheet date)
"Spółdzielnia Mieszkaniowa Lokatorsko-Własnościowa w Lidzbarku Warmińskim" (1)	Lidzbark	The acquisition is necessary as the commercial space in which the business is conducted is owned by the cooperative;		
"Giełda Rolno-Towarowa" Sp. z o.o. (2)	Białystok ul. Gen. Wł. Andersa 38	14 805	0,30%	0,36%
"Beskidzkie Towarzystwo Kapitałowe" S.A. (3)	43-300 Bielsko Biała, ul. Kamińskiego 19	21 520	4,37%	4,37%
"SPOŁEM" Domy Handlowe Sp. z o.o. (4)	43-100 Tychy, ul. Damrota 72	6	16,66%	16,66%
Lewiatan Podkarpacie Spółka z o.o. (5)	39-200 Dębica, ul. Drogowców 8.	170	0,59%	0,59%
Elektroniczna Sieć Handlowa Merkury Spółka z o.o. (5)	01-728 Warszawa, ul. Powązkowska 46/50	3 298	11,20%	11,20%

(1) indirectly by BOS S.A.
(2) indirectly by Expres Podlaski Sp. z o.o.
(3) indirectly by Euro Sklep S.A.
(4) indirectly by Społem Tychy Sp. z o.o.
(5) indirectly by ZKiP Lewiatan 94 Holding S.A.

(all amounts in thousands PLN)

List of subsidiaries at the balance sheet date 31 March 2009 excluded from consolidation in financial statements with indication of legal grounds

Entity name	Registered address	Legal grounds for exclusion	Emperia Group interest in share capital (% at balance sheet date)	Emperia Group voting power (% at balance sheet date)
"Lider" Sp. z o.o in liquidation (1)	70-660 Szczecin, Gdańska 3C	The financial data of these entities is immaterial to the extent of the obligation to present a reliable and clear picture of the Group's assets, financial standing and financial result	100,00%	100,00%
"Lewiatan Orbita" Sp. z o.o.(4a)	10-680 Olsztyn, Lubelska 33		100,00%	100,00%
"Lewiatan Kujawy" Sp. z o.o. (4)	87-800 Włocławek, Komunalna 6		50,00%	50,00%
"Lewiatan Śląsk" Sp. z o.o.(2a)	41-200 Sosnowiec, Chemiczna 12		98,53%	98,53%
"Lewiatan Częstochowa" Sp. z o.o. (2)	42-200 Częstochowa, Wręczycka 22/26		37,50%	37,50%
"Lewiatan Mazowsze" Sp. z o.o. (2)	05-800 Pruszków, Błońska 12		34,00%	34,00%
"Pro Media Art." Sp. z o.o. (3)	87-800 Włocławek, Komunalna 6		*32,50%	*32,50%
"Piccolo" Sp. z o.o. (5)	43-100 Tychy, Grota Roweckiego 60		50,00%	50,00%
"Lewiatan Wielkopolska" Sp. z o.o. (6)	60-479 Poznań, Strzeszyńska 23		68,57%	68,57%
"Lewiatan Opole" Sp. z o.o. (6a)	45-325 Opole, Światowida 2		51,58%	51,58%
"Lewiatan Dolny Śląsk" Sp. z o.o.	59-900 Zgorzelec, Armii Krajowej 13		98,98%	98,98%
"Lewiatan Zachód" Sp. z o.o.	Szczecin, Pomorska 115B		100,00%	100,00%
PH "Centrum Społem" Sp. z o.o. (1)	38-500 Sanok, Traugutta 9		100,00%	100,00%
"Lewiatan Północ" Sp. z o.o.	Gdańsk, Bysewska 30		100,00%	100,00%
"ZKiP Lewiatan 94 Holding" S.A. (7)	87-800 Włocławek, Zielony Rynek 5		*56,81	*63,25
"Ambra" Sp. z o.o.(8)	43-502 Czechowice-Dziedzice, Hutnicza 7		100,00%	100,00%

* indirectly weighted share

(1) indirectly by Stokrotka Sp. z o.o.
(2) indirectly by Sygel-Jool S.A.
(2a) indirectly by Sygel-Jool S.A. (34 shares, 50%),and directly by Emperia Holding S.A. (33 shares, 48,53%)
(3) indirectly by Lewiatan Kujawy Sp. z o.o.
(4) indirectly by BOS S.A.
(4a) indirectly by BOS S.A. (59,11% shares) and directly by Emperia (40,89% shares)
(5) indirectly by Społem Tychy Sp. z o.o.
(6) directly by Emperia Holding (7 shares 10,0%), and indirectly by Maro-Markety Sp. z o.o.(41 shares, 58,57%)
(6a) indirectly by Maro-Markety Sp. z o.o.
(7) directly by Emperia Holding S.A. and indirectly by Lewiatan: Kujawy, Podlasie, Śląsk, Orbita, Opole, Wielkopolska, Zachód
(8) indirectly by Tradis Sp. z o.o.

6.2 Outline of Key Accounting Policies

6.2.1 Basis for Preparation of Consolidated Financial Statements

These consolidated statements have been prepared on a historical-cost basis, with the exception of financial assets, which are reported at fair value.

The Management Board of Emperia Holding S.A. approves these consolidated financial statements on the date of signing them.

6.2.2 Conformity Statement

The consolidated financial statements of Emperia Holding S.A. have been prepared in compliance with the International Financial Reporting Standards („IFRS") adopted by the European Union. The attached consolidated financial statements present in a reliable manner the financial standing of the Group, its financial performance and cash flows.

6.2.3 Business Segment Reporting

Since 2009 IFRS 8 *Operating Segments* replaces IAS 14, *Reporting of Business Segments*. In new standard for identifying and measuring the results of operating segments which are subject of reporting and disclosure adopted an approach based on Management's perspective.
Business segment is a component of transactor:

- who carried out business associated with obtaining revenue and incurring expenses (including income and expenses related to transactions with other segments of the same entity),
- whose results of activity are regularly reviewed by the person responsible for making operational decisions concerns allocating resources to segments and assessing of results achieved by the segment
- about which can be obtained separate financial information

A geographical segment is a component of an enterprise that provides products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.
The Group operates exclusively in Poland, the regions of which—given their proximity—demonstrate similar economic conditions and the scope of risks, and thus must be seen as largely uniform.

The following operating segments are distinguished within the Group:

1 **The wholesale business** (Wholesale Segment) pursued by the following subsidiaries: BOS S.A., DLS S.A., Sygel-Jool S.A., DEF Sp. z o.o., Arsenal Sp. z o.o., Tradis Sp. z o.o., ., involving wholesale distribution of goods and provision of related goods-distribution services;

2 **The retail business** (Retail Segment) comprised of the entire operations of the following subsidiaries: Stokrotka Sp. z o.o., Detal Koncept Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy Sp. z o.o., Euro Sklep S.A. involving retail distribution and provision of related retail-distribution services**;**

3 **Other Segments** includes the entire holding operation of the Issuer's Company and the operations of the other subsidiaries: Elpro Sp. z o.o., Express Podlaski Sp. z o.o., Sydo Sp. z o.o. and Alpaga–Xema Sp. z o.o - render development services and property management services, Infinite Sp. z o.o., Emperia Info Sp. z o.o. - IT services and PSD S.A. which render services of specialized trade mediation. Given the material consolidation exclusions and the overall limited significance (segment does not meet any of the verge thresholds provided for under IFRS 8) these are reported as a single item.

In first quarter of 2009 due to change of object of activity: Express Podlaski Sp. z o.o., Sydo Sp. z o.o. and Alpaga – Xema Sp. z o.o. have been allocated to operating segment - Other. Since 2009 companies render services related to property management.

As regards geographical segments, given the above considerations, the Group does not distinguish any other segments except for the entire Poland.
The Group applies uniform accounting policies for all the segments. Business transactions between segments are on an arm's length basis; any such transactions are subject to exclusion in the consolidated financial statements.

6.2.4 Functional Currency

PLN is the functional currency and the currency of presentation for all the items of the consolidated financial statements. All the figures in the financial statements and in the explanatory notes are reported in PLN 000s (unless indicated otherwise).

The reporting in PLN 000s is due to rounding, and consequently total figures presented in these financial statements may not add up exactly to the sum to their individual components.

6.2.5 Changes in Accounting Policies Applied

The newly introduced IFRS standards and interpretations for reporting periods from 1 January 2009 had no material application to the operations of the Emperia Holding Group. The Company did not change its accounting policies in 2009.

6.2.6 Future Expected Changes in Accounting Policies

<u>New standards, their changes and interpretations which became effective as from 2009</u>

a) IFRS 8 "Operating Segments"

IFRS 8 standard was issued by the International Accounting Standards Board on 30 November 2006 and applies to annual periods commencing on 1 January 2009 or after that date. IFRS 8 replaces IAS 14 "Segment Reporting". The standard sets forth new requirements with regard to segment information disclosures, as well as information disclosures on products and services, geographical area in which operations are conducted, and key customers. IFRS 8 calls for the "management approach" to the reporting of financial results for business segments.

b) IAS 23 "Borrowing Costs"

On 29 March 2007, the International Accounting Standards Board published the amended IAS 23. It refers to the accounting treatment for borrowing costs relating to assets that take a substantial period of time to get ready for sale. In the light of the amended IAS 23 under such circumstances the costs incurred are subject to capitalisation (before the amendment they were reported directly in the profit and loss account). It applies to annual periods commencing on 1 January 2009 or after that date.

c) IFRIC 13 "Customer Loyalty Programmes"

IFRIC 12 interpretation was issued on 27 June 2007 by the International Financial Reporting Interpretations Committee, and it applies to annual periods commencing on 1 July 2008 or after that date. The interpretation sets forth the principles of accounting treatment of loyalty programmes organised by the entity for its customers, indicates the correct treatment of liabilities relating to the obligation to deliver prizes to customers as part of the loyalty programmes offered.

d) Amendments to IAS 1

The amendments to IAS 1 were issued on 6 September 2007 and will apply to annual periods commencing on 1 January 2009 and after that date. The amendments relate to changes of the terminology and changes to the presentation of financial statements – total income statement.

e) Amendments to IFRS 2
The amendments to IFRS 2 were issued on 17 January 2008 and will apply to annual periods commencing on 1 January 2009 and after that date. The amendments to IFRS 2 add details to the definition of conditions for vesting rights and provide the settlement method in the event the share-based payment agreement is cancelled by the parties.

f) Amendments to IAS 32 and IAS 1
The amendments to IAS 1 were issued on 14 February 2008 and will apply to annual periods commencing on 1 January 2009 and after that date. The modifications relate to classification of financial instruments with a put option and the obligations arising only at the time of liquidation

g) Corrections of IFRS 2008
In May 2008, the International Accounting Standards Board published corrections amending 20 effective standards. The majority of the amendments will apply to annual periods commencing on 1 January 2009 and after that date. This is the first standard published by IASB as part of the process of annual adjustments to incorporate secondary corrections of a less urgent nature.

h) Amendments to IFRS 1 and IAS 27
The amendments to the standards were issued on 22 May 2008 and will apply to annual periods commencing on 1 January 2009 and after that date. The amendments relate to the valuation of investment costs in subsidiaries, jointly-controlled entities and associated entities using IFRS for the first time and eliminate concerns relating to the requirement to retrospectively establish costs and apply the cost-based method under IAS 27, which under certain circumstances required excessive effort on the part of entities applying IFRS for the first time as well as producing unnecessary costs.

In the Group's opinion adopting the above new interpretations will not affect materially the consolidated financial statements for first quarter of 2009.

New standards and interpretations which are not yet applicable and were not applied previously:

a) Amendments to IFRS 3 and IAS 27
The amendments to IFRS 3 and IAS 27 were issued on 10 January 2008 and will apply to business mergers and acquisitions taking place as of 1 July 2009. They relate to changes in treatment of the acquisition, staged acquisition, or merger of businesses, reporting acquisition transaction costs and the principles of recording in the event control is lost. These standards have not as yet been adopted by the European Union.

b) Amendments to IAS 39
The amendments to IAS 39 were issued on 31 July 2008 and will apply to annual periods commencing on 1 July 2009 and after that date. The amendments relate to the criteria for recognising an item as a hedged item. Two issues that relate to hedge accounting were clarified: recognition of inflation as a risk subject to hedging and hedge in the form of an option. The standard has not as yet been adopted by the European Union.

c) IFRIC 15 "Agreements for the Construction of Real Estate"
The interpretation was issued on 3 July 2008 and will apply to annual periods commencing on 1 July 2009 and after that date. The interpretation relates to accounting for revenues and costs of real estate construction carried out directly by the entity or subcontractors. The agreements covered by the scope of IFRIC 15 are referred to as "agreements for the construction of real estate" and may also provide for the supply of other goods and services. The interpretation specifies whether or not the relevant agreement for the construction of real estate is covered by the scope of IAS 11 or IAS 16, and when revenues from real estate construction need to be recognised. The standard has not as yet been adopted by the European Union.

d) IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

The interpretation was issued on 3 July 2008 and will apply to annual periods commencing on 1 October 2009 and after that date. The interpretation applies only to those entities which hedge exchange risk inherent in net investments in foreign operations and apply hedge accounting in accordance with IAS 39. The standard has not as yet been adopted by the European Union.

e) IFRIC 17 "Distributions of Non-cash Assets to Owners"

The interpretation was issued on 27 November 2008 and will apply to annual periods commencing on 1 July 2009 and after that date. The interpretation contains guidelines with respect to accounting for distributions of non-cash assets to shareholders: when such dividend payable needs to be recognised, in what amount it should be recorded, how to treat the differences between the balance sheet value of the assets distributed and the balance sheet value of dividend payable when accounting for it. The standard has not as yet been adopted by the European Union.

f) IFRIC 18 "Transfers of Assets from Customers"

The interpretation was issued on 29 January 2009 and will apply to annual periods commencing on 1 July 2009 and after that date. The interpretation will apply mainly to the sector of utilities. The interpretation provides guidelines for recognition of assets received from customers to be used to connect such customer to the grid or to provide the customer with services using the asset so contributed. The standard has not as yet been adopted by the European Union.

The Group is reviewing the consequences and impact of the application of the above standards and interpretations upon the future financial statements.

6.2.7 Accounting Estimates

The preparation of the financial statements requires the Management Board to apply certain accounting estimates and make assumptions as to future events which can affect the value of assets and liabilities reported in the current and future financial statements. These estimates and assumptions are subject to on-going monitoring, are based on the Management Board's best of knowledge, historical experience and expectations as to future events which appear likely in the relevant situation. Still, they may include a certain margin of error and the actual performance may differ from the forecasts.

The key estimates may relate to the following balance sheet items: fixed assets and intangible assets (to the extent of useful economic life and the impairment of assets), provisions against employee benefits (bonuses, pensions, accrued leave payments), provisions against customer loyalty programmes, stock revaluation allowances, deferred tax assets and liabilities.

6.2.8 Correction of Errors

Errors may relate to the recognition, valuation, presentation or disclosure of information relating to specific items of the financial statements.

Any errors identified at the stage of preparation of the financial statements are corrected by the company in the relevant financial statements. Any errors identified in the successive periods are corrected by adjusting comparable data presented in the financial statements for the period in which the error is identified. The Group corrects errors of previous periods using the retrospective approach and by retrospective transformation of data, if practically feasible.

6.2.9 Mergers, acquisitions of shares, increases of capital in businesses

Acquisition of shares and increases of initial capital by Emperia Holding

a) Purchase of further shares in Lewiatan Śląsk Sp. z o.o. in Sosnowiec.

On 7 January 2009 Emperia Holding acquired 10 shares in a Polish limited liability company Lewiatan Śląsk Sp. z o.o. having its registered office in Sosnowiec, which—alongside the previously held shares by subsidiary Sygel-Jool S.A. carrying a right to 86,76 percent of votes at the general meeting of shareholders and representing 86,76 percent of the share capital Lewiatan Śląsk Sp. z o.o.

On 9 January 2009 Emperia Holding acquired subsequent 7 shares in a Polish limited liability company Lewiatan Śląsk Sp. z o.o. having its registered office in Sosnowiec, which—alongside the previously held shares by subsidiary Sygel-Jool S.A. carrying a right to 97,06 percent of votes at the general meeting of shareholders and representing 97,06 percent of the share capital Lewiatan Śląsk Sp. z o.o.

On 13 February 2009 Emperia Holding acquired 1 share in a Polish limited liability company Lewiatan Śląsk Sp. z o.o. having its registered office in Sosnowiec, which—alongside the previously held shares by subsidiary Sygel-Jool S.A. carrying a right to 98,53 percent of votes at the general meeting of shareholders and representing 98,53 percent of the share capital Lewiatan Śląsk Sp. z o.o.

b) Subscription for and acquisition of shares in newly-established Company Lewiatan Północ Sp. z o.o. in Gdansk.

On 9 January 2009, Emperia subscribed for and acquired an interest in a newly-established Polish limited liability company in organization Lewiatan Północ Sp. z o.o. ("Company").Emperia Holding S.A. acquired 600 shares of the nominal value of PLN 500 each, of the total nominal value of PLN 300,000. (three hundred thousand zloty). The subscription was covered by a cash contribution of PLN 300,000. (three hundred thousand zloty). The shares subscribed for and acquired represent 100 percent of the share capital of Lewiatan Północ Sp. z o.o. and carry a right to 100 votes (100%) at the Company's general meeting.
The Company's business comprises the organization and management of an FMCG franchise of retail outlets.

New company organize activities of over 150 franchise outlets with a total sales area of 15 ths sq^2. Set up of Lewiatan Północ Sp. z o.o. is implementation of development strategies of Emperia Group, based on active consolidation of the retail and wholesale in Poland.

c) Purchase of further shares in Związek Kupców i Producentów Lewiatan 94 Holding S.A. with its seat in Włocławek.

On 27 January 2009, Emperia Holding acquired 93,202 shares in the initial capital of a joint-stock company, ZKiP Lewiatan 94 Holding S.A. with its seat in Włocławek, which—alongside the previously held shares—carry 39.33 percent of votes at the meeting of shareholders and account for 25.92 percent of the initial capital of ZKiP Lewiatan 94 Holding S.A.
Emperia Holding S.A. holds directly and indirectly through subsidiaries 56,81% shares in the capital of ZKiP Lewiatan 94 Holding S.A. and 63,25 percent of the votes at the general meeting of shareholders.

d) Purchase of further shares in Społem Tychy Sp. z o.o. with its seat in Tychy.

On 2 February 2009 Emperia Holding S.A. acquired 4 676 shares in a Społem Tychy Sp. z o.o. having its registered seat in Tychy, which—alongside the previously held shares carrying a right to 99,22 percent of voting power at the general meeting of shareholders and representing 99,22 percent of the share capital Społem Tychy Sp. z o.o.

e) Purchase of Shares in Polish limited liability company Ambra Sp. z o.o. in Czechowice- Dziedzice.

On 11 March 2009 Emperia's subsidiary limited liability company, Tradis Sp. z o.o. ("Tradis"), acquired 100 percent of shares in a Polish limited liability company, Ambra Sp. z o.o. (Company") having its registered seat in Czechowice-Dziedzice.
Tradis acquired from individuals-shareholders of the Company 16,000 shares of the nominal value PLN 500 each, representing 100 percent of the share capital and carrying 100 percent of voting power at the general meeting of shareholders.
The maximum aggregate price for the interest is PLN 8,000,000. with payment of PLN 500,000. being conditional upon the 2008 financial results of the Company, which are being audited.
On the balance sheet date, decision about paying an additional amount of PLN 500,000. has not been taken.
Ambra is the leader of the wholesale distribution of household chemistry products and cosmetics in the Slask, Opolszczyzna and Małopolska Regions of Poland. In 2008, the Company generated PLN 118,000,000. in sales revenues.
The acquisition of the interest in Ambra is financed with the purchaser's (Tradis) internal cash flows.

f) Purchase of shares in Przedsiębiorstwo Handlowe „Centrum - Społem" Sp. z o.o. with its seat in Sanok.

On 5 January 2009, Stokrotka Sp. z o.o. ("Stokrotka") acquired 100 percent of shares in a limited liability company, Przedsiębiorstwo Handlowe „Centrum - Społem" Sp. z o.o. ("Company") with its seat in Sanok. Stokrotka acquired from a joint-stock company, FRAC S.A. with its seat in Rzeszów ("FRAC"), being the Company's shareholder, 5,013 shares of the nominal value of PLN 100 each, accounting for 55.13 percent of the initial capital and carrying 55.13 percent of votes at the general meeting of shareholders, and from a cooperative, Powszechna Spółdzielnia Spożywców with its seat in Sanok ("PSS"), being the Company's shareholder, 4,080 shares of the nominal value of PLN 100 each, representing 44.87 percent of the initial capital and carrying 44.87 percent of votes at the general meeting of shareholders. In aggregate, Stokrotka acquired from the above legal entities 9,093 shares of the nominal value of PLN 100 each, representing 100 percent of the initial capital and carrying 100 percent of votes at the general meeting of shareholders. Following the acquisition, Emperia Holding S.A., either directly or indirectly through its subsidiaries, holds an interest representing 100 percent of the initial capital of the Company and carrying 100 percent of votes at the general meeting of shareholders. The shares were acquired for the aggregate amount of PLN 5 600 000. Przedsiębiorstwo Handlowe „Centrum - Społem" Sp. z o.o. is a food and manufactured product retailer. In 2008, the estimated revenues of the Company were in excess of PLN 12 000 000

g) Sale of shares in Lewiatan Pomorze Sp. z o.o.

On 27 January 2009 BOS SA subsidiary sold to two individuals all of the owned shares in the Lewiatan Pomorze Sp. z o.o., representing 9.69 percent of the shares in the capital, carrying 9.69 percent of votes at the general meeting of shareholders.

Internal Mergers within Emperia Holding Group

a) Merger of Stokrotka Sp. z o.o. and Centrum Sp. z o.o. with its seat in Bartoszyce.

Following acquisition by Emperia Holding S.A. of the newly issued shares in the increased initial capital of Stokrotka Sp. z o.o. in return for an in-kind contribution comprising an interest in Centrum Sp. z o.o., on 2 January 2009 a merger of both the companies, that is Stokrotka Sp. z o.o. with its seat in Lublin and Centrum Sp. z o.o. with ins seat in Bartoszyce, was effected. On the same date Centrum outlets started operating as part of Stokrotka.

b) Increase of share capital of Detal Koncept Sp. z o.o.

On 20 January 2009, the Management Board of Emperia Holding S.A. received a decision of 12 January 2009 regarding the registration by the Regional Court in Lublin of the increased initial capital of a limited liability subsidiary, Detal Koncept Sp. z o.o. (“Company”). The capital was upped by PLN 10 000 000. Following the registration, the initial capital of the Company comprises 28,606 shares of PLN 500 each, of the total value of PLN 14 303 000.

Emperia Holding S.A. holds 100 percent of shares in the initial capital of Detal Koncept Sp. z o.o. carrying 100 percent of votes at the general meeting of shareholders.

c) Increase of initial capital in Stokrotka Sp. z o.o.

On 27 January 2009, the Management Board of Emperia Holding S.A. received a decision of 20 January 2009 regarding the registration by the Regional Court in Lublin of the increased initial capital of a limited liability subsidiary, Stokrotka Sp. z o.o. (“Company”). The capital was upped by PLN 20 000 000. Following the registration, the initial capital of the Company comprises 82,653 shares of PLN 500 each, of the total value of PLN 41 326 500.

Emperia Holding S.A., either directly or through its subsidiaries, holds 100 percent of shares in the initial capital of Stokrotka Sp. z o.o. carrying 100 percent of votes at the general meeting of shareholders.

d) Increased Share Capital of Lewiatan Północ Sp. z o.o.

On 26 February 2009 there was an increase of the share capital in its subsidiary Lewiatan Północ Sp. z o.o. by PLN 250 000. Emperia Holding S.A. acquired 500 shares of the nominal value of PLN 500 each. Emperia Holding S.A. holds 1 100 shares, representing 100 percent of Lewiatan Północ Sp. z o.o share capital. and carrying 100 percent of votes at the general meeting of shareholders. Increase of share capital was registered by the District Court Gdańsk-Północ on 10 March 2009.

<u>Merger, acquisition and sale of shares, increases capital in business units after the balance sheet date.</u>

The mergers and initial capital increases in businesses effected after the balance sheet date are outlined in Note 6.3.8.

6.2.10 Tangible fixed assets

The Group recognises as individual fixed assets things capable of use, meeting the requirements set forth for fixed assets in IAS 16, if the purchase price (cost of construction) is at least PLN 1,000, with the exception of:
- computer hardware,
- pallet trucks;
- shop trolleys;
- high-storage racks,
- lockers,

which, given the specific nature of the Company’s operations, taken together constitute a material asset, and thus are recognised as fixed assets by the Group, regardless of the purchase price (cost of construction).

On the other hand, also given the specific nature of the Company’s operations, the following items— despite meeting the value requirement—are not recognised as fixed assets by the Group:
- store furniture,
- strip curtains,

and in this particular case the value threshold has been increased to PLN 3 500.

Fixed assets are reported at purchase price or cost of construction less depreciation to date and allowances for impairment, if any.

Fixed assets under construction and lease improvements are also recognised by the Group as fixed assets and law of perpetual using of ground.

The initial value of fixed assets comprises the purchase price plus all purchase-related costs and costs necessary to bring the asset to working condition for its intended use. The initial value includes also the respective portion of external financing costs.

The upgrade costs are recognised as part of the balance sheet value of fixed assets if it is likely that the upgrade will improve economic benefits for the Group and the upgrade costs can be reliably measured. All other fixed asset repair and maintenance expenditures are recorded as costs in the profit and loss account in the reporting period in which they are incurred.

Land is not depreciated. The other fixed assets are depreciated over their useful economic life on a straight-line basis, from the month following the month in which the asset is brought into use. The Group has adopted the following economic useful life periods for the various categories of fixed assets:

Buildings and structures	10 to 40 years
Machinery and equipment	5 to 10 years
Computer hardware	1.5 to 5 years
Vehicles	5 to 7 years
Other	5 to 10 years

The Group reviews periodically, not later than at the end of the financial year, the adopted economic useful life periods for fixed assets, final value and depreciation methods, and the effects of changes in these estimates, if any, are reflected in the following and subsequent financial years (prospectively).

Given the specific nature of the Group's operations, the Group is often required to undertake leasehold improvements. This applies to warehousing and retail facilities held by the Group under lease. As regards those assets, the Group sets the economic useful life for its expenditures which does not always corresponds with the term of the lease agreement in effect at a given time. If the lease term is shorter than the expected depreciation period, assets impairment allowances are charged and recognised as other operating expense in the profit and loss account. In the event the term of the lease is extended, the relevant part of the allowance made is reversed.

As at the balance sheet date, the Group also reviews fixed assets for impairment and the need to make revaluation allowances on these grounds. This happens once the Group obtains sufficient assurance that the relevant asset will not generate the expected economic benefits in the future or will generate them at a level that is significantly lower than expected.

The allowances are charged against other operating expense in the period in which impairment is identified, not later than at the end of the financial year.

If the Group obtains sufficient assurance that the cause for asset revaluation have ceased, it reverses the revaluation allowance previously effected in part or in full by recognising other operating income.

At the time of disposal of fixed assets, the initial value and the depreciation to date are derecognised, and the disposal result is recorded as other operating income or expense, as the case may be, in the profit and loss account. The fixed asset disposal result is reported as profit or loss, as appropriate.

The costs of day-to-day operation of fixed assets, including replacement of parts, are recognised in the profit and loss account when incurred.

6.2.11 Costs of external financing

Commissions on long-term financing contracted by the Group are accounted for over time at the adjusted purchase price (amortised cost) using the effective interest rate method.

The costs of external financing contracted to purchase or construct a fixed asset incurred until the fixed asset is brought into use are capitalised as a component of the purchase or construction of the asset.

In the other cases, external financing costs are recognised in the profit and loss account. For the Group external financing over one year is long-term financing.

6.2.12 Fixed assets for sale

The Group classifies fixed assets for sale (or a category of fixed assets for sale) as disposable if it decides that their carrying value will be recovered by disposal rather than continued use as part of business operations. The condition is deemed fulfilled when the disposal transaction is highly likely to take place, and the asset (category of assets) is available for immediate disposal as it is at the given moment. Classifying fixed assets as disposable rests on the assumption that the management board of the company intends to complete the disposal within a period of one year from the date of fixed asset reclassification.

The Group carries a fixed asset (or a category of fixed assets for sale) classified as disposable at the lower of the balance sheet value and fair value less cost of sale.

6.2.13 Intangible assets

Intangible assets are carried at purchase price adjusted for depreciation to date and impairment allowances, if any.

The Group has adopted the following useful life periods for the various categories of intangible assets:

Trademarks and licenses	5 years
Software and copyrights	2 to 5 years
Proprietary interests	5 years

Depreciation of intangible assets is recorded in the profit and loss account as operating expense (administrative expense and selling expense).

The Group holds no intangible assets with an indefinite useful life.
Goodwill is not subject to depreciation. It is annually tested for impairment.

Intangible assets acquired as part of mergers are identified separately from goodwill providing they meet the definition of intangible assets and their fair value can be reliably measured. After the initial recognition at fair value, in subsequent period such intangible assets are treated in the same way as assets acquired under separate transactions.

Computer software purchased is activated up to the cost of purchase and the cost of preparation and implementation for its intended use. Any costs relating to the development and maintenance of software are charged against costs on the date of being incurred.

The Group reviews periodically, not later than at the end of the financial year, the adopted economic life periods, final value, and depreciation methods of intangible assets, and the effects of changes in these estimates, if any, are reflected in the following and subsequent financial years (prospectively).

As at the balance sheet date, the Group also reviews intangible assets for impairment and the need to make revaluation allowances on these grounds. This happens once the Group obtains sufficient assurance that the relevant asset will not generate the expected economic benefits in the future or will generate them at a level that is significantly lower than expected.

The allowances are charged against other operating expense in the period in which impairment is identified, not later than at the end of the financial year.

If the Group obtains sufficient assurance that the cause for asset revaluation have ceased, it reverses the revaluation allowance previously effected in part or in full by recognising other operating income.

6.2.14 Investments and other financial assets

Investments in real property

Investment real properties are those real properties which are treated by the Company as a source of income from rent and/or which the Company retains with a view to their expected appreciation in value. The investments in real property are initially recognised at price of purchase or cost of construction.

The carrying value includes costs of transaction. The purchase price of real property investments acquired by way of merger of businesses corresponds to their fair value as at the date of merger. On the balance sheet date, investment real properties are reported at the purchase price or cost of construction less accumulated depreciation and impairment allowances.

Real property investments (except for land) are depreciated on a straight-line basis over the expected useful life of the relevant fixed asset.

A real property investment is removed from the balance sheet when sold or withdrawn from use if no benefits are expected to be generated in the future on its sale.

Investments and other financial assets falling within IAS 39 standard

Investments in other financial assets falling with the scope of the IAS 39 standard are classified as follows:

a) financial assets recognised at fair value through profit or loss;
b) loans and receivables;
c) investments held to maturity;
d) financial assets available for sale.

Financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable.
The classification of financial assets is made at their initial recognition, and where it is permissible and appropriate, the classification is reviewed at the end of each financial year.

a) <u>Financial assets recognised at fair value through profit or loss</u>

Financial assets recognised at fair value through profit or loss include marketable assets and the financial assets which upon initial recognition were classified as measured at fair value through profit or loss.

Financial assets are classified as marketable if they are bought for resale in a short period of time. Derivatives are also classified as marketable, unless they are recognised as effective hedging instruments or financial guarantee agreements. Profit or loss on marketable investments is reported in the profit and loss account.

At the time of initial recognition financial assets may be classified as measured at fair value through profit or loss if the following criteria are met:

● such classification eliminates or significantly reduces incoherence of treatment when both the measurement and principles of recognising losses or profits are subject to other regulations; or
● assets are part of a category of financial assets which are managed and measured at fair value in accordance with a documented risk management strategy; or
● financial assets include embedded derivatives which require separate recognition.

b) Loans and receivables

Loans and receivables are non-derivative financial assets, capable of being held to maturity, which are not traded on an active market. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

c) Investments held to maturity

The non-derivative financial assets, with fixed or determinable maturity, that the Company definitely intends and is able to hold to maturity are classified as investments held to maturity.

The investments that the Company intends to hold over an indefinite time are not part of this category. Other long-term investments, such as bonds, which the Company intends to maintain to maturity are recognised at amortised cost. Amortised cost is the amount at which a financial asset is measured when initially recognised, less principal repayments, and plus or minus the accumulated amortisation using the effective interest rate of all differences between the initial value and the value at maturity. The amortised cost includes all commissions and interest paid and received by the parties to the agreement as an inherent part of the interest rate, transaction costs and all premiums or discounts. Gains or losses on investments measured at amortised cost are recognised in the profit and loss account at derecognition of the investment from the balance sheet or upon impairment, and also as a result of amortisation.

The same principles of as those used for measuring fixed assets apply to long-term investments in real property. To the extent of transactions involving long-term tangible investments, relating to the determination of the financial result such as: sales, disposal, maintenance costs, the effects of those transactions are recognised respectively as other income and operating expense.

d) Financial assets available for sale

The financial assets available for sale are non-derivative instruments which are classified as available for sale or which are not:
● loans and receivables;
● investments held to maturity; or
● financial assets recognised at fair value through profit or loss.

Financial assets available for sale are measured at fair value as at the balance sheet date.

Impairment of financial assets

An assessment is made on each balance sheet date, as to whether there is objective evidence of impairment of a financial asset or a category of financial assets.

If such evidence exists with respect to financial assets available for sale, the aggregate losses to date recognised in equity—established as the difference between the purchase price and the current fair value, less any impairment recognised earlier in the profit and loss account—are derecognised from equity and recognised in the profit and loss account. Any impairment recorded in the profit and loss account with respect to equity instruments is not subject to reversal in correspondence to the profit and loss account. The reversal of impairment losses on financial debt securities is recognised in the profit and loss account if, in the following periods, after the impairment is recognised the fair value of such financial instruments increases as a result of events occurring after impairment recognition.

If there is evidence as to the likely impairment of loans and receivables, the impairment loss is determined as the difference between the balance sheet value of assets and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (that is an effective interest rate calculated at the initial recognition for assets based on the fixed interest rate and the effective interest rate established at the time of last revaluation of assets based on variable interest rate). Impairment losses are recorded in the profit and loss account. The reversal of impairment losses is recognised if, in the following periods, the impairment is reduced and the reduction can be attributed to events that occur after recognition. Upon reversal of impairment loss, the carrying amount of financial assets may not exceed the amortised cost which would be established if the impairment loss had not been recognised previously. The reversal of impairment is recognised in the profit and loss account.

If there is indication of impairment of unlisted equity instruments which are recognised at cost of purchase (as a reliable measurement of the fair value is not possible), the impairment loss is determined as the difference between the carrying value of the asset and the present value of estimated future cash flows discounted at similar financial assets' present market rate of return.

Derivatives

On the balance sheet date derivatives are measured at fair value. Derivatives whose fair value is above zero constitute financial assets and are recognised as financial assets, and derivatives whose fair value is negative constitute financial liabilities and are recognised as financial liabilities.

The estimated fair value corresponds with the amount which can be obtained or which must be paid to close up the positions opened as at the balance sheet date. The measurement is based on market quotations.

Recognising the effects of changes in fair value or gains and losses at the exercise of derivatives depends on their purpose. Derivatives are divided into hedging instruments and commercial instruments. The hedging instruments fall into instruments hedging fair value and instruments hedging future cash flows.

Recognising commercial derivatives

Gains and losses resulting from changes in the fair value of a commercial derivative upon measurement as at the balance sheet date or at exercise are recognised as financial income/gain in the profit and loss account in the period in which they arise.

Recognising protecting derivatives

Protecting, for purposes of the bookkeeping, consists in compensating between himself for get scores as a result of changes of fair value or changes of flows of financial means resulting from the protecting instrument and the protected position. With this consolidated financial report in the period grasped the Group practiced protecting changes of flows of financial means by the bookkeeping concerning protections and protecting fair value

Profit and loss resulting from the change of fair value of the instrument protecting financial flows presents in the separate position of own capital- revaluation capital, in such a part, in which the given instrument constitutes the effective protection bound with it. The ineffective part is being taken back as financial costs or financial incomes for the profit and loss account.

Profit and loss resulting from changes of fair value of the instrument protecting in the effective part they are taking the profit and loss account away in the position appropriately for taking hold of changes of fair value of protected position. The ineffective part is being taken back as financial costs or financial incomes for the profit and loss account.

6.2.15 Lease financing

A lease financing agreement, under which substantially all the risks inherent in and benefits deriving from ownership are vested in the Company, is classified as a financial lease. The leased object is recognised in assets on the date of commencement of the lease at the lower of the following amounts: fair value of the leased object or the current value of the minimum lease payments.

Each lease payment is divided into the amount reducing the liability and the amount of financial costs in a way that ensures maintaining a fixed rate with respect to the outstanding portion of the liability. The interest portion of the lease payment is reported as financing expense in the profit and loss account throughout the lease term. Depreciated assets acquired under lease financing are depreciated throughout the shorter of the useful life of the assets, taking into account the residual value, and the lease term.

A lease financing agreement, under which the lessor (financing party) retains a significant part of the risk inherent in and benefits deriving from ownership, represents an operating lease. In the event of land lease financing, unless the legal title to the land passes onto the lessee prior to the expiry of the lease term, such lease is classified as an operating lease.

Lease payments effected under an operating lease (less any promotions offered by the lessor (financing party), are charged against costs on a straight-line basis throughout the lease term.

6.2.16 Stock

Stock is carried at the purchase price or cost of construction, not higher however than the net selling price. The net selling price corresponds to the estimated selling price of stock plus the costs of effecting stock sale or of identifying the purchaser (that is the selling expense, marketing costs, etc.). As the majority of the Group's suppliers of goods quote prices on an ex customer warehouse basis, the Group does not include transport costs in the purchase price.

The cost is calculated using the average weighted method in the case of the wholesale business and FIFO in the case of the retail business.

The Group revaluates stock based on the stock ratio and the assessment of its marketability within the shelf life or economic use. New revaluation allowances and reversals of earlier allowances are recognised as operating (sale) expense in the profit and loss account.

Price rounding on stock purchases is recognised directly in the profit and loss account, including cost of goods sold.

Stock losses and the negative balance of stocktaking shortages which are found not to have occurred due to a fault are recorded as operating expense.

6.2.17 Accounts receivable and other receivables

Receivables of supplies and services and other accounts receivable after initial recognition are valued in amount of amortized cost using effective interest rate , including impairment allowances , while receivables of supplies and services with date of maturity less than 365 days from date of emergence receivables are not discounted.

Revaluation allowances are made when there is objective evidence to suggest that the Group will not be able to recover all amounts payable to it under the original terms of the receivables.
The Group makes receivables revaluation allowances for specific buyers. The Group may also make collective revaluation allowances with respect to numerous but small receivables. The detailed terms of measuring receivables revaluation allowances are set forth under the Terms of effecting receivables revaluation allowances. A revaluation allowance is recorded as other expense. The reversal of an earlier allowance is recognised as other income and derecognised as a revaluation allowance. Revaluation allowances are recorded in the profit and loss account as per account balance, as appropriate, as other expense or other income.

As required under the prudence principle, default interest on delayed receivables is recognised at the time the funds are credited to the Group.

Not-constituting financial assets are recognized initially at their nominal value , at the balance sheet date are valued at the amount payable.

All prepayments, among others, on future deliveries of goods and services, fixed assets under construction, shares, intangible assets, etc. are recorded as other receivables.

6.2.18 Prepayments and accrued income

The Group reports prepayments if the expenditures incurred relate to periods following the period in which they are incurred.

Accrued income constitutes moneys received on account of future performances. Accrued income also includes accrued but not yet received income on account of performances recognised as income on a cash-accounting basis.

6.2.19 Cash and cash equivalents

Cash is recognised as at the balance sheet date at nominal value.

Cash includes: cash on hand, cash at bank and all cash deposits and short-term securities with maturity of up to three months.

The balance of cash and cash equivalents reported in the cash flow statement comprises the above cash and cash equivalents.

6.2.20 Equity capital funds

The equity capital funds of dominant entity Emperia Holding S.A. comprise:
- initial (share) capital
- supplementary capital
- reserve capital

The supplementary capital of Emperia Holding SA is divided into three categories:
- share premium capital – surplus generated as part of a share issue less costs of such share issue;
- supplementary capital – annual profit allocations of no less than 8 percent of net profit generated in the relevant financial year, until the supplementary capital reaches one third of the initial capital;
- supplementary capital – established in connection with the management option plan

The reserve capital of Emperia Holding SA is divided into two categories:
- reserve capital –earmarked to cover specific losses or expenditures, based on annual profit allocations;
- revaluation reserve capital – represents net difference arising as part of assets revaluation

6.2.21 Bank credit facilities

Bank credit facilities are carried at the fair value of proceeds received less costs directly related to generating such proceeds. In the subsequent periods bank credit facilities are carried at the amortised purchase price, based on the effective interest rate.

Credit facilities (including current loans in the current account and credit lines) maturing in a period of more than 12 month after the balance sheet date are treated by the Group as long-term-credit facilities.

6.2.22 Provisions

The Group establishes provisions when there is a current, legal or customarily expected obligation, arising from past events, that a likely liability to pay will arise. It must be more likely that funds will be required to be expensed to meet that obligation than the opposite, and it must be possible to reliably measure its amount.

The costs of a provision are recognised as other operating expense.

If it is likely that part or all of the economic benefits required to settle the provision will be recovered from a third party, such amount is recognised as an asset, providing that the likelihood of recovery is sufficiently high and it can be reliably measured.

If the time value of money is significant, the provision is measured by discounting projected future cash flows to the current value based on a gross discount rate reflecting the actual market evaluations of the time value of money and the potential risk relating to the relevant liability. If discounting is used as a measuring method, the increase of the provision due to passage of time is recognised as financial expense.

The value of provisions established is reviewed on the balance sheet date to adjust the estimates based on the state of knowledge prevailing at that time.

6.2.23 Short-term liabilities, including accounts payable

Short-term liabilities include liabilities whose maturity falls within 12 months of the balance sheet date (with accounts payable being classified in the balance sheet as short-term liabilities regardless of their respective maturity date).

Short-term liabilities include in particular accounts payable, credit facilities and loans contracted, payroll, taxes, duties, insurance and other payments.

Short-term liabilities from supplies and services are recognized in the balance sheet at nominal value. The book value of these liabilities are equivalent to approximately the value which is amount of amortized cost, using the effective interest rate. Short-term liabilities with the date of the maturity less than 365 days shall not be discounted.

Liabilities which are not classified as financial liabilities are pricing in the amount requiring the payment.

6.2.24 Employee benefits

Over time, the Company's employees acquire certain rights to benefits which are paid after the rights become vested. The Company's pay systems provide all employees with a right to an old-age pension bonus, managers and the management board members to an annual and three-year bonuses for meeting corporate and individual objectives.

In the light of the above, the Company established provisions against these benefits. These include pension bonuses, annual leaves accrued, annual and longer bonuses. The Company estimates related provisions. The provisions against old-age pension bonuses and accrued leaves are estimated in each reporting period, provisions against bonuses are estimated at the end of financial year. A third-party actuary estimates old-age pension bonuses at the Company's request.
The provisions against employee benefits are recognised as operating expense.

6.2.24.1 Own share-based payments.

The own share-based scheme, the three-year Management Option Plan, enables the Group's employees to acquire shares in the dominant company. The Plan is targeted at the company's and subsidiary companies' management board as well as the key managers of the company and its subsidiaries. The aim of the Plan is to incentivise key management to achieve the Group's strategic objectives and tie them with the Group over the long-term.

The Group recognised the Plant at fair value on the launch date, in accordance with the requirements of IFRS 2 and IFRIC 11. The valuation was prepared by a third-party expert based on the Monte-Carlo valuation model. The valuation took into account: model input price (share price on the day of granting the instrument), of PLN 40,50 per share, price of instrument execution of PLN 142, expected volatility of level of 35%, likelihood of early implementation at 0% per annum for Members of Board of Company and 3% per annum for other persons entitled, expectation of dividend of PLN 0,90 per share (taking into increase of dividend by 10% in next years) and risk-free rate estimated as a rate of return obtained from currently available on date of grant of zero-coupon securities issued by the Polish Government, denominated in PLN. The fair value of the Plan is amortised throughout the term of the Plan, starting from 1 October 2008 until the end of 2010. In the Financial Statements the fair value of the Plan is recorded in the profit and loss account as the costs of the management option plan in correspondence to the increase of supplementary capital.

6.2.25 Corporate tax

Corporate tax includes: current corporate tax to be paid and deferrer tax.

a) Current tax

The current corporate tax is established on the basis of the tax result (taxation base) of the relevant financial year.

Tax profit (loss) differs from the balance sheet profit (loss) due to exclusion of taxable revenues and costs treated as revenue costs in the following years as well as those revenues and costs which will never be taxable. The current tax payable is calculated at tax rates effective in the relevant financial year.

b) Deferred tax

The deferred tax liability is carried at full amount using the liability method on account of temporary differences between the tax value of assets and liabilities and their balance sheet value reported in the financial statements.

The deferred corporate tax is determined at tax rates legally or actually applicable as at the balance sheet date, which will be applicable when realised. The basic temporary differences relate to the different measuring of assets and liabilities settled in time for tax and balance sheet purposes.

Deferred tax assets are recognised if it is likely that in the future taxable income will be generated, thus enabling consumption of the temporary differences. In the balance sheet, the deferred tax liabilities or assets are carried respectively as long-term liabilities or assets.

6.2.26 Sales revenues

Revenues from sale of goods

a) wholesale – recognised at the time of delivery of goods to the client (client may also decide to individually select and collect the goods), after the client accepts the goods, and there is sufficient assurance that the related receivable is recoverable. The retrospective discounts granted by suppliers of goods are recognised when received and recorded as a reduction of the cost of goods sold in the profit and loss account. The bonuses and discounts granted by suppliers based on the volume of trade with the supplier are recognised in stock.
b) retail – recognised when goods are sold to the customer. Retails sales are mainly paid for in cash or by credit/debit card. Credit/debit card transaction charges are recorded as selling expense.

Revenues from sale of services

Revenues from sale of services are recognised once the service commissioned are provided. If the relevant agreement with the buyer so stipulates, revenues with respect to partial provision of the services can also be recognised, as agreed in an individual agreement.

Revenues from interest

Interest revenues are recognised on an accrual basis if there is sufficient assurance that the related receivable is recoverable. In the trading business, given its specificity, interest has a different role and hence for the most part it is recognised as revenues on a cash basis.

Dividends

Revenues from dividends are recognised when the right to obtain the payment becomes vested in the Group. Dividend payments to shareholders are recognised as a liability in the period in which they are approved by the General Meeting of Shareholders and recorded in other liabilities.

6.2.27 Costs

Cost of goods and materials sold – includes direct costs of goods and materials sold, which are commensurate with revenues generated on their sale.

Cost of services – includes expenditures directly related to the provision of services.

Selling expense – includes expenditures relating to goods marketing and distribution.

General administrative expense – includes costs relating to the operation of the company as a whole, in addition to those which are treated as other operating expense or financial expense.

Other operating expense – includes costs directly relating to the Group's operations.

Financial expense – includes costs relating to the financing of the Group's business and those of impairment of its financial assets.

6.2.28 Transactions in foreign currencies and exchange differences

All business transactions denominated in foreign currencies are converted into the Group's functional currency (PLN) at the average exchange rate effective on the date of the transaction.

On each balance sheet date:

- cash assets denominated in a foreign currency are converted at the closing rate;
- non-cash assets carried at historical cost in a foreign currency are converted at the exchange rate effective on the date of the transaction, and
- non-cash assets carried at fair value in a foreign currency are converted at the exchange rate of the date of measuring the fair value.

Foreign exchange gains and losses on the settlement of transactions denominated in foreign currencies and balance sheet recognition of cash assets and liabilities denominated in foreign currencies are recorded in the profit and loss account respectively as financial income or expense. The exchange differences are recognised as per account balance.

6.3 Additional explanatory notes

6.3.1 Consistency of accounting principles and measurement methods applied in the I quarter interim report and the last annual financial statements.

A description of the Group's basic accounting policies applied from 1 January 2005 is presented in Note 6.2 of these consolidated financial statements.
The policies are applied by the Group retrospectively to present its financial performance in a reliable and accurate manner.

EMPERIA HOLDING SA (all amounts in thousands PLN)

6.3.2 Seasonality and cyclicality of manufacturing.

The Group's business is not subject to any major seasonal or cyclical trends.

6.3.3 Type and amounts of items affecting assets, liabilities, equity, net financial result or cash flows which are unique in term of type, size or effect.

No such event occurred in the Group.

6.3.4 Type and amounts of changes in estimated amounts reported in the previous interim periods of the current year or changes in the estimated amounts reported in the previous financial years, if they materially affect the current interim period.

Provisions against employees' benefits	Changes in Q1 2009	Changes in Q1 2008
Long-term		
As at the beginning of the period	2 322	3 030
Additions / Disposals in period	*56*	*39*
Increases/reductions during the period resulting from acquisitions	*40*	*19*
As at the end of the period	**2 418**	**3 087**
Short-term		
As at the beginning of the period	17 893	14 896
Additions / Disposals in period	*(1 433)*	*507*
Increases/reductions during the period resulting from acquisitions	*178*	*342*
As at the end of the period	**16 638**	**15 745**
Other provisions	**Changes in Q1 2009**	**Changes in Q1 2008**
Long-term		
As at the beginning of the period		20
Additions / Disposals in period		*387*
Increases/reductions during the period resulting from acquisitions		
As at the end of the period		**407**
Short-term		
As at the beginning of the period	2 940	4 143
Additions / Disposals in period	*183*	*(849)*
Increases/reductions during the period resulting from acquisitions	*20*	*258*
As at the end of the period	**3 143**	**3 552**

6.3.5 Issue, redemption and repayments of debt and equity securities

a) Emperia Holding S.A.

In 2005, Emperia Holding S.A. concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate value of up to PLN 50,000,000.

Bonds issue and redemption (expressed in nominal amounts) of Emperia Holding S.A. throughout first quarter of 2009 and 2008 were as follows:

EMPERIA HOLDING SA (all amounts in thousands PLN)

2009:

Bonds issue and redemption in Q1 2009	Total	External issue	Stokrotka Sp. z o.o.
As at the beginning of the period	**0**	0	0
Bonds issue	***13 000***	*13 000*	*0*
Bonds redemption	***0***	*0*	*0*
As at the end of the period	**13 000**	**13 000**	**0**

2008:

Bonds issue and redemption in Q1 2008	Total	External issue	Stokrotka Sp. z o.o.
As at the beginning of the period	**18 000**	10 000	8 000
Bonds issue	***23 000***	*10 000*	*13 000*
Bonds redemption	***(31 000)***	*(10 000)*	*(21 000)*
As at the end of the period	**10 000**	**10 000**	**0**

b) Elpro Sp. z o.o.

A subsidiary limited liability company, Elpro Sp. z o.o., has concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate value of up to PLN 50,000,000

Bonds issue and redemption (expressed in nominal amounts) of Elpro Sp. z o.o. throughout first quarter of 2009 and 2008 were as follows:

2009:

Bonds issue and redemption in Q1 2009	Total	External issue	Emperia Holding S.A.	BOS S.A.	Express Sp. z o.o.	DEF Sp. z o.o.
As at the beginning of the period	**42 500**	1 000	18 500	4 000	7 000	12 000
Bonds issue	***151 800***	*3 000*	*35 300*	*56 500*	*21 000*	*36 000*
Bonds redemption	***(140 800)***	*(3 000)*	*(38 800)*	*(42 000)*	*(21 000)*	*(36 000)*
As at the end of the period	**53 500**	**1 000**	**15 000**	**18 500**	**7 000**	**12 000**

2008:

Bonds issue and redemption in Q1 2008	Total	External issue	Emperia Holding S.A.	Sydo Sp. z o.o.	Tradis Sp. z o.o.	Infinite Sp. z o.o.	Rexpol Sp. z o.o. in liquidation
As at the beginning of the period	**24 700**	0	5 000	17 000	0	1 200	1 500
Bonds issue	***45 000***	*0*	*8 000*	*21 500*	*3 000*	*6 500*	*6 000*
Bonds redemption	***(38 700)***	*0*	*(7 000)*	*(20 000)*	*0*	*(5 700)*	*(6 000)*
As at the end of the period	**31 000**	**0**	**6 000**	**18 500**	**3 000**	**2 000**	**1 500**

c) Stokrotka Sp. z o.o.

A subsidiary limited liability company, Stokrotka Sp. z o.o., has concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate value of up to PLN 50,000,000.
Bonds issue and redemption (expressed in nominal amounts) of Stokrotka Sp. z o.o. throughout first quarter of 2009 and 2008 were as follows:

EMPERIA HOLDING SA (all amounts in thousands PLN)

2009:

Bonds issue and redemption in Q1 2009	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	BOS S.A.	Maro Markety Sp. z o.o.	Sydo Sp. z o.o.
As at the beginning of the period	**50 000**	0	32 800	3 500	0	0	6 000	7 700
Bonds issue	***152 000***	*0*	*64 400*	*11 500*	*7 000*	*16 000*	*18 000*	*35 100*
Bonds redemption	***(149 000)***	*0*	*(67 900)*	*(11 000)*	*(7 000)*	*(13 000)*	*(18 000)*	*(32 100)*
As at the end of the period	**53 000**	**0**	**29 300**	**4 000**	**0**	**3 000**	**6 000**	**10 700**

2008:

Bonds issue and redemption in Q1 2008	Total	External issue	Emperia Holding S.A.
As at the beginning of the period	**30 000**	0	30 000
Bonds issue	***35 000***	*0*	*35 000*
Bonds redemption	***(30 000)***	*0*	*(30 000)*
As at the end of the period	**35 000**	**0**	**35 000**

d) BOS S.A.

A subsidiary joint-stock company, BOS S.A., has concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate value of up to PLN 50,000,000.

Bonds issue and redemption (expressed in nominal amounts) of BOS S.A. throughout first quarter of 2009 and 2008 were as follows:

2009:
BOS S.A. did not issue bonds throughout first quarter of 2009

2008:

Bonds issue and redemption in Q1 2008	Total	External issue	Emperia Holding S.A.	Maro Markety Sp. z o.o.	Sydo Sp.z o.o.
As at the beginning of the period	**35 000**	0	35 000	0	0
Bonds issue	***45 000***	*0*	*40 000*	*2 000*	*3 000*
Bonds redemption	***(35 000)***	*0*	*(35 000)*	*0*	*0*
As at the end of the period	**45 000**	**0**	**40 000**	**2 000**	**3 000**

e) Tradis Sp. z o.o.

A subsidiary limited liability company, Tradis Sp. z o.o., has concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate value of up to PLN 50,000,000.

Bonds issue and redemption (expressed in nominal amounts) of Tradis Sp. z o.o. throughout first quarter of 2009 and 2008 were as follows:

2009:
Tradis Sp. z o.o. did not issue bonds throughout first quarter of 2009

EMPERIA HOLDING SA (all amounts in thousands PLN)

2008:

Bonds issue and redemption in Q1 2008	Total	External issue	Emperia Holding S.A.
As at the beginning of the period	**15 000**	0	15 000
Bonds issue	***10 000***	*0*	*10 000*
Bonds redemption	***(15 000)***	*0*	*(15 000)*
As at the end of the period	**10 000**	**0**	**10 000**

f) DLS S.A.

A subsidiary joint-stock company, DLA S.A., has concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate value of up to PLN 50,000,000.

Bonds issue and redemption (expressed in nominal amounts) of DLA S.A. throughout first quarter of 2009 and 2008 were as follows:

2009:

Bonds issue and redemption in Q1 2009	Total	External issue	Emperia Holding S.A.	BOS S.A.
As at the beginning of the period	**19 000**	0	15 000	4 000
Bonds issue	***40 000***	*0*	*40 000*	*0*
Bonds redemption	***(49 000)***	*0*	*(45 000)*	*(4 000)*
As at the end of the period	**10 000**	**0**	**10 000**	**0**

2008:

DLS S.A. did not issue bonds throughout first quarter of 2008.

The transactions concluded within the Group are subject to consolidation exclusions.

6.3.6 Dividends paid

In first quarter of 2009 the company did not pay dividends to their shareholders.

6.3.7 Revenues and performance by operating segment

Under the Group's activities, on risk and amount of return on investments, a decisive influence have differences in the offered goods both at retail and service level.
For identifying and measuring the results of operating segments which are subject of reporting and disclosure adopted an approach based on Management's perspective.
Operating segment is a component of transactor:

- who carried out business associated with obtaining revenue and incurring expenses (including income and expenses related to transactions with other segments of the same entity),
- whose results of activity are regularly reviewed by the person responsible for making operational decisions concerns allocating resources to segments and assessing of results achieved by the segment
- about which can be obtained separate financial information

A geographical segment is a component of an enterprise that provides products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The Group operates exclusively in Poland, the regions of which—given their proximity—demonstrate similar economic conditions and the scope of risks, and thus must be seen as largely uniform.

EMPERIA HOLDING SA (all amounts in thousands PLN)

The following operating segments are distinguished within the Group:

1 The wholesale business (Wholesale Segment) pursued by the following subsidiaries: BOS S.A., DLS S.A., Sygel-Jool S.A., DEF Sp. z o.o., Arsenal Sp. z o.o., Tradis Sp. z o.o., involving wholesale distribution of goods and provision of related goods-distribution services;
2 The retail business (Retail Segment) comprised of the entire operations of the following subsidiaries: Stokrotka Sp. z o.o., Detal Koncept Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy Sp. z o.o., Euro Sklep S.A. involving retail distribution and provision of related retail-distribution services;
3 The last business segment (Other Segments) includes the entire holding operation of the Issuer's Company and the operations of the other subsidiaries: Elpro Sp. z o.o., Express Podlaski Sp. z o.o., Sydo Sp. z o.o. and Alpaga–Xema Sp. z o.o – render development services and property management services, Infinite Sp. z o.o., Emperia Info Sp. z o.o. — IT services and PSD S.A., which render services of specialized trade mediation. Given the material consolidation exclusions and the overall limited significance (segment does not meet any of the verge thresholds provided for under IFRS 8) these are reported as a single item.

As regards geographical segments, given the above considerations, the Group does not distinguish any other segments except for the entire Poland.
The Group applies uniform accounting policies for all the segments. Business transactions between segments are on an arm's length basis; any such transactions are subject to exclusion in the consolidated financial statements.
Starting from 2008 Annual Financial Statement the way of segments presentation was change. Consolidation Exclusions are shown in a separate column, not as till now attributed directly to segments. In relation to comparative data for first quarter of 2008 changes was made appropriately:

The tables below present information regarding the Group's operating segments in first quarter of 2009

	Wholesale	Retail	Other	Consolidation Exclusions	Total
Segment total revenues	1 062 586	399 863	24 920	200 865	1 286 504
Segment revenues (from external clients/customers)	887 332	395 164	4 008		1 286 504
Segment revenues (from other segments)	175 254	4 699	20 912	200 865	
Segment total costs	(1 058 384)	(396 514)	(20 700)	(201 773)	(1 273 825)
Result on other operations	1 046	(319)	57	162	622
Result on financial operations	(2 320)	(971)	(408)		(3 699)
Profit before tax	2 928	2 059	3 869	(746)	9 602
Taxation	(3 548)	(2 189)	(984)	280	(7 001)
Share in financial result entities valued using the equity method			(12)		(12)
Profit of the period	(620)	(130)	2 873	(466)	2 589

	Wholesale	Retail	Other	Consolidation Exclusions	Total
Segment assets/ liabilities	1 254 384	435 834	839 148	729 906	1 799 460

	Wholesale	Retail	Other	Consolidation Exclusions	Total
Investment outlays	(19 986)	(16 971)	(20 849)	(14 549)	(43 257)
Depreciation	(5 610)	(6 762)	(2 708)	(375)	(14 705)

EMPERIA HOLDING SA (all amounts in thousands PLN)

The tables below present information regarding the Group's operating segments in first quarter of 2008

	Wholesale	Retail	Other	Consolidation Exclusions	Total
Segment total revenues	1 076 875	345 259	26 433	166 497	1 282 070
Segment revenues (from external clients/customers)	930 709	340 576	10 785		1 282 070
Segment revenues (from other segments)	146 166	4 683	15 648	166 497	
Segment total costs	(1 062 821)	(340 840)	(23 455)	(166 620)	(1 260 496)
Result on other operations	1 379	2 870	1 113	(11)	5 373
Result on financial operations	(3 136)	(895)	(217)	(1 000)	(3 248)
Profit before tax	12 297	6 394	3 874	(1 134)	23 699
Taxation	(3 463)	(1 368)	(842)	21	(5 694)
Profit of the period	8 834	5 026	3 032	(1 113)	18 005

	Wholesale	Retail	Other	Consolidation Exclusions	Total
Segment assets/ liabilities	1 139 408	310 640	711 312	612 920	1 548 440

	Wholesale	Retail	Other	Consolidation Exclusions	Total
Investment outlays	(10 830)	(12 834)	(13 821)	(2 337)	(35 148)
Depreciation	5 318	5 142	1 871	220	12 111

6.3.8 Material events after the period of the financial statements

a) Purchase of shares in Polish limited liability company Przedsiebiorstwo Handlowe Alfa Sp. z o.o. in Lublin.

On 10 April 2009 Emperia's subsidiary limited liability company, Stokrotka Sp. z o.o. has acquired 100 percent of shares in a Polish limited liability company, Przedsiebiorstwo Handlowe Alfa Sp. z o.o. ("Company") having its registered seat in Lublin. Przedsiebiorstwo Handlowe Alfa Sp. z o.o. is a food product and manufactured product retailer. The Company operates 3 supermarkets in Lublin. In 2009, the revenues of the Company are projected to reach some PLN 36,000,000.

b) Increase of share capital of Tradis Sp. z o.o. subsidiary.

Management Board of Emperia Holding SA is inform that on 23 April 2009 a subsidiary company BOS SA with its seat in Białystok acquired 19 432 newly issued shares of the nominal value of PLN 500 each in the increased share capital of Tradis Sp. z o.o., in exchange for an in-kind contribution:

● 6 085 000 shares of DLS S.A. with its seat in Płock of the nominal value of PLN 1 each and market value of PLN 47,991,000.

● 17 205 000 shares of Sygel-Jool S.A. with its seat in Częstochowa of the nominal value of PLN 100 each and market value of PLN 16,360,000.

EMPERIA HOLDING SA (all amounts in thousands PLN)

On 13 May 2009 The Management Board of Emperia Holding S.A. received a decision of the District Court in Lublin of 5 May 2009 on the registration of increase of the share capital of Tradis ("Company") by PLN 9,716,000. Following the registration of the increase, the share capital of the Company comprises 159 632 shares of PLN 500 each, of the aggregate value of PLN 79,816,000.

Upon completion of the transaction, Tradis became the owner of 100 percent of shares of DLS S.A. and Sygel-Jool S.A. The transaction is part of the process associated with the merger of the distribution companies described in paragraphs 6.3.25 b)

c) Increase of initial capital in Stokrotka Sp. z o.o.

On 14 May 2009 there was increased of initial capital of a limited liability subsidiary Stokrotka Sp. z o.o. in amount of PLN 10 000 000. Following the registration, the initial capital of the Company comprises 102 653 shares of PLN 500 each , of the total value of PLN 51,326,500.
Emperia Holding S.A. acquired by cash contribution 20.000 shares of nominal value of PLN 500 each. Emperia Holding S.A., either directly or through its subsidiaries, holds 100 percent of shares in the initial capital of Stokrotka Sp. z o.o. carrying 100 percent of votes at the general meeting of shareholders.

6.3.9 Effects of changes in the structure of the entity in the interim period, including mergers, acquisitions or disposal of subsidiaries and long-term investments, restructuring and discontinuance of business.

No such event occurred in the Group.

6.3.10 Changes in off-balance sheet liabilities

The Group's off-balance sheet liabilities comprise security interests pledged by the Group to secure credit facilities and loans contracted by it and financial guarantees.
In addition, the majority of the Group's suppliers grants to the Company extended terms of payment (trade credit) which is secured by the Companies by issuing blank bills of exchange.

Changes in off-balance sheet liabilities in first quarter of 2009:

Changes in off-balance sheet liabilities	Under bank credit facilities	Under bank guarantees	Under financial guarantees
Mortgages			
As at the beginning of the period	93 356	7 800	
Increases during the period			
Reductions during the period	*(8 600)*	*(7 800)*	
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	84 756		
Transfer of title as security/pledge/assignment of current assets			
As at the beginning of the period	279 786	21 325	
Increases during the period	*25 000*	*125*	
Reductions during the period	*(6 000)*	*(2 300)*	
Increases/reductions during the period resulting from acquisitions	*2 000*		
As at the end of the period	300 786	19 150	
Transfer of title as security/pledge/assignment of fixed assets			
As at the beginning of the period	2 232		
Increases during the period			
Reductions during the period	*(800)*		
Increases/reductions during the period resulting			

from acquisitions			
As at the end of the period	1 432		
Guarantees			
As at the beginning of the period	68 500	8 036	3 535
Increases during the period	*33 000*		
Reductions during the period	*(29 700)*	*(7 890)*	*(128)*
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	71 800	146	3 407

Emperia Holding S.A. extended corporate financial guarantees of PLN 71,800,000. to its subsidiaries with respect to bank credit facilities contracted by them. The guarantees are only temporary in nature and have been extended until regular security for those credit facilities is established.

Changes in off-balance sheet liabilities in first quarter of 2008:

Changes in off-balance sheet liabilities	Under bank credit facilities	Under bank guarantees	Under financial guarantees
Mortgages			
As at the beginning of the period	63 034		
Increases during the period			
Reductions during the period	*(6 767)*		
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	56 267		
Transfer of title as security/pledge/assignment of current assets			
As at the beginning of the period	221 945	18 225	
Increases during the period		*1 043*	
Reductions during the period	*(43 500)*	*(604)*	
Increases/reductions during the period resulting from acquisitions	*8 000*		
As at the end of the period	186 445	18 663	
Transfer of title as security/pledge/assignment of fixed assets			
As at the beginning of the period	10 810		
Increases during the period			
Reductions during the period	*(215)*		
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	10 595		
Guarantees			
As at the beginning of the period	70 000		3 969
Increases during the period	*25 000*	*543*	
Reductions during the period	*(20 000)*	*(543)*	*(115)*
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	75 000		3 854

Emperia Holding S.A. extended corporate financial guarantees of PLN 75,000,000. to its subsidiaries with respect to bank credit facilities contracted by them. The guarantees are only temporary in nature and have been extended until regular security for those credit facilities is established.

6.3.11 Stock write-off to realisable net value and reversal of such write-off.

No such event occurred in the Group.

EMPERIA HOLDING SA (all amounts in thousands PLN)

6.3.12 Revaluation allowances on account of impairment of fixed assets, intangible assets or other securities, and reversal of those allowances.

The Group's procedures for effecting and reversal of revaluation allowances on account of impairment of tangible fixed assets, stock revaluation and receivables revaluation are presented respectively in Note 6.2.10., 6.2.13., 6.2.16. and 6.2.17.

Revaluation allowances on account of impairment of tangible fixed assets, intangible assets or other assets, and reversal of those allowances.

Description	Changes in Q1 2009	Changes in Q1 2008
Revaluation allowances on account of impairment of fixed assets		
As at the beginning of the period	1 798	2 125
Creating of write-offs	*140*	
Reversal of write–offs	*(66)*	*(25)*
Changes of write-offs resulting from acquisitions		
As at the end of the period	**1 872**	**2 100**
Revaluation allowances for receivables		
As at the beginning of the period	34 391	29 731
Creating of write-offs	*1 753*	*1 037*
Reversal of write–offs	*(2 570)*	*(1 200)*
Changes of write-offs resulting from acquisitions	*22*	*560*
As at the end of the period	**33 596**	**30 128**
Revaluation allowances for financial assets		
As at the beginning of the period	3 540	9 536
Creating of write-offs	*2 867*	10 283
Reversal of write–offs	*(3 507)*	(11 967)
Changes of write-offs resulting from acquisitions		
As at the end of the period	**2 900**	**7 852**
Revaluation allowances for stock		
As at the beginning of the period	15 929	13 040
Creating of write-offs	*5 791*	*4 921*
Reversal of write–offs	*(3 770)*	*(3 389)*
Changes of write-offs resulting from acquisitions	*92*	*605*
As at the end of the period	**18 042**	**15 177**
including: revaluation allowances on account of stocktaking		
As at the beginning of the period	1 012	987
Creating of write-offs	*4 837*	*4 483*
Reversal of write–offs	*(1 277)*	*(494)*
Changes of write-offs resulting from acquisitions	*17*	*177*
As at the end of the period	**4 589**	**5 153**
including: revaluation allowances on account of bonuses		
As at the beginning of the period	14 917	12 053
Creating of write-offs	*954*	*438*
Reversal of write–offs	*(2 493)*	*(2 895)*
Changes of write-offs resulting from acquisitions	*75*	*428*
As at the end of the period	**13 453**	**10 024**

EMPERIA HOLDING SA (all amounts in thousands PLN)

6.3.13 Changes in fixed assets and intangible assets

Changes in fixed assets and intangible assets	Changes in Q1 2009	Changes in Q1 2008
Fixed assets		
As at the beginning of the period	570 632	435 856
Additions / Disposals	*19 681*	6 498
Increases/reductions during the period resulting from acquisitions	*9 012*	*2 233*
As at the end of the period	**599 325**	**444 587**
Intangible assets		
As at the beginning of the period	6 206	3 576
Additions / Disposals	*129*	61
Increases/reductions during the period resulting from acquisitions	*162*	*95*
As at the end of the period	**6 497**	**3 732**

6.3.14 Release of provisions against restructuring costs.

In 2008, the Group has formed a provision against restructuring of employment. In first quarter of 2009 as a result of use, reserve has been reduced by amount of PLN 614 500 - operation had neutral impact on Group's financial result.

6.3.15 Deferred corporate tax.

Deferred corporate tax	Changes in Q1 2009	Changes in Q1 2008
Deferred corporate tax assets		
As at the beginning of the period	20 868	16 135
Creating of write-offs	*1 312*	*4 072*
Reversal of write–offs	*(6 825)*	*(3 391)*
Increases/reductions during the period resulting from acquisitions	*217*	*349*
As at the end of the period	**15 572**	**17 164**
Provision against deferred corporate tax		
As at the beginning of the period	13 097	10 424
Creating of write-offs	*2 104*	*1 811*
Reversal of write–offs	*(2 074)*	*(615)*
Increases/reductions during the period resulting from acquisitions	*1*	*109*
As at the end of the period	**13 128**	**11 729**

EMPERIA HOLDING SA (all amounts in thousands PLN)

6.3.16 Financial and operating leases.

2009:

Liabilities under financial leases	31 March 2009	
	Minimum payments	Current value of minimum payments
Up to 1 year	1 921	1 703
From 1 to 5 years	3 383	2 918
Over 5 years		
Total	**5 304**	**4 621**

Operating leases

Description of assets	Term of agreement	As at 31.03.2009	As at 31.03.2010	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	Definite	619	619	619	
	indefinite	164	164		
Machinery and equipment	Definite				
	indefinite				
Vehicles	Definite				
	indefinite	14			
Other fixed assets	Definite				
	indefinite				

Agreements containing a lease according to IFRIC 4

Description of assets	Term of agreement	As at 31.03.2009	As at 31.03.2010	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	Definite	24 989	79 225	300 767	347 273
	indefinite	2 527	2 591	10 365	12 224
Machinery and equipment	Definite	36	136	543	519
	indefinite				
Vehicles	Definite	3 122	5 066	14 909	233
	indefinite	525	511	2 044	2 555
Other fixed assets	Definite	1	1	2	3
	indefinite				

2008:

Financial leases

Liabilities under financial leases	31 March 2008	
	Minimum payments	Current value of minimum payments
Up to 1 year	1 555	1 234
From 1 to 5 years	3 349	2 605
Over 5 years	709	678
Total	**5 613**	**4 517**

EMPERIA HOLDING SA (all amounts in thousands PLN)

Operating leases

Description of assets	Term of agreement	As at 31.03.2008	As at 31.03.2009	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	Definite				
	indefinite				
Machinery and equipment	Definite		4		
	indefinite				
Vehicles	Definite		19	14	
	indefinite				
Other fixed assets	Definite				
	indefinite				

Agreements containing a lease according to IFRIC 4

Description of assets	Term of agreement	As at 31.03.2008	As at 31.03.2009	From 1 - 5 years	Over 5 years
		Minimum annual payments			
Real properties	Definite	41 170	53 268	192 527	218 632
	indefinite	1 464	5 192	19 501	23 412
Machinery and equipment	Definite	4	10	30	15
	indefinite				
Vehicles	Definite	855	3 368	10 600	
	indefinite	55	101	389	389
Other fixed assets	Definite	2	8	32	10
	indefinite				

6.3.17 Commitments to purchase tangible fixed assets.

No such event occurred in the Group.

6.3.18 Settlements of Litigation.

In first quarter of 2009 the Group's subsidiaries were not a party to proceedings before courts or other bodies relating to liabilities or receivables of the aggregate value of at least 10% of equity.

6.3.19 Correction of errors of previous periods.

In first quarter of 2009, there were no correction of errors of previous periods.

6.3.20 Failure to repay or breach of a loan agreement and failure to take remedial actions.

No such event occurred in the Group.

6.3.21 Material transactions of the Issuer with associated entities.

As part of the Group's cash flow efforts, short-term bonds were issued, described in detail in point 6.3.5
In first quarter of 2009 was merged of subsidiaries made under the Capital Group, description contains note 6.2.9

EMPERIA HOLDING SA (all amounts in thousands PLN)

6.3.22 List of shareholders holding at least 5 percent of votes at the Ordinary General Meeting of Shareholders of Emperia Holding S.A. at the date of the report.

Shareholders	Shares at the date of the report	Percentage of share capital *	Change %	Shares at 31.12.2008	Percentage of share capital at 31.12.2008	Votes at the OGMS at the date of the report	Percentage of votes at the OGMS at the date of the report
*Commercial Union OFE	1 648 393	10,91%	0,00%	1 648 393	10,91%	1 648 393	10,91%
Jarosław Wawerski	1 090 537	7,21%	0,00%	1 090 537	7,21%	1 090 537	7,21%
Artur Emanuel Kawa	1 000 086	6,62%	0,00%	1 000 086	6,62%	1 000 086	6,62%
*ING OFE	814 811	5,39%	0,00%	814 811	5,39%	814 811	5,39%

* Information about state of ownership of shares as at 31.12.2008 was collected on 14.05.2009 from the website www.cu.com.pl and www.ing.pl

6.3.23 Changes in the number of shares held by members of the Management Board.

Members of Management Board	Shares at 31.03.2009	Percentage of share capital * at 31.03.2009	Change %	Shares at 31.12.2008	Percentage of share capital * at 31.12.2008
Jarosław Wawerski	1 090 537	7,21%	0,00%	1 090 537	7,21%
Artur Emanuel Kawa	1 000 086	6,62%	0,00%	1 000 086	6,62%
Grzegorz Wawerski	353 738	2,34%	0,00%	353 738	2,34%
Dariusz Kalinowski	15 000	0,10%	0,00%	15 000	0,10%
Marek Wesołowski	12 520	0,08%	0,00%	12 520	0,08%

6.3.24 Changes in the number of shares held by members of the Supervisory Board.

Members of the Supervisory Board	Shares at 31.03.2009	Percentage of share capital	Change %	Shares at 31.12.2008	Percentage of share capital * at 31.12.2008
Zenon Mierzejewski	137 000	0,91%	0,00%	137 000	0,91%

6.3.25 Other material information.

a) Execution of Credit Facility Agreement by Subsidiary.

On 31 March 2009 a Credit Facility Agreement was signed between subsidiary limited liability company Tradis ("Borrower") and Powszechna Kasa Oszczednosci Bank Polski Spółka Akcyjna in Warsaw ("Lender").
The Lender has provided a working capital revolving credit facility of PLN 100,000,000. The purpose of the facility is to finance day-to-day operational needs and the growth strategy pursued. The credit facility has been granted for the period from 31 March 2009 to 31 December 2011.

The facility is secured by:
1. A guarantee issued by the parent company, Emperia Holding S.A., of up to the facility amount, that is PLN 100,000,000. throughout the term of the facility.
2. A joint ceiling mortgage over real properties either owned or in perpetual usufruct of the Borrower or other members of the Emperia Holding Group.

As consideration for the guarantee issued, Tradis will pay to Emperia Holding S.A. a fee of 0.3% per annum on the guarantee amount throughout the term of the guarantee. The facility interest rate is based on WIBOR + Lender's margin. The other terms and conditions are consistent with those customarily applied in the market in agreements of this type.

b) Integration process of distribution companies as a restructuring of distribution in Emperia Holding Capital Group.

In first quarter of current year, Group continuing the process of integration of distribution companies which started in last year. Key moment of the process is scheduled on 01 July this year.– legal merger of Tradis Sp. z o.o, BOS SA, DLS SA and Sygel-Jool S.A. The acquiring company in the merger process will be Tradis Sp. z o.o., the merger will be through transfer of all assets of each company being acquired, to Tradis Sp. z o.o.
Acquired companies (BOS S.A., DLS S.A. and Sygel-Jool S.A.) first be converted to single-member companies of the acquiring company (Tradis Sp. z oo) as a result of this connection will be made without increasing of the share capital of the acquiring company. After the merger company will operate under name Tradis Sp. z o.o.
In connection with the restructuring of the Group and companies which are under common control, merger transaction will be carried out by pooling of interests method, and will not effect on change of assets and liabilities of Groups Companies, so there is no impact on consolidated financial statements of the Capital Group.

c) Instruments hedging export receivables and cash flows under export contracts.

A limited liability subsidiary, Arsenal sp. z o. o. with its seat in Białystok, is responsible for concluding foreign currency forward contracts within the Group.

Arsenal hedges its export receivables denominated in foreign currencies by concluding forward contracts providing for the sale of those foreign currencies. The hedges are set up after the actual sale is effected. The value and date of exercise of forward contracts corresponds with the value and maturity of the hedged receivables.

Arsenal also uses forward contracts for sale of currencies to hedge future cash flows under commercial contracts which predefine the date of delivery, quantity, price and value of goods contracted by foreign buyers.

All forward contracts are exercised by the delivery of the foreign currency generated by the hedged transaction.

On 31 March 2009 were still outstanding contracts in amounts 2,462,247. EUR.

The Company has included the valuation of forward transactions in accordance with hedge accounting and fair value of future cash flows.

7 Management Board Commentary on Interim Report

On results achieved in the first quarter of this year a significant impact had restructuring and development process carried out in distribution and retail segment.

First quarter of 2009, is the period in which was continued execution of one of main target of the Group which is quick accomplish of restructuring process of companies within segment of distribution, process involves need to incur restructuring costs which consisted of higher operating costs and the cost of temporarily lost sales and margin. Costs related to the restructuring of the distribution segment will allow, after planned merger in July 2009 of the main companies of the distribution segment, to the fuller use of the projected synergies effect obtained from merger. The first quarter is also period of continuation of development strategy of distribution segment. In first quarter new distribution centers (concerned primarily centers that run up in the third quarter of 2008, i.e. distribution center in Wroclaw and Bedzin and launched in February 2009 center in Stargard Szczeciński) reached not yet their profitability thresholds and had a significant ,negative impact on profitability level of distribution segment. Spread over many months, achievement process by distribution centers complex scale of operations and target level of profitability is consistent with assumptions investment models, on basis of which was taken decisions to implement these projects. In first quarter opened also new branch of c & c in Głogów.

Ended quarter is period of very dynamic development of scale of self retail operations (launching of new retail outlets) New own retail outlets, especially in initial period after launching , have a negative impact on current operating results, which is associated with period which is required to achieve by these units profitability threshold., Also Intensive process of uniformity of visualization and remodeling of own stores was continued which resulted in a temporary exemption these outlets from operation
In case of franchise chains development took place in two areas. First, as a result of expansion of organizational structures has been increasing number of outlets belonging to the franchise chains. The second area of development is continuous enrichment of franchise package, to raise competitiveness of offer of franchise companies of Group and thus create more attractive conditions for activity for our franchisees. For future financial results of the Group particularly important is to continue development franchise segment in areas of new distribution centers.

Costs of restructuring and development processes causes significantly burden the current financial results of Emperia Holding Capital Group. Worse financial result ,however, is accompanied by a satisfactory rate of implementation of restructuring plans and keep up the rate of acquiring new trade locations. Continuation of sustainable development in distribution and retail segment, regardless of signs of deterioration in macroeconomic situation, is one of the most important elements of our strategy of build value of the Group in future.

7.1 Material events and factors affecting the Group's financial performance.

a) At end of first quarter of 2009 Stokrotka Sp. z o.o. has 148 supermarkets under the brand name Stokrotka and 5 supermarkets under the brand name Delima.
b) At end of first quarter, chain of franchise outlets of Detal Koncept Sp. z o.o. consisted of 999 outlets under the brand name Groszek. In addition Detal Koncept has 58 stores under the brand name Milea. Lewiatan Podlasie managed 155 outlets (including its own 6). Społem Tychy managed 25 outlets at balance sheet date , Euro Sklepy - 463 outlets, Maro Markety - 18 outlets. Franchise chain Lewiatan Dolny Śląsk managed 108 outlets, Lewiatan Zachód 249 outlets, Lewiatan Orbita 97 outlets, Lewiatan Wielkopolska 186 outlets, Lewiatan Śląsk 167 outlets, Lewiatan Północ 162 outlets and Lewiatan Opole 167 outlets.

7.2 Factors materially affecting the Group's results in the next quarter:

Instability of financial markets in Poland and globally.

The economic crisis, which this time over has started with the financial sector, spreads to more and more market sectors. It is particularly visible in luxury-goods sectors and at the moment affects much less consumer goods (daily necessities). A detailed analysis of the results generated in first quarter of 2009 indicates that the crisis has not as yet materially affected consumer demand among households for food products, the distribution of which, at both wholesale and retail level, is the core business of the Group.

However, one may expect that if the difficult economic conditions continue, then they are bound to affect consumer demand. This may relate to both the actual level of demand and its structure (more expensive goods being replaced by customers with their cheaper substitute equivalents). It is likely that private label goods will partly replace branded products, including in particular the high-end goods. The Groups efforts focus above all on realigning its product offering with the projected changes in the structure of demand.

The current economic situation may affect the Group's future performance also in other areas, that is:

a) The weaker zloty increases the cost of imported goods. A significant proportion of goods making up the Group's product offering are produced domestically and contain relatively low imported raw-material input, and hence they are not very susceptible to exchange rate fluctuations. There are however also entire categories of goods that are almost exclusively imported, such as for example: citrus fruits, coffee, tea, etc. In these cases one should expect increased purchase prices to produce higher prices at the checkout, as a result of which demand for these products will be reduced. The weaker zloty may significantly increase the purchase prices of certain fixed assets such as vehicles, logistic equipment, IT hardware, licenses, etc. While the devalued currency will also effect costs of rental of commercial and warehousing space, in the majority of leases the Group has rents denominated in the domestic currency, thus being insulated from changes in exchange rates.

b) The increase of credit margins expected by the banks. The tighter supply of money allocated by banks to finance business activity will increase margin that potential borrowers will have to accept to obtain bank credit funding. However, we expect that the increase in margins will be to a certain extent offset by interest rate reductions.

c) More difficult access to external financing (bank loans). It is not only the increasing cost of borrowing that may become a barrier to the development of many businesses but also, and perhaps above all, the more stringent lending requirements and expectations as to security. However, in this case the Management Board of the Group does not see any material threats that may produce slower growth rate due to restricted access to external financing. This is because of the high credibility of the Group as a potential borrower resulting from a number of fundamental factors: (1) relatively safe—from the lenders' viewpoint—business model and nature of the operations, (2) profitability track record, and (3) safe structure of the assets and liabilities.

Given the current market situation, the Group has undertaken and intends to continue measures which it believes will enable it to maintain the equilibrium and further stable growth in the present conditions:

- day-to-day monitoring and management of financial risks such as: liquidity, interest rate, and exchange rate risk;
- continued rationalisation of the Group's organisational structure, merger of wholesale and retail subsidiaries to reduce operating costs and improve the management standard;
- realigning the product offering with the crisis-affected customer needs.

The Group expects that the good side of the current economic crisis may be the reduced personnel costs as a result of weaker salary increase pressures and reduced staff turnover.

7.3 Management Board position on earlier projections for the year in the light of the results presented in the quarterly report as against projected performance.

Management Board of Emperia Holding S.A after assessing the feasibility of realization published forecasts passed on 14 May 2009 adjustment of the forecast results for 2009 (current report No.13). The content of the report is as follows:
"The Management Board of Emperia Holding S.A. hereby discloses an adjustment to the projection of selected consolidated financial results of the Emperia Group for 2009:

Sales revenues PLN 5,840,000 (down on PLN 5,900,000)

Investment outlays PLN 160,000 (down on PLN 200,000)

The Management Board of Emperia Holding S.A. expects that as a result of several large property development projects undertaken as part of the retail business being postponed until Q1 and Q2 2010, investment outlays in 2009 will be lower than expected, consequently producing a slight reduction in sales revenues. The projection of sales revenues has been prepared assuming continued organic growth of the Emperia Group, both in the wholesale business and retail business, and the acquisitions of FMCG companies. The Management Board of Emperia Holding SA will monitor the actual performance against the projection based on the internal business monitoring system. The assessment of potential achievement of the projected results will be included in consolidated quarterly reports of the Emperia Group. Should the Management Board of Emperia Holding SA become aware of reasonable grounds for a discrepancy of 10% or more compared to one of the projected figures, it will disclose it immediately to the public in a current report."

EMPERIA HOLDING SA (all amounts in thousands PLN)

8 Issuer's Summary Stand-Alone Financial Statements

8.1 Stand-Alone Selected Financial Highlights

	SELECTED FINANCIAL HIGHLIGHTS (current year)	PLN		EURO	
		For period 01.01.2009 to 31.03.2009	For period 01.01.2008 to 31.03.2008	For period 01.01.2009 to 31.03.2009	For period 01.01.2008 to 31.03.2008
I.	Net revenues from sale of products, goods and materials	12 512	13 001	2 720	3 655
II.	Profit (loss) on operating activity	1 231	1 638	268	460
III.	Profit (loss) before tax	1 942	2 237	422	629
IV.	Profit (loss) for period	1 381	1 677	300	471
V.	Net cash flows from operating activity	2 587	4 279	562	1 203
VI.	Net cash flows from investing activity	(13 883)	(21 837)	(3 018)	(6 138)
VII.	Net cash flows from financing activity	12 845	(1 000)	2 793	(281)
VIII.	Total net cash flows	1 549	(18 558)	337	(5 217)
IX.	Total assets	609 657	598 211	129 678	169 667
X.	Liabilities and provisions against liabilities	22 456	12 558	4 777	3 562
XI.	Long-term liabilities	891	488	190	138
XII.	Short-term liabilities	21 565	12 070	4 587	3 423
XIII.	Equity	587 201	585 653	124 902	166 105
XIV.	Share capital	15 115	14 993	3 215	4 252
XV.	Number of shares	15 115 161	14 992 732	15 115 161	14 992 732
XVI.	Weighted average number of shares	15 115 161	14 992 732	15 115 161	14 992 732
XVII.	Profit (loss) per ordinary share (PLN/EUR)*	0,07	0,90	0,02	0,25
XVIII.	Diluted profit (loss) per ordinary share (PLN/EUR)*	0,07	0,90	0,02	0,25
XIX.	Book value per share (PLN/EUR)**	38,85	39,06	8,26	11,08
XX.	Diluted book value per share (PLN/EUR)**	38,85	39,06	8,26	11,08
XXI.	Declared or distributed dividend per share (PLN/EUR)**	0,59***	0,88	0,13	0,25

* the declared amount is calculated based on the weighted average number of the Issuer's shares
** the declared amount is calculated based on the number of the Issuer's shares as at the date of report
*** the declared amount of dividend is calculated based on the number of the Issuer's shares as at the date of report i.e. 15 115 161 shares.

*The weighted average number of shares:
- for I quarter of 2009: for January-March 15 115 161;
- for I quarter of 2008: for January-March 14 992 732.

The selected financial highlights are converted into EUR as follows:

1 The profit and loss and cash flow statement items are converted at an exchange rate being the arithmetic average of average exchange rates published by the National Bank of Poland, effective on the last day of each month, which was 4,5994 PLN/EURO for first quarter of 2009 and 3,5574 PLN/EURO for first quarter of 2008

2 The balance sheet items and book value/diluted book value are converted at the average exchange rate published by the National Bank of Poland, effective on the balance sheet date, which was: 4,7013 PLN/EURO on 31.03.2009, and 3,5258 PLN/EURO 31.03.2008.

EMPERIA HOLDING SA (all amounts in thousands PLN)

8.2 Summary Stand-Alone Balance Sheet

	31 March 2009	31 December 2008	31 March 2008
Fixed Assets	**541 884**	**519 594**	**484 539**
Tangible fixed assets	41 858	41 446	40 318
Investment real property	3 166	3 166	3 166
Intangible assets	4 821	4 565	2 642
Goodwill			
Shares in equity method			
Financial assets	491 523	469 421	437 133
Long-term receivables and other deferred income	67	68	74
Deferred income tax assets	449	928	1 206
Current Assets	**67 773**	**78 442**	**113 672**
Stock	39	22	278
Receivables	5 232	6 628	8 176
Income tax withholding	470		
Short-term securities	54 195	66 110	90 616
Prepaid expenses	884	287	566
Cash	4 744	3 195	14 036
Other financial assets	2 209	2 200	
Assets earmarked for sale			
Total Assets	**609 657**	**598 036**	**598 211**
Equity	**587 201**	**585 820**	**585 653**
Share capital	15 115	15 115	14 993
Share premium capital	549 559	549 559	536 226
Supplementary capital	1 526	1 526	1 526
Supplementary capital from the evaluation of managerial options	268	268	
Reserve capital	19 871	19 871	18 542
Revaluation capital			
Treasury shares			
Retained profit	862	(519)	14 366
Total equity allocated to shareholders of dominant entity	**587 201**	**585 820**	**585 653**
Equity of minority shareholders			
Long-term liabilities	**891**	**818**	**488**
Credit facilities, loans and debt securities	45	53	
Long-term liabilities			
Provisions	42	42	43
Provision against deferred income tax	804	723	445
Short-term liabilities	**21 565**	**11 398**	**12 070**
Credit facilities, loans and debt securities	12 917	29	
Short-term liabilities	6 827	9 354	8 123
Income tax liabilities	157	33	64
Provisions	1 604	1 929	3 883
Deferred income	60	53	
Total liabilities	**609 657**	**598 036**	**598 211**

EMPERIA HOLDING SA (all amounts in thousands PLN)

Book value	587 201	585 653
Number of shares	15 115 161	14 992 732
Book value per share (PLN)	38,85	39,06

8.3 Summary Stand-Alone Profit and Loss Account

	3 months ended 31 March 2009	**3 months ended 31 March 2008**
Sales revenues	12 512	13 001
Cost of goods sold	(9 144)	(7 878)
Profit on sales	**3 368**	**5 123**
Other operating income	31	140
Selling expense	(1)	(1)
General administrative expense	(2 135)	(3 582)
Other operating expense	(32)	(42)
Profit on operations	**1 231**	**1 638**
Financial income	747	1 600
Financial expense	(36)	(1 001)
Profit before tax	**1 942**	**2 237**
Income tax	(561)	(560)
- Current		(678)
- Deferred	(561)	118
Profit for period	**1 381**	**1 677**
Including: profit for shareholders of dominant entity		
profit for minority shareholders		

Profit (loss) for period (annualised)	1 126	13 495
Weighted average of ordinary shares *	15 115 161	14 992 732
Profit (loss) per ordinary share (PLN)	0,07	0,90

**The weighted average number of shares:
- for first quarter of 2009: for January-March 15 115 161;
- for first quarter of 2008: for January-March 14 992 732.

EMPERIA HOLDING SA (all amounts in thousands PLN)

8.4 Summary Stand-Alone Statement of Changes in Equity Capital

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Retained profit	Minority capital	Total equity
1 January 2009	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**		**585 820**
Change in accounting standards and policies									
1 January 2009 adjusted	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**		**585 820**
Profit for 3 months until 31 March 2009							1 381		1 381
Increase of capital following new share issue									
Reduction as a result of redemption of shares									
Changes in equity as a result of mergers									
Distribution of previous year profit – allocation to capital funds									
Valuation of management option									
Dividend for shareholders									
31 March 2009	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**862**		**587 201**
1 January 2008	**14 993**	**536 227**	**1 526**		**18 542**		**12 689**		**583 977**
Change in accounting standards and policies									
1 January 2008 adjusted	**14 993**	**536 227**	**1 526**		**18 542**		**12 689**		**583 977**
Profit for 3 months until 31 March 2008							1 677		**1 677**
Increase of capital following new share issue		(1)							**(1)**
Valuation of security interests									
Effect of other mergers									
31 March 2008	**14 993**	**536 226**	**1 526**		**18 542**		**14 366**		**585 653**

EMPERIA HOLDING SA (all amounts in thousands PLN)

8.5 Summary Stand-Alone Cash Flow Statement

	3 months ended 31 March 2009	3 months ended 31 March 2008
Profit (loss) for period	**1 381**	**1 677**
Adjustments for:	**1 206**	**2 602**
Share in net (profits) losses of entities consolidated using equity method		
Depreciation	1 534	951
(Gain) loss on exchange rate differences		
Interest and share in profit (dividends)	(662)	(1 274)
Income tax	561	560
Profit (loss) on investing activity	17	(9)
Change in provisions	(325)	249
Change in stock	(17)	(272)
Change in receivables	1 331	2 346
Change in accruals	(589)	(177)
Change in short-term liabilities	(297)	(39)
Other adjustments		1 000
Income tax paid	(347)	(733)
Net cash flows from operating activity	**2 587**	**4 279**
Income	**151 902**	**87 333**
Sale of fixed and intangible asset	182	333
Sale of financial assets	151 700	87 000
Dividends received		
Interest received	20	
Repayment of loans granted		
Cash from acquired companies		
Other income		
Expenditures	**(165 785)**	**(109 170)**
Purchase of fixed and intangible assets	(3 146)	(5 570)
Investments in real property		(3 166)
Purchase of subsidiaries and associated entities	(23 523)	(8 522)
Purchase of financial assets	(139 116)	(91 912)
Loans granted		
Other expenditures		
Net cash flows from investing activity	**(13 883)**	**(21 837)**
Income	**12 853**	
Income from credit facilities and loans contracted		
Issue of short-term debt securities	12 853	
Share issue		
Other income		
Expenditures	**(8)**	**(1 000)**
Repayment of credit facilities and loans		
Redemption of short-term debt securities		
Payment of liabilities under financial leases	(7)	
Interest and charges paid	(1)	
Dividends paid		
Other expenditures		(1 000)
Net cash flows from financial activity	**12 845**	**(1 000)**

EMPERIA HOLDING SA (all amounts in thousands PLN)

Change in cash	**1 549**	**(18 558)**
Exchange differences		
Cash at beginning of period	3 195	32 594
Cash at end of period	**4 744**	**14 036**

9 Changes of presentation made in profit and loss account for first quarter of 2008.

Starting with the report for 2008 in different manner, all companies of Emperia Holding Capital Group presented product losses and bonuses transferred to recipients as well as bonuses received from suppliers.
Correction of presentation for first quarter of 2008, to preserve the comparability of financial data was made on basis of IAS 18 „Revenues", which states that the same criteria of recognition (presentation) should be applied to two or more different transactions if they are linked in such a way that the understanding of the impact of trade is not possible without reference to the group of transactions as a whole. Product surpluses and losses and received and paid by the company's bonuses are associated with trade in goods and have direct impact on revenues from sale of goods or cost of goods sold.
Change led to a correct presentation of data and profit and loss account for first quarter of 2008, compatible with economic and deliberate sense of these transactions.

- previously product losses were presented as selling expense, and now the value of product losses increases the cost of goods sold
- previously bonuses provided to the buyers were reported as selling expense, and now they are deducted from sales revenues;
- previously bonuses received from suppliers were reported as sales revenues, now they are deducted from cost of goods sold;

In addition to first quarter 2008 has been made change in presentation within operating costs, consisting correction of intra-group cost allocation. Given very wide range of intra-group transactions is necessary to adjust and change in methods of identification and allocation of consolidation exclusions.

The impact of the presentation of bonuses, stocktaking shortages and adjustments of allocation intra-group cost upon the profit and loss account for first quarter of 2008:

	3 months ended 31 March 2008	Presentation Correction of bonuses	Presentation Correction of intra-group cost allocation	3 months ended 31 March 2008 after correction
Sales revenues	**1 297 471**	**(15 401)**		**1 282 070**
Cost of goods sold	**(1 108 040)**	**9 241**		**(1 098 799)**
Profit on sales	**189 431**	**(6 160)**		**183 271**
Other operating income	7 395			7 395
Selling expense	(153 328)	6 048	6 442	(140 838)
General administrative expense	(14 529)	112	(6 442)	(20 859)
Other operating expense	(2 022)			(2 022)
Profit on operations	**26 947**			**26 947**
Financial income	726			726
Financial expense	(3 975)			(3 975)
Profit before tax	**23 698**			**23 698**

EMPERIA HOLDING SA (all amounts in thousands PLN)

Income tax	(5 693)	(5 693)
Profit for period	**18 005**	**18 005**
Including: profit for shareholders of dominant entity		
Profit for minority shareholders		

Lublin, May 2009

Signatures of members of Management Board:

2009-05-15 Artur Kawa President of the management board

……………………
signature

2009-05-15 Jarosław Wawerski Vice- President of the management board

……………………
signature

2009-05-15 Dariusz Kalinowski Member of the management board – Financial Director

……………………
signature

2009-05-15 Marek Wesołowski Member of the management board – Retail Business Director

……………………
signature

2009-05-15 Grzegorz Wawerski Member of the management board – Retail Business Development Director

……………………
signature

Person responsible for accountancy:

2009-05-15 Elżbieta Świniarska Economic Director

……………………
signature