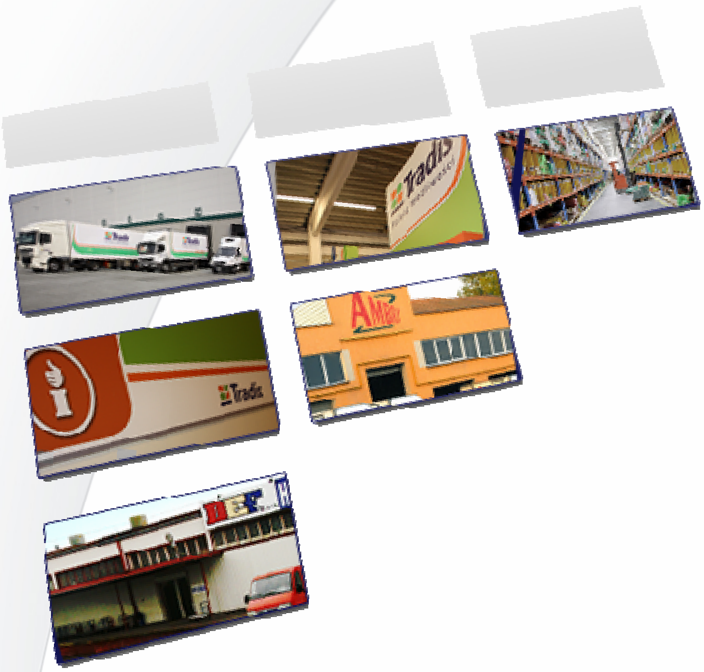

CONSOLIDATED FINANCIAL STATEMENTS

1st QUARTER 2010

PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
(ALL AMOUNTS IN THOUSANDS PLN)

TRANSLATORS' EXPLANATORY NOTE
The following document is a free translation of the Q1 Consolidated Report of Emperia Holding S.A.
In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

LUBLIN, MAY 2010

Table of Contents

1. Selected Financial Highlights ... 3
2. Summary Consolidated Statement of Financial Position ... 4
3. Summary Consolidated Profit and Loss Account and Statement of comprehensive income. ... 5
4. Summary Report of Changes in Equity ... 7
5. Summary Consolidated Report of Cash Flows ... 9
6. Inform Notes to Consolidated Financial Statements ... 11
6.1 Description of the Capital Group organization ... 11
6.2 Outline of Key Accounting Policies ... 16
7. Additional Notes ... 33
7.1 Brief description of the significant accomplishments or failures of Emperia Capital Group. ... 33
7.2 Revenues and performance by business segment ... 34
7.3 Indication of the effects of changes in structure of the enterprise. ... 36
7.4 Management Board position on the implementation of previously published results for the year. ... 36
7.5 Shareholders holding at least 5 percent of the total number of votes at the general meeting as at the date of filing the report. ... 36
7.6 Changes in the number of shares held by members of the Management Board and Supervisory Board ... 36
7.7 Information on pending litigation. ... 37
7.8 Material transactions of the Issuer with associated entities ... 37
7.9 Credit facilities, loans and guarantees. ... 37
7.10 Other information relevant to assessment of staffing, property, financial, financial results and their changes and information that are relevant to assessing possibility of fulfillment of commitments by the issuer. ... 37
7.11 Description of factors and events, in particular of untypical character, affecting the result achieved in the financial year. ... 37
7.12 Description of factors materially affecting the Group's results at least in the next quarter. ... 37
7.13 Changes in the composition of the Issuer's Management Board and Supervisory Board ... 38
7.14 Other material information and events. ... 38
8. Issuer's Summary Stand-Alone Financial Statements ... 53
8.1 Stand-Alone Selected Financial Highlights ... 53
8.2 Stand-Alone Summary Statement of Financial Position. ... 54
8.3 Stand-Alone Summary Profit and Loss Account and Stand-Alone Summary Statement of Comprehensive Income ... 55
8.4 Stand-alone Summary Report of Changes in Equity ... 56
8.5 Stand-Alone Summary Report of Cash Flow ... 58

(in PLN 000s, unless indicated otherwise)

1. Selected Financial Highlights

	SELECTED FINANCIAL HIGHLIGHTS (current year)	PLN		EURO	
		For period 01.Jan.2010 to 31.March 2010	For period 01.Jan.2009 to 31.March 2009*	For period 01.Jan.2010 to 31.March 2010	For period 01.Jan.2009 to 31.March 2009
I.	Net revenues from sale of products, goods and materials	1 394 305	1 286 504	351 485	279 711
II.	Profit (loss) on operating activity	19 300	13 301	4 865	2 892
III.	Profit (loss) before tax	15 485	9 602	3 904	2 088
IV.	Profit (loss) for period	12 428	2 589	3 133	563
V.	Net cash flows from operating activity	49 618	18 468	12 508	4 015
VI.	Net cash flows from investing activity	(22 321)	(51 120)	(5 627)	(11 114)
VII.	Net cash flows from financing activity	(18 255)	32 006	(4 602)	6 959
VIII.	Total net cash flows	9 042	(646)	2 279	(140)
IX.	Total assets	1 900 012	1 830 168	491 951	389 290
X.	Liabilities and provisions against liabilities	1 080 748	1 024 331	279 827	217 883
XI.	Long-term liabilities	167 668	160 730	43 413	34 188
XII.	Short-term liabilities	913 080	863 601	236 414	183 694
XIII.	Equity	819 264	805 837	212 124	171 407
XIV.	Initial capital	15 115	15 115	3 914	3 215
XV.	Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVI.	Weighted average number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVII.	Profit (loss) per ordinary share annualized (PLN\EURO)	5,24	2,90	1,32	0,63
XVIII.	Diluted profit (loss) per ordinary share annualized (PLN\EURO)	5,24	2,90	1,32	0,63
XIX.	Book value per share (PLN\EURO)	54,20	53,31	14,03	11,34
XX.	Diluted book value per share (PLN\EURO)	54,20	53,31	14,03	11,34
XXI.	Declared or distributed dividend per share ** (PLN\EURO)	0,69	0,59	0,18	0,13

* Comparative data on the Statement of Financial Position refer to 31 December 2009
** Amount of declared or distributed dividend per share is calculated by the number of shares at the report date, i.e.: 15 115 161 shares

The weighted average number of shares:
– in first quarter 2010: in January-March 15 115 161;
– in first quarter 2009: in January-March 15 115 161.

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 3,9669 PLN/EURO for first quarter of 2010, and 4,5994 PLN/EURO for first quarter of 2009,
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 3,8622 PLN/EURO on 31 March 2010, and 4,7013 PLN/EURO on 31 March 2009.

(in PLN 000s, unless indicated otherwise)

2. Summary Consolidated Statement of Financial Position

	31 March 2010	31 December 2009	31 March 2009
Fixed Assets	**950 100**	**944 641**	**876 283**
Tangible fixed assets	665 930	658 407	599 325
Investment real property	16 191	16 992	17 610
Intangible assets	7 963	7 796	6 497
Goodwill	203 975	203 354	190 169
Shares in associated companies - valuated by equity method	4 297	3 982	3 985
Financial assets	9 022	11 178	17 558
Long-term loans		1 114	
Long-term receivables and other deferred income	25 144	26 068	25 567
Deferred income tax assets	17 578	15 750	15 572
Current Assets	**949 912**	**885 527**	**923 177**
Stock	461 787	455 272	458 449
Receivables	411 975	366 702	394 219
Income tax withholding	12 465	15 504	8 381
Short-term securities			
Prepaid expenses	13 476	7 996	12 534
Cash	49 095	40 053	49 394
Other financial assets	1 114		200
Assets earmarked for sale			
Total Assets	**1 900 012**	**1 830 168**	**1 799 460**
Equity	**819 264**	**805 837**	**746 910**
Share capital	15 115	15 115	15 115
Share premium capital	549 559	549 559	549 559
Supplementary capital	98 394	98 394	90 862
Supplementary capital from the evaluation of managerial options	2 035	1 035	596
Reserve capital	59 150	59 150	59 873
Revaluation capital			(2 129)
Treasury shares			
Retained profit	94 906	82 482	32 948
Total equity allocated to shareholders of dominant entity	**819 159**	**805 735**	**746 824**
Equity of minority shareholders	105	102	86
Long-term liabilities	**167 668**	**160 730**	**198 091**
Credit facilities, loans and debt securities	143 754	137 106	177 469
Long-term liabilities	5 588	5 959	5 076
Provisions	2 853	2 843	2 418
Provision against deferred income tax	15 473	14 822	13 128
Short-term liabilities	**913 080**	**863 601**	**854 459**
Credit facilities, loans and debt securities	205 199	223 620	171 983
Short-term liabilities	685 781	616 928	660 284
Income tax liabilities	683	4 200	1 359
Provisions	17 973	16 250	19 782
Deferred income	3 444	2 603	1 051
Total liabilities	**1 900 012**	**1 830 168**	**1 799 460**

(in PLN 000s, unless indicated otherwise)

	31 March 2010	31 December 2009	31 March 2009
Book value	819 264	805 837	746 910
Number of shares	15 115 161	15 115 161	15 115 161
Diluted number of shares	15 115 161	15 115 161	15 115 161
Book value per share (PLN)	54,20	53,31	49,41

3. Summary Consolidated Profit and Loss Account and Statement of comprehensive income.

	3 months ended 31 March 2010	3 months ended 31 March 2009
Sales revenues	1 394 305	1 286 504
Cost of goods sold	(1 173 013)	(1 090 149)
Profit on sales	**221 292**	**196 355**
Other operating income	4 542	3 372
Selling expense	(182 566)	(159 765)
General administrative expense	(18 314)	(23 910)
Other operating expense	(5 654)	(2 751)
Profit on operations	**19 300**	**13 301**
Financial income	488	597
Financial expense	(4 303)	(4 296)
Profit before tax	**15 485**	**9 602**
Income tax	(3 373)	(7 001)
- current	(4 550)	(1 423)
- deferred	1 177	(5 578)
Share in financial result entities valued using the equity method	316	(12)
Profit for period	**12 428**	**2 589**
Profit for period for shareholders of dominant entity	12 424	2 581
Profit for period for minority shareholders	4	8

	3 months ended 31 March 2010	3 months ended 31 March 2009
Profit (loss) for period (annualised)	79 205	43 790
Weighted average of ordinary shares *	15 115 161	15 115 161
Diluted weighted average of ordinary shares *	15 115 161	15 115 161
Profit (loss) for period (annualised)	5,24	2,90

*The weighted average number of shares:
– in first quarter 2010: in January-March 15 115 161;
– in first quarter 2009: in January-March 15 115 161.

(in PLN 000s, unless indicated otherwise)

Statement of total income	3 months ended 31 March 2010	3 months ended 31 March 2009
Profit for period	**12 428**	2 589
Other total income:		
Security of Cash flow		(553)
Income tax on the other comprehensive income components		105
Other total net income		(448)
Total income for period	**12 428**	**2 141**
Total income for shareholders of parent company	12 424	2 133
Total income for minority shareholders	4	8

(in PLN 000s, unless indicated otherwise)

4. Summary Report of Changes in Equity

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Retained profit	Non-controlling interest	Total equity
1 January 2010	**15 115**	**549 559**	**98 394**	**1 035**	**59 150**		**82 482**	**101**	**805 836**
Correction of error for 2009									
1 January 2010 adjusted	**15 115**	**549 559**	**98 394**	**1 035**	**59 150**		**82 482**	**101**	**805 836**
Profit for 3 months until 31 March 2010							12 424	4	**12 428**
Valuation of management option				1 000					**1 000**
Distribution of 2009 profit – allocation to capital funds									
Dividend for shareholders as part of 2009 profit distribution									
31 March 2010	**15 115**	**549 559**	**98 394**	**2 035**	**59 150**		**94 906**	**105**	**819 264**
1 January 2009	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**30 367**	**392**	**745 083**
Correction of error for 2008									
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 Społem Tychy								(314)	**(314)**
Valuation of security interests						(448)			**(448)**
31 March 2009	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(2 129)**	**32 948**	**86**	**746 910**

(in PLN 000s, unless indicated otherwise)

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Retained profit	Non-controlling interest	Total equity
1 January 2009	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**30 367**	**392**	**745 083**
Correction of error for 2008							(387)		**(387)**
1 January 2009 adjusted	**15 115**	**549 559**	**90 862**	**596**	**59 873**	**(1 681)**	**29 980**	**392**	**744 696**
Profit for 12 months until 31 December 2009						514	69 342	23	**69 879**
Settlement of acquisition shares in Społem Tychy								(313)	**(313)**
Settlement of sales and redemption of shares of Arsenal Sp. z o.o.						1 167	(1 167)		
Distribution of 2008 profit - Centrum Sanok (allocation to capital of Stokrotka Sp. Z o.o.)							54		**54**
Valuation of management option				439					**439**
Distribution of 2008 profit – allocation to capital funds			7 532		6 773		(14 305)		
Dividend for shareholders as part of 2008 profit distribution					(7 496)		(1 422)		**(8 918)**
31 December 2009	**15 115**	**549 559**	**98 394**	**1 035**	**59 150**		**82 482**	**102**	**805 837**

(in PLN 000s, unless indicated otherwise)

5. Summary Consolidated Report of Cash Flows

	3 months ended 31 March 2010	3 months ended 31 March 2009
Profit (loss) for period	**12 428**	**2 589**
Adjustments for:	**37 190**	**15 879**
Share in net (profits) losses of entities consolidated using equity method	(316)	12
Depreciation	16 697	14 705
(Gain) loss on exchange rate differences		(17)
Interest and share in profit (dividends)	4 184	3 050
Income tax	3 373	7 001
Profit (loss) on investing activity	(225)	(1 932)
Change in provisions	1 664	(1 564)
Change in stock	(6 588)	(42 648)
Change in receivables	(42 437)	1 546
Change in accruals	(3 823)	(8 388)
Change in short-term liabilities	65 956	53 665
Other adjustments	974	139
Income tax paid	(2 269)	(9 690)
Net cash flows from operating activity	**49 618**	**18 468**
Income	**2 573**	**1 757**
Sale of fixed and intangible asset	1 592	552
Sale of financial assets		125
Disposal of subsidiaries		
Interest received	329	126
Repayment of loans granted		
Cash from acquired companies at date of acquisition	161	
Other income	491	954
Expenditures	**(24 894)**	**(52 877)**
Purchase of fixed and intangible assets	(24 783)	(43 257)
Investments in real property		(481)
Purchase of subsidiaries and associated entities	(1)	(3 523)
Purchase of financial assets		(5 261)
Loans granted		
Cash in subsidiaries at date of sale		
Other expenditures	(110)	(355)
Net cash flows from investing activity	**(22 321)**	**(51 120)**
Income	**43 918**	**58 308**
Income from credit facilities and loans contracted	35 897	42 444
Issue of short-term debt securities	8 018	15 841
Share issue		
Other income	3	23
Expenditures	**(62 173)**	**(26 302)**
Repayment of credit facilities and loans	(49 582)	(16 428)
Redemption of short-term debt securities	(7 700)	(3 000)
Payment of liabilities under financial leases	(450)	(2 008)
Interest and charges paid	(4 441)	(4 375)
Dividends paid		
Other		(491)
Net cash flows from financial activity	**(18 255)**	**32 006**

(in PLN 000s, unless indicated otherwise)

Change in cash	**9 042**	**(646)**
Exchange differences		17
Cash at beginning of period	**40 053**	**50 023**
Cash at end of period	**49 095**	**49 394**

6. Inform Notes to Consolidated Financial Statements

6.1 Description of the Capital Group organization

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 2010 to 31 March 2010, with comparable data for the period from 1 January 2009 to 31 March 2009. 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.

As at 31 March 2009, Emperia Holding S.A. and sixteen 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., DEF Sp. z o.o., Ambra Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Śląsk Sp. z o.o., Maro Markety Sp. z o.o., Społem Tychy Sp. z o.o., Euro Sklep S.A., Emperia Info Sp. z o.o., Projekt Elpro 1 Sp. z o.o. and PSD S.A.*.

In first quarter of 2010 the composition of the Emperia Holding Group (compared to the end of 2009) changed.

The composition of the consolidated companies was increased by Lewiatan Śląsk Sp. z o.o. (the company previously excluded from consolidation).

* At 31.03.2010 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.

(in PLN 000s, unless indicated otherwise)

The data presented in this Report as at 31 March 2010 includes stand-alone results of the following subsidiaries subject to consolidation in financial statements.

	Subsidiary name	Logo	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)	Stokrotka	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.	infinite nieograniczone możliwości twórcze	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.	Detal Koncept	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.	elpro Sp. z o. o.	20-952 Lublin, Mełgiewska 7-9	Developer activity	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.	Tradis	20-952 Lublin, Mełgiewska 7-9	Food product wholesaling	272382, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	2007-01-23	100,00%	100,00%
6	"DEF" Sp. z o.o. (2)	DEF	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%
7	"Lewiatan Podlasie" Sp. z o.o. (2)	LEWIATAN PODLASIE	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%
8	„Społem Tychy" Sp. z o.o. (3)	„SPOŁEM" TYCHY Spółka z o.o.	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%

(in PLN 000s, unless indicated otherwise)

	Subsidiary name	Logo	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
9	„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%
10	"Euro Sklep" S.A.		43-309 Bielsko-Biała Bystrzańska 94a	Retail franchising	12291, District Court in Bielsko Biała, VIII Commercial Division of NCR	Subsidiary	Full	2007-10-24	100,00%	100,00%
11	„Emperia Info" Sp. z o.o.		20-952 Lublin Mełgiewska 7-9	IT services	314260, District Court in Lublin, XI Commercial Division of NCR	Subsidiary	Full	2008-09-12	100,00%	100,00%
12	„Ambra" Sp. z o.o.(2)		43-502 Czechowice-Dziedzice Hutnicza 7	wholesaling of household chemistry articles and cosmetics	254307, District Court in Katowice, VIII Commercial Division of NCR	Subsidiary	Full	2009-03-11	100,00%	100,00%
13	„Partnerski Serwis Detaliczny" S.A. (PSD S.A.)		02-739 Warszawa, ul. Grażyny 15	Franchise chain management	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%
14	„Projekt Elpro 1" Sp. z o.o. (4)		42-202 Częstochowa, ul. Bór 66 F	Property development	71049, District Court in Wrocław, VI Commercial Division of NCR	Subsidiary	Full	2007-11-29	100,00%	100,00%
15	"Lewiatan Śląsk" Sp. z o.o. (5)		41-219 Sosnowiec, Lenartowicza 39	Retail franchising	175768, District Court Katowice-Wschód in Katowicach, VIII Commercial Division of NCR	Subsidiary	Full	2007-01-01	100,00%	100,00%

(1) directly Emperia (98.472 shares, 95,93%) and indirectly by Tradis Sp. z o.o. (1.254 shares, 1,22%) and „Lewiatan Podlasie" Sp. z o.o.(2.927 shares, 2,85%)

(2) indirectly by „Tradis" Sp. z o.o.

(3) directly by Emperia Holding S.A. (140.292 shares, 81,91%) indirectly by Tradis Sp. z o.o. (29.645 shares, 17,31%)

(4) directly by Emperia Holding S.A. (98 shares, 60,00%) indirectly by Tradis Sp. z o.o. (64 shares, 40,00%)

(5) directly by Emperia Holding S.A. (66 shares, 66,00%) indirectly by Tradis Sp. z o.o. (34 shares, 34,00%)

(in PLN 000s, unless indicated otherwise)

List of subsidiaries at the balance sheet date 31 March 2010 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.(3)	10-680 Olsztyn, Lubelska 33		100,00%	100,00%
"Lewiatan Kujawy" Sp. z o.o. (2)	87-800 Włocławek, Komunalna 6		50,00%	50,00%
"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		38,20%	38,20%
"Piccolo" Sp. z o.o. (4)	43-100 Tychy, ul. Grota Roweckiego 60		50,00%	50,00%
"Lewiatan Wielkopolska" Sp. z o.o. (5)	60-479 Poznań, ul. Strzeszyńska 23		68,57%	68,57%
"Lewiatan Opole" Sp. z o.o. (5a)	45-325 Opole, ul. Światowida 2		89,21%	89,21%
"Lewiatan Zachód" Sp. z o.o.	73-100 Stargard Szczeciński, ul. Przemysłowa 5		100,00%	100,00%
"ZKiP Lewiatan 94 Holding" S.A. (6)	87-800 Włocławek, Zielony Rynek 5		*56,81	*63,25
"Lewiatan Północ" Sp. z o.o.	Gdańsk, ul. Bysewska 30		100,00%	100,00%

* indirectly weighted share

(1) indirectly by Stokrotka Sp. z o.o.
(2) indirectly by Tradis Sp. z o.o.
(3) indirectly by Tradis Sp. z o.o. (59,11% shares) and directly by Emperia Holding S.A. (40,89% shares)
(4) indirectly by Społem Tychy Sp. z o.o.
(5) directly by Emperia Holding (7 shares, 10,0%), indirectly by Maro-Markety Sp. z o.o.(41 shares, 58,57%)
(5a) indirectly by Maro-Markety Sp. z o.o. (901 shares, 89,21%)
(6) directly by Emperia Holding S.A. and indirectly by Lewiatan: Kujawy, Podlasie, Śląsk, Orbita, Opole, Wielkopolska, Zachód

(in PLN 000s, unless indicated otherwise)

List of entities other than subsidiaries entities in which associated entities hold less than 20% of shares as at 31 March 2010

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)
"Giełda Rolno-Towarowa" S.A. (2)	Białystok ul. Gen. Wł. Andersa 38	14 805	0,30%	0,36%
"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;		
"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 Tradis Sp. z o.o.
(2) indirectly by Projekt Elpro 1 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.

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

IFRS 8 Operating Segments published by the International Accounting Standards Board on 30 November 2006, replaced IAS 14 Segment Reporting and is effective for reporting periods beginning on or after 1 January 2009.

In the process of implementation of the standard analyzes the management model of Capital Group, a functioning reporting system in the Capital Group, and economic characteristics of its units. The analysis showed no need to amend the existing segments, which is used for internal and external reporting.

The Group's operations fall into three business segments:

1 **Wholesaling** (Wholesale Segment) comprised of the following subsidiaries: Tradis Sp. z o.o., DEF Sp. z o.o., Ambra Sp. z o.o., consisting in wholesale distribution of goods and related services;
2 **Retailing** (Retail Segment) comprised 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., consisting in retail sale and related services;
3 **Other** include the holding operations of the Issuer's Company and the operation of other subsidiaries: Elpro Sp. z o.o., Projekt Elpro 1 Sp. z o.o. – providing property development and facility management services; Infinite Sp. z o.o., Emperia Info Sp. z o.o. – providing IT services; PSD S.A. – a partner network management company and Lewiatan Śląsk Sp. z o.o. – (retail franchising). Given material consolidation exclusions and their general marginality (the segment fails to meet any of the quantitative thresholds provided for under IFRS 8), these are reported jointly as a single item.

The Group applies uniform accounting policies for all its segments. Inter-segment business transactions are effected on an arm's length basis. These 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 new IFRS standards and interpretations effective for reporting periods from 1 January 2010, as described in Section 6.2.6., did not affect in any major way the Emperia Holding Group's operations in Q1 2010.

It is the Group's view that the prospective application of the amendments to IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements will result in material changes to the settlement of company mergers. In the present financial statements, the Group changed the terminology arising under those standards: "minority interest" were replaced by "non-controlling interest".

6.2.6 Future Expected Changes in Accounting Policies

<u>New standards, their changes and interpretations which became effective as from 1 January 2010:</u>

a) IFRIC 12 „Concession Agreement"

The interpretation was issued on 3 July 2008 and is effective for annual periods beginning on or after 29 March 2009. The interpretation lays down the eligibility criteria for service concession agreements concluded between the public and the private sector and the principles for recognition of infrastructure assets.

b) Amendments to IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements

The revised IFRS 3 and IAS 27 were issued on 10 January 2008 and are effective for acquisitions and mergers of entities occurring as of 1 July 2009. They relate to changes in recognition of acquisitions, step acquisitions and business combinations, recognition of costs relating to the acquisition transaction and principles of recognition in the event of loss in control.

c) Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Criteria for Recognising an Item as Hedged

The revised IAS 39 was issued on 31 July 2008 and is effective for annual periods beginning on and after 1 July 2009. 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.

d) IFRIC 15 Agreements for the Construction of Real Estate

The interpretation was issued on 3 July 2008 and is effective for annual periods beginning on and after 1 September July 2009. The interpretation relates to accounting for revenues and costs of real estate construction carried out directly by the entity or by 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.

e) IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The interpretation was issued on 3 July 2008 and is effective for annual periods beginning on and after 1 June 2009. The interpretation applies to those entities which hedge exchange risk inherent in net investments in foreign operations and apply hedge accounting in accordance with IAS 39.

f) IFRIC 17 Distributions of Non-cash Assets to Owners

The interpretation was issued on 27 November 2008 and is effective for annual periods beginning on and after 1 July 2009. The interpretation contains guidelines with respect to accounting for distributions of non-cash assets to shareholders: when such dividend payable needs to be recognised, how it should be measured, 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.

g) IFRIC 18 Transfers of Assets from Customers

The interpretation was issued on 29 January 2009 and is effective for annual periods beginning on and after 1 July 2009. 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.

h) Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendments to IFRS 5 are effective for annual periods beginning on and after 1 July 2009. The changes relate to the classification of assets and liabilities of a subsidiary following a sale resulting in the loss in control over the subsidiary and the presentation of discontinued operations once the decision to effect a sale resulting in the loss in control over the subsidiary is made.

i) Updated IAS 27 Consolidated and Separate Financial Statements

The updated IAS 27 was published on 10 January 2008 and is effective for annual periods beginning on and after 1 July 2009. The updated standard requires recognition of changes in the size of shares of a subsidiary as equity transactions, and it also changes the recognition of losses incurred by a subsidiary, in excess of the value of investment, as well as recognition of lost control over a subsidiary.

j) Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards

The revised IFRS 1 is effective for annual periods beginning on and after 1 July 2009. The purpose of the amendments is to improve the structure of the standard, simplify it and facilitate reception of the standard through reorganisation and relegation of the majority of exceptions to appendices.

k) Amendments to IFRS 2 Share-based Payment

The revised IFRS 2 is effective for annual periods beginning on and after 1 January 2010. The amendments incorporated into the standard relate to share-based payment transactions within the group settled in cash. The amendments specify how to recognise group share-based payments settled in cash in the financial statements of such entities.

l) Amendments to IAS 39 Financial Instruments: Recognition and Measurement, Reclassification of Financial Instruments: effective date and transition and Amendments to IFRS 7 Financial Instruments: Disclosures

The revised IAS 39 is effective for annual periods beginning on and after 1 July 2009. The amendments enable reclassification of certain financial assets other than derivatives recognised in accordance with IAS 39.

m) Amendments to IAS 39 Financial Instruments: Recognition and Measurement, Embedded Derivatives and Amendments to IFRIC 9

The revised MSR 39 is effective for annual periods beginning on and after 1 July 2009. The amendment provides that an option of earlier repayment embedded in the host debt derivative should not be recognised separately as an embedded derivative if the penalties for repayment are designed in such a way as to reward the borrower for lost interest on the remaining part of the host contract.

n) Amendments to IFRS 2009

The International Accounting Standards Board issued 15 amendments to 12 effective standards. Most of the changes are effective for annual periods beginning on and after 1 January 2009. This is another standard issued by IASB as part of the annual revision process, the purpose of which is to make secondary less urgent revisions.

o) Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 introduced improvements in the quality of financial instrument disclosures. They were published on 5 March 2009 and are effective for reporting periods beginning on or after 1 January 2009. The amendments to IFRS 7 introduce a three-tiered hierarchy of fair value disclosures and call for disclosure of additional information by entities on the relative reliability of fair value measurements. The changes additionally clarify and expand the existing liquidity risk disclosure requirements.

It is the Group's view that the adoption of the above revised standards and new interpretations will not have any material effect on the consolidated financial statements for Q1 2010.

New standards and interpretations which are not yet effective and have not been applied:

a) Amendments to IAS 32 Financial Instruments: Presentation: Classification of Rights Issues

The revised IAS 32 is effective for annual periods beginning on and after 1 February 2010. The amendment provides for recognition of rights issues.

b) IFRS 9 Financial Instruments

IFRS 9 addresses the issues of classification and valuation of financial assets. The standard is effective for annual periods beginning on and after 1 January 2013. The standard has not as yet been adopted by the European Union.

c) Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards

The proposed amendment to IFRS 1 introduces a limited exemption from the obligation to disclose comparable data under IFRS 7 for first-time adopters of IFRS. The amendment is effective for annual periods beginning on and after 1 July 2010. The standard has not as yet been adopted by the European Union.

d) IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 explains the accounting policies applicable when, following renegotiations by the entity of the terms of its debt, the liability is extinguished by the debtor issuing equity instruments for the creditor (the so-called "debt-to-equity swap"). The interpretation is effective for annual periods beginning on and after 1 July 2010. The interpretation has not as yet been adopted by the European Union.

e) Amendments to IFRIC 14 – IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The amendment removes the unintended effects of IFRIC 14 relating to voluntary pension contributions when minimum financing requirements exist. The amendment is effective for annual periods beginning on and after 1 January 2011. The amendment has not as yet been adopted by the European Union.

f) Amendment to IAS 24 Related Party Disclosures

The amendment to IAS 24 is effective for annual periods beginning on and after 1 January 2011. The amendment removed the requirement for state-related entities to make detailed disclosures on all transactions with the state and other state-related entities. It also clarified and simplified the definition of a related party. The amendment has not as yet been adopted by the European Union.

(in PLN 000s, unless indicated otherwise)

The Group is reviewing the consequences and impact of the application of the above standards and interpretations upon the future consolidated financial statements, however in its opinion the application of these standards and interpretations will have no material impact upon the consolidated financial statements in the period of their initial application.

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) Inclusion in the consolidation Lewiatan Śląsk Sp. z o.o.

Entity name and registered address	**Lewiatan Śląsk Sp. z o.o.** **41-219 Sosnowiec, ul. Lenartowicza 39**
Main objects of business	retail franchise
Date of acquiring control	01 January 2007
Number and percentage of held shares	100 shares, 100,00% percent of shares,
Cost of purchasing	2,249,000. PLN

Settlement of a business combination

Elements of the purchasing price:	
Cash	1 284
Exchange of shares Lewiatan Dolny Śląsk Sp. z o.o.	942
Directly attributable purchasing costs:	2 226
Tax on civil law transactions	12
Remaining costs connected with the transaction	11
Total cost of purchasing	**2 249**

(in PLN 000s, unless indicated otherwise)

Purchased net assets

	Fair value 01.01.2010	Book value 01.01.2010
Fixed Assets	**290**	**290**
Tangible fixed assets	150	150
Intangible assets	32	32
Financial assets	92	92
Long-term receivables and other deferred income	15	15
Deferred income tax assets		
Current Assets	**2 526**	**2 526**
Stock	42	42
Receivables	2 309	2 309
Income tax withholding		
Prepaid expenses	14	14
Cash	161	161
Long-term liabilities	**65**	**65**
Credit facilities, loans and debt securities		
Long-term liabilities		
Provisions	65	65
Provision against deferred income tax		
Short-term liabilities	**1 122**	**1 122**
Credit facilities, loans and debt securities		
Short-term liabilities	1 087	1 087
Income tax liabilities	30	30
Provisions	5	5
Deferred income		
Net assets	**1 629**	**1 629**
Net assets allocated to acquired share 100%	**1 629**	
Cost of purchasing	**2 249**	
Goodwill at the date of acquiring control	**620**	

Goodwill:

Goodwill on inclusion in the consolidation date as a result of preliminary settlement is PLN 620,000. Goodwill includes intellectual capital, agreements with customers and related with them customer relationships, however due to the lack of opportunities to reliable estimate of their fair value, Company departed from their identification as a separate intangible asset in the settlement of merger. In accordance with IFRS 3 point 61, acquirer recognizes correction of estimates value resulting from completion of initial settlement within 12 months from date of acquisition.

b) Purchase of additional shares in Społem Tychy Sp. z o.o.

On 8 February 2010 Emperia Holding SA purchased from an individual 10 shares in a share capital of limited liability company Społem Tychy Sp. z o.o. with its seat in Tychy, which—alongside the interest previously held by subsidiary Tradis Sp. z o.o. carries 99,22 percent of votes at the general meeting of shareholders and represents 99,22 percent of the share capital of Społem Tychy Sp. z o.o.

Internal Mergers within Emperia Holding Group

No such event occurred in the Group.

(in PLN 000s, unless indicated otherwise)

Disposal of subsidiaries

No such event occurred in the Group.

Mergers, acquisitions of shares, increases of share capital in businesses after the balance sheet date

The mergers and initial capital increases in businesses effected after the balance sheet date are outlined in note 7.14.16.

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.

Assets under construction and leasehold improvements as well as the right of perpetual usufruct of land are also recognised by the Group as fixed assets.

The initial value of fixed assets comprises the purchase price plus all costs directly related to the purchase and costs necessary to adapt the asset for its intended business use. The initial value of the adapted fixed assets 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

External financing costs are directly recognised by the Group as financial expenses.

The only exception is the financing of a purchase, in-house construction or production of an adapted tangible fixed asset or intangible asset.
When external financing is specifically targeted and it is possible to identify a specific expenditure with specific costs of financing the asset, financing costs increase the value of expenditures for the purchase, construction or production of the relevant tangible fixed asset or intangible asset.

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 licences	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) <u>Loans and receivables</u>

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) <u>Investments held to maturity</u>

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) <u>Financial assets available for sale</u>

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.

Recognition of hedging derivatives

Hedging, for accounting purposes, consists in offsetting against each other the results of changes in fair value or changes in cash flows resulting from a hedging product and the hedged position.

To the extent covered by these consolidated financial statements, the Group applied hedge accounting to hedge against changes in cash flows and fair value hedging.

The Group recognises profits and losses resulting from fair value fluctuations of a cash flows hedging product as a separate line of equity (revaluation capital), in such part in which the relevant product provides effective hedging for the related hedged item. The ineffective part is recognised as financial expenses or financial income in the profit and loss account.

Profits and losses resulting from fair value fluctuations of a hedging product are recognised, in its effective part, in profit and loss account correspondingly to the fluctuations in the fair value of the hedged position. The ineffective part is recognised as financial expenses or financial income in 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

Subsequent to the initial recognition, accounts receivable and other financial receivables are measured at amortised cost based on the effective interest rate, taking into account impairment allowances, with accounts receivable with a maturity within 365 days from the date the receivable arises are not subject to discounting.

Receivables revaluation allowances are established once there is objective evidence that the Group will not be able to recover all amounts receivable arising under the initial terms of the receivables.

The Group establishes 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 establishing receivables revaluation allowances are set fort under the *Terms of Establishing Receivables Revaluation Allowances*. The revaluation allowance is recognised as other costs. The reversal of a previously established 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 expenses 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.

Receivables that are not financial assets are initially recognised at face value and measured as at the balance sheet date at the amount of required payment.

All prepayments, among others, on future deliveries of goods and services, assets under construction, shares, intangible assets, etc. are recognised 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 less outstanding overdraft facilities.

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 that under the terms of the relevant agreement mature in a period of more than 12 month after the balance sheet date are treated by the Group as long-term-credit facilities (including all working capital loans, overdrafts and credit lines).

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.

Accounts payable are carried in the balance sheet at face value. The book value of payables corresponds approximately to their amortised cost based on the effective interest rate. Short-term liabilities with a maturity within 365 days are not subject to discounting.

Liabilities that are not classified as financial liabilities are carried at the amount of required 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.

I Management Option Programme 2008-2009

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

The Group measured the Programme 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, instrument exercise price of PLN 142, its expected variability at the level of 35 percent, the likelihood of earlier exercise at the level of 0 percent per annum in the case of Company's Management Board members and 3 percent per annum in the case of other eligible officers, expected dividend of PLN 0.90 per share (with assumed dividend increase by 10 percent in the following years), and the risk-free interest rate estimated as the rate of return on the PLN-denominated zero-coupon bills issued by the Polish government readily available on the vesting date.

The fair value of the Programme, valued at the aggregate amount of PLN 1,039,000, is amortised throughout the term of the Programme, starting from 30 October 2008 until the end of 2009. In the financial statements the fair value of the Programme is recognised in the profit and loss account as the costs of the management option programme in correspondence to the increase of supplementary capital. In 2009, PLN 439,000 was charged against costs on account of programme implementation.

Since in the opinion of the Management Board the Programme failed to fulfil its underlying incentive objective due to the overpriced instrument (share) exercise rate which in turn resulted from the slump in share prices at the Warsaw Stock Exchange caused by financial crisis. That is why on 4 March 2010, the Extraordinary Meeting of the ultimate parent company, Emperia Holding S.A., resolved to terminate the Programme ahead of its scheduled expiry date.

II Management Option Programme 2010-2012

On 4 March 2010, the Extraordinary Meeting of Shareholders of the ultimate parent company, Emperia Holding S.A., adopted a resolution to implement another three-year Management Incentive Programme 2010-2012. The Programme is targeted at the company's and subsidiary companies' management board members and key managers. For the detailed terms of the programme, see note 7.14.15 point e).

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.

(in PLN 000s, unless indicated otherwise)

7. Additional Notes

7.1 Brief description of the significant accomplishments or failures of Emperia Capital Group.

The results achieved in the first quarter of 2010, according to the Management Board shall be considered as satisfactory. Despite the very weak sales results in the first two months of the year, which to some extent were related to weather conditions prevailing during this period, the Group increased sales revenue compared to the same period previous year by more then 8%.
The level of profit has also significantly increased compared to the previous year. This had an impact on two main factors. First, all opened in 2008 and 2009 distribution centers have achieved significantly better results than the previous year (although not all of them have reached their break even). Secondly, the Group has consistently worked on the optimization of overhead costs and, although still much in this field remains to be done, in the presented results illustrate how the action carried translate into improvement ratio reflecting the relation of this group of costs on the sales revenues.
Actions taken in this quarter, on the one hand were aimed at strengthening the strategic position of the individual Group companies, on the other hand were aimed at preparing them to accelerate the place of market expansion and improving cost-effectiveness. These actions should bring noticeable results in subsequent quarters this year, in both the sales revenue as well as all levels of profitability.

Financial Highlights

Description	Q1 2010	Q1 2009	%
Sales revenues	1 394 305	1 286 504	8,4%
EBIDTA	35 997	28 006	28,5%
Profit on operations	19 300	13 301	45,1%
Profit before tax	15 485	9 602	61,3%
Profit for period	12 428	2 589	380,0%
Total assets	1 900 012	1 799 460	5,6%
Liabilities and provisions against liabilities	1 080 748	1 052 550	2,7%
Short-term liabilities	913 080	854 459	6,9%
Net assets	819 264	746 910	9,7%
Share capital	15 115	15 115	0,0%
Annualised profit per share for period	5,24	2,90	80,7%

Group's activity and payment capacity.

Description	Methodology	Q1 2010	Q1 2009
Return on equity	(profit for the period under review/equity at the end of the period) in %	1,52%	0,35 %
Return on assets	(profit for the period under review/total assets at the end of the period) in %	0,65%	0,14 %
Return on sales	(profit for the period under review/sales revenues in the period) in %	15,87%	15,26 %
Return on EBIDTA	*(EBITDA/* sales revenues in the period) in %	2,58%	2,18 %
Return on operations	(profit on operations for the period under review/sales revenues in the period) in %	1,38%	1,03%
Gross return	(profit before tax for the period under review/sales revenues in the period) in %	1,11%	0,75 %
Net return	(profit for the period under review/sales revenues in the period) in %	0,89%	0,20 %

First quarter of 2010 was much more successful than the corresponding period last year. Achieved higher margins with the increasing level of sales resulted in improvement of all efficiency ratio.

Distribution activities:

After the creation of one distribution company Tradis ongoing expansion and improvement of existing operational distribution centers. In the first quarter of 2010 Tradis has extended its range of logistics services.

Retail activities:

At the end of first quarter 2010 number of Stokrotka Sp. z o.o. retail outlets reached 166 and 7 Delima supermarkets.
At the end of first quarter franchise chain outlets of Detal Koncept Sp. z o.o. consisted of 1,133. stores under the brand Groszek. Additionally Detal Koncept operated 97 Milea stores. Lewiatan Podlasie managed 194 outlets, Społem Tychy at balance sheet date managed 24 outlets, Euro Sklep 635 outlets. Franchise chain Lewiatan Śląsk managed 288 outlets, Lewiatan Zachód 296 outlets, Lewiatan Orbita 102 outlets, Lewiatan Wielkopolska 179 outlets, Lewiatan Północ 176 outlets and Lewiatan Opole 177 outlets, Lewiatan Kujawy 247 outlets. PSD at the balance sheet date cooperate with 444 shops of Spolem.

7.2 Revenues and performance by business segment

IFRS 8 Operating Segments published by the International Accounting Standards Board on 30 November 2006 replaced IAS 14 Reporting Financial Information by Segment and is effective for reporting periods beginning on or after 1 January 2009.

In the process of implementation of the standard analyzes the management model of Capital Group, a functioning reporting system in the Capital Group, and economic characteristics of its units. The analysis showed no need to amend the existing segments, which is used for internal and external reporting.

The Group's operations fall into three business segments:

1 **Wholesaling** (Wholesale Segment) comprised of the following subsidiaries: Tradis Sp. z o.o., DEF Sp. z o.o., Ambra Sp. z o.o., consisting in wholesale distribution of goods and related services;
2 **Retailing** (Retail Segment) comprised 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., consisting in retail sale and related services;
3 **Other** include the holding operations of the Issuer's Company and the operation of other subsidiaries: Elpro Sp. z o.o., Projekt Elpro 1 Sp. z o.o. (resulting from merger of „Projekt Elpro 1" Sp. z o.o. – formerly „Sydo" Sp. z o.o., „Projekt Elpro 2" Sp. z o.o. – formerly „Alpaga–Xema" Sp. z o.o. and „Projekt Elpro 3" Sp. z o.o. – formerly „Express Podlaski" Sp. z o.o.) – providing property development and facility management services; Infinite Sp. z o.o., Emperia Info Sp. z o.o. – providing IT services; PSD S.A. – a partner network management company and Lewiatan Śląsk Sp. z o.o. – providing business franchise in the retail industry. Given material consolidation exclusions and their general marginality (the segment fails to meet any of the quantitative thresholds provided for under IFRS 8), these are reported jointly as a single item.

The Group applies uniform accounting policies for all its segments. Inter-segment business transactions are effected on an arm's length basis. These transactions are subject to exclusion in the consolidated financial statements

(in PLN 000s, unless indicated otherwise)

The tables below present cumulative information regarding the Group's business segments in first quarter of 2010:

Description	Wholesale	Retail	Other	Exclusions	Total
Segment total revenues	1 119 785	470 023	27 171	222 674	1 394 305
Segment revenues (from external clients/customers)	923 756	465 452	5 097		1 394 305
Segment revenues (from other segments)	196 029	4 571	22 074	222 674	
Segment total costs	(1 111 364)	(461 349)	(23 923)	(222 743)	(1 373 893)
Result on other operations	(1 272)	78	103	21	(1 112)
Result on financial operations	(2 446)	(928)	(445)	(4)	(3 815)
Result (gross)	4 703	7 824	2 906	(52)	15 485
Taxation	(1 089)	(1 445)	(808)	31	(3 373)
Share in financial result entities valued using the equity method			316		316
Segment result (net)	3 614	6 379	2 414	(21)	12 428

Description	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 221 271	486 718	878 058	(686 035)	1 900 012
Goodwill	156 073	47 281	621		203 975

Description	Wholesale	Retail	Other	Exclusions	Total
Investment outlays	(3 760)	(14 124)	(7 363)	(464)	(24 783)
Depreciation	(5 444)	(7 358)	(4 137)	(242)	(16 697)

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

Description	Wholesale	Retail	Other	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	1 045	(319)	57	162	621
Result on financial operations	(2 320)	(971)	(408)		(3 699)
Result (gross)	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)
Segment result (net)	(620)	(130)	2 873	(466)	2 589

Description	Wholesale	Retail	Other	Exclusions	Total
Segment assets/ liabilities	1 254 384	435 834	839 148	729 906	1 799 460
Goodwill	151 783	38 386			190 169

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

(in PLN 000s, unless indicated otherwise)

7.3 Indication of the effects of changes in structure of the enterprise.

All changes in structure of the Capital Group are described in detail in note 6.1 and 6.2.9.

7.4 Management Board position on the implementation of previously published results for the year.

Management Board of Emperia Holding SA, after a detailed assessment of the feasibility of forecasts published in the current report no. 6/2010 of 2 March 2010, maintains forecast for revenues from sale of 6,000,000,000. PLN and investment on the level of 200,000,000. PLN.
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.

7.5 Shareholders holding at least 5 percent of the total number of votes at the general meeting as at the date of filing the report.

Shareholders	Shares held as at the date of filing the report	Percentage of share capital	Change %	Shares held as at 31/12/2009.	Percentage of share capital as at 31/12/2009	Number of votes at GMS as at the date of filing the report	% of number of votes at GMS as at the date of filing the report
Aviva OFE Aviva BZ WBK	1 518 210	10,04%	(7,90%)	1 648 393	10,91%	1 518 210	10,04%
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	54 685	0,36%	(93,29%)	814 811	5,39%	54 685	0,36%

* Information about state of held shares of the issuer by the Aviva OFE has been obtained at 15 April 2010.

7.6 Changes in the number of shares held by members of the Management Board and Supervisory Board

Members of Management Board	Shares held as at 31/03/2010	Percentage of share capital	Change %	Shares held as at 31/12/2009	Percentage of initial capital as at 31/12/2009
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%

Members of Supervisory Board	Shares held as at 31/03/2010	Percentage of share capital	Change %	Shares held as at 31/12/2009	Percentage of initial capital as at 31/12/2009
Piotr Laskowski	386 125	2,55%	0,00%	386 125	2,55%
Artur Laskowski	346 330	2,29%	0,00%	346 330	2,29%

7.7 Information on pending litigation.

In first quarter of 2010 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.

7.8 Material transactions of the Issuer with associated entities

In first quarter of 2010, Emperia Holding SA did not enter into any material transactions with associated entities, otherwise than in the ordinary course of business on an arm's length basis.
In first quarter of 2010 have not been any intra-Group mergers.
As part of the Group's cash flow management, short-term bonds were issued, described in detail in Note 7.14.5.

7.9 Credit facilities, loans and guarantees.

In first quarter of 2010, parent company Emperia Holding SA did not grant new loan guarantees to its subsidiaries exceeding 10% of equity of the Issuer. Information about granted guarantees contains note 7.14.7.

7.10 Other information relevant to assessment of staffing, property, financial, financial results and their changes and information that are relevant to assessing possibility of fulfillment of commitments by the issuer.

In Group at the balance sheet date there is no risk associated with foreign currency options.

7.11 Description of factors and events, in particular of untypical character, affecting the result achieved in the financial year.

No such event occurred in the Group in first quarter of 2010.

7.12 Description of factors materially affecting the Group's results at least in the next quarter.

External:

a) The macroeconomic situation in Poland, as reflected by the following ratios: increasing GDP, unemployment rate, net income of households, inflation rate;
b) Changes in the business FMCG market;
c) Increasing prices of goods and services consumed by the Group, including without limitation fuel and utilities;
d) The prices of real property levelling off and in some segments even falling;
e) The corporate and consumer lending policy of financial institutions (level of interest rates, credit margin, security);
f) Situation in the labour market and cost of salaries.

Internal:

a) Streamlining of business processes as part of the organisation of the Group realigned in equity terms, to enable improved operational effectiveness and better quality of segment management;
b) Development of new formats of franchise chains operated by the Group;
c) Development of the in-house retail network;
d) Internal cost controls policy;
e) Completion of scheduled investments projects on time and on budget.

7.13 Changes in the composition of the Issuer's Management Board and Supervisory Board.

In first quarter of 2010 has been no changes of Management Board of Emperia Holding S.A.

The composition of the Management Board at 31 March 2010 is as follows:

1. Artur Emanuel Kawa – Chairman of Management Board,
2. Jarosław Wawerski – Vice-Chairman of Management Board,
3. Dariusz Kalinowski – Member of Management Board, Financial Director,
4. Marek Grzegorz Wesołowski - Member of Management Board, Retail Business Director,
5. Grzegorz Wawerski - Member of Management Board, Retail Business Development Director.

After the balance sheet date there have been changes within the Management Board of Emperia Holding S.A. - specific information in note 7.14.16 point b).

In first quarter of 2010 there have been changes of Supervisory Board of Emperia Holding S.A. – specific information in note 7.14.15 point a).

The composition of the Supervisory Board of Emperia Holding SA at 31 March 2010 is as follows:

1. Piotr Laskowski – Chairman of the Supervisory Board,
2. Tomasz Marek Krysztofiak – Vice-Chairman of the Supervisory Board, independent member
3. Artur Laskowski - Member of the Supervisory Board,
4. Ireneusz Zięba – Member of the Supervisory Board,
5. Piotr Długosz – Independent Member of the Supervisory Board.

7.14 Other material information and events.

7.14.1 Consistency of accounting principles and measurement methods applied in the third 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.

7.14.2 Seasonality and cyclicality of production.

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

(in PLN 000s, unless indicated otherwise)

7.14.3 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.

The Group experienced no such events.

7.14.4 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 employee benefits	Changes in Q1 2010	Changes in Q1 2009
Long-term		
As at the beginning of the period	2 843	2 322
Increases/reductions during the period	*5*	*56*
Increases/reductions during the period resulting from acquisitions	*5*	*40*
As at the end of the period	**2 853**	**2 418**
Short-term		
As at the beginning of the period	12 634	17 893
Increases/reductions during the period	*(1 818)*	*(1 433)*
Increases/reductions during the period resulting from acquisitions	*51*	*178*
As at the end of the period	**10 867**	**16 638**
Other provisions	**Changes in Q1 2010**	**Changes in Q1 2009**
Long-term		
As at the beginning of the period	0	0
Increases/reductions during the period	*0*	*0*
Increases/reductions during the period resulting from acquisitions	*0*	*0*
As at the end of the period	**0**	**0**
Short-term		
As at the beginning of the period	3 616	2 940
Increases/reductions during the period	*3 477*	*183*
Increases/reductions during the period resulting from acquisitions	*13*	*20*
As at the end of the period	**7 106**	**3 143**

7.14.5 Issue, redemption and repayment of debt and equity securities

Bonds Issued

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 of up to PLN 50,000,000.
Bonds issue and redemption (expressed in nominal amounts) of Emperia Holding S.A. in first quarter of 2010 and 2009 were as follows:

Year 2010:

Bonds issue and redemption Q1 2010	Total	External issue
As at the beginning of the period	**4 000**	**4 000**
Bonds issue	***4 000***	*4 000*
Bonds redemption	***(4 000)***	*(4 000)*
As at the end of the period	**4 000**	**4 000**

(in PLN 000s, unless indicated otherwise)

Year 2009:

Bonds issue and redemption Q1 2009	Total	External issue
As at the beginning of the period	0	0
Bonds issue	***13 000***	*13 000*
Bonds redemption	***0***	*0*
As at the end of the period	**13 000**	**13 000**

b) Elpro Sp. z o.o.

In 2005, Elpro Sp. z o.o. concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate of up to PLN 50,000,000.
Bonds issue and redemption (expressed in nominal amounts) of Elpro Sp. z o.o. in first quarter of 2010 and 2009 were as follows:

Year 2010:

Bonds issue and redemption Q1 2010	Total	External issue	Emperia Holding S.A.	Projekt Elpro 1 Sp. z o.o.	Euro Sklep S.A.	Społem Tychy Sp. z o.o.	Tradis Sp. z o.o.	DEF Sp. z o.o.
As at the beginning of the period	**56 700**	**1 100**	**12 900**	**7 600**	**3 000**	**2 000**	**21 600**	**8 500**
Bonds issue	***183 400***	*4 100*	*56 400*	*22 800*	*11 500*	*6 000*	*65 600*	*17 000*
Bonds redemption	***(178 400)***	*(3 700)*	*(47 700)*	*(22 800)*	*(10 000)*	*(6 000)*	*(62 700)*	*(25 500)*
As at the end of the period	**61 700**	**1 500**	**21 600**	**7 600**	**4 500**	**2 000**	**24 500**	**0**

Year 2009:

Bonds issue and redemption Q1 2009	Total	External issue	Emperia Holding S.A.	Tradis Sp. z o.o.*	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**

* Refers to the issue of bonds made to the company BOS SA - As a result of the completion of the merger the company's largest distribution companies BOS SA merged with Tradis Sp. z o.o.

c) Stokrotka Sp. z o.o.

In 2005, Stokrotka Sp. z o.o. concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate of up to PLN 50,000,000.
Bonds issue and redemption (expressed in nominal amounts) of Stokrotka Sp. z o.o. in first quarter of 2010 and 2009 were as follows:

Year 2010:

Bonds issue and redemption Q1 2010	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.	Maro Markety Sp. z o.o.	Projekt Elpro 1 Sp. z o.o.
As at the beginning of the period	**50 000**	**0**	**19 000**	**5 500**	**8 600**	**4 500**	**12 400**
Bonds issue	***138 000***	*0*	*60 500*	*17 300*	*8 200*	*13 500*	*38 500*
Bonds redemption	***(144 000)***	*0*	*(58 900)*	*(16 800)*	*(16 800)*	*(13 500)*	*(38 000)*
As at the end of the period	**44 000**	**0**	**20 600**	**6 000**	**0**	**4 500**	**12 900**

(in PLN 000s, unless indicated otherwise)

Year 2009:

Bonds issue and redemption Q1 2009	Total	External issue	Emperia Holding S.A.	Infinite Sp. z o.o.	Tradis Sp. z o.o.*	Maro Markety Sp. z o.o.	Projekt Elpro 1 Sp. z o.o.**
As at the beginning of the period	**50 000**	**0**	32 800	3 500	**0**	6 000	7 700
Bonds issue	***152 000***	*0*	*64 400*	*11 500*	*23 000*	*18 000*	*35 100*
Bonds redemption	***(149 000)***	*0*	*(67 900)*	*(11 000)*	*(20 000)*	*(18 000)*	*(32 100)*
As at the end of the period	**53 000**	**0**	**29 300**	**4 000**	**3 000**	**6 000**	**10 700**

* Plus the value of the bond issue made the company BOS SA - As a result of the completion of the merger the company's largest distribution companies BOS SA merged with Tradis Sp. z o.o.
** Relates to the issue of bonds made to the company Sydo - in the fourth quarter of 2009 was the merger of companies

d) Tradis Sp. z o.o.

In 2005, Tradis Sp. z o.o. concluded an agreement with BRE Bank S.A. providing for a five-year short-term and medium-term bonds issue programme of the aggregate of up to PLN 50,000,000.
Bonds issue and redemption (expressed in nominal amounts) of Tradis Sp. z o.o. in first quarter of 2010 and 2009 were as follows:

Year 2010:
In Q1 2009 Tradis Sp. z o.o. did not issue any bonds.

Year 2009:

Bonds issue and redemption Q1 2009	Total	External issue	Emperia Holding S.A.	Tradis Sp. z o.o.*
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**

* Refers to the bond issue made by a company DLS SA the company BOS SA - As a result of the completion of the merger the largest distribution companies and these companies merged with Tradis Sp. z o.o.

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

Total liabilities from debt securities at 31.03.2010

Issuer	Series	Nominal value (In thousand PLN)	Date of repurchase	As at 31.03.2010
Emperia Holding S.A.	0048	4 000	2010-04-08	3 939
Stokrotka Sp. z o.o.	0056*	12 900	2010-04-29	
Stokrotka Sp. z o.o.	0056*	4 500	2010-04-29	
Stokrotka Sp. z o.o.	0056*	6 000	2010-04-29	
Stokrotka Sp. z o.o.	0056*	20 600	2010-04-29	
Elpro Sp. z o.o.	0071*	2 000	2010-04-29	
Elpro Sp. z o.o.	0071*	13 500	2010-04-29	
Elpro Sp. z o.o.	0071*	20 200	2010-04-29	
Elpro Sp. z o.o.	0071*	4 500	2010-04-29	
Elpro Sp. z o.o.	0093*	7 600	2010-04-30	
Elpro Sp. z o.o.	0093*	11 000	2010-04-30	
Elpro Sp. z o.o.	0093	1 500	2010-04-30	1 491
Elpro Sp. z o.o.	0093*	1 400	2010-04-30	
Total bonds issued by the Group **				**5 430**
Other				
Total liabilities under debt securities				
including: short-term				5 430
including: long-term				

(in PLN 000s, unless indicated otherwise)

* The bonds were purchased by Group's companies which are subject to consolidation, thus are excluded in this report.
** Financial liabilities measured at amortized cost, according with MSR 39

Total liabilities from debt securities at 31.03.2009

Issuer	Series	Nominal value (In thousand PLN)	Date of repurchase	As at 31.03.2009
Emperia Holding S.A.	0043	13 000	2009-05-20	12 853
Stokrotka Sp. z o.o.	0033*	6 500	2009-04-03	
Stokrotka Sp. z o.o.	0033*	3 000	2009-04-03	
Stokrotka Sp. z o.o.	0033*	500	2009-04-03	
Stokrotka Sp. z o.o.	0034*	10800	2009-04-17	
Stokrotka Sp. z o.o.	0034*	10 700	2009-04-17	
Stokrotka Sp. z o.o.	0034*	6 000	2009-04-17	
Stokrotka Sp. z o.o.	0034*	3 500	2009-04-17	
Stokrotka Sp. z o.o.	0035*	12 000	2009-04-01	
Elpro Sp. z o.o.	0075	1 000	2009-04-03	996
Elpro Sp. z o.o.	0075*	6 000	2009-04-03	
Elpro Sp. z o.o.	0076*	6 000	2009-04-17	
Elpro Sp. z o.o.	0076*	7 000	2009-04-17	
Elpro Sp. z o.o.	0039*	6 300	2009-04-03	
Elpro Sp. z o.o.	0040*	1 200	2009-04-03	
Elpro Sp. z o.o.	0041*	8 000	2009-04-17	
Elpro Sp. z o.o.	0041*	15 000	2009-04-17	
Elpro Sp. z o.o.	0042*	3 000	2009-04-17	
DLS S.A.	0017*	10 000	2009-04-17	
**Total bonds issued by the Group ** **				**13 849**
Other				
Total liabilities under debt securities				
including: short-term				13 849
including: long-term				

* The bonds were purchased by Group's companies which are subject to consolidation, thus are excluded in this report.
** Financial liabilities measured at amortized cost, according with MSR 39

7.14.6 Paid dividends

In the first quarter of 2010 the company did not pay dividends to shareholders.

7.14.7 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 supplier 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 Q1 2010	Under bank credit facilities	Under bank guarantees	Under financial guarantees
Mortgages			
As at the beginning of the period	205 314		
Increases during the period	*42*		
Reductions during the period			
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	**205 356**		

(in PLN 000s, unless indicated otherwise)

Transfer of title as security/pledge/assignment of current assets			
As at the beginning of the period	297 856	15 285	
Increases during the period	*274 779*	*6 800*	
Reductions during the period	*(196 156)*	*(6 615)*	
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	**376 479**	**15 470**	
Transfer of title as security/pledge/assignment of fixed assets			
As at the beginning of the period	1 432		
Increases during the period			
Reductions during the period			
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	142 179	5 771	5 554
Increases during the period	*156 779*	*6 690*	
Reductions during the period	*(6 379)*	*(5 619)*	*(141)*
Increases/reductions during the period resulting from acquisitions			
As at the end of the period	**292 579**	**6 842**	**5 413**

Emperia Holding S.A. extended corporate financial guarantees of PLN 292,579,000. 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 Q1 2009	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**	**0**	
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**

(in PLN 000s, unless indicated otherwise)

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.

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

Principles of creating and reversal of write–offs of tangible fixed assets Revaluation of stock, and Revaluation of receivable under the Group has not changed in relation to rules adopted in the consolidated annual report.

Revaluation allowances on account of impairment of fixed assets and reversal of those allowances	Changes in Q1 2010	Changes in Q1 2009
Revaluation allowances on account of impairment of fixed assets		
As at the beginning of the period	1 757	1 798
Creating of write-offs		*140*
Reversal of write–offs	*(40)*	*(66)*
Changes of write-offs resulting from acquisitions		
As at the end of the period	**1 717**	**1 872**
Revaluation allowances for receivables		
As at the beginning of the period	30 796	34 391
Creating of write-offs	*5 284*	*1 753*
Reversal of write–offs	*(3 519)*	*(2 570)*
Changes of write-offs resulting from acquisitions	*25*	*22*
*Not written off profit and loss**	*(423)*	
As at the end of the period	**32 163**	**33 596**
Revaluation allowances for financial assets		
As at the beginning of the period	62	3 540
Creating of write-offs		*2 867*
Reversal of write–offs		*(3 507)*
Changes of write-offs resulting from acquisitions		
As at the end of the period	**62**	**2 900**
Revaluation allowances for financial assets		
As at the beginning of the period	17 459	15 929
Creating of write-offs	*6 644*	*5 791*
Reversal of write–offs	*(2 837)*	*(3 770)*
Changes of write-offs resulting from acquisitions		*92*
As at the end of the period	**21 266**	**18 042**
including: revaluation allowances on account of stocktaking		
As at the beginning of the period	783	1 012
Creating of write-offs	*5 928*	*4 837*
Reversal of write–offs	*(460)*	*(1 277)*
Changes of write-offs resulting from acquisitions		*17*
As at the end of the period	**6 251**	**4 589**

(in PLN 000s, unless indicated otherwise)

including: revaluation allowances on account of bonuses		
As at the beginning of the period	16 676	14 917
Creating of write-offs	*716*	*954*
Reversal of write–offs	*(2 377)*	*(2 493)*
Changes of write-offs resulting from acquisitions		*75*
As at the end of the period	**15 015**	**13 453**

* written off receivables which had previously been tied revaluation and of which irrecoverable had been documented

7.14.9 Release of provisions against restructuring costs.

The Group experienced no such events.

7.14.10 Deferred corporate tax.

Deferred corporate tax	Changes in Q1 2010	Changes in Q1 2009
Deferred corporate tax assets		
As at the beginning of the period	15 750	20 868
Increase of assets	*2 826*	*1 312*
Reduction of assets	*(998)*	*(6 825)*
Increases/reductions during the period resulting from acquisitions		*217*
As at the end of the period	**17 578**	**15 572**
Provision against deferred corporate tax		
As at the beginning of the period	14 822	13 097
Increase of assets	*721*	*2 104*
Reduction of assets	*(70)*	*(2 074)*
Increases/reductions during the period resulting from acquisitions		*1*
As at the end of the period	**15 473**	**13 128**

7.14.11 Financial and operating leases.

Year 2010:

Liabilities under financial leases	31 March 2010	
	Minimum payments	Current value of minimum payments
Up to 1 year	1 215	852
From 1 to 5 years	2 700	2 419
Over 5 years		
Total	**3 915**	**3 271**

(in PLN 000s, unless indicated otherwise)

Operating leases

Description of assets	Term of agreement	As at 31.03.2010	As At 31.03.2011	from 1 - 5 years	over 5 years
		Minimum annual payments			
Real properties	Definite				
	indefinite				
Machinery and equipment	definite				
	indefinite				
Vehicles	definite	16	22	6	
	indefinite				
Other fixed assets	definite				
	indefinite				

Agreements containing a lease according to IFRIC 4

Description of assets	Term of agreement	As at 31.03.2010	As At 31.03.2011	from 1 - 5 years	over 5 years
		Minimum annual payments			
Real properties	definite	64 158	64 988	270 565	274 220
	indefinite	9 249	9 789	41 633	42 819
Machinery and equipment	definite				
	indefinite	185	164	2 963	3 619
Vehicles	definite	12 884		13 278	
	indefinite	1	6		
Other fixed assets	definite	733	21	722	
	indefinite	1	1	18	23

Year 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				

(in PLN 000s, unless indicated otherwise)

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				

7.14.12 Commitments to purchase tangible fixed assets.

No such event occurred in the Group.

7.14.13 Correction of errors of previous periods.

In first quarter of 2010 there were no corrections of errors committed in previous periods.

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

No such event occurred in the Group.

7.14.15 Other material information.

a) Changes in the composition of the Supervisory Board of Emperia Holding S.A.

On 4 February 2010 Mr. Piotr Długosz and Mr. Piotr Kawa resigned as a members of the issuer's Supervisory Board with effect as of 14 February 2010.

On 4 March 2010 the Extraordinary General Meeting of Shareholders of Emperia Holding S.A. appointed Mr Piotr Długosz as a Independent Member of the Supervisory Board.
In connection with recent personal changes in Company's Supervisory Board, functions of Members in Board were changed. At its first meeting in its new composition, the Supervisory Board Chairman was emerged in the person of Mr. Peter Laskowski and Vice-Chairman - Mr. Thomas Krysztofiak (independent member).

b) Projection of Selected Financial Results for 2010

The Management Board of Emperia Holding S.A. disclosed a projection of selected consolidated financial results of the Emperia Group of Companies in 2010:

Sales revenues PLN 6,000,000,000.
Investment expenditures PLN 200,000,000.

The projection envisages continued organic growth of the Emperia Group both in the wholesale and the retail business. The underlying assumptions for the 2010 projection do not include potential acquisitions of FMCG companies.

c) Creation of the Foundation Emperia and obtaining its public profit foundation status.

On 10 February 2010, the Emperia Foundation was established. The purpose of the Foundation is to support employees and their families who have found themselves in some predicament, as well as promoting sightseeing and leisure pursuits for children and teenagers. Beneficiaries of the Foundation include: employees of Emperia Trading Group, their children and spouses, as well as former employees, now retired.

The Foundation's assistance efforts so far have supported the treatment and rehabilitation of five people. The beneficiaries included employees and their families from Stokrotka and Tradis.

The Emperia Foundation has obtained the status of a public benefit organisation and consequently can benefit from 1% charitable tax deductions.

Registration data:
Foundation Emperia
20-952 Lublin, ul. Mełgiewska 7-9
National Court Register: KRS 0000348564
Statistical No.: REGON 060581183
Tax Identification Number: NIP 9462599869
Bank account: BRE Bank S.A. 48 1140 1094 0000 4745 0000 1001

d) Convening Extraordinary Meeting of Shareholders of Emperia Holding S.A.

On 4 March 2010 held an Extraordinary General Meeting Emperia Holding S.A., with the following agenda:

1) Opening the Extraordinary General Meeting.
2) Electing the Chairman of the Extraordinary General Meeting.
3) Confirming that the Extraordinary General Meeting has been duly convened and is capable of adopting valid resolutions.
4) Adopting the Agenda for the Extraordinary General Meeting.
5) Adopting resolutions to: amend the resolutions of the General Meeting on the Management Option Plan; establish the terms and conditions of the Company's new programme of management options, bonds issue with the right of pre-emption and conditional increase of the share capital, amend the Company's Articles of Association and exclude the shareholders' rights to acquire shares.
6) Adopting a resolution to amend the Company's Articles of Association.
7) Adopting a resolution to amend the General Meeting Regulations.
8) Adopting a resolution to approve amendments to the Supervisory Board Regulations.
9) Adopting a resolution to appoint a Supervisory Board member.
10) Any other business.
11) Closing the Extraordinary General Meeting.

e) II Management Option Programme 2010-2012

On 4 March 2010, the Extraordinary Meeting of ultimate parent Emperia Holding S.A. adopted a resolution to launch II Management Incentive Programme 2010-2012. The implementation of the Programme will span a period of three years, 2010-2012. The Programme is targeted at the company's and subsidiary companies' management board members and key managers. The aim of the Programme is to tie first-rate specialists with the Group over the long-term to ensure growth and improved efficiency of the Group's operations.

Basic programme documents:
1. Resolution 2, section II of the Extraordinary Meeting of Shareholders of Emperia Holding S.A. of 4 March 2010 on Terms and Conditions of the Company's Management Incentive Programme 2010-2012;
2. Management Option Regulations of Emperia Holding S.A.;
3. List of Programme participants approved by the Supervisory Board of Emperia Holding S.A.

Key assumptions of the Programme:
The size of the Programme is up to 450,000 (in words: four hundred and fifty thousand) registered bonds with the pre-emptive right to acquire P series ordinary bearer shares in the company of the nominal value of PLN 1.00 (in words: one zloty) each.

The bonds will be made available in three tranches. Each tranche will offer to the eligible parties up to:
-150,000 bonds with the pre-emptive right to acquire 150,000 shares as part of Tranche I;
-150,000 bonds with the pre-emptive right to acquire 150,000 shares as part of Tranche II;
- 150,000 bonds with the pre-emptive right to acquire 150,000 shares as part of Tranche III.

The exercise of the options will take place in the following periods:
- for Tranche I bonds: from 1 July 2014 to 30 June 2018;
- for Tranche II bonds: from 1 July 2015 to 30 June 2019;
- for Tranche III bonds: from 1 July 2016 to 30 June 2020.
The nominal value and issue price of one bond is PLN 0.01. The underlying option instrument are shares in a public company listed on the Warsaw Stock Exchange.

The issue price of the shares offered under the Programme is equivalent to the Warsaw Stock Exchange mean closing rate of the company's shares over a period of 90 days prior to the date of adopting Resolution 2, section II on the Management Incentive Programme 2010-2012 less 5%.
The options vested as part of the relevant tranche are divided into two parts:
- Option Financial Component (accounting for up to 75% of the tranche), the vesting of which is conditional upon the attainment of the Company's Financial Objective;
- Option Market Component (accounting for up to 25% of the tranche), the vesting of which is conditional upon the attainment of the Market Objective.

Financial Objective: the Company achieves consolidated diluted earnings per share of PLN 5.62 in 2010; PLN 6.75 in 2011; and PLN 8.10 in 2012. If the performance of the financial objective is 100%, 100% of the options scheduled will be vested. If the performance of the financial objective is 80% or less, the options will not be vested.

Market Objective: total return on Emperia's shares is not less than WIG
- the eligible party remains continuously in an official relationship from the time he/she is placed on the list of eligible parties until 31 December of 2010, 2011 or 2012, depending on the tranche.

The group is in the valuation of the program to fair value at the date of its launch, according to the requirements of IFRS 2 and IFRIC 11. This evaluation will be done by an independent expert. The Group formed a provision for this purpose in an amount of 1,000,000. PLN.

f) Notification of sale of shares in Emperia Holding S.A. by Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK

The Management Board of Emperia Holding S.A. received the following notification from Aviva OFE on 4 March 2010:

"According to the obligation arising under Article 69(1) and (4) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (Journal of Laws No. 184 item 1539), please be advised that following sale of shares in Emperia Holding S.A. ("Company") with its registered seat in Lublin, Poland, cleared on 24 February 2010, Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK (Aviva OFE) reduced state of ownership of shares, to less than 10% of votes at the General Meeting of Shareholders of the Company.

Prior to the above transactions, as at 25 February 2010, Aviva OFE had held 1,517,616 shares in the Company, representing 10,04% of the share capital (number of issued shares) of the Company, carrying 1,517,616 votes at the General Meeting of Shareholders, which accounted for 10,04% of the total number of votes.

Upon completion and clearance of the above transactions, as at 1 March 2010, Aviva OFE held 1,477,654 shares in the Company, representing 9,78% of the share capital (number of issued shares) of the Company, carrying 1,477,654 votes at the General Meeting of Shareholders, which accounted for 9,78% of the total number of votes".

g) Execution of annexe to Credit Facility Agreement by Tradis Sp. z o.o.

On 17 March 2010 were concluded Annexe to Credit Facility Agreement in form of multipurpose credit line by a subsidiary Tradis sp. z o.o. in Lublin ("Borrower") and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna. in Warsaw ("Lender").
Subject of the annexe is increasing of amount of multipurpose credit line to PLN 138,000,000. Current limit was PLN 15,000,000.
The credit facility has been granted for the period ended on 28.02.2011.

The credit facility is secured by:

1. Registered pledge on Borrower's inventory of commercial goods of total amount not less than amount of granted credit;
2. Transfer of monetary claims from insurance contracts of commercial goods referred to in item 1,
3. Sponsor's Statement of Emperia Holding SA in relation to Tradis Sp. z o.o.,
4. Clause deduction of funds from the Borrower's current account held by the Lender.

The facility interest rate is based on WIBOR 1M + Lender's margin. The other terms and conditions are consistent with those customarily applied in the market in agreements of this type.

On 29 March 2010 a Credit Facility Agreement was signed between subsidiary company Tradis Sp. Z o.o. ("Borrower") and Bank Polska Kasa Opieki SA in Warsaw ("Lender").

The Lender has provided a overdraft facility of PLN 121,000,000. The purpose of the facility is to finance day-to-day operational needs.
The credit facility has been granted for the period from 30 March 2010 to 30 March 2011.
The facility is secured by:
1. Registered pledge on commercial goods with assignment of rights from insurance policy in value not less than 100 percent of amount of credit;
2. A guarantee issued by the parent company, Emperia Holding S.A., to amount of credit - PLN 121,000,000. until pending establishment of registered pledge of commercial goods referred to in item 1.

As consideration for the guarantee issued, Tradis will pay to Emperia Holding S.A. a fee of 0.3 percent per annum on the guarantee amount throughout the term of the guarantee.
The facility interest rate is based on WIBOR 1M + Lender's margin. The other terms and conditions are consistent with those customarily applied in the market in agreements of this type.

h) Partial repayment of loan by subsidiary.

On 22-23 February 2010 a subsidiary of Stokrotka Sp. z o.o. repaid loan in the amount of PLN 10 million provided by Emperia Holding S.A. The interest rate on the loan is WIBOR 1M plus a margin lender, interest is payable at the end of each month, the loan is secured by blank promissory note, together with the declaration. The loan was established on 30 June 2010. Debt as at 31 March 2010 amounts to 7,000,000. PLN.

7.14.16 Material events after the period of the financial statements

a) Execution of Credit Facility Agreement by Tradis Sp. z o.o.

The Management Board of Emperia Holding S.A. ("Emperia") informs that on 8 April 2010 a Credit Facility Agreement was signed between subsidiary company Tradis Sp. z o.o. ("Borrower") and Raiffeisen Bank Polska SA in Warsaw ("Lender").
The Lender has provided a overdraft facility of PLN 80,000,000. The purpose of the facility is to finance day-to-day operational needs.
The credit facility has been granted for the period from 26 April 2010 to 31 March 2011.

The facility is secured by:
1. Power of attorney for Borrowers' accounts in Raiifeisen Bank ,
2. Silent assignment of the Borrower receivables in the amount of 72,000,000. PLN,
3. Letter of comfort issued by Emperia Holding SA

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) Changes in Management Board of Emperia Holding S.A.

The Supervisory Board of Emperia Holding SA made the following nominations in Company's Management Board.
1. Mr. Dariusz Kalinowski, previous Member of Management Board of Company, was appointed as a Vice President of Management Board - responsible for financial area,
2. Mr. Grzegorz Wawerski, previous Member of Management Board of Company, was appointed as a Vice President of Management Board - responsible for developer activity area,
3. Mr. Marek Wesołowski, previous Member of Management Board of Company, was appointed as a Vice President Management Board - responsible for retail business area.

Resolution becomes effective on the date of registered by the Registration Court amendments in Statute of Emperia Holding SA passed by the EGM of the Company of 4 March 2010.

c) Notification of purchase of shares in Emperia Holding S.A. by Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK.

The Management Board of Emperia Holding S.A. received the following notification from Aviva OFE on 19 April 2010:

"According to the obligation arising under Article 69(1) and (4) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (Journal of Laws No. 184 item 1539), please be advised that following purchase of shares of Emperia Holding S.A. ("Company") with its registered seat in Lublin, Poland, cleared on 12 April 2010, Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK (Aviva

OFE) increased state of ownership of shares, to more than 10% of votes at the General Meeting of Shareholders of the Company.
Prior to the above transactions, as at 14 April 2010, Aviva OFE had held 1.506.132 shares in the Company, representing 9,96% of the share capital (number of issued shares) of the Company, carrying 1.506.132 votes at the General Meeting of Shareholders, which accounted for 9,96% of the total number of votes.
Upon completion and clearance of the above transactions, as at 15 April 2010, Aviva OFE held 1.518.210 shares in the Company, representing 10,04% of the share capital (number of issued shares) of the Company, carrying 1.518.210 votes at the General Meeting of Shareholders, which accounted for 10,04% of the total number of votes".

d) Purchase of Shares in Lewiatan Kujawy Sp. z o.o. in Włocławek

The Management Board of Emperia Holding S.A. ("Emperia") is pleased to inform of the purchase of 50% shares limited liability company Lewiatan Orbita Sp. z o.o. ("Company") having its registered office in Włocławek.
Following the above acquisition, Emperia holds directly or indirectly through its subsidiaries 100 percent of the Company's share capital, carrying 100 percent of votes at the General Meeting of Shareholders.
Lewiatan Orbita Sp. z o.o. operates 9 own shops and organize a chain of retail FMCG outlets, currently comprising 246 stores located in the regions of Poland: kujawsko-pomorskie, pomorskie, łódzkie, mazowieckie, śląskie. Company turnover in 2009 amounted to 34,000,000. PLN.

e) Choosing Tradis on a goods supplier for PKN Orlen stations.

On 22 April 2010 the Management Board of Emperia Holding S.A. received information that the Management Board of PKN Orlen S.A. passed a resolution approving the selection subsidiary company Tradis as a supplier of goods category, beer, sweets and beverages to stores located on petrol stations of the Group. Start of long-term cooperation is planned for 1 June 2010 and estimated annual sales of approximately 220,000,000. PLN.

(in PLN 000s, unless indicated otherwise)

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.Jan.2010 to 31.March 2010	For period 01.Jan.2009 to 31.March 2009*	For period 01.Jan.2010 to 31.March 2010	For period 01.Jan.2009 to 31.March 2009
I.	Net revenues from sale of products, goods and materials	12 552	12 512	3 164	2 720
II.	Profit (loss) on operating activity	(58)	1 231	(15)	268
III.	Profit (loss) before tax	662	1 942	167	422
IV.	Profit (loss) for period	421	1 381	106	300
V.	Net cash flows from operating activity	1 082	2 587	273	562
VI.	Net cash flows from investing activity	(1 537)	(13 883)	(387)	(3 018)
VII.	Net cash flows from financing activity	(128)	12 845	(32)	2 793
VIII.	Total net cash flows	(583)	1 549	(147)	337
IX.	Total assets	632 871	632 397	163 863	134 515
X.	Liabilities and provisions against liabilities	11 363	11 310	2 942	2 406
XI.	Long-term liabilities	1 696	1 404	439	299
XII.	Short-term liabilities	9 667	9 906	2 503	2 107
XIII.	Equity	621 508	621 087	160 921	132 110
XIV.	Initial capital	15 115	15 115	3 914	3 215
XV.	Number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVI.	Weighted average number of shares	15 115 161	15 115 161	15 115 161	15 115 161
XVII.	Profit (loss) per ordinary share annualized (PLN\EURO)	2,85	0,07	0,72	0,02
XVIII.	Diluted profit (loss) per ordinary share annualized (PLN\EURO)	2,85	0,07	0,72	0,02
XIX.	Book value per share (PLN\EURO)	41,12	41,09	10,65	8,74
XX.	Diluted book value per share (PLN\EURO)	41,12	41,09	10,65	8,74
XXI.	Declared or distributed dividend per share ** (PLN\EURO)	0,69	0,59	0,18	0,13

* Comparative data on the Statement of Financial Position refer to 31 December 2009

** Amount of declared or distributed dividend per share is calculated by the number of shares at the report date, i.e.: 15 115 161 shares

The weighted average number of shares:
– in first quarter 2010: in January-March 15 115 161;
– in first quarter 2009: in January-March 15 115 161.

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 3,9669 PLN/EURO for first quarter of 2010, and 4,5994 PLN/EURO for first quarter of 2009,
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 3,8622 PLN/EURO on 31 March 2010, and 4,7013 PLN/EURO on 31 March 2009.

(in PLN 000s, unless indicated otherwise)

8.2 Stand-Alone Summary Statement of Financial Position.

	31 March 2010	31 December 2009	31 March 2009
Fixed Assets	**572 125**	**572 363**	**541 884**
Tangible fixed assets	45 392	45 825	41 858
Investment real property	3 166	3 166	3 166
Intangible assets	6 662	6 418	4 821
Financial assets	516 582	516 581	491 523
Long-term loans			
Long-term receivables and other deferred income	62	63	67
Deferred income tax assets	261	310	449
Current Assets	**60 746**	**60 034**	**67 773**
Stock	53	49	39
Receivables	6 312	6 495	5 232
Income tax withholding	1 917	1 695	470
Short-term securities	42 000	31 745	54 195
Prepaid expenses	1 473	476	884
Cash	1 991	2 574	4 744
Other financial assets	7 000	17 000	2 209
Total Assets	**632 871**	**632 397**	**609 657**
Equity	**621 508**	**621 087**	**587 201**
Share capital	15 115	15 115	15 115
Share premium capital	549 559	549 559	549 559
Supplementary capital	1 526	1 526	1 526
Supplementary capital from the evaluation of managerial options	482	482	268
Reserve capital	12 376	12 376	19 871
Revaluation capital			
Treasury shares			
Retained profit	42 450	42 029	862
Total equity allocated to shareholders of dominant entity	**621 508**	**621 087**	**587 201**
Equity of minority shareholders			
Long-term liabilities	**1 696**	**1 404**	**891**
Credit facilities, loans and debt securities	121	21	45
Long-term liabilities			
Provisions	88	88	42
Provision against deferred income tax	1 487	1 295	804
Short-term liabilities	**9 667**	**9 906**	**21 565**
Credit facilities, loans and debt securities	4 100	4 023	12 917
Short-term liabilities	4 811	4 825	6 827
Income tax liabilities			157
Provisions	728	953	1 604
Deferred income	28	105	60
Total liabilities	**632 871**	**632 397**	**609 657**

(in PLN 000s, unless indicated otherwise)

	31 March 2010	31 December 2009	31 March 2009
Book value	621 508	621 087	587 201
Number of shares	15 115 161	15 115 161	15 115 161
Diluted number of shares	15 115 161	15 115 161	15 115 161
Book value per share (PLN)	41,12	41,09	38,85

8.3 Stand-Alone Summary Profit and Loss Account and Stand-Alone Summary Statement of Comprehensive Income

	3 months ended 31 March 2010	3 months ended 31 March 2009
Sales revenues	12 552	12 512
Cost of goods sold	(10 869)	(9 144)
Profit on sales	**1 683**	**3 368**
Other operating income	158	31
Selling expense	(1)	(1)
General administrative expense	(1 817)	(2 135)
Other operating expense	(81)	(32)
Profit on operations	**(58)**	**1 231**
Financial income	793	747
Financial expense	(73)	(36)
Profit before tax	**662**	**1 942**
Income tax	(241)	(561)
- current		
- deferred	(241)	(561)
Profit for period	**421**	**1 381**
Profit for period for shareholders of dominant entity		
Profit for period for minority shareholders		

	3 months ended 31 March 2010	3 months ended 31 March 2009
Profit (loss) for period (annualised)	43 012	1 126
Weighted average of ordinary shares *	15 115 161	15 115 161
Diluted weighted average of ordinary shares *	15 115 161	15 115 161
Profit (loss) for period (annualised)	2,85	0,07

The weighted average number of shares:
– in first quarter 2010: in January-March 15 115 161;
– in first quarter 2009: in January-March 15 115 161.

Statement of total income	3 months ended 31 March 2010	3 months ended 31 March 2009
Profit for period	421	1 381
Other total income:		
Total income for period	**421**	**1 381**

(in PLN 000s, unless indicated otherwise)

8.4 Stand-alone Summary Report of Changes in Equity

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Retained profit	Total equity
1 January 2010	**15 115**	**549 559**	**1 526**	**482**	**12 376**		**42 029**	**621 087**
Correction of error for 2009								
1 January 2010 adjusted	**15 115**	**549 559**	**1 526**	**482**	**12 376**		**42 029**	**621 087**
Profit for 3 months until 31 March 2010							421	**421**
Valuation of management option								
Distribution of 2009 profit – allocation to capital funds								
Dividend for shareholders as part of 2009 profit distribution								
31 March 2010	**15 115**	**549 559**	**1 526**	**482**	**12 376**		**42 450**	**621 508**

1 January 2009	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**
Correction of error for 2008								
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**
Valuation of management option								
Distribution of 2009 profit – allocation to capital funds								
Dividend for shareholders as part of 2009 profit distribution								
31 March 2009	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**862**	**587 201**

(in PLN 000s, unless indicated otherwise)

	Share capital	Share premium capital	Supplementary capital	Supplementary capital from the evaluation of managerial options	Reserve capital	Revaluation capital	Retained profit	Total equity
1 January 2009	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**
Correction of error for 2008								
1 January 2009 adjusted	**15 115**	**549 559**	**1 526**	**268**	**19 871**		**(519)**	**585 820**
Profit for 12 months until 31 December 2009							43 971	**43 971**
Valuation of management option				214				**214**
Dividend for shareholders as part of 2008 profit distribution					(7 496)		(1 422)	**(8 918)**
31 December 2009	**15 115**	**549 559**	**1 526**	**482**	**12 376**		**42 029**	**621 087**

(in PLN 000s, unless indicated otherwise)

8.5 Stand-Alone Summary Report of Cash Flow

	3 months ended 31 March 2010	3 months ended 31 March 2009
Profit (loss) for period	**421**	**1 381**
Adjustments for:	**661**	**1 206**
Depreciation	2 485	1 534
Interest and share in profit (dividends)	(680)	(662)
Income tax	241	561
Profit (loss) on investing activity	24	17
Change in provisions	(225)	(325)
Change in stock	(4)	(17)
Change in receivables	82	1 331
Change in accruals	(1 072)	(589)
Change in short-term liabilities	32	(297)
Other adjustments		
Income tax paid	(222)	(347)
Net cash flows from operating activity	**1 082**	**2 587**
Income	**117 841**	**151 902**
Sale of fixed and intangible asset	143	182
Sale of financial assets	106 600	151 700
Dividends received		
Interest received	198	20
Repayment of loans granted	10 900	
Other income		
Expenditures	**(119 378)**	**(165 785)**
Purchase of fixed and intangible assets	(2 173)	(3 146)
Investments in real property		
Purchase of subsidiaries and associated entities	(1)	(23 523)
Purchase of financial assets	(116 304)	(139 116)
Loans granted	(900)	
Cash in subsidiaries at date of sale		
Other expenditures		
Net cash flows from investing activity	**(1 537)**	**(13 883)**
Income	**3 939**	**12 853**
Income from credit facilities and loans contracted		
Issue of short-term debt securities	3 939	12 853
Share issue		
Other income		
Expenditures	**(4 067)**	**(8)**
Repayment of credit facilities and loans		
Redemption of short-term debt securities	(4 000)	
Payment of liabilities under financial leases	(59)	(7)
Interest and charges paid	(8)	(1)
Dividends paid		
Other		
Net cash flows from financial activity	**(128)**	**12 845**

(in PLN 000s, unless indicated otherwise)

Change in cash	**(583)**	**1 549**
Exchange differences		
Cash at beginning of period	**2 574**	**3 195**
Cash at end of period	**1 991**	**4 744**

Lublin, May 2010

Signatures of members of Management Board:

2010-05-17	Artur Kawa	President of the management board	.... signature
2010-05-17	Jarosław Wawerski	Vice- President of the management board	.... signature
2010-05-17	Dariusz Kalinowski	Member of the management board – Financial Director	.... signature
2010-05-17	Marek Wesołowski	Member of the management board – Retail Business Director	.... signature
2010-05-17	Grzegorz Wawerski	Member of the management board – Retail Business Development Director	.... signature

Person responsible for accountancy:

2010-05-17	Elżbieta Świniarska	Economic Director	.... signature